

JEWISH FAMILY SERVICE OF STAMFORD, INC.

Financial Statements

(with Independent Auditor's Report thereon)

YEAR ENDED AUGUST 31, 2017

(with comparative totals for 2016)

JEWISH FAMILY SERVICE OF STAMFORD, INC.

CONTENTS

Independent auditor's report

FINANCIAL STATEMENTS

Statements of financial position.....Exhibit A

Statements of activities.....Exhibit B

Statements of cash flows.....Exhibit C

Statements of functional expenses.....Exhibit D

Notes to financial statements

Independent Auditor's Report

The Board of Directors
Jewish Family Service of Stamford, Inc.
Stamford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Service of Stamford, Inc. (Agency) which comprise the statement of financial position as of August 31, 2017, and the related statements of activities, cash flows, and functional expenses 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 the 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 from 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 appropriate to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are relevant 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.

The Board of Directors
Jewish Family Service of Stamford, Inc.
Stamford, Connecticut

Opinion

In our opinion, the financial statements referred to above present fairly, in all materials respects, the financial position of Jewish Family Service of Stamford, Inc. as of August 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 Agency's financial statements as of and for the year ended August 31, 2016 and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 16, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Cirone Friedberg" followed by a stylized monogram or initials.

January 25, 2018
Bridgeport, Connecticut

JEWISH FAMILY SERVICE OF STAMFORD, INC.

STATEMENTS OF FINANCIAL POSITION

AUGUST 31, 2017

(with comparative totals for 2016)

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents	\$ 98,216	\$ 124,852
Fees Receivable, Net of Allowance for Uncollectible Accounts of \$4,500 in 2017 and 2016	87,638	86,062
Allocations Receivable	86,468	83,424
Promises to Give	271,378	299,935
Grant Receivable	46,918	-
Miscellaneous Receivables and Prepaid Expenses	18,222	14,232
Investments	405,739	120,066
Charitable Gift Annuities Held by Trustee	-	25,243
Investments Held for Deferred Compensation Plan	361,744	306,997
Security Deposits	10,697	10,697
Furniture and Equipment, Net of Accumulated Depreciation of \$96,354 in 2017 and \$95,655 in 2016	9,087	-
Assets Restricted for Long-Term Investment Purposes	<u>744,000</u>	<u>744,000</u>
TOTAL ASSETS	<u>\$ 2,140,107</u>	<u>\$ 1,815,508</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accrued Expenses and Taxes	\$ 72,303	\$ 84,600
Advances on Grants	-	48,801
Deferred Compensation Obligation	<u>361,744</u>	<u>306,997</u>
Total Liabilities	<u>434,047</u>	<u>440,398</u>
<u>Net Assets</u>		
<u>Unrestricted:</u>		
Net Investment in Furniture and Equipment	9,087	-
Undesignated - Available for Operations	<u>335,174</u>	<u>55,122</u>
Total Unrestricted	344,261	55,122
Temporarily Restricted	617,799	575,988
Permanently Restricted	<u>744,000</u>	<u>744,000</u>
Total Net Assets	<u>1,706,060</u>	<u>1,375,110</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,140,107</u>	<u>\$ 1,815,508</u>

See notes to financial statements.

JEWISH FAMILY SERVICE OF STAMFORD, INC.

STATEMENTS OF ACTIVITIES
YEAR ENDED AUGUST 31, 2017
(with comparative totals for 2016)

