Financial Report

Jewish Family Service of Greater New Orleans, Inc.

December 31, 2018

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Financial Report

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December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Jewish Family Service of Greater New Orleans, Inc.,
New Orleans, Louisiana.

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Service of Greater New Orleans, Inc. (JFS) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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.

P.O. Box 60600 • NEW ORLEANS, LA 70160-0600 504.831.4949 BOURGEOISBENNETT.COM

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Service of Greater New Orleans, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited JFS's 2017 financial statements, and our report dated April 20, 2018, expressed an unmodified opinion on those audited financial statements. 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program service activities (Schedule 1) is presented for purposes of additional analysis and is 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
April 5, 2019.

Exhibit A

STATEMENT OF FINANCIAL POSITION

Jewish Family Service of Greater New Orleans, Inc.
New Orleans, Louisiana

December 31, 2018
(with comparative totals for 2017)

ASSETS

	2018	2017
Assets		
Cash and cash equivalents	$ 179,030	$ 95,377
Accounts receivable	12,504	10,454
Grants receivable	65,769	38,158
Unconditional promises to give	17,500	17,500
Prepaid expenses	16,213	32,922
Notes receivable	13,403	14,483
Funds held by Jewish Endowment Foundation	1,924,430	2,105,410
Investments	6,000	6,000
Property and equipment, net of accumulated depreciation	12,780	6,181
Total assets	$ 2,247,629	$ 2,326,485

LIABILITIES AND NET ASSETS

	2018	2017
Liabilities		
Accounts payable	$ 7,782	$ 2,667
Accrued vacation	24,859	24,493
Jewish Federation loans payable	13,403	14,483
Total liabilities	46,044	41,643
Net Assets		
Without donor restrictions:		
Undesignated	215,431	136,932
Board designated	1,924,430	2,105,410
	2,139,861	2,242,342
With donor restrictions	61,724	42,500
Total net assets	2,201,585	2,284,842
Total liabilities and net assets	$ 2,247,629	$ 2,326,485

See notes to financial statements.

Exhibit B

STATEMENT OF ACTIVITIES

Jewish Family Service of Greater New Orleans, Inc.
New Orleans, Louisiana

For the year ended December 31, 2018
(with comparative totals for 2017)

	Without Donor Restrictions	With Donor Restrictions	Totals 2018	Totals 2017
Revenues and Other Support				
Program service fees	$ 456,107		$ 456,107	$ 450,465
Contributions	275,441		275,441	310,730
Grant income	621,013	$ 44,224	665,237	565,260
United Way grants and designations	19,739	17,500	37,239	40,786
In-kind revenue	7,554		7,554	24,660
Investment income	(52,649)		(52,649)	179,716
Miscellaneous	70,922		70,922	16,974
Total revenues and other support	1,398,127	61,724	1,459,851	1,588,591
Net assets released from restrictions	42,500	(42,500)	-	-
Total revenues, other support, and net assets released from restrictions	1,440,627	19,224	1,459,851	1,588,591
Expenses				
Program services:				
Case management	242,286		242,286	211,854
Catch-A-Cab	16,667		16,667	8,783
Counseling	364,232		364,232	392,083
Education	25,139		25,139	38,555
Financial Resource Center	37,774		37,774	28,814
Homemaker	147,586		147,586	192,339
Lifeline	246,045		246,045	291,649
Teen Life Counts	62,041		62,041	57,736
Other	19,155		19,155	27,012
General and administrative	252,058		252,058	193,086
Fundraising	130,125		130,125	170,053
Total expenses	1,543,108	-	1,543,108	1,611,964
Change in Net Assets	(102,481)	19,224	(83,257)	(23,373)
Net Assets				
Beginning of year	2,242,342	42,500	2,284,842	2,308,215
End of year	$ 2,139,861	$ 61,724	$ 2,201,585	$ 2,284,842

See notes to financial statements.

