

**JEWISH FAMILY SERVICES OF
GREATER HARTFORD INC.**

Consolidated Financial Statements

JUNE 30, 2018 AND 2017



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JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

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June 30, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Jewish Family Services of Greater Hartford, Inc.

We have audited the accompanying consolidated financial statements of Jewish Family Services of Greater Hartford, Inc. (the "Agency") which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jewish Family Services of Greater Hartford, Inc. as of June 30, 2018 and 2017, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and of activities on pages 16 through 19 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "Whittlesey PC". The signature is written in black ink and is positioned above the typed name and date.

Hartford, Connecticut
January 10, 2019

JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

Consolidated Statements of Financial Position

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash	\$ 787,927	\$ 589,723
Grants receivable	99,870	66,156
Accounts receivable, net of allowance for doubtful accounts of \$9,762 and \$10,000, respectively	221,704	241,029
Pledges receivable	-	58,000
Prepaid expenses	48,492	49,416
Funds held in trust held by others	497,544	477,311
Equipment and leasehold improvements, net	8,211	17,286
 Total assets	 <u>\$ 1,663,748</u>	 <u>\$ 1,498,921</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 163,040	\$ 128,500
 Total liabilities	 <u>163,040</u>	 <u>128,500</u>
 Net Assets		
Unrestricted	1,425,408	1,215,449
Temporarily restricted	65,300	144,972
Permanently restricted	10,000	10,000
 Total net assets	 <u>1,500,708</u>	 <u>1,370,421</u>
 Total liabilities and net assets	 <u>\$ 1,663,748</u>	 <u>\$ 1,498,921</u>

The accompanying notes are an integral part of the consolidated financial statements.

JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

Consolidated Statement of Activities and Changes in Net Assets

For the year ended June 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and gains				
Federal and State grants	\$ 64,313	\$ -	\$ -	\$ 64,313
Public support	448,026	158,650	-	606,676
Community foundations and other private grants	974,241	-	-	974,241
Fee income, net	2,671,866	-	-	2,671,866
Other income	9,561	-	-	9,561
Net assets released due to satisfaction of restrictions	238,322	(238,322)	-	-
Total revenues and gains	<u>4,406,329</u>	<u>(79,672)</u>	<u>-</u>	<u>4,326,657</u>
Program expenses				
Chronic needs	110,470	-	-	110,470
Family counseling	301,610	-	-	301,610
Child clinic	291,090	-	-	291,090
Older adult	375,808	-	-	375,808
Holocaust survivors	414,918	-	-	414,918
TANF Case Management	75,134	-	-	75,134
Other programs	327,635	-	-	327,635
JFS care at home	2,033,434	-	-	2,033,434
Total program expenses	3,930,099	-	-	3,930,099
General and administrative	199,467	-	-	199,467
Fundraising	105,590	-	-	105,590
Total expenses	<u>4,235,156</u>	<u>-</u>	<u>-</u>	<u>4,235,156</u>
Changes in net assets from operations	171,173	(79,672)	-	91,501
Non-operating activities				
Investment income, net	38,786	-	-	38,786
Total non-operating activities	38,786	-	-	38,786
Changes in net assets	209,959	(79,672)	-	130,287
Net assets, beginning	<u>1,215,449</u>	<u>144,972</u>	<u>10,000</u>	<u>1,370,421</u>
Net assets, ending	<u>\$ 1,425,408</u>	<u>\$ 65,300</u>	<u>\$ 10,000</u>	<u>\$ 1,500,708</u>

The accompanying notes are an integral part of the consolidated financial statements.

JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

Consolidated Statement of Activities and Changes in Net Assets

For the year ended June 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and gains				
Federal and State grants	\$ 60,413	\$ -	\$ -	\$ 60,413
Public support	456,006	160,414	-	616,420
Community foundations and other private grants	790,803	-	-	790,803
Fee income, net	2,530,254	-	-	2,530,254
Other income	10,826	-	-	10,826
Net assets released due to satisfaction of restrictions	164,332	(164,332)	-	-
Total revenues and gains	<u>4,012,634</u>	<u>(3,918)</u>	<u>-</u>	<u>4,008,716</u>
Program expenses				
Chronic needs	109,327	-	-	109,327
Family counseling	299,374	-	-	299,374
Child clinic	249,100	-	-	249,100
Older adult	368,474	-	-	368,474
Holocaust survivors	326,389	-	-	326,389
TANF Case Management	71,856	-	-	71,856
Other programs	280,680	-	-	280,680
JFS care at home	1,914,146	-	-	1,914,146
Total program expenses	3,619,346	-	-	3,619,346
General and administrative	236,905	-	-	236,905
Fundraising	111,576	-	-	111,576
Total expenses	<u>3,967,827</u>	<u>-</u>	<u>-</u>	<u>3,967,827</u>
Changes in net assets from operations	<u>44,807</u>	<u>(3,918)</u>	<u>-</u>	<u>40,889</u>
Non-operating activities				
Investment income, net	56,212	-	-	56,212
Total non-operating activities	<u>56,212</u>	<u>-</u>	<u>-</u>	<u>56,212</u>
Changes in net assets	101,019	(3,918)	-	97,101
Net assets, beginning	<u>1,114,430</u>	<u>148,890</u>	<u>10,000</u>	<u>1,273,320</u>
Net assets, ending	<u>\$ 1,215,449</u>	<u>\$ 144,972</u>	<u>\$ 10,000</u>	<u>\$ 1,370,421</u>

The accompanying notes are an integral part of the consolidated financial statements.

JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

Consolidated Statement of Functional Expenses

For the year ended June 30, 2018

	Chronic Needs	Family Counseling	Child Clinic	Older Adult	Holocaust Survivors	TANF Case Management	Other Programs	JFS Care At Home	General and Administrative	Fundraising	Total
Salaries	\$ 74,641	\$ 226,678	\$ 241,365	\$ 288,599	\$ 96,022	\$ 44,863	\$ 116,749	\$ 1,714,233	\$ 43,622	\$ 74,702	\$ 2,921,474
Payroll taxes	6,023	20,593	18,412	22,788	8,550	4,139	11,452	166,588	4,668	6,024	269,237
Employee benefits	3,561	15,774	6,380	11,255	7,962	5,258	13,597	49,776	1,519	109	115,191
Professional fees	3,885	17,584	11,898	14,812	3,392	2,837	130,793	19,295	114,596	19,011	338,103
Assistance	-	2,932	306	2,557	288,297	-	32,021	4,876	-	-	330,989
Insurance	159	472	472	551	139	117	2,947	16,435	243	-	21,535
Public relations and advertising	-	17	-	13	-	-	2,555	10,503	1,227	2,589	16,904
Office	1,053	4,236	3,260	3,847	1,046	876	8,337	18,269	20,795	1,409	63,128
Travel and conferences	12	1,319	1,190	3,403	620	3,161	1,096	3,740	141	32	14,714
Rent	19,828	4,121	4,121	22,980	7,008	5,405	2,577	11,786	10,896	-	88,722
Telephone	211	4,250	515	912	191	1,441	277	7,200	230	1,714	16,941
Dues and subscriptions	142	866	421	798	123	6,354	2,511	8,633	692	-	20,540
Depreciation	685	2,031	2,031	2,368	597	499	2,023	2,100	206	-	12,540
Equipment maintenance and rental	270	737	719	925	971	184	700	-	632	-	5,138
Total expenses	\$ 110,470	\$ 301,610	\$ 291,090	\$ 375,808	\$ 414,918	\$ 75,134	\$ 327,635	\$ 2,033,434	\$ 199,467	\$ 105,590	\$ 4,235,156

The accompanying notes are an integral part of the consolidated financial statements.

JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

Consolidated Statement of Functional Expenses

For the year ended June 30, 2017

	Chronic Needs	Family Counseling	Child Clinic	Older Adult	Holocaust Survivors	TANF Case Management	Other Programs	JFS Care At Home	General and Administrative	Fundraising	Total
Salaries	\$ 76,376	\$ 231,509	\$ 199,210	\$ 275,925	\$ 94,543	\$ 47,077	\$ 36,236	\$ 1,586,306	\$ 128,318	\$ 83,324	\$ 2,758,824
Payroll taxes	6,171	21,434	15,192	22,626	8,515	4,363	8,753	160,447	7,495	5,864	260,860
Employee benefits	3,247	21,658	14,841	23,871	12,005	7,991	-	67,375	-	-	150,988
Professional fees	1,548	4,597	5,006	5,939	1,352	2,141	172,809	13,037	76,311	-	282,740
Assistance	161	2,035	477	3,583	199,327	117	26,546	2,585	244	-	235,075
Insurance	197	585	585	681	172	143	3,133	27,000	556	-	33,052
Public relations and advertising	-	-	245	860	-	-	2,678	13,804	-	10,906	28,493
Office	1,117	3,574	3,712	3,883	1,192	1,732	21,812	13,479	11,882	9,840	72,223
Travel and conferences	33	1,529	1,026	3,008	591	258	327	2,905	508	-	10,185
Rent	18,739	3,895	3,895	21,719	6,622	5,107	2,436	9,417	8,657	1,642	82,129
Telephone	164	3,945	386	859	146	1,152	223	6,901	1,855	-	15,631
Dues and subscriptions	634	1,882	1,918	2,282	554	1,110	3,290	7,790	-	-	19,460
Bad debt expense	-	-	-	-	-	-	-	1,000	-	-	1,000
Depreciation	669	1,984	1,984	2,314	584	488	1,975	2,100	202	-	12,300
Equipment maintenance and rental	271	747	623	924	786	177	462	-	877	-	4,867
Total expenses	\$ 109,327	\$ 299,374	\$ 249,100	\$ 368,474	\$ 326,389	\$ 71,856	\$ 280,680	\$ 1,914,146	\$ 236,905	\$ 111,576	\$ 3,967,827

The accompanying notes are an integral part of the consolidated financial statements.

JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

Consolidated Statements of Cash Flows

For the years ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ 130,287	\$ 97,101
Adjustments to reconcile change in net assets to net change in cash from operating activities		
Depreciation	12,540	12,300
Unrealized gain on funds held in trust, net	(37,380)	(51,101)
Realized gain on funds held in trust, net	(1,204)	(5,768)
(Increase)/decrease in:		
Grants receivable	(33,714)	(6,156)
Accounts receivable	19,325	10,425
Pledges receivable	58,000	-
Prepaid expenses	924	(12,772)
Increase/(decrease) in:		
Accounts payable and accrued liabilities	34,540	(57,451)
Net change in cash from operating activities	183,318	(13,422)
Cash flows from investing activities		
Distributions from endowment, net	18,351	19,658
Purchase of fixed assets	(3,465)	(1,885)
Net change in cash from investing activities	14,886	17,773
Net change in cash and cash equivalents	198,204	4,351
Cash and cash equivalents, beginning of year	589,723	585,372
Cash and cash equivalents, end of year	\$ 787,927	\$ 589,723

The accompanying notes are an integral part of the consolidated financial statements.

JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

Notes to Consolidated Financial Statements

June 30, 2018 and 2017

NOTE 1 – ORGANIZATION

Jewish Family Services of Greater Hartford, Inc. (the “Agency”) is a multi-service organization dedicated to helping individuals and families deal with adversity and life cycle transitions. Guided by the highest professional standards in counseling, advocacy and educational programming, the Agency’s mission is to enhance and strengthen quality of life through the Jewish tradition of caring and compassion. The Agency achieves its mission by helping individuals and families progress toward emotional well-being, self-reliance and more positive relationships. The Agency has been in existence since 1912.

