

Financial Statements

**JEWISH FAMILY SERVICES OF
GREATER ORLANDO, INC.**

December 31, 2017

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Financial Statements

December 31, 2017

(With Independent Auditor's Report Thereon)

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

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Independent Auditor's Report

The Board of Directors
Jewish Family Services of Greater Orlando, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Services of Greater Orlando, Inc. (the Organization) which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Services of Greater Orlando, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 31, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schacter, Tschopp, Whitcomb, Mitchell & Shulman, LLP

April 2, 2018
Maitland, Florida

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC

Statement of Financial Position

December 31, 2017

(With summarized totals for December 31, 2016)

Assets

	2017	2016
Cash and cash equivalents	\$ 1,048,972	493,078
Accounts receivable	75,246	34,289
Investments held by T.O.P. (note 2)	1,288,150	1,082,132
Food pantry inventory	28,104	9,493
Total current assets	2,440,472	1,618,992
Property and equipment (note 3)	1,034,055	1,050,369
Other	1,966	2,328
Total assets	\$ 3,476,493	2,671,689

Liabilities and Net Assets

Liabilities:		
Accounts payable and accrued expenses	\$ 32,759	75,588
Total current liabilities	32,759	75,588
Net assets:		
Unrestricted	2,819,665	2,059,982
Temporarily restricted (notes 4 and 5)	309,119	221,169
Permanently restricted (note 5)	314,950	314,950
Total net assets	3,443,734	2,596,101
Total liabilities and net assets	\$ 3,476,493	2,671,689

See accompanying notes to financial statements.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Statement of Activities

Year ended December 31, 2017

(With summarized totals for the year ended December 31, 2016)

	2017			2016 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Public support and revenue:				
Public support:				
Government contracts	\$ 117,800	-	-	117,800
Contributions:				
Jewish Federation of Greater Orlando	-	-	-	2,196
United Way	72,876	-	-	58,881
Individuals and others	182,654	272,093	-	684,747
Estates and bequests	1,037,762	-	-	230,059
In-kind contributions	138,090	214,744	-	317,388
Special events (less benefit to donor costs of \$23,955)	48,700	-	-	176,832
Total public support	<u>1,597,882</u>	<u>486,837</u>	<u>-</u>	<u>1,704,356</u>
Revenue:				
Program fees	123,452	-	-	105,648
Other	2,330	-	-	31
Rental income	19,633	-	-	23,025
Investment income from T.O.P. funds (note 2)	91,686	-	-	40,026
Total revenue	<u>237,101</u>	<u>-</u>	<u>-</u>	<u>168,730</u>
Net assets released from restrictions	<u>398,887</u>	<u>(398,887)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>2,233,870</u>	<u>87,950</u>	<u>-</u>	<u>1,873,086</u>
Program Expenses:				
Counseling	206,655	-	-	171,345
Emergency Services	267,902	-	-	492,187
Pantry	341,017	-	-	171,383
Family stabilization program	174,317	-	-	174,335
Chaplaincy	88,297	-	-	63,964
Volunteers	68,972	-	-	55,253
Total program expenses	<u>1,147,160</u>	<u>-</u>	<u>-</u>	<u>1,128,467</u>
Support services:				
Management and general	95,557	-	-	70,562
Fund raising	231,470	-	-	209,253
Total support services	<u>327,027</u>	<u>-</u>	<u>-</u>	<u>279,815</u>
Total expenses	<u>1,474,187</u>	<u>-</u>	<u>-</u>	<u>1,408,282</u>
Changes in net assets	759,683	87,950	-	464,804
Net assets, beginning of year	<u>2,059,982</u>	<u>221,169</u>	<u>314,950</u>	<u>2,131,297</u>
Net assets, end of year	<u>\$ 2,819,665</u>	<u>309,119</u>	<u>314,950</u>	<u>2,596,101</u>

See accompanying notes to financial statements.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Statement of Functional Expenses

Year ended December 31, 2017
(With summarized totals for the year ended December 31, 2016)

