

**Jewish Family Service Agency of Central New Jersey  
Financial Statements  
December 31, 2018 and 2017**

# Jewish Family Service Agency of Central New Jersey

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December 31, 2018 and 2017

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## **Independent Auditors' Report**

**To the Board of Directors of**

**Jewish Family Service Agency of Central New Jersey**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Jewish Family Service Agency of Central New Jersey (a nonprofit organization) ("JFS"), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 JFS, as of December 31, 2018 and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report of Summarized Comparative Information**

We have previously audited JFS's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 28, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent in all material respects, with the audited financial statements from which it has been derived.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of The Conference on Jewish Material Claims Against Germany, Inc. are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state and county financial assistance and the notes to these schedules as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 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 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 June XX, 2019, on our consideration of JFS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement and other matters. The purpose of that report is 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 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 the JFS's internal control over financial reporting and compliance.



East Brunswick, New Jersey

June 20, 2019

**Jewish Family Service Agency of Central New Jersey**  
**Statements of Financial Position**  
**December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 508,608	\$ 874,013
Investment	20,000	20,000
Contributions receivable	112,021	102,085
Grants and contracts receivable	160,501	261,099
Grants receivable - Holocaust	125,208	50,107
Counseling fees receivable	50,952	30,091
Other receivables	37	545
Security deposit	2,145	2,145
Prepaid expenses	24,630	32,871
Total Current Assets	<u>1,004,102</u>	<u>1,372,956</u>
Property and equipment, net	1,298,388	1,283,352
Land held for sale	<u>1,133,500</u>	<u>100,000</u>
<b>Total Assets</b>	<u><u>\$ 3,435,990</u></u>	<u><u>\$ 2,756,308</u></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 109,154	\$ 119,870
Accrued vacation	127,567	105,202
Refundable advances	253,841	292,610
Pension plan loan payable - current	14,479	13,939
Mortgage payable - current	44,288	45,374
Total Current Liabilities	<u>549,329</u>	<u>576,995</u>
Pension plan loan payable, net of current portion	509,886	524,137
Mortgage payable, net of current portion	<u>327,811</u>	<u>372,521</u>
<b>Total Liabilities</b>	<u>1,387,026</u>	<u>1,473,653</u>
<b>Commitment</b>		
<b>Net Assets</b>		
Without donor restrictions		
Operations	454,152	(386,502)
Property and equipment	1,315,799	1,300,763
Total Net Assets without Donor Restrictions	<u>1,769,951</u>	<u>914,261</u>
With donor restrictions	<u>279,013</u>	<u>368,394</u>
<b>Total Net Assets</b>	<u>2,048,964</u>	<u>1,282,655</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 3,435,990</u></u>	<u><u>\$ 2,756,308</u></u>

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

**Jewish Family Service Agency of Central New Jersey**  
**Statements of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2018**  
**(With Comparative Totals for 2017)**

	Without Donor Restrictions			With Donor Restrictions	2018 Total	2017 Total
	Operations	Property and Equipment	Total			
<b>Support and Revenue</b>						
<b>Support</b>						
Grants and Contracts	\$ 2,357,594	\$ -	\$ 2,357,594	\$ 19,985	\$ 2,377,579	\$ 2,450,944
Holocaust Grant	1,108,657	-	1,108,657	-	1,108,657	684,352
Contributions	1,292,337	-	1,292,337	239,649	1,531,986	739,256
<b>Total Support</b>	<b>4,758,588</b>	<b>-</b>	<b>4,758,588</b>	<b>259,634</b>	<b>5,018,222</b>	<b>3,874,552</b>
<b>Revenue</b>						
Memberships	57,730	-	57,730	280	58,010	72,220
Client fees	505,336	-	505,336	-	505,336	476,354
Special events, net of direct costs of donor benefits	390,679	-	390,679	-	390,679	324,360
Insurance claim income	-	-	-	37,803	37,803	-
Interest income	1,007	-	1,007	342	1,349	1,873
Other income	2,404	-	2,404	-	2,404	-
<b>Total Revenue</b>	<b>957,156</b>	<b>-</b>	<b>957,156</b>	<b>38,425</b>	<b>995,581</b>	<b>874,807</b>
<b>Net Assets Released from Restrictions Due to Satisfaction of Program Restrictions</b>	<b>387,440</b>	<b>-</b>	<b>387,440</b>	<b>(387,440)</b>	<b>-</b>	<b>-</b>
<b>Total Support and Revenue</b>	<b>6,103,184</b>	<b>-</b>	<b>6,103,184</b>	<b>(89,381)</b>	<b>6,013,803</b>	<b>4,749,359</b>

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

**Jewish Family Service Agency of Central New Jersey**  
**Statements of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2018**  
**(With Comparative Totals for 2017)**

	Without Donor Restrictions			With Donor Restrictions	2018 Total	2017 Total
	Operations	Property and Equipment	Total			
<b>Expenses</b>						
Program services	4,404,825	57,461	4,462,286	-	4,462,286	3,797,600
Management and general	437,093	5,789	442,882	-	442,882	466,837
Development and fund raising	338,687	3,639	342,326	-	342,326	332,180
<b>Total Expenses</b>	<b>5,180,605</b>	<b>66,889</b>	<b>5,247,494</b>	<b>-</b>	<b>5,247,494</b>	<b>4,596,617</b>
<b>Change in Net Assets</b>	922,579	(66,889)	855,690	(89,381)	766,309	152,742
<b>Net Assets - Beginning of Year</b>	(386,502)	1,300,763	914,261	368,394	1,282,655	1,129,913
<b>Other Changes</b>						
Interfund transfer - capital acquisitions	(81,925)	81,925	-	-	-	-
<b>Net Assets - End of Year</b>	<b>\$ 454,152</b>	<b>\$ 1,315,799</b>	<b>\$ 1,769,951</b>	<b>\$ 279,013</b>	<b>\$ 2,048,964</b>	<b>\$ 1,282,655</b>

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

**Jewish Family Service Agency of Central New Jersey**  
**Statements of Functional Expenses**  
**For the Year Ended December 31, 2018 (With Comparative Totals for 2017)**

