

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE

COMBINED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2019 AND 2018
AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2019

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Combined Financial Statements:	
Combined Statements of Financial Position as of June 30, 2019 and 2018	3
Combined Statement of Activities for the Year Ended June 30, 2019 (With Comparative Total for 2018)	4
Combined Statement of Activities for the Year Ended June 30, 2019	5
Combined Statement of Functional Expenses for the Year Ended June 30, 2019	6
Combined Statement of Functional Expenses for the Year Ended June 30, 2018	7
Combined Statements of Cash Flows for the Years Ended June 30, 2019 and 2018	8
Notes to Combined Financial Statements	9
Reports and Other Schedules and Information as Required by the Uniform Guidance:	
Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2019	26
Notes to Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2019	27
Independent Auditor's Report on Internal control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	30
Schedule of Findings and Questioned Costs for the Year Ended June 30, 2019	32
Other Information as Required by the State of Georgia Department of Human Services and Grantor Agency:	
Independent Auditor's Report on Supplemental Information	34
Schedule of State Contractual Assistance for the Year Ended June 30, 2019	35
Schedule of Other Contractual Assistance Reviewed During the Audit for the Year Ended June 30, 2019	36



INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors
of Jewish Family & Career Services, Inc. and Affiliate:

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Jewish Family & Career Services, Inc. and Affiliate (nonprofit organizations) which comprise the combined statements of financial position as of June 30, 2019 and 2018, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Jewish Family & Career Services, Inc. and Affiliate as of June 30, 2019 and 2018, and the changes in its combined net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements (financial statements) as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Schedule of State Contractual Assistance, and Schedule of Other Contractual Assistance Reviewed During the Audit for the year ended June 30, 2019 as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2019, on our consideration of Jewish Family & Career Services, Inc. and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jewish Family & Career Services, Inc. and Affiliate's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jewish Family & Career Services, Inc. and Affiliate's internal control over financial reporting and compliance.

Brooks, McInnis & Company, LLC

Atlanta, Georgia
October 18, 2019

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 272,987	\$ 614,322
Grants and other receivables	692,916	482,156
Promises to give, net of allowance for doubtful accounts of \$21,301 and \$16,489	2,318,150	2,120,622
Capital Campaign promises to give, net	72,824	304,699
Prepaid expenses and other assets	208,145	207,120
Agency investments	114,420	496,005
Foundation investments	5,850,553	5,524,234
Land, property and equipment, net	<u>9,012,461</u>	<u>9,675,169</u>
Total assets	<u>\$ 18,542,456</u>	<u>\$ 19,424,327</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 298,796	\$ 378,238
Deferred compensation	-	394,556
Deferred revenue and refundable advances	18,128	61,112
Line of credit	300,000	-
Note payable and capital lease obligation	<u>173,039</u>	<u>254,713</u>
Total liabilities	<u>789,963</u>	<u>1,088,619</u>
Net assets:		
Without donor restrictions:		
Undesignated	115,477	386,968
Invested in land, property and equipment, net of related debt	8,839,422	9,420,456
Board designated for endowment fund	<u>546,470</u>	<u>526,426</u>
Total net assets without donor restrictions	<u>9,501,369</u>	<u>10,333,850</u>
With donor restrictions:		
Purpose and time restrictions	5,117,646	4,868,380
Perpetual in nature	<u>3,133,478</u>	<u>3,133,478</u>
Total net assets with donor restrictions	<u>8,251,124</u>	<u>8,001,858</u>
Total net assets	<u>17,752,493</u>	<u>18,335,708</u>
Total liabilities and net assets	<u>\$ 18,542,456</u>	<u>\$ 19,424,327</u>

The accompanying notes are an integral part of these combined financial statements.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTAL FOR 2018)

	Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018
Revenues and support:				
Public support:				
Jewish Federation of Greater Atlanta	\$ -	\$ 1,206,717	\$ 1,206,717	\$ 1,264,965
United Way	25,462	345,398	370,860	372,394
Federal awards	920,070	-	920,070	424,504
Grants and contributions	113,554	4,155,496	4,269,050	3,586,585
Annual giving campaign	1,211,951	-	1,211,951	1,345,676
Capital campaign	-	13,798	13,798	102,693
Ben Massell Dental Clinic and other contributed services	2,234,512	-	2,234,512	2,177,163
Special events, net of related expenses of \$62,386 (2019) and \$63,042 (2018)	180,281	-	180,281	201,723
Net assets released from restrictions:				
Satisfaction of program and other restrictions	4,160,012	(4,160,012)	-	-
Satisfaction of timing and other restrictions:				
Jewish Federation of Greater Atlanta	1,264,965	(1,264,965)	-	-
United Way	332,931	(332,931)	-	-
Total support	<u>10,443,738</u>	<u>(36,499)</u>	<u>10,407,239</u>	<u>9,475,703</u>
Other revenue:				
Program services	3,857,296	-	3,857,296	3,853,956
Net investment return	32,852	285,765	318,617	309,528
Other revenues	107,666	-	107,666	98,410
Total other revenue	<u>3,997,814</u>	<u>285,765</u>	<u>4,283,579</u>	<u>4,261,894</u>
Total revenues and support	<u>14,441,552</u>	<u>249,266</u>	<u>14,690,818</u>	<u>13,737,597</u>
Expenses:				
Program Services:				
Aviv Older Adult Services	2,932,081	-	2,932,081	2,627,363
Counseling/Child and Adolescent Services	2,258,316	-	2,258,316	2,289,967
Careers	761,824	-	761,824	378,462
Intellectual and Developmental Disabilities Services	3,813,231	-	3,813,231	3,711,516
Ben Massell Dental Clinic	3,369,119	-	3,369,119	3,303,438
Total program services	<u>13,134,571</u>	<u>-</u>	<u>13,134,571</u>	<u>12,310,746</u>
Supporting Services:				
Management and general	1,357,581	-	1,357,581	1,119,244
Fundraising	781,881	-	781,881	934,699
Total supporting services	<u>2,139,462</u>	<u>-</u>	<u>2,139,462</u>	<u>2,053,943</u>
Total expenses	<u>15,274,033</u>	<u>-</u>	<u>15,274,033</u>	<u>14,364,689</u>
Change in net assets	(832,481)	249,266	(583,215)	(627,092)
Net assets, beginning of year	10,333,850	8,001,858	18,335,708	18,962,800
Net assets, end of year	<u>\$ 9,501,369</u>	<u>\$ 8,251,124</u>	<u>\$ 17,752,493</u>	<u>\$ 18,335,708</u>

