



Federation for Jewish Philanthropy
OF UPPER FAIRFIELD COUNTY

(FORMERLY UJA/FEDERATION OF WESTPORT-WESTON-WILTON-NORWALK, INC.)

FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

DYLEWSKY, GOLDBERG & BRENNER, LLC
CERTIFIED PUBLIC ACCOUNTANTS

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.

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Dylewsky, Goldberg & Brenner, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Federation for Jewish Philanthropy of Upper Fairfield County, Inc.

We have audited the accompanying financial statements of Federation for Jewish Philanthropy of Upper Fairfield County,, Inc. which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Federation for Jewish Philanthropy of Upper Fairfield County, Inc. as of December 31, 2015 and 2014, 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.

A handwritten signature in black ink that reads "Dylewsky, Goldberg & Brenner, LLC".

Dylewsky, Goldberg & Brenner, LLC
Stamford, Connecticut

August 19, 2016

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
Current Assets		
Cash and cash equivalents	\$ 669,254	\$ 212,516
Pledges receivable, net	131,706	103,252
Prepaid expenses and other assets	22,924	9,557
Beneficial interest in assets held by Jewish Community Foundation, Inc., current portion	884,276	-
Total Current Assets	1,708,160	325,325
Beneficial interest in assets held by Jewish Community Foundation, Inc., net of current portion	1,754,558	-
Leasehold interest	2,011,668	-
Investments	504,634	534,356
Property and equipment, net	25,244	19,859
	\$ 6,004,264	\$ 879,540

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued expenses	\$ 23,610	\$ 28,802
Allocations payable	479,212	253,500
Due to other agency	-	12,247
Loan payable, current portion	3,534	3,346
Total Current Liabilities	506,356	297,895
Long-term Liabilities		
Loan payable	9,483	13,261
Total Liabilities	515,839	311,156
Net Assets		
Unrestricted	3,014,931	124,839
Unrestricted - board-designated	190,909	30,500
Total unrestricted net assets	3,205,840	155,339
Temporarily restricted	144,027	29,045
Permanently restricted	2,138,558	384,000
Total Net Assets	5,488,425	568,384
	\$ 6,004,264	\$ 879,540

See accompanying notes to financial statements.

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2015

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
REVENUES AND OTHER SUPPORT				
Campaign Contributions				
Total amounts raised in campaign	\$ 1,132,227	\$ -	\$ -	\$ 1,132,227
Amounts raised on behalf of others - donor designations	(74,950)	-	-	(74,950)
Amounts raised on behalf of others - special campaigns	(11,153)	-	-	(11,153)
Campaign Contributions, net	<u>1,046,124</u>	<u>-</u>	<u>-</u>	<u>1,046,124</u>
Contribution from Jewish Community Foundation, Inc.	135,371	2,500	-	137,871
Change in beneficial interest in assets held by Jewish Community Foundation, Inc.	(11,587)	(6,523)	-	(18,110)
Investment return	(280)	(3,795)	-	(4,075)
Other revenue	13,281	-	-	13,281
Net assets released from restrictions	4,790	(4,790)	-	-
	<u>141,575</u>	<u>(12,608)</u>	<u>-</u>	<u>128,967</u>
Total Revenues and Other Support	<u>1,187,699</u>	<u>(12,608)</u>	<u>-</u>	<u>1,175,091</u>
Functional Expenses				
Social service and community programs	840,882	-	-	840,882
Emissary	75,879	-	-	75,879
Total Program Services	<u>916,761</u>	<u>-</u>	<u>-</u>	<u>916,761</u>
Management and general	154,148	-	-	154,148
Fund development	199,710	-	-	199,710
Total Supporting Services	<u>353,858</u>	<u>-</u>	<u>-</u>	<u>353,858</u>
Total Functional Expenses	<u>1,270,619</u>	<u>-</u>	<u>-</u>	<u>1,270,619</u>
CHANGE IN NET ASSETS BEFORE ACQUISITION	(82,920)	(12,608)	-	(95,528)
Contribution - acquisition of Jewish Center for Community Services, Inc.	<u>3,133,421</u>	<u>127,590</u>	<u>1,754,558</u>	<u>5,015,569</u>
<u>CHANGE IN NET ASSETS AFTER ACQUISITION</u>	3,050,501	114,982	1,754,558	4,920,041
Net assets - beginning of year	<u>155,339</u>	<u>29,045</u>	<u>384,000</u>	<u>568,384</u>
Net assets - end of year	<u>\$ 3,205,840</u>	<u>\$ 144,027</u>	<u>\$ 2,138,558</u>	<u>\$ 5,488,425</u>