	2018					2017				
	Program Services				Support Services					
	Counseling	Home Services for the Elderly (Inc. Holocaust Survivors)	Specific Assistance to Individuals	Kosher Homebound Meal Program	Total Program Activities	Management and General	Development and Fund Raising	Total Support Services	Total Expenses	Total Expenses
Salaries	\$ 708,072	\$ 2,179,529	\$ 20,505	\$ 100,059	\$ 3,008,165	\$ 316,864	\$ 200,751	\$ 517,615	\$ 3,525,780	\$ 3,041,986
Employee benefits	81,429	250,649	2,358	11,507	345,943	36,440	23,087	59,527	405,470	348,892
Payroll taxes	57,620	177,362	1,669	8,142	244,793	25,785	16,336	42,121	286,914	257,342
Professional fees	14,668	45,150	425	2,073	62,316	6,153	-	6,153	68,469	77,413
Subcontractors	-	17,640	-	-	17,640	-	-	-	17,640	43,670
Office Supplies	3,165	9,468	-	435	13,068	1,376	872	2,248	15,316	8,283
Telephone	5,587	17,198	162	790	23,737	2,500	1,584	4,084	27,821	26,716
Postage and shipping	4,132	10,869	-	-	15,001	1,580	1,001	2,581	17,582	15,726
Occupancy	11,592	35,683	336	1,638	49,249	5,188	3,287	8,475	57,724	55,395
Insurance	8,975	26,848	-	1,233	37,056	3,903	2,473	6,376	43,432	40,739
Equipment and maintenance	2,023	5,322	-	-	7,345	774	490	1,264	8,609	8,710
Printing and publications	6,052	15,920	-	-	21,972	2,314	1,466	3,780	25,752	24,610
Travel and transportation	3,174	31,170	-	8,676	43,020	4,531	2,871	7,402	50,422	49,194
Conferences and conventions	6,499	17,093	-	-	23,592	1,573	6,291	7,864	31,456	27,937
Program events	17,718	46,602	-	-	64,320	-	-	-	64,320	39,780
Specific assistance to individuals	-	-	121,912	-	121,912	-	-	-	121,912	96,991
Software subscriptions and computer support	14,180	43,646	411	2,004	60,241	7,530	7,530	15,060	75,301	63,058
Dues	801	2,108	-	-	2,909	-	-	-	2,909	3,695
Interest	6,015	18,515	174	850	25,554	2,669	1,705	4,374	29,928	28,299
Miscellaneous	7,812	24,046	226	1,104	33,188	3,496	2,215	5,711	38,899	42,170
Payroll processing fees	4,915	14,703	-	675	20,293	2,138	1,354	3,492	23,785	19,051
Temporary office assistance	-	367	-	60	427	45	28	73	500	100
Licenses and fees	689	1,813	-	-	2,502	1,232	-	1,232	3,734	4,343
Classified ads - help wanted	1,348	1,348	-	-	2,696	284	180	464	3,160	825
Office expense	6,508	19,468	-	894	26,870	2,853	1,793	4,646	31,516	11,866
Direct fund raising	-	-	-	-	-	-	50,635	50,635	50,635	54,646
Promotion and publicity	2,019	8,839	-	1,342	12,200	-	12,200	12,200	24,400	29,153
Volunteer recognition and staff appreciation	3,450	10,320	-	474	14,244	7,016	-	7,016	21,260	27,327

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



**Jewish Family Service Agency of Central New Jersey**  
**Statements of Functional Expenses**  
**For the Year Ended December 31, 2018 (With Comparative Totals for 2017)**

	2018								2017	
	Program Services				Support Services				Total Expenses	Total Expenses
	Counseling	Home Services for the Elderly (Inc. Holocaust Survivors)	Specific Assistance to Individuals	Kosher Homebound Meal Program	Total Program Activities	Management and General	Development and Fund Raising	Total Support Services		
<b>Continued</b>										
Bad debt expense	3,457	3,811	521	268	8,057	849	538	1,387	9,444	360
Homebound meals	-	-	-	96,515	96,515	-	-	-	96,515	84,882
Total Expenses before Depreciation	981,900	3,035,487	148,699	238,739	4,404,825	437,093	338,687	775,780	5,180,605	4,533,159
Depreciation	13,096	39,342	1,928	3,095	57,461	5,789	3,639	9,428	66,889	63,458
Total Expenses - 2018	<u>\$ 994,996</u>	<u>\$ 3,074,829</u>	<u>\$ 150,627</u>	<u>\$ 241,834</u>	<u>\$ 4,462,286</u>	<u>\$ 442,882</u>	<u>\$ 342,326</u>	<u>\$ 785,208</u>	<u>\$ 5,247,494</u>	
Percent of Total Expenses - 2018	19.0%	58.6%	2.9%	4.6%	85.1%	8.4%	6.5%	14.9%		
Total Expenses - 2017	<u>\$ 825,848</u>	<u>\$ 2,643,996</u>	<u>\$ 120,370</u>	<u>\$ 207,386</u>	<u>\$ 3,797,600</u>	<u>\$ 466,837</u>	<u>\$ 332,180</u>	<u>\$ 799,017</u>		<u>\$ 4,596,617</u>
Percent of Total Expenses - 2017	18.0%	57.5%	2.6%	4.5%	82.6%	10.2%	7.2%	17.4%		

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

**Jewish Family Service Agency of Central New Jersey**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2018 and 2017**

	2018	2017
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 766,309	\$ 152,742
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	66,889	63,458
Bad debts	9,444	360
Contribution of land	(1,033,500)	(100,000)
Contributions of fixed assets	-	(11,992)
Change in assets and liabilities from operating activities		
Contributions receivable	(19,380)	30,040
Grants and contracts receivable	100,598	(74,951)
Grants receivable - Holocaust	(75,101)	8,841
Counseling fees receivable	(20,861)	7,755
Other receivables	508	20,214
Prepaid expenses	8,241	1,582
Accounts payable and accrued expenses	(10,716)	(47,656)
Accrued vacation	22,365	(9,895)
Refundable advances	(38,769)	(14,373)
<b>Net Cash Flows Provided By (Used In) Operating Activities</b>	<u>(223,973)</u>	<u>26,125</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of fixed assets	(81,925)	(64,328)
Purchase of investment	-	(20,000)
<b>Cash Flows Used In Investing Activities</b>	<u>(81,925)</u>	<u>(84,328)</u>
<b>Cash Flows from Financing Activities</b>		
Repayments on mortgage	(45,796)	(38,434)
Repayments on pension plan loan	(13,711)	(12,583)
<b>Cash Flows Used In Financing Activities</b>	<u>(59,507)</u>	<u>(51,017)</u>

