

**JEWISH FAMILY SERVICES OF SILICON VALLEY
(A CALIFORNIA NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
JEWISH FAMILY SERVICES OF SILICON VALLEY

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Services of Silicon Valley (a California nonprofit corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of 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 Services of Silicon Valley as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2019, on our consideration of Jewish Family Services of Silicon Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Services of Silicon Valley'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 Services of Silicon Valley's internal control over financial reporting and compliance.



Tryna Accountancy Corporation

Oakland, California

August 30, 2019

JEWISH FAMILY SERVICES OF SILICON VALLEY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ 305,857	\$ 305,857
Certificate of deposit	103,277	-	103,277
Donations, grants and awards receivable	138,050	262,296	400,346
Pledges receivable, current, net	25,204	-	25,204
Inventory	6,091	-	6,091
Prepaid expenses	2,180	-	2,180
TOTAL CURRENT ASSETS	274,802	568,153	842,955
Pledges receivable, long term, net	-	125,440	125,440
Investments	63,233	-	63,233
Property and equipment, net	13,091	-	13,091
TOTAL ASSETS	\$ 351,126	\$ 693,593	\$ 1,044,719
LIABILITIES			
Accounts payable	\$ 263	\$ -	\$ 263
Refundable advances	-	-	-
Accrued compensation	48,313	-	48,313
TOTAL LIABILITIES	48,576	-	48,576
NET ASSETS			
Without donor restrictions	302,550	-	302,550
With donor restrictions			
Purpose and time restrictions	-	693,593	693,593
TOTAL NET ASSETS	302,550	693,593	996,143
TOTAL LIABILITIES AND NET ASSETS	\$ 351,126	\$ 693,593	\$ 1,044,719

See Independent Auditor's Report and Accompanying Notes to Financial Statements

**JEWISH FAMILY SERVICES OF SILICON VALLEY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Support			
Contracts and awards	\$ 462,848	\$ -	\$ 462,848
Grants	338,496	672,964	1,011,460
Donations	223,255	-	223,255
In-kind donations	134,534	73,606	208,140
Special events	177,297	-	177,297
Revenue			
Program fees	35,413	-	35,413
Interest and investment income	3,404	-	3,404
Other income	4,174	-	4,174
Unrelated advertising income	3,220	-	3,220
Net assets released from restrictions	514,246	(514,246)	-
Total revenue and other support	1,896,887	232,324	2,129,211
 Expenses			
Program services			
Resettlement and Vocational	496,115	-	496,115
Senior Services	617,615	-	617,615
Adult and Family	266,161	-	266,161
Supporting services			
Management and general	263,751	-	263,751
Fundraising	216,377	-	216,377
Total expenses	1,860,019	-	1,860,019
Increase (decrease) in net assets	36,868	232,324	269,192
Net assets, beginning of year	265,683	461,268	726,951
Net assets, end of year	\$ 302,550	\$ 693,593	\$ 996,143

