

JEWISH FAMILY & CHILDREN'S SERVICE

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2014

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Independent Auditor's Report

Board of Directors
Jewish Family & Children's Service
St. Louis, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family & Children's Service (the "Organization"), which comprise the statement of financial position as of December 31, 2014, 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 Organization'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 Organization'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 & Children's Service as of December 31, 2014, 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.

Brown Smith Wallace, LLC

St. Louis, Missouri

May 19, 2015

JEWISH FAMILY & CHILDREN'S SERVICE

Statement of Financial Position

December 31, 2014

ASSETS

Cash and cash equivalents	\$	1,068,973
Accounts receivable, net		212,806
Prepaid expenses		2,906
Investments, at fair value		3,569,934
Beneficial interest in perpetual trust		9,144
Unconditional promises to give		2,190,295
Property and equipment, net		3,638,229

TOTAL ASSETS \$ 10,692,287

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$	122,632
Accrued expenses		188,701
Homemaker deposits		11,997
Other liabilities		38,966
Deferred revenue		49,071

Total Liabilities 411,367

Net Assets

Unrestricted		5,111,466
Temporarily restricted		3,673,909
Permanently restricted		1,495,545

Total Net Assets 10,280,920

TOTAL LIABILITIES AND NET ASSETS \$ 10,692,287

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

JEWISH FAMILY & CHILDREN'S SERVICE

Statement of Activities

Year ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions and fundraising	\$ 998,202	\$ 341,251	\$ 25,301	\$ 1,364,754
Special program grants and other	30,000	-	-	30,000
United Way of Greater St. Louis	-	764,538	-	764,538
Jewish Federation of St. Louis	358,958	305,832	-	664,790
Associated organizations	75,000	-	-	75,000
Fees for professional services rendered	1,750,659	-	-	1,750,659
Investment return	43,246	31,348	-	74,594
Other income	30,011	-	-	30,011
Net assets released from restrictions	1,467,680	(1,467,680)	-	-
TOTAL SUPPORT AND REVENUE	4,753,756	(24,711)	25,301	4,754,346
EXPENSES				
Program services:				
Counseling	1,769,744	-	-	1,769,744
Homemaker	582,091	-	-	582,091
Community Chaplaincy	131,276	-	-	131,276
Harvey Kornblum Jewish Food Pantry	744,774	-	-	744,774
Child Abuse Detection and Prevention	229,440	-	-	229,440
Financial Assistance	281,641	-	-	281,641
Senior Services	99,880	-	-	99,880
Total program services	3,838,846	-	-	3,838,846
Supporting services:				
Management and general	510,427	-	-	510,427
Fundraising	279,517	-	-	279,517
Total supporting services	789,944	-	-	789,944
TOTAL EXPENSES	4,628,790	-	-	4,628,790
CHANGE IN NET ASSETS	124,966	(24,711)	25,301	125,556
Net assets, beginning of year	4,986,500	3,698,620	1,470,244	10,155,364
Net assets, end of year	\$ 5,111,466	\$ 3,673,909	\$ 1,495,545	\$ 10,280,920

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

JEWISH FAMILY & CHILDREN'S SERVICE

Statement of Cash Flows

Year ended December 31, 2014

Cash flows from operating activities:	
Change in net assets	\$ 125,556
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	152,006
Provision for net present value on promises to give	(81,871)
(Gain) loss on disposal of assets	(500)
Change in allowance for accounts receivable	13,240
Change in allowance for promises to give	(18,004)
Realized/unrealized gain on investments	(41,197)
Changes in operating assets:	
Unconditional promises to give	(75,387)
Accounts receivables	89,294
Prepaid expenses	6,129
Changes in operating liabilities:	
Accounts payable	(53,791)
Accrued expenses	84,700
Homemaker deposits	(767)
Other liabilities	(6,284)
Deferred revenue	49,071
Net cash provided by operating activities	<u>242,195</u>
Cash flows from investing activities:	
Investment purchases	(285,839)
Proceeds from sale of investments	311,400
Reinvestment of interest and dividends	(58,480)
Property and equipment acquired	(27,519)
Proceeds from sale of property and equipment	500
Net cash used in investing activities	<u>(59,938)</u>
Cash flows from financing activities:	
Cash collected on capital campaign pledges	137,696
Net activity under line of credit	(78,000)
Net cash provided by financing activities	<u>59,696</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	241,953
Cash and cash equivalents, beginning of year	<u>827,020</u>
Cash and cash equivalents, end of year	<u>\$ 1,068,973</u>

