

Financial Report

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

December 31, 2019



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of Greater New Orleans, Inc.*

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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, 2019, 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.

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, 2019, 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 2018 financial statements, and our report dated April 5, 2019, 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, 2018 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,
March 9, 2020.

STATEMENT OF FINANCIAL POSITION**Jewish Family Service of Greater New Orleans, Inc.**
New Orleans, LouisianaDecember 31, 2019
(with comparative totals for 2018)**ASSETS**

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 240,503	\$ 179,030
Accounts receivable	8,111	12,504
Grants receivable	107,728	65,769
Unconditional promises to give	17,500	17,500
Prepaid expenses	2,329	16,213
Notes receivable	-	13,403
Funds held by Jewish Endowment Foundation	2,064,900	1,924,430
Investments	6,000	6,000
Property and equipment, net of accumulated depreciation	9,852	12,780
	<u>2,456,923</u>	<u>2,247,629</u>
Total assets	<u>\$2,456,923</u>	<u>\$2,247,629</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 3,387	\$ 7,782
Accrued vacation	20,808	24,859
Jewish Federation loans payable	-	13,403
	<u>24,195</u>	<u>46,044</u>
Total liabilities	<u>24,195</u>	<u>46,044</u>
Net Assets		
Without donor restrictions:		
Undesignated	298,661	215,431
Board designated	2,064,900	1,924,430
	<u>2,363,561</u>	<u>2,139,861</u>
With donor restrictions	69,167	61,724
	<u>69,167</u>	<u>61,724</u>
Total net assets	<u>2,432,728</u>	<u>2,201,585</u>
Total liabilities and net assets	<u>\$2,456,923</u>	<u>\$2,247,629</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Jewish Family Service of Greater New Orleans, Inc.**
New Orleans, LouisianaFor the year ended December 31, 2019
(with comparative totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2019	2018
Revenues and Other Support				
Program service fees	\$ 430,126	\$ -	\$ 430,126	\$ 456,107
Contributions	194,996	-	194,996	198,501
Grant income	672,141	51,667	723,808	665,237
United Way grants and designations	18,386	17,500	35,886	37,239
Special events	47,733	-	47,733	64,440
In-kind revenue	3,440	-	3,440	7,554
Investment income	289,788	-	289,788	(52,649)
Miscellaneous	13,519	-	13,519	70,922
	<u>1,670,129</u>	<u>69,167</u>	<u>1,739,296</u>	<u>1,447,351</u>
Net assets released from restrictions	<u>61,724</u>	<u>(61,724)</u>	<u>-</u>	<u>-</u>
Total revenues, other support, and net assets released from restrictions	<u>1,731,853</u>	<u>7,443</u>	<u>1,739,296</u>	<u>1,447,351</u>
Expenses				
Program services:				
Case management	244,883	-	244,883	242,286
Catch-A-Cab	19,265	-	19,265	16,667
Counseling	352,666	-	352,666	364,232
Education	38,361	-	38,361	25,139
Financial Resource Center	41,971	-	41,971	37,774
Homemaker	126,458	-	126,458	147,586
Lifeline	220,324	-	220,324	246,045
Teen Life Counts	66,262	-	66,262	62,041
Adoption	4,122	-	4,122	-
Other	16,460	-	16,460	19,155
General and administrative	187,441	-	187,441	252,058
Fundraising	189,940	-	189,940	117,625
	<u>1,508,153</u>	<u>-</u>	<u>1,508,153</u>	<u>1,530,608</u>
Change in Net Assets	223,700	7,443	231,143	(83,257)
Net Assets				
Beginning of year	<u>2,139,861</u>	<u>61,724</u>	<u>2,201,585</u>	<u>2,284,842</u>
End of year	<u>\$2,363,561</u>	<u>\$ 69,167</u>	<u>\$2,432,728</u>	<u>\$2,201,585</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

