



JEWISH FEDERATION OF ROCKLAND COUNTY, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Jewish Federation of Rockland County, Inc.
450 West Nyack Road
West Nyack, NY 10994

We have audited the accompanying statement of financial position of Jewish Federation of Rockland County (a not-for-profit corporation) as of June 30, 2019, and the related statements of activities, changes in net assets 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 misstatements.

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 The Jewish Federation of Rockland County as of June 30, 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.

November 27, 2019

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019

ASSETS

Current Assets:

Cash – Operating	\$	92,130
Unconditional promises to give and accounts receivable		246,130
Prepaid Expenses		4,404
Investments		1,272,771
Total Current Assets		1,615,435
 Total Assets	 \$	 1,615,435

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses		14,003
Total Current Liabilities		14,003
 Total Liabilities		 14,003

Net Assets:

Net Assets without Donor Restrictions		1,601,432
Total Net Assets		1,601,432
 Total Liabilities and Net Assets	 \$	 1,615,435

See Independent Auditors' Report.
The accompanying notes are an integral part of these financial statements.

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2019

<u>Revenue</u>	
Contributions	\$ 927,391
Rockland Jewish Initiative	57,653
Center for Jewish Education	37,651
PJ Library	33,935
Investment income	31,213
Grants	7,965
Unrealized gain on investments	35,478
Realized loss on investments	(5,126)
Total Revenue	<u>1,126,160</u>
 <u>Functional Expenses</u>	
Program services	772,001
Management and general	101,036
Fundraising expenses	107,873
Total Functional Expenses	<u>980,910</u>
 Change in Net Assets	 145,250
 Net Assets, July 1, 2018	 <u>1,456,182</u>
 Net Assets, June 30, 2019	 <u>\$ 1,601,432</u>

See Independent Auditors' Report.
 The accompanying notes are an integral part of these financial statements.

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 245,964	\$ 39,266	\$ 75,238	\$ 360,468
Grants	345,153	-	-	345,153
Occupancy	39,465	13,303	2,294	55,062
PJ Library	41,242	-	-	41,242
Payroll taxes	18,768	4,413	6,094	29,275
Office expense	11,761	8,264	3,516	23,541
Community support	19,897	-	2,568	22,465
Advertising	7,521	42	14,482	22,045
Professional fees	-	17,059	-	17,059
Rockland Jewish Initiative	12,438	-	-	12,438
Fed connect	10,002	-	-	10,002
Insurance expense	-	8,408	-	8,408
Mission to Israel	8,090	-	-	8,090
Conferences and meetings	4,761	1,707	403	6,871
Equipment rental	3,713	2,269	216	6,198
Postage expense	1,089	1,674	3,051	5,814
Bank charges	-	3,996	-	3,996
Educational services	2,077	-	-	2,077
Travel	60	635	11	706
	<u>60</u>	<u>635</u>	<u>11</u>	<u>706</u>
Total Expenses	<u>\$ 772,001</u>	<u>\$ 101,036</u>	<u>\$ 107,873</u>	<u>\$ 980,910</u>

See Independent Auditors' Report.

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

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Change in Net Assets	\$	145,250
Adjustments to reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
(Increase) in unconditional promises to give and accounts receivable		(3,131)
(Increase) in prepaid expenses		(780)
Increase in accounts payable and accrued expenses		12,722
Net Cash Provided by Operating Activities		154,061
<u>Cash Flows from Financing Activities</u>		
Transfers from investment account		(106,182)
Net Cash Provided by Financing Activities		(106,182)
Net Increase in Cash		47,879
Cash and cash equivalents, July 1, 2018		44,251
Cash and cash equivalents, June 30, 2019	\$	92,130

See Independent Auditors' Report.
The accompanying notes are an integral part of these financial statements.

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 1: **Organization and Purpose**

Jewish Federation of Rockland County (the Organization) was incorporated June 20, 1985 under the laws of the State of New York as a not-for-profit corporation for the purposes of raising funds to support of the Jewish communities and programs that benefit the local Jewish community. The Organization was originally formed as United Jewish Community of Rockland County. On May 16, 1994, the named was officially changed to UJA/Federation of Rockland County and finally changed to Jewish Federation of Rockland County on August 17, 1998.

Note 2: **Date of Management's Review**

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 27, 2019, the date which the financial statements were available to be issued.

Note 3: **Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Jewish Federation of Rockland County, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles as applicable in accordance with the recommendations of the American Institute of Certified Public Accountants in its audit and accounting guide, *Not-for-Profit Organizations*.

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Recently Issued Accounting Standards

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for Profit Entities. The Jewish Federation of Rockland County, Inc. adopted the provisions of this new standard during the year ended June 30, 2019. In addition to changes in terminology used to describe categories of net assets through the financial statement, the disclosure related to functional allocation of expenses was expanded.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Organization considers all unrestricted, highly liquid investments with a maturity of three months or less, to be cash equivalents. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the Statement of Financial Position date.

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 3: Summary of Significant Accounting Policies (continued)

Classes of Net Assets

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Some assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature).

