

# JEWISH FAMILY SERVICE OF METROWEST, INC.

FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019 AND 2018

# JEWISH FAMILY SERVICE OF METROWEST, INC.

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## **Independent Auditors' Report**

To the Board of Directors  
Jewish Family Service of Metrowest, Inc.  
Framingham, Massachusetts

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

We have audited the accompanying financial statements of Jewish Family Service of Metrowest, Inc., which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities and change in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Service of Metrowest, Inc., as of September 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note 2, during the year ended September 30, 2019, Jewish Family Service of Metrowest, Inc., adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated January 31, 2020 on our consideration of Jewish Family Service of Metrowest, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jewish Family Service of Metrowest, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jewish Family Service of Metrowest, Inc.'s internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
January 31, 2020

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## STATEMENT OF FINANCIAL POSITION SEPTEMBER 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 994,955	\$ 1,455,247	\$ 2,450,202
Cash - designated	27,958	52,300	80,258
Cash - adoption escrows	6,113	-	6,113
Accounts receivable	259,130	9,600	268,730
Unconditional promises to give	1,827	603,000	604,827
Inventory	-	645,566	645,566
Other current assets	56,202	-	56,202
Total current assets	<u>1,346,185</u>	<u>2,765,713</u>	<u>4,111,898</u>
<b>Property and Equipment, Net</b>	325,647	-	325,647
<b>Other Asset</b>			
Investments - board-designated endowment fund	<u>1,083,896</u>	<u>-</u>	<u>1,083,896</u>
<b>Total Assets</b>	<u>\$ 2,755,728</u>	<u>\$ 2,765,713</u>	<u>\$ 5,521,441</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 19,275	\$ -	\$ 19,275
Accrued expenses	219,542	-	219,542
Escrow deposits	6,113	-	6,113
Total liabilities	<u>244,930</u>	<u>-</u>	<u>244,930</u>
<b>Net Assets</b>			
Without donor restrictions:			
Undesignated	1,101,255	-	1,101,255
Board-designated endowment fund	1,083,896	-	1,083,896
Property and equipment without donor restrictions	325,647	-	325,647
Total net assets without donor restrictions	<u>2,510,798</u>	<u>-</u>	<u>2,510,798</u>
With donor restrictions	-	2,765,713	2,765,713
Total net assets	<u>2,510,798</u>	<u>2,765,713</u>	<u>5,276,511</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 2,755,728</u>	<u>\$ 2,765,713</u>	<u>\$ 5,521,441</u>

The accompanying notes are an integral part of the financial statements

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## STATEMENT OF FINANCIAL POSITION SEPTEMBER 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 1,010,317	\$ 1,412,602	\$ 2,422,919
Cash - designated	33,458	48,100	81,558
Cash - adoption escrows	6,265	-	6,265
Accounts receivable	159,844	9,500	169,344
Unconditional promises to give	1,827	613,000	614,827
Other current assets	92,053	-	92,053
Total current assets	<u>1,303,764</u>	<u>2,083,202</u>	<u>3,386,966</u>
<b>Property and Equipment, Net</b>	322,700	-	322,700
<b>Other Asset</b>			
Investments - board-designated endowment fund	<u>1,060,786</u>	<u>-</u>	<u>1,060,786</u>
<b>Total Assets</b>	<u>\$ 2,687,250</u>	<u>\$ 2,083,202</u>	<u>\$ 4,770,452</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accrued expenses	\$ 200,547	\$ -	\$ 200,547
Escrow deposits	6,265	-	6,265
Total liabilities	<u>206,812</u>	<u>-</u>	<u>206,812</u>
<b>Net Assets</b>			
Without donor restrictions:			
Undesignated	1,096,952	-	1,096,952
Board-designated endowment fund	1,060,786	-	1,060,786
Property and equipment without donor restrictions	322,700	-	322,700
Total net assets without donor restrictions	<u>2,480,438</u>	<u>-</u>	<u>2,480,438</u>
With donor restrictions	-	2,083,202	2,083,202
Total net assets	<u>2,480,438</u>	<u>2,083,202</u>	<u>4,563,640</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 2,687,250</u>	<u>\$ 2,083,202</u>	<u>\$ 4,770,452</u>

