

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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FOR THE YEAR ENDED JUNE 30, 2018

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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, 2018, 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 Jewish Federation of Rockland County as of June 30, 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.

Rifkin & Company, LLP

November 5, 2018

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2018

<u>Assets</u>		
<u>Current Assets</u>		
Cash - Operating	\$	44,251
Unconditional Promises to Give and Accounts Receivable		242,999
Prepaid Expenses		3,623
Investments		1,166,590
Total Current Assets		<u>1,457,463</u>
Total Assets	\$	<u>1,457,463</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	\$	1,281
Total Current Liabilities		<u>1,281</u>
Total Liabilities		<u>1,281</u>
<u>Net Assets</u>		
Unrestricted		289,592
Temporarily Restricted		1,166,590
Total Net Assets		<u>1,456,182</u>
Total Liabilities and Net Assets	\$	<u>1,457,463</u>

See Independent Auditors' Report.

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

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

<u>Revenue</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Contributions	\$ 648,987	\$ 59,171	\$ 708,158
Rockland Jewish Initiative	95,754	-	95,754
Unrealized Loss on Investments	-	(21,676)	(21,676)
Center For Jewish Education	52,620	-	52,620
Grants	13,267	9,000	22,267
Special Events (Net of Expenses)	3,074	-	3,074
Investment Income	-	100,682	100,682
Total Revenue	<u>813,702</u>	<u>147,177</u>	<u>960,879</u>
Net Assets Released from Restriction	<u>48,251</u>	<u>(48,251)</u>	<u>-</u>
<u>Functional Expenses</u>			
Program Services	794,506	60,297	854,803
Management and General	96,769	13,267	110,036
Fundraising	55,018	-	55,018
Total Functional Expenses	<u>946,293</u>	<u>73,564</u>	<u>1,019,857</u>
<u>Change in Net Assets</u>	(84,340)	25,362	(58,978)
<u>Net Assets, at Beginning of Year</u>	<u>373,932</u>	<u>1,141,228</u>	<u>1,515,160</u>
<u>Net Assets, at End of Year</u>	<u>\$ 289,592</u>	<u>\$ 1,166,590</u>	<u>\$ 1,456,182</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, 2018

Change in Net Assets	<u>\$ (58,978)</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Used In Operating Activities	
Unrealized Gains and Losses on Investments	21,676
Investment Income	(95,288)
(Increase) Decrease in Operating Assets:	
Unconditional Promises to Give and Accounts Receivable	(8,007)
Prepaid Expenses	1,464
Security Deposit	3,300
Decrease in Operating Liabilities:	
Accounts Payable and Accrued Expenses	<u>(439)</u>
Total Adjustments	<u>(77,294)</u>
Net Cash Used In Operating Activities	<u>(136,272)</u>
 <u>Cash Flows From Financing Activities:</u>	
Transfers from Investment Account	<u>48,251</u>
Net Cash Provided by Financing Activities	<u>48,251</u>
 <u>Net Decrease in Cash</u>	 (88,021)
 <u>Cash and Cash Equivalents, at Beginning of Year</u>	 <u>132,272</u>
 <u>Cash and Cash Equivalents, at End of Year</u>	 <u>\$ 44,251</u>

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, 2018

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 for the support of the Jewish communities and programs to 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 5, 2018, the date which the financial statements were available to be issued.

Note 3: Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Section 958. Under this section, the Organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets represent net assets that are not subject to statutory or donor-imposed stipulations.

Temporarily Restricted Net Assets represent net assets subject to donor-imposed stipulations that will be met either by actions of the Organization or the passage of time.

Permanently Restricted Net Assets represent net assets subject to donor-imposed stipulations that must be maintained permanently. The Organization does not have any permanently restricted net assets.

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 3: Summary of Significant Accounting Policies (Continued)

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.

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, for the fiscal years ending June 30, 2018, 2017 and 2016 are subject to examination by the IRS for three years after they were filed.

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.

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 3: Summary of Significant Accounting Policies (Continued)

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, 2018.

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 for equipment and furniture.

Restricted and Unrestricted Revenue:

Contributions are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of revenues, expenses and changes in net assets as net assets released from restrictions.

Use of Estimates:

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

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.

JEWISH FEDERATION OF ROCKLAND COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 with Charles Schwab Investments with a fair market value of \$1,166,590 at June 30, 2018.

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.