Services include programs for persons with chronic needs and disabilities, family counseling, Benet A. Rothstein Child Services Program, older adult services, the Holocaust Survivors Grant Programs, and TANF Case Management (a state funded welfare to work initiative). The Agency also has a Volunteer Program. As part of the Agency’s Economic Response Services, it offers a Kosher Food Pantry Program, Basic Human Needs Assistance, Case Management, and the Jewish Employment Transitions Service (“JETS”) which addresses the needs of unemployed persons to develop new job seeking skills and secure new employment. The Agency continues to provide bilingual counseling to Russian speaking individuals resettled by the Agency. The state-mandated Parent Education Program enables the Agency to support families in transition with children who are dealing with divorce, separation or custody matters.

The Agency is licensed by the State of Connecticut Department of Public Health as an Adult Outpatient Psychiatric Clinic and by the Department of Children and Families as an outpatient psychiatric clinic for children and teens up to age eighteen. The Agency is nationally accredited by the Council on Accreditation (“COA”) through July 2019. The Agency is also an active member of the Connecticut Council of Family Service Agencies.

All operations of the Agency are overseen by a voluntary Board of Directors whose members are representative of the local community. The Agency receives funds from federal and state agencies and grants from community foundations. The Jewish Community Foundation and the Hartford Foundation for Public Giving are significant philanthropic funders. The Agency also receives contributions from individuals and family foundations. The Agency is further supported by federated giving through the Jewish Federation of Greater Hartford and the United Way of Central and Northeastern Connecticut. Revenues from clients and private insurance as well as public insurance (Medicaid and Medicare) are additional sources of funding.

Jewish Family Services of Greater Hartford, Inc. includes the activity of JFS Care at Home, LLC (the “LLC”). The LLC, for tax purposes, is a disregarded limited liability company formed in 2008. The LLC is a comprehensive companion and homemaker service for older adults who need assistance to remain in their homes, apartments or assisted living facilities. The LLC’s sole member is the Agency; its Board of Managers is comprised of the Agency’s Chief Executive Officer, their Director of Clinical Services and the Director of JFS Care at Home. The Board of Managers is responsible to the Agency’s Board of Directors.

Intercompany transactions between the Agency and the LLC have been eliminated in consolidation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. The Agency reports information regarding its activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. They are described as follows:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(*CONTINUED*)

Unrestricted net assets – Net assets not subject to donor imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor imposed stipulations that may or will be met by actions of the Agency and/or passage of time.

Permanently restricted net assets – Net assets subject to explicit donor imposed stipulations that they be maintained permanently by the Agency.

To ensure observance of limitations and restrictions placed on the use of resources available to the Agency, the accounts are maintained in accordance with their respective fund group. The assets, liabilities and net assets are classified in accordance with specified restrictions or objectives; funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group as follows:

Chronic Needs	TANF Case Management
Family Counseling	Other Programs
Child Clinic	JFS Care at Home
Older Adult	General and Administrative
Holocaust Survivors	

Revenues 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. Gains and losses on investments and other assets or liabilities, if any, are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. 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. Donor-restricted contributions whose restrictions are met in the same reporting period have been reported as unrestricted support in the consolidated statements of activities and changes in net assets.

Tax Status – The Agency was granted an exempt status under Section 501(c)(3) of the Internal Revenue Code. Under Section 501(c)(3), the Agency is generally exempt from federal and state income taxes. JFS Care At Home, LLC is considered a disregarded entity for tax purposes, and as such falls under the tax status of Jewish Family Services of Greater Hartford, Inc.

Fair Value Measurement – The Agency follows the Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification (FASB ASC 820), which defines fair value and establishes a framework for measuring fair value in generally accepted accounting principles. The topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (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. The topic also establishes 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. Three levels of inputs may be used to measure fair values:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that reflect the Agency’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation techniques based on unobservable inputs are highly subjective and require judgments regarding significant matters such as the amount and timing of future cash flows and the selection of discount rates that may appropriately reflect market and credit risks. Changes in these judgments often have a material impact on the fair value estimates. In addition, since these estimates are as of a specific point in time they are susceptible to material near-term changes.