See accompanying notes to financial statements.

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2014

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
REVENUES AND OTHER SUPPORT				
Campaign Contributions				
Total amounts raised in campaign	\$ 794,165	\$ 2,290	\$ -	\$ 796,455
Amounts raised on behalf of others - donor designations	(19,500)	-	-	(19,500)
Amounts raised on behalf of others - special campaigns	(58,107)	-	-	(58,107)
Campaign Contributions, net	716,558	2,290	-	718,848
Campaign special events revenue	53,173	-	-	53,173
Campaign special events expense	(24,277)	-	-	(24,277)
Investment return	7,206	15,845	-	23,051
Other revenue	57,233	-	-	57,233
Net assets released from restrictions	23,400	(23,400)	-	-
	116,735	(7,555)	-	109,180
Total Revenues and Other Support	833,293	(5,265)	-	828,028
Functional Expenses				
Social service and community programs	542,954	-	-	542,954
Emissary	41,607	-	-	41,607
Total Program Services	584,561	-	-	584,561
Management and general	125,805	-	-	125,805
Fund development	95,877	-	-	95,877
Total Supporting Services	221,682	-	-	221,682
Total Functional Expenses	806,243	-	-	806,243
CHANGE IN NET ASSETS	27,050	(5,265)	-	21,785
Net assets - beginning of year	128,289	34,310	384,000	546,599
Net assets - end of year	\$ 155,339	\$ 29,045	\$ 384,000	\$ 568,384

See accompanying notes to financial statements.

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	PROGRAM SERVICES			SUPPORTING SERVICES			TOTAL FUNCTIONAL EXPENSES
	SOCIAL SERVICE AND COMMUNITY PROGRAMS	EMISSARY	TOTAL	MANAGEMENT AND GENERAL	FUND DEVELOPMENT	TOTAL	
Salaries	\$ 234,732	\$ 25,379	\$ 260,111	\$ 91,045	\$ 102,426	\$ 193,471	\$ 453,582
Employee benefits and taxes	36,066	2,279	38,345	17,867	15,954	33,821	72,166
Total Salaries and Related Benefits	270,798	27,658	298,456	108,912	118,380	227,292	525,748
Employee travel and automobile	4,530	12,128	16,658	565	567	1,132	17,790
Office supplies and other expenses	7,638	227	7,865	4,803	12,600	17,403	25,268
Occupancy	18,178	-	18,178	7,069	15,148	22,217	40,395
Marketing and printing	8,041	-	8,041	-	5,953	5,953	13,994
Credit card processing fees	2,291	-	2,291	892	1,909	2,801	5,092
Insurance	7,790	5,958	13,748	3,027	6,491	9,518	23,266
Professional fees	11,835	-	11,835	4,603	9,863	14,466	26,301
Dues and subscriptions	6,558	-	6,558	706	-	706	7,264
Catering and event costs	15,177	357	15,534	(2)	14,987	14,985	30,519
Repairs and maintenance	4,894	-	4,894	1,903	4,079	5,982	10,876
Computer expense	845	-	845	329	704	1,033	1,878
Communication and internet service	3,615	3,377	6,992	1,406	3,013	4,419	11,411
Permits and taxes	-	652	652	1,960	-	1,960	2,612
Gifts and awards	-	531	531	-	1,965	1,965	2,496
Emissary fees	-	16,000	16,000	-	-	-	16,000
Stipends	-	7,500	7,500	-	-	-	7,500
Other expenses	-	1,491	1,491	4,655	-	4,655	6,146
Bad debt expense	-	-	-	8,400	-	8,400	8,400
Interest expense	-	-	-	869	-	869	869
Educational materials	17,091	-	17,091	-	-	-	17,091
Depreciation	2,701	-	2,701	4,051	4,051	8,102	10,803
Total Expenses before Allocations	381,982	75,879	457,861	154,148	199,710	353,858	811,719
Total allocations to agencies	545,003	-	545,003	-	-	-	545,003
Less: amounts paid on behalf of others	(86,103)	-	(86,103)	-	-	-	(86,103)
Net allocations to agencies	458,900	-	458,900	-	-	-	458,900
Total Functional Expenses	\$ 840,882	\$ 75,879	\$ 916,761	\$ 154,148	\$ 199,710	\$ 353,858	\$ 1,270,619

See accompanying notes to financial statements.

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	PROGRAM SERVICES			SUPPORTING SERVICES			TOTAL FUNCTIONAL EXPENSES
	SOCIAL SERVICE AND COMMUNITY PROGRAMS	EMISSARY	TOTAL	MANAGEMENT AND GENERAL	FUND DEVELOPMENT	TOTAL	
Salaries	\$ 202,770	\$ 13,367	\$ 216,137	\$ 67,265	\$ 22,422	\$ 89,687	\$ 305,824
Employee benefits and taxes	33,717	1,123	34,840	12,970	4,634	17,604	52,444
Total Salaries and Related Benefits	236,487	14,490	250,977	80,235	27,056	107,291	358,268
Employee travel and automobile	2,410	8,002	10,412	301	302	603	11,015
Office supplies and other expenses	2,939	169	3,108	5,869	10,073	15,942	19,050
Occupancy	9,765	-	9,765	14,647	14,648	29,295	39,060
Marketing and printing	7,375	-	7,375	-	12,765	12,765	20,140
Credit card processing fees	719	-	719	1,078	1,078	2,156	2,875
Insurance	2,881	3,857	6,738	4,320	4,320	8,640	15,378
Professional fees	4,356	-	4,356	7,534	6,535	14,069	18,425
Dues and subscriptions	3,000	-	3,000	594	-	594	3,594
Catering and event costs	5,645	565	6,210	-	8,676	8,676	14,886
Repairs and maintenance	677	-	677	1,015	1,016	2,031	2,708
Computer expense	413	-	413	619	620	1,239	1,652
Communication and internet service	2,327	2,011	4,338	2,672	2,618	5,290	9,628
Permits and taxes	-	470	470	310	-	310	780
Gifts and awards	57	295	352	-	3,314	3,314	3,666
Emissary fees	-	7,000	7,000	-	-	-	7,000
Stipends	-	4,500	4,500	-	-	-	4,500
Other expenses	130	248	378	2,859	106	2,965	3,343
Bad debt expense	232	-	232	-	-	-	232
Interest expense	-	-	-	1,003	-	1,003	1,003
Educational materials	8,208	-	8,208	-	-	-	8,208
Depreciation	1,833	-	1,833	2,749	2,750	5,499	7,332
Total Expenses before Allocations	289,454	41,607	331,061	125,805	95,877	221,682	552,743
Total allocations to agencies	331,107	-	331,107	-	-	-	331,107
Less: amounts paid on behalf of others	(77,607)	-	(77,607)	-	-	-	(77,607)
Net allocations to agencies	253,500	-	253,500	-	-	-	253,500
Total Functional Expenses	\$ 542,954	\$ 41,607	\$ 584,561	\$ 125,805	\$ 95,877	\$ 221,682	\$ 806,243

See accompanying notes to financial statements.

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 4,920,041	\$ 21,785
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Provision for uncollectible accounts - current campaign	8,400	-
Depreciation	10,803	7,332
Unrealized and realized gains on investments	13,639	(11,873)
Non-cash contribution on acquisition of JCCS	(4,543,924)	-
Changes in Operating Assets and Liabilities:		
Pledges receivable, net	(625)	(851)
Prepaid expenses and other assets	(13,367)	1,438
Accounts payable and accrued expenses	(36,300)	9,952
Allocations payable	(27,788)	(21,500)
Agency liabilities	(12,247)	12,247
Total Adjustments	(4,601,409)	(3,255)
Net Cash Provided by Operating Activities	318,632	18,530
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Acquisition of property and equipment	(3,195)	-
Proceeds from sale of investments	19,813	100,699
Purchases of investments	(3,730)	-
Change in beneficial interest	128,808	-
Net Cash Provided by Investment Activities	141,696	100,699
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of debt	(3,590)	(3,168)
Net Cash Used by Financing Activities	(3,590)	(3,168)
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>		
	456,738	116,061
Cash and cash equivalents - beginning of year	212,516	96,455
Cash and cash equivalents - end of year	\$ 669,254	\$ 212,516

See accompanying notes to financial statements.

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 1 NATURE OF OPERATIONS

The Federation for Jewish Philanthropy of Upper Fairfield County, Inc. (the “Federation” or the “FJP”) is a not-for-profit organization that conducts federated campaigning in the area that encompasses greater Bridgeport, Easton, Fairfield, Georgetown, Monroe, Norwalk, Redding, Ridgefield, Stratford, Trumbull, Westport, Weston, and Wilton areas to support Jewish agencies and the programs in the local area and Israel.

The Federation receives donations from individuals and foundations primarily through campaigns and periodic fundraising events. In addition, the Federation receives participant fees from various programs run throughout the year.

On March 1, 2015, the UJA/Federation of Westport-Weston-Wilton-Norwalk, Inc. acquired the Jewish Center for Community Services, Inc. (also known as the UJA/Federation of Eastern Fairfield County or the “JCCS”) to form the Federation for Jewish Philanthropy of Upper Fairfield County, Inc.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

The Federation’s financial statements are presented on the accrual basis of accounting and in accordance with Financial Accounting Standards Board (“FASB”) guidance. Under that guidance, the Federation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Further, contributions are recognized as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Allocations to Agencies

It is the Federation's policy to make allocations to agencies in the current year from the current year campaign revenues.

Cash Equivalents

For purposes of the Statements of Cash Flows, the Federation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Revenue Recognition and Deferred Revenue

Contributions: The Federation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Change in Net Assets as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Federation

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition and Deferred Revenue (continued)

Contributions (continued)

recognizes the support as unrestricted. Donations that are permanently restricted by the donor, from which the Federation may utilize only the income, are recorded in the permanently restricted net asset class.

Non-cash Contributions: The Federation receives a substantial amount of volunteer services in carrying out its programs and activities. Volunteers perform various administrative and fundraising functions. However, no amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition. Contributed services are not recognized unless the donated services create or enhance non-financial assets or require specialized skills that would typically be purchased if not donated. In-kind contributions are measured at the fair value of the asset transferred to the Federation or the liability cancelled or settled.

Pledges Receivable: Unconditional pledges receivable are recognized as revenue in the period received and recorded as assets or decreases of liabilities or expenses, depending on the form of the benefits received as a result of the gift. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met.

Agency Transactions: Contributions and pledges designated by the donors to be paid to specific agencies are considered agency transactions. Such contributions and pledges raised on behalf of others are reflected in the accompanying Statements of Activities and Change in Net Assets as part of total amounts raised in campaigns, but are not considered to be part of the campaign revenue of the Federation and are deducted to reflect the Federation's campaign revenue.

Property and Equipment

Property and equipment are carried at cost, if purchased, or at estimated fair value on the date of gift, if donated, and are depreciated over their respective estimated useful lives. Assets with a cost of \$1,000 or more are capitalized as property and equipment. The Federation 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 are reported as restricted support. Absent explicit donor stipulations about how long those donated assets must be maintained, the Federation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Repair and maintenance of existing facilities are charged as expenses as incurred. Depreciation is determined by use of the straight-line method over the following useful lives of three to five years.

Allowances for Uncollectible Accounts

Allowances for uncollectible accounts have been established and are evaluated periodically for adequacy based upon management's evaluation of past loss experience, known and inherent risks in its accounts, plus other factors which could affect collectability.

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Investments

FJP follows FASB guidance on fair value, which, among other things, defines fair value, establishes a hierarchical framework for measuring fair value, and expands disclosure about fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is organized into three levels based upon the assumptions (referred to as “inputs”) used in pricing the asset or liability, as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, with fair value being determined through the use of models or other valuation methodologies.

Level 3: Inputs are unobservable inputs for the asset or liability and are used to the extent that observable inputs do not exist. Level 3 inputs require significant management judgment and estimation. Factors considered include the purchase cost, prices of recent private placements of the same issuer, liquidity of the investment, changes in financial condition of the issuer, and valuations of similar companies.

The Federation values investments using Level 1 and Level 2 inputs. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the Federation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The Federation reports investment income and gains and losses as increases or decreases in unrestricted net assets in the Statements of Activities and Change in Net Assets unless a donor or law temporarily or permanently restricts their use. Restricted gains and investment income whose restrictions are met in the same reporting period are reported as unrestricted support.

Campaign Materials

The costs of campaign materials are expensed as incurred.

Advertising

The Federation expenses the cost of advertising the first time the advertising takes place.

Functional Expenses

The costs of providing various programs and other activities are summarized on a functional basis in the Statements of Functional Expenses. Certain costs have been allocated among the programs and supporting services.

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertainty in Income Taxes

The Federation evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2015, the Federation does not believe that it has taken any positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The Federation regularly assesses these estimates and, while actual results may differ from these estimates, management believes that material changes will not occur in the near term.

NOTE 3 PLEDGES RECEIVABLE

The Federation raised funds for various projects and endowments. Pledges receivable represent unconditional promises to give in future periods. The Federation regularly evaluates the collectability of its pledges outstanding.

Unconditional pledges receivable due within one year at December 31, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Pledges receivable due within one year	\$ 155,101	\$ 118,136
Less: allowance for doubtful accounts	<u>(23,395)</u>	<u>(14,884)</u>
Pledges Receivable, net	<u>\$ 131,706</u>	<u>\$ 103,252</u>

NOTE 4 ACQUISITION OF JEWISH CENTER FOR COMMUNITY SERVICES, INC.

During 2015, UJA/Federation of Westport-Weston-Wilton-Norwalk, Inc. acquired the assets of the Jewish Center for Community Services. The Federations shared the costs of certain activities and management expenses prior to the March 1, 2015 merger but maintained total separation of revenue and expenses as they related to each organization. Prior to the March 1, 2015 merger, JCCS paid UJA/Federation of Westport-Weston-Wilton-Norwalk, Inc. \$33,838 for reimbursement of services rendered to JCCS.

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 4 ACQUISITION OF JEWISH CENTER FOR COMMUNITY SERVICES, INC. (continued)

The amount is included with the acquisition revenue. As a result of the acquisition of JCCS, the Federation recognized a contribution of \$5,015,569. A summary of the assets acquired, which are based on fair value, are as follows:

Beneficial interest in assets held at JCF	\$ 2,638,834
Leasehold interest	2,011,668
Cash and cash equivalents	471,645
Other liabilities acquired, net of assets	<u>(106,578)</u>
	<u>\$ 5,015,569</u>

The beneficial interest in assets held at the Jewish Community Foundation, Inc. (the “JCF”) relates to a beneficial interest that JCCS formerly had with the JCF. The leasehold interest of \$2,011,668 relates to a long-term lease agreement (the “Agreement”) that JCCS had previously entered into with the Jewish Home for the Elderly of Fairfield County, Inc. (the “JHE”). The Agreement specifies that the JHE will lease back a portion of the property that JCCS previously sold to JHE in July 2011. Construction of the new facilities will be completed in the spring of 2016, at which time the Federation will occupy its space. The Agreement specifies a lease term of ninety-nine years once it moves to the new facilities in 2016. Additionally, JFP, through the acquisition, holds a right to a portion of the proceeds of any sale of the facility based on its pro rata share of the leased space to the entire structure.

NOTE 5 INVESTMENTS

The following tables present the Federation’s fair value hierarchy for those assets measured at fair value as of December 31, 2015 and 2014.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Financial Assets 2015			
Equities	\$ 103,499	\$ 103,499	\$ -
Fixed income	<u>401,135</u>	<u>401,135</u>	<u>-</u>
Total Investments	<u>\$ 504,634</u>	<u>\$ 504,634</u>	<u>\$ -</u>

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Financial Assets 2014			
Equities	\$ 106,093	\$ 106,093	\$ -
Fixed income	403,263	403,263	-
Israel bonds	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Investments	<u>\$ 534,356</u>	<u>\$ 509,356</u>	<u>\$ 25,000</u>

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 5 INVESTMENTS (continued)

The components of investment return as of December 31, 2015 and 2014 are summarized as follows:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 15,400	\$ 17,851
Net realized and unrealized gains (losses)	(13,639)	11,873
Investment fees	<u>(5,836)</u>	<u>(6,673)</u>
Total Investment Return	\$ <u>(4,075)</u>	\$ <u>23,051</u>

NOTE 6 BENEFICIAL INTEREST IN ASSETS HELD BY JCF

As a result of the merger with JCCS, JFP acquired assets held at the Jewish Community Foundation, Inc. on their behalf. JFP receives distributions from JCF annually and includes unrestricted and temporarily restricted funds. JFP values its beneficial interest in the assets held by JCF using Level 3 inputs. The value is based on the underlying market value of the portfolio.

The following table presents a reconciliation of the Level 3 assets, by asset class, for the period ended December 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance on acquisition date	\$ 903,644	\$ 136,613	\$ 1,754,558	\$ 2,794,815
Distributions to JFP	(135,371)	(2,500)	-	(137,871)
Net loss	<u>(11,587)</u>	<u>(6,523)</u>	-	<u>(18,110)</u>
Total Funds	\$ <u>756,686</u>	\$ <u>127,590</u>	\$ <u>1,754,558</u>	\$ <u>2,638,834</u>

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	<u>2015</u>	<u>2014</u>
Furnishings and equipment	\$ 116,149	\$ 99,961
Automobile	<u>23,593</u>	<u>23,593</u>
	139,742	123,554
Less: accumulated depreciation	<u>(114,498)</u>	<u>(103,695)</u>
 Total Property and Equipment, net	 \$ <u>25,244</u>	 \$ <u>19,859</u>

NOTE 8 ALLOCATIONS PAYABLE

Allocations payable represent grants approved by the board of directors for financial assistance to domestic and overseas organizations.

NOTE 9 LOAN PAYABLE

During 2013, the Federation entered into a Loan Agreement (the "Loan") with a financing company to provide financing for the purchase of an automobile. The Loan bears interest at 5.24% and is due in July 2019. The Federation incurred and paid \$869 in interest expense during the year ended December 31, 2015.

Principal payments on the Loan in subsequent years are as follows:

2016	\$ 3,534
2017	3,732
2018	3,942
Thereafter	<u>1,809</u>
 Total	 \$ <u>13,017</u>

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 10 NET ASSETS

Temporarily restricted net assets net assets, were as follows as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Rogoff Endowment Gift Fund	\$ 22,960	\$ 26,755
Purpose-restricted funds held at JCF	121,067	-
Pledges received for subsequent year's campaign	<u> -</u>	<u> 2,290</u>
 Total Unrestricted Board-designated Net Assets	 \$ <u>144,027</u>	 \$ <u>29,045</u>

Permanently restricted net assets consist of the Rogoff Endowment Gift Fund. Income from the fund is available to support educational programs and projects in Israel.

Unrestricted board-designated net assets were as follows as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Emissary program	\$ 64,000	\$ 30,500
Donor-advised funds at JCF	<u>126,909</u>	<u> -</u>
 Total Unrestricted Board-designated Net Assets	 \$ <u>190,909</u>	 \$ <u>30,500</u>

Interpretation of Relevant Law

The Federation's board of directors has interpreted the State of Connecticut's Uniform Prudent Management of Institutional Funds Act ("CUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Federation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations, if any, to the permanent endowment made in accordance with the direction of the applicable gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in the permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Federation in a manner consistent with the standard of prudence prescribed by the CUPMIFA.

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 10 **NET ASSETS (continued)**

Interpretation of Relevant Law (continued)

In accordance with the CUPMIFA, the Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund,
- 2) The purposes of the Federation and the donor-restricted 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 Federation, and
- 7) The investment policies of the Federation.

Investments are managed in accordance with the Federation's board-approved investment and spending policies. The primary investment objective is to preserve capital and minimize investment risk.

The endowment consists of the Rogoff Endowment Gift Fund. The income of the fund is available to support programs and projects in Israel. The board of directors has established a committee to allocate income from the fund to organizations on an annual basis. Additionally, in connection with the merger, FJP acquired permanently restricted net assets held at JFP.

Endowment Net Assets

Endowment net asset composition by net asset class as of December 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 150,755	\$ 2,138,558	\$ 2,289,313
Board designated endowment funds	<u>756,686</u>	-	-	<u>756,686</u>
Total Funds	<u>\$ 756,686</u>	<u>\$ 150,755</u>	<u>\$ 2,138,558</u>	<u>\$ 3,045,999</u>

Endowment net asset composition by net asset class as of December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 26,960	\$ 384,000	\$ 410,960
Board designated endowment funds	-	-	-	-
Total Funds	<u>\$ -</u>	<u>\$ 26,900</u>	<u>\$ 384,000</u>	<u>\$ 410,960</u>

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 10 **NET ASSETS (continued)**

Endowment Net Assets (continued)

Changes in endowment net assets for the years ended December 31, 2015 and 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, year ended December 31, 2013	\$ -	\$ 34,310	\$ 384,000	\$ 418,310
Investment return:				
Investment income	-	12,341	-	12,341
Investment management fees	<u>-</u>	<u>3,709</u>	<u>-</u>	<u>3,709</u>
Total Investment Return	-	16,050	-	16,050
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(23,400)</u>	<u>-</u>	<u>(23,400)</u>
Endowment net assets, year ended December 31, 2014	\$ <u>-</u>	\$ <u>26,960</u>	\$ <u>384,000</u>	\$ <u>410,960</u>
Investment return:				
Investment income	-	1,216	-	1,216
Net appreciation (realized and unrealized), net of fees	<u>-</u>	<u>(5,011)</u>	<u>-</u>	<u>(5,011)</u>
Total Investment Return	-	(5,011)	-	(3,795)
Appropriation of endowment assets for expenditure	-	-	-	-
Other changes:				
Transfers to create endowment funds and changes in beneficial interest in assets held by JCF, Inc.	<u>756,686</u>	<u>127,590</u>	<u>1,754,558</u>	<u>2,638,834</u>
Endowment net assets, year ended December 31, 2015	\$ <u>756,686</u>	\$ <u>150,755</u>	\$ <u>2,138,558</u>	\$ <u>3,045,999</u>

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 11 RETIREMENT PLANS

The Federation maintains a 403(b) Plan (the “Plan”) to provide retirement benefits for all full-time employees. Employees may make contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code. During the years ended December 31, 2015 and 2014, the Federation made no contributions to the Plan.

NOTE 12 COMMITMENTS

In May 2013, the Federation renewed their lease agreement and entered into a two-year agreement for office space, from June 2013 to May 2015, at a monthly rent of \$3,000. In April 2015, the Federation renewed their lease agreement and entered into a one-year agreement for office space, from June 2015 to May 2016, at a monthly rent of \$3,125. In addition to paying rent, the Federation will pay the utilities and other occupancy costs. The rent expense related to these leases was \$36,875 and \$36,000 for the years ended December 31, 2015 and 2014, respectively.

The Federation has several operating lease agreements for office equipment and vehicles. The rental expenses related to those leases were \$15,653 and \$11,280 for the years ended December 31, 2015 and 2014, respectively.

The minimum payment requirements under all operating lease agreements for the years subsequent to December 31, 2015 are:

	<u>Automobiles and Equipment</u>	<u>Office Space</u>	<u>Total</u>
2016	\$ 8,957	\$ 15,625	\$ 24,582
2017	4,819	-	4,819
2018	3,419	-	3,419
2019	3,419	-	3,419
2020	2,565	-	2,565

NOTE 13 CONCENTRATION OF CREDIT RISK

The Federation maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”). At times during the year, cash and cash equivalent and investment balances may be in excess of FDIC coverage. At December 31, 2015, the Organization’s uninsured cash and cash equivalents balance totaled \$580,263.

FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 14 INCOME TAXES

The Federation is exempt from federal income taxes under Internal Revenue Code section 501(c)(3). Contributions made to the Federation are qualified for the maximum tax deductions allowable under the United States Internal Revenue Code.

NOTE 15 SUBSEQUENT EVENTS

The Federation has evaluated subsequent events through August 19, 2016, the date that the financial statements were available to be issued.

OTHER FINANCIAL INFORMATION

**INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION**

To the Board of Directors
Federation for Jewish Philanthropy of Upper Fairfield County, Inc.

We have audited the financial statements of Federation for Jewish Philanthropy of Upper Fairfield County, Inc. as of and for the year ended December 31, 2015, and have issued our report thereon dated August 19, 2016, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of allocations to agencies is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dylewsky, Goldberg & Brenner, LLC
Stamford, Connecticut

August 19, 2016

**FEDERATION FOR JEWISH PHILANTHROPY OF UPPER FAIRFIELD COUNTY,
SCHEDULE OF ALLOCATIONS TO AGENCIES
YEAR ENDED DECEMBER 31, 2015**

ALLOCATIONS AWARDED

Jewish Federations of NA	\$ 103,500
American Jewish Joint Distribution Committee	46,900
Southern New England Consortium	45,616
Project Keshet - FSU	5,200
Birthright Israel	6,900
Sarah Herzog Children's Center	11,600
Anti-Defamation League	6,400
JFACT	4,400
Mikvah Israel	1,200
Life Bridge Community Services	3,500
BBYO	1,800
Camp Gan Israel	2,600
Chabad of Fairfield - busing	3,000
JCC of New Haven - busing	3,000
Bi-Cultural Day School	12,684
Hillel, Uconn, Storrs	3,700
UConn Center for Judaic Studies	500
Carl & Dorothy Bennett Center	500
Holocaust Child Survivors of CT	2,000
Carmel Academy	5,000
Ezra Academy	4,000
Southern Connecticut Hebrew Academy	4,500
Jewish High School	4,700
Merkaz Community High School	45,000
Jewish Family Services of Westport, Weston, Wilton, Norwalk	87,900
Jewish Home for the Elderly	20,000
Keshet Project	6,400
Positive Directions	1,700
Yahad - Circle of Friends	3,500
Friendship Circle	1,400
MicroGrants	9,800
Total Allocations Awarded	<u>458,900</u>

ALLOCATIONS PAID ON BEHALF OF OTHERS

Sarah Herzog Children's Center	15,750
Jewish Senior Services	15,600
American Jewish Joint Distribution Committee	19,653
Yeshiva of Waterbury	18,000
SAR High School	7,500
Mercaz Community High School	3,600
Miscellaneous	6,000
Total Allocation Paid on Behalf of Others	<u>86,103</u>

TOTAL ALLOCATIONS TO AGENCIES \$ 545,003