

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

Consolidated Financial Statements

June 30, 2019 and 2018



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# JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

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June 30, 2019 and 2018

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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, 2019 and 2018, 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 financial position of Jewish Family Services of Greater Hartford, Inc. as of June 30, 2019 and 2018, and the changes in their net assets and their 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 activities on pages 15 through 18 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  
October 30, 2019

# JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

## Consolidated Statements of Financial Position

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 846,782	\$ 787,927
Grants receivable	115,631	99,870
Accounts receivable, net of allowance for doubtful accounts of \$9,762 and \$9,762, respectively	261,843	221,704
Prepaid expenses	52,370	48,492
Funds held by others	634,480	497,544
Equipment and leasehold improvements, net	<u>6,076</u>	<u>8,211</u>
Total assets	<u>\$ 1,917,182</u>	<u>\$ 1,663,748</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued liabilities	<u>\$ 267,243</u>	<u>\$ 163,040</u>
Total liabilities	<u>267,243</u>	<u>163,040</u>
Net Assets		
Net assets without donor restrictions	1,486,670	1,425,408
Net assets with donor restrictions	<u>163,269</u>	<u>75,300</u>
Total net assets	<u>1,649,939</u>	<u>1,500,708</u>
Total liabilities and net assets	<u>\$ 1,917,182</u>	<u>\$ 1,663,748</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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and gains</b>			
Federal and State grants	\$ 60,536	\$ -	\$ 60,536
Public support	221,617	305,259	526,876
Community foundations and other private grants	1,174,243	-	1,174,243
Fee income, net	2,506,832	-	2,506,832
Other income	6,526	-	6,526
Net assets released due to satisfaction of restrictions	217,290	(217,290)	-
Total revenues and gains	4,187,044	87,969	4,275,013
<b>Program expenses</b>			
Chronic Needs	126,764	-	126,764
Family Counseling	333,200	-	333,200
Child Clinic	287,354	-	287,354
Older Adult	392,640	-	392,640
Holocaust Survivors	444,426	-	444,426
TANF Case Management	103,707	-	103,707
Other Programs	321,649	-	321,649
JFS Care at Home	1,897,688	-	1,897,688
Total program expenses	3,907,428	-	3,907,428
General and administrative	107,034	-	107,034
Fundraising	130,812	-	130,812
Total expenses	4,145,274	-	4,145,274
Changes in net assets from operations	41,770	87,969	129,739
Non-operating activities			
Investment income, net	19,492	-	19,492
Total non-operating activities	19,492	-	19,492
Changes in net assets	61,262	87,969	149,231
Net assets, beginning	1,425,408	75,300	1,500,708
Net assets, ending	\$ 1,486,670	\$ 163,269	\$ 1,649,939

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

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and gains</b>			
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>4,326,657</u>
<b>Program expenses</b>			
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	<u>3,930,099</u>	<u>-</u>	<u>3,930,099</u>
General and administrative	199,467	-	199,467
Fundraising	105,590	-	105,590
Total expenses	<u>4,235,156</u>	<u>-</u>	<u>4,235,156</u>
Changes in net assets from operations	<u>171,173</u>	<u>(79,672)</u>	<u>91,501</u>
Non-operating activities			
Investment income, net	<u>38,786</u>	<u>-</u>	<u>38,786</u>
Total non-operating activities	<u>38,786</u>	<u>-</u>	<u>38,786</u>
Changes in net assets	209,959	(79,672)	130,287
Net assets, beginning	<u>1,215,449</u>	<u>154,972</u>	<u>1,370,421</u>
Net assets, ending	<u>\$ 1,425,408</u>	<u>\$ 75,300</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 Functional Expenses

