

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

### **NOTIFICATION TO THIRD PARTY USERS OF THIS REPORT**

This report was prepared subject to the terms and conditions set forth in an engagement letter. By relying upon this report, all users shall be deemed to agree to the terms and conditions of that engagement letter. Users intending to rely upon this report should contact the issuer to obtain a copy of its applicable terms and conditions. This report is intended for the exclusive use of the clients of the issuer and others to whom the issuer has expressly granted consent.

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

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## INDEPENDENT AUDITORS' REPORT

Board of Directors

**Jewish Family Service of Metrowest, Inc.**

We have audited the accompanying financial statements of **Jewish Family Service of Metrowest, Inc.** (A Not-for-Profit Organization), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows – indirect method, for the years then ended, and the related notes to the financial statements.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Jewish Family Service of Metrowest, Inc.** as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2015 on our consideration of **Jewish Family Service of Metrowest, Inc.'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Jewish Family Service of Metrowest, Inc.'s** internal control over financial reporting and compliance.

GRAY, GRAY & GRAY, LLP

*Gray, Gray & Gray, LLP*

Canton, MA  
May 4, 2015

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2014

**ASSETS**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 520,863	\$ 961,495	\$ 1,482,358
Cash - restricted	-	32,600	32,600
Cash - adoption escrows	4,823	-	4,823
Accounts and loans receivable	109,305	9,100	118,405
Unconditional promises to give	6,000	591,400	597,400
Other current assets	41,945	-	41,945
	<u>682,936</u>	<u>1,594,595</u>	<u>2,277,531</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>PROPERTY AND EQUIPMENT</b> , net of accumulated depreciation	<u>375,391</u>	<u>-</u>	<u>375,391</u>
<b>OTHER ASSET</b>			
Investments - board designated endowment fund	<u>794,808</u>	<u>-</u>	<u>794,808</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,853,135</u>	<u>\$ 1,594,595</u>	<u>\$ 3,447,730</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 18,362	\$ -	\$ 18,362
Accrued expenses	128,799	-	128,799
Escrow deposits	4,823	-	4,823
	<u>151,984</u>	<u>-</u>	<u>151,984</u>
<b>TOTAL LIABILITIES</b>			
<b>NET ASSETS</b>			
Unrestricted and undesignated	530,952	-	530,952
Board designated endowment fund	794,808	-	794,808
Unrestricted property & equipment	375,391	-	375,391
	<u>1,701,151</u>	<u>-</u>	<u>1,701,151</u>
<b>Total Unrestricted Net Assets</b>			
Temporarily restricted, operating	<u>-</u>	<u>1,594,595</u>	<u>1,594,595</u>
<b>TOTAL NET ASSETS</b>	<u>1,701,151</u>	<u>1,594,595</u>	<u>3,295,746</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,853,135</u>	<u>\$ 1,594,595</u>	<u>\$ 3,447,730</u>

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

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2013

**ASSETS**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 531,981	\$ 790,931	\$ 1,322,912
Cash - restricted	-	28,800	28,800
Cash - adoption escrows	8,552	-	8,552
Accounts and loans receivable	156,989	9,100	166,089
Unconditional promises to give	-	556,733	556,733
Other current assets	46,524	-	46,524
	<u>744,046</u>	<u>1,385,564</u>	<u>2,129,610</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>PROPERTY AND EQUIPMENT</b> , net of accumulated depreciation	<u>372,041</u>	<u>-</u>	<u>372,041</u>
<b>OTHER ASSET</b>			
Investments - board designated endowment fund	<u>747,014</u>	<u>-</u>	<u>747,014</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,863,101</u></u>	<u><u>\$ 1,385,564</u></u>	<u><u>\$ 3,248,665</u></u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 5,765	\$ -	\$ 5,765
Accrued expenses	108,603	-	108,603
Escrow deposits	8,552	-	8,552
	<u>122,920</u>	<u>-</u>	<u>122,920</u>
<b>TOTAL LIABILITIES</b>			
<b>NET ASSETS</b>			
Unrestricted and undesignated	621,126	-	621,126
Board designated endowment fund	747,014	-	747,014
Unrestricted property & equipment	372,041	-	372,041
	<u>1,740,181</u>	<u>-</u>	<u>1,740,181</u>
<b>Total Unrestricted Net Assets</b>			
Temporarily restricted, operating	<u>-</u>	<u>1,385,564</u>	<u>1,385,564</u>
<b>TOTAL NET ASSETS</b>	<u>1,740,181</u>	<u>1,385,564</u>	<u>3,125,745</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,863,101</u></u>	<u><u>\$ 1,385,564</u></u>	<u><u>\$ 3,248,665</u></u>