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

**Jewish Family Service Agency of Central New Jersey**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2018 and 2017**

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	<u>2018</u>	<u>2017</u>
<b>Net Change in Cash and Cash Equivalents</b>	(365,405)	(109,220)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>874,013</u>	<u>983,233</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>508,608</u>	<u>874,013</u>
<b>SUPPLEMENTAL INFORMATION:</b>		
<b>Cash:</b>		
Interest paid	<u>\$ 29,928</u>	<u>\$ 28,299</u>

**Non Cash:**

In the years ended December 31, 2018 and 2017, JFS received in-kind donations of fixed assets as well as donations of land. These fixed assets and land have been recorded at fair market value at the time of donation (see Note 7).

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

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 1 Nature of Organization**

Jewish Family Service Agency of Central New Jersey ("JFS"), a not-for-profit health and social service organization, was incorporated in March 1912 for the purpose of fostering the development of healthy family life. JFS is a multi-purpose, non-sectarian agency providing social services to individuals, families and the elderly. These services include counseling, home-care, Kosher meals-on-wheels, financial assistance, information and referral, respite care, career counseling, food pantry, volunteer programs, caregiver support, community consultation, spiritual care, elder care management, adoption home studies and post placement supervision, services for Special Needs children and adults, school based counseling, assisted transportation for the elderly, support for aging Holocaust survivors and day services for individuals with Alzheimer's disease and dementia. JFS has facilities in Elizabeth and Mountainside, New Jersey.

**Note 2 Summary of Significant Accounting Policies**

**Estimates**

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

**Financial Statement Presentation**

JFS reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. There are no net assets with donor restrictions that are perpetual in nature whereby the donor has stipulated the funds be maintained in perpetuity.

**Cash and Cash Equivalents and Investment Income**

Cash and cash equivalents are held in bank deposit accounts and money market funds which, at times, may exceed federally insured limits. Investment income earned consists of interest income earned on these accounts.

**Investment**

Investment is recorded at fair market value. Fair value is measured on a recurring basis based on quoted prices in an active market (Level 1 measurement).

**Note 2      Summary of Significant Accounting Policies (Continued)**

**Support and Revenues**

**Net Assets Without Donor Restrictions**

All contributions are considered to be available without donor restrictions unless specifically restricted by the donor. Membership fees are recognized upon receipt. Special events, client fees and interest income are recognized when earned.

**Net Assets with Donor Restrictions**

Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

**Contributions Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years, if any, are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free rate of return applicable to the year in which the promise is received. Contributions receivable are shown net of an allowance for doubtful accounts, if any. On a periodic basis, JFS evaluates its receivables and establishes an allowance for doubtful accounts based on contributor's history, collections and current credit conditions. Receivables are written off when management determines that a sufficient period of time has elapsed without receiving payment and the donors do not exhibit the ability to meet their obligations.

**Property and Equipment**

Property and equipment, acquired by JFS, are recorded at cost, or in the case of leased assets under capital leases, at the present value of future minimum lease payments. JFS follows the practice of capitalizing all fixed asset purchases in excess of \$5,000. JFS also capitalizes leased equipment where the term of the lease results in the transfer to JFS of substantially all of the benefits and risks of ownership of the equipment. Depreciation is computed on a straight-line basis over the useful lives of the assets, 5 to 6 years for furniture and equipment, and vehicles, and 20 to 40 years for building and improvements.

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 2      Summary of Significant Accounting Policies (Continued)**

**Property and Equipment (Continued)**

JFS reviews the carrying value of property and equipment whenever events and circumstances indicate that the carrying value or an asset may not be recoverable from the estimated future cash flows expected to result from its eventual use and disposition. Based on this assessment, management has determined that there was no impairment.

**Refundable Advances**

JFS records restricted grant/contract support as a refundable advance until it is expended for the purpose of the grant/contract, at which time it becomes unconditional and is recognized as net assets without donor restriction.

**Accrued Vacation**

The liability for vacations earned but not taken has been charged to operations.

**Income Taxes**

JFS is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from filing federal and state income tax returns on its exempt activities. JFS did not conduct any unrelated business activities and, therefore, has made no provision for income taxes. JFS evaluates its tax provisions and believes that they are appropriate and there are no uncertain tax positions based on current facts and circumstances.

JFS is required to file form 990 (Return of Organization Exempt from Income Tax). The prior three years tax returns as filed remain open for examination by the respective tax authority.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses charged to restricted funds have been specifically charged to the grants/contracts in accordance with their terms and conditions. Expenses are allocated based on time and effort as well as management's knowledge of the history and trends of JFS's expenditures.

**Contributed Items and Services**

In kind services and contributed items have been recorded as revenue in the accompanying financial statements. Contributed services, such as volunteered time, received by JFS do not meet the criteria to be recorded in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations.

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 2      Summary of Significant Accounting Policies (Continued)**

**Comparative Information**

The statement of activities and changes in net assets and functional expenses include certain prior year summarized comparative information in total but not in net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with JFS's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

**Recent Accounting Pronouncements**

In August 2016, FASB issued Accountant Standards Update ("ASU") 2015-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The new guidance addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expense and investment return. JFS has adjusted the presentation of these statements accordingly.

During the year ended December 31, 2018, JFS implemented the Financial Accounting Standards Board (FASB) Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. Accordingly, unrestricted net assets have been retitled as net assets without donor restriction. Temporarily restricted and permanently restricted net assets have been retitled as net assets with donor restrictions.