The accompanying notes are an integral part of these combined financial statements.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total 2018
Revenues and support:			
Public support:			
Jewish Federation of Greater Atlanta	\$ -	\$ 1,264,965	\$ 1,264,965
United Way	39,463	332,931	372,394
Federal awards	424,504	-	424,504
Grants and contributions	130,597	3,455,988	3,586,585
Annual giving campaign	1,345,676	-	1,345,676
Capital campaign	-	102,693	102,693
Ben Massell Dental Clinic and other contributed services	2,177,163	-	2,177,163
Special events, net of related expenses of \$63,042 (2018)	201,723	-	201,723
Net assets released from restrictions:			
Satisfaction of program and other restrictions	3,815,468	(3,815,468)	-
Satisfaction of timing and other restrictions:			
Jewish Federation of Greater Atlanta	1,386,308	(1,386,308)	-
United Way	447,833	(447,833)	-
Total support	<u>9,968,735</u>	<u>(493,032)</u>	<u>9,475,703</u>
Other revenue:			
Program services	3,853,956	-	3,853,956
Net investment return	47,530	261,998	309,528
Other revenues	98,410	-	98,410
Total other revenue	<u>3,999,896</u>	<u>261,998</u>	<u>4,261,894</u>
Total revenues and support	<u>13,968,631</u>	<u>(231,034)</u>	<u>13,737,597</u>
Expenses:			
Program Services:			
Aviv Older Adult Services	2,627,363	-	2,627,363
Counseling/Child and Adolescent Services	2,289,967	-	2,289,967
Careers	378,462	-	378,462
Intellectual and Developmental Disabilities Services	3,711,516	-	3,711,516
Ben Massell Dental Clinic	3,303,438	-	3,303,438
Total program services	<u>12,310,746</u>	<u>-</u>	<u>12,310,746</u>
Supporting Services:			
Management and general	1,119,244	-	1,119,244
Fundraising	934,699	-	934,699
Total supporting services	<u>2,053,943</u>	<u>-</u>	<u>2,053,943</u>
Total expenses	<u>14,364,689</u>	<u>-</u>	<u>14,364,689</u>
Change in net assets	(396,058)	(231,034)	(627,092)
Net assets, beginning of year	<u>10,729,908</u>	<u>8,232,892</u>	<u>18,962,800</u>
Net assets, end of year	<u>\$ 10,333,850</u>	<u>\$ 8,001,858</u>	<u>\$ 18,335,708</u>

The accompanying notes are an integral part of these combined financial statements.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Aviv Older Adult Services	Counseling/Child and Adolescent Services	Careers	Intellectual and Developmental Disabilities Services	Ben Massell Dental Clinic	Total Program	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 875,968	\$ 1,383,855	\$ 545,625	\$ 2,319,437	\$ 542,771	\$ 5,667,656	\$ 567,738	\$ 385,354	\$ 6,620,748
Payroll benefits and payroll taxes	167,513	215,532	79,065	416,822	85,931	964,863	79,850	70,012	1,114,725
Total personnel costs	1,043,481	1,599,387	624,690	2,736,259	628,702	6,632,519	647,588	455,366	7,735,473
Annual Campaign costs	-	-	-	-	-	-	-	84,075	84,075
Bad debt expense	-	-	-	626	-	626	-	77,455	78,081
Building occupancy, repairs and	24,145	59,854	13,338	76,827	61,952	236,116	36,094	14,990	287,200
Client assistance	1,609,227	267,860	2,335	312,166	-	2,191,588	-	-	2,191,588
Conferences and meetings	8,034	5,410	462	11,061	4,696	29,663	41,252	1,314	72,229
Dues and subscriptions	945	1,602	885	5,404	2,656	11,492	17,064	155	28,711
Information technology	25,550	33,600	27,969	44,664	18,036	149,819	38,390	17,368	205,577
In-kind professional fees	-	-	-	-	2,232,895	2,232,895	1,617	-	2,234,512
Insurance and taxes	14,876	21,846	14,237	65,961	8,737	125,657	21,711	10,566	157,934
Interest	106	167	89	222	-	584	6,405	80	7,069
Marketing and advertising	29,620	60,068	18,105	47,958	13,981	169,732	65,977	11,058	246,767
Postage	3,715	501	278	561	848	5,903	3,285	3,018	12,206
Professional fees	57,583	75,419	9,358	44,084	27,041	213,485	383,184	54,214	650,883
Supplies	22,097	63,778	16,658	50,434	105,174	258,141	45,259	29,177	332,577
Telephone	10,214	9,515	6,090	22,085	9,355	57,259	9,574	3,316	70,149
Transportation	8,303	4,828	8,055	125,819	893	147,898	3,102	335	151,335
Total expenses before depreciation	1,814,415	604,448	117,859	807,872	2,486,264	5,830,858	672,914	307,121	6,810,893
Depreciation	74,185	54,481	19,275	269,100	254,153	671,194	37,079	19,394	727,667
Total expenses	\$ 2,932,081	\$ 2,258,316	\$ 761,824	\$ 3,813,231	\$ 3,369,119	\$ 13,134,571	\$ 1,357,581	\$ 781,881	\$ 15,274,033
Percentage of Total	19%	15%	5%	25%	22%	86%	9%	5%	100%