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<u>Revenues, Gains and Other Support</u>					
Allocations	\$ 139,535	\$ 69,768	\$ -	\$ 209,303	\$ 281,470
Permanently Restricted Contributions	-	-	-	-	524,000
Bequests	100,000	-	-	100,000	339,935
Other Contributions	672,848	89,350	-	762,198	558,093
Grants	328,157	-	-	328,157	331,566
Fund-raising Events	151,805	-	-	151,805	136,880
Counseling Fees	195,475	-	-	195,475	180,472
Other Program Fees	481,963	-	-	481,963	458,029
Interest and Investment Income, Net	13,888	62,229	-	76,117	43,036
In-kind Contributions	183,055	-	-	183,055	179,913
Total	2,266,726	221,347	-	2,488,073	3,033,394
<u>Net Assets Released from Restrictions</u>					
Expiration of Time Restrictions	56,975	(56,975)	-	-	-
Expiration of Time and Purpose Restrictions	93,824	(93,824)	-	-	-
Satisfaction of Purpose Restrictions	3,494	(3,494)	-	-	-
Total Net Assets Released from Restrictions	154,293	(154,293)	-	-	-
Total Revenues, Gains and Other Support	2,421,019	67,054	-	2,488,073	3,033,394
<u>Expenses</u>					
<u>Program Services:</u>					
Counseling	424,849	-	-	424,849	456,059
Family Life and Volunteer Services	239,797	-	-	239,797	248,601
Case Management	225,547	-	-	225,547	155,213
Elderly Services	302,105	-	-	302,105	365,426
Senior Employment Programs	567,553	-	-	567,553	584,144
Total Program Services	1,759,851	-	-	1,759,851	1,809,443
<u>Support Services:</u>					
Management and General	127,360	-	-	127,360	96,575
Fund Raising	216,777	-	-	216,777	189,899
Total Support Services	344,137	-	-	344,137	286,474
Total Functional Expenses	2,103,988	-	-	2,103,988	2,095,917
Cost of Direct Benefits to Donors	27,892	-	-	27,892	26,023
Loss on Charitable Gift Annuities Held by Trustee	-	25,243	-	25,243	-
Total Expenses and Losses	2,131,880	25,243	-	2,157,123	2,121,940
Change in Net Assets	289,139	41,811	-	330,950	911,454
Net Assets at Beginning of Year	55,122	575,988	744,000	1,375,110	463,656
Net Assets at End of Year	\$ 344,261	\$ 617,799	\$ 744,000	\$ 1,706,060	\$ 1,375,110

See notes to financial statements.

JEWISH FAMILY SERVICE OF STAMFORD, INC.**STATEMENTS OF CASH FLOWS
YEAR ENDED AUGUST 31, 2017****(with comparative totals for 2016)****Increase (Decrease) in Cash and Cash Equivalents**

	<u>2017</u>	<u>2016</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 330,950	\$ 911,454
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
<u>Provision for Uncollectible Accounts and Contractual Adjustments</u>	104,721	91,660
Depreciation	699	1,015
Unrealized Appreciation on Investments	(23,174)	(31,392)
Realized (Gain) Loss on Sale of Investments	(32,351)	2,006
Loss on Charitable Gift Annuities Held by Trustee	25,243	-
Contributions Restricted for Long-Term Investment Purposes	-	(524,000)
<u>Changes in:</u>		
Fees Receivable	(106,297)	(109,943)
Allocations Receivable	(3,044)	(39,557)
Promises to Give	28,557	(299,935)
Miscellaneous Receivables and Prepaid Expenses	(50,908)	(592)
Accrued Expenses and Taxes	(12,297)	16,329
Advances on Grants	(48,801)	(3,902)
Deferred Compensation Obligation	(54,747)	(34,858)
Total Adjustments	<u>(172,399)</u>	<u>(933,169)</u>
Net Cash Provided (Used) by Operating Activities	<u>158,551</u>	<u>(21,715)</u>
<u>Cash Flows from Investing Activities</u>		
Proceeds from Sale of Investments	1,096,385	193,407
Purchase of Investments	(1,326,533)	(708,522)
Purchase of Furniture and Equipment	(9,786)	-
Increase in Investments Held for Deferred Compensation Plan	54,747	34,858
Increase in Assets Restricted for Long-Term Investment Purposes	-	524,000
Net Cash (Used) Provided by Investing Activities	<u>(185,187)</u>	<u>43,743</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(26,636)</u>	<u>22,028</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>124,852</u>	<u>102,824</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 98,216</u>	<u>\$ 124,852</u>

JEWISH FAMILY SERVICE OF STAMFORD, INC.

**STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2017
(with comparative totals for 2016)**

	2017						2016		
	PROGRAM SERVICES			SUPPORT SERVICES					
	Family Life and Volunteer Services	Case Management and Emergency Assistance	Elderly Services	Senior Employment Programs	Management and General	Fund Raising	Total	Total	Total
Salaries	\$ 189,675	\$ 142,167	\$194,446	\$295,198	\$ 78,554	\$123,561	\$202,115	\$1,135,143	\$1,139,921
Payroll Taxes	13,043	11,246	14,439	21,845	5,813	8,634	14,447	83,274	81,392
Fringe Benefits	14,591	10,897	14,985	22,916	6,057	9,530	15,587	87,562	105,879
Total Salaries and Related Costs	217,309	128,382	223,870	339,959	90,424	141,725	232,149	1,305,979	1,327,192
Contracted Services	53,760	162	325	162	513	862	1,375	56,434	54,815
Auto and Travel	429	1,446	1,225	575	282	144	426	4,462	2,795
Conferences and Meetings	-	-	-	1,091	912	-	912	2,003	3,662
Printing and Advertising	2,827	2,439	2,424	813	1,408	8,010	9,418	18,734	17,333
Telephone	1,949	2,974	3,116	701	864	745	1,609	11,245	10,348
Office Expense	10,776	20,100	19,959	7,319	10,998	7,221	18,219	81,750	70,053
Postage	1,371	1,651	2,006	686	803	3,817	4,620	10,775	12,117
Occupancy	19,970	6,423	32,188	20,828	10,676	23,770	34,446	135,956	144,102
Insurance	6,816	3,575	5,460	6,876	5,422	4,174	9,596	36,132	37,420
Professional Fees	2,823	1,462	2,926	2,427	1,456	1,462	2,918	18,488	27,213
Dues and Subscriptions	2,574	787	2,205	1,582	1,305	3,687	4,992	15,380	13,804
Assistance to Individuals	-	36,550	-	-	-	-	-	36,550	40,800
Other Direct Program Expenses	1,994	24,690	-	355	1,174	-	4,910	54,778	45,364
Fund-raising Event Expenses	-	-	-	-	-	16,300	16,300	-	-
Provision for Uncollectible Accounts and Contractual Adjustments	98,454	-	5,267	-	-	-	-	104,721	91,660
Miscellaneous	2,529	1,054	1,054	1,054	1,053	1,054	2,107	10,537	5,270
Total Before Depreciation and In-kind Services	424,681	225,477	302,035	384,428	127,290	216,707	343,997	1,920,234	1,914,990
Depreciation	168	70	70	70	70	70	140	699	1,014
In-kind Services	-	-	-	183,055	-	-	-	183,055	179,913
Total Functional Expenses	\$ 424,849	\$ 225,547	\$302,105	\$567,553	\$127,360	\$216,777	\$344,137	\$2,103,988	\$2,095,917

See notes to financial statements.

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 1 - NATURE OF OPERATIONS

Jewish Family Service of Stamford, Inc., doing business as Elayne and James Schoke Jewish Family Service of Stamford (Agency), was established to promote and enhance the well-being of the community by providing social services which reflect Jewish values. The Agency is dedicated to helping people manage their lives, improve the quality of family living, and enhance the social organization of the community. The Agency serves people in the following cities and towns: Stamford, New Canaan, Darien, Westport, Wilton, Weston, Norwalk, Ridgefield, Redding, Easton, Fairfield, Bridgeport, Stratford, Shelton, Trumbull and Monroe.

The Agency is a not-for-profit organization incorporated under the Nonstock Corporation Act of the State of Connecticut. The Agency is exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and is also exempt from State income taxes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Asset Classes

The net assets classes of the Agency consist of the following:

Unrestricted Net Assets

Unrestricted net assets consist of net assets over which the governing Board has control to use in carrying out the operations of the Agency in accordance with its charter and by-laws and are neither Permanently restricted nor Temporarily restricted by donor-imposed restrictions.

The Net investment in Furniture and equipment consisted of the Net book value of Furniture and equipment acquired with Unrestricted net assets.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of net assets whose use is limited by donor-imposed restrictions which either expire with the passage of time (Time restriction) or can be fulfilled and removed by the action of the Agency pursuant to the restrictions (Purpose restriction). The Agency reflects contributions as Temporarily restricted Support based on the Purpose restrictions stated by the donor.

