Jewish Association for Services for the Aged and Affiliate

Combined Financial Statements

As of and for the Year Ended June 30, 2017
(with comparative combined totals for the
year ended June 30, 2016)

BAKER TILLY

Candor. Insight. Results.

Jewish Association for Services for the Aged and Affiliate

Table of Contents
June 30, 2017

BAKER TILLY

Independent Auditors' Report

Board of Trustees
Jewish Association for Services for the Aged and Affiliate

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Jewish Association for Services for the Aged and Affiliate (the "Organization") which comprise the combined statement of financial position as of June 30, 2017, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 the combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Jewish Association for Services for the Aged and Affiliate as of June 30, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

The Organization's June 30, 2016 combined financial statements were audited by other auditors and, in their report dated November 30, 2016, they expressed an unmodified opinion on those combined financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited combined financial statements from which it has been derived, except for the prior period adjustments as discussed in Note 2.

As part of our audit of the 2017 combined financial statements, we also audited two adjustments, discussed in Note 2, which were applied to restate the 2016 combined financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2016 combined financial statements of the Organization other than with respect to the two adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2016 combined financial statements as a whole.

Baker Tilly Virchow Krause, LLP

New York, New York
November 30, 2017

Jewish Association for Services for the Aged and Affiliate

Combined Statement of Financial Position
June 30, 2017 (with comparative combined totals as of June 30, 2016)

	2017	2016 Restated
Assets		
Current Assets		
Cash and cash equivalents	$ 2,536,267	$ 3,359,777
Investments, at fair value	2,751,000	745,936
Due from governmental agencies	4,623,900	3,428,939
Accounts receivable, net	1,092,458	1,124,196
Due from affiliates	914,573	300,851
Prepaid expenses and other assets	322,733	457,062
Total current assets	12,240,931	9,416,761
Non-Current Assets		
Investments in limited liability investment companies	4,322,177	5,253,675
Property and equipment, net	1,054,091	1,230,028
Assets held for a specific purpose	443,333	518,227
Assets held for Guardianship clients and others	8,964,529	10,248,202
Total non-current assets	14,784,130	17,250,132
Total assets	$ 27,025,061	$ 26,666,893
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 2,999,235	$ 2,295,354
Accrued payroll and payroll taxes	2,075,038	1,912,772
Refundable advances and other liabilities	365,407	367,977
Total current liabilities	5,439,680	4,576,103
Non-Current Liabilities		
Loan payable	195,254	-
Deferred rent payable	679,658	456,674
Amounts held for a specific purpose	443,333	518,227
Due to Guardianship clients and others	8,964,529	10,248,202
Total non-current liabilities	10,282,774	11,223,103
Total liabilities	15,722,454	15,799,206
Net Assets		
Unrestricted	9,249,114	9,065,853
Temporarily restricted	843,371	591,778
Permanently restricted	1,210,122	1,210,056
Total net assets	11,302,607	10,867,687
Total liabilities and net assets	$ 27,025,061	$ 26,666,893

See notes to combined financial statements

Jewish Association for Services for the Aged and Affiliate

Combined Statement of Activities
Year Ended June 30, 2017 (with comparative combined totals for the year ended June 30, 2016)

	2017				2016
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Restated Total
Support and Revenues					
Private support:					
UJA - Federation of New York grants	$ 2,703,091	$ -	$ -	$ 2,703,091	$ 2,601,152
Contributions	2,043,604	1,126,347	-	3,169,951	1,922,790
Meals on Wheels grants	1,222,675	-	-	1,222,675	1,194,210
Special events, net	401,243	-	-	401,243	341,696
Legacies and bequests	28,635	-	-	28,635	838,618
Total private support	6,399,248	1,126,347	-	7,525,595	6,898,466
Governmental Support	36,706,030	-	-	36,706,030	35,632,021
Total private and governmental support	43,105,278	1,126,347	-	44,231,625	42,530,487
Revenues					
Program service fees	4,640,702	-	-	4,640,702	4,436,247
Housing management fees	1,498,516	-	-	1,498,516	1,465,211
Client fees	723,002	-	-	723,002	803,342
Other	369,333	-	-	369,333	164,089
Investment income, net	472,870	68,946	66	541,882	(83,625)
Total revenues	7,704,423	68,946	66	7,773,435	6,785,264
Net assets released from restrictions	943,700	(943,700)	-	-	-
Total support and revenues	51,753,401	251,593	66	52,005,060	49,315,751
Expenses					
Program services	43,431,713	-	-	43,431,713	41,858,323
Total program services	43,431,713	-	-	43,431,713	41,858,323
Supporting Services					
Management and general	7,818,590	-	-	7,818,590	7,835,103
Fundraising	319,837	-	-	319,837	306,981
Total supporting services	8,138,427	-	-	8,138,427	8,142,084
Total expenses	51,570,140	-	-	51,570,140	50,000,407
Change in Net Assets	183,261	251,593	66	434,920	(684,656)
Net Assets, Beginning of Year (as restated)	9,065,853	591,778	1,210,056	10,867,687	11,552,343
Net Assets, End of Year	$ 9,249,114	$ 843,371	$ 1,210,122	$ 11,302,607	$ 10,867,687