The accompanying notes are an integral part of these combined financial statements.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Aviv Older Adult Services	Counseling/Child and Adolescent Services	Careers	Intellectual and Developmental Disabilities Services	Ben Massell Dental Clinic	Total Program	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 842,560	\$ 1,329,356	\$ 236,275	\$ 2,215,725	\$ 530,275	\$ 5,154,191	\$ 610,486	\$ 517,673	\$ 6,282,350
Payroll benefits and payroll taxes	151,768	215,755	45,803	382,062	84,717	880,105	84,905	77,536	1,042,546
Total personnel costs	994,328	1,545,111	282,078	2,597,787	614,992	6,034,296	695,391	595,209	7,324,896
Annual Campaign costs	-	-	-	-	-	-	-	116,327	116,327
Bad debt expense	-	-	-	-	-	-	3,658	-	3,658
Building occupancy, repairs and maintenance	25,050	60,997	8,051	83,412	60,568	238,078	32,469	15,280	285,827
Client assistance	1,366,291	306,167	31,919	302,977	-	2,007,354	-	-	2,007,354
Conferences and meetings	9,891	5,718	1,153	12,128	4,380	33,270	25,240	2,112	60,622
Dues and subscriptions	1,951	873	1,480	4,940	2,600	11,844	19,168	665	31,677
Information technology	22,027	35,817	7,847	59,884	23,357	148,932	39,365	17,282	205,579
In-kind professional fees	-	-	-	-	2,163,577	2,163,577	13,586	-	2,177,163
Insurance and taxes	16,034	24,029	5,350	67,089	10,625	123,127	21,736	11,298	156,161
Interest	171	269	57	371	271	1,139	3,912	114	5,165
Marketing and advertising	25,674	64,703	6,478	51,879	15,812	164,546	61,570	8,583	234,699
Postage	4,121	846	149	1,338	1,108	7,562	3,663	6,326	17,551
Professional fees	61,216	78,070	4,095	40,750	33,085	217,216	102,525	88,525	408,266
Supplies	26,112	64,854	11,611	62,814	149,326	314,717	41,558	33,130	389,405
Telephone	9,355	9,093	2,016	31,263	9,665	61,392	12,208	4,193	77,793
Transportation	8,415	3,919	271	133,779	697	147,081	2,093	802	149,976
Total expenses before depreciation	2,570,636	2,200,466	362,555	3,450,411	3,090,063	11,674,131	1,078,142	899,846	13,652,119
Depreciation	56,727	89,501	15,907	261,105	213,375	636,615	41,102	34,853	712,570
Total expenses	\$ 2,627,363	\$ 2,289,967	\$ 378,462	\$ 3,711,516	\$ 3,303,438	\$ 12,310,746	\$ 1,119,244	\$ 934,699	\$ 14,364,689
Percentage of Total	18%	16%	3%	26%	23%	86%	7%	7%	100%

The accompanying notes are an integral part of these combined financial statements.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (583,215)	\$ (627,092)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation expense	727,667	712,570
Net realized and unrealized gains on investments	(229,924)	(216,550)
Contributions and promises to give restricted for Capital Campaign	(13,798)	(102,693)
Contributions to permanent endowment funds	-	(8,308)
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants and other receivables	(210,760)	(82,314)
Promises to give, net	(197,528)	187,798
Prepaid expenses and other assets	(1,025)	(35,993)
Increase (decrease) in:		
Accounts payable and accrued expenses	(79,442)	(117,460)
Deferred revenue and refundable advances	(42,984)	4,245
Total adjustments	<u>(47,794)</u>	<u>341,295</u>
Net cash used in operating activities	<u>(631,009)</u>	<u>(285,797)</u>
Cash flows from investing activities:		
Sales of investments	2,621,377	1,788,109
Purchases of investments	(2,730,743)	(2,415,177)
Purchase of property and equipment	(64,959)	(403,342)
Net cash used in investing activities	<u>(174,325)</u>	<u>(1,030,410)</u>
Cash flows from financing activities:		
Line of credit borrowings	300,000	-
Collections on Capital Campaign contributions and promises to give	245,673	559,314
Contributions to permanent endowment funds	-	8,308
Payments on note payable and capital lease obligation	(81,674)	(77,107)
Net cash provided by financing activities	<u>463,999</u>	<u>490,515</u>
Net decrease in cash and cash equivalents	(341,335)	(825,692)
Cash and cash equivalents, beginning of year	<u>614,322</u>	<u>1,440,014</u>
Cash and cash equivalents, end of year	<u>\$ 272,987</u>	<u>\$ 614,322</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 7,069</u>	<u>\$ 5,122</u>

The accompanying notes are an integral part of these combined financial statements.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies

Jewish Family & Career Services, Inc. (the Agency) was incorporated in 1997 as a result of a merger between Jewish Family Services, Inc. and Jewish Vocational Services, Inc. JF&CS Foundation, Inc. (the Foundation) receives and administers funds for the exclusive benefit and support of Jewish Family & Career Services, Inc. Together, Jewish Family & Career Services, Inc. and JF&CS Foundation, Inc. are referred to as the Organization.