For the years ended June 30, 2019 and 2018

	2019											
	Program								Total Program	General and Administrative	Fundraising	Total
	Chronic Needs	Family Counseling	Child Clinic	Older Adult	Holocaust Survivors	TANF Case Management	Other Programs	JFS Care At Home				
Salaries	\$ 76,942	\$ 251,708	\$ 221,867	\$ 283,133	\$ 100,578	\$ 49,077	\$ 134,247	\$ 1,596,719	\$ 2,714,271	\$ 16,417	\$ 96,963	\$ 2,827,651
Payroll taxes	6,212	22,747	16,921	23,126	9,144	4,471	12,612	150,762	245,995	2,442	7,870	256,307
Employee benefits	8,872	10,644	2,701	7,402	6,456	5,649	6,409	64,139	112,272	4,362	180	116,814
Professional fees	6,993	23,989	28,132	30,521	12,986	6,034	96,202	19,294	224,151	68,024	17,748	309,923
Assistance	-	620	101	3,279	301,900	14,839	45,016	5,333	371,088	-	-	371,088
Insurance	271	954	954	1,061	281	235	951	7,868	12,575	-	200	12,775
Public relations and advertising	16	53	53	59	15	13	3,704	7,503	11,416	-	1,170	12,586
Office	1,520	5,950	5,855	7,109	1,726	1,596	12,599	16,165	52,520	4,151	4,172	60,843
Travel and conferences	142	598	1,195	3,152	332	4,027	859	3,473	13,778	238	46	14,062
Rent	24,576	5,886	5,886	29,128	8,931	6,902	4,756	12,242	98,307	9,189	478	107,974
Telephone	241	6,723	626	992	248	2,039	400	6,681	17,950	1,429	1,759	21,138
Dues and subscriptions	60	351	210	318	61	8,042	1,000	7,235	17,277	-	23	17,300
Depreciation	589	2,078	2,078	2,311	611	511	2,080	98	10,356	219	203	10,778
Equipment maintenance and rental	330	899	775	1,049	1,157	272	814	176	5,472	563	-	6,035
<b>Total expenses</b>	<b>\$ 126,764</b>	<b>\$ 333,200</b>	<b>\$ 287,354</b>	<b>\$ 392,640</b>	<b>\$ 444,426</b>	<b>\$ 103,707</b>	<b>\$ 321,649</b>	<b>\$ 1,897,688</b>	<b>\$ 3,907,428</b>	<b>\$ 107,034</b>	<b>\$ 130,812</b>	<b>\$ 4,145,274</b>

  

	2018											
	Program								Total Program	General and Administrative	Fundraising	Total
	Chronic Needs	Family Counseling	Child Clinic	Older Adult	Holocaust Survivors	TANF Case Management	Other Programs	JFS Care At Home				
Salaries	\$ 74,641	\$ 226,678	\$ 241,365	\$ 288,599	\$ 96,022	\$ 44,863	\$ 116,749	\$ 1,714,233	\$ 2,803,150	\$ 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	258,545	4,668	6,024	269,237
Employee benefits	3,561	15,774	6,380	11,255	7,962	5,258	13,597	49,776	113,563	1,519	109	115,191
Professional fees	3,885	17,584	11,898	14,812	3,392	2,837	130,793	19,295	204,496	114,596	19,011	338,103
Assistance	-	2,932	306	2,557	288,297	-	32,021	4,876	330,989	-	-	330,989
Insurance	159	472	472	551	139	117	2,947	16,435	21,292	243	-	21,535
Public relations and advertising	-	17	-	13	-	-	2,555	10,503	13,088	1,227	2,589	16,904
Office	1,053	4,236	3,260	3,847	1,046	876	8,337	18,269	40,924	20,795	1,409	63,128
Travel and conferences	12	1,319	1,190	3,403	620	3,161	1,096	3,740	14,541	141	32	14,714
Rent	19,828	4,121	4,121	22,980	7,008	5,405	2,577	11,786	77,826	10,896	-	88,722
Telephone	211	4,250	515	912	191	1,441	277	7,200	14,997	230	1,714	16,941
Dues and subscriptions	142	866	421	798	123	6,354	2,511	8,633	19,848	692	-	20,540
Depreciation	685	2,031	2,031	2,368	597	499	2,023	2,100	12,334	206	-	12,540
Equipment maintenance and rental	270	737	719	925	971	184	700	-	4,506	632	-	5,138
<b>Total expenses</b>	<b>\$ 110,470</b>	<b>\$ 301,610</b>	<b>\$ 291,090</b>	<b>\$ 375,808</b>	<b>\$ 414,918</b>	<b>\$ 75,134</b>	<b>\$ 327,635</b>	<b>\$ 2,033,434</b>	<b>\$ 3,930,099</b>	<b>\$ 199,467</b>	<b>\$ 105,590</b>	<b>\$ 4,235,156</b>

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, 2019 and 2018

	2019	2018
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 149,231	\$ 130,287
Adjustments to reconcile change in net assets to net change in cash from operating activities		
Depreciation	10,778	12,540
Unrealized gain on funds held by others, net	(13,410)	(37,380)
Realized gain on funds held by others, net	(6,154)	(1,204)
(Increase)/decrease in:		
Grants receivable	(15,761)	(33,714)
Accounts receivable	(40,139)	19,325
Pledges receivable	-	58,000
Prepaid expenses	(3,878)	924
Increase/(decrease) in:		
Accounts payable and accrued liabilities	104,203	34,540
	184,870	183,318
<b>Cash flows from investing activities</b>		
(Contributions)/distributions from endowment, net	(117,372)	18,351
Purchase of fixed assets	(8,643)	(3,465)
	(126,015)	14,886
Net change in cash from investing activities		
Net change in cash	58,855	198,204
Cash and cash equivalents, beginning of year	787,927	589,723
Cash and cash equivalents, end of year	\$ 846,782	\$ 787,927