The Financial Accounting Standards Board (FASB) issued Update No. 2016-02, *Leases (Topic 842)*, in February 2016. Under this guidance, lessees are required to record most leases on their balance sheets but recognize expenses on the income statement. All entities will classify leases to determine how to recognize lease-related revenue and expense. In applying this guidance, entities must also determine whether an arrangement contains a lease or service agreement. Disclosures are required by lessees and lessors to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The amendments in this update are effective for fiscal years beginning after December 15, 2019 and for interim periods within fiscal years beginning after December 15, 2020. Management is evaluating the impact of this updated guidance on the financial statements.

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
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**Note 2 Summary of Significant Accounting Policies (Continued)**

**Recent Accounting Pronouncements (Continued)**

The FASB issued Update No. 2018-08, Not-for-Profit Entities (Topic 958) Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made, in June 2018. The amendments in the update assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958 or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The amendments in this update are effective fiscal years beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019. Management is evaluating the impact the updated standard will have on the financial statements.

**Subsequent Events**

Management has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the auditors' report, which is the date the financial statements were available to be issued. (See Note 16)

**Reclassifications**

Certain amounts in the December 31, 2017 financial statements have been reclassified to conform to the December 31, 2018 financial statement presentation. These reclassifications have no effect on the previously reported results of financial position or activities and changes in net assets.

**Note 3 Investment**

At December 31, 2018 and 2017, investment consists of the following:

	<u>Maturity Date</u>	<u>Current Yield</u>	<u>Fair Value</u>
10 <sup>th</sup> Maccabee Bond	1/1/19	1.70%	\$20,000



**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 4      Summary of Grants/Contracts Funding**

JFS was funded through the following grants, contracts, and fee agreements for the period January 1, 2018 to December 31, 2018. The period of the grant/contract is the calendar year:

<u>Grantor/Funding Source</u>	<u>Recognized Support</u>
The Conference on Jewish Material Claims Against Germany, Inc. - Holocaust Programs	\$ 1,108,657
County of Union, New Jersey Department of Human Services - Home Services for the Elderly	1,075,177
Jewish Federation of Greater MetroWest NJ (Kosher Meals on Wheels, Home Care Program, Crisis Intervention)	267,365
The Jewish Federations of North America (Innovations PCTI Supportive Services for Holocaust Survivors)	198,060
Jewish Community Foundation of Greater MetroWest NJ - Metrowest Holocaust Services Fund	158,259
Corporation for National and Community Service (Retired and Senior Volunteer Program)	82,371
Jewish Community Foundation of Greater MetroWest NJ - Creating Age Friendly Communities Planning Grant (Lifelong Elizabeth)	75,000
Jewish Federation of Southern NJ (NJ State Survivor Grant)	61,823
Merck- Neighbor of Choice	50,000
Elizabethtown Healthcare Foundation	49,963
Westfield Foundation	38,508
The Healthcare Foundation of NJ	27,760
Mushett Family Foundation, Inc.	24,096
Wallerstein Foundation for Geriatric Life Improvement	21,579
Caleb C Pruden Trust	20,000
Westfield United Fund	18,000
Jewish Community Foundation of Greater MetroWest NJ- Project Links (Norman Lavy Community House)	15,000
Northfield Bank Foundation	15,000
United Way of Greater Union County- Emergency Food and Shelter Program	12,197
21st Century ILGWU Heritage Fund	10,000
Wilf Family Foundation, Café Europa Grant	10,000
E.J. Grassmann Trust	10,000
Turrell Fund	10,000

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 4      Summary of Grants/Contracts Funding (Continued)**

<u>Grantor/Funding Source</u>	<u>Recognized Support</u>
The Brookdale Foundation Group	10,000
Edward W. & Stella C. Van Houten Memorial Fund	10,000
Jewish Community Center of Central New Jersey (Grotta Fund for Senior Care)	7,650
Groundwork Elizabeth (Grotta Fund for Senior Care)	7,500
Jewish Community Foundation of Greater MetroWest NJ - CJL Incentive Grant (Legacy Program)	7,000
Jewish Federation of Greater MetroWest NJ: Mazon Grant	6,942
Ann Earle Talcott Fund	6,743
Union Foundation	6,485
Township of Union, Community Development Agency	6,067
City of Elizabeth, Department of Planning and Community Development	5,035
Gertrude L. Hirsch Charitable Foundation	5,000
Marie H. Brookreson T/U/W	5,000
John H. Van Winkle Foundation	5,000
Blanche & Irving Laurie Foundation	5,000
George A. Ohl Jr. Trust	5,000
Stop & Shop Supermarket Co LLC	5,000
United Way of Greater Union County- Union County Community Development	4,500
Temple Emanu-El of Westfield	4,000
Phillips 66 Bayway Refinery	3,828
ShopRite Supermarkets	3,595
Standish Foundation	3,000
Jewish Community Foundation of Greater MetroWest NJ - Iris Teen Tzedakah Fund	2,200
John A & Margaret Post Foundation	1,376
Arnold A. Schwartz Foundation	1,000
Groundwork Elizabeth (Union County Means Green Community Garden Grant)	500
	<hr/>
Total Grants and Contracts	<u>\$ 3,486,236</u>

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
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**Note 4 Summary of Grants/Contracts Funding (Continued)**

Grants and Contracts consist of federal funds, state funds and other governmental and private funds as follows:

Federal Grants and Contracts	\$ 538,696
State Grants and Contracts	491,137
County Grants and Contracts	406,362
Other Private Grants and Contracts	941,384
The Conference on Jewish Material Claims Against Germany, Inc. Grants	<u>1,108,657</u>
Total Grants and Contracts	<u>\$ 3,486,236</u>

The funds received from The Conference on Jewish Material Claims Against Germany, Inc. were used as intended for Holocaust Survivor Assistance.