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

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

YEAR ENDED SEPTEMBER 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
<b>Public Support:</b>			
Combined Jewish Philanthropies	\$ -	\$ 591,400	\$ 591,400
Grants and contributions	230,469	530,222	760,691
Special events	346,012	38,444	384,456
Cost of special events	<u>(32,724)</u>	<u>-</u>	<u>(32,724)</u>
	<u>543,757</u>	<u>1,160,066</u>	<u>1,703,823</u>
<b>Revenue:</b>			
Adoption fees	134,275	-	134,275
Contracted homemaker services	433,231	-	433,231
Other homemaker services	45,300	-	45,300
Other service fees	47,761	-	47,761
Unrealized gain on investments	13,670	-	13,670
Investment income	34,124	-	34,124
Interest and miscellaneous income	<u>635</u>	<u>-</u>	<u>635</u>
	<u>708,997</u>	<u>-</u>	<u>708,996</u>
<b>NET ASSETS RELEASED FROM SATISFACTION OF PROGRAM RESTRICTIONS</b>	<u>951,035</u>	<u>(951,035)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>2,203,788</u>	<u>209,031</u>	<u>2,412,819</u>
<b>EXPENSES</b>			
<b>Program Services:</b>			
Adoption	228,966	-	228,966
Homemaker services	569,922	-	569,922
Elder care services	394,792	-	394,792
Other	<u>714,076</u>	<u>-</u>	<u>714,076</u>
<b>Supporting Services:</b>			
Fundraising	149,317	-	149,317
General and administrative	<u>185,745</u>	<u>-</u>	<u>185,745</u>
<b>TOTAL EXPENSES</b>	<u>2,242,818</u>	<u>-</u>	<u>2,242,818</u>
<b>CHANGE IN NET ASSETS</b>	(39,030)	209,031	170,001
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,740,181</u>	<u>1,385,564</u>	<u>3,125,745</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,701,151</u>	<u>\$ 1,594,595</u>	<u>\$ 3,295,746</u>

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



**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

YEAR ENDED SEPTEMBER 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
<b>Public Support:</b>			
Combined Jewish Philanthropies	\$ -	\$ 551,400	\$ 551,400
United Way of Tri-County	-	803	803
Grants and contributions	1,073,150	420,742	1,493,892
Special events	357,201	-	357,201
Cost of special events	(31,284)	-	(31,284)
	<u>1,399,067</u>	<u>972,945</u>	<u>2,372,012</u>
<b>Revenue:</b>			
Adoption fees	159,140	-	159,140
Contracted homemaker services	437,580	-	437,580
Other homemaker services	56,652	-	56,652
Other service fees	44,357	-	44,357
Unrealized gain on investments	35,120	-	35,120
Investment income	11,894	-	11,894
Interest and miscellaneous income	817	-	817
	<u>745,560</u>	<u>-</u>	<u>745,560</u>
<b>NET ASSETS RELEASED FROM SATISFACTION OF PROGRAM RESTRICTIONS</b>	<u>803,038</u>	<u>(803,038)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>2,947,665</u>	<u>169,907</u>	<u>3,117,572</u>
<b>EXPENSES</b>			
<b>Program Services:</b>			
Adoption	251,157	-	251,157
Homemaker services	550,513	-	550,513
Elder care services	358,525	-	358,525
Other	586,764	-	586,764
<b>Supporting Services:</b>			
Fundraising	157,695	-	157,695
General and administrative	135,174	-	135,174
<b>TOTAL EXPENSES</b>	<u>2,039,828</u>	<u>-</u>	<u>2,039,828</u>
<b>CHANGE IN NET ASSETS</b>	907,837	169,907	1,077,744
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>832,344</u>	<u>1,215,657</u>	<u>2,048,001</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,740,181</u>	<u>\$ 1,385,564</u>	<u>\$ 3,125,745</u>