See notes to combined financial statements

Jewish Association for Services for the Aged and Affiliate

Combined Statement of Functional Expenses
Year Ended June 30, 2017 (with comparative combined totals for the year ended June 30, 2016)

	Program Services						Supporting Services			Total Program and Supporting	
	Community Guardian and Adult Protective Services	Senior Centers	Home Delivered Meals	Case Management	Other Programs	Total	Management and General	Fundraising	Total	2017	2016 Restated
Salaries	$ 4,526,071	$ 2,769,090	$ 1,390,314	$ 3,390,087	$ 9,531,717	$ 21,607,279	$ 4,196,401	$ 183,231	$ 4,379,632	$ 25,986,911	$ 24,076,362
Payroll taxes and fringe benefits	1,420,761	1,017,788	572,651	939,147	3,111,808	7,062,155	1,151,534	38,293	1,189,827	8,251,982	7,572,961
Total salaries and related expense	5,946,832	3,786,878	1,962,965	4,329,234	12,643,525	28,669,434	5,347,935	221,524	5,569,459	34,238,893	31,649,323
					-						
Food and related expense	-	1,752,653	2,952,550	-	447,689	5,152,892	-	-	-	5,152,892	5,352,891
Occupancy	834,619	1,031,559	27,014	208,046	1,593,140	3,694,378	439,271	29,736	469,007	4,163,385	5,888,312
Professional fees	545,645	594	-	192,583	858,181	1,597,003	975,637	13,420	989,057	2,586,060	1,989,564
Client services	4,147	616,368	-	62,313	835,358	1,518,186	-	-	-	1,518,186	1,348,306
Program and office expense	185,991	239,109	35,176	92,392	478,892	1,031,560	434,451	32,446	466,897	1,498,457	1,497,061
Communication	166,593	112,189	33,766	88,456	229,726	630,730	125,860	7,859	133,719	764,449	777,379
Transportation expense	79,470	34,904	122,777	11,448	143,629	392,228	9,204	145	9,349	401,577	397,337
Insurance	20,399	52,270	159,468	13,714	151,315	397,166	82,624	753	83,377	480,543	483,796
Miscellaneous	2,541	9,957	31	126	23,433	36,088	107,360	2,954	110,314	146,402	216,450
Bad debt expense	-	-	1,387	-	154,737	156,124	15,629	11,000	26,629	182,753	36,703
Total expenses before depreciation	7,786,237	7,636,481	5,295,134	4,998,312	17,559,625	43,275,789	7,537,971	319,837	7,857,808	51,133,597	49,637,122
Depreciation and amortization	13,836	68,389	65,030	883	7,786	155,924	280,619	-	280,619	436,543	363,285
Total functional expenses	$ 7,800,073	$ 7,704,870	$ 5,360,164	$ 4,999,195	$ 17,567,411	$ 43,431,713	$ 7,818,590	$ 319,837	$ 8,138,427	$ 51,570,140	$ 50,000,407

See notes to combined financial statements

Jewish Association for Services for the Aged and Affiliate

Combined Statement of Cash Flows
Year Ended June 30, 2017 (with comparative combined totals for the year ended June 30, 2016)

	2017	2016 Restated
Cash Flows from Operating Activities		
Change in net assets	$ 434,920	$ (684,656)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	436,543	363,285
Changes in allowance for doubtful accounts	53,950	(247,139)
Bad debt expense	182,753	36,703
Realized and unrealized (gains) losses on investments	(528,793)	93,132
Loss on disposal of property and equipment	1,137	4,485
Deferred rent payable	222,984	46,621
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(204,965)	392,223
Due from governmental agencies	(1,194,961)	2,062,541
Due from affiliates	(613,722)	(300,851)
Prepaid expenses and other assets	134,329	(88,023)
Assets held for a specific purpose	74,894	24,792
Assets held for Guardianship clients and others	1,283,673	(1,705,287)
Increase (decrease) in:		
Accounts payable and accrued expenses	703,881	(1,373,410)
Accrued payroll and payroll taxes	162,266	169,082
Refundable advances and other liabilities	(2,570)	(138,306)
Due to affiliates	-	(750,163)
Amounts held for a specific purpose	(74,894)	(24,792)
Due to Guardianship clients and others	(1,283,673)	1,705,287
Net cash used in operating activities	(212,248)	(414,476)
Cash Flows from Investing Activities		
Purchases of investments	(3,894,917)	(2,230,190)
Proceeds from sales of investments	3,350,144	2,675,866
Purchase of property and equipment	(261,743)	(535,768)
Net cash used in investing activities	(806,516)	(90,092)
Cash Flows from Financing Activities		
Proceeds from loan payable	195,254	-
Net cash provided by financing activities	195,254	-
Net decrease in cash and cash equivalents	(823,510)	(504,568)
Cash and Cash Equivalents, Beginning of Year	3,359,777	3,864,345
Cash and Cash Equivalents, End of Year	$ 2,536,267	$ 3,359,777

