

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORTS**

JUNE 30, 2016

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

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**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

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**Independent Auditor's Report on Financial Statements
and Supplementary Information**

**Board of Directors
Jewish Community Council
of Greater Coney Island, Inc.**

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Community Council of Greater Coney Island, Inc., which comprise the balance sheet as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Community Council of Greater Coney Island, Inc. as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

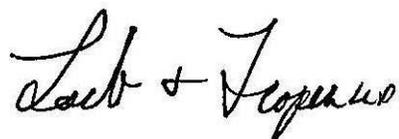
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for 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.

Report on Summarized Comparative Information

We have previously audited Jewish Community Council of Greater Coney Island, Inc.'s June 30, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 19, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2017 on our consideration of Jewish Community Council of Greater Coney Island, 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 Community Council of Greater Coney Island, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Loeb & Troper".

February 3, 2017

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

EXHIBIT A

STATEMENT OF ACTIVITIES

**YEAR ENDED JUNE 30, 2016
(With Summarized Financial Information
for the Year Ended June 30, 2015)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2016</u>	<u>2015</u>
Revenues and other support				
Grants				
Government	\$ 8,234,693		\$ 8,234,693	\$ 8,252,139
Corporate and foundation (Note 3)	10,155,912		10,155,912	6,165,307
Contributions				
Corporate and foundation	53,800	\$ 504,500	558,300	302,733
General public	15,019	25,209	40,228	50,648
Participant contributions	204,043	8,949	212,992	229,431
Participant fees	35,237		35,237	97,710
In-kind contribution (Note 2)	431,494		431,494	456,208
Other income	33,510		33,510	30,507
Interest income (net of fees of \$7,200 and \$7,001 in 2016 and 2015, respectively)	20,269		20,269	21,207
Net assets released from restrictions (Note 7)	438,285	(438,285)		
Total revenues and other support	<u>19,622,262</u>	<u>100,373</u>	<u>19,722,635</u>	<u>15,605,890</u>
Expenses (Exhibit B)				
Program services	18,097,721		18,097,721	14,202,519
Supporting services	<u>2,035,868</u>		<u>2,035,868</u>	<u>1,668,753</u>
Total expenses	<u>20,133,589</u>		<u>20,133,589</u>	<u>15,871,272</u>
Change in net assets (Exhibit D)	(511,327)	100,373	(410,954)	(265,382)
Net assets - beginning of year	<u>3,474,739</u>	<u>395,525</u>	<u>3,870,264</u>	<u>4,135,646</u>
Net assets - end of year (Exhibit C)	<u>\$ 2,963,412</u>	<u>\$ 495,898</u>	<u>\$ 3,459,310</u>	<u>\$ 3,870,264</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016
(With Summarized Financial Information
for the Year Ended June 30, 2015)

	Program Services											Supporting Services			Total			
	English as Second Language and Citizenship	Education/ Youth Services	Financial Assistance to Indigent Clients	Other Social Assistance	Senior Citizen Homecare	Senior Citizen Transportation	Vocational Services	Senior Center/ Home Delivered Meals	Technical Assistance	Homebound Senior Visitation Services	Gun Violence Prevention	Total	Management and General	Fund Raising	Other Superstorm Sandy	Total	2016	2015
Salaries	\$ 249,164	\$ 807,980	\$ 655	\$ 501,996	\$ 449,986	\$ 569,932	\$ 699,252	\$ 1,537,336	\$ 62,611	\$ 205,812	\$ 54,583	\$ 5,139,307	\$ 1,042,426	\$ 21,614	\$	\$ 1,064,040	\$ 6,203,347	\$ 5,570,779
Payroll taxes and employee benefits	47,663	98,755	90	105,351	94,341	105,023	113,564	395,504	11,824	68,287	8,930	1,049,332	229,169	5,632		234,801	1,284,133	1,318,842
Occupancy (Note 4)	1,300	44,948		138	11,878	4,319	83,133	451,944	5,069	5,399	20,694	628,822	79,369			79,369	708,191	679,139
Program supplies and expenses	9,582	92,364	2,000	76	41	26	1,311	171,159	2,242	30,918	8,815	318,534		\$ 50	50	318,584	266,695	
Office supplies and expenses	1,215	2,396	983	546	1,266	413	25,008	59,470	227	1,098	8,990	101,612	46,849	7,414	229	54,492	156,104	177,302
Equipment rental and maintenance	842	1,668		1,521	1,342	1,035	37,179	86,764	179		30,783	161,313	73,639		3,545	77,184	238,497	294,192
Telephone and postage	25	735	419	1,490	2,853	5,494	4,985	23,187	626	3,469	1,894	45,177	29,745	2,197		31,942	77,119	82,752
Automotive expense						60,825		45,824				106,649	10,684			10,684	117,333	103,513
Printing and advertising	1,200	1,328	825	105	2,758	191	2,256	2,423	5,062	3,046	1,070	20,264	2,266	2,511	400	5,177	25,441	27,948
Recreational and educational consultants								244,051		1,270		245,321					245,321	200,790
Professional fees		2,236		670	8,000	600	160,030	43,460	63,133	4,260	617	283,006	171,166	195,287		366,453	649,459	563,626
Food/congregate food expense			7,127					1,184,421				1,191,548					1,191,548	1,164,073
Transportation services		17,950				1,421,250		9,184		3,112		1,451,496					1,451,496	1,066,064
Senior citizen personal care					6,588,282							6,588,282					6,588,282	3,676,344
Staff travel	6,194	106		102	123	272	2,123	322	641	334	147	10,364	1,339	209	56	1,604	11,968	14,747
Insurance	882	5,165		966	777	609	2,937	16,849	2,334	196	525	31,240	20,503			20,503	51,743	43,882
Dues, fees, subscriptions, honoraria and workshop registration	352	391	473		33	39		741	94	75	90	2,288	49,197	1,171		50,368	52,656	60,208
Camp scholarships			7,000	1,800								8,800					8,800	12,800
Depreciation and amortization	6,252	21,126	442	12,070	138,690	42,605	28,260	85,804	3,024	6,426	3,779	348,478	34,483	4,634	84	39,201	387,679	334,349
Vocational training							307,623					307,623					307,623	198,752
Subcontracting											55,320	55,320					55,320	
Emergency relief distribution			2,945									2,945					2,945	14,475
Investment fees													7,200			7,200	7,200	7,001
Total expenses	324,671	1,097,148	22,959	626,831	7,300,370	2,212,633	1,467,661	4,358,443	157,066	333,702	196,237	18,097,721	1,798,035	240,669	4,364	2,043,068	20,140,789	15,878,273
Less expenses deducted directly from revenues																		
Investment fees													(7,200)			(7,200)	(7,200)	(7,001)
Total expenses reported on the statement of activities (Exhibit A)	\$ 324,671	\$ 1,097,148	\$ 22,959	\$ 626,831	\$ 7,300,370	\$ 2,212,633	\$ 1,467,661	\$ 4,358,443	\$ 157,066	\$ 333,702	\$ 196,237	\$ 18,097,721	\$ 1,790,835	\$ 240,669	\$ 4,364	\$ 2,035,868	\$ 20,133,589	\$ 15,871,272

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

BALANCE SHEET

JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Current assets		
Cash	\$ 1,216,609	\$ 903,180
Cash - board-designated	76,947	76,640
Investment - FJC Agency Loan Fund (Note 2)	729,492	710,182
Grants receivable (Note 2)	3,537,681	4,463,696
Contributions receivable (Note 2)	8,000	
Prepaid and other current assets	116,708	48,007
Total current assets	5,685,437	6,201,705
Fixed assets - net (Note 5)	1,636,106	1,581,820
Total assets	\$ 7,321,543	\$ 7,783,525
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 3,700,080	\$ 1,699,461
Accrued vacation	144,284	124,989
Grant advances	17,869	1,808,811
Loan payable		280,000
Total liabilities	3,862,233	3,913,261
Net assets (Exhibit A)		
Unrestricted	2,963,412	3,474,739
Temporarily restricted (Note 7)	495,898	395,525
Total net assets	3,459,310	3,870,264
Total liabilities and net assets	\$ 7,321,543	\$ 7,783,525

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2016

Cash flows from operating activities	
Change in net assets (Exhibit A)	\$ (410,954)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	387,679
Decrease (increase) in assets	
Grants receivable	926,015
Contributions receivable	(8,000)
Prepaid and other assets	(68,701)
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	2,000,619
Accrued vacation	19,295
Grant advances	(1,790,942)
	<u>1,055,011</u>
Net cash provided by operating activities	
Cash flows from investing activities	
Capital expenditures	(441,965)
Purchase of investments	(19,310)
	<u>(461,275)</u>
Net cash used by investing activities	
Cash flows from financing activities	
Proceeds from line of credit	300,000
Payments on line of credit	(300,000)
Principal payments on loan	(280,000)
	<u>(280,000)</u>
Net cash used by financing activities	
Net change in cash	313,736
Cash - beginning of year	<u>979,820</u>
Cash - end of year	<u><u>\$ 1,293,556</u></u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 - NATURE OF ORGANIZATION

Jewish Community Council of Greater Coney Island, Inc. (“JCCGCI”), founded and incorporated in 1973, is a social welfare organization providing a wide range of human and social services to the frail elderly, disadvantaged poor, refugees and educationally at-risk youth of New York City and providing technical assistance to enhance the management capacity of nonprofit organizations citywide.

JCCGCI is funded primarily by grants from various government agencies, foundations and corporations.

JCCGCI is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The financial statements are prepared on the accrual basis of accounting.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment - FJC Agency Loan Fund - The investment in the FJC Agency Loan Fund is recorded at fair value. Investments, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets’ fluctuations, and that such changes could materially affect the amounts reported in JCCGCI’s financial statements.

Grants receivable - Grants receivable from contracting agencies are recorded when earned. Interest is not charged or accrued on outstanding receivables.

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**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions receivable - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. 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. The discounts on those are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Interest is not charged or accrued on outstanding receivables.

Allowance for doubtful accounts - JCCGCI has determined that no allowance for uncollectible accounts for grants or contributions receivable is necessary as of June 30, 2016 and 2015. Such estimate is based on management's assessment of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions, subsequent receipts and historical information.

Fixed assets - Fixed assets, including leasehold improvements, are stated at cost. It is JCCGCI's policy to capitalize assets with a cost in excess of \$1,000 and an estimated useful life of greater than one year. Leasehold improvements are amortized over the lesser of the term of the lease or the estimated useful life of the asset. Depreciation and amortization are computed on the straight-line method over the estimated useful lives of the assets.

Grant advances - Advance payments from contracting agencies that are not yet earned are recorded as liabilities until earned.

Net assets - Unrestricted net assets include funds having no restrictions as to use or purpose imposed by donors. In addition, resources which are set aside for board-designated purposes are unrestricted. Temporarily restricted net assets are those whose use by JCCGCI has been limited by donors to a specific time period or purpose.

Grants - Expense-based grants are recognized as allowable expenses are incurred. Performance-based grants are recognized as milestones are achieved. Revenues from contracting agencies are subject to audit by the agencies. No provision for any disallowance is reflected in the financial statements, since management does not anticipate any material adjustments.

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**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value on the date the contribution is received. The gifts are reported as either temporarily or permanently 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 as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In-kind contributions - In-kind contributions are reported at fair value at the date the contribution is received. Revenue and expenses include donated rent and utilities of \$391,099 and donated food of \$40,395.

Rent expense - JCCGCI leases space at various locations. All leases are operating leases, and the expense is recognized on the first day of each month for the current month's rent. All leases are reflected on the straight-line basis. Deferred rent is recorded when material.

Advertising - Advertising costs are expensed as incurred.

Functional expenses - The costs of providing services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses incurred as a result of Superstorm Sandy, which are not directly related to program services, have been included as other supporting services on the statement of functional expenses.

Fair Value Measurements

Fair Value Measurements establishes a framework for measuring fair value. The 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 are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that JCCGCI has the ability to access. 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;

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**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

- 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 following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at June 30, 2016 as compared to that used at June 30, 2015.

FJC Agency Loan Fund - Valued based upon the cash liquidation value as provided by the manager of the fund.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while JCCGCI believes its valuation method is 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 following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2016 and 2015:

	2016	2015
Agency Loan Fund - Level 3	\$ <u>729,492</u>	\$ <u>710,182</u>

-continued-

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of JCCGCI's Level 3 assets for the years ended June 30, 2016 and 2015.

	<u>2016</u>	<u>2015</u>
Agency Loan Fund		
Balance, beginning of year	\$ 710,182	\$ 691,409
Interest income (reinvested)	26,510	25,774
Fees	<u>(7,200)</u>	<u>(7,001)</u>
Balance, end of year	<u>\$ 729,492</u>	<u>\$ 710,182</u>

Agency loan fund - Participation in a pool of loans made to not-for-profit entities providing interest income on a quarterly basis.

<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
\$ <u>729,492</u>	\$ <u>-</u>	N/A	5 days

Uncertainty in income taxes - JCCGCI has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending June 30, 2013 and subsequent remain subject to examination by applicable taxing authorities.

Summarized financial information for 2015 - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

Subsequent events - Subsequent events have been evaluated through February 3, 2017, which is the date the financial statements were available to be issued.

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**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 3 - CORPORATE AND FOUNDATION GRANTS

Included in corporate and foundation grants are amounts received from the Conference on Jewish Material Claims Against Germany, Inc. for Holocaust-related programs including the German Government Grant. Amounts for the year ended June 30, 2016 totaled \$9,467,780.

NOTE 4 - OCCUPANCY

JCCGCI occupies a portion of an office building, which includes its main office along with one of its senior centers without incurring rent and related costs. The building is rented by the City of New York Department of Citywide Administrative Services, which donates the space to JCCGCI. The lease between the City of New York and the landlord expires on May 27, 2017. \$201,559 of rent and utilities paid by the City of New York has been included in these financial statements as an in-kind contribution for the period that JCCGCI occupied the facilities.

Additionally, two of JCCGCI's senior centers receive donated space, at an estimated value of \$189,540, in buildings owned by the New York City Housing Authority (NYCHA). This amount has been included in these financial statements as an in-kind contribution.

In addition to multiple short-term operating leases (less than one year), JCCGCI has five operating lease agreements extending beyond the fiscal year end. One is for the remaining portion of its main office, the second is for the Jay-Harama Senior Center program site, the third for its Ocean Parkway Senior Center program site, the fourth for its Mermaid Avenue Cure Violence program site, and the fifth for its Intern Placement Service program site. These leases expire in 2017, 2020 and 2021, respectively.

The following are the total future minimum rental payments required under the operating leases:

Year Ending June 30	
2017	\$ 239,677
2018	217,961
2019	219,831
2020	160,126
2021	<u>77,570</u>
	<u>\$ 915,165</u>

Total rent expense for the year ended June 30, 2016 was \$651,806.

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**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 5 - FIXED ASSETS

	<u>2016</u>	<u>2015</u>	<u>Useful Life (in Years)</u>
Furniture and equipment	\$ 1,910,318	\$ 1,624,438	3-10
Leasehold improvements	<u>1,471,649</u>	<u>1,435,272</u>	5-20
	<u>3,381,967</u>	<u>3,059,710</u>	
Accumulated depreciation	(872,815)	(720,262)	
Accumulated amortization	<u>(873,046)</u>	<u>(757,628)</u>	
	<u>(1,745,861)</u>	<u>(1,477,890)</u>	
	<u>\$ 1,636,106</u>	<u>\$ 1,581,820</u>	

Included in furniture and equipment is \$407,393 of vehicles, which are subject to a lien from the Department for the Aging (“DFTA”) and \$115,766 of equipment, which is subject to a lien from the Department of Design and Construction (“DDC”). These liens state that, in the event of program termination, the assets purchased from grant funds will be returned to the funding source.

NOTE 6 - CONCENTRATIONS AND CONTINGENCIES

Financial instruments which potentially subject the organization to a concentration of credit risk are cash accounts with financial institutions in New York City which during the year had balances in excess of FDIC insurance limits.

Grant revenues and receivables are primarily from New York City agencies and the Conference on Jewish Material Claims Against Germany, Inc. Any concentration of credit risk related to these grants is subject to New York City’s financial condition.

JCCGCI receives grants from various state and city government agencies performed under contracts. Such contracts are subject to governmental compliance audits from the granting agencies, as well as the New York State Office of the Attorney General, the Internal Revenue Service and the New York State Department of Charities Registration, and may, from time to time, result in adjustments to fees and grants received. In the opinion of JCCGCI, the disposition of all such matters should not have a material effect on JCCGCI’s financial position or change in net assets.

-continued-

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 7 - NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Camp scholarships	\$ 4,726	\$ 6,275
Capacity building	20,519	
Emergency Relief	2,589	2,400
Food pantry	121	121
Food pantry - Passover	8,726	7,320
Friendly visiting	18,013	
Homecare	43,087	21,006
Horizons academy	17,774	5,692
Matching for Claims Conference/ Holocaust services	125,887	5,000
Sunday program	9,940	18,312
Technical assistance	10	
Transportation		1,648
Hurricane Sandy - Victim Assistance	15,847	17,647
Hurricane Sandy - Rebuilding	<u>228,659</u>	<u>310,104</u>
	<u>\$ 495,898</u>	<u>\$ 395,525</u>

-continued-

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 7 - NET ASSETS (continued)

During 2016, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	<u>2016</u>
Camp scholarships	\$ 9,716
Capacity building	29,481
Emergency relief	711
Food pantry - Passover	6,900
Friendly visiting	39,505
Homecare	101,513
Horizons academy	97,918
Matching for Claims Conference/Holocaust services	6,730
Home delivered meals	254
Senior programs	2,000
Sunday program	33,308
Transportation	27,004
Hurricane Sandy - Victim Assistance	1,800
Hurricane Sandy - Rebuilding	<u>81,445</u>
	<u>\$ 438,285</u>

NOTE 8 - RETIREMENT PLAN

JCCGCI has a 403(b) plan for employees. JCCGCI does not contribute to the plan.

-continued-

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 9 - LINE OF CREDIT

JCCGCI opened a \$750,000 line of credit, bearing interest at 3.572% plus the British Bankers Association (BBA) LIBOR, for an effective interest rate of 4.0323% as of June 30, 2016. The line is secured by all business assets, inventory, equipment, general intangibles, chattel paper, documents, instruments and letter of credit rights of JCCGCI, as applicable. The line was set to expire on July 28, 2016, and all fees for maintaining the open line were waived. All balances were paid off prior to June 30, 2016.

Subsequent to year end the line was extended until November 1, 2017. The new line is also for \$750,000, and bears interest at 3.973% plus the British Bankers Association (BBA) LIBOR.

Subsequent to year end, funds in the amount of \$500,000 were drawn down on the line of credit and paid back in full.

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Agriculture Food and Nutrition Service State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Passed through New York City (NYC) Human Resources Administration (HRA)/Family Independence Administration	10.561	20120002206	\$ 304,367
Passed through New York State (NYS) Office of Temporary