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

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2014

	<u>PROGRAM SERVICES</u>					<u>SUPPORTING SERVICES</u>			
	<u>Adoption</u>	<u>Homemaker Services</u>	<u>Elder Care Services</u>	<u>Other</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total Supporting Services</u>	<u>Total</u>
Payroll	\$ 156,232	\$ 418,642	\$ 294,263	\$ 447,462	\$ 1,316,599	\$ 92,526	\$ 107,694	\$ 200,220	\$ 1,516,819
Payroll taxes	11,630	31,165	21,906	33,310	98,011	6,888	8,017	14,905	112,916
Fringe benefits	5,310	14,230	10,002	15,210	44,752	3,145	3,661	6,806	51,558
Condo fees	9,811	26,291	18,480	28,101	82,683	5,811	6,763	12,574	95,257
Interest expense	17	47	33	50	147	10	12	22	169
Depreciation	2,688	7,204	5,063	7,700	22,655	1,592	1,853	3,445	26,100
Insurance	3,095	15,554	5,795	8,816	33,260	1,029	2,935	3,964	37,224
Grant expenses	1,718		11,293	74,308	87,319	-	-	-	87,319
Office expense	2,675	9,658	5,036	7,658	25,027	1,583	1,843	3,426	28,453
Travel	1,397	18,267	2,632	4,001	26,297	828	963	1,791	28,088
Advertising	68	181	127	194	570	40	47	87	657
Accounting	2,163	5,796	4,074	6,195	18,228	1,281	1,491	2,772	21,000
Adoption	12,303	-	-	-	12,303	-	-	-	12,303
Agency dues, seminars and training	1,478	3,961	2,784	4,233	12,456	875	1,019	1,894	14,350
Telephone	1,851	4,960	3,486	5,302	15,599	1,096	1,276	2,372	17,971
Consultants	6,628	-	-	19,884	26,512	-	32,000	32,000	58,512
Computer software	1,038	2,782	1,956	2,974	8,750	615	716	1,331	10,081
Equipment rental	547	1,466	1,030	1,567	4,610	324	377	701	5,311
Equipment maintenance & repair	465	1,246	876	1,332	3,919	275	321	596	4,515
Postage	321	860	605	920	2,706	190	221	411	3,117
Printing	529	1,416	995	1,514	4,454	313	364	677	5,131
Bad Debt Expense	-	-	-	-	-	-	12,578	12,578	12,578
Development	-	-	-	-	-	29,526	-	29,526	29,526
Professional service fees	1,462	3,917	2,754	4,187	12,320	866	1,008	1,874	14,194
Credit card merchant fees	725	1,943	1,366	2,077	6,111	430	500	930	7,041
Family Assistance Aid	-	-	-	36,722	36,722	-	-	-	36,722
Legal	4,690	-	-	-	4,690	-	-	-	4,690
Other programs	125	336	236	359	1,056	74	86	160	1,216
	<u>\$ 228,966</u>	<u>\$ 569,922</u>	<u>\$ 394,792</u>	<u>\$ 714,076</u>	<u>\$ 1,907,756</u>	<u>\$ 149,317</u>	<u>\$ 185,745</u>	<u>\$ 335,062</u>	<u>\$ 2,242,818</u>