The Organization is a private, nonprofit organization as defined in Section 501(c)(3) of the Internal Revenue Code, whose purpose is to provide health, career, and human services to support and enhance the well-being of individuals and families across all ages, faiths, cultures and lifestyles. JF&CS Foundation, Inc. is further categorized as a Type 1 supporting organization under Section 509(a)(3) of the Internal Revenue Code.

Principles of Combination

The combined financial statements include the accounts of Jewish Family & Career Services, Inc. and JF&CS Foundation, Inc. All significant intercompany accounts and transactions have been eliminated in combination.

Method of Reporting and Financial Statement Presentation

The Organization maintains its accounts on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Items that affect (i.e., increase or decrease) this net asset category include unrestricted contributions, investment income, and program service fees and related expenses associated with the Organization’s core activities.

At times, the governing board may earmark otherwise unrestricted net assets for a specified purpose. Since this is not a donor-imposed restriction, the designated asset is classified and reported a part of net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor, or certain grantor, imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies – Continued

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Cash and Cash Equivalents and Concentration of Credit

The Organization considers all short-term, interest-bearing deposits with original maturities of three months or less to be cash equivalents. Cash and cash equivalents include demand deposit accounts. Balances in the Organization's demand deposit accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured balances in the demand deposit accounts as of June 30, 2019 and 2018 totaled \$261,539 and \$531,816, respectively.

Financial Instruments and Credit Risk

The Organization manages its deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy. At that time, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of the Organization's mission.

Investments are made by diversified investment managers whose performance is monitored by the Foundation's investment committee. Although the fair values of the investments are subject to fluctuation on a year-to-year basis, the Organization believes the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Grants and Other Receivable s

Reimbursements to be received under contracts with federal, state and other grantors are recorded when the related expenditures are incurred. Reimbursements are based on actual expenditures or cost per unit of service arrangements. Management believes grants and other receivable s are fully collectible as of June 30, 2019 and 2018.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies – Continued

Promises to Give

Promises to give are recognized as revenues in the period the unconditional promise is made at their estimated fair value less an appropriate allowance for uncollectible amounts. Promises to give over more than one year are recorded at their discounted present value. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based on quoted market prices with all related gains and losses reported in the combined statements of activities.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Property and equipment are stated at cost or estimated fair value at time of donation. Depreciation is computed by the straight-line method over the estimated useful lives as stated below:

Buildings and improvements	10 - 25 years
Furniture, fixtures and equipment	3 - 7 years
Vehicles	5 years

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Organization's management identified no indicators of impairment of property and equipment as of June 30, 2019 and 2018.

Deferred Revenue and Refundable Advances

Deferred revenue and refundable advances primarily represent funds received for services to be performed in the subsequent year.

Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies – Continued

Ben Massell Dental Clinic Contributed Services

The Organization operates the Ben Massell Dental Clinic (BMDC) which provides quality dental care at no cost to Atlanta's neediest population. BMDC's procedures are solely provided by volunteer dentists. Such non-cash gifts of services (and corresponding offsetting expenses) are recorded at their estimated fair value, as such services are provided by individuals possessing specialized skills that would need to be purchased if not provided by donation. For the years ended June 30, 2019 and 2018, such volunteer services had an aggregate estimated fair value of \$2,232,895 and \$2,163,577, respectively. Such fair value is based on the estimated value of the service if provided at a private dental practice less an estimate for overhead at such practice.

Functional Allocation of Expenses

The combined financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, such expenses require allocation on a reasonable basis that is consistently applied. These expenses are generally allocated based on an analysis of either the time and effort or the square-footage devoted to each major program or supporting function.

Income Taxes

The Organization is a nonprofit organization exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended June 30, 2019 and 2018, the Organization did not have any unrelated business income, and accordingly, no unrelated business income tax. The Organization's income tax returns are subject to examination by the appropriate regulatory authorities for all open years, which typically include the last three years filed.

Subsequent Event

Subsequent events have been evaluated through October 18, 2019, which is the date the combined financial statements were available to be issued. Other than as discussed in Note 11, there were no subsequent events that required recognition or disclosure in the combined financial statements.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

2. Liquidity and Availability of Financial Assets

The Organization is substantially supported by contributions, grants, awards, and program service fees. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers financial assets for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures may be incurred for program, fundraising, or administrative purposes. Annual operations are defined as activities occurring during the Organization's fiscal year.