**Note 5 Grants and Contracts Receivable**

Grants and contracts receivable expected to be received within one year are deemed by management to be fully collectible and are comprised of the following:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
County of Union, New Jersey - Department of Human Services	\$ 81,567	\$ 217,696
Elizabethtown Healthcare Foundation	45,000	-
Northfield Bank Foundation	15,000	-
Jewish Federation of Greater MetroWest NJ - Mazon Grant	6,942	-
Corporation for National and Community Service (Retired and Senior Volunteer Program)	5,618	5,608
Wallerstein Foundation for Geriatric Life Improvement	5,000	-
Township of Union, Community Development Agency	712	402
City of Elizabeth, Department of Planning and Community Development	662	-
21st Century ILGWU Heritage Fund	-	13,750
Groundwork Elizabeth (Grotta Fund for Senior Care)	-	12,493

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 5 Grants and Contracts Receivable (Continued)**

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
United Way of Greater Union County	-	7,500
Jewish Community Center of Central New Jersey (Grotta Fund for Senior Care)	-	3,150
Rotary Club of Elizabeth	-	500
	<u>          </u>	<u>          </u>
Total	<u>\$ 160,501</u>	<u>\$ 261,099</u>

**Note 6 Property and Equipment**

Property and equipment are comprised as follows:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 362,275	\$ 362,275
Building and improvements	1,317,908	1,302,908
Library	9,398	9,398
Furniture and equipment	695,530	688,770
Vehicles	<u>195,197</u>	<u>135,032</u>
	<u>          </u>	<u>          </u>
Total	2,580,308	2,498,383
Less: Accumulated depreciation	<u>(1,281,920)</u>	<u>(1,215,031)</u>
Property and Equipment, Net	<u>\$ 1,298,388</u>	<u>\$ 1,283,352</u>

Depreciation expense for the years ended December 31, 2018 and 2017 totaled \$66,889 and \$63,458, respectively.

**Note 7 Land Held for Sale/Contributions**

In 2018 and 2017, land was donated to JFS. The land contributed in 2018, by an entity whose member is also a JFS Board member, was recorded at fair market value of \$1,033,500 (the "appraised value"). The land cannot be sold within three years for less than the appraised value. The land contributed in 2017 was recorded at fair market value of \$100,000. The land could not be sold within three years for less than \$100,000 (see also Note 16). These amounts are reflected as land held for sale on the Statement of Financial Position in each of the respective years. The contributions are included in contributions on the Statement of Activities and Changes in Net Assets in each of the respective years.

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 8 Refundable Advances**

Refundable advances as of December 31, 2018 and 2017 represented funds received from the following:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
The Jewish Federations of North America	\$ 51,965	\$ 30,024
Jewish Community Foundation of Greater MetroWest NJ - Holocaust Services Fund	42,773	86,173
Jewish Community Foundation of Greater MetroWest NJ - Creating Age Friendly Communities Planning Grant (Lifelong Elizabeth)	25,000	25,000
Westfield Foundation	20,000	28,508
Mushett Family Foundation, Inc.	20,000	24,096
Fred C. Rummel Foundation	15,000	-
Hyde & Watson Foundation	15,000	-
Wallerstein Foundation for Geriatric Life Improvement	10,000	16,579
E.J. Grassmann Trust	10,000	10,000
Jewish Federation of Southern NJ (NJ State Survivor Grant)	9,962	17,954
Union Foundation	9,515	8,000
The Healthcare Foundation of NJ	9,010	6,250
Robert Mills Foundation	7,500	5,000
John A & Margaret Post Foundation	5,000	6,375
Ann Earle Talcott Fund	3,116	4,860
Turrell Fund	-	10,000
Stop & Shop Supermarket	-	5,000
Elizabethtown Healthcare Foundation	-	4,963
Phillips 66 Bayway Refinery	-	3,828
	<u>          </u>	<u>          </u>
Total	<u>\$ 253,841</u>	<u>\$ 292,610</u>

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 9 Mortgage Payable**

In October 2013, JFS entered into a mortgage agreement with the Jewish Federation of Greater Metrowest New Jersey (the "Federation") for \$560,000 in order to consolidate all other existing loans as well as make a payment of \$160,000 toward its pension plan obligation. The mortgage matures on September 30, 2025. During the year ended, December 31, 2015, the interest rate was based on the five year Treasury note plus 200 basis points, which approximated 3.76%. Effective January 1, 2016, the Federation reduced the interest to a flat rate of 2.01%. The note includes principal payments for the next 5 years calculated based on that rate. The Federation updates the interest rate annually based on the 5 year Treasury Constant Maturity at the last business day of the year plus .25%. For 2018, the interest rate was 2.45%. Effective January 1, 2019, the interest rate is 2.76%. Any remaining unpaid principal will result in a balloon payment on September 30, 2025. The mortgage is secured by property located in Elizabeth, New Jersey.

Principal payments for the next five years and thereafter, based on an interest rate in effect as of January 1, 2019 of 2.76%, are as follows:

Year ending <u>December 31,</u>	
2019	\$ 44,288
2020	45,525
2021	46,798
2022	48,106
2023	49,451
Thereafter	<u>137,931</u>
Total	<u>\$ 372,099</u>

For the year ended December 31, 2018 and 2017, interest of \$9,703 and \$9,565 has been included in interest expense in the accompanying Statements of Functional Expenses, respectively.

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 10 Pension Plan Loan Payable**

Substantially all employees who met certain requirements of age, length of service and hours worked per year were covered by a noncontributory defined benefit plan sponsored by the Federation. This plan was effective July 1, 1988 and participation in the plan was closed as of September 1, 2009. Benefits were frozen effective as of September 1, 2009. Benefits paid to retirees were based upon age at retirement, years of credited service and average earnings through the period that the plan was frozen.

During the year ended, December 31, 2016, the Federation adopted a resolution to terminate the Plan in 2016. Participants in the plan required payment of their balance at the termination. The Federation obtained financing to pay the underfunded liability as of the date of termination. The Federation then extended a loan to JFS to pay off their share of the underfunded liability over a 25 year term. Interest on the loan through the tenth anniversary of the effective date (the "First Change Date"), is 3.75% per year. Interest only was due through December 31, 2016. Monthly payments of principal plus interest during the first ten year period are approximately \$2,800. Commencing on the First Change Date, the interest rate will be determined by the 5 year US Treasury Bond Rate in effect three business days before the First Change Date, adjusted to a constant maturity of five years plus 180 basis points, subject to a floor of 3.75% per year. On the fifth anniversary of the First Change Date and at each subsequent fifth year anniversary thereafter (each, a "capital change Date"), the interest rate will reset to the then current 5 year US Treasury Bond Rate in effect three business days before the applicable Change Date, adjusted to a constant maturity of five year, plus 180 basis points, subject to a floor of 3.75% per year.