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

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2013

	<u>PROGRAM SERVICES</u>					<u>SUPPORTING SERVICES</u>			
	<u>Adoption</u>	<u>Homemaker Services</u>	<u>Elder Care Services</u>	<u>Other</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total Supporting Services</u>	<u>Total</u>
Payroll	\$ 179,752	\$ 397,720	\$ 260,429	\$ 382,151	\$ 1,220,052	\$ 98,369	\$ 96,953	\$ 195,322	\$ 1,415,374
Payroll taxes	13,800	30,534	19,994	29,338	93,666	7,552	7,444	14,996	108,662
Fringe benefits	6,107	13,513	8,849	12,984	41,453	3,342	3,294	6,636	48,089
Condo fees	12,098	26,767	17,527	25,719	82,111	6,620	6,525	13,145	95,256
Interest expense	390	864	566	830	2,650	214	210	424	3,074
Depreciation	2,922	6,466	4,234	6,213	19,835	1,599	1,576	3,175	23,010
Insurance	5,003	11,069	7,248	10,635	33,955	2,737	2,698	5,435	39,390
Grant expenses	-	-	8,460	34,751	43,211	-	-	-	43,211
Office expense	3,322	7,351	4,814	7,063	22,550	1,818	1,792	3,610	26,160
Travel	1,708	19,699	2,486	3,627	27,520	940	931	1,871	29,391
Advertising	239	527	345	507	1,618	131	128	259	1,877
Accounting	2,540	5,620	3,680	5,400	17,240	1,390	1,370	2,760	20,000
Adoption	9,543	-	-	-	9,543	-	-	-	9,543
Agency dues, seminars and training	2,120	4,692	3,072	4,508	14,392	1,160	1,144	2,304	16,696
Telephone	2,148	4,753	3,112	4,566	14,579	1,175	1,159	2,334	16,913
Consultants	3,480	7,699	5,041	7,398	23,618	1,904	1,877	3,781	27,399
Computer software	996	2,203	1,442	2,117	6,758	545	537	1,082	7,840
Equipment rental	637	1,409	923	1,354	4,323	349	344	693	5,016
Equipment maintenance & repair	692	1,531	1,002	1,471	4,696	379	373	752	5,448
Postage	459	1,016	665	977	3,117	251	248	499	3,616
Printing	614	1,359	890	1,306	4,169	336	332	668	4,837
Bad debt expense	-	-	-	-	-	-	4,845	4,845	4,845
Development	-	-	-	-	-	25,469	-	25,469	25,469
Professional service fees	1,800	3,981	2,607	3,825	12,213	985	970	1,955	14,168
Credit card merchant fees	653	1,444	946	1,388	4,431	357	352	709	5,140
Family Assistance Aid	-	-	-	38,352	38,352	-	-	-	38,352
Other programs	134	296	193	284	907	73	72	145	1,052
	<u>\$ 251,157</u>	<u>\$ 550,513</u>	<u>\$ 358,525</u>	<u>\$ 586,764</u>	<u>\$ 1,746,959</u>	<u>\$ 157,695</u>	<u>\$ 135,174</u>	<u>\$ 292,869</u>	<u>\$ 2,039,828</u>

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

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

STATEMENTS OF CASH FLOWS - INDIRECT METHOD

	<u>Year Ended September 30,</u>	
	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 170,001	\$ 1,077,744
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	26,100	23,010
Unrealized gain on investments	(13,670)	(35,120)
Investment income reinvested	(34,124)	(11,894)
(Increase) decrease in assets:		
Accounts and loans receivable	47,684	(51,355)
Unconditional promises to give	(40,667)	(4,452)
Other current assets	4,579	(3,512)
Increase (decrease) in liabilities:		
Accounts payable	12,597	2,883
Accrued expenses	20,196	(3,967)
Escrow deposits	(3,729)	3,785
	<u>188,967</u>	<u>997,122</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	-	(700,000)
Capital expenditures	(29,450)	(18,675)
	<u>(29,450)</u>	<u>(718,675)</u>
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	-	(196,517)
	<u>-</u>	<u>(196,517)</u>
<b>NET CASH (USED) BY FINANCING ACTIVITIES</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	159,517	81,930
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>1,360,264</u>	<u>1,278,334</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 1,519,781</u>	<u>\$ 1,360,264</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION</b>		
Cash paid during the year for:		
Interest	<u>\$ 169</u>	<u>\$ 3,074</u>

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

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 1 – BUSINESS**

**Principal Business Activity** – Jewish Family Service of Metrowest, Inc. (the “Organization”) provides charitable, education, home health, and social programs for the benefit of the Greater Metrowest community. Program services provided by the Organization are as follows:

**Adoption** – The Adoption Support and Education Program provides counseling, adoption placement, pre- and post-adoption support, and education to birth parents, adoptive parents, and children.