See notes to combined financial statements

1. Description of the Organization

Jewish Association for Services for the Aged and Affiliate ("JASA" or the "Organization") was founded in 1968 by the UJA-Federation of New York to provide comprehensive services to the elderly of New York City and Long Island. JASA's mission is to sustain and enrich the lives of the aging in the New York metropolitan area so that they can remain in the community with dignity and autonomy. Annually, JASA assists more than 43,000 older adults, their family members and others who care for them, through a comprehensive, integrated network of services that provides a range of community care. Programs include case management, licensed mental health services, legal services, community guardian, adult protective services, senior centers, home delivered meals, social adult day care, special services for caregivers and victims of elder abuse. JASA is a trusted community resource for the diverse senior population living in the New York metropolitan area. Service delivery is client-centered, through the provision of programs that meet the needs and preferences of both able and frail older adults and maximize opportunities for fulfillment and safety in the community.

JASA Housing Management Services for the Aged, Inc. ("JHM") is a not-for-profit corporation incorporated in the State of New York which develops and manages housing facilities for the aged and disabled under the sponsorship of JASA.

JASA and JHM are wholly controlled by the JASA Corporation, their sole member.

2. Summary of Significant Accounting Policies

Principles of Combination

The accompanying combined financial statements include the accounts of JASA and JHM, which are related through common board membership. All significant inter-organizational transactions and balances have been eliminated in combination.

Basis of Accounting

The combined financial statements have been prepared on the accrual basis of accounting.

Presentation of Certain Prior Year Information

The accompanying combined statement of financial position of the Organization, and the related combined statements of activities, functional expenses and cash flows include prior year summarized information for comparative purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Accordingly, such information should be read in conjunction with the Organization's combined financial statements, as of, and for the year ended June 30, 2016, from which the summarized information was derived.

Net Asset Classification

The Organization classifies its net assets into three categories, which are unrestricted, temporarily restricted and permanently restricted.

Unrestricted net assets are reflective of revenues and expenses associated with the principal operating activities of the Organization and are not subject to donor-imposed stipulations.

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the combined statement of activities as net assets released from restrictions.

Permanently restricted net assets are subject to donor-imposed stipulations that must be maintained in perpetuity by the Organization.

In the combined statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Correction of Errors in Previously Issued Combined Financial Statements

The Organization's combined financial statements as of and for the year ended June 30, 2016 have been restated to correct errors related to property and equipment and deferred rent. Property and equipment balances were restated to report property and equipment purchased with government grants that should have been capitalized. In addition, deferred rent was recorded relative to rent expenses that were not recorded on a straight-line basis from the inception of the leases. As a result, opening net assets as of July 1, 2015 were adjusted to account for these errors.

The following table summarizes the corrections to net assets, unrestricted net assets, property and equipment, deferred rent payable, depreciation and amortization expense, program services expense and change in net assets:

	Previously Reported	Correction	As Restated
Net Assets at July 1, 2015	$ 11,710,082	$ (157,739)	$ 11,552,343
Unrestricted Net Assets at June 30, 2016	$ 8,901,509	$ 164,344	$ 9,065,853
Property and equipment at June 30, 2016	$ 609,010	$ 621,018	$ 1,230,028
Deferred rent payable at June 30, 2016	$ -	$ 456,674	$ 456,674
Depreciation and amortization expense for the year ended June 30, 2016	$ 293,888	$ 69,397	$ 363,285
Program services expense for the year ended June 30, 2016	$ 42,180,406	$ (322,083)	$ 41,858,323
Change in net assets at June 30, 2016	$ (1,006,739)	$ 322,083	$ (684,656)

Use of Estimates

The preparation of the combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of cash deposited with major U.S. banks.

Investments

Investments in certificates of deposit with a maturity of more than three months and investments in debt securities are stated at their fair values in the combined statement of financial position. Net realized and unrealized gains and losses for the period are shown in the combined statement of activities.

Investments in Limited Liability Investment Companies

The Organization's investments in limited liability investment companies ("investment entities") are stated at fair value.

Investment entities are selected by the Investment Committee which receives offering documents and performance history of each investment manager. The Investment Committee interviews the manager to determine whether the investment philosophy (particularly with respect to risk) and strategies of the investment entities are in the best interests of the Organization. Only after the Investment Committee makes a positive recommendation does the Organization invest in an investment entity. In addition, the actions of the Investment Committee are subject to review and approval by the Board of Trustees of the Organization.

Endowment

The Organization follows the provisions of the *Not-for-Profit Entities Topic* of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, related to enhanced disclosures for endowment funds. Specifically, the Organization classifies the portion of the endowment funds that is not classified as permanently restricted net assets as temporarily restricted net assets (time restricted) until appropriated for expenditure. If the endowment fund is also subject to a purpose restriction, the reclassification of the appropriated amount to unrestricted net assets would not occur until the purpose restriction also has been met.

Pledges Receivable

Unconditional promises to give are recognized as contribution revenue in the period received and are classified as unrestricted, temporarily restricted or permanently restricted support in accordance with the donor's intent. Promises to give are recorded at net realizable value if expected to be collected in one year. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. As of June 30, 2017 and 2016, pledges receivable are expected to be fully collected within one year and are included in accounts receivable on the combined statement of financial position.