See Independent Auditor's Report and Accompanying Notes to Financial Statements

**JEWISH FAMILY SERVICES OF SILICON VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019**

	Program Services				Supporting Services		
	Resettlement/ Vocational	Senior Services	Adult/ Family	Program Total	Management And General	Fund- raising	Total
Salaries / wages	\$ 274,423	\$ 227,109	\$ 141,943	\$ 643,475	\$ 170,332	\$ 132,481	\$ 946,288
Payroll taxes	20,587	17,038	10,649	48,274	12,778	9,938	70,990
Employee benefits	39,936	33,051	20,657	93,644	24,788	19,278	137,710
Advertising	600	600	600	1,800	-	-	1,800
Bad debts expense	-	-	-	-	14,378	-	14,378
Conferences / meetings	4,683	1,319	979	6,981	121	95	7,197
Dues, fees, and other charges	1,063	878	550	2,491	3,810	513	6,814
Insurance	1,960	1,622	1,014	4,596	1,218	946	6,760
Loss on disposal of fixed assets	-	-	-	-	1,018	-	1,018
Maintenance / repair	1,742	1,442	901	4,085	1,081	841	6,007
Postage	-	-	-	-	1,668	5,005	6,673
Printing / publications	3,486	3,384	3,384	10,254	-	-	10,254
Professional services	1,364	5,929	706	7,999	11,437	659	20,095
Rent / occupancy	36,019	31,590	23,621	91,230	15,938	12,395	119,563
Special events	-	-	-	-	-	28,601	28,601
Specific assistance	80,683	265,681	33,201	379,565	-	-	379,565
Supplies	2,945	2,437	3,403	8,785	1,827	3,101	13,713
IT services	4,623	3,825	2,391	10,839	2,868	2,231	15,938
Volunteers	21,098	21,098	21,688	63,884	-	-	63,884
Depreciation	903	612	474	1,989	489	293	2,771
Total expenses	\$ 496,115	\$ 617,615	\$ 266,161	\$ 1,379,891	\$ 263,751	\$ 216,377	\$ 1,860,019

See Independent Auditor's Report and Accompanying Notes to Financial Statements

**JEWISH FAMILY SERVICES OF SILICON VALLEY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (decrease) in net assets	\$	269,192
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		2,771
Unrealized gain		(2,438)
Loss on the disposal of fixed assets		1,018
(Increase) decrease in operating assets		
Grants and awards receivable		(123,080)
Pledges receivable		11,781
Inventory		7,660
Prepaid expenses		(12)
Increase (decrease) in operating liabilities		
Accounts payable		(371)
Refundable advances		(42,652)
Accrued compensation		3,196
Net cash provided/(used) by operating activities		127,065

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of capital assets		(12,435)
Purchase of investments		(798)
Net cash provided/(used) by investing activities		(13,233)
Net increase/(decrease) in cash and cash equivalents		113,832

Cash and cash equivalents, beginning of year

Cash and cash equivalents without donor restrictions		62,235
Cash and cash equivalents with donor restrictions		129,790
Total cash and cash equivalents, beginning of year		192,025

Cash and cash equivalents, ending of year

Cash and cash equivalents without donor restrictions		-
Cash and cash equivalents with donor restrictions		305,857
Total cash and cash equivalents, ending of year	\$	305,857

See Independent Auditor's Report and Accompanying Notes to Financial Statements

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF ACTIVITIES

Jewish Family Services of Silicon Valley (the Organization) is a public benefit, non-profit organization, incorporated in California in 1978. The Organization's mission is to empower individuals and families facing life's challenges by providing quality human services inspired by Jewish values. The Organization carries out this mission by providing a unique combination of multilingual and culturally sensitive services.

NOTE 2 – PROGRAM SERVICES

The Organization provides services to the community in three major programs.

Resettlement / Vocational: comprises pre-arrival planning and resettlement services, vocational English language training, English as a second language classes, initial life necessities, cultural orientation and acculturation services, financial assistance, connection to resources, and pro bono legal immigration clinic.

Senior Services: includes case management, caregiver support, geriatric assessments and care plans, home visits, referral services, emergency assistance, home care. Branch office at Chai House. Social services for Holocaust survivors.

Adult / Family Services: consists of counseling, case management, resource referrals, consultation, Project NOAH safety net assistance (emergency food, household & related assistance) and myriad volunteer opportunities.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Adoption of New Accounting Pronouncement

For the year ended June 30, 2019, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-profit Entities*. This update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 are the net

JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – continued

asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Net Assets

Financial statement presentation follows the requirement of the Financial Accounting Standard Board. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment. There was no board-designated endowment as of June 30, 2019.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no donor-imposed restrictions perpetual in nature as of June 30, 2019.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Expense Allocations by Functions

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated to the various functional areas based on work assignments of personnel and facility square footage allocations, as estimated by management. Rent expenses are allocated based on usage of premises.

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – continued

Investments

The Organization carries investments in certificates of deposit held at a local financial institution and in equities held at the Jewish Federation of Silicon Valley, both with readily determinable fair values stated in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income is reported as an increase in net assets without donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash accounts and highly liquid investment accounts, with a maturity of three months or less, to be cash equivalents.