**Homemaker Services** – The Homemaker Services program includes a fee-based service which provides comprehensive and integrated support to elders and their families as they experience difficult life transitions.

**Elder Care Services** – Elder Care Services program offers community-based health and social programs for elders including our Healthy Partners and Patient Navigator programs, and provides elder counseling, geriatric care management, and caregiver services.

**Other Programs** – Other programs and services provided by the Organization include new American refugee services and citizenship services, after school programs for children including our Reducing Achievement Gaps program, Jewish communal services, Family Assistance program, and a variety of community based social and educational services for children, adults, and families.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

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

**Unrestricted Net Assets** – Represent net assets that are not subject to donor-imposed stipulations and include all revenues and expenses associated with the principal mission of the Organization. The Board of Directors has discretionary control over all of these assets. The Board may elect to designate such resources for specific purposes. This designation may be removed at the Board’s direction.

**Temporarily Restricted Net Assets** – Represent net assets subject to donor-imposed or grant stipulations for specific operating or capital purposes. These assets will become unrestricted when the requirements of the donor or grantor have been satisfied either by the expenditure for the specified purpose or program or through the passage of time.

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Permanently Restricted Net Assets** – Represent net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Investment income may be either an unrestricted or temporarily restricted resource when earned, determined according to the gift instrument.

The Organization currently has no net assets reportable as permanently restricted net assets.

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

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

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

**Accounts and Loans Receivable and Unconditional Promises to Give** – When considered necessary by management, receivables are stated net of an allowance for doubtful accounts, which would be reported on the face of the Organization's statement of financial position. The allowance is established by a provision for bad debts charged to operations. On a periodic basis, management evaluates its receivables and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible losses on accounts that may become uncollectible, based on evaluations of the collectability of individual accounts, the Organization's history of prior loss experience and current economic conditions. Accounts are charged against the allowance when management believes that the collectability of the specific account is unlikely. At September 30, 2014 and 2013, the allowance was \$16,245 and \$8,750, respectively.

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

	<u>Estimated Useful Life</u>
Building and improvements	39 Years
Office equipment and furniture	5 Years
Computers	5 Years

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

Non-marketable alternatives, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of alternative investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position and statements of activities.

Investment income and unrealized gains are reflected in the statement of activities. Investment income from unrestricted investments is reported as unrestricted revenue. Investment income is re-invested in the investment account.

**Fair Value Measurements** – Financial Accounting Standards Board (“FASB”), Accounting Standards Codification (ASC) 820, “Fair Value Measurements and Disclosures”, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Level 2 – inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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

The Organization records contributions, gifts, and grants as unrestricted net assets unless the donor has imposed stipulations that specify how the assets must be used. Assets donated with explicit restrictions and contributions of cash that must be used to acquire equipment are reported as temporarily or permanently restricted net assets. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization records expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.



**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Program Service Fees** – Revenue is recognized when services are rendered.

**Functional Allocation of Expenses** – The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statements of activities and change in net assets. Accordingly, certain costs have been allocated between the program and supporting services benefited.

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

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

Currently, the tax years ended September 30, 2011 through 2014 are open and subject to examination by the Internal Revenue Service and the Massachusetts Department of Revenue. However, the Organization is not currently under audit nor has the Organization been contacted by either of these jurisdictions.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended September 30, 2014 and 2013, respectively.

**Compensated Absences** – An accrual for employee vacation time earned, but not taken or forfeited, is included in accrued expenses. Employees are also entitled to paid sick days off, which may be accumulated up to a maximum of 45 days. Unused sick leave in the event of termination, however, is forfeited and is not reimbursable to the employee. The Organization's policy is to recognize the cost of sick time when actually paid to employees.

**Advertising Costs** – Advertising costs are expensed as incurred and amounted to \$657 and \$1,877 for the years ended September 30, 2014 and 2013, respectively.