Accounts Receivable and Allowance for Doubtful Accounts

The Organization uses the allowance method to account for uncollectible government grants, accounts and pledges receivable. The allowance for doubtful accounts is based on prior years' experience and management's analysis of possible bad debts. Accounts receivable is shown net of allowance for doubtful accounts of approximately $85,000 and $31,000 for the years ended June 30, 2017 and 2016, respectively. An allowance for doubtful accounts is not considered necessary for due from governmental agencies or pledges receivable as of June 30, 2017 and 2016.

Property and Equipment and Depreciation and Amortization

Property and equipment, which includes land, leasehold improvements, furniture and equipment, computer equipment, software and website and vehicles are stated at cost, or for donated items, at the fair value of the asset on the date of the gift. Depreciation is calculated using the straight-line method based on the following estimated useful lives of the respective assets:

	Years
Leasehold improvements	4 - 10
Furniture and equipment	10
Computer equipment, software and website	3
Vehicles	5

Property and equipment are capitalized if the cost, or fair value at date of donation, is $5,000 or more and the useful life is greater than one year. Leasehold improvements are amortized over the life of the property or lease term, whichever is shorter. The cost of equipment and leasehold improvements financed by governmental funding sources is expensed when incurred if the contractual agreement specifies that title to these assets rests with the governmental funding source rather than the Organization.

The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is recorded except for assets traded where no cash is received. Expenditures for maintenance and repairs are expensed as incurred; replacements and betterments that extend the useful lives are capitalized.

Assets Held for a Specific Purpose

Assets held for a specific purpose include funds held by the Organization for burial costs.

Assets Held for Guardianship Clients

Assets held for Guardianship clients include funds held by the Organization in its capacity as Guardian, by appointment of the Supreme Court of the State of New York, and as representative payee with power of attorney for numerous elderly persons ("Guardianship clients"). Disbursements are made from a court mandate requiring the Organization to pay all expenditures on behalf of the Guardianship clients.

Deferred Rent

For accounting purposes, the total rent payable over the life of the lease, which escalates over time, is recognized on the straight-line basis. Actual rent payments differ from these reported amounts; actual rent paid is less than reported amounts in the early years of the lease and exceeds the reported amounts in the later years. Deferred rent reflects the difference between the straight-line calculation reported and the actual rent expense paid.

Contributions

Contributions received and unconditional promises to give that are reasonably determinable are recorded as public support in the period received and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recorded net of estimated uncollectible amounts. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. The Organization records contributions as temporarily restricted if they are received with donor stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from restrictions.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

In-Kind Contributions

Not-for-profit entities are required to record contributed goods and services revenue if those services create or enhance nonfinancial assets or are provided by individuals who possess specialized skills that would typically need to be purchased, if not provided by donation. For the years ended June 30, 2017 and 2016, the Organization recorded contributed goods and services revenue of approximately $387,000 and $195,000, respectively, with an equivalent amount recorded as an expense.

Revenue Recognition

Third Party Reimbursement

The Organization receives a substantial portion of its revenue for services provided to approved clients from third-party reimbursement agencies; primarily the New York City Department for the Aging ("DFTA") and the New York City Human Resources Administration ("HRA"), and other additional government agencies. The income from these agencies is recognized when expenses are incurred under approved contracts. These contracts are primarily budget based and revenue is determined by allowable expenditures incurred during the specified contract periods. Costs are subject to audits by third-party payors and changes, if any, are recognized in the year that they are known to the Organization.

Program Service Fees

Program service revenue includes estimated net realizable amounts to be received from third-party payors for services rendered by the Organization. Such revenue for the years ended June 30, 2017 and 2016 is principally related to individuals participating in the Organization's clinic and residential programs, who are covered principally by Medicare, Medicaid and third party payors.

Management Fees

The Organization receives management fees from its affiliates which are reported on the combined statement of activities. JHM, Services for the Aged, Association for Services for the Aged are charged management fees by JASA for various management services that JASA provides. Eight affiliated housing entities are charged management fees by JHM for various management services. Management fees are recognized when management services are performed.

Grant Income

The Organization has an agreement with UJA Federation of New York in which it receives monthly grant funds, both unrestricted and for senior services and other programs.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the combined statements of activities and functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services benefited based on management's best estimates.

Tax-Exempt Status

JASA and JHM are classified as public charities and are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and from state income taxes. Accordingly, no provision for income taxes has been made in the accompanying combined financial statements. There was no unrelated business income for the years ended June 30, 2017 and 2016.

Uncertain Tax Positions

Management evaluated the Organization's tax positions and concluded that the Organization has not taken any uncertain tax positions that require adjustment to the combined financial statements to comply with the provisions of the FASB ASC 740 *Accounting for Uncertainty in Income Taxes*.