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, 2019 and 2018

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### 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. Tara’s Closet provides new/new-like clothing to those in need but also focuses on mental health education and awareness programming. 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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. They are described as follows:

*Net Assets without Donor Restrictions* – Net assets without donor restrictions are available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors. Board designated net assets represent reserves or special designations established by the Board of Directors.

*Net Assets with Donor Restrictions* – Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditures and also include accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure.

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	Fundraising

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, if any, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (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 support without donor restrictions 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 accounting principle generally accepted in the United States of America. 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.

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

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.

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.

The following is a description of valuation methodologies used for assets measured at fair value:

*Funds held by others* – the investment in the Jewish Community Foundation of Greater Hartford is valued at the net asset value (NAV) of units held by the Agency at year end.

*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 donor 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 and cash equivalents* – Cash and cash equivalents include all monies in banks and highly liquid investments with original maturity dates of less than three months. The Agency maintains its cash in bank accounts, which, at times, may exceed federally insured limits.

*Functional Expense Allocation* – The costs of providing program and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis and are based on time and effort. Expenses relating to occupancy are allocated based on square footage, and other expenses are allocated based upon time and effort of payroll.

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

Donated Materials – The Agency receives donations of food and clothing each year that it distributes to beneficiaries; these amounts have not been recorded in the statements of activities.

Adoption of a New Accounting Pronouncement – For the year ended June 30, 2019, the Agency adopted the FASB Accounting Standards Update (“ASU”) No. 2016-14 – Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as temporarily restricted and permanently restricted of \$144,972 and \$10,000, respectively, as of July 1, 2017 are now classified as net assets with donor restrictions.

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, 2019 through October 30, 2019, the date on which the consolidated financial statements were available to be issued.

**NOTE 3 – AVAILABILITY AND LIQUIDITY**

The following represents the Agency’s financial assets available to meet general expenditures in the next twelve months at June 30,:

	<u>2019</u>	<u>2018</u>
Cash	\$ 846,782	\$ 787,927
Funds held by others	634,480	497,544
Accounts receivable, net	261,843	221,704
Grants receivable, net	<u>115,631</u>	<u>99,870</u>
Total financial assets	1,858,736	1,607,045
Less donor restricted endowment	<u>(10,000)</u>	<u>(10,000)</u>
Financial assets available to meet general expenditures within twelve months	<u>\$ 1,848,736</u>	<u>\$ 1,597,045</u>

The Agency has the ability to transfer funds between Jewish Family Services of Greater Hartford and JFS Care at Home through intercompany due to/from accounts. The Agency maintains at least 90 days of liquid assets on hand to meet general operating expenditures.

**NOTE 4 – ACCOUNTS AND PLEDGES RECEIVABLE**

Accounts receivable represent amounts billed which have not yet been received. As of June 30, 2019 and 2018, the allowance for doubtful accounts was \$9,762 and \$9,762, for both years.

## NOTE 5 – FUNDS HELD BY OTHERS

Funds held 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 at NAV.

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 Agency’s endowment by net asset class and a reconciliation of the beginning and ending balance of the Agency’s endowment.

The reconciliation of the Agency’s funds held by others by net asset category is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Funds held by others, July 1, 2017	\$ 467,311	\$ 10,000	\$ 477,311
Net appreciation	38,584	-	38,584
Interest and dividends	4,978	-	4,978
Investment expense	(4,776)	-	(4,776)
Appropriations for expenditure	(18,553)	-	(18,553)
Funds held by others, June 30, 2018	487,544	10,000	497,544
Net appreciation	19,564	-	19,564
Interest and dividends	5,767	-	5,767
Investment expense	(5,839)	-	(5,839)
Additions	138,000	-	138,000
Appropriations for expenditure	(20,556)	-	(20,556)
Funds held by others, June 30, 2019	<u>\$ 624,480</u>	<u>\$ 10,000</u>	<u>\$ 634,480</u>

## NOTE 6 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements as of June 30, 2019 and 2018 were comprised of the following:

	2019	2018
Furniture and equipment	\$ 175,957	\$ 167,314
Leasehold improvements	13,957	13,957
Total fixed assets	189,914	181,271
Less accumulated depreciation	(183,838)	(173,060)
Equipment and leasehold improvements, net	<u>\$ 6,076</u>	<u>\$ 8,211</u>

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions represent resources that have donor imposed restrictions as to purpose or time of expenditure. Net assets with donor restrictions to be held in perpetuity total \$10,000 for the years ended June 30, 2019 and 2018 and were comprised of the Suzanne Jo Morales Fund.