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

For the year ended December 31, 2019

	Program Services										General And Administrative	Fundraising	Totals 2019	
	Case Management	Catch-A- Cab	Counseling	Education	Financial Resource Center	Homemaker	Lifeline	Teen Life Counts	Adoption	Other				Totals
Salaries	\$188,402	\$10,708	\$229,098	\$17,847	\$ 7,139	\$101,031	\$ 76,648	\$45,983	\$ -	\$ 6,169	\$ 683,025	\$ 82,989	\$ 94,589	\$ 860,603
Employee benefits	2,089	4,185	21,613	6,976	2,790	6,173	7,058	2,618	-	1,395	54,897	32,437	36,971	124,305
Payroll taxes	15,035	868	18,337	1,447	579	8,050	6,166	3,623	-	527	54,632	6,728	7,669	69,029
Advertising costs	153	108	1,372	180	72	251	2,566	126	-	36	4,864	835	1,795	7,494
Bad debt expense	-	-	-	-	-	92	-	-	-	-	92	-	-	92
Board expenses	40	28	177	47	19	65	51	33	-	9	469	217	247	933
Conferences and meetings	414	292	1,849	487	195	681	535	341	-	97	4,891	2,263	2,949	10,103
Contract workers	2,297	50	320	5,284	34	713	13,653	4,363	3,425	17	30,156	392	612	31,160
Development and communications	31	22	138	36	15	51	40	25	-	7	365	169	21,298	21,832
Equipment and maintenance	425	300	1,900	500	200	700	550	1,342	-	100	6,017	2,325	2,650	10,992
Insurance	722	510	3,229	850	340	1,189	935	595	-	170	8,540	3,951	4,503	16,994
Lease expense	135	95	602	159	63	222	174	111	-	32	1,593	737	840	3,170
Lifeline fees	-	-	-	-	-	-	98,737	-	-	-	98,737	-	-	98,737
Miscellaneous	195	138	871	229	108	285	252	160	-	46	2,284	1,063	1,215	4,562
Occupancy	9,564	-	58,561	-	-	-	6,069	1,721	-	-	75,915	38,138	1,812	115,865
Office expense	2,077	312	2,481	517	207	858	966	645	-	103	8,166	2,413	2,889	13,468
Organization dues	383	270	1,712	451	180	631	496	1,115	-	90	5,328	2,095	2,388	9,811
Postage and delivery	306	80	507	134	53	187	249	93	-	414	2,023	621	2,034	4,678
Printing and publications	435	40	1,196	67	27	94	74	71	-	1,315	3,319	312	4,150	7,781
Professional fees	740	522	3,306	870	348	1,218	957	609	-	174	8,744	4,046	4,611	17,401
Program expense	2,092	-	543	1,054	29,111	121	4	536	697	5,514	39,672	3	4	39,679
Travel	16,746	13	272	21	8	2,158	2,599	1,275	-	4	23,096	98	173	23,367
Utilities	2,478	636	4,026	1,059	424	1,483	1,384	775	-	212	12,477	4,927	5,615	23,019
Total expenses before depreciation	244,759	19,177	352,110	38,215	41,912	126,253	220,163	66,160	4,122	16,431	1,129,302	186,759	199,014	1,515,075
Depreciation of property and equipment	124	88	556	146	59	205	161	102	-	29	1,470	682	776	2,928
Total expenses	244,883	19,265	352,666	38,361	41,971	126,458	220,324	66,262	4,122	16,460	1,130,772	187,441	199,790	1,518,003
Less special events netted with revenues	-	-	-	-	-	-	-	-	-	-	-	-	(9,850)	(9,850)
Total expenses on statement of activities	\$244,883	\$19,265	\$352,666	\$38,361	\$41,971	\$126,458	\$220,324	\$66,262	\$4,122	\$16,460	\$1,130,772	\$187,441	\$189,940	\$1,508,153

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Jewish Family Service of Greater New Orleans, Inc.**
New Orleans, Louisiana