Investments – The Agency has a limited pool of funds that is currently managed by the Jewish Community Foundation. The Budget & Finance Committee of the Board is charged with oversight/review of the fund investments. The actual investment strategy, management, purchases and sales of assets is delegated to the Investment Committee of the Jewish Community Foundation. The Agency follows an investment policy to meet its primary investment goals of preserving the long-term purchasing power of the Agency's assets, while providing the maximum funding possible for the Agency's overall operations.

Contributions – Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Fee Income – Fee income is reported at the estimated net realizable amount from patients, third-party payers, and others for services rendered. Revenue received under cost reimbursement agreements is subject to audit and retroactive adjustment by third-party payers. Provisions for estimated adjustments have been reflected in revenue. Differences between estimated adjustments and final settlements are recorded in the year of settlement. Management reviews the collectability of its receivables and establishes an allowance for doubtful accounts for receivables that may not be collected.

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

Equipment and Leasehold Improvements – Furniture and equipment is stated at cost. Depreciation is recorded on the straight-line method over economic lives of five to seven years. The Agency follows the practice of capitalizing, at cost, all expenditures for fixed assets valued at \$500 or more.

Cash – The Agency maintains its cash in bank accounts, which, at times, may exceed federally insured limits.

Subsequent Events Measurement Date – The Agency monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for the year June 30, 2018 through January 10, 2019, the date on which the consolidated financial statements were available to be issued.

NOTE 3 – ACCOUNTS AND PLEDGES RECEIVABLE

Accounts and pledges receivable represent amounts billed or unconditional promises to give which have not yet been received, which are expected to be collected in less than one year. As of June 30, 2018 and 2017, the allowance for doubtful accounts was \$9,762 and \$10,000, respectively.

NOTE 4 – FUNDS HELD IN TRUST BY OTHERS

Funds held in trust by others represent investments that are being held for the benefit of the Jewish Family Services of Greater Hartford, Inc. by the Jewish Community Foundation of Greater Hartford, Inc. (the “Foundation”). The Agency also has other investments that have been donated that are maintained in a separate account. The value represents the Agency’s share in the pooled investments at current market value as provided by the Foundation.

The Agency has no control over how the funds are invested and sufficient notice must be given to the Foundation prior to requesting a distribution. The Agency receives statements on a quarterly basis from the Foundation, whose investments are mostly valued using Level 1 inputs. The Agency’s investment in the Foundation is valued using Level 2 inputs.

The Agency follows the Not-for-Profit Entities topic of the FASB Accounting Standards Codification, (FASB ASC 958) which describes the information that needs to be disclosed regarding its endowment funds. The topic requires certain minimum disclosures that are the description of the Foundation’s spending policy, as well as its endowment investment policies. It also requires the following disclosures regarding the composition of the Foundation’s endowment by net asset class and a reconciliation of the beginning and ending balance of the Foundation’s endowment.

The reconciliation of the Agency’s endowment by net asset category is as follows:

	Unrestricted Endowment	Temporarily Restricted Endowment	Permanently Restricted Endowment	Total Endowment
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Endowment, July 1, 2016	\$ 430,100	\$ -	\$ 10,000	\$ 440,100
Investment return				
Net appreciation	56,869	-	-	56,869
Interest and dividends	3,747	-	-	3,747
Investment expense	(4,404)	-	-	(4,404)
Total investment return	<u>56,212</u>	<u>-</u>	<u>-</u>	<u>56,212</u>
Contributions	-	-	-	-
Distributions	<u>(19,001)</u>	<u>-</u>	<u>-</u>	<u>(19,001)</u>
Endowment, June 30, 2017	467,311	-	10,000	477,311
Investment return				
Net appreciation	38,584	-	-	38,584
Interest and dividends	4,978	-	-	4,978
Investment expense	(4,776)	-	-	(4,776)
Total investment return	<u>38,786</u>	<u>-</u>	<u>-</u>	<u>38,786</u>
Distributions	<u>(18,553)</u>	<u>-</u>	<u>-</u>	<u>(18,553)</u>
Endowment, June 30, 2018	<u>\$ 487,544</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 497,544</u>