The accompanying notes are an integral part of the financial statements

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public Support and Revenue</b>			
Public support:			
Grants and contributions	\$ 510,385	\$ 759,029	\$ 1,269,414
Combined Jewish Philanthropies	-	603,000	603,000
Special events	407,358	64,204	471,562
Cost of special events	<u>(42,131)</u>	<u>-</u>	<u>(42,131)</u>
	<u>875,612</u>	<u>1,426,233</u>	<u>2,301,845</u>
Revenue:			
In-kind donations	-	702,480	702,480
Contracted homemaker services	625,135	-	625,135
Other service fees	298,916	-	298,916
Adoption fees	79,850	-	79,850
Interest and dividend income	16,316	-	16,316
Net unrealized and realized gains on investments	15,806	-	15,806
Other homemaker services	2,855	-	2,855
Miscellaneous income	61	-	61
	<u>1,038,939</u>	<u>702,480</u>	<u>1,741,419</u>
Net assets released from satisfaction of program restrictions	<u>1,446,202</u>	<u>(1,446,202)</u>	<u>-</u>
Total public support and revenue	<u>3,360,753</u>	<u>682,511</u>	<u>4,043,264</u>
<b>Expenses</b>			
Program services:			
Homecare and elder services	1,180,438	-	1,180,438
Immigrant and youth services	840,976	-	840,976
Jewish family assistance	582,395	-	582,395
Other services	329,677	-	329,677
Supporting services:			
Fundraising	173,281	-	173,281
General and administrative	223,626	-	223,626
Total expenses	<u>3,330,393</u>	<u>-</u>	<u>3,330,393</u>
<b>Change in Net Assets</b>	30,360	682,511	712,871
<b>Net Assets at Beginning of Year</b>	<u>2,480,438</u>	<u>2,083,202</u>	<u>4,563,640</u>
<b>Net Assets at End of Year</b>	<u>\$ 2,510,798</u>	<u>\$ 2,765,713</u>	<u>\$ 5,276,511</u>

The accompanying notes are an integral part of the financial statements

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public Support and Revenue</b>			
Public support:			
Grants and contributions	\$ 471,685	\$ 668,845	\$ 1,140,530
Combined Jewish Philanthropies	-	613,000	613,000
Special events	381,351	63,669	445,020
Cost of special events	<u>(37,781)</u>	<u>-</u>	<u>(37,781)</u>
	<u>815,255</u>	<u>1,345,514</u>	<u>2,160,769</u>
Revenue:			
Contracted homemaker services	593,984	-	593,984
Other service fees	251,436	-	251,436
Adoption fees	86,421	-	86,421
Net unrealized and realized gains on investments	40,396	-	40,396
Interest and dividend income	13,162	-	13,162
Other homemaker services	4,919	-	4,919
Miscellaneous income	<u>4,278</u>	<u>-</u>	<u>4,278</u>
	<u>994,596</u>	<u>-</u>	<u>994,596</u>
Net assets released from satisfaction of program restrictions	<u>1,443,274</u>	<u>(1,443,274)</u>	<u>-</u>
Total public support and revenue	<u>3,253,125</u>	<u>(97,760)</u>	<u>3,155,365</u>
<b>Expenses</b>			
Program services:			
Homecare and elder services	1,099,925	-	1,099,925
Immigrant and youth services	752,435	-	752,435
Jewish family assistance	541,054	-	541,054
Other services	357,459	-	357,459
Supporting services:			
Fundraising	176,919	-	176,919
General and administrative	<u>200,971</u>	<u>-</u>	<u>200,971</u>
Total expenses	<u>3,128,763</u>	<u>-</u>	<u>3,128,763</u>
<b>Change in Net Assets</b>	124,362	(97,760)	26,602
<b>Net Assets at Beginning of Year</b>	<u>2,356,076</u>	<u>2,180,962</u>	<u>4,537,038</u>
<b>Net Assets at End of Year</b>	<u>\$ 2,480,438</u>	<u>\$ 2,083,202</u>	<u>\$ 4,563,640</u>