The Organization's financial assets at June 30, 2019 and 2018 (reduced by amounts not available for general expenditure within the next 12 months) available within one year after this date to satisfy liabilities at this date and for future general expenditure are as follows:

	2019	2018
Financial assets at year end:		
Cash and cash equivalents	\$ 272,987	\$ 614,322
Grants and accounts receivable	692,916	482,156
Promises to give, net	2,318,150	2,120,622
Capital campaign promises to give, net	72,824	304,699
Agency investments	114,420	496,005
Foundation investments	5,850,553	5,524,234
Total financial assets	9,321,850	9,542,038
Less amounts not available for general expenditures within one year:		
Promise to give restricted for expenditure in fiscal year ending June 30, 2021	(286,296)	-
Promises to give - due in more than one year, net	(69,025)	(107,122)
Capital campaign cash and promises to give, net	(72,824)	(307,690)
Foundation investments	(5,850,553)	(5,524,234)
Add back transfer of Board designated funds (See Note 11)	500,000	-
Add back amounts allocated for subsequent year	268,429	279,360
Financial assets available to meet general expenditures within one year	\$ 3,811,581	\$ 3,882,352

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments. As described in Note 8, the Organization also maintains a committed line of credit in the amount of \$600,000 which it could draw upon in the event of an unanticipated liquidity event. Additionally, the Organization has endowment funds as described in Note 11 from which the Foundation's Board may appropriate additional funds from their accumulated earnings at its discretion.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

3. Promises to Give, Net

Jewish Federation and United Way Service promises to give are always received within the next fiscal year. Other promises to give are receivable within one to five years from the date of donation. Promises to give as of June 30 are as follows:

	2019	2018
Jewish Federation promise to give	\$ 1,206,717	\$ 1,264,965
United Way Services promise to give	345,398	332,931
Other promises to give, net	766,035	522,726
	<u>\$ 2,318,150</u>	<u>\$ 2,120,622</u>

Other promises to give consist of amounts both with and without donor restrictions. Other promises to give above are expected to be collected as follows:

	2019	2018
Due within one year	\$ 697,010	\$ 415,604
Due within two to five years	74,000	117,500
Less present value discount of 5%	(4,975)	(10,378)
	<u>\$ 766,035</u>	<u>\$ 522,726</u>

4. Capital Campaign Promises to Give, Net

During 2014, the Organization embarked on a \$5.1 million Capital Campaign to complete its campus in Dunwoody, Georgia. Capital campaign contributions are expected to total approximately \$6,800,000, of which approximately \$6,727,000 has been collected as of June 30, 2019. Capital campaign promises to give consist of the following as of June 30:

	2019	2018
Due within one year	\$ 51,908	\$ 262,410
Due within two to five years	22,200	51,421
Less present value discount of 2%	(1,284)	(9,132)
	<u>\$ 72,824</u>	<u>\$ 304,699</u>

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

5. Investments

Agency Investments

The Agency maintains investments primarily associated with deferred compensation plans as further described in Note 7. These plans establish parameters as to how their assets are to be invested. The investments held in these plans were liquidated and distributed according to the terms of the plan during the year ended June 30, 2019.

Foundation Investments

The Foundation owns all of the Organization's endowment funds. The Board of Directors of JF&CS Foundation has adopted an Investment Policy for the purpose of providing general guidelines for the prudent management of its investments. The JF&CS Foundation Board has fiduciary responsibility for directing and monitoring the investment management of the assets and is authorized to establish relationships and delegate responsibilities to a third party to manage the assets. The JF&CS Foundation Board has delegated day-to-day management responsibility to external professional investment managers.

To satisfy the long-term objectives of JF&CS Foundation, the Investment Policy has various asset allocation guidelines. The target allocations are intended to represent long term averages based on the overall risk level the Foundation is willing to take with respect to the portfolio, the intent being that current allocations be determined by the investment advisor within certain parameters and approved by the Foundation Board. The JF&CS Foundation Board reviews these allocation percentages periodically.

The JF&CS Foundation Board meets on a quarterly basis with the external professional investment managers to review asset performance results, comparable benchmark results, plan reports, asset allocation, appropriateness of plan assets, and any other related issues. The Investment Policy is reviewed at least annually to determine whether it is still appropriate.

The JF&CS Foundation Board determines the amount to be made available annually to meet the needs of and be spent by Jewish Family & Career Services. The annual amount expected to be made available is approximately 5% of the total asset value; however, the JF&CS Foundation Board has the discretion to adjust this amount as needed based on market conditions. Amounts made available are in line with each donor's intent, a written donor agreement, or the charitable mission of Jewish Family & Career Services. No funds may be used to further any personal interests of any related party to the Organization.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

5. Investments – Continued

Investment Assets

The Organization classifies its investment assets using a hierarchy of inputs to fair value measurements in accordance with professional standards, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology that are derived principally from or corroborated by observable market data:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs that are unobservable and significant to the overall fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization's direct investments in equity and fixed income securities consist primarily of investments in exchange-traded companies, mutual funds or bond funds. Accordingly, the Organizations' direct investments in equity and fixed income investments are Level 1 securities.

The Organization values all other securities at prices provided by its investment manager, which obtains such pricing from recognized pricing services. Such services generally provide daily asset pricing and are verified by the investment manager by reference to a secondary pricing source. None of the Organization's investments are Level 2 or Level 3 investments.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

5. Investments – Continued

Investment Assets – Continued

The following tables present assets measured as fair value on a recurring basis as of June 30:

Agency Investments	Fair Value Hierarchy	2019	2018
Money market funds	1	\$ 8,116	\$ 25,290
Equity mutual funds	1	-	343,389
Equity common stock	1	106,304	127,326
Total Agency investments		<u>\$ 114,420</u>	<u>\$ 496,005</u>