Principal payments for the next five years and thereafter, based on the current interest rate of 3.75%, are as follows:

Year Ending <u>December 31,</u>	
2019	\$ 14,479
2020	14,984
2021	15,618
2022	16,223
2023	16,850
Thereafter	<u>446,211</u>
Total	<u>\$ 524,365</u>

For the year ended December 31, 2018 and 2017, interest of \$20,225 and \$18,734 has been included in interest expense in the accompanying Statements of Functional Expenses, respectively.

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 11 Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Building Fund	\$ 24,205	\$ 27,769
Kosher Meals on Wheels Vehicle Fund	-	28,859
<b>Donor Restricted Funds:</b>		
ADJ Food Pantry Fund	2,508	5,508
Alzheimer's & Dementia Support Fund	450	450
AMCHA/Gottlieb & Harvitt Fund	11,865	19,099
Cantor Fund	-	1,246
Career Assistance Fund	25	25
Carl Goldstein Memorial Fund	3,784	2,284
Children's Assistance Fund	1,213	3,204
Edward H. Harvitt Estate Fund	421	6,433
Emergency Financial Assistance Fund	188	2,382
Fox Family Fund	6,308	15,333
Frances & Daniel Bloomfield Memorial Fund	5,809	6,593
Gershman Fund	5,169	8,339
Halpern Fund	24,605	32,290
Hartmann Family Fund	15,299	17,281
Helene Ershow Memorial Fund	4	4
Hiller Family Foundation	3,560	5,820
Hoffman-Lieberman Fund	1,540	2,860
Holocaust Survivor Assistance Fund	86	68
Home Care Fund	725	725
I. Louis Wolk Memorial Fund	6,966	4,966
Ida & Abraham Kurtz Memorial Fund	5,994	12,093
Isaac Krenkel Memorial Fund	2,785	3,545
Janice Oppenheimer Wolk Fund	4,007	5,007
Jewish Family Service Food Pantry Fund	10,752	21,383
Jewish Family Service Kosher Meals on Wheels Fund	2,510	7,700
Jewish Family Service Staff Appreciation Fund	9,877	8,488
Judith and Harry Wilf Memorial Fund	7,780	6,280
Kass-Goldman Memorial Fund	5,987	5,437
Larry Goldberger Memorial Fund	5,086	4,811
Levenberg Children's Fund	4,890	3,290
Lois & Herb Levenberg Disaster Emergency Fund	3,500	4,000
Mark I. Pekarsky Memorial Fund	8,220	7,541
Martin Ginsberg Memorial Fund	169	144
Mary & Joel Zimmerman Memorial Fund	4,916	6,996



**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 11 Net Assets with Donor Restrictions (Continued)**

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Michael Roth Memorial Fund	3,636	3,636
Miriam and Markus Fisch Memorial Fund	6,026	5,716
Nursing/Home Health Services Fund	880	7,380
Oscar and Ella Wilf Memorial Fund	7,404	4,904
Oshman Fund	2,500	-
Rabbi Pincus & Bessie Teitz Memorial Fund	1,532	1,532
Rae & Joseph Kushner Memorial Fund	500	500
Roger C. Lavy Memorial Fund	-	1,000
Rose Turchin Fund	1,300	2,300
Ruth Bilenker Fund	24,969	10,609
Schorr-Zlotopolsky Memorial Fund	3,008	2,008
Schwarz Foundation Fund	1,345	5,345
Sidney Wilf Memorial Fund	7,289	5,289
Sonnie & Abe Suckno Fund	5,957	5,757
Special Needs Assistance Fund	1,054	1,000
Tarlowe/Beck Memorial Fund	6,708	4,708
Teddy and Frank Nassberg Memorial Fund	2,010	5,103
The Sanford & Barbara Halberstadter Memorial Fund	3,472	5,643
Walter Fessler Memorial Fund	3,237	3,165
Weinstein Fund	2,483	1,046
Yanina and Gordon Haas Fund	<u>2,500</u>	<u>3,500</u>
Totals	<u>\$ 279,013</u>	<u>\$ 368,394</u>

**Note 12 Special Events**

JFS held the following special event fundraisers in 2018 and 2017:

	<u>2018</u>		
	<u>Gala Dinner</u>	<u>5K Run/Walk</u>	<u>Total</u>
Gross revenue	\$ 400,320	\$ 36,620	\$ 436,940
Less: Direct cost of donor benefits	<u>(46,261)</u>	<u>-</u>	<u>(46,261)</u>
Net revenue	354,059	36,620	390,679
Other event costs	<u>(29,831)</u>	<u>(11,538)</u>	<u>(41,369)</u>
Net	<u>\$ 324,228</u>	<u>\$ 25,082</u>	<u>\$ 349,310</u>

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 12 Special Events (Continued)**

	<u>2017</u>		
	<u>Gala Dinner</u>	<u>5K Run/Walk</u>	<u>Total</u>
Gross revenue	\$ 331,022	\$ 33,764	\$ 364,786
Less: Direct cost of Donor benefits	<u>(40,426)</u>	<u>-</u>	<u>(40,426)</u>
Net revenue	290,596	33,764	324,360
Other event costs	<u>(35,257)</u>	<u>(10,496)</u>	<u>(45,753)</u>
Net	<u>\$ 255,339</u>	<u>\$ 23,268</u>	<u>\$ 278,607</u>

**Note 13 Employee Benefits**

JFS has an employer sponsored 401(k) plan managed through ADP Retirement Services. Any employee may participate in the plan as of the next entry date. Employees who participate in the 401(k) plan will be eligible for a discretionary match on contributions, determined annually by the Board of Directors. The match is contributed each pay period. Contributions included in employee benefits totaled \$65,010 and \$58,448 in 2018 and 2017, respectively.