Recent Accounting Pronouncements

In August 2014, the FASB issued Accounting Standards Update ("ASU") 2014-15, *Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. The core principle of ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. ASU 2014-15 defines the term substantial doubt and requires an assessment for a period of one year after the date the combined financial statements are issued (or available to be issued). ASU 2014-15 was effective for fiscal years ending after December 15, 2016. The adoption of ASU 2014-15 did not impact the Organization's combined financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of ASU 2014-09 requires recognition of revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration for what an organization expects it will receive in association with this exchange. ASU 2014-09 is effective for the Organization for fiscal years beginning after December 15, 2018, with early adoption permitted. Management is currently evaluating the impact of ASU 2014-09 on the Organization's combined financial statements.

In May 2015, the FASB issued ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. ASU 2015-07 removes the requirement to include investments in the fair value hierarchy for which fair value is measured using the net asset value ("NAV") per share practical expedient under ASC 820. ASU 2015-07 also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Reporting entities are required to disclose the amount of investments measured at net asset value (or its equivalent) using the practical expedient to reconcile total investments in the fair value hierarchy to total investments measured at fair value. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016 for the Organization. ASU 2015-07 should be applied retrospectively to all periods presented and early adoption is permitted. The Organization elected to early adopt the guidance issued in ASU 2015-07. The Organization adopted the guidance retrospectively, which removes investments measured using the NAV per share as a practical expedient from the fair value hierarchy in all periods presented. The adoption of this accounting guidance did not have a material impact on the Organization's combined financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (*Topic 842*). The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and lease liabilities on the combined statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for the Organization for fiscal years beginning after December 15, 2019, with early adoption permitted. Management is currently evaluating the impact of ASU 2016-02 on the Organization's combined financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The new guidance is intended to improve and simplify the current net asset classification requirements and information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. ASU 2016-14 is to be applied retroactively with transition provisions. Management is currently evaluating the impact of ASU 2016-14 on the Organization's combined financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments in this update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the statement of cash flows. ASU 2016-18 is effective for the Organization for fiscal years beginning after December 15, 2018, with early adoption permitted. ASU 2016-18 is to be applied retroactively with transition provisions. Management is currently evaluating the impact of ASU 2016-18 on the Organization's combined financial statements.

Reclassifications

Certain 2016 amounts have been reclassified to conform with the 2017 presentation.

Subsequent Events

Subsequent events have been evaluated through November 30, 2017, which is the date the combined financial statements were available to be issued.

3. Investments

The Organization's investments are summarized as follows as of June 30:

	2017		2016	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Investments in limited liability investment companies	$ 3,416,041	$ 4,322,177	$ 4,136,872	$ 5,253,675
Certificates of deposit, FDIC insured and RBC insured	2,750,000	2,750,000	745,000	744,936
Corporate bonds	1,000	1,000	1,000	1,000
Total	$ 6,167,041	$ 7,073,177	$ 4,882,872	$ 5,999,611

	2017	2016
Interest and dividend income:		
Limited liability investment companies	$ 1,075	$ 1,064
Other investments	12,014	10,017
	13,089	11,081
Realized and unrealized gains (losses):		
Limited liability investment companies	529,386	(93,919)
Other investments	(593)	(787)
Total	$ 541,882	$ (83,625)

As of June 30, 2017 and 2016, the Organization deemed that all securities which were in an unrealized loss position were temporarily impaired. Positive evidence considered in reaching the Organization's conclusion that the investments in an unrealized loss position are not other than temporarily impaired consisted of:

(1) There were no specific events which caused concerns;

(2) The Organization's ability and intent to retain the investment for a sufficient amount of time to allow an anticipated recovery in value; and

(3) The Organization also determined that the changes in market value were considered normal in relation to overall fluctuations in interest rates.

4. Fair Value Measurements

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Organization has the ability to access.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- 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.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization's holdings in certificates of deposit consist of FDIC insured investments with original maturities greater than 90 days that are carried at their aggregate fair values, determined by quoted market prices, and which can be liquidated daily. The valuation of the above is based on Level 1 inputs within the hierarchy used in measuring fair value.

The fair value of corporate bonds is estimated using recently executed transactions or market price quotations (where observable). The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves, bond, or single-name credit default swap spreads and recovery rates based on collateral values as key inputs. Corporate bonds are classified as Level 2 in the fair value hierarchy.

Given the absence of market quotations, alternative investments in non-marketable funds are reported at net asset value as a practical expedient to estimate the fair value of the Organization’s interest therein. Their fair values are estimated using information provided to the Organization by the investment managers. Individual investment holdings within the alternative investments may include investments in both nonmarketable and market-traded securities. Nonmarketable securities may include equity in private companies, real estate, thinly-traded securities, and other investment vehicles. While the investments may indirectly expose the Organization to various financial instruments and varying degrees of risk, the Organization's exposure with respect to each such investment is limited to its carrying amount (fair value) in each investment. The financial statements of the investees are audited annually by nationally recognized firms of independent auditors. The Organization does not directly invest in the underlying securities of the investment funds and, due to certain restrictions on transferability and timing of withdrawals from the limited liability investment companies, the amounts realized upon liquidation could differ from reported values that are based on current conditions.