NOTE 5 – DESIGNATED FUNDS

The Jewish Community Foundation of Greater Hartford, Inc. (the “Foundation”) holds various designated funds that identify the Agency as the beneficiary of the income generated from these funds. These funds are owned and controlled by the Foundation and, therefore, the principal amounts are not included in the Agency’s consolidated financial statements. Income earned on these funds is distributed to the Agency and recognized as income at that time. Income distributed to the Agency for the years ended June 30, 2018 and 2017, respectively, was \$23,721 and \$20,839, and is shown as part of community foundations and other private grants on the consolidated statements of activities and changes in net assets. Total designated funds held by the Foundation for the benefit of the Agency as of June 30, 2018 and 2017 were \$982,009 and \$874,911, respectively.

NOTE 6 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements as of June 30, 2018 and 2017 were comprised of the following:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 167,314	\$ 163,849
Leasehold improvements	<u>13,957</u>	<u>13,957</u>
Total fixed assets	181,271	177,806
Less accumulated depreciation	<u>(173,060)</u>	<u>(160,520)</u>
Fixed assets, net	<u>\$ 8,211</u>	<u>\$ 17,286</u>

NOTE 7 – TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets represent resources that have donor or capital grant-imposed restrictions as to purpose or time of expenditure. Permanently Restricted Net Assets represent resources which have donor-imposed restrictions that stipulate that resources be maintained permanently. Permanently restricted net assets of \$10,000 for the years ended June 30, 2018 and 2017 were comprised of the Suzanne Jo Morales Fund.

Temporarily restricted net assets were comprised of the following as of June 30, 2018:

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Release of Restrictions</u>	<u>June 30, 2018</u>
TANF Case Management	\$ -	\$ 15,000	\$ -	\$ 15,000
Rothstein Foundation	-	11,000	-	11,000
JETS Program	6,000	8,000	(14,000)	-
Food Pantry	25,000	63,650	(54,050)	34,600
United Way Funding	58,000	-	(58,000)	-
Tara's Closet	<u>55,972</u>	<u>61,000</u>	<u>(112,272)</u>	<u>4,700</u>
Total	<u>\$ 144,972</u>	<u>\$ 158,650</u>	<u>\$ (238,322)</u>	<u>\$ 65,300</u>

NOTE 7 – TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

Temporarily restricted net assets were comprised of the following as of June 30, 2017:

	June 30, 2016	Additions	Release of Restrictions	June 30, 2017
HFPG Technology Grant	\$ 10,000	\$ 15,000	\$ (25,000)	\$ -
JETS Program	-	14,000	(8,000)	6,000
Food Pantry	25,000	40,446	(40,446)	25,000
United Way Funding	87,000	58,000	(87,000)	58,000
Tara's Closet	26,890	32,968	(3,886)	55,972
	<u>\$ 148,890</u>	<u>\$ 160,414</u>	<u>\$ (164,332)</u>	<u>\$ 144,972</u>

NOTE 8 – FEE INCOME

Fee income is reported at the estimated net realizable amount from patients, Medicare, Medicaid, and other providers for services rendered after considering allowances under reimbursement agreements with Medicare and Medicaid. Total contractual adjustments were \$706,755 and \$627,057 for the years ended June 30, 2018 and 2017, respectively.

NOTE 9 – PENSION

The Agency has a Section 403(b) Defined Contribution Retirement Plan covering substantially all of its employees. Employer contributions are discretionary. When the Agency makes a contribution, it matches the employee contributions on a dollar for dollar basis up to a maximum contribution of 4% based on each employee's years of service. All participants are fully vested once contributions have been made. There was no employer match for the years ended June 30, 2018 and 2017.

NOTE 10 – LEASES

The Agency has an operating lease for the rental of its office space including taxes, maintenance and utilities, which expired on June 30, 2016. As of the date of the financial statements, there has been no formal agreement to renew the expired agreement and the lease is now being paid on a month-to-month basis until an agreement is reached.