**Note 14 Availability and Liquidity**

The following represents JFS's financial assets at December 31, 2018 and 2017:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 508,608	\$ 874,013
Investments	20,000	20,000
Contributions receivable	112,021	102,085
Grants and contracts receivable	160,501	261,099
Grants receivable- Holocaust	125,208	50,107
Counseling fees receivable	50,952	30,091
Other receivables	<u>37</u>	<u>545</u>
Total Financial Assets	977,327	1,337,940
Less amounts not available to be used within one year		
Net assets with donor restrictions	<u>(279,013)</u>	<u>(368,394)</u>
Financial Assets Available to Meet General Expenditures over the Next Twelve Months	<u>\$ 698,314</u>	<u>\$ 969,546</u>

**Jewish Family Service Agency of Central New Jersey**  
**Notes to the Financial Statements**  
**December 31, 2018 and 2017**

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**Note 14 Availability and Liquidity (Continued)**

JFS's goal is generally to maintain financial assets to meet 30 days of operating expenses (approximately \$430,000). As part of its liquidity plan, excess cash is invested in UBS cash equivalents and FDIC savings accounts.

**Note 15 Commitments - Operating Lease**

JFS leases office space in Mountainside, NJ for providing counseling services under an annual operating lease effective April 2015 with monthly rent of \$900. In addition, JFS has paid a security deposit of \$1,350. The lease is automatically renewed in three month increments unless notice is provided by either party prior to the last day of the original lease period or one of the automatic three month lease periods. No notice was provided by either party subsequent to year end.

**Note 16 Subsequent Events**

Subsequent to year end, JFS sold the land contributed in 2017 for \$109,900. In accordance with the agreement, JFS was to not sell the land in the first three years for less than \$100,000. Income from the sale of the land will be recorded when received.

## SUPPLEMENTARY INFORMATION

**Jewish Family Service Agency of Central New Jersey**  
**The Conference on Jewish Material Claims Against Germany, Inc.**  
**For the Year Ended December 31, 2018**

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**GERMAN GOVERNMENT (20) - APPLICATION NO. 19423**

**Revenues**

Claims conference grants	\$ 1,043,451
Administrative and program management fees	<u>58,494</u>
<b>Total Revenues</b>	<b><u><u>\$ 1,101,945</u></u></b>

**Grant Expenses**

**Personnel Expense**

Salaries	\$ 829,373
Fringe benefits	136,102
Payroll taxes	<u>97,823</u>
<b>Total Personnel Expense</b>	1,063,298

**Other Expenses**

Meals purchased	20,001
Socialization group	12,914
Specific assistance - Holocaust clients	3,895
Transportation and mileage	1,211
Postage	414
Telephone	166
Meetings	<u>46</u>
<b>Total Reimbursable Expenses</b>	<b><u><u>\$ 1,101,945</u></u></b>

**Jewish Family Service Agency of Central New Jersey**  
**The Conference on Jewish Material Claims Against Germany, Inc.**  
**For the Year Ended December 31, 2018**

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**Holocaust Survivor Emergency Assistance Program (HSEAP)**  
**Funded by the URO Charitable Trust Limited - UROEA2018- HSEAP**  
**APPLICATION NO. 19902**

**Revenues**

Claims conference grants	\$ 2,243
Administrative and program management fees	-
	<hr/>
<b>Total Revenues</b>	<b>\$ 2,243</b>
	<hr/> <hr/>

**Grant Expenses**

**Personnel Expense**

Salaries	\$ -
Fringe benefits	-
Payroll taxes	-
	<hr/>

**Total Personnel Expense** -

**Other Expenses**

Contract CHHA (Certified Home Health Aids)	-
Meals purchased	-
Socialization group	-
Specific assistance - Holocaust clients	2,243
Transportation and mileage	-
Telephone	-
Postage	-
	<hr/>

**Total Reimbursable Expenses** **\$ 2,243**

**Jewish Family Service Agency of Central New Jersey**  
**The Conference on Jewish Material Claims Against Germany, Inc.**  
**For the Year Ended December 31, 2018**

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**WEINBERG FUND WF9 - APPLICATION NO. 19474**

**Revenues**

Claims conference grants	\$ 4,469
Administrative and program management fees	-

**Total Revenues**

\$ 4,469

**Grant Expenses**

**Personnel Expense**

Salaries	\$ -
Fringe benefits	-
Payroll taxes	-

**Total Personnel Expense**

-

**Other Expenses**

Meals purchased	-
Socialization group	-
Specific assistance - Holocaust clients	4,469
Transportation and mileage	-
Postage	-
Telephone	-
Meetings	-

**Total Reimbursable Expenses**

\$ 4,469

**Jewish Family Service Agency of Central New Jersey**  
**Schedule of Expenditures of Federal Awards**  
**December 31, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Current Year Federal Expenditures
United States Department of Health and Human Services, Passed through the County of Union, Department of Human Services, Division on Aging - Home Health Services	93.667	DSS-102	\$ 60,000
United States Department of Health and Human Services, Passed through the County of Union, Department of Human Services, Division on Aging - Programs for the Aging, Title III Part D Disease Prevention and Health Promotion Services	93.043	APC-112 IIID	31,088
<b>Nutrition and Supportive Service Grants</b>			
United States Department of Health and Human Services, Passed through the County of Union, Department of Human Services, Division on Aging - Special Programs for the Aging, Title III Part B Grants for Supportive Services and Senior Centers	93.044	APC-109 III-B (932) & State Match	20,171
United States Department of Health and Human Services, Passed through the County of Union, Department of Human Services, Division on Aging - Special Programs for the Aging, Title III Part C Nutrition Services	93.045	APC-110 III C-2 KHDM	<u>32,491</u>
<b>Subtotal Nutrition and Supportive Service Grants</b>			52,662
United States Department of Health and Human Services, Administration for Community Living Passed through the Jewish Federations of North America - Special Programs for the Aging, Title IV and Title II Discretionary	93.048	N/A	198,060

See Notes to Schedule of Expenditures of Federal Awards and State and County Financial Assistance.