When donor-imposed restrictions expire, that is when a stipulated Time restriction ends or Purpose restriction is accomplished, Temporarily restricted net assets are reclassified to Unrestricted net assets and reported in the accompanying Statements of activities as Net assets released from restrictions.

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Asset Classes (continued)

Permanently Restricted Net Assets

Permanently restricted net assets consist of net assets whose use is limited by donor-imposed restrictions that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Agency. During the years ended August 31, 2017, and 2016, the Agency received Permanently Restricted contributions in the amounts of \$0 and \$524,000, respectively, from a major donor.

Contributions

Contributions received or Promises to give without donor-imposed restrictions are reflected as Unrestricted support, while those with donor-imposed restrictions are reflected as either Temporarily or Permanently restricted support in the accompanying financial statements. Contributions or Promises to give with donor-imposed conditions are not recognized as Contributions or Promises to give in the accompanying financial statements until the period when the conditions are met.

Promises to give that are expected to be received within one year of the financial statement date are reflected at their net realizable value (the gross amount of the Promises to give, net of an Allowance for uncollectible amounts). Promises to give that are expected to be collected more than one year after the financial statement date are reflected at the present value of their estimated future cash flows using a discount rate commensurate with the risks involved at the date the Promise to give is received.

Allocations

The Agency is a recipient agency of the United Jewish Federation of Greater Stamford, New Canaan and Darien, Inc. (UJF), the Federation for Jewish Philanthropy of Upper Fairfield County, and the United Way of Western Connecticut. Allocations are recognized upon notification by the donors. If the donor's allocation year extends beyond the August 31, fiscal year, that portion of the Allocation intended to be received and expended beyond August 31 is reflected as Allocations receivable and Temporarily restricted net assets in the accompanying financial statements.

Grants

Grants awarded to the Agency are recorded at the earlier of the date the Grant funds are received, or the time that the Grant expenditures are incurred. The amounts of the Grants that are received but unearned are reflected as Advances on grants and are reflected in the accompanying Statements of activities during the period to which they apply as funds are expended.

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash Equivalents

The Agency considers all highly liquid debt instruments purchased with a maturity of three months or less to be Cash equivalents.

Receivables

Fees and other receivables are evaluated periodically for collectibility based upon management's evaluation of past loss experience, known and inherent risks in its accounts, plus other factors which could affect collectibility. In the opinion of Management, all accounts for which the collectibility is doubtful have been written off or an Allowance has been provided, and the remaining accounts are deemed to be collectible. As required by generally accepted accounting principles, the Provision for Uncollectible Accounts and Contractual adjustments consists substantially of the difference between the therapist billing rates for Counseling and the allowable payments from Insurance companies (such amount of allowable payments is what the Agency expects to collect and includes in its budget for fee revenues).

Investments

Investments are stated at fair value. Realized gains or losses and Unrealized appreciation or depreciation on all Investments are reflected on the accompanying Statements of activities as increases or decreases in Unrestricted net assets unless their use is Temporarily restricted by donor stipulation.

Furniture and Equipment

Purchased Furniture and equipment are stated at cost. Donated assets are stated at the estimated fair market value as of the date of the gift. Depreciation is computed on the straight-line method over the useful lives of the assets ranging from 5 to 7 years.

Compensated Absences

Employees of the Agency are entitled to paid vacation based upon length of service. It is the Agency's policy to accrue vacation pay based upon the earned amount as of the statement date.

Income Taxes

Management of the Agency has evaluated all significant tax positions as required by generally accepted accounting principles in the United States of America.

Management of the Agency is of the opinion that the entity has not taken any material tax positions that would require the recording of any liability by the Agency, nor is Management of the Agency of the opinion that there were any unrealized tax benefits that would either increase or decrease materially within the next year. If required, it is the Agency's policy to recognize any estimated interest and penalties.

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed and In-kind Services

Goods and services have been provided by various organizations and a number of unpaid volunteers have contributed their time. Contributions are recognized if the goods or services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed goods or services that do not meet the above criteria are not recognized.

One of the Agency's Grants contains requirements for the contribution of In-kind services by local agencies participating in the Grant program. Such services are reflected as In-kind contributions and corresponding In-kind expenses in the accompanying Statements of activities, and are valued as reported by the participating agencies. These services consist of Salaries, Occupancy, Supplies and related expenses expended in supervising participating employees at the host sites. Such services were valued at \$180,655 and \$179,913 for the years ended August 31, 2017 and 2016, respectively.