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

JEWISH FAMILY & CHILDREN'S SERVICE

Statement of Functional Expenses

Year ended December 31, 2014

	Program Services								Supporting Services		
	Child Abuse							Total	Management and General	Fund- raising	Total Expenses
	Counseling	Homemaker	Community Chaplain	Food Pantry	Detection and Prevention	Financial Assistance	Senior Services				
Salaries	\$ 1,019,909	\$ 79,330	\$ 91,317	\$ 332,357	\$ 139,327	\$ 80,507	\$ 58,068	\$ 1,800,815	\$ 322,624	\$ 163,590	\$ 2,287,029
Contracted professionals	181,239	-	-	2,110	-	8,625	-	191,974	-	-	191,974
Benefits	169,462	11,707	13,010	66,804	31,835	13,167	13,417	319,402	75,589	22,860	417,851
Taxes	73,369	5,705	7,435	23,916	10,055	5,787	4,173	130,440	23,221	11,771	165,432
Total salaries and related expenses	1,443,979	96,742	111,762	425,187	181,217	108,086	75,658	2,442,631	421,434	198,221	3,062,286
Assistance to individuals	-	-	-	82,144	-	160,112	-	242,256	-	-	242,256
Contract labor	-	-	-	-	-	-	-	-	-	-	-
Dues	100	-	378	40	20	-	-	538	22,706	450	23,694
Equipment (maintenance / lease)	18,393	1,222	925	19,362	1,778	609	1,143	43,432	4,291	1,355	49,078
Insurance	12,949	860	651	4,254	1,252	429	805	21,200	3,021	1,978	26,199
Interest	-	-	-	-	-	-	-	-	1,967	-	1,967
Meetings	442	-	-	179	169	-	62	852	2,905	2,526	6,283
Miscellaneous	1,454	200	767	7,219	385	298	6,752	17,075	1,339	1,961	20,375
Occupancy	91,044	5,977	4,743	84,196	8,697	3,641	5,593	203,891	20,981	7,634	232,506
Office expense	20,681	1,265	860	2,601	3,882	1,591	3,999	34,879	2,471	9,002	46,352
Postage and shipping	2,538	160	215	653	739	281	129	4,715	650	8,103	13,468
Printing/publications	3,447	113	540	1,388	2,832	186	512	9,018	362	10,774	20,154
Professional fees	73,395	469,343	1,387	8,962	5,872	2,270	455	561,684	5,256	22,174	589,114
Professional development	325	25	35	137	-	25	25	572	304	30	906
Supplies	34,396	552	1,122	21,167	7,772	1,779	213	67,001	1,955	5,044	74,000
Telephone	5,858	388	294	5,496	565	240	363	13,204	1,362	431	14,997
Travel - local	4,900	1,534	4,787	24,419	8,861	245	699	45,445	6,400	1,304	53,149
Total expenses before depreciation	1,713,901	578,381	128,466	687,404	224,041	279,792	96,408	3,708,393	497,404	270,987	4,476,784
Depreciation	55,843	3,710	2,810	57,370	5,399	1,849	3,472	130,453	13,023	8,530	152,006
Total expenses	\$ 1,769,744	\$ 582,091	\$ 131,276	\$ 744,774	\$ 229,440	\$ 281,641	\$ 99,880	\$ 3,838,846	\$ 510,427	\$ 279,517	\$ 4,628,790

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

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements

Year Ended December 31, 2014

Note A - Nature of Operations

Nature of Activities

Jewish Family & Children's Service (the "Organization"), a not-for-profit corporation serving the greater St. Louis metropolitan area, provides services on a nonsectarian basis to persons in need of: marriage, family, and child counseling, financial assistance, homemaker services for older adults, and food items to needy families. Counseling services are provided both in problem resolution and prevention modes. Programs include:

- Chaplaincy-spiritual support to enhance the quality of life of Jewish elderly living in out-of-home settings
- Child Abuse Prevention-early identification of children at risk of abuse and neglect, and education to provide children, parents, and teachers the skills to prevent or lessen harm in the instance of an abusive event
- Clinical Services-psychological interventions for individuals and families to resolve mental health problems
- ElderLink St. Louis-call center for resources for seniors
- Financial Assistance-financial assistance to prevent eviction and utility shutoff
- Harvey Kornblum Jewish Food Pantry-food for those with hunger insecurity
- In-Home Services-services to help frail elderly and adults with special needs stay in their home and community

The Organization's revenue and support are derived primarily from government agencies and public contributions.

The financial statements for the year ended December 31, 2013 included the accounts of Transition Strategies, L.L.C., a for-profit organization providing elder care services to the community. All significant inter-company balances and intra-entity transactions were eliminated in consolidation. During the year ended December 31, 2014, Transition Strategies, L.L.C. was dissolved.

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements - Continued

Year Ended December 31, 2014

Note B - Summary of Significant Accounting Policies

The following summary of significant accounting policies of Jewish Family & Children's Service is presented to assist in the understanding of the Organization's financial statements. The financial statements and notes are representations of Jewish Family & Children's Service's management, who are responsible for their integrity and objectivity.

Basis of Accounting and Presentation

The financial statements have been prepared using the accrual basis of accounting. Additionally, financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 958-205-05, *Not for Profit Entities* under which the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted as follows:

Unrestricted – Those resources over which the Board of Directors has discretionary control. Designated amounts represent those resources that the Board has set aside for a particular purpose.

Temporarily Restricted – Those resources subject to donor-imposed or time restrictions that will be satisfied by actions of the Organization or the passage of time.

Permanently Restricted – Those resources subject to donor-imposed restrictions that will be maintained permanently by the Organization.

Revenue Recognition

The Organization recognizes contributions as support when they are received or unconditionally pledged. Amounts pledged are presented as unconditional promises to give and are stated at the net present value of the amount expected to be collected from outstanding balances. The Organization provides for an estimated uncollectible amount based on historical experience and industry trends.

Fees for professional services rendered represents the estimated realizable amounts from patients and others for services rendered.

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements - Continued

Year Ended December 31, 2014

Note B - Summary of Significant Accounting Policies (Continued)

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization's policy is to record restricted contributions as unrestricted if the restriction is met within the reporting period.

Unconditional promises to give cash and other assets are accrued at their estimated fair value at the date each promise is received. Gifts are reported as temporarily or permanently restricted support if they are received with a donor's stipulation that limits the use of the donated assets. When a donor's restriction is satisfied, temporarily restricted net assets are released and reported as an increase in unrestricted net assets.

Contributed Services and Contributed Goods

Contributed services are recorded as public support only if they create or enhance non-financial assets, require specialized services, or represent an integral part of the Organization's programs. Volunteers donated 18,872 hours of time in 2014, to the Organization's special events and program services. The value of these contributed services is not reflected in the financial statements since these services do not meet the criteria for recognition.

Contributed goods from and to the surrounding community qualify as agency transactions in accordance with the Not-for-Profit Topic of the FASB ASC 958-605-25, *Revenue Recognition*. The Organization's policy is not to report the receipt or disbursement of these goods in the financial statements.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash deposits at financial institutions. Balances, at times, may exceed federally insured limits. Management believes no risk of loss existed at December 31, 2014.

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements - Continued

Year Ended December 31, 2014

Note B - Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible account balances. The Organization's estimate is based on a review of the current status of accounts receivable. Accounts receivable are presented net of an allowance for doubtful accounts of \$13,240 at December 31, 2014.

Property and Equipment

Purchased property and equipment is recorded at cost. Donated equipment is recorded at the fair value at the date of the donation. Additions and replacements of \$2,500 or more are capitalized in the period placed in service. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are charged against earnings. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets.

Impairment of Long Lived Assets

The Organization evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long lived assets may warrant revision or that the remaining balance of an asset may not be recoverable. The measurement of possible impairment is based on the ability to recover the balance of assets from expected future operating cash flows on an undiscounted basis. In the opinion of management, no such impairment existed for the years ended December 31, 2014.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its program and supporting services. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classifications. Other expenses common to several functions are allocated by various statistical bases.