Below sets forth a table of assets measured at fair value as of June 30, 2017 and 2016:

	2017			
	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Certificates of deposit, FDIC insured and RBC insured	$ 2,750,000	$ -	$ -	$ 2,750,000
Corporate bonds	-	1,000	-	1,000
Other	41,296	-	-	41,296
Total	$ 2,791,296	$ 1,000	$ -	2,792,296
Investments measured at net asset value (a)				4,280,881
Total investments				$ 7,073,177

	2016			
Certificated of deposit, FDIC insured	$ 744,936	$ -	$ -	$ 744,936
Corporate bonds	-	1,000	-	1,000
Other	40,222	-	-	40,222
Total	$ 785,158	$ 1,000	$	786,158
Investments measured at net asset value (a)				5,213,453
Total investments				$ 5,999,611

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the combined statement of financial position.

In accordance with ASU 2009-12, the Organization expanded its disclosures to include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value ("NAV") per share or its equivalent for which the fair value is not readily determinable. The following table summarizes investments for which fair value is measured using NAV per share practical expedient as of June 30, 2017:

Investments	Fair Values as of June 30, 2017	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Double Black Diamond Ltd. (DBD)	$ 338,930	None	DBD offers quarterly liquidity with 60 days written notice	Investment must be held for 12 months. Not more than 10% of the aggregate assets of the fund and the onshore fund can be redeemed as of any redemption day. Any amount which a shareholder is not permitted to redeem as of any redemption day shall be carried forward and redeemed as of the next following redemption day, subject to the same 10% limitation, and in any event shall be redeemed in full within 12 months.	60 days
Greenlight Masters Offshore I, Ltd. (GMO)	$ 1,648,872	None	GMO offers annual liquidity with 105 days written notice	Series A Shares must be held at least 25 consecutive months prior to redemption. Series B Shares will generally be permitted to redeem with no holding period.	105 days
Millennium International Ltd.	$ 2,207,744	None	Millennium offers annual liquidity with 90 days written notice	Investments- Class MM Redemptions are annual (occurring on the anniversary of the initial subscription date for each tranche) and subject to a 90 day prior written notice. Annual withdrawals/redemptions are upon anniversary.	90 days
Other	$ 85,335	None	None	No redemptions are permitted.	N/A

5. Investments in Limited Liability Investment Companies

As of June 30, 2017 and 2016, $4,322,177 (46%) and $5,253,675 (58%), respectively, of the Organization's investment portfolio consisted of interests in limited liability investment companies, which are engaged in a variety of investment strategies. Net investment income generated from these investments consisted of $529,386 and ($93,919) of realized and unrealized gains (losses) and $1,075 and $1,064 in investment income for the years ended June 30, 2017 and 2016, respectively.

These investment entities invest in various domestic and international types of securities and derivative financial instruments and real estate. Redemptions of the Organization's investments in these investment entities vary, but are primarily available at month-end, quarter-end, or year-end with appropriate notice. Management fees and incentive fees are charged by these investment entities at an annual rate ranging from 0.5% to 1.5% plus an incentive allocation, usually 20% of profits.

There can be no assurance that the Organization will continue to achieve the same level of returns on its investments in limited liability investment companies that it has received during the past periods or that it will achieve any returns on such investments at all. In addition, there can be no assurance that the Organization will receive a return of all or any portion of its current or future capital investments in limited liability investment companies. In general, risks associated with such investments include those related to their underlying investments.

6. Property and Equipment, Net

Property and equipment consists of the following as of June 30:

	2017	2016
Land	$ 1,495	$ 1,495
Leasehold improvements	332,581	258,878
Furniture and equipment	453,177	293,800
Computer equipment, software and website	737,190	709,663
Vehicles	604,899	604,899
	2,129,342	1,868,735
Less accumulated depreciation and amortization	1,075,251	638,707
Total property and equipment, net	$ 1,054,091	$ 1,230,028

Depreciation and amortization expenses for the years ended June 30, 2017 and 2016 were approximately $437,000 and $363,000, respectively.

7. Related Party Transactions

The Organization is related to Association for Services for the Aged, Services for the Aged, One Stop Senior Services, and eight housing entities through common board members. Under the direction of the Organization, the housing entities operate apartment buildings located in New York City, and are regulated by the United States Department of Housing and Urban Development ("HUD"). Brookdale Village Housing Corporation and Coney Island Site Nine Houses, Inc. are also regulated by the New York State Division of Housing and Community Renewal ("DHCR"). JHM provides management services to the eight housing entities through management agreements approved by HUD and/or DHCR. JHM recognized housing management fee income of approximately $1,476,000 and $1,465,000 for the years ended June 30, 2017 and 2016, respectively. Such fees are regulated by HUD or DHCR, as applicable.

The amounts due from affiliates are primarily for unpaid management fees, accounting fees and insurance costs. For the year ended June 30, 2017, administrative fees charged to Services for the Aged, Association for Services for the Aged, and One Stop Senior Services approximated $1,281,000, $65,000 and $17,000, respectively.

During the year ended June 30, 2015, the Organization obtained a cost reimbursement Social Service Block Grant (the "SSBG") from the New York State Office for the Aging with a total contract budget of $5,871,134. The purpose of the grant was to allow the Organization to incur resiliency costs to better prepare the housing entities it sponsors for potential future weather events like Superstorm Sandy. The Organization incurs the costs under various contracts with unrelated third parties and simultaneously contributes the resulting assets to the housing companies. The assets contributed are recorded as occupancy expense. For the years ended June 30, 2017 and 2016, expenses amounted to approximately $220,000 and $2,420,000, respectively.