In-kind Rent

During the year ended August 31, 2017, the Agency received office space rent free in the Fairfield County area in order for therapists to provide counseling services to patients. The value of this office space was \$2,400, and has been reflected as in-kind revenue and expense in the accompanying financial statements.

Split-Interest Agreements

Under a split-interest agreement (Agreement), a donor makes an initial gift to a trust or directly to the Agency, where the Agency has a beneficial interest but may not be the sole beneficiary. The Agency is a beneficiary of several split-interest agreements held by a Trustee and provide for annuity payments to the donor for life. The Agency reflects a Receivable and a corresponding Temporarily restricted contribution for the present value of the estimated future benefit to be received when the trust assets are distributed. During the term of the split-interest agreement, changes in the value of the Agreement will occur and will be reflected in the accompanying Statements of activities as "Changes in the value of split-interest agreements". The changes are due to events or transactions which have occurred after the agreements initial recognition such as accretion of the discounted amount of the contribution, revaluation of future benefits or future payments.

During the year ended August 31, 2017, the Agency decided to write off the Charitable Gift Annuities due to uncertainty regarding their current value and lack of communication from the Trustee. The loss for the year ended August 31, 2017 amounted to \$25,243.

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

Advertising costs are expensed as incurred.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the accompanying Statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of 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 and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through January 25, 2018, the date the financial statements were available to be issued. Through that date, there were no material events that would require recognition or additional disclosure in the financial statements.

NOTE 3 - CONCENTRATION OF CREDIT RISK

Cash and Cash Equivalents

The Agency maintains Cash and Money Market accounts at one Connecticut Bank and Investment accounts at two local Brokerage firms and a pooled investment fund administered by a Not-for-Profit organization. Cash Accounts are insured up to \$250,000 per bank, by the Federal Deposit Insurance Corporation (FDIC). The Investment accounts and pooled Investment accounts are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000. At times during the year the Cash balances may have exceeded the insured limits.

Receivables

Receivables of the Agency arise from Grants from the U.S. Government and the State of Connecticut, private grantors and donors, clients, and federated fund-raising organizations located in Fairfield County, Connecticut.

The Agency is exposed to credit losses in the event of non-collections of its receivables. The Agency does not obtain collateral for its receivables, but monitors the status of any large past due receivables.

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 4 - INVESTMENTS

The Agency has reflected in the Statements of Activities Net unrealized appreciation of \$23,174 and \$31,392 for the years ended August 31, 2017 and 2016, on Investments held in three Unrestricted brokerage accounts and one Permanently restricted Brokerage Account, which during the year ended August 31, 2017, was held by Jewish Community Foundation of Hartford (JCF). During the year ended August 31, 2017, the Agency sold investments with a cost basis of \$1,064,034 for \$1,096,385 and incurred a Net realized gain of \$32,351. During the year ended August 31, 2016, the Agency sold investments with a cost basis of \$195,413 for \$193,407, and incurred a Net realized loss of \$2,006. The Agency's Investments at August 31, 2017 are invested primarily in mutual funds, pooled investments and cash equivalents.

<u>2017</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>
Cash and Equivalents	\$ 25,563	\$ 25,563	\$ -
Mutual Funds	317,104	305,109	11,995
Equities	4,700	5,119	(419)
Pooled Investments Held by JCF	<u>802,372</u>	<u>766,540</u>	<u>35,832</u>
Total	<u>\$1,149,739</u>	<u>\$1,102,331</u>	<u>\$47,408</u>

<u>2016</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>
Cash and Equivalents	\$ 92,642	\$ 92,642	\$ -
Mutual Funds	768,419	745,275	23,144
Equities	<u>3,005</u>	<u>1,915</u>	<u>1,090</u>
Total	<u>\$864,066</u>	<u>\$839,832</u>	<u>\$24,234</u>

	<u>2017</u>	<u>2016</u>
Unrestricted Investments	\$ 405,739	\$120,066
Assets Restricted for Long-Term Investment Purposes	<u>744,000</u>	<u>744,000</u>
Total	<u>\$1,149,739</u>	<u>\$864,066</u>

Generally accepted accounting principles in the United States of America (GAAP) have established a definition and framework for measuring fair value, and disclosure about fair value measurements. Fair value is the exchange price that would be received for an asset or liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is one that prioritizes the inputs used to measure fair value, requiring entities to maximize the use of markets or observable inputs.