	Program Services							Supporting Services				
	Counseling	Emergency Services	Pantry	Family Stabilization Program	Chaplaincy	Volunteers	Total Programs	Management and General	Fund Raising	Total	2017 Total Expenses	2016 Total Expenses
Salaries and related expenses	\$ 85,365	95,413	103,080	104,533	64,744	52,136	505,271	68,152	108,191	176,343	681,614	681,508
Specific assistance to individuals	20,674	140,105	199,257	34,248	-	-	394,284	1,000	-	1,000	395,284	411,361
Loss on sale of assets	-	-	-	-	-	-	-	-	-	-	-	(1,200)
Service and supplies	1,730	1,629	1,760	1,785	1,105	1,057	9,066	1,409	1,847	3,256	12,322	10,238
Transportation	392	6	900	63	1,582	-	2,943	7	175	182	3,125	5,814
Professional fees	72,579	8,792	9,499	9,632	5,966	4,048	110,516	9,154	93,781	102,935	213,451	159,432
Telephone	1,571	1,756	1,897	1,923	1,191	960	9,298	1,255	1,991	3,246	12,544	9,328
Postage	303	339	366	371	230	185	1,794	242	384	626	2,420	3,833
Occupancy	4,860	5,432	5,869	5,952	3,686	2,968	28,767	3,885	6,160	10,045	38,812	38,658
Staff development	143	160	172	175	108	98	856	114	181	295	1,151	467
Depreciation	6,183	6,910	7,466	7,571	4,689	3,765	36,584	4,940	7,836	12,776	49,360	32,359
Insurance	1,292	1,444	4,360	1,582	980	788	10,446	1,032	1,637	2,669	13,115	16,446
Office expenses	11,340	5,665	6,120	6,206	3,844	2,827	36,002	4,186	9,002	13,188	49,190	38,932
Dues and licenses	223	251	271	276	172	140	1,333	181	285	466	1,799	1,106
Total expenses	\$ 206,655	267,902	341,017	174,317	88,297	68,972	1,147,160	95,557	231,470	327,027	1,474,187	1,408,282

See accompanying notes to financial statements.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Statement of Cash Flows

Year ended December 31, 2017

(With summarized totals for the year ended December 31, 2016)

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 847,633	464,804
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	49,360	32,359
Loss (gain) from T.O.P. investments	(91,686)	(40,026)
Net increase (decrease) in cash flows from changes in:		
Accounts receivable	(40,957)	5,456
Inventory - pantry	(18,611)	(6,387)
Other assets	362	(26)
Accounts payable and accrued expenses	(42,829)	42,873
Net cash provided by operating activities	703,272	499,053
Cash flows from investing activities:		
Purchase of property and equipment	(33,046)	(182,339)
Net cash used in investing activities	(33,046)	(182,339)
Cash flows from financing activities:		
Investment in T.O.P. managed fund	-	(250,000)
Proceeds from T.O.P. grants	40,831	30,304
Contributions to T.O.P. funds	(155,163)	(210,102)
Net cash used in financing activities	(114,332)	(429,798)
Net increase (decrease) in cash	555,894	(113,084)
Cash and cash equivalents, beginning of year	493,078	606,162
Cash and cash equivalents, ending of year	\$ 1,048,972	493,078
Cash paid for interest	\$ -	-

See accompanying notes to financial statements.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2017

(1) **Organization and Summary of Significant Accounting Policies**

(a) **General**

Jewish Family Services of Greater Orlando, Inc. (the “Organization” or “Jewish Family Services”) is a not-for-profit services organization, located in Winter Park, Florida, which provides crisis, individual, marital and family counseling; emergency assistance (food, rent, utilities); family stabilization program, volunteer services, KidsKonnnect (in school group counseling for children affected by divorce) and Chaplancy services.

(b) **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) **Net Asset Classes**

The accompanying financial statements present information regarding the Organization’s financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The three classes are differentiated by donor restrictions.

- ◆ Unrestricted net assets may be designated for specific purposes by Jewish Family Services or may be limited by contractual agreements with outside parties.
- ◆ Temporarily restricted net assets are subject to donor stipulations that expire by the passage of time or can be fulfilled or removed by actions pursuant to the stipulations. Temporarily restricted net assets consist principally of gifts restricted by donors for funding of specified programs.
- ◆ Permanently restricted net assets are subject to donor stipulations requiring that they be maintained permanently, thereby restricting the use of principal. Usually, donor stipulations allow the income earned to be used currently for a designated purpose. Permanently restricted net assets consist principally of permanent endowment balances.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2017

(1) Organization and Summary of Significant Accounting Policies (Continued)

(c) Net Asset Classes (Continued)

Contributions received with donor imposed restrictions that are met in the same year as they are received are reported as unrestricted support. In addition, absent explicit donor stipulations about how long fixed assets must be maintained, the Organization reports expirations of donor restrictions on cash or cash equivalents that must be used to acquire fixed assets when the fixed assets begin construction and/or are acquired.

The Organization displays revenue in the following two natural classifications:

Revenue---Fees earned for the performance of Organization services.

Public Support---Unconditional gifts to the Organization of cash or other assets in a voluntary nonreciprocal transfer by another entity.

Revenue and public support are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenue in the period made or received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes all highly liquid investments purchased with a maturity of three months or less.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2017

(1) Organization and Summary of Significant Accounting Policies (Continued)

(e) Investments

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which is considered a fair measure of the value at the date of donation).

(f) Inventory

Inventory of the food pantry is stated at estimated fair market value for donated food and lower of cost or market for purchased food.

(g) Property and Equipment

Property and equipment are stated at cost except for gifted property, which is stated at the estimated fair market value at the date of the gift. Depreciation is provided on the straight-line method over the estimated useful lives of the assets which range from 3 to 39 years. All property expenditures in excess of \$1,000 are capitalized; maintenance and renewals are charged to expense as incurred.