It is the policy of the Organization to account for donor restricted funds which are received and expended in the same year to be recorded as unrestricted.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board for general operating purposes. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at the Organization's discretion.

Investments

Investments are marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

Promises to Give and Accounts Receivable

Unconditional promises to give are recognized as revenue or gains in the period received, and as assets or a reduction of liabilities depending upon the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The Organization provides for bad debts using the reserve method, however, receivables are already shown at their net realizable value after any necessary write-offs. Management has determined that ten percent allowance for doubtful accounts is appropriate as of June 30, 2019.

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 3: Summary of Significant Accounting Policies (continued)

Property and Equipment

Equipment is recorded at cost if purchased, or at estimated fair market value if donated. Depreciation is computed using the straight-line method and is based on expected useful lives ranging from 5 to 7 years.

Revenue Classification

Contributions are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenues, expenses and changes in net assets as net assets released from restrictions.

Functional Expense Allocation

The cost of providing various programs and other activities is summarized on a functional basis in the statement of activities and changes in net assets and in the statement of functional expenses. Expenses are charged to each program based on direct expenditures incurred. Any expenditures indirectly chargeable are allocated 50 percent to program services and 40 percent to management and general and 10 percent to fundraising expenses.

Income Tax Status

The Organization is exempt from federal income tax by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as an organization that is not a private foundation under Section 170(b)(1)(A)(vi) and 509. It is also exempt from New York State Income taxes under current law. Therefore, no provisions for income taxes are made in the accompanying financial statements.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS for three years after they were filed.

Use of Estimates

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

Programs and Services Provided

Community Weaving and Relations:

Facilitating the communications and working relationships between 15 congregations and agencies to achieve collaboration and sharing of resources. As well as, building relations with other faith communities, elected officials and police officials to counter the effects of bigotry/anti-Semitism and hate motivated violence and to be an advocate for the nation of Israel.

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 3: Summary of Significant Accounting Policies (continued)

Grants and Agency Relations:

Overseeing and monitoring grants from the annual campaign or endowment funds to local Jewish social and educational service providers.

Education and Lifelong Jewish Learning:

Providing classes for adult learners covering a wide range of Jewish topics and themes.

Note 4: Concentration of Credit Risk

The Organization maintains most of its cash balances in one financial institution, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk.

Note 5: Fair Value Measurement

Generally accepted accounting principles (GAAP) establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the company 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 means.

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

Level 3 – Inputs are investments whose fair value is based on factors that are unobservable with little, if any, market activity. Level 3 inputs are generally based on the best information available which may include the reporting entity's own assumptions and data.

The Organization has Level 1 investments held Charles Schwab Investments with a fair market value of \$1,272,771 at June 30, 2019.

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 6: **Effect of Current Economic Conditions on Contributions**

The Organization depends heavily on contributions and grants for its revenue. The ability of the Organization's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future economic conditions and the continued deductibility for income tax purposes of contributions and grants to the Organization. While the Organization's Board of Directors believes that economic conditions such as tax deductibility are stable enough for the Organization to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

Note 6: **Liquidity**

The Organization's financial assets available within one year of the balance sheet date for general expenditure consists of cash and cash equivalents in the amount of \$0 as of June 30, 2019. As part of the Organization'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.

SUPPLEMENTAL INFORMATION

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
 DETAIL OF PROGRAM AND SUPPORT SERVICES
 FOR THE YEAR ENDED JUNE 30, 2019

	Program Services				Support Services		Total Program Services
	Community Weaving and Relations	Grants and Agency Relations	Education / Lifelong Jewish Learning	Total Programs	Management and General	Fundraising	
Salaries	\$ 193,137	\$ 14,510	\$ 38,317	\$ 245,964	\$ 39,266	\$ 75,238	\$ 360,468
Grants	24,256	320,897	-	345,153	-	-	345,153
Occupancy	28,290	2,000	9,175	39,465	13,303	2,294	55,062
PJ Library	41,242	-	-	41,242	-	-	41,242
Payroll taxes	16,843	1,175	750	18,768	4,413	6,094	29,275
Office expense	6,761	1,000	4,000	11,761	8,264	3,516	23,541
Community support	19,897	-	-	19,897	-	2,568	22,465
Advertising	7,521	-	-	7,521	42	14,482	22,045
Professional fees	-	-	-	-	17,059	-	17,059
Rockland Jewish Initiative	12,438	-	-	12,438	-	-	12,438
Fed connect	10,002	-	-	10,002	-	-	10,002
Insurance expense	-	-	-	-	8,408	-	8,408
Mission to Israel	8,090	-	-	8,090	-	-	8,090
Conferences and meetings	4,750	11	-	4,761	1,707	403	6,871
Equipment rental	2,759	-	954	3,713	2,269	216	6,198
Postage expense	1,089	-	-	1,089	1,674	3,051	5,814
Bank charges	-	-	-	-	3,996	-	3,996
Educational services	-	-	2,077	2,077	-	-	2,077
Travel	60	-	-	60	635	11	706
Total Expenses	\$ 377,135	\$ 339,593	\$ 55,273	\$ 772,001	\$ 101,036	\$ 107,873	\$ 980,910