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 4 - INVESTMENTS - continued

Observable inputs reflect market data obtained from independent sources, while unobservable inputs generally require significant management judgment. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted in active markets for identical assets or liabilities.
- Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset such as quoted prices for similar assets or liabilities.
- Level 3 inputs are unobservable inputs for the asset or liability.

All of the investments, as described above, are classified as Level 1. Fair value for these investments is based on quoted market prices and published net asset values

NOTE 5 – PROMISES TO GIVE

During the years ended August 31, 2017 and 2016, respectively, the Agency received the first two installments of a ten year Promise to Give from a deceased donor, through a third party intermediary. The Promise is to be received in equal annual installments of \$40,000. The Promise has been reflected at the present value of the estimated future cash flows using a discount rate of 3.75%, which amounted to a discount of \$48,622 and \$60,065 at August 31, 2017 and 2016, respectively. The Promise has been deemed to be fully collectible and no Allowance for uncollectible promises has been established.

NOTE 6 - ALLOCATIONS AND GRANT INFORMATION

Allocations and Grants receivable and Advances on grants at August 31, and Support for the years ended August 31, consisted of the following:

	<u>2017</u>		
	<u>Receivables</u>	<u>Advances</u>	<u>Support</u>
<u>Allocations</u>			
United Jewish Federation of Greater Stamford, et al	\$36,368	\$ -	\$100,200
Federation for Jewish Philanthropy of Upper Fairfield County, et al	<u>50,100</u>	<u>-</u>	<u>109,103</u>
Total	<u>\$86,468</u>	<u>\$ -</u>	<u>\$209,303</u>
<u>Grants</u>			
U.S. Department of Labor, Pass-Through from Connecticut Department of Social Services (Title V)	<u>\$46,918</u>	<u>\$ -</u>	<u>\$328,157</u>

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 6 - ALLOCATIONS AND GRANT INFORMATION (continued)

Allocations and Grants receivable and Advances on grants at August 31, and Support for the years ended August 31, consisted of the following:

	<u>2016</u>		
	<u>Receivables</u>	<u>Advances</u>	<u>Support</u>
<u>Allocations</u>			
United Jewish Federation of Greater Stamford, et al	\$64,524	\$ -	\$193,570
Federation for Jewish Philanthropy of Upper Fairfield County, et al	<u>18,900</u>	<u>-</u>	<u>87,900</u>
Total	<u>\$83,424</u>	<u>\$ -</u>	<u>\$281,470</u>
<u>Grants</u>			
U.S. Department of Labor, Pass-Through from Connecticut Department of Social Services (Title V)	\$ -	\$48,801	\$327,566
Town of Greenwich - Social Services	<u>-</u>	<u>-</u>	<u>4,000</u>
Total	<u>\$ -</u>	<u>\$48,801</u>	<u>\$331,566</u>

NOTE 7 - EMPLOYMENT CONTRACT AND DEFERRED COMPENSATION PLAN

The Agency had an Employment Contract (Contract) with its Chief Executive Officer (CEO) which extended to July 2017 and provided for a base salary and various benefits. In the event of employment termination by the Agency without cause, the Agency will be liable for the equivalent of four months base salary, and certain benefits. The Contract was extended in November 2017 with the same terms and conditions as in prior Contracts, and will expire in October 2022.

The Contract also provides for continuation of the CEO's existing Deferred compensation plan (Plan), which provides for an annual contribution of 8% of salary. A provision of \$13,677 and \$13,010 was charged to Salaries for each of the years ended August 31, 2017 and 2016, respectively. The Plan incurred Unrealized appreciation of \$41,070 and \$21,848 for the years ended August 31, 2017 and 2016, respectively, with a corresponding increase in the Deferred compensation obligation.