Foundation Investments	Fair Value Hierarchy	2019	2018
Cash and money market funds	1	\$ 166,980	\$ 624,172
Individual common stocks	1	554,299	571,726
Equity mutual funds:			
Exchange traded funds	1	1,731,206	1,144,426
Large cap	1	1,185,511	906,662
Mid and small cap	1	-	485,426
International	1	454,357	685,670
Fixed Income:			
Short term bond fund	1	838,030	384,704
Corporate and other bonds	1	920,170	721,448
Total Foundation investments		<u>\$ 5,850,553</u>	<u>\$ 5,524,234</u>

Net investment return consists of the following for the years ended June 30:

	2019	2018
Interest and dividends, net of fees	\$ 88,693	\$ 92,978
Realized gains (losses)	(22,966)	121,179
Unrealized gains	252,890	95,371
Net investment return	<u>\$ 318,617</u>	<u>\$ 309,528</u>

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

6. Land, Property and Equipment, Net

Land, property and equipment consist of the following as of June 30:

	2019	2018
Building and improvements - Dunwoody campus	\$ 8,814,012	\$ 8,797,072
Land - Dunwoody campus	500,000	500,000
Land and building - Ben Massell Dental Clinic	3,282,601	3,282,601
Office equipment and furniture	1,270,058	1,270,058
Dental equipment and furniture	1,655,716	1,655,716
Vehicles	598,916	550,897
	<u>16,121,303</u>	<u>16,056,344</u>
Less accumulated depreciation	<u>(7,108,842)</u>	<u>(6,381,175)</u>
Land, property and equipment, net	<u>\$ 9,012,461</u>	<u>\$ 9,675,169</u>

Depreciation expense for the years ended June 30, 2019 and 2018 was \$727,667 and \$712,570, respectively.

7. Deferred Compensation

The Organization maintained a deferred compensation plan under Internal Revenue Code Section 457(b) for a select group of management or highly compensated employees. Eligible employees may elect to make pre-tax deferrals into this plan up to Internal Revenue Service contribution limits. All compensation deferred under this plan and all investments purchased with such deferrals are owned by the Organization until distributed to the employee. The assets held in this plan were liquidated and distributed according to the terms of the plan during the year ended June 30, 2019.

8. Line of Credit

The Organization has a line of credit with a maximum amount available of \$600,000 that is secured by property owned by the Organization and is due on demand. The Organization is required to pay down any outstanding balance under this line to a maximum of \$100 for 30 consecutive days annually. The line of credit accrues interest at the Bank's Prime Rate plus .5% with a floor of 5% (6% as of June 30, 2019). Borrowings under the line of credit were \$300,000 as of June 30, 2019. There was no amount outstanding on the line of credit as of June 30, 2018. This line of credit agreement expires in April 2020.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

9. Note Payable and Capital Lease Obligation

The Organization has a note payable monthly with interest at LIBOR (2.37% at June 30, 2019) and a capital lease contractually due over the next one to three years as follows:

<u>Year Ending June 30:</u>	<u>Note Payable</u>	<u>Capital Lease</u>	<u>Total</u>
2020	\$ 72,392	\$ 10,733	\$ 83,125
2021	76,857	-	76,857
2022	<u>13,261</u>	<u>-</u>	<u>13,261</u>
Total minimum note payable and lease payments	162,510	10,733	173,243
Less amount representing interest	<u>-</u>	<u>(204)</u>	<u>(204)</u>
Note payable and capital lease obligation	<u>\$ 162,510</u>	<u>\$ 10,529</u>	<u>\$ 173,039</u>

Under the terms of the note payable, the Organization would be required to remit a portion of the proceeds from the sale of its Dunwoody Campus building to the note holder should such property be sold prior to 2026. The portion would be based generally upon a percentage (14% at June 2019 decreasing ratably annually through 2025) of the excess of the sale proceeds over the sum of \$2.2 million plus the cost of all improvements made to such property since 2001.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

10. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Capital Campaign - Campus Project and future maintenance	\$ 72,824	\$ 307,690
Other program support	84,000	167,452
Jewish Federation of Greater Atlanta	1,206,717	1,264,965
United Way	345,398	332,931
Support restricted for use in subsequent years and for specific program purposes	1,063,070	747,970
Passover and emergency assistance	175,032	183,042
	<u>2,947,041</u>	<u>3,004,050</u>
Endowments:		
Subject to appropriation and expenditure for specified purposes:		
Aviv Older Adult Services	46,968	47,445
Counseling/Child and Adolescent Services	914,631	874,932
Intellectual and Developmental Disabilities Services	316,520	281,063
Ben Massell Dental Clinic	47,327	92,155
General and administrative	533,170	486,798
Dunwoody Campus	308,149	80,000
Other	3,840	1,937
	<u>2,170,605</u>	<u>1,864,330</u>
Original donor-restricted gift amounts required to be maintained in perpetuity by the donor, earnings restricted for the following purposes:		
Aviv Older Adult Services	933,801	933,801
Counseling/Child and Adolescent Services	52,065	52,065
Intellectual and Developmental Disabilities Services	550,000	550,000
Ben Massell Dental Clinic	591,852	591,852
Dunwoody campus	500,000	500,000
Community Human Services	505,760	505,760
	<u>3,133,478</u>	<u>3,133,478</u>
Total net assets with donor restrictions	<u>\$ 8,251,124</u>	<u>\$ 8,001,858</u>

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

10. Net Assets With Donor Restrictions – Continued

During the years ended June 30, 2019 and 2018, certain net assets were released from donor restrictions by satisfying time and/or program restrictions specified by donors. Total satisfaction of program and/or time restrictions was as follows:

	2019	2018
Grants and contributions for program purposes	\$ 4,027,067	\$ 3,422,076
Passover and emergency assistance	132,945	146,328
Capital Campaign purposes	-	247,064
Total net assets released for program and other restrictions	\$ <u>4,160,012</u>	\$ <u>3,815,468</u>

11. Endowment Funds

JF&CS Foundation follows the requirements of Georgia's Uniform Prudent Management of Institutional Funds Act (the "Act"). The Foundation is required to evaluate the gift instrument and related information to determine the directions and intentions of the donor. The Foundation classifies gifts that are not immediately expendable as net assets with donor restrictions, depending on the restrictions that the donor has imposed. As a result, JF&CS Foundation classifies amounts to be maintained in perpetuity net assets for which the (a) the original value of gifts donated to a permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. Unless otherwise stated in the donor agreement, earnings on these amounts are classified as accumulated investment gains and restricted for the purpose specified by the donor until those funds are approved to be spent.

All funds held by JF&CS Foundation, Inc. were established by gifts or bequests to provide a source of future income generally for specific purposes or were designated by the Board to be held in the endowment fund and are therefore considered endowment funds for financial reporting purposes. Jewish Family & Career Services, Inc. does not maintain any endowment funds, but rather receives numerous grants and contributions from various funders generally to be used for the Organization's combined activities within the upcoming year.

From time to time, the fair value of invested assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. As of June 30, 2019 and 2018, there were no deficiencies of this nature.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

11. Endowment Funds – Continued

Endowment funds by net asset category consisted of the following as of June 30, 2019 and 2018:

<u>2019</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 546,470	\$ -	\$ 546,470
Donor restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	3,133,478	3,133,478
Accumulated investment gains	-	2,170,605	2,170,605
	<u>\$ 546,470</u>	<u>\$ 5,304,083</u>	<u>\$ 5,850,553</u>
<u>2018</u>			
Board-designated endowment funds	\$ 526,426	\$ -	\$ 526,426
Donor restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	3,133,478	3,133,478
Accumulated investment gains	-	1,864,330	1,864,330
	<u>\$ 526,426</u>	<u>\$ 4,997,808</u>	<u>\$ 5,524,234</u>

During October 2019, the Foundation's board transferred \$500,000 of Board-designated endowment funds to the Agency. These funds can be used for any purpose by the Agency.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

11. Endowment Funds – Continued

Changes in endowment funds by net assets category consisted of the following as of June 30, 2019 and 2018:

<u>2019</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment funds, beginning of year	\$ 526,426	\$ 4,997,808	\$ 5,524,234
Contributions/transfers	-	333,783	333,783
Investment income	23,021	65,671	88,692
Net appreciation of investments	22,801	194,153	216,954
Appropriation of endowment assets for expenditure	<u>(25,778)</u>	<u>(287,332)</u>	<u>(313,110)</u>
Endowment funds, end of year	<u>\$ 546,470</u>	<u>\$ 5,304,083</u>	<u>\$ 5,850,553</u>
 <u>2018</u>			
Endowment funds, beginning of year	\$ 487,566	\$ 4,681,187	\$ 5,168,753
Contributions/transfers	15,000	269,182	284,182
Investment income	14,220	78,758	92,978
Net appreciation of investments	31,784	165,042	196,826
Appropriation of endowment assets for expenditure	<u>(22,144)</u>	<u>(196,361)</u>	<u>(218,505)</u>
Endowment funds, end of year	<u>\$ 526,426</u>	<u>\$ 4,997,808</u>	<u>\$ 5,524,234</u>

12. Change in Net Assets

The total change in net assets, excluding non-cash depreciation expense is detailed below.

	<u>2019</u>	<u>2018</u>
Total change in net assets per Statements of Activities	\$ (583,215)	\$ (627,092)
Plus depreciation expense	<u>727,667</u>	<u>712,570</u>
Change in net assets, excluding depreciation expense	<u>\$ 144,452</u>	<u>\$ 85,478</u>

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

13. Employee Benefit Plan

The Organization maintains a 401(k) plan and matches 100% of the first 3% contributed by eligible employees and 50% of the next 2% contributed by eligible employees to the plan. Contributions for the years ended June 30, 2019 and 2018 totaled approximately \$156,000 and \$168,000, respectively.

14. Operating Lease Obligations

The Organization has several non-cancelable operating leases, primarily for leased vehicles and copiers. Future minimum lease payments under non-cancelable operating leases are as follows:

<u>Year Ending June 30:</u>	
2020	\$ 43,879
2021	28,907
2022	25,124
2023	25,124
2024	<u>18,843</u>
Total minimum lease payments	\$ <u><u>141,877</u></u>

Total rent expense for operating leases was approximately \$72,614 and \$66,500 for the years ended June 30, 2019 and 2018, respectively.

15. Contingencies

Certain federally funded programs are routinely subject to special audit. Such federal agencies have the authority to determine liabilities as well as to limit, suspend, or terminate the federal programs. Since the Organization does not expect claims to arise as a result of such audits, no provision for liabilities, if any, has been provided in the Organization's combined financial statements.