For the year ended December 31, 2018

	Program Services									General And Administrative	Fundraising	Totals 2018	
	Case Management	Catch-A- Cab	Counseling	Education	Financial Resource Center	Homemaker	Lifeline	Teen Life Counts	Other				Totals
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
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
Payroll taxes	13,108	770	18,075	884	570	8,163	7,891	3,031	522	53,014	9,633	4,418	67,065
Advertising costs	869	226	2,716	260	167	1,118	409	301	100	6,166	2,819	3,382	12,367
Bad debt expense	-	-	-	-	-	296	-	-	-	296	-	-	296
Board expenses	-	-	-	-	-	-	-	-	-	-	268	-	268
Conferences and meetings	523	134	1,072	155	100	671	245	2,212	60	5,172	1,693	776	7,641
Contract workers	6,395	61	521	5,620	45	1,363	11,470	5,606	27	31,108	759	348	32,215
Development and communications	-	-	-	-	-	-	-	-	-	-	-	20,819	20,819
Equipment and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	1,407	365	2,896	419	271	1,813	663	487	163	8,484	4,575	2,097	15,156
Lifeline fees	-	-	-	-	-	-	107,419	-	-	107,419	-	-	107,419
Miscellaneous	546	142	1,123	163	105	704	257	189	55	3,284	1,774	814	5,872
Occupancy	9,874	-	64,477	-	-	-	6,265	1,777	-	82,393	39,373	1,870	123,636
Office expense	1,154	162	1,748	186	120	988	415	231	90	5,094	2,026	1,003	8,123
Organization dues	712	185	1,464	212	137	917	365	1,046	82	5,120	2,313	1,061	8,494
Postage and delivery	304	79	655	91	58	392	179	133	341	2,232	988	2,765	5,985
Printing and publications	39	7	915	8	5	290	28	1,846	1,647	4,785	83	7,318	12,186
Professional fees	1,207	313	2,484	360	232	1,555	569	418	139	7,277	3,924	1,799	13,000
Program expense	7,400	4	825	473	25,331	66	1,132	929	7,189	43,349	47	44	43,440
Travel	20,048	-	140	-	-	2,743	2,037	529	67	25,564	427	28	26,019
Utilities	2,788	698	7,213	801	517	3,464	1,267	931	310	17,989	8,738	4,007	30,734
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
Depreciation of property and equipment	277	31	671	18	123	381	366	148	25	2,040	449	131	2,620
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
Less special events netted with revenues	-	-	-	-	-	-	-	-	-	-	-	(12,500)	(12,500)
Total expenses on statement of activities	<u>\$242,286</u>	<u>\$16,667</u>	<u>\$364,232</u>	<u>\$25,139</u>	<u>\$37,774</u>	<u>\$147,586</u>	<u>\$246,045</u>	<u>\$62,041</u>	<u>\$19,155</u>	<u>\$1,160,925</u>	<u>\$252,058</u>	<u>\$117,625</u>	<u>\$1,530,608</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS**Jewish Family Service of Greater New Orleans, Inc.**
New Orleans, LouisianaFor the year ended December 31, 2019
(with comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Change in net assets	\$231,143	\$ (83,257)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,928	2,605
Bad debt expense	92	296
Loss on disposal of property and equipment	-	477
(Increase) decrease in:		
Accounts receivable	4,301	(2,346)
Grants receivable	(41,959)	(27,611)
Prepaid expenses	13,884	16,709
Notes receivable	13,403	1,080
Increase (decrease) in:		
Accounts payable	(4,395)	5,115
Accrued vacation	(4,051)	366
Jewish Federation loans payable	(13,403)	(1,080)
Net cash provided by (used in) operating activities	<u>201,943</u>	<u>(87,646)</u>
Cash Flows From Investing Activities		
Investment (increase) decrease on funds held at Jewish Endowment Foundation	(140,470)	180,980
Purchase of property and equipment	-	(9,681)
Net cash provided by (used in) investing activities	<u>(140,470)</u>	<u>171,299</u>
Net Increase In Cash and Cash Equivalents	61,473	83,653
Cash and Cash Equivalents		
Beginning of year	<u>179,030</u>	<u>95,377</u>
End of year	<u>\$240,503</u>	<u>\$179,030</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Jewish Family Service of Greater New Orleans, Inc.**
New Orleans, Louisiana

December 31, 2019 and 2018

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

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

f. Revenue Recognition

Revenues from Exchange Transactions: JFS recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, "Revenues from Contracts with Customers", as amended. ASU 2014-09 applies to exchange transactions with customers and donors that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. JFS records the following exchange transaction revenue in its Statements of Activities for the years ended December 31, 2019 and 2018:

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Revenue Recognition (Continued)

Special Events

JFS conducts an annual fundraiser in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event—the exchange component, and a portion represents a contribution to JFS. The fair value of meals and entertainment provided at the event is measured at the actual cost to JFS. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs, which ultimately benefit the donor rather than JFS, are recorded as fundraising expenses in the Statements of Activities. The performance obligation is delivery of the event. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligation. Accordingly, JFS separately presents in Note 12 the exchange and contribution components of the gross proceeds from special events.

g. 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, 2019, JFS conditional promises to give were \$200,000. As of December 31, 2018, 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, 2019 and 2018, management believes that promises to give are fully collectible.

h. Allowance for Doubtful Accounts

The allowance for doubtful accounts is estimated based on management's estimate. As of December 31, 2019 and 2018, there is no allowance as management deems all accounts to be collectible.

i. 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.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. 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.

k. 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.

l. Advertising

Advertising costs are expensed as they are incurred. Advertising costs totaled \$7,494 and \$12,367 for the years ended December 31, 2019 and 2018, respectively.

m. 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.

n. 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).

