

Financial Statements

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

December 31, 2015

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Financial Statements

December 31, 2015

(With Independent Auditor's Report Thereon)

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

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SCHAFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

986 Douglas Avenue, Suite 100
Altamonte Springs, Florida 32714
Phone: (407) 875-2760
Fax: (407) 875-2762

Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 300
Maitland, Florida 32751
Phone: (407) 839-3330
Fax: (407) 839-3660

Michael R. Schafer, CPA
Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Services of Greater Orlando, Inc. (the Organization) which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Services of Greater Orlando, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 20, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schacter, Tschoff, Whittemut, Mitchell & Shuilen, LLP

March 29, 2016
Altamonte Springs, Florida

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC

Statement of Financial Position

December 31, 2015

(With summarized totals for December 31, 2014)

Assets

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 606,162	586,048
Accounts receivable	39,745	17,773
Investments held by T.O.P. (note 2)	612,308	647,109
Food pantry inventory	3,106	3,353
Total current assets	<u>1,261,321</u>	<u>1,254,283</u>
Property and equipment (notes 3 and 4)	900,389	924,409
Other	<u>2,302</u>	<u>2,994</u>
Total assets	<u><u>\$ 2,164,012</u></u>	<u><u>2,181,686</u></u>

Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$ 32,715	71,518
Current portion of mortgage payable (note 4)	<u>-</u>	<u>11,000</u>
Total current liabilities	<u>32,715</u>	<u>82,518</u>

Net assets:

Unrestricted	1,527,714	1,533,360
Temporarily restricted (notes 5 and 6)	288,633	250,858
Permanently restricted (note 6)	<u>314,950</u>	<u>314,950</u>
Total net assets	<u>2,131,297</u>	<u>2,099,168</u>
Total liabilities and net assets	<u><u>\$ 2,164,012</u></u>	<u><u>2,181,686</u></u>

See accompanying notes to financial statements.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Statement of Activities

Year ended December 31, 2015

(With summarized totals for the year ended December 31, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenue:				
Public support:				
Government contracts	\$ 70,282	-	-	70,282
Contributions:				
Jewish Federation of Greater Orlando	10,000	-	-	10,000
United Way	63,523	-	-	63,523
Individuals and others	158,210	117,585	-	275,795
Estates and bequests	370,243	-	-	370,243
In-kind contributions	260,674	-	-	260,674
Other	1,128	-	-	1,128
Special events (net of direct costs of \$47,778)	111,471	-	-	111,471
Total public support	1,045,531	117,585	-	1,163,116
Revenue:				
Program fees	86,492	-	-	86,492
Investment income	22	-	-	22
Rental income	24,135	-	-	24,135
Investment income from T.O.P. funds (note 2)	(5,714)	-	-	(5,714)
Total revenue	104,935	-	-	104,935
Net assets released from restrictions	79,810	(79,810)	-	-
Total public support and revenue	1,230,276	37,775	-	1,268,051
Program Expenses:				
Counseling	140,233	-	-	140,233
Emergency Services	355,498	-	-	355,498
Pantry	245,746	-	-	245,746
Family stabilization program	146,650	-	-	146,650
Chaplaincy	61,998	-	-	61,998
Volunteers	54,366	-	-	54,366
Total program expenses	1,004,491	-	-	1,004,491
Support services:				
Management and general	71,538	-	-	71,538
Fund raising	159,893	-	-	159,893
Total support services	231,431	-	-	231,431
Total expenses	1,235,922	-	-	1,235,922
Changes in net assets	(5,646)	37,775	-	32,129
Net assets, beginning of year	1,533,360	250,858	314,950	2,099,168
Net assets, end of year	\$ 1,527,714	288,633	314,950	2,131,297

See accompanying notes to financial statements.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Statement of Functional Expenses

Year ended December 31, 2015
(With summarized totals for the year ended December 31, 2014)

	Program Services					Supporting Services				2014 Total Expenses	
	Counseling	Emergency Services	Pantry	Family Stabilization Program	Chaplaincy	Volunteers	Total Programs	Management and General	Fund Raising		Total
Salaries and related expenses	\$ 82,833	128,720	100,605	101,730	47,254	42,503	503,645	53,137	105,562	158,699	655,442
Specific assistance to individuals	23,107	189,705	114,222	15,966	-	-	343,000	2,000.00	-	2,000.00	166,636
Loss on sale of assets	-	-	-	-	-	-	-	-	-	-	-
Service and supplies	741	1,168	895	907	421	533	4,665	473	939	1,412	6,683
Transportation	23	104	-	244	1,408	-	1,779	1,409	166	1,575	2,306
Professional fees	18,671	12,373	9,476	9,609	4,464	3,916	58,509	5,018	32,411	37,429	66,997
Interest expense	82	129	99	100	47	41	498	52	104	156	219
Telephone	1,054	1,662	1,273	1,291	600	526	6,406	674	1,336	2,010	6,177
Postage	410	646	495	502	233	205	2,491	262	519	781	2,501
Occupancy	5,672	8,944	6,849	6,946	3,226	2,830	34,467	3,628	7,189	10,817	38,985
Staff development	4	6	5	5	2	2	24	2	5	7	536
Depreciation	3,009	4,744	3,633	3,684	1,711	1,501	18,282	1,924	3,813	5,737	23,398
Insurance	1,728	2,725	4,693	2,116	983	862	13,107	1,105	2,190	3,295	15,063
Office expenses	2,705	4,266	3,267	3,313	1,539	1,350	16,440	1,730	5,413	7,143	37,267
Dues and licenses	194	306	234	237	110	97	1,178	124	246	370	1,776
Total expenses	\$ 140,233	355,498	245,746	146,650	61,998	54,366	1,004,491	71,538	159,893	231,431	1,023,986