Exhibit C

STATEMENT OF FUNCTIONAL EXPENSES

Jewish Family Service of Greater New Orleans, Inc.
New Orleans, Louisiana

For the year ended December 31, 2018
(with comparative totals for 2017)

	Program Services												Totals	
	Case Management	Catch-A-Cab	Counseling	Education	Financial Resource Center	Homemaker	Lifeline	Teen Life Counts	Other	Totals	General And Administrative	Fundraising	2018	2017
Salaries	$ 164,849	$ 9,836	$ 228,273	$ 11,293	$ 7,286	$ 104,526	$ 98,436	$ 37,355	$ 6,714	$ 668,568	$ 123,132	$ 56,466	$ 848,166	$ 873,287
Employee benefits	10,786	3,654	28,964	4,196	2,707	18,136	6,632	4,872	1,624	81,571	49,037	20,979	151,587	163,445
Payroll taxes	13,108	770	18,075	884	570	8,163	7,891	3,031	522	53,014	9,633	4,418	67,065	70,150
Advertising costs	869	226	2,716	260	167	1,118	409	301	100	6,166	2,819	3,382	12,367	47,665
Bad debt expense	-	-	-	-	-	296	-	-	-	296	-	-	296	27
Board expenses	-	-	-	-	-	-	-	-	-	-	268	-	268	45
Conferences and meetings	523	134	1,072	155	100	671	245	2,212	60	5,172	1,693	776	7,641	7,711
Contract workers	6,395	61	521	5,620	45	1,363	11,470	5,606	27	31,108	759	348	32,215	31,061
Development and communications	-	-	-	-	-	-	-	-	-	-	-	20,819	20,819	28,190
Equipment and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	4,519
Insurance	1,407	365	2,896	419	271	1,813	663	487	163	8,484	4,575	2,097	15,156	14,905
Lifeline fees	-	-	-	-	-	-	107,419	-	-	107,419	-	-	107,419	110,583
Miscellaneous	546	142	1,123	163	105	704	257	189	55	3,284	1,774	814	5,872	9,917
Occupancy	9,874	-	64,477	-	-	-	6,265	1,777	-	82,393	39,373	1,870	123,636	118,462
Office expense	1,154	162	1,748	186	120	988	415	231	90	5,094	2,026	1,003	8,123	10,190
Organization dues	712	185	1,464	212	137	917	365	1,046	82	5,120	2,313	1,061	8,494	9,928
Postage and delivery	304	79	655	91	58	392	179	133	341	2,232	988	2,765	5,985	6,594
Printing and publications	39	7	915	8	5	290	28	1,846	1,647	4,785	83	7,318	12,186	13,360
Professional fees	1,207	313	2,484	360	232	1,555	569	418	139	7,277	3,924	1,799	13,000	13,299
Program expense	7,400	4	825	473	25,331	66	1,132	929	7,189	43,349	47	44	43,440	38,485
Travel	20,048	-	140	-	-	2,743	2,037	529	67	25,564	427	28	26,019	22,199
Utilities	2,788	698	7,213	801	517	3,464	1,267	931	310	17,989	8,738	4,007	30,734	14,768
Total expenses before depreciation	242,009	16,636	363,561	25,121	37,651	147,205	245,679	61,893	19,130	1,158,885	251,609	129,994	1,540,488	1,608,790
Depreciation of property and equipment	277	31	671	18	123	381	366	148	25	2,040	449	131	2,620	3,174
Total expenses	$ 242,286	$ 16,667	$ 364,232	$ 25,139	$ 37,774	$ 147,586	$ 246,045	$ 62,041	$ 19,155	$ 1,160,925	$ 252,058	$ 130,125	$ 1,543,108	$ 1,611,964

See notes to financial statements.

Exhibit D

STATEMENT OF CASH FLOWS

Jewish Family Service of Greater New Orleans, Inc.
New Orleans, Louisiana

For the year ended December 31, 2018
(with comparative totals for 2017)

	2018	2017
Cash Flows From Operating Activities		
Change in net assets	$ (83,257)	$ (23,373)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	2,605	3,174
Bad debt expense	296	27
Loss on disposal of property and equipment	477	-
(Increase) decrease in:		
Accounts receivable	(2,346)	6,178
Grants receivable	(27,611)	(13,375)
Unconditional promises to give	-	22,398
Prepaid expenses	16,709	(2,197)
Notes receivable	1,080	1,440
Increase (decrease) in:		
Accounts payable	5,115	(4,787)
Accrued vacation	366	(5,963)
Jewish Federation loans payable	(1,080)	(2,427)
Net cash used in operating activities	(87,646)	(18,905)
Cash Flows From Investing Activities		
Investment (increase) decrease on funds held at Jewish Endowment Foundation	180,980	(7,186)
Purchase of property and equipment	(9,681)	-
Net cash provided by (used in) investing activities	171,299	(7,186)
Net Increase (Decrease) In Cash and Cash Equivalents	83,653	(26,091)
Cash and Cash Equivalents		
Beginning of year	95,377	121,468
End of year	$ 179,030	$ 95,377