The accompanying notes are an integral part of the financial statements

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functional Expenses	Program Services					Supporting Services			Total
	Homecare and Elder Services	Immigrant and Youth Services	Jewish Family Assistance	Other Services	Total Program Services	Fundraising	General and Administrative	Total Supporting Services	
Payroll	\$ 878,185	\$ 380,830	\$ 333,754	\$ 227,358	\$ 1,820,127	\$ 120,751	\$ 170,149	\$ 290,900	\$ 2,111,027
Payroll taxes	68,737	29,808	26,123	17,796	142,464	9,451	13,318	22,769	165,233
Fringe benefits	25,910	11,236	9,847	6,708	53,701	3,563	5,020	8,583	62,284
Condo fees	38,289	16,604	14,552	9,913	79,358	5,265	7,419	12,684	92,042
Depreciation	12,143	5,266	4,615	3,144	25,168	1,670	2,353	4,023	29,191
Insurance	25,491	11,054	9,688	6,600	52,833	3,505	4,939	8,444	61,277
Grant expenses	18,284	239,318	40,862	20,126	318,590	-	-	-	318,590
Office expense	19,880	8,621	7,555	5,147	41,203	2,733	3,852	6,585	47,788
Travel	26,333	-	6,981	4,755	38,069	2,526	3,559	6,085	44,154
Advertising	4,072	1,766	1,548	1,054	8,440	560	789	1,349	9,789
Accounting	10,130	4,393	3,850	2,622	20,995	1,393	1,963	3,356	24,351
Adoption	-	-	-	10,736	10,736	-	-	-	10,736
Agency dues, seminars and training	3,407	1,478	1,295	882	7,062	468	660	1,128	8,190
Telephone	8,354	3,623	3,175	2,163	17,315	1,149	1,619	2,768	20,083
Consultants	11,349	4,922	4,313	2,938	23,522	1,561	2,199	3,760	27,282
Computer software	11,464	4,971	4,357	2,968	23,760	1,576	2,221	3,797	27,557
Equipment rental and maintenance	2,928	1,270	1,113	758	6,069	403	567	970	7,039
Equipment maintenance and repair	156	68	59	40	323	21	30	51	374
Postage	1,281	555	487	332	2,655	176	248	424	3,079
Printing	3,799	1,648	1,444	984	7,875	522	736	1,258	9,133
Development	-	-	-	-	-	14,579	-	14,579	14,579
Professional service fees	6,153	2,668	2,338	1,593	12,752	846	1,192	2,038	14,790
Credit card merchant fees	4,093	1,775	1,556	1,060	8,484	563	793	1,356	9,840
Family assistance	-	-	102,883	-	102,883	-	-	-	102,883
Donated merchandise	-	56,914	-	-	56,914	-	-	-	56,914
Supplies	-	27,242	-	-	27,242	-	-	-	27,242
Rent	-	24,946	-	-	24,946	-	-	-	24,946
	<u>1,180,438</u>	<u>840,976</u>	<u>582,395</u>	<u>329,677</u>	<u>2,933,486</u>	<u>173,281</u>	<u>223,626</u>	<u>396,907</u>	<u>3,330,393</u>
Cost of special events	-	-	-	-	-	42,131	-	42,131	42,131
<b>Total Expenses</b>	<u>\$ 1,180,438</u>	<u>\$ 840,976</u>	<u>\$ 582,395</u>	<u>\$ 329,677</u>	<u>\$ 2,933,486</u>	<u>\$ 215,412</u>	<u>\$ 223,626</u>	<u>\$ 439,038</u>	<u>\$ 3,372,524</u>