The Organization paid office rent to its affiliate, One Stop Senior Services, in the amounts of approximately $111,000 and $105,000 for the years ended June 30, 2017 and 2016, respectively.

The following is a summary of related party receivables (payables):

	2017	2016
Due from (to) affiliates:		
Association for Services for the Aged/Services for the Aged	$ 552,677	$ 52,408
Brighton Beach Housing Development Fund Company, Inc.	13,986	21,979
Brookdale Village Housing Corporation	23,795	49,326
Coney Island Site Nine Houses, Inc.	121,390	41,975
Cooper Square Housing Development Fund Company, Inc.	48,418	35,891
Israel Senior Citizens Housing Development Fund Corp	54,477	36,261
Manhattan Beach Housing Development Fund Corporation	54,031	25,854
One Stop Senior Services, Inc.	3,375	(6,305)
Positively Third Street Housing Development Fund Co., Inc.	8,646	9,257
Seagirt Housing Development Fund Corporation	33,778	34,205
Total	$ 914,573	$ 300,851

8. Pension Plan

The Organization is a participant in a pension plan that has been characterized for financial accounting purposes as a multi-employer pension plan. The Retirement Plan for Employees of United Jewish Appeal - Federation of Jewish Philanthropies on New York, Inc. and Affiliate Agencies and Institutions (the "Fund") is a noncontributory, multi-employer defined benefit plan which covers union employees of the Organization. The risks of participating in multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the multi-employer plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If one of the participating employers petitions to stop participating in the multi-employer plan, such employer may be required to pay the plan a withdrawal liability based on the funded status of the plan.

The Fund is designed to provide retirement benefits for its members including the eligible employees of the Organization. Benefits are calculated utilizing specified percentages within the plan document.

The following table discloses the most recent funded status of the Fund, as of October 1, 2016 (the date of the latest actuarial valuation), inclusive of the fair value of plan assets as of September 30, 2016:

Valuation Date	Fair Value of Plan Assets	Actuarial Present Value of Accumulated Plan Benefits	Total Contributions	Funded Status	Zone Status
October 1, 2016	$ 387,522,953	$ 494,815,927	$ 25,018,549	78 %	Green

As of September 30, 2016, the Fund has a certified green zone status as determined by the Fund's actuary. The Fund did not utilize any extended amortization provisions that would affect the calculation of their zone status.

The Organization is currently in the process of obtaining the funded status of the Fund as of October 1, 2017 (the date of the actuarial valuation), inclusive of the fair value of plan assets as of September 30, 2017.

JASA is not required to file an annual zone certification under the Pension Protection Act of 2006 and disclosures concerning a financial improvement plan or rehabilitation plan are not applicable. The Plan is at least 80% funded using the most recent financial information as of September 30, 2016, the end of the Plan year.

JASA's contributions to the Plan for the years ended June 30, 2017 and 2016 were approximately $982,900 and $890,700, respectively. These contributions represent approximately 5.0% and 4.4% of the total contributions for each of those years.

In addition, the Organization sponsors a defined contribution plan, under IRC 403(b), of which all employees are eligible to participate. Employees may defer a portion of their salaries up to the annual amount limited by the Internal Revenue Service. The Organization does not provide a matching contribution to this plan.

9. Loan Payable

JASA's landlord has provided an interest-free facilities improvement loan for a maximum amount of $350,000. As of June 30, 2017, JASA has borrowed approximately $195,000 from the landlord. The loan will be repaid in equal monthly installments over a period of 5 years starting July 1, 2017.

10. Line of Credit

The Organization has available a secured $2,000,000 line of credit agreement with a financial institution, with an expiration date of March 30, 2018. The line allows the Organization to borrow at LIBOR plus 150 basis points (2.67%) at June 30, 2017 and LIBOR plus 150 basis points (1.95%) at June 30, 2016, subject to certain restrictions. Funds borrowed under the agreement may be repaid at any time without penalty. There were no borrowings during either of the years ended June 30, 2017 and 2016.

11. Commitments and Contingencies

Government Funding

The Organization receives a substantial amount of its operating support from federal, state and local governments. Any significant reduction in the level of this support could have an effect on the programs the Organization provides. Approximately 83% of the government revenue is earned through contracts with the City of New York (which includes federal and state pass-through awards). These contractual agreements are on a reimbursement basis, which requires performance of certain services by the Organization before revenue can be recognized.

Pursuant to the contractual agreements with the governmental funding sources, governmental agencies have the right to examine the books and records of the Organization involving transactions related to these contracts. In the opinion of management, disallowances, if any, would not be material to the Organization's financial position.

Operating Leases

The Organization leases office space under several operating leases expiring through November 2032. Aggregate minimum rent under operating leases are approximately as follows:

Years ending June 30:	
2018	$ 2,645,000
2019	2,207,000
2020	2,207,000
2021	1,727,000
2022	1,490,000
Thereafter	17,094,000
	$ 27,370,000

Rent expense was approximately $3,270,000 and $2,765,000 for the years ended June 30, 2017 and 2016, respectively.