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Jewish Family Service of Greater New Orleans, Inc.
New Orleans, Louisiana

December 31, 2018 and 2017

Note 1 - NATURE OF ACTIVITIES

Jewish Family Service of Greater New Orleans, Inc. (JFS) provides social services and mental health support to people of all ages and backgrounds through counseling, in-home support for the elderly and disabled, and mental health education including an adolescent suicide prevention program.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements of JFS are prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

b. Basis of Presentation

JFS reports information regarding financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on donor stipulations and restrictions placed on contributions, if any. Accordingly, net assets of JFS and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Undesignated - net assets that are not subject to donor-imposed stipulations.

Board Designated - net assets that are to be used for program activities.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions of JFS and/or the passage of time, or net assets that are maintained permanently by the JFS and not expended.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Use of Estimates

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

d. Cash and Cash Equivalents

For purposes of reporting cash flows, JFS considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

e. Contributions and Revenue Recognition

Contributions are recorded as assets with donor restrictions or assets without donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as unrestricted support.

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

f. Promises to Give

Unconditional promises to give are recognized when the donor makes a promise to give to JFS that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of December 31, 2018 and 2017, JFS did not have any conditional promises to give.

Unconditional promises are recorded net of an allowance for doubtful pledges estimated by management. As of December 31, 2018 and 2017, management believes that promises to give are fully collectible.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Allowance for Doubtful Accounts

The allowance for doubtful accounts is estimated based on management's estimate. As of December 31, 2018 and 2017, there is no allowance as management deems all accounts to be collectible.

h. Funds Held by Jewish Endowment Foundation and Investments

Pooled accounts managed by the Jewish Endowment Foundation and investments are reported at fair market value, including any pro rata gains and losses.

i. Property and Equipment

Property and equipment are recorded at cost. Donated property is recorded at its fair market value at the date of donation. Repairs and maintenance are charged to expense as incurred; major renewals and replacements and betterments $5,000 or greater are capitalized. Depreciation is computed using the straight-line method over the estimated useful life of each asset which range from five to ten years.

j. Donated Services of Volunteers

A substantial number of volunteers have donated significant amounts of their time in the conduct of program services on the behalf of JFS. However, no amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of services.

k. Advertising

Advertising costs are expensed as they are incurred. Advertising costs totaled $12,367 and $47,665 for the years ended December 31, 2018 and 2017, respectively.

l. Methods Used For Allocation of Expenses

Most of the expenses can be directly allocated to one of the programs or supporting function. The financial statements also report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, which is allocated based on office space used for each program. Salaries and benefits are allocated on the basis of estimates of time and effort. Employees documented their time and effort weekly over a four month period per program. JFS averaged the employees' time per program to determine the functional expense allocation.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Organization and Income Taxes

JFS is a nonprofit corporation organized in 1979 under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of R.S.47:121(5).

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of December 31, 2018, management of JFS believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years December 31, 2015 and later remain subject to examination by the taxing authorities.

n. Recently Issued Accounting Standards

Not-for-Profit Entities

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities,* which changes the current guidance for assets classification, governing board designations, investment return, underwater endowment funds, expenses, liquidity and presentation of operating cash flows. ASU 2016-14 reduces the required number of classes of net assets from three to two: *net assets with restrictions and net assets without restrictions*. ASU 2016-14 also requires not-for-profit entities to provide enhanced disclosures about the amounts and purposes of governing board designations and appropriations. ASU 2016-14 requires not-for-profits to report investment return net of external and direct internal investment expenses. The requirement to disclose those netted expenses is eliminated. In the absence of explicit donor restrictions, ASU 2016-14 requires not-for-profit entities to use the placed-in-service approach to account for capital gifts. The current option to use the over-time approach has been eliminated. ASU 2016-14 requires expenses to be reported by nature in addition to function and include an analysis of expenses by both nature and function. The methods used by not-for-profit entities to allocate costs among program and support functions will also need to be disclosed. ASU 2016-14 requires not-for-profit entities to provide both qualitative and quantitative

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Recently Issued Accounting Standards (Continued)

Not-for-Profit Entities (Continued)

information on management of liquid available resources and the ability to cover short-term cash needs within one year of the balance sheet date. Finally, current standards allow not-for-profit entities to decide whether to present operating cash flows using either the direct method or the indirect method. ASU 2016-14 eliminates the requirement to present or disclose the indirect method of reconciliation if the entity decides to use the direct method. ASU 2016-14 is effective for annual reporting periods beginning after December 5, 2017. JFS has adopted the provisions of ASU 2016-14 and has retrospectively applied this standard to the financial statements as of and for the year ended December 31, 2017.