The accompanying notes are an integral part of the financial statements

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2018

Functional Expenses	Program Services					Supporting Services			Total
	Homecare and Elder Services	Immigrant and Youth Services	Jewish Family Assistance	Other Services	Total Program Services	Fundraising	General and Administrative	Total Supporting Services	
Payroll	\$ 808,759	\$ 357,616	\$ 310,954	\$ 248,207	\$ 1,725,536	\$ 109,410	\$ 150,709	\$ 260,119	\$ 1,985,655
Payroll taxes	62,922	27,823	24,193	19,311	134,249	8,512	11,726	20,238	154,487
Fringe benefits	25,928	11,464	9,969	7,957	55,318	3,507	4,831	8,338	63,656
Condo fees	37,788	16,709	14,529	11,597	80,623	5,112	7,042	12,154	92,777
Depreciation	12,740	5,634	4,898	3,910	27,182	1,724	2,374	4,098	31,280
Insurance	23,124	10,225	8,890	7,096	49,335	3,128	4,309	7,437	56,772
Grant expenses	13,677	283,315	51,359	13,554	361,905	-	-	-	361,905
Office expense	22,892	10,120	8,801	7,024	48,837	3,096	4,265	7,361	56,198
Travel	25,313	-	6,748	5,387	37,448	2,374	3,271	5,645	43,093
Advertising	3,495	1,545	1,343	1,072	7,455	473	651	1,124	8,579
Accounting	10,441	4,617	4,014	3,204	22,276	1,413	1,946	3,359	25,635
Adoption	-	-	-	12,921	12,921	-	-	-	12,921
Agency dues, seminars and training	4,991	2,207	1,919	1,532	10,649	675	930	1,605	12,254
Telephone	7,557	3,341	2,905	2,319	16,122	1,022	1,408	2,430	18,552
Consultants	8,993	3,976	3,457	2,760	19,186	1,216	1,676	2,892	22,078
Computer software	10,464	4,627	4,023	3,211	22,325	1,415	1,950	3,365	25,690
Equipment rental	2,422	1,071	931	743	5,167	328	451	779	5,946
Equipment maintenance and repair	28	13	11	9	61	4	5	9	70
Postage	1,442	638	554	443	3,077	195	269	464	3,541
Printing	4,693	2,076	1,805	1,441	10,015	635	875	1,510	11,525
Development	-	-	5,178	-	5,178	31,023	-	31,023	36,201
Professional service fees	7,793	3,446	2,996	2,392	16,627	1,054	1,452	2,506	19,133
Credit card merchant fees	4,463	1,972	1,713	1,369	9,517	603	831	1,434	10,951
Family assistance	-	-	69,864	-	69,864	-	-	-	69,864
	<u>1,099,925</u>	<u>752,435</u>	<u>541,054</u>	<u>357,459</u>	<u>2,750,873</u>	<u>176,919</u>	<u>200,971</u>	<u>377,890</u>	<u>3,128,763</u>
Cost of special events	-	-	-	-	-	37,781	-	37,781	37,781
<b>Total Expenses</b>	<u>\$ 1,099,925</u>	<u>\$ 752,435</u>	<u>\$ 541,054</u>	<u>\$ 357,459</u>	<u>\$ 2,750,873</u>	<u>\$ 214,700</u>	<u>\$ 200,971</u>	<u>\$ 415,671</u>	<u>\$ 3,166,544</u>

The accompanying notes are an integral part of the financial statements

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 712,871	\$ 26,602
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	29,191	31,280
Change in allowance for accounts receivable	-	(1,333)
Change in allowance for unconditional promises to give	-	(2,148)
Contribution of in-kind donations, net	(702,480)	-
Net unrealized and realized gains on investments	(15,806)	(40,396)
(Increase) decrease in operating assets:		
Accounts receivable	(99,386)	(37,297)
Unconditional promises to give	10,000	10,347
Other current assets	35,851	(14,583)
Inventory	56,914	-
Increase (decrease) in operating liabilities:		
Accounts payable	19,275	(2,285)
Accrued expenses	18,995	14,688
Escrow deposits	(152)	654
Net cash provided by operating activities	<u>65,273</u>	<u>(14,471)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(32,138)	(35,213)
Investment income reinvested	(7,304)	(8,139)
Net cash used in investing activities	<u>(39,442)</u>	<u>(43,352)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	25,831	(57,823)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>2,510,742</u>	<u>2,568,565</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 2,536,573</u>	<u>\$ 2,510,742</u>

The accompanying notes are an integral part of the financial statements

# **JEWISH FAMILY SERVICE OF METROWEST, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 1 - BUSINESS**

#### **Principal Business Activity**

Jewish Family Service of Metrowest, Inc. (the Organization) provides child and family assistance, immigrant support, elder care, and numerous charitable, educational and social programs that address and alleviate social and health inequities for the benefit of the Metrowest/Greater Boston community.

The Organization is “staff driven, volunteer powered,” meaning that many programs and services include participation and engagement of trained volunteers in working with skilled professionals in providing solutions to the problems and challenges faced.

#### **Homecare and Elder Services**

The Organization improves safety, social engagement and access to medical care for frail older adults to maximize their health, independence and quality of life as they navigate the challenges that come with aging. Programs include Homecare, Healthy Aging, Patient Navigator and Allies in Aging (geriatric care management), among a broad array of community services.