Contributions

The Organization accounts for contributions received and contributions made in accordance with accounting standards for not-for-profit organizations. Contributions received are recorded as without donor restrictions or with donor restrictions support depending on the existence or nature of any donor restrictions. Restricted contributions are reported as an increase in net assets with donor restrictions. When the restriction is met, the amount is shown as a reclassification from net assets with donor restrictions to net assets without donor restrictions.

Contributions In-kind

Donated equipment and other donated goods are recorded at their estimated fair market value on the day of donation. Donated services are recognized as contributions if the services create or enhance a financial asset or require specialized skills which the donor has and would otherwise be purchased by the Organization. During the years ending June 30, 2019 the Organization received a significant amount of donated services from unpaid volunteers who assisted in fundraising and program services that do not satisfy the criteria for recognition under generally accepted accounting principles.

Revenue Recognition

The Organization recognizes revenue on the accrual basis of accounting. Cost reimbursable awards are recognized as revenue in the period in which the service is provided. Grants are recognized as revenue when unconditional and awarded in writing. The Organization's primary revenue sources are grants and awards from local governments and foundations, and donations from individuals and corporations.

JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – continued

Allowance for Doubtful Accounts

The Organization does not maintain an allowance on donations or grants receivable, as reimbursements from these funding sources are likely to be received. Management maintains a ten percent allowance on current and long-term pledges. Long term pledges have been discounted using the average US Treasury market rate, of two percent, for the current year and adding one percent for credit risk and adding one percent for valuation risk.

Inventory

Inventory consists of various gift cards donated to the Organization by members of the community. Gift cards are valued at their face value as reported on the gift card. Gift cards are distributed to clients as necessary. Gift cards are recorded as an in-kind donation when received and expensed to direct assistance upon their distribution.

Income Taxes

The Organization is not classified as a private foundation and is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Code. The Organization is considered a publicly supported organization. The Financial Accounting Standards Boards prescribes a recognition threshold and a measurement attribute for financial statement recognition of tax positions taken or expected to be taken on a tax return. Management has evaluated its uncertain tax positions and related income tax contingencies and does not believe any material uncertain tax positions exist.

Property, Equipment and Depreciation

Property and equipment is recorded at cost when purchased or, if contributed, at estimated fair market value when donated. It is the Organization's policy to capitalize items costing more than \$500. Depreciation is computed using the straight-line method over the assets estimated useful life, which ranges from three to five years. Depreciation is charged to the activity benefiting from the use of the property or equipment.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A hierarchy has been established to prioritize the inputs to valuation techniques used to measure fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – continued

Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date. Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization’s best estimate of what hypothetical market participants would use to determine a transaction price for an asset or a liability at the measurement date.

The Organization’s assets measured and reported at fair value are as follows:

	Fair Value		Level 1		Level 3
Certificates of deposit	\$ 103,277	\$	103,277	\$	-
Investments held at JF	\$ 63,233	\$	-	\$	63,233

Fair values for certificates of deposit are determined by reference to quoted market prices and other relevant information generated by market transactions.

Fair values for long-term investment held in Jewish Federation of Silicon Valley are determined based on quoted prices for identical or similar assets in markets that are not active and was provided by investment management firm.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization’s financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$	305,857
Donations and grants receivable		400,346
Certificate of deposit		103,277
Pledges receivable, current, net		25,204
Less: net assets with donor restrictions		568,153
Financial assets available to meet cash needs for general expenditures within one year	\$	266,531

\$266,531 of financial assets are available to cover the Organization’s liquidity needs within one year. 33% of total Organization’s support comes from contributions with donor restriction for specific program purpose. Net assets with donor restrictions that support program expenses are excluded from the liquidity calculation. The Organization’s program expenses represent 74% of total expenditures. To meet its liquidity needs, the Organization needs about 26% of total expenditure to be covered by financial assets available for general expenditures, which was \$480,128 for the year ended June 30, 2019. The Organization accumulated liquid asset to cover supporting expenses for about six months.