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017
(with comparative totals for 2016)

NOTE 7 - EMPLOYMENT CONTRACT AND DEFERRED COMPENSATION PLAN (continued)

The Plan is funded annually by contributions to a Trust, which cannot be expended except for payment of benefits to the CEO, but is available for general creditors of the Agency in the event of insolvency. Income of the Trust is reinvested as additional benefits. The assets of the Trust are invested in mutual funds held at a major brokerage firm.

NOTE 8 - NET ASSETS

Temporarily Restricted

Temporarily restricted net assets at August 31 are restricted for the following purposes or periods:

	<u>2017</u>	<u>2016</u>
<u>Purpose Restricted</u>		
Summer Camp Scholarships	\$ 854	\$ -
Special College Counseling Program	5,320	7,814
Cohen Lecture Series	193,092	126,514
JTT Singles	21,918	-
Jewish Fund - Special Educational Opportunities	<u>2,000</u>	<u>3,000</u>
Total Purpose Restricted	<u>223,184</u>	<u>137,328</u>
<u>Time Restricted</u>		
Charitable Gift Annuities	-	25,243
Promises to Give	271,378	299,935
Unappropriated Earnings on Permanently Restricted Endowment Funds	<u>53,469</u>	<u>19,658</u>
Total Time Restricted	<u>324,847</u>	<u>344,836</u>

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 8 - NET ASSETS (continued)

<u>Time and Purpose Restricted</u>	<u>2017</u>	<u>2016</u>
United Jewish Federation of Greater Stamford, et al Allocation Restricted for the Subsequent Period September 1 to August 31	\$ 36,368	\$ 64,524
Federation for Jewish Philanthropy Of Upper Fairfield County, et al Allocation Restricted for the Subsequent Period September 1 to August 31	<u>33,400</u>	<u>29,300</u>
 Total Time and Purpose Restricted	<u>69,768</u>	<u>93,824</u>
Total Temporarily Restricted	<u>\$617,799</u>	<u>\$575,988</u>

Net assets released from donor restrictions by passage of time, by incurring expenses satisfying the restricted purposes, or by occurrence of other events for the years ended August 31 were as follows:

	<u>2017</u>	<u>2016</u>
<u>Expiration of Time and Purpose Restrictions</u>		
United Jewish Federation of Greater Stamford, et al Restricted for the Subsequent Period September 1 to August 31	\$ 64,524	\$ 63,867
Federation of Jewish Philanthropy, et al Allocation Restricted for the Subsequent Period September 1 to August 31	<u>29,300</u>	<u>33,300</u>
 Total Expiration of Time and Purposes Restrictions	<u>93,824</u>	<u>97,167</u>
<u>Expiration of Time Restrictions</u>		
Promises to Give	28,557	-
Approved Spending from Endowment		
Total Returns	<u>28,418</u>	<u>20,796</u>
 Total Expiration of Time Restrictions	<u>56,975</u>	<u>20,796</u>
<u>Satisfaction of Purpose Restrictions</u>		
Expenditures of Various Purpose Restricted Funding	<u>3,494</u>	<u>66,116</u>
 Total Temporarily Restricted Net Assets Released from Restrictions	<u>\$154,293</u>	<u>\$184,079</u>

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 8 - NET ASSETS (continued)

Permanently Restricted Net Assets

GAAP requires certain provisions relating to "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institution Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds." The provisions improve disclosures about an organization's endowment funds to enable users of the financial statements to understand the net asset classifications, net asset composition, changes in net asset composition, spending policy and related investment policy of an organization's endowment funds.

The Agency's Board of Directors have established investing objectives, with respect to the Permanently restricted Net Assets, to safeguard and preserve the purchasing power of the assets while earning investment returns that are commensurate with the endowment risk tolerance.

Permanently restricted net assets must be invested in perpetuity, with the Investment income net of fees and realized gains and unrealized appreciation offset by realized losses and unrealized depreciation (Total Return) available for Unrestricted use. The Total return has been Designated by the Board of Directors until disbursed to be used to provide current programs with a predictable, stable stream of revenue as possible. The Board of Directors has established a spending rate that shall not exceed 5% of a three year moving average of the total market value of the Endowment Fund based on quarterly values.