See accompanying notes to financial statements.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Statement of Cash Flows

Year ended December 31, 2015

(With summarized totals for the year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 32,129	25,126
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	24,020	23,398
Loss (gain) from T.O.P. investments	5,714	(25,134)
Net increase (decrease) in cash flows from changes in:		
Accounts receivable	(21,972)	36,199
Contributions receivable	-	350,000
Inventory - pantry	247	1,194
Other assets	692	(679)
Accounts payable and accrued expenses	(38,803)	27,194
Net cash provided by operating activities	<u>2,027</u>	<u>437,298</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>-</u>	<u>(13,568)</u>
Net cash used in investing activities	<u>-</u>	<u>(13,568)</u>
Cash flows from financing activities:		
Proceeds from T.O.P. grants	29,087	46,283
Repayment of principal on mortgage note payable	(11,000)	(33,000)
Net cash provided by financing activities	<u>18,087</u>	<u>13,283</u>
Net increase in cash	20,114	437,013
Cash and cash equivalents, beginning of year	586,048	149,035
Cash and cash equivalents, ending of year	<u>\$ 606,162</u>	<u>586,048</u>
Cash paid for interest	<u>\$ -</u>	<u>654</u>

See accompanying notes to financial statements.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

Year ended December 31, 2015

(1) Organization and Summary of Significant Accounting Policies

(a) General

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

(b) Use of Estimates

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

(c) Net Asset Classes

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

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

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

Year ended December 31, 2015

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

(c) Net Asset Classes (Continued)

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

The Organization displays revenue in the following two natural classifications:

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

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

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

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

(d) Cash and Cash Equivalents

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

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

Year ended December 31, 2015

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

(e) Investments

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

(f) Inventory

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

(g) Property and Equipment

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

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

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

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of accounts and grant/contracts receivable which amount to approximately \$40,000. The Organization provides various types services to qualified individuals and generally does not require collateral. Grants and contracts receivable, as applicable, arise as a result of the agreements with third parties to provide specified services. The grants and contracts are monitored on a monthly basis and are not collateralized. The Organization maintains its cash balances at certain financial institutions in which balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

Year ended December 31, 2015

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

(i) Donated Goods and Services

Donated materials and equipment are reflected as gifts-in-kind in the accompanying financial statements at their estimated values at date of receipt. For the years ended December 31, 2015 and 2014, in-kind contributions, substantially consisting of food, were valued at approximately \$260,000 and \$69,000, respectively. No amounts have been reflected in the statements for donated services because no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fund-raising campaigns.

(j) Income Taxes

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

The Organization has adopted the provisions of FASB ASC SubTopic 740-10, (FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*). These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2015, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2012 to 2014 are open to examination by federal authorities.

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

Year ended December 31, 2015

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

(k) Subsequent Events

In preparing these financial statements, the Partnership has evaluated subsequent events and transactions for potential recognition and disclosure through March 29, 2016, which is the date the financial statements were available to be issued.

(l) Prior Year Comparative Data

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

(m) Functional Allocation of Expenses

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

(n) Reclassification

Certain prior year balances were reclassified to conform with 2015 presentation.

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

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

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

Year ended December 31, 2015

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

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

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

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

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

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

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

(3) Property and Equipment

Major classifications of property and equipment at December 31, 2015 are summarized below:

Land	\$ 412,680
Building	760,132
Furniture and fixtures	80,996
Office equipment	57,758
Automobile	7,375
	1,318,941
Accumulated depreciation and amortization	(418,552)
	\$ 900,389

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

Year ended December 31, 2015

(4) Mortgage Payable

Jewish Family Services had a mortgage payable, collateralized by real property, due in quarterly principal installments of \$11,000 plus interest at 2.25%. The note was paid in full in January 2015.

(5) Temporarily Restricted Net Assets

At December 31, 2015, temporary restricted net assets are available for the following purposes:

General endowment	\$ 34,722
Scholarship	42,413
Family Stabilization Program	165,823
RIDE program	42,569
Other	3,106
Total	<u>\$ 288,633</u>

(6) Endowments

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

JEWISH FAMILY SERVICES OF GREATER ORLANDO, INC.

Notes to Financial Statements

Year ended December 31, 2015

(6) Endowments (Continued)

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

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

Endowment net asset composition by type of fund:

<u>December 31, 2015</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds:				
Externally controlled, TOP	\$ 220,223	77,135	314,950	612,308
	<u>\$ 220,223</u>	<u>77,135</u>	<u>314,950</u>	<u>612,308</u>

Changes in endowment net assets:

<u>December 31, 2015</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowments, beginning of year	\$ 252,444	119,111	314,950	686,505
Investment return:				
Donations	5,000	-	-	5,000
Transfer	(34,087)	(39,396)	-	(73,483)
Net appreciation (realized and unrealized)	(3,134)	(2,580)	-	(5,714)
Endowments, end of year	<u>\$ 220,223</u>	<u>77,135</u>	<u>314,950</u>	<u>612,308</u>