Revenue from Contracts with Customers

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which provides a single comprehensive model for entities to use in accounting for revenue from contracts with customers and supersedes most current revenue recognition models. Subsequent to the issuance of ASU 2014-09, FASB issued several additional Accounting Standards Updates (ASUs) which amended and clarified the guidance and deferred the effective date. The new revenue standard is now effective for annual reporting periods beginning after December 15, 2018, with certain early adoption provisions available. JFS is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Recently Issued Accounting Standards (Continued)

Leases (Continued)

effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. JFS is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Statement of Cash Flows

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230)*. This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The ASU is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. JFS is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

o. Subsequent Events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through April 5, 2019, which is the date the financial statements were available to be issued.

Note 3 - CONCENTRATION OF CREDIT RISK

JFS maintains its cash with a financial institution where the accounts are insured by Federal Deposit Insurance Corporation up to $250,000. As of December 31, 2018, there was no balance in excess of the insured limits.

Note 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give as of December 31, 2018 and 2017 consist of the following:

	2018	2017
Unconditional promises to give:		
United Way	$ 17,500	$ 17,500
IMH	-	-
Less allowance for uncollectible promises to give	-	-
Net unconditional promises to give	$ 17,500	$ 17,500
Amount due in:		
Less than one year	$ 17,500	$ 17,500
One to five years	-	-
Totals	$ 17,500	$ 17,500

Note 5 - FUNDS HELD BY THE JEWISH ENDOWMENT FOUNDATION AND INVESTMENTS

Funds and investments held as of December 31, 2018 and 2017 are comprised of the following:

	2018	2017
Funds held at the Jewish Endowment Foundation	$ 1,924,430	$ 2,105,410
Israel bonds	6,000	6,000
Totals	$ 1,930,430	$ 2,111,410

Note 5 - FUNDS HELD BY THE JEWISH ENDOWMENT FOUNDATION AND INVESTMENTS (Continued)

Investment income for the years ended December 31, 2018 and 2017 is summarized as follows:

	2018	2017
Investment income -		
Net unrealized and realized gain	$ (102,268)	$ 155,400
Interest and dividends	63,999	37,926
Investment fees	(14,380)	(13,610)
Net investment income (loss)	$ (52,649)	$ 179,716

Note 6 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in the active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that JFS has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- 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 asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other mean.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset'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.

Investments held in pooled accounts managed by Jewish Endowment Foundation are included in Level 2 of the fair value hierarchy as the investment pool is valued using the net asset value as reported by the custodian. The net asset values are determined based on the fair values of the underlying investments. The custodian of this portfolio uses independent pricing services, where available, to value the securities included in this portfolio. If an independent pricing service does not value a security or the value is not, in the view of the custodian, representative of the market value, the custodian will attempt to obtain a price quote from a secondary pricing source, which may include third party brokers, investment advisers, and principal market makers or affiliated pricing services. If a secondary source is unable to provide a price, the custodian may obtain a quotation from the counterparty that sold the security. JFS uses the market approach for valuing bonds which are within the Level 1 fair value hierarchy.

The methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while JFS believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of December 31, 2018 and 2017, assets measured at fair value on a recurring basis are comprised of and determined as follows:

		Based on		
Description	Fair Value as of December 31, 2018	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Pooled accounts managed by the Jewish Endowment Foundation	$ 1,924,430	$ -	$ 1,924,430	$ -
Israel bonds	6,000	6,000	-	-
	$ 1,930,430	$ 6,000	$ 1,924,430	$ -

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

		Based on		
Description	Fair Value as of December 31, 2017	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Pooled accounts managed by the Jewish Endowment Foundation	$ 2,105,410	$ -	$ 2,105,410	$ -
Israel bonds	6,000	6,000	-	-
	$ 2,111,410	$ 6,000	$ 2,105,410	$ -

As of December 31, 2018 and 2017, there were no assets measured at fair value on a non-recurring basis.