Concentration of Risk

The Organization's investments are held by the Jewish Federation of St. Louis. Its investments are pooled with other investments controlled by the Jewish Federation and, therefore, are susceptible to any losses incurred by the total assets pooled by the Jewish Federation.

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements - Continued

Year Ended December 31, 2014

Note B - Summary of Significant Accounting Policies (Continued)

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 of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal income taxes.

The Organization has addressed the provisions of FASB ASC 740, *Accounting for Income Taxes*. In that regard, the Organization has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings, and believes that no provisions for income taxes is necessary at this time to cover any uncertain tax positions.

Subsequent Events

The Organization has evaluated all subsequent events through May 19, 2015, the date the financial statements were available to be issued.

Note C - Investments and Fair Value Measurements

Financial assets and liabilities have been disclosed at their respective fair values or measured at the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date on a recurring basis. The financial assets and liabilities are valued using the following fair value hierarchy in order to disclose the measurement of fair value based on three levels of observable or unobservable inputs.

Level 1: Quoted prices (unadjusted) in active markets for identical assets that the Organization has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements - Continued

Year Ended December 31, 2014

Note C - Investments and Fair Value Measurements (Continued)

Level 3: Significant unobservable inputs that reflect the assumptions that market participants would use in pricing the asset, based on the best information available in the circumstances.

Investments in Jewish Federation's investment pool are stated at the fair value of the underlying assets. The fair value of these investments totaled \$3,569,934 with a cost basis of \$3,467,174 at December 31, 2014.

Fair values of assets measured on a recurring basis at December 31, 2014, are as follows:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled investments	\$ 3,569,934	\$ -	\$ 3,569,934	\$ -
Beneficial interest in trust	9,144	-	9,144	-
	<u>\$ 3,579,078</u>	<u>\$ -</u>	<u>\$ 3,579,078</u>	<u>\$ -</u>

The Organization reports investment return as increases or decreases in unrestricted net assets, unless the income is donor restricted. Investment income and gains, restricted by the donor, are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the investment income or gains are recognized.

The following schedule summarizes investment return and its classification in the statements of activities:

Interest and dividends	\$ 58,480
Net realized and unrealized gains (losses)	<u>41,197</u>
	99,677
Less investment fees	<u>25,083</u>
Total investment return	<u>\$ 74,594</u>

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements - Continued

Year Ended December 31, 2014

Note D - Donor and Board Designated Endowments

The Organization's endowments consist of approximately 25 individual funds established for a variety of purposes. Their endowments consist of both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, 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.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), adopted into Missouri law in 2009, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, 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 various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

In the absence of donor restrictions, under the terms of the Organization's governing documents, the Board of Directors has the ability to distribute so much of the original principal of any trust or separate gift, bequest, or fund as the Board of Directors in its sole discretion shall determine. As a result of the ability to distribute the original principal, all contributions not classified as temporarily or permanently restricted are classified as unrestricted net assets for financial statements purposes.

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements - Continued

Year Ended December 31, 2014

Note D - Donor and Board Designated Endowments (Continued)

The Organization has investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. The investment policy establishes an achievable return objective through diversification of asset classes. Actual returns in any given year may vary from this amount. 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 targets a diversified asset allocation that places emphasis on fixed income securities and equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The Organization has a policy of appropriating for distribution an approved percentage of its endowment fund's year-end fair value each year. In 2014, 4.5% of its endowment fund's year-end fair value was appropriated for distribution. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effect of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 6% annually, which is consistent with the Organization's objective to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through investment return.