Litigation

The Organization is a defendant in various legal actions in the normal course of its operations. Although the final outcome of such actions cannot currently be determined, the Organization's management believes that the eventual liability to the Organization, if any, will be immaterial.

12. Endowment Funds

The Organization's endowment consists of a donor-restricted endowment fund that has been established for various purposes and has been classified as permanently restricted net assets, as well as a board-designated endowment fund to be used and invested for certain organizational and operational purposes.

Interpretation of Relevant Law

The spending of endowment funds by a not-for-profit corporation in the State of New York is governed by the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). The Organization has interpreted NYPMIFA as allowing the Organization to appropriate for expenditure or accumulate earnings as the Organization determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. As a result of this interpretation, the Organization classifies permanently restricted net assets as (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment.

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. The original amounts appropriated by the Board of Trustees for board-designated funds are classified as unrestricted endowment.

The Organization classifies as board-designated net assets (a) the original value of funds appropriated to the board-designated endowment, (b) the original value of subsequent funds appropriated to the board-designated endowment, and (c) accumulations to the board-designated endowment made in accordance with the direction of the Board of Trustees.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted or board-designated endowment funds:

(1) The duration and preservation of the fund;

(2) The purposes of the Organization and the donor-restricted or board-designated endowment fund;

(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 investment policy of the Organization.

Changes in endowment net assets for the year ended June 30, 2017:

	Unrestricted Board-Designated	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	$ 8,901,509	$ -	$ 1,210,056
Realized and unrealized investment income	471,231	68,946	66
Contributions	-	-	-
Appropriation of endowment assets for expenditures and other costs	(211,629)	(68,946)	-
Endowment net assets, end of year	$ 9,161,111	$ -	$ 1,210,122

Changes in endowment net assets for the year ended June 30, 2016:

	Unrestricted Board-Designated	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	$ 10,000,958	$ -	$ 1,223,360
Realized and unrealized investment (loss) income	(84,310)	82	20
Contributions	538,618	-	-
Appropriation of endowment assets for expenditures and other costs	(1,553,757)	(82)	(13,324)
Endowment net assets, end of year	$ 8,901,509	$ -	$ 1,210,056

Spending Policy, Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment 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 Investment Committee, the endowment assets are invested in a manner that is intended to provide, in priority order: 1) safety of principal, 2) liquidity for operating needs, 3) diversification of risk, and 4) maximization of yield.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy designed to provide a reasonable level of annual distributions to general operating funds and to provide for the long- term preservation of its endowment funds.

The investment strategy of the Organization is based on a disciplined, consistent and diversified approach utilizing multiple asset classes and multiple managers, as appropriate. The intent is to accommodate and consider diverse strategies deemed reasonable and prudent.

Invested assets are managed in a socially responsible manner with the goal of protecting principal while generating income appropriate to conservative investment strategy with strict fiscal principles.

13. Temporarily Restricted Net Assets/Net Assets Released from Restrictions

Temporarily restricted net assets are available for use in future periods to offset expenses and are available by program service and program as restricted by the respective donors as follows as of June 30:

	2017	2016
Sundays at JASA	$ 20,183	$ 24,666
Client financial assistance	19,464	14,550
Elder abuse and legal assistance	131,115	142,564
Community health	118,167	393,431
Home delivered meals	254,687	-
Senior centers	227,749	-
Other	72,006	16,567
	$ 843,371	$ 591,778

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time. The net assets released from restrictions for the years ended June 30, 2017 and 2016, by program service and program, were as follows:

	2017	2016
Sundays at JASA	$ 25,333	$ 3,842
Client financial assistance	4,369	10,375
Elder abuse and legal assistance	218,449	176,050
Community health	275,265	42,568
Home delivered meals	145,319	-
Senior centers	170,039	-
Other	104,926	164,079
	$ 943,700	$ 396,914

14. Collective Bargaining Agreement

Substantially all of the Organization's non-management employees are covered by a collective bargaining agreement. The agreement with New York's Community and Social Agency Employees Union District Council 1707 is effective through June 30, 2018.

15. Risks and Uncertainties

Financial instruments that potentially subject the Organization to credit risk consist principally of cash and cash equivalents, investments, due from governmental agencies, accounts receivable and pledges receivable. The Organization maintains its cash and cash equivalents in bank deposit accounts and money market accounts, the balances of which, at times, may exceed federally insured limits. Exposure to credit risk is reduced by placing such deposits in high quality financial institutions. Concentration of credit risk with respect to due from governmental agencies, accounts receivable and pledges receivable is limited due to the fact that the receivables are mainly derived from governmental agencies under separate contracts and that pledges receivable are mainly derived from established foundations and have short payment periods. Investments are exposed to various risks. The Organization historically reduces its exposure to these risks by placing a significant portion of its investments in money market accounts. However, due to the level of risk associated with certain of its other investments, it is at least reasonably possible that changes in the value of these investments will occur in the near term and that such changes could materially affect the combined financial statements.