Net assets with donor restrictions were comprised of the following as of June 30, 2019:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Release of Restrictions</u>	<u>June 30, 2019</u>
Suzanne Jo Morales Fund	\$ 10,000	\$ -	\$ -	\$ 10,000
HFPG Basic Human Needs Grant	-	8,000	(6,000)	2,000
JCF Helping Fund	-	15,045	(10,030)	5,015
TANF Basic Human Needs	15,000	15,200	(15,000)	15,200
Harold & Marilyn Rothstein Fd Child Clinic	11,000	17,108	-	28,108
Harold & Marilyn Rothstein Fd Chronic Needs	-	6,000	(1,500)	4,500
JCF Grant for Chronic Needs Clinic	-	4,500	(3,000)	1,500
Transportation Fund	-	5,000	(850)	4,150
Older Adult Clinic Program	-	51,049	(42,541)	8,508
Family Clinic Program	-	25,000	(18,750)	6,250
Child Clinic Program	-	6,005	(3,738)	2,267
JETS Program	-	26,000	(11,833)	14,167
Food Pantry	34,600	19,390	(45,360)	8,630
Tara's Closet	4,700	106,962	(58,688)	52,974
	<u>\$ 75,300</u>	<u>\$ 305,259</u>	<u>\$ (217,290)</u>	<u>\$ 163,269</u>
Total	<u>\$ 75,300</u>	<u>\$ 305,259</u>	<u>\$ (217,290)</u>	<u>\$ 163,269</u>

Net assets with donor restrictions 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>
Suzanne Jo Morales Fund	\$ 10,000	\$ -	\$ -	\$ 10,000
HFPG Technology Grant	-	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	55,972	61,000	(112,272)	4,700
	<u>\$ 154,972</u>	<u>\$ 158,650</u>	<u>\$ (238,322)</u>	<u>\$ 75,300</u>
Total	<u>\$ 154,972</u>	<u>\$ 158,650</u>	<u>\$ (238,322)</u>	<u>\$ 75,300</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 \$635,469 and \$706,755 for the years ended June 30, 2019 and 2018, 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, 2019 and 2018.

## **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, 2019 and 2018 was \$107,974 and \$88,722, respectively. Certain office equipment is leased under agreements with terms approximating five years, commencing during the year ended June 30, 2019. The following is a schedule of minimum rental commitments under non-cancelable operating leases for the years ended June 30,:

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

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, 2019 and 2018 was \$8,250 and is included in other income on the consolidated statements of activities and changes in net assets.

## **NOTE 11 – 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, 2019 and 2018, respectively, was \$43,191 and \$23,721, and is shown as part of community foundations and other private grant revenue 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, 2019 and 2018 were \$961,849 and \$982,009, respectively.

## **NOTE 12 – 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 13 – RELATED PARTY TRANSACTIONS**

Several trustees of the Agency are also trustees of the Jewish Federation of Greater Hartford (the “Federation”). The Federation provided approximately 6% of the Agency’s total revenues for the years ended June 30, 2019 and 2018. The Agency also rents office space from the Federation. Rental expense paid to the Federation was \$107,974 and \$88,722 for the years June 30, 2019 and 2018, respectively. Amounts payable to the Federation at June 30, 2019 and 2018 for rent was \$19,293 and \$-0-, respectively.

Several trustees of the Agency are also trustees of the Jewish Community Foundation of Greater Hartford (the “Foundation”). As discussed in Note 5, Agency funds of \$634,480 and \$497,544 as of June 30, 2019 and 2018, respectively, are held by Foundation. The Agency paid investment fees to the Foundation totaling \$5,839 and \$4,776 for the years ended June 30, 2019 and 2018, respectively.