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Organization and Income Taxes (Continued)

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, 2019, 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, 2016 and later remain subject to examination by the taxing authorities.

o. Recently Issued Accounting Standards

Revenue from Contracts with Customers

In May 2014, the FASB issued ASUs 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 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. JFS has adopted the provisions of ASU 2014-09 and retrospectively applied this standard to the financial statements as of and for the year ended December 31, 2018.

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. Accordingly, adoption of this accounting pronouncement had no effect on the Statement of Cash Flows for the year ended December 31, 2019.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Recently Issued Accounting Standards (Continued)

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 effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. JFS is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

p. 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 March 9, 2020, 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, 2019, there was no balances in excess of the insured limits.

Note 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give as of December 31, 2019 and 2018 consist of the following:

	2019	2018
Unconditional promises to give:		
United Way	\$17,500	\$17,500
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, 2019 and 2018 are comprised of the following:

	2019	2018
Funds held at the Jewish Endowment Foundation	\$2,064,900	\$1,924,430
Israel bonds	6,000	6,000
Totals	\$2,070,900	\$1,930,430

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

Investment income for the years ended December 31, 2019 and 2018 is summarized as follows:

	2019	2018
Investment income -		
Net unrealized and realized gain (loss)	\$264,282	\$(102,268)
Interest and dividends	39,779	63,999
Investment fees	(14,273)	(14,380)
Net investment income (loss)	\$289,788	\$ (52,649)

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, 2019 and 2018, assets measured at fair value on a recurring basis are comprised of and determined as follows:

Description	Fair Value as of December 31, 2019	Based on		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Pooled accounts managed by the Jewish Endowment Foundation	\$2,064,900	\$ -	\$2,064,900	\$ -
Israel bonds	6,000	6,000	-	-
	<u>\$2,070,900</u>	<u>\$6,000</u>	<u>\$2,064,900</u>	<u>\$ -</u>

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

Description	Fair Value as of December 31, 2018	Based on		
		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	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>-</u>
	<u>\$1,930,430</u>	<u>\$6,000</u>	<u>\$1,924,430</u>	<u>\$ -</u>

As of December 31, 2019 and 2018, there were no assets measured at fair value on a non-recurring basis.

Note 7 - PROPERTY AND EQUIPMENT

As of December 31, 2019 and 2018, property and equipment consists of the following:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$41,564	\$ 41,564
Less accumulated depreciation	<u>(31,712)</u>	<u>(28,784)</u>
Net property and equipment	<u>\$ 9,852</u>	<u>\$ 12,780</u>

Depreciation expense for the years ended December 31, 2019 and 2018 was \$2,928 and \$2,620, 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% (6.5% and 7.25% as of December 31, 2019 and 2018, respectively). There were no outstanding borrowings on the line of credit as of December 31, 2019 and 2018.

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, 2019 and 2018:

	2019	2018
Program activities	\$2,064,900	\$1,924,430

Note 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2019 and 2018 are restricted for the following purposes or periods:

	2019	2018
Subject to expenditure for specified purpose:		
Counseling:		
Program activities	\$ -	\$25,000
Teen Life Counts:		
Program activities	51,667	19,224
Totals	51,667	44,224
Subject to the passage of time:		
For periods after		
June 30, 2020 and 2019,		
respectively	17,500	17,500
Total net assets with donor restrictions	\$69,167	\$61,724

Net assets released from restrictions for the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
Purpose restriction satisfied:		
Counseling	\$25,000	\$25,000
Teen life	19,224	-
Passage of time	17,500	17,500
	\$61,724	\$42,500

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, 2019 and 2018 is as follows:

	2019	2018
Advertising costs	\$3,440	\$7,554

Note 12 - SPECIAL EVENT REVENUE

Gross receipts from special fundraising events recorded by JFS consist of exchange transaction revenue and contribution revenue. As a result of adopting ASU 2014-09 during 2019, JFS is required to separately present the components of this revenue.