Note 7 - PROPERTY AND EQUIPMENT

As of December 31, 2018 and 2017, property and equipment consists of the following:

	2018	2017
Furniture and equipment	$ 41,564	$ 348,785
Less accumulated depreciation	(28,784)	(342,604)
Net property and equipment	$ 12,780	$ 6,181

During the year ended December 31, 2018, fully depreciated Lifeline equipment with an original cost of $289,829 was disposed.

Depreciation expense for the years ended December 31, 2018 and 2017 was $2,605 and $3,174, respectively.

Note 8 - LINE OF CREDIT

On August 31, 2017, JFS negotiated a $100,000 line of credit which matures on August 31, 2022. The line of credit is unsecured. Borrowings bear interest at a rate equal to the Wall Street Journal Prime plus 1.75% (7.25% as of December 31, 2018). There were no outstanding borrowings on the line of credit as of December 31, 2018 and 2017.

Note 9 - DESIGNATED NET ASSETS

JFS's Board of Directors has designated part of the net assets without donor restrictions for the following purpose as of December 31, 2018 and 2017:

	2018	2017
Program activities	$ 1,924,430	$ 2,105,410

Note 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2018 and 2017 are restricted for the following purposes or periods:

	2018	2017
Subject to expenditure for specified purpose:		
Counseling:		
Program activities	$ 25,000	$ 25,000
Teen Life Counts:		
Program activities	19,224	-
Totals	44,224	25,000
Subject to the passage of time:		
For periods after June 30, 2019	17,500	17,500
Total net assets with donor restrictions	$ 61,724	$ 42,500

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose and by satisfying the time restriction.

During the year ended December 31, 2018, net assets totaling $42,500 were released from donor restrictions by incurring expenditures satisfying the restricted purposes for program services and time restrictions.

Note 11 - IN-KIND DONATIONS

JFS records the value of in-kind donations when the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which would typically need to be purchased if not provided by donation.

The fair value of in-kind support and the corresponding expenses for the years ended December 31, 2018 and 2017 is as follows:

	2018	2017
Advertising costs	$ 7,554	$ 24,660

Note 12 - LEASE COMMITMENT

JFS leases office space in Metairie, Louisiana. Monthly lease payments are $9,254. The lease expires April 30, 2021.

JFS leased office space in Mandeville, Louisiana. The lease expired May 31, 2018. JFS did not sign a new lease and paid rent on a month-to-month basis through December 2018. Monthly lease payments were $335. The lease was not renewed.

Lease expense totaled $123,635 and $117,171 for the years ended December 31, 2018 and 2017, respectively, and is included in occupancy expense on the Statement of Functional Expenses. Future lease commitments are as follows:

Year Ending December 31,	Amounts
2019	$ 111,052
2020	111,052
2021	37,017
Total	$ 259,121

Note 13 - AVAILABILITY OF FINANCIAL ASSETS

As part of JFS's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, JFS invests cash in excess of daily requirements in investments. To help manage unanticipated liquidity needs, the JFS has a committed line of credit in the amount of $100,000. Although JFS does not intend to spend from its investment funds other than amounts appropriated for general expenditures as part of the Board of Director's designation, amounts from its investment funds could be made available if necessary.

Note 13 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

JFS receives grants and contributions with donor time and purpose restrictions. In addition, JFS generates revenue and receives support without donor restrictions. Contributions without donor restrictions, Catch-A-Cab program revenue, Counseling program revenue, Education program revenue, Homemaker program revenue, Lifeline program revenue, investment income without donor restrictions, and miscellaneous income are considered to be available to meet cash needs for general expenditures. General expenditures include Case Management, Catch-A-Cab, Counseling, Education, Financial Resource Center, Homemaker, Lifeline, Teen Life Counts, general and administrative and fundraising expenses. Annual operations are defined as activities occurring during, and included in the budget for, the upcoming fiscal year.