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

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**NOTE 3 – CASH – RESTRICTED AND ESCROWS**

Cash – restricted is comprised of the following at September 30:

	<u>2014</u>	<u>2013</u>
Hebrew Free Loan Fund	<u>\$ 32,600</u>	<u>\$ 28,800</u>

Cash – escrows are comprised of the following at September 30:

	<u>2014</u>	<u>2013</u>
Adoption escrows	<u>\$ 4,823</u>	<u>\$ 8,552</u>

**NOTE 4 – RESETTLEMENT LOANS RECEIVABLE**

Resettlement loans of \$3,722 are included in accounts and loans receivable at September 30, 2013. The resettlement loans consisted of interest-free loans to individuals to fulfill a variety of emergency and personal financial needs and were due primarily within one year. The loans were paid in full during the year ended September 30, 2014.

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 5 – PROPERTY AND EQUIPMENT**

The cost and related accumulated depreciation and amortization of property and equipment as of September 30:

	<u>2014</u>	<u>2013</u>
Building and improvements	\$ 545,845	\$ 545,845
Office equipment and furniture	65,338	63,700
Computers	<u>58,104</u>	<u>49,918</u>
	669,287	659,463
Less Accumulated depreciation	<u>293,896</u>	<u>287,422</u>
	<u>\$ 375,391</u>	<u>\$ 372,041</u>

Fully depreciated furniture and computer equipment totaling \$19,626 and \$8,724 were written off during the years ended September 30, 2014 and 2013, respectively.

**NOTE 6 – UNCONDITIONAL PROMISES TO GIVE**

Included in unconditional promises to give is an annual allocation from Combined Jewish Philanthropies of \$591,400 and \$551,400 for September 30, 2014 and 2013, respectively. Unconditional promises to give at September 30, 2013 also included a three-year allocation of \$195,000 from United Way of Tri-County made on July 1, 2010 which was being paid monthly. The receivable from the United Way of Tri-County's allocations amounted to \$0 and \$3,333 at September 30, 2014 and 2013, respectively, and had been discounted at 6% in 2013. The unamortized discount was \$0 at September 30, 2014 and 2013.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

The Organization is engaged to manage the building in which they own an office condominium. The management agreement provides for a monthly fee of \$1,667 and shall continue until it is terminated by the Condominium Trust or the Organization. Management fees paid to the Organization amounted to \$20,000 during 2014 and \$17,500 during 2013.

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

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 8 – COMMITMENTS**

The Organization leases office equipment under operating leases through June 2019. The monthly payments range from \$95 to \$1,024. Rent expense amounted to \$17,693 and \$14,165 for year ended September 30, 2014 and 2013, respectively.

The future minimum rent payments are as follows:

2015		\$ 17,592
2016		17,612
2017		9,886
2018		4,368
2019		<u>3,276</u>
		<u>\$ 52,734</u>

The Chief Executive Officer (CEO) has an Employment Contract through September 30, 2016, with a three-year extension option. The Contract provides for a 5% annual salary increase in 2014, a 4% annual salary increase in 2015 and 2016 and then re-determined for the following three-year extension period. If the CEO is terminated without just cause, he is entitled to twelve months salary plus health insurance.

**NOTE 9 – RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets consist of the following at September 30:

	<u>2014</u>	<u>2013</u>
Passage of time restrictions:		
Combined Jewish Philanthropies	\$ 591,400	\$ 551,400
Specific purpose restrictions:		
Adoption program	171,233	123,360
Family Assistance	284,162	186,935
Reducing Achievement Gaps	156,580	187,010
Elderly services	219,555	155,532
Jewish Communal Services	101,565	124,394
Other programs	<u>70,100</u>	<u>56,933</u>
	<u>\$ 1,594,595</u>	<u>\$ 1,385,564</u>

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 10 – NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows at September 30:

	<u>2014</u>	<u>2013</u>
Passage of time restrictions:		
Combined Jewish Philanthropies	\$ 551,400	\$ 526,000
United Way of Tri-County	-	24,553
Specific purpose restrictions:		
Adoption program	4,158	5,356
Family Assistance	90,249	42,861
Reducing Achievement Gaps	98,401	75,751
Elderly services	88,079	79,098
Jewish Communal Services	97,648	41,400
Other programs	<u>21,100</u>	<u>8,019</u>
	<u>\$ 951,035</u>	<u>\$ 803,038</u>