	2019	2018
Contributions	\$42,808	\$58,190
Special event revenue	14,775	18,750
Special events - gross	57,583	76,940
Less: cost of direct donor benefit	(9,850)	(12,500)
Special events - net	\$47,733	\$64,440

Note 13 - 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.

Note 13 - LEASE COMMITMENT (Continued)

Lease expense totaled \$115,865 and \$126,636 for the years ended December 31, 2019 and 2018, respectively, and is included in occupancy expense on the Statement of Functional Expenses. Future lease commitments are as follows:

<u>Year Ending December 31,</u>	<u>Amounts</u>
2020	\$111,052
2021	<u>37,017</u>
Total	<u><u>\$148,069</u></u>

Note 14 - 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.

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.

Note 14 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following table represents financial assets available for general expenditures within one year as of December 31, 2019:

Financial assets as of December 31, 2019:	
Cash and cash equivalents	\$ 240,503
Accounts receivable	8,111
Grants receivable	107,728
Unconditional promises to give	17,500
Investments	<u>2,070,900</u>
Total financial assets, as of December 31, 2019	<u>2,444,742</u>
Less amounts unavailable for general expenditures within one year, due to:	
Contractual or donor imposed restrictions:	
Restricted by donors with time or purpose restriction	(69,167)
Board designations:	
Program activities	<u>(2,064,900)</u>
Total financial assets not available to be used within one year	<u>(2,134,067)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 310,675</u>

Note 15 - 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, 2019 and 2018 totaled \$26,578 and \$39,028, respectively.

Note 16 - FINANCIAL RESOURCE CENTER

JFS provided 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 consisted of interest free loans where JFS operated as an intermediary in providing loans from Jewish Federation of Greater New Orleans to approved individual and small businesses. When monthly loan payments were received, JFS remitted the loan payments to Jewish Federation of Greater New Orleans. As of December 31, 2018, the balance of notes receivable to be received and subsequently remitted to Jewish Federation of Greater New Orleans was \$13,403, and the balance payable to Jewish Federation of Greater New Orleans totaled \$13,403. In the event a loan was no longer collectible, JFS was not liable to Jewish Federation of Greater New Orleans for the outstanding loan balance. During the year ended December 31, 2019, JFS terminated its intermediary relationship with the Jewish Federation of Greater New Orleans. As a result, all loans are now serviced by the Jewish Federation of Greater New Orleans.

Note 17 - 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, 2019 and 2018.

Note 18 - 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 OF PROGRAM SERVICE ACTIVITIES**Jewish Family Service of Greater New Orleans, Inc.**
New Orleans, LouisianaFor the year ended December 31, 2019
(with comparative totals for 2018)

	Program Services									Totals		
	Case Management	Catch-A-Cab	Counseling	Education	Financial Resource Center	Homemaker	Lifeline	Teen Life Counts	Adoption	Other	2019	2018
Revenues and Other Support												
Program service fees	\$ -	\$ 3,380	\$ 141,334	\$ 20,339	\$ -	\$ 24,824	\$233,176	\$ -	\$ -	\$ 7,073	\$ 430,126	\$ 456,107
Contributions	-	-	-	-	-	-	-	-	-	24,183	24,183	19,156
United Way grants and designations	-	-	35,886	-	-	-	-	-	-	-	35,886	37,239
Grant income	369,978	-	29,180	-	22,350	-	-	150,000	-	-	571,508	506,937
Investment income (loss)	-	-	7,258	6,873	175,355	-	48,204	37,268	-	-	274,958	(53,705)
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	20
Total revenues and other support	369,978	3,380	213,658	27,212	197,705	24,824	281,380	187,268	-	31,256	1,336,661	965,754
Program Expenses	244,883	19,265	352,666	38,361	41,971	126,458	220,324	66,262	4,122	16,460	1,130,772	1,160,925
Revenues and Other Support Over (Under) Program Expenses	<u>\$125,095</u>	<u>\$ (15,885)</u>	<u>\$ (139,008)</u>	<u>\$ (11,149)</u>	<u>\$155,734</u>	<u>\$ (101,634)</u>	<u>\$ 61,056</u>	<u>\$121,006</u>	<u>\$ (4,122)</u>	<u>\$14,796</u>	<u>\$ 205,889</u>	<u>\$ (195,171)</u>