The following table represents financial assets available for general expenditures within one year as of December 31, 2018:

Financial assets as of December 31, 2018:	
Cash and cash equivalents	$ 179,030
Accounts receivable	12,504
Grants receivable	65,769
Unconditional promises to give	17,500
Notes receivable	13,403
Investments	1,930,430
Total financial assets, as of December 31, 2018	2,218,636
Less amounts unavailable for general expenditures within one year, due to:	
Contractual or donor imposed restrictions:	
Restricted by donors with time or purpose restriction	(61,724)
Board designations:	
Program activities	(1,924,430)
Total financial assets not available to be used within one year	(1,986,154)
Financial assets available to meet cash needs for general expenditures within one year	$ 232,482

Note 14 - EMPLOYEE QUALIFIED RETIREMENT PLAN

JFS has a 403(b) salary deferral plan (the "Plan") covering substantially all employees. JFS will contribute 4% of gross bimonthly wages for eligible employees after completion of one year of service. Additionally, JFS will also match 50% of each participant's elective deferral up to 3% of each participant's gross bimonthly wages. JFS's maximum contribution to an employee's retirement plan is 5.5% each year.

Pension plan expense for the years ended December 31, 2018 and 2017 totaled $39,028 and $34,672, respectively.

Note 15 - FINANCIAL RESOURCE CENTER

JFS provides financial assistance grants and free case management services to members of the Greater New Orleans Jewish community. In addition to the budgeted funds for financial assistance and case management, in 2006, JFS expanded these services with the establishment of a new program called the Financial Resource Center. This program was developed to help individuals and small businesses rebuild homes and businesses devastated by Hurricane Katrina and the subsequent levee breaches, and to offer financial incentives for newcomers, who are committed to the rebuilding of the community and settling in Greater New Orleans. This program consists of interest free loans where JFS operates as an intermediary in providing loans from Jewish Federation of Greater New Orleans to approved individual and small businesses. When monthly loan payments are received, JFS remits the loan payments to Jewish Federation of Greater New Orleans. As of December 31, 2018 and 2017, the balance of notes receivable to be received and subsequently remitted to Jewish Federation of Greater New Orleans was $13,403 and $14,483, respectively, and the balance payable to Jewish Federation of Greater New Orleans totaled $13,403 and $14,483, respectively. In the event a loan is no longer collectible, JFS is not liable to Jewish Federation of Greater New Orleans for the outstanding loan balance. Currently, JFS is no longer offering loans, but rather micro grants up to $1,000 a year for Jewish individuals in need.

Note 16 - RISK MANAGEMENT

JFS is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the years ended December 31, 2018 and 2017.

Note 17 - RISKS AND UNCERTAINTIES

In general, investment securities are exposed to various risks, such as interest rate, currency, credit, and market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investments will occur in the near term and would materially affect the market value of investments held by JFS.

SUPPLEMENTARY INFORMATION

Schedule 1

SCHEDULE OF PROGRAM SERVICE ACTIVITIES

Jewish Family Service of Greater New Orleans, Inc.
New Orleans, Louisiana

For the year ended December 31, 2018
(with comparative totals for 2017)

	Program Services									Totals	
	Case Management	Catch-A-Cab	Counseling	Education	Financial Resource Center	Homemaker	Lifeline	Teen Life Counts	Other	2018	2017
Revenues and Other Support											
Program service fees	$ -	$ 3,575	$ 148,998	$ 17,817	$ -	$ 37,256	$ 245,885	$ -	$ 2,576	$ 456,107	$ 450,465
Contributions	-	200	250	-	-	1,450	-	978	16,278	19,156	13,125
United Way grants and designations	-	-	37,239	-	-	-	-	-	-	37,239	40,786
Grant income	317,045	-	78,142	-	9,250	30,000	-	72,500	-	506,937	404,108
Investment income (loss)	-	-	(1,242)	(1,361)	(33,800)	-	(9,611)	(7,691)	-	(53,705)	171,448
Miscellaneous	-	-	20	-	-	-	-	-	-	20	-
Total revenues and other support	317,045	3,775	263,407	16,456	(24,550)	68,706	236,274	65,787	18,854	965,754	1,079,932
Program Expenses	242,286	16,667	364,232	25,139	37,774	147,586	246,045	62,041	19,155	1,160,925	1,248,825
Revenues and Other Support Over (Under) Program Expenses	$ 74,759	$ (12,892)	$ (100,825)	$ (8,683)	$ (62,324)	$ (78,880)	$ (9,771)	$ 3,746	$ (301)	$ (195,171)	$ (168,893)