**Jewish Family Service Agency of Central New Jersey**  
**Schedule of Expenditures of Federal Awards**  
**December 31, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Current Year Federal Expenditures
United States Department of Health and Human Services, Passed through the County of Union, Department of Human Services, Division on Aging - National Family Caregiver Support, Title III Part E	93.052	APC-113 III E & State Match / Cola	86,709
United States Department of Health and Human Services, Passed through the County of Union, Department of Human Services, Planning Division - Geriatric Health and Supportive Services	93.569	N/A	9,542
United States Department of Housing and Urban Development, Passed through the Township of Union, Community Development Agency - Homemaker Services	14.218	N/A	6,067
Corporation for National and Community Service - Retired and Senior Volunteer Program	94.002	N/A	82,371
United States Department of Homeland Security, Passed through the United Way of Greater Union County - Emergency Food and Shelter Program	97.024	N/A	<u>12,197</u>
<b>Total Federal Expenditures</b>			<u><u>\$ 538,696</u></u>

See Notes to Schedule of Expenditures of Federal Awards and State and County Financial Assistance.

**Jewish Family Service Agency of Central New Jersey**  
**Schedules of Expenditures of State and County Financial Assistance**  
**December 31, 2018**

Grantor/Program Title	Contract Number	Contract Amount	Contract Period	Current Year Expenditures
<b>State Financial Assistance</b>				
State of New Jersey, Department of Health and Senior Services passed through the County of Union, New Jersey				
Home Health Aide Services	18-SRP-102 Respite	\$ 122,000	1/1/18-12/31/18	\$ 110,466
Home Health Aide Services	18-APC-111 State SSBG & Cola	\$ 168,428	1/1/18-12/31/18	168,428
Mental Health and Home Health Services	18-APC-113 III E & State Match	\$ 118,288	1/1/18-12/31/18	112,813
Friendly Visitor, Home Health, and Registered Nursing	18-APC-109 III-B (923) & State Match	\$ 22,683	1/1/18-12/31/18	22,683
Assisted Transportation	18-APC-114 SHTP (933)	\$ 14,924	1/1/18-12/31/18	14,924
State of New Jersey, passed through Jewish Federation of Southern NJ	n/a	\$ 61,823	1/1/18-6/30/18 & 10/1/18-12/31/18	61,823
<b>Total State Expenditures</b>				<u><u>\$ 491,137</u></u>
<b>County Financial Assistance</b>				
County of Union, New Jersey - Department of Human Services Kosher Homebound Delivered Meals	18-APC-110 Cola & County KHDM	\$ 68,000	1/1/18-12/31/18	\$ 68,000
The County of Union, Department of Human Services	18-GAPA-100	\$ 246,621	1/1/18-12/31/18	200,488
Friendly Visitor, Home Health, and Registered Nursing	18-APC-109 III-B (923) & State Match	\$ 85,000	1/1/18-12/31/18	84,520
Home Delivered Meals to Persons with Disabilities	16-GAP-105	\$ 23,591	6/01/18-12/31/18	23,591
Union County Means Green, Passed Through				
Groundworks Elizabeth	n/a	\$ 2,250	1/1/18-12/31/18	500
Union County Senior Health Transportation Program	18-APC-114 SHTP (933)	\$ 29,263	1/1/18-12/31/18	29,263
<b>Total County Expenditures</b>				<u><u>\$ 406,362</u></u>

See Notes to Schedule of Expenditures of Federal Awards and State and County Financial Assistance.

**Jewish Family Service Agency of Central New Jersey**  
**Notes to Schedules of Expenditures of Federal Awards**  
**and State and County Financial Assistance**  
**December 31, 2018**

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**Note 1      Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of JFS received directly from federal and state agencies as well as passed through other government agencies for the year ended December 31, 2018. The information in these schedules is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and the State of New Jersey, Department of the Treasury, Circular Letter 15-08-OMB. Because the schedules present only a selected portion of the operations of JFS, it is not intended to and does not present the financial position, changes in net assets or cash flows of JFS.

**Note 2      Summary of Significant Accounting Policies**

Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3      Indirect Cost Rate**

JFS has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Independent Auditors' 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 Service Agency of Central New Jersey**

**Report on Compliance for Each Major Federal Program**

We have audited Jewish Family Service Agency of Central New Jersey's (a nonprofit organization) ("JFS") 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 JFS's major federal programs for the year ended December 31, 2018. JFS's major federal programs are identified in the summary of auditors' 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of JFS'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; the audit requirements of 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 JFS'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 of JFS's compliance.

**Opinion on Each Major Federal Program**

In our opinion, JFS 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 December 31, 2018.

## Report on Internal Control over Compliance

Management of JFS 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 JFS'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 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 JFS'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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



East Brunswick, New Jersey

June 20, 2019

**Independent Auditors' 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 Service Agency of Central New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jewish Family Service Agency of Central New Jersey (a nonprofit organization) ("JFS") which comprise the statement of financial position as of December 31, 2018, and related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered JFS'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of JFS's internal control. Accordingly, we do not express an opinion on the effectiveness of JFS'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 a reasonable possibility that a material misstatement of the entity's 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 JFS's 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 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 solely 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "William J. Guttag". The signature is written in a cursive style with a horizontal line extending to the right.

East Brunswick, New Jersey

June 20, 2109

**Jewish Family Service Agency of Central New Jersey**  
**Summary Schedule of Current Year Audit Findings and Questioned Costs**  
**For the Year Ended December 31, 2018**

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued	Unmodified
Internal Control over financial reporting:	
Material weakness identified	No
Significant deficiency identified	None reported
Noncompliance material to financial statements noted	No

**Federal Awards**

Internal Control over major federal programs:	
Material weakness identified	No
Significant deficiency identified	None reported
Type of auditors' report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	No
Identification of major programs:	
State of New Jersey, Department of Health and Senior Services Passed through the County of Union, New Jersey National Family Caregiver Support, Title III Part E	93.052/18-APC-113
State of New Jersey, Department of Health and Senior Services, Home Health Aide Services	18-SRP-102
Dollar threshold used to distinguish between type A and type B programs	20% of total federal expenditures
Auditee qualified as low-risk auditee	Yes



**Jewish Family Service Agency of Central New Jersey  
Summary Schedule of Prior Year Audit Findings and Questioned Costs  
For the Year Ended December 31, 2018**

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**Financial Statement Findings**

There were no findings in the prior year.