(h) Financial Instruments Fair Value and Concentration of Business and Credit Risk

The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, approximates fair value because of the immediate or short-term maturity of these financial statements. The carrying amount reported in the accompanying statement of financial position for mortgage payable approximates fair value because actual interest rates do not significantly differ from current rates offered for instruments with similar characteristics.

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of accounts and grant/contracts receivable which amount to approximately \$75,000. The Organization provides various types of services to qualified individuals and generally does not require collateral. Grants and contracts receivable, as applicable, arise as a result of the agreements with third parties to provide specified services. The grants and contracts are monitored on a monthly basis and are not collateralized. The Organization maintains its cash balances at certain financial institutions in which balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2017

(1) Organization and Summary of Significant Accounting Policies (Continued)

(i) Donated Goods and Services

Donated materials and equipment are reflected as gifts-in-kind in the accompanying financial statements at their estimated values at date of receipt. For the years ended December 31, 2017 and 2016, in-kind contributions, substantially consisting of food, were valued at approximately \$353,000 and \$317,000, respectively. No amounts have been reflected in the statements for donated services because no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fund-raising campaigns.

(j) Income Taxes

Jewish Family Services is exempt from payment of federal and state income taxes under Internal Revenue Code Section 501(c)(3). In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

The Organization has adopted the provisions of FASB ASC SubTopic 740-10, (FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*). These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2017, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2014 to 2016 are open to examination by federal authorities.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2017

(1) Organization and Summary of Significant Accounting Policies (Continued)

(k) Subsequent Events

In preparing these financial statements, the Partnership has evaluated subsequent events and transactions for potential recognition and disclosure through April 2, 2018, which is the date the financial statements were available to be issued.

(l) Prior Year Comparative Data

The financial statements include certain prior year summarized comparative information. This information has been presented in order to provide an understanding of changes in the Organization's financial position and activities. The prior year information in the statement of activities is presented in total but not by net asset class and, as such, does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In addition, certain amounts have been reclassified in order to conform with the current year's presentation.

(m) Functional Allocation of Expenses

The costs of providing Organization programs and the administration of the Organization have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(n) Reclassification

Certain prior year balances were reclassified to conform with 2017 presentation.

(2) Investments held by T.O.P.

Investments held by the Tampa-Orlando-Pinellas Jewish Foundation (T.O.P.) consist primarily of endowment funds and are recorded at their fair market value. T.O.P. invests funds it holds for the benefit of others in marketable securities on a pooled or segregated basis as appropriate to the fund (all Jewish Family Services' funds are pooled).

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2017

(2) Investments held by T.O.P. (Continued)

Generally accepted accounting principles defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements which currently applies to all financial assets and liabilities, as well as for any other assets and liabilities that are carried at fair value on a recurring basis.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. These principles also establish a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value using three levels of inputs as follows:

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3: inputs that are unobservable (for example, cash flow modeling based on assumptions)

The Organization did not change its valuation techniques during the year and continues to use Level 1 inputs to measure the fair value of its investments.

(3) Property and Equipment

Major classifications of property and equipment at December 31, 2017 are summarized below:

Land	\$ 412,680
Building and improvements	947,861
Furniture and fixtures	85,903
Office equipment	65,624
Automobile	14,883
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	1,526,951
Accumulated depreciation and amortization	(492,896)
	<hr/>
	\$ 1,034,055

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2017

(4) Temporarily Restricted Net Assets

At December 31, 2017, temporary restricted net assets are available for the following purposes:

General endowment	\$ 36,955
Scholarship	48,416
Family Stabilization Program	107,229
RIDE program	36,216
Food/pantry	<u>80,303</u>
Total	<u>\$ 309,119</u>

(5) Endowments

The Board of Directors of the Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA. Any amount not appropriated for expenditure will be reclassified, subject to the original endowment restrictions imposed by the donor. In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2017

(5) Endowments (Continued)

The externally controlled endowment interest held by a third party is invested according to third party decisions; the Organization has no control over the investment policy.

Endowment net asset composition by type of fund:

<u>December 31, 2017</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds:				
Externally controlled, TOP	\$ 887,830	85,370	314,950	1,288,150
	<u>\$ 887,830</u>	<u>85,370</u>	<u>314,950</u>	<u>1,288,150</u>

Changes in endowment net assets:

<u>December 31, 2017</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowments, beginning of year	\$ 687,548	79,634	314,950	1,082,132
Investment return:				
Donations	155,163	-	-	155,163
Transfer	(40,831)	-	-	(40,831)
Net appreciation (realized and unrealized)	85,950	5,736	-	91,686
Endowments, end of year	<u>\$ 887,830</u>	<u>85,370</u>	<u>314,950</u>	<u>1,288,150</u>