## **SUPPLEMENTAL INFORMATION**

# JEWISH FAMILY SERVICES OF GREATER HARTFORD, INC.

## Consolidating Schedule of Financial Position

June 30, 2019

	Jewish Family Services of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
<b>Assets</b>				
Cash and cash equivalents	\$ 504,731	\$ 342,051	\$ -	\$ 846,782
Grants receivable	115,631	-	-	115,631
Accounts receivable (net of allowance for doubtful accounts of \$9,762)	89,547	172,296	-	261,843
Due from affiliate	82,279	-	(82,279)	-
Prepaid expenses	24,547	27,823	-	52,370
Funds held by others	634,480	-	-	634,480
Equipment, and leasehold improvements (net of accumulated depreciation of \$183,838)	6,076	-	-	6,076
Total assets	<u>\$ 1,457,291</u>	<u>\$ 542,170</u>	<u>\$ (82,279)</u>	<u>\$ 1,917,182</u>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 233,220	\$ 34,023	\$ -	\$ 267,243
Due to affiliate	-	82,279	(82,279)	-
Total liabilities	<u>233,220</u>	<u>116,302</u>	<u>(82,279)</u>	<u>267,243</u>
<b>Net Assets</b>				
Net assets without donor restriction	1,060,802	425,868	-	1,486,670
Net assets with donor restrictions	163,269	-	-	163,269
Total net assets	<u>1,224,071</u>	<u>425,868</u>	<u>-</u>	<u>1,649,939</u>
Total liabilities and net assets	<u>\$ 1,457,291</u>	<u>\$ 542,170</u>	<u>\$ (82,279)</u>	<u>\$ 1,917,182</u>

# 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
<b>Assets</b>				
Cash and cash equivalents	\$ 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
Due from affiliate	90,813	-	(90,813)	-
Prepaid expenses	20,840	27,652	-	48,492
Funds held by others	497,544	-	-	497,544
Equipment 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>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
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>
<b>Net Assets</b>				
Net assets without donor restriction	1,083,420	341,988	-	1,425,408
Net assets with donor restrictions	75,300	-	-	75,300
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 Activities

For the year ended June 30, 2019

	Jewish Family Services of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
<b>Revenues</b>				
Federal and State grants	\$ 60,536	\$ -	\$ -	\$ 60,536
Public support	526,876	-	-	526,876
Community foundations and other private grants	1,174,243	-	-	1,174,243
Fee income, net	526,383	1,980,449	-	2,506,832
Other income	8,346	1,119	-	9,465
<b>Total revenues</b>	<b>2,296,384</b>	<b>1,981,568</b>	<b>-</b>	<b>4,277,952</b>
<b>Expenses</b>				
Salaries	1,231,767	1,595,884	-	2,827,651
Payroll taxes	105,545	150,762	-	256,307
Employee benefits	52,675	64,139	-	116,814
Professional fees	290,629	19,294	-	309,923
Assistance	365,755	5,333	-	371,088
Insurance	4,901	7,874	-	12,775
Public relations and advertising	4,397	8,189	-	12,586
Office	44,678	16,165	-	60,843
Travel and conferences	10,589	3,473	-	14,062
Rent	95,732	12,242	-	107,974
Telephone	14,457	6,681	-	21,138
Dues and subscriptions	9,922	7,378	-	17,300
Depreciation	10,680	98	-	10,778
Equipment maintenance and rental	5,859	176	-	6,035
<b>Total expenses</b>	<b>2,247,586</b>	<b>1,897,688</b>	<b>-</b>	<b>4,145,274</b>
Changes in net assets from operations	48,798	83,880	-	132,678
Non-operating activities				
Investment income, net	16,553	-	-	16,553
<b>Total non-operating activities</b>	<b>16,553</b>	<b>-</b>	<b>-</b>	<b>16,553</b>
Changes in net assets	65,351	83,880	-	149,231
Net assets, beginning	1,158,720	341,988	-	1,500,708
Net assets, ending	<u>\$ 1,224,071</u>	<u>\$ 425,868</u>	<u>\$ -</u>	<u>\$ 1,649,939</u>

# 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
<b>Revenues</b>				
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	<u>2,201,586</u>	<u>2,125,071</u>	<u>-</u>	<u>4,326,657</u>
<b>Expenses</b>				
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	<u>2,201,722</u>	<u>2,033,434</u>	<u>-</u>	<u>4,235,156</u>
Changes in net assets from operations	<u>(136)</u>	<u>91,637</u>	<u>-</u>	<u>91,501</u>
Non-operating activities				
Investment income, net	<u>38,786</u>	<u>-</u>	<u>-</u>	<u>38,786</u>
Total non-operating activities	<u>38,786</u>	<u>-</u>	<u>-</u>	<u>38,786</u>
Changes in net assets	38,650	91,637	-	130,287
Net assets, beginning	<u>1,120,070</u>	<u>250,351</u>	<u>-</u>	<u>1,370,421</u>
Net assets, ending	<u>\$ 1,158,720</u>	<u>\$ 341,988</u>	<u>\$ -</u>	<u>\$ 1,500,708</u>

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