#### **Immigrant and Youth Services**

The Organization provides innovative, integrated resources that address the social, emotional and basic needs of New Americans. There is particular focus upon academic and social achievement for low-income, young school-age immigrant children and their families; and for first-generation students striving to reach and succeed in college and the workforce. Programs include AllStars and Math Academy, Children’s Clothing Closet, Healthy Harvest, Citizenship Assistance, Refugee Resettlement, Syrian Refugee Humanitarian Project and Pathways to College, among a growing portfolio of community services.

#### **Jewish Family Assistance**

The Organization is reducing poverty in the Jewish community with case managers providing short- and long-term comprehensive support to address immediate needs of families in crisis, then continue the work to move them to stability and self-sufficiency. In partnership with Combined Jewish Philanthropies, a collaborative model of care is delivered. Programs include Family Assistance Case Management, Emergency Cash Assistance, Ready for Success (employment services), Lucy and Joe’s Food Pantry and Hebrew Free Loan.

#### **Other Services**

Adoption Choices (full-service adoption programs) as well as a variety of additional community-based social and education services for children, adults and families serve both the Jewish and broader Metrowest/Greater Boston community.

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

#### Change in Accounting Principle

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendment changes the previous reporting model for nonprofit organizations and enhances the disclosure requirements. The major changes include: (a) requiring the presentation of only two classes of net assets rather than three, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed-in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement or in the notes, and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. This ASU is effective for annual periods beginning after December 15, 2017. Management has adopted ASU 2016-14 for the year ended September 30, 2019. The amendments have been retrospectively applied.

#### Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The presentation follows the recommendation of the Financial Accounting Standards Board in which the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

##### **Net Assets Without Donor Restrictions**

Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors.

##### **Net Assets With Donor Restrictions**

Net assets with donor restrictions represent 1) contributions that are restricted by the donor as to purpose or time of expenditure, 2) contributions that require that the principal be maintained in perpetuity but permit the Organization to expend the income earned thereon, and 3) the accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expirations of time or purpose restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions within the statements of activities.

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## NOTES TO FINANCIAL STATEMENTS

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### Estimates

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

### Cash and Cash Equivalents

The Organization considers all money market funds and investments with maturities of three months or less when acquired to be cash equivalents.

During the course of the normal business cycle, the Organization may, at times, maintain cash and cash equivalent balances in excess of the Federal Deposit Insurance Corporation limit of \$250,000.

### Accounts Receivable and Unconditional Promises to Give

When considered necessary by management, receivables are stated net of an allowance for doubtful accounts, which would be reported on the face of the Organization's statements of financial position. The allowance is established by a provision for bad debts charged to operations. On a periodic basis, management evaluates its receivables and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible losses on accounts that may become uncollectible, based on evaluations of the collectability of individual accounts, the Organization's history of prior loss experience and current economic conditions. Accounts are charged against the allowance when management believes that the collectability of the specific account is unlikely. At September 30, 2019 and 2018, the allowance was \$10,667.

### Inventory

Inventory consists primarily of donated children's clothing. Inventory is stated at the estimated fair value of the donated goods. The estimated fair value is provided by a nationally recognized third party.

### Property and Equipment

Property and equipment are recorded at cost, if purchased, or at fair market value, if donated. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expenses as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets.

Building and improvements	40 years
Office equipment and furniture	5 years
Computers	5 years
Van	5 years

### Investments and Investment Income

The Organization owns a limited partnership interest in Jewish Community Endowment Pool, LLP, which utilizes a pooled-investment fund basis for managing its investments. Investments are recorded at fair value as reported by Jewish Community Endowment Pool, LLP.

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## NOTES TO FINANCIAL STATEMENTS

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Investments, excluding nonmarketable alternatives, are reported at fair value, as established by the major securities markets. Nonmarketable alternatives (investments for which there may not be a value established by major security markets) are carried at estimated fair values based upon the most recent financial information provided by the general partners, which in certain circumstances is June 30, updated for cash receipts or additional investments through September 30. The Organization does not consider the change in fair value for these funds for the period July 1 through September 30 to be material. Investments also include certain cash and cash equivalents that are held by various investment managers on the Organization's behalf. The Organization's investments include marketable alternatives and partnerships, which invest in derivative and hedging instruments. Purchases and sales of securities are recorded on trade dates, and realized gains and losses are determined on the basis of the average cost of securities sold.