Activity in the Agency's Endowment for the years ended August 31, was as follows:

	<u>2017</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance - September 1, 2016	\$ -	\$ 19,658	\$ 744,000	\$ 763,658
Contributions Restricted for Long-Term Investment Purposes	-	-	-	-
Net Investment Income Including Realized Gains and Unrealized Appreciation on Investments	-	62,229	-	62,229
Approved Spending from Endowment Total Return	-	(28,418)	-	(28,418)
Balance - August 31, 2017	<u>\$ -</u>	<u>\$ 53,469</u>	<u>\$ 744,000</u>	<u>\$ 797,469</u>

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 8 - NET ASSETS (continued)

Permanently Restricted Net Assets (continued)

	<u>2016</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance - September 1, 2015	\$ -	\$ 2,821	\$ 220,000	\$ 222,821
Contributions Restricted for Long-Term Investment Purposes	-	-	524,000	524,000
Net Investment Income Including Realized Gains and Unrealized Appreciation on Investments	-	37,633	-	37,633
Approved Spending from Endowment Total Return	<u>-</u>	<u>(20,796)</u>	<u>-</u>	<u>(20,796)</u>
Balance - August 31, 2016	<u>\$ -</u>	<u>\$ 19,658</u>	<u>\$ 744,000</u>	<u>\$ 763,658</u>

NOTE 9 - LEASE OBLIGATIONS

Stamford Office

During April 2007, the Agency relocated its office. Under the terms of the original ten-year lease, the Agency was to be responsible for utilities, and approximately 12% of the common expenses, which include real estate taxes, cleaning and maintenance. During the year ended August 31, 2011, JFS expanded their office space in order to better accommodate their level of operations. The original lease was amended, and JFS's portion of common charge reimbursement was increased to approximately 15%. During the years ended August 31, 2017 and 2016, JFS received a rent rebate of approximately \$4,000 and \$4,600, respectively, for their proportional share of real estate taxes that was rebated by the City of Stamford to the landlord.

During the year ended August 31, 2017, JFS entered into an agreement to extend the terms and conditions of the lease through March 31, 2019 at a monthly rental of \$11,290 per month.

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 9 - LEASE OBLIGATIONS (continued)

Stamford Office (continued)

Minimum annual rental for the term of the lease at August 31, 2017 are as follows:

<u>Years Ending August 31,</u>	<u>Amount</u>
2018	\$135,476
2019	<u>79,028</u>
Totals	<u>\$214,504</u>

Rent expense for the years ended August 31, 2017 and 2016 approximated \$133,700 and \$133,800, respectively.

Westport Office

The Agency leased office space in Westport under a lease which originally expired August 31, 1997, and then had been extended several times on a month-to-month basis at increasing monthly rentals. The Lease had most recently been extended for one year to November 30, 2016, at which time it was terminated. Rent expense approximated \$2,200 and \$10,300 for the years ended August 31, 2017 and 2016, respectively.

Office Equipment

The Agency leases office equipment under several operating leases expiring to October 2018 at an aggregate monthly rental of approximately \$1,200.

NOTE 10 - FUND-RAISING ACTIVITIES

The Agency's Fund-raising activities consist primarily of JFS Evening, held each spring. A summary of Fund-raising activities for the years ended August 31, is as follows:

	<u>2017</u>	<u>2016</u>
<u>Revenue</u>	<u>\$151,805</u>	<u>\$136,880</u>
<u>Expenses</u>		
Event Expenses	16,300	11,042
Direct Benefit to Donors	<u>27,892</u>	<u>26,023</u>
Total Expenses	<u>44,192</u>	<u>37,065</u>
Net	<u>\$107,613</u>	<u>\$ 99,815</u>

JEWISH FAMILY SERVICE OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

(with comparative totals for 2016)

NOTE 11 - CONTINGENCIES

The Agency is the recipient of Grants from governmental and other agencies. Under the terms and conditions of these Grants, expenditures and compliance with the provisions of such Grants are subject to audit by the agencies. Management of the Agency does not anticipate that there would be any material changes as a result of an audit.

NOTE 12 - PRIOR-YEAR INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Agency's financial statements at August 31, 2016 and for the year ended August 31, 2016, from which the summarized information was derived.