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – RECEIVABLES

At June 30, 2019 donations, grants and awards receivable consist of receivables without donor restrictions in amount of \$138,050, and with donor restrictions in amount of \$262,296, net of allowance for doubtful collection, all are due within one year.

At June 30, 2019 pledges receivable are as follows:

	<u>Gross</u>	<u>Allowance</u>	<u>Discount</u>	<u>Net</u>
Current	\$ 28,005	\$ 2,801	\$ -	\$ 25,204
Long term, 2 - 4 years	<u>140,037</u>	<u>13,432</u>	<u>1,165</u>	<u>125,440</u>
Total	<u>\$ 168,042</u>	<u>\$ 16,233</u>	<u>\$ 1,165</u>	<u>\$ 150,644</u>

NOTE 6 – CERTIFICATES OF DEPOSIT

The Organization holds a certificate of deposit, bearing interest at .04% and a maturity of nine months, with penalties for early withdrawal. Any penalties incurred for early withdrawal would not have a material effect on the financial statements. The certificate is valued at \$103,277 on June 30, 2019.

NOTE 7 – INVESTMENTS HELD AT JEWISH FEDERATION SILICON VALLEY

Investments consist of equity funds held at the Jewish Federation of Silicon Valley and are valued at \$63,233 at June 30, 2019. Investment income consists of interest. Change in investment value is as follows:

Balance, 07/01/18	\$ 60,037
Unrealized gain	2,438
Interest income, net of fees	<u>758</u>
Balance, 06/30/19	<u>\$ 63,233</u>

Management fees were \$719 for the year ended June 30, 2019.

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment and related accumulated depreciation is as follows:

Furniture and equipment	\$ 26,423
Accumulated depreciation	<u>(13,332)</u>
Equipment, net	<u>\$ 13,091</u>

Depreciation expense for the year ending June 30, 2019 is \$2,771.

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – CONTINGENCIES

Conditions contained within the various contracts awarded to the Organization are subject to the funding agencies' criteria under which expenditures may be charged against and are subject to audit under such criteria. Occasionally, such audits may determine that certain costs incurred against the grants may not comply with the established criteria governing them. In such cases, the Organization's management could be held responsible for repayments to the funding agency for disallowed costs or be subject to reductions of future funding. Management does not anticipate any material questioned costs for the contracts and grants administered during the period.

NOTE 10 – LEASE COMMITMENTS

The Organization leases office space under a non-cancellable, fifteen years lease agreement, expiring in February 2020, with two, five years renewal options. After the first ten years of the lease term, and during any renewal periods, the lessor may, in its discretion, increase the rent payable each year by an amount equal to twenty cents per square foot, or \$722 per month. The lessor is required to provide lessee with a one hundred- and eighty-days' notice of any such increase.

Monthly common area costs currently required are \$3,890. Rent expense for the year ending June 30, 2019 is \$119,563, which includes an in-kind adjustment of \$148,212 representing the difference between actual payments made and the facilities fair market value and \$69,475 in-kind campus rent expense.

In addition, the Organization leases a photocopier under non-cancellable 5-year agreement starting December 2017. Future minimum payments under this agreement are below:

<u>Year</u>	<u>Amount</u>
2020	\$ 3,019
2021	3,019
2022	3,019
2023	\$ 1,509

NOTE 11 – IN-KIND DONATIONS

The Organization received and recognized the following in-kind donations:

Office space	\$ 73,606
Gift card inventory	24,616
Food and goods donation	42,236
Vehicle donation	4,682
Professional services	<u>63,000</u>
Total	<u>\$ 208,140</u>

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 12 – RESTRICTIONS ON NET ASSETS

For the year ended June 30, 2019 the Organization's net asset with donor restrictions is as follows:

Purpose	06/30/18	Additions	Released	06/30/19
Computers	\$ -	\$ 17,730	\$ 17,730	\$ -
Emergency food	-	24,318	24,318	-
Holocaust survivor	-	289,042	72,262	216,780
Project NOAH	30,000	75,000	75,000	30,000
Refugee services	92,478	70,625	73,333	89,769
Overall program	256,478	185,856	166,038	276,296
Senior services	82,312	84,000	85,565	80,747
Total	\$ <u>461,268</u>	\$ <u>746,570</u>	\$ <u>514,246</u>	\$ <u>693,593</u>

NOTE 13 – RETIREMENT PLAN

The Organization sponsors a defined contribution plan covering all employees working at least 20 hours per week with at least one year of service. The Organization makes contributions equal to 5% of the employee's compensation. Employer contributions to this plan for the year ended June 30, 2019 are \$43,192.

NOTE 14 – FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments and contracts / grants awarded.

The Organization maintains a majority of their cash in bank deposit accounts that, at times, may exceed federally insured limits of \$250,000. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to cash. At June 30, 2019, the Organization had \$193,646 uninsured balances.

For the year ending June 30, 2019, HIAS comprises 31% of the contracts awarded and 6% of the total revenue. The ability of certain contracts to continue to provide amounts comparable with prior years may be dependent upon current and future economic conditions and budget constraints. While the board of directors believes, the Organization has the resources to continue current and future programs, its ability to do so, and the extent to which it does, may be dependent on the above factors.

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 15 – NEWSLETTER ADVERTISING

The Organization produces a monthly newsletter that includes advertising space. Advertising income for the year ending June 30, 2019 is \$3,220.

NOTE 16 – BENEFICIAL INTEREST IN TRUST

The Organization is the beneficiary of two endowment funds, the Lorien Yehuda Segall Fund and the Harry and Jeanette Weinberg Foundation, both administered by the Jewish Federation of Silicon Valley, who has been granted variance power. The terms of the trusts mandate perpetual control of the corpus to the named trustee. The Organization is entitled to receive annually the lesser of 5% of the average fund's principal balance, based on the fund's previous twelve months, or the fund's total earnings for the prior year. Any excess earnings will be applied towards the principal balance for future distribution. For the year ending June 30, 2019 the Organization received a distribution of \$5,501 from the Segall Fund and \$50,291 from the Weinberg Foundation.

NOTE 17 – SUBSEQUENT EVENTS

Management has reviewed the results of the Organization's operations for the period of time from its year end, June 30, 2019, through August 30, 2019, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

NOTE 18 – SPECIAL EVENTS

As the year end of June 30, 2019, the Organization had one fundraising event, Good Morning JFS! Held on March 6, 2019. The revenue for the event was derived from donation and grants. The revenue and expenses of the event were as follows:

<u>Revenue</u>	<u>Expenses</u>
\$ 176,697	\$ 28,601

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 19 –DONATED SERVICES AND OTHER IN-KIND CONTRIBUTION

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the foundation.

During the year ended June 30, 2019 the Organization received a significant amount of donated services from unpaid volunteers who assist in Jewish Family Services of Silicon Valley service that do not satisfy the criteria for recognition under *FASB ASC 958-605-25-16*.

The management estimated that about 6,100 hours from 656 volunteers were provided Jewish Family Services of Silicon Valley for assembling Embrace-A-Family boards, backpack drive, wrapping Embrace-A-Family gifts, Friendly Visitors, Chaplain Aides, clerical (newsletters, front desk, mailing assistance), Knitzvah knitting for good, assembling backpacks, delivering supplies and similar nonprofessional services.

INDEPENDENT AUDITOR'S 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 of
JEWISH FAMILY SERVICES OF SILICON VALLEY

We have audited, in accordance with the 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 Services of Silicon Valley (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jewish Family Services of Silicon Valley'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 Jewish Family Services of Silicon Valley's internal control. Accordingly, we do not express an opinion on the effectiveness of Jewish Family Services of Silicon Valley'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 Jewish Family Services of Silicon Valley'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.



Tryna Accountancy Corporation

Oakland, California

August 30, 2019