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements - Continued

Year Ended December 31, 2014

Note D - Donor and Board Designated Endowments (Continued)

Endowment net asset composition by type of fund as of December 31:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$1,492,174	\$1,486,320	\$2,978,494
Board-designated endowment funds	<u>2,188,905</u>	<u>-</u>	<u>-</u>	<u>2,188,905</u>
Total funds	<u>\$2,188,905</u>	<u>\$1,492,174</u>	<u>\$1,486,320</u>	<u>\$5,167,399</u>

Changes in endowment net assets as of December 31:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, December 31, 2013	\$2,068,401	\$1,495,334	\$1,461,019	\$5,024,754
Contributions	179,659	34,112	25,301	239,072
Interest and dividends	32,735	24,576	-	57,311
Net realized and unrealized gains	23,884	17,313	-	41,197
Investment fees	(14,542)	(10,541)	-	(25,083)
Amounts appropriated for expenditure	<u>(101,232)</u>	<u>(68,620)</u>	<u>-</u>	<u>(169,852)</u>
Endowment net assets, December 31, 2014	<u>\$2,188,905</u>	<u>\$1,492,174</u>	<u>\$1,486,320</u>	<u>\$5,167,399</u>

In 2012, the Board of Directors approved a total of \$1,250,000 as an internal borrowing from Board designated endowment funds. There is no stated interest rate on this borrowing. A portion of the borrowings, \$250,000, was repaid in 2013 and \$1,000,000 is expected to be repaid upon receipt of funds from the Erlich Charitable Trust upon the passing of Max and Drew Erlich.

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements - Continued

Year Ended December 31, 2014

Note E - Property and Equipment

Property and equipment consists of the following:

Land	\$ 613,657
Buildings and improvements	3,781,739
Furniture and fixtures	<u>750,136</u>
	5,145,532
Less accumulated depreciation	<u>1,507,303</u>
Net book value	<u>\$3,638,229</u>

Note F - Temporarily Restricted Net Assets

Temporarily restricted net assets available for the following purposes:

Program services	\$1,551,183
Timing restrictions	1,052,356
Subsequent year's activities:	
United Way allocation	764,538
Jewish Federation allocation	<u>305,832</u>
Total temporarily restricted net assets	<u>\$3,673,909</u>
Net assets released:	
Restricted programs	\$ 249,692
Restricted timing	<u>1,217,988</u>
	<u>\$1,467,680</u>

Note G - Unrestricted Net Assets

The Board of Directors, by voluntary resolutions, designated the unrestricted net assets as follows:

Endowment purposes	\$2,188,905
Undesignated	<u>2,922,561</u>
Total unrestricted net assets	<u>\$5,111,466</u>

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements - Continued

Year Ended December 31, 2014

Note H - Permanently Restricted Net Assets

Permanently restricted net assets represent permanently restricted gifts and perpetual endowments established for the benefit of the Organization. These donor-imposed restrictions stipulated that the original contribution be maintained permanently, but permit the Organization to expend part or all of the income derived from the donated assets. Amounts considered permanently restricted at December 31, 2014 totaled \$1,495,545.

Note I - Promises to Give

Unconditional promises to give consist of the following:

Receivable in less than one year	\$1,352,296
Receivable in one to five years	<u>900,000</u>
	2,252,296
Less discount and allowance	<u>62,001</u>
Net unconditional promises to give	<u>\$2,190,295</u>

Unconditional promises to give with due dates extending beyond one year are discounted using a 3.25% rate.

Note J - Retirement Plan

The Organization's defined contribution profit-sharing Plan covers all eligible employees. Contributions are discretionary and determined annually by the Board of Directors. Contributions to the Plan totaled \$70,033 in 2014.

Note K - Concentrations

During 2014 the Organization received approximately 40% of the Organization's support from two sources.

JEWISH FAMILY & CHILDREN'S SERVICE

Notes to Financial Statements - Continued

Year Ended December 31, 2014

Note L - Line of Credit

The Organization had a line-of-credit agreement with Lindell Bank in the amount of \$100,000 which matured on August 15, 2014 and was collateralized by a money market account. The line-of-credit was established for a twelve month period starting August 15, 2012, and was renewed for a second twelve month period during the year ended December 31, 2013. The interest rate on the variable rate loan was 3.25% at December 31, 2013 with interest payable monthly.

On September 10, 2014, the Organization established a line-of- credit at Pulaski Bank in the amount of \$600,000, maturing September 10, 2015 and collateralized by the building located at 10950 Schuetz Road. The interest rate on the agreement is 3.25% at December 31, 2014 with interest payable monthly. There is no outstanding balance at December 31, 2014.