**NOTE 11 – INVESTMENTS**

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at September 30, 2014:

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Limited partnership interest in Jewish Community Endowment Pool, LLP	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 794,808</u>	<u>\$ 794,808</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at September 30, 2013:

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Limited partnership interest in Jewish Community Endowment Pool, LLP	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 747,014</u>	<u>\$ 747,014</u>

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 11 – INVESTMENTS (CONTINUED)**

The following table sets forth a summary of the changes in the fair value of the Organization's level 3 assets for the year ended September 30:

	<u>2014</u>	<u>2013</u>
Beginning balance	\$ 747,014	\$ -
Purchases	-	700,000
Interest and dividends	4,188	1,417
Net realized gain (loss)	33,678	12,382
Net change in unrealized appreciation (depreciation)	13,670	35,120
Investment fees	<u>(3,742)</u>	<u>(1,905)</u>
Ending balance	<u>\$ 794,808</u>	<u>\$ 747,014</u>

The fair value of Level 3 investments is comprised of investments whose values were determined by the underlying net asset values provided by managers of the Jewish Community Endowment Pool, LLP.

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

**NOTE 12 – ENDOWMENT NET ASSETS**

The Organization's endowment net assets include funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Effective June 30, 2009, Massachusetts adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). In February 2013, the Organization's Board of Director's adopted an endowment investment and spending policy that is structured in a manner consistent with Massachusetts UPMIFA.

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

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

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 12 – ENDOWMENT NET ASSETS (CONTINUED)**

**Endowment Investment Policy**

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

**Strategies Employed for Achieving Objectives**

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

Changes in endowment net assets for the year ended September 30, 2014 consisted of the following:

	<u>Board- Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ 747,014</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 747,014</u>
Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment return:				
Interest and dividends	4,188	-	-	4,188
Realized gain on endowment	33,678	-	-	33,678
Unrealized gain on endowment	13,670	-	-	13,670
Investment fees and expenses	<u>(3,742)</u>	<u>-</u>	<u>-</u>	<u>(3,742)</u>
Total investment return	<u>47,794</u>	<u>-</u>	<u>-</u>	<u>47,794</u>
Endowment net assets, end of year	<u><u>\$ 794,808</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 794,808</u></u>

**JEWISH FAMILY SERVICE OF METROWEST, INC.**  
(A Not-for-Profit Organization)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

**NOTE 12 – ENDOWMENT NET ASSETS (CONTINUED)**

Endowment net asset composition by type of fund as of September 30, 2014 consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated	<u>\$ 794,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 794,808</u>

Changes in endowment net assets for the year ended September 30, 2013 consisted of the following:

	<u>Board- Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Contributions	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700,000</u>
Investment return:				
Interest and dividends	1,417	-	-	1,417
Realized gain on endowment	12,382	-	-	12,382
Unrealized gain on endowment	35,120	-	-	35,120
Investment fees and expenses	<u>(1,905)</u>	<u>-</u>	<u>-</u>	<u>(1,905)</u>
Total investment return	<u>47,014</u>	<u>-</u>	<u>-</u>	<u>47,014</u>
Endowment net assets, end of year	<u>\$ 747,014</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 747,014</u>

Endowment net asset composition by type of fund as of September 30, 2013 consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated	<u>\$ 747,014</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 747,014</u>

**NOTE 13 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through May 4, 2015, the date which the financial statements were available to be issued. There were no events noted that required disclosure in these financial statements.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors

**Jewish Family Service of Metrowest, Inc.**

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 Service of Metrowest, Inc.** (a Not-for-Profit Organization) which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, functional expenses and cash flows – indirect method for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 4, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **Jewish Family Service of Metrowest, Inc.'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 Service of Metrowest, Inc.'s** internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered 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 Service of Metrowest, Inc.'s** financial statements are free of 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*.

Board of Directors  
**Jewish Family Service of Metrowest, Inc.**  
Page 2

**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.

GRAY, GRAY & GRAY, LLP

*Gray, Gray & Gray, LLP*

Canton, MA  
May 4, 2015