Nonmarketable alternatives, in general, are exposed to various risks such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the values of alternative investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position and statements of activities and change in net assets. Management has reviewed the risk associated with these investments and has determined it is not material to the Organization as of September 30, 2019.

Investment income and unrealized gains are reflected in the statement of activities and change in net assets. Investment income from unrestricted investments is reported as unrestricted revenue. Investment income is reinvested in the investment account.

### **Endowment**

The Organization's endowment net assets include funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with the Commonwealth of Massachusetts' Unified Prudent Management of Institutional Funds Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effects of inflation or deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Organization has a policy to maintain sufficient liquidity to fund amounts approved by the Board of Directors for the Organization's annual operating budget. In establishing this policy, the Organization considered the long-term expected return on its endowment.

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## NOTES TO FINANCIAL STATEMENTS

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### Endowment Investment Policy

The Organization has adopted investment and spending policies for endowment net assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that over time will average the level of approved Organization endowment spending rate plus inflation. Actual results in any given year may vary from this amount.

### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization employs a strategy designed to achieve a real return over consecutive rolling five-year periods of 5% over inflation with significant diversification to reduce volatility. The Organization has adopted this strategy in order to protect against potential market declines in the future and to provide a predictable flow of funds to support operations.

### Fair Value Measurements

Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 820, "Fair Value Measurements and Disclosures," provides the 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 FASB ASC 820 are described as follows:

#### Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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 specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

#### Level 3

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

# **JEWISH FAMILY SERVICE OF METROWEST, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

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In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's or liability's fair level within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

There have been no changes in the methodologies used at September 30, 2019 and 2018.

### **Contributions, In-Kind Donations and Grants**

The Organization records contributions, in-kind donations and grants as receivables and revenues and distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items or promises to give. Fund campaign contributions are recorded as revenue when the pledge is verified or received. Such contributions are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Contributions of assets other than cash are recorded at their fair value at the date of the gift. Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promissory, are recognized when the conditions on which they depend are substantially met. The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Organization records contributions, in-kind donations and grants as net assets without donor restrictions unless the donor has imposed stipulations that specify how the assets must be used. In-kind donations are recorded at their estimated fair value at the date of donation. Assets donated with explicit restrictions and contributions of cash that must be used to acquire equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization records expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

### **Program Service Fees**

Revenue is recognized when services are rendered.

### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis on the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. All costs are allocated based on labor distribution with the exception of grant expenses, travel expenses, adoption expenses, development expenses, family assistance expenses, donated merchandise, supplies and rent, which are directly allocated.

### **Income Tax Status**

The Organization is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Contributions to the agency are deductible by donors within the requirements of the Internal Revenue Code.

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## NOTES TO FINANCIAL STATEMENTS

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The Organization is required to recognize the financial statement impact of a tax position unless it is more likely than not that the position will be sustained upon examination. If applicable, the Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended September 30, 2019 and 2018.

### Compensated Absences

An accrual for employee vacation time earned, but not taken or forfeited, is included in accrued expenses. Employees are also entitled to paid sick days off, which may be accumulated up to a maximum of 20 days. Unused sick leave in the event of termination, however, is forfeited and is not reimbursable to the employee. The Organization's policy is to recognize the cost of sick time when actually paid to employees.

### Advertising Costs

Advertising costs are expensed as incurred and amounted to \$9,789 and \$8,579 for the years ended September 30, 2019 and 2018, respectively.

### Concentrations of Credit Risk

The Organization receives a substantial amount of its support and revenue from state contracts and from major public support organizations. A significant reduction in the level of any of this support and revenue, if this were to occur, might have an adverse effect on the Organization's programs and activities.

The Organization has a concentration of credit risk represented by cash balances in certain large commercial banks in amounts which occasionally exceed current federal deposit insurance limits. The financial stability of these institutions is continually reviewed by senior management. In addition, the Organization has a concentration of credit risk represented by the investment in Jewish Community Endowment Pool, LLP. The investment is monitored by two senior volunteer committees of the Organization's Board of Directors: the Budget and Finance Committee and the Investment Committee.