The rental expense for the years ended June 30, 2018 and 2017 was \$88,722 and \$82,129, respectively. Certain office equipment is leased under agreements with terms approximating five years, commencing during the year ended June 30, 2018. The following is a schedule of minimum rental commitments under non-cancelable operating leases for the years ended June 30,:

2019	\$ 5,790
2020	5,790
2021	5,790
2022	5,519

NOTE 10 – LEASES (CONTINUED)

The Agency subleases a portion of the space under a sublease on a month-to-month basis at approximately \$725 per month. The Agency also has a second sublease, also on a month-to-month basis at approximately \$140 per month. Rental income for each of the years ended June 30, 2018 and 2017 was \$8,846 and is included in other income on the consolidated statements of activities and changes in net assets.

NOTE 11 – CONTINGENCIES

From time to time the Agency is involved in litigation arising from its normal operating practices. Management is not aware of any pending matters that would materially affect the financial position of The Agency.

NOTE 12 – RELATED PARTY TRANSACTIONS

The Jewish Federation of Greater Hartford (the “Federation”) provided approximately 6% of the Agency’s total revenues for the years ended June 30, 2018 and 2017. Several trustees of the Agency are also trustees of the Federation. As discussed in Note 4, funds held in trust by others represent investments that are being held for the benefit of the Jewish Family Services of Greater Hartford, Inc. by the Jewish Community Foundation of Greater Hartford, Inc. (“Foundation”).

SUPPLEMENTAL INFORMATION

JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

Consolidating Schedule of Financial Position

June 30, 2018

	Jewish Family Services of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
Assets				
Cash	\$ 475,571	\$ 312,356	\$ -	\$ 787,927
Grants receivable	99,870	-	-	99,870
Accounts receivable (net of allowance for doubtful accounts of \$9,762)	88,883	132,821	-	221,704
Pledges receivable	-	-	-	-
Due from affiliate	90,813	-	(90,813)	-
Prepaid expenses	20,840	27,652	-	48,492
Funds held in trust	497,544	-	-	497,544
Equipment, vehicles and leasehold improvements (net of accumulated depreciation of \$173,060)	8,113	98	-	8,211
Total assets	<u>\$ 1,281,634</u>	<u>\$ 472,927</u>	<u>\$ (90,813)</u>	<u>\$ 1,663,748</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued liabilities	\$ 122,914	\$ 40,126	\$ -	\$ 163,040
Due to affiliate	-	90,813	(90,813)	-
Total liabilities	<u>122,914</u>	<u>130,939</u>	<u>(90,813)</u>	<u>163,040</u>
Net Assets				
Unrestricted	1,083,420	341,988	-	1,425,408
Temporarily restricted	65,300	-	-	65,300
Permanently restricted	10,000	-	-	10,000
Total net assets	<u>1,158,720</u>	<u>341,988</u>	<u>-</u>	<u>1,500,708</u>
Total liabilities and net assets	<u>\$ 1,281,634</u>	<u>\$ 472,927</u>	<u>\$ (90,813)</u>	<u>\$ 1,663,748</u>

JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

Consolidating Schedule of Financial Position

June 30, 2017

	Jewish Family Services of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
Assets				
Cash	\$ 460,448	\$ 129,275	\$ -	\$ 589,723
Grants receivable	66,156	-	-	66,156
Accounts receivable (net of allowance for doubtful accounts of \$10,000)	86,586	154,443	-	241,029
Pledges receivable	58,000	-	-	58,000
Due from affiliate	20,484	-	(20,484)	-
Prepaid expenses	31,392	18,024	-	49,416
Funds held in trust	477,311	-	-	477,311
Equipment, vehicles and leasehold improvements (net of accumulated depreciation of \$160,250)	15,088	2,198	-	17,286
Total assets	\$ 1,215,465	\$ 303,940	\$ (20,484)	\$ 1,498,921
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued liabilities	\$ 95,395	\$ 33,105	\$ -	\$ 128,500
Due to affiliate	-	20,484	(20,484)	-
Total liabilities	95,395	53,589	(20,484)	128,500
Net Assets				
Unrestricted	965,098	250,351	-	1,215,449
Temporarily restricted	144,972	-	-	144,972
Permanently restricted	10,000	-	-	10,000
Total net assets	1,120,070	250,351	-	1,370,421
Total liabilities and net assets	\$ 1,215,465	\$ 303,940	\$ (20,484)	\$ 1,498,921

JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

Consolidating Schedule of Activities

For the year ended June 30, 2018

	Jewish Family Services of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
Revenues				
Federal and State grants	\$ 64,313	\$ -	\$ -	\$ 64,313
Public support	606,676	-	-	606,676
Community foundations and other private grants	974,241	-	-	974,241
Fee income, net	547,271	2,124,595	-	2,671,866
Other income	9,085	476	-	9,561
Total revenues	2,201,586	2,125,071	-	4,326,657
Expenses				
Salaries	1,207,241	1,714,233	-	2,921,474
Payroll taxes	102,649	166,588	-	269,237
Employee benefits	65,415	49,776	-	115,191
Professional fees	318,808	19,295	-	338,103
Assistance	326,113	4,876	-	330,989
Insurance	5,100	16,435	-	21,535
Public relations and advertising	6,401	10,503	-	16,904
Office	44,859	18,269	-	63,128
Travel and conferences	10,974	3,740	-	14,714
Rent	76,936	11,786	-	88,722
Telephone	9,741	7,200	-	16,941
Dues and subscriptions	11,907	8,633	-	20,540
Depreciation	10,440	2,100	-	12,540
Equipment maintenance and rental	5,138	-	-	5,138
Total expenses	2,201,722	2,033,434	-	4,235,156
Changes in net assets from operations	(136)	91,637	-	91,501
Non-operating activities				
Investment income, net	38,786	-	-	38,786
Total non-operating activities	38,786	-	-	38,786
Changes in net assets	38,650	91,637	-	130,287
Net assets, beginning	1,120,070	250,351	-	1,370,421
Net assets, ending	<u>\$ 1,158,720</u>	<u>\$ 341,988</u>	<u>\$ -</u>	<u>\$ 1,500,708</u>

JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

Consolidating Schedule of Activities

For the year ended June 30, 2017

	Jewish Family Services of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
Revenues				
Federal and State grants	\$ 60,413	\$ -	\$ -	\$ 60,413
Public support	616,420	-	-	616,420
Community foundations and other private grants	790,803	-	-	790,803
Fee income, net	555,339	1,974,915	-	2,530,254
Other income	159,522	1,304	(150,000)	10,826
Total revenues	2,182,497	1,976,219	(150,000)	4,008,716
Expenses				
Salaries	1,172,518	1,586,306	-	2,758,824
Payroll taxes	100,413	160,447	-	260,860
Employee benefits	83,613	67,375	-	150,988
Professional fees	269,703	13,037	-	282,740
Assistance	232,490	2,585	-	235,075
Insurance	6,052	27,000	-	33,052
Public relations and advertising	14,689	13,804	-	28,493
Office	58,744	13,479	-	72,223
Travel and conferences	7,280	2,905	-	10,185
Rent	72,712	9,417	-	82,129
Telephone	8,730	6,901	-	15,631
Dues and subscriptions	11,670	7,790	-	19,460
Bad debt expense	-	1,000	-	1,000
Depreciation	10,200	2,100	-	12,300
Equipment maintenance and rental	4,867	-	-	4,867
Total expenses	2,053,681	1,914,146	-	3,967,827
Changes in net assets from operations	128,816	62,073	(150,000)	40,889
Non-operating activities				
Investment income, net	56,212	-	-	56,212
Distributions	-	(150,000)	150,000	-
Total non-operating activities	56,212	(150,000)	150,000	56,212
Changes in net assets	185,028	(87,927)	-	97,101
Net assets, beginning	935,042	338,278	-	1,273,320
Net assets, ending	<u>\$ 1,120,070</u>	<u>\$ 250,351</u>	<u>\$ -</u>	<u>\$ 1,370,421</u>

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