The Organization is subject to legal actions arising in the ordinary course of business, including certain known claims. The Organization believes it has adequate legal defenses and insurance coverage with respect to any current claims; accordingly, no provision for any liability that may result from these claims has been made in the accompanying combined financial statements.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE

REPORTS AND OTHER SCHEDULES AND INFORMATION
AS REQUIRED BY THE UNIFORM GUIDANCE

FOR THE YEAR ENDED JUNE 30, 2019

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass- through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Passed Through Georgia Department of Human Services:			
Elderly Refugees	93.566	42700-040-0000060913	\$ 29,862
Elderly Refugees	93.566	42700-040-0000071486	<u>58,600</u>
			88,462
Passed Through Criminal Justice Coordinating Council:			
Family Violence Prevention and Services Act, Shalom Bayit	93.671	V18-8-061	<u>50,000</u>
U.S.Department of Health and Human Services Total			138,462
U.S. Department of Labor:			
Passed Through DeKalb County:			
WorkSource DeKalb Grant Adult	17.258	18-500484	283,916
WorkSource DeKalb Grant Dislocated Worker	17.278	18-500484	<u>250,648</u>
U.S. Department of Labor Total			534,564
U.S. Department of Justice:			
Passed Through the Criminal Justice Coordinating Council:			
Violence Against Women Grant Program	16.575	C16-8-172	73,610
Violence Against Women Grant Program	16.575	C17-8-057	<u>173,434</u>
U.S. Department of Justice Total			<u>247,044</u>
Total Federal Expenditures			\$ <u><u>920,070</u></u>

See accompanying notes to schedule of expenditures of federal awards.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards summarizes the expenditures of the Organization under programs of the federal government for the year ended June 30, 2019 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Accounting Principles

Expenditures for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the Uniform Guidance. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
of Jewish Family & Career Services, Inc. and Affiliate:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Jewish Family & Career Services, Inc. and Affiliate (a nonprofit organization) (the Organization), which comprise the combined statement of financial position as of June 30, 2019, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated October 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the entity's combined financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brooks, McInnis & Company, LLC

Atlanta, Georgia
October 18, 2019



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
of Jewish Family & Career Services, Inc. and Affiliate:

Report on Compliance for Each Major Federal Program

We have audited Jewish Family & Career Services, Inc. and Affiliate's (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, Jewish Family & Career Services, Inc. and Affiliate complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brooks, McMinis & Company, LLC

Atlanta, Georgia
October 18, 2019

JEWISH FAMILY AND CAREER SERVICES, INC.
AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Section I – Summary of Audit Results

Combined Financial Statements:

Type of Auditor's Report Issued	Unmodified
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Internal Control over Financial Reporting:

- | | |
|--|------------|
| • Material weakness(es) identified? | No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | None noted |

Noncompliance material to combined financial statements noted?	No
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Federal Awards:

Internal control over major programs:

- | | |
|--|------------|
| • Material weakness(es) identified? | None noted |
| • Significant deficiencies identified that are not considered to be material weaknesses? | None noted |

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
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Identification of major programs:

<u>Name</u>	<u>CFDA Number</u>
WorkSource DeKalb – Adult	17.258
WorkSource DeKalb – Dislocated Worker	17.278

Dollar threshold to distinguish between Type A and B programs:	\$750,000
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Auditee qualified as a low-risk auditee?	No
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Section II – Financial Statement Findings

No findings to report in this section

Section III – Federal Award Findings and Questioned Costs

No findings to report in this section

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE

OTHER INFORMATION AS REQUIRED BY
THE STATE OF GEORGIA
DEPARTMENT OF HUMAN SERVICES
AND GRANTOR AGENCY



INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL INFORMATION

To the Board of Directors
of Jewish Family & Career Services, Inc. and Affiliate:

We have audited the accompanying combined financial statements (financial statements) of Jewish Family & Career Services, Inc. and Affiliate for the year ended June 30, 2019 and have issued our report thereon dated October 18, 2019 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

The supplemental Schedule of State Contractual Assistance and Schedule of Other Contractual Assistance Reviewed During the Audit are presented for the purposes of additional analysis and are not required parts of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material aspects in relation to the financial statements as a whole.

Brooks, McGinnis & Company, LLC

Atlanta, Georgia
October 18, 2019

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019

State Contract Number	Award	Expenditures	Cash Receipts	Due From State Agency	Contract Dates
Passed through Georgia					
Department of Community Health					
Georgia Charitable Care Network	\$ 30,000	\$ 30,000	\$ 27,249	\$ 2,751	7/1/18-6/30/19

See Independent Auditor's Report on Other Information.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
SCHEDULE OF OTHER CONTRACTUAL ASSISTANCE
REVIEWED DURING THE AUDIT
FOR THE YEAR ENDED JUNE 30, 2019

Conference on Jewish Material Claims Against Germany, Inc.

Claims Conference In-Home Services Program

<u>Fund</u>	<u>Application Number</u>	<u>Award Amount</u>	<u>Expenditures</u>	<u>Contract Dates</u>
2018 Calendar Year Grant:				
GG20	19411	\$ 1,473,619	\$ 1,473,619	1/1/18-12/31/18

During the performance of our audit procedures for the years ending June 30, 2019 and 2018, we determined that these funds were applied exclusively for the purposes for which they were granted during the contract dates of the grant.

Claims Conference In-Home Services Program

<u>Fund</u>	<u>Application Number</u>	<u>Award Amount</u>	<u>Expenditures</u>	<u>Contract Dates</u>
2019 Calendar Year Grant:				
GG21	20103	\$ 1,556,455	\$ 846,361	1/1/19-12/31/19

During the performance of our audit procedures for the year ending June 30, 2019, we determined that these funds were applied exclusively for the purposes for which they were granted during the contract dates of the grant. Expenditures for the 2019 calendar year grants are for the first six months of the 2019 grant period.