### NOTE 3 - CASH - DESIGNATED

Cash - designated comprised the following at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Refugee Families Financial Assistance	\$ 27,958	\$ 33,458
Hebrew Free Loan Fund	<u>52,300</u>	<u>48,100</u>
Total Cash - Designated	<u>\$ 80,258</u>	<u>\$ 81,558</u>

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 - PROPERTY AND EQUIPMENT

The cost and related accumulated depreciation and amortization of property and equipment is as follows as of September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Building and improvements	\$ 545,845	\$ 545,845
Office equipment and furniture	80,623	75,713
Computers	106,248	79,020
Agency van	33,920	33,920
	<u>766,636</u>	<u>734,498</u>
Less accumulated depreciation	<u>440,989</u>	<u>411,798</u>
Property and Equipment, Net	<u>\$ 325,647</u>	<u>\$ 322,700</u>

### NOTE 5 - UNCONDITIONAL PROMISES TO GIVE

Included in unconditional promises to give is an annual allocation from Combined Jewish Philanthropies of \$603,000 and \$613,000 at September 30, 2019 and 2018, respectively.

### NOTE 6 - MANAGEMENT FEES

The Organization was engaged to manage the building in which they own an office condominium. The management agreement provides for a monthly fee of \$1,917 and shall continue until it is terminated by the Condominium Trust or the Organization. Management fees paid to the Organization during September 30, 2019 and 2018 amounted to \$27,338 and \$22,296, respectively.

The Organization's office condominium requires a monthly fee to be paid for the upkeep of the building's common areas. The condominium fee is currently \$7,938 per month.

### NOTE 7 - COMMITMENTS

Beginning in 2017, as part of the Syrian Refugee program, the Organization entered into annual leases for apartments to house Syrian refugee families. At September 30, 2019, the monthly lease payments range from \$1,650 to \$2,200. Total Syrian Refugee program rent expense amounted to \$127,000 and \$157,978 for the years ended September 30, 2019 and 2018, respectively, and is included in grant expenses on the statements of functional expenses. In addition, the Organization receives sublease income from the Syrian refugee families on a monthly basis ranging from \$1,000 to \$2,200 at September 30, 2019. For the years ended September 30, 2019 and 2018, sublease income amounted to \$103,825 and \$78,086, respectively, and is included in other service fees on the statements of activities and change in net assets.

The Organization leases office equipment under operating leases through May 2024. The monthly payments range from \$364 to \$880. Rent expense amounted to \$15,152 and \$14,928 for the years ended September 30, 2019 and 2018, respectively.

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## NOTES TO FINANCIAL STATEMENTS

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The future minimum rent payments are as follows:

### Year Ending September 30

2020	\$	12,960
2021		5,040
2022		5,040
2023		5,040
2024		<u>2,940</u>
	\$	<u>31,020</u>

In May 2018, the Organization entered into a one-year lease for space to operate the Children's Clothing Closet. In June 2019, the lease was amended and extended for one year. Monthly payments are \$2,096 through June 2020. Total Children's Clothing Closet rent expense amounted to \$24,946 and \$6,105 for the years ended September 30, 2019 and 2018, respectively, and is included in grant expenses on the statements of functional expenses. Future minimum rent payments are \$18,864 for the year ending September 30, 2020.

### NOTE 8 - LINE OF CREDIT

The Organization has a \$200,000 line of credit with a bank secured by all assets of the Organization with no expiration date. Advances on the credit line are payable on demand and carry interest equal to the 90-day LIBOR plus 0.5%, with a minimum rate of 3.95%. As of September 30, 2019 and 2018, there have been no draws on this agreement.

### NOTE 9 - RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consist of the following at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Passage of time restrictions:		
Combined Jewish Philanthropies	\$ 603,000	\$ 613,000
Specific purpose restrictions:		
Jewish Family Assistance	394,358	209,133
Homecare and Elder Services	290,888	355,880
Immigrant and Youth Services	1,159,172	613,414
Other Services	<u>318,295</u>	<u>291,775</u>
	\$ <u>2,765,713</u>	\$ <u>2,083,202</u>

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows during the years ended September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Passage of time restrictions:		
Combined Jewish Philanthropies	\$ 613,000	\$ 613,000
Specific purpose restrictions:		
Jewish Family Assistance	196,063	300,274
Homecare and Elder Services	255,407	148,394
Immigrant and Youth Services	301,424	272,600
Other Services	<u>80,308</u>	<u>109,006</u>
	<u>\$ 1,446,202</u>	<u>\$ 1,443,274</u>

### NOTE 11 - INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at September 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Limited partnership interest in Jewish Community Endowment Pool, LLP	\$ -	\$ -	\$ 1,083,896	\$ 1,083,896

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at September 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Limited partnership interest in Jewish Community Endowment Pool, LLP	\$ -	\$ -	\$ 1,060,786	\$ 1,060,786

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## NOTES TO FINANCIAL STATEMENTS

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The following table sets forth a summary of the changes in the fair value of the Organization's Level 3 assets for the years ended September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 1,060,786	\$ 1,012,251
Interest and dividends	7,304	8,139
Net realized gain	25,603	22,371
Net change in unrealized appreciation (depreciation)	(1,643)	23,848
Investment fees	<u>(8,154)</u>	<u>(5,823)</u>
Ending Balance	\$ <u>1,083,896</u>	\$ <u>1,060,786</u>

The Organization's investments in Jewish Community Endowment Pool, LLP, is stated at fair value, which is estimated using monthly investment reports produced by Combined Jewish Philanthropies.

Although the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Estimated values may differ significantly from the values that would have been used had a readily available market for such instruments existed, or had such instruments been liquidated. These differences could be material to the financial statements.

### NOTE 12 - ENDOWMENT NET ASSETS

Changes in endowment net assets for the year ended September 30, 2019 consisted of the following:

	<u>Without Donor Restrictions</u>
Endowment net assets, beginning of year	\$ <u>1,060,786</u>
Investment return:	
Interest and dividends	7,304
Realized gain on endowment	25,603
Unrealized loss on endowment	(1,643)
Investment fees and expense	<u>(8,154)</u>
Total investment return	<u>23,110</u>
Endowment Net Assets, End of Year	\$ <u><u>1,083,896</u></u>

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## NOTES TO FINANCIAL STATEMENTS

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Endowment net asset composition by type of fund as of September 30, 2019 consisted of the following:

	<b>Without Donor Restrictions</b>
Board Designated	\$ <u>1,083,896</u>

Changes in endowment net assets for the year ended September 30, 2018 consisted of the following:

	<b>Without Donor Restrictions</b>
Endowment net assets, beginning of year	\$ <u>1,012,251</u>
Investment return:	
Interest and dividends	8,139
Realized gain on endowment	22,371
Unrealized gain on endowment	23,848
Investment fees and expense	<u>(5,823)</u>
Total investment return	<u>48,535</u>
Endowment Net Assets, End of Year	\$ <u>1,060,786</u>

Endowment net asset composition by fund type as of September 30, 2018 consisted of the following:

	<b>Without Donor Restrictions</b>
Board Designated	\$ <u>1,060,786</u>

### NOTE 13 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 31, 2020, the date which the financial statements were available to be issued. There were no events noted that required disclosure in these financial statements.

### NOTE 14 - SURPLUS REVENUE RETENTION

The Operational Service Division (OSD) has amended certain provisions in 808 CMR 1.00: *Compliance, Reporting and Auditing for Human and Social Services* related to the not-for-profit contractor surplus revenue retention. The annual surplus limit for the years ended September 30, 2019 and 2018 is 20%. The surpluses, as determined by OSD in each given year, may be used for the nonprofit providers' charitable purposes. Any excess surplus should be used to reduce future contracts or be recouped as determined by OSD. For the years ended September 30, 2019 and 2018, the Organization did not have any surpluses in excess of the 20% rule.

# JEWISH FAMILY SERVICE OF METROWEST, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 15 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of September 30, 2019 and 2018, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 994,955	\$ 1,010,317
Accounts receivable	259,130	159,844
Contributions for general expenditures due in one year or less	<u>604,827</u>	<u>614,827</u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>\$ 1,858,912</u>	<u>\$ 1,784,988</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures and other obligations come due. The Organization has board-designated cash of \$27,958 and \$33,458 and investments of \$1,083,896 and \$1,060,786 as of September 30, 2019 and 2018, respectively, that may be drawn upon as necessary with approval from the Board of Directors. The Organization also has a line of credit it may draw upon in the event of an unanticipated liquidity need (see Note 8).

**Independent Auditors' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

To the Board of Directors  
Jewish Family Service of Metrowest, Inc.  
Framingham, Massachusetts

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Jewish Family Service of Metrowest, Inc. (the Organization), which comprise the statements of financial position as of September 30, 2019 and 2018 and the related statements of activities and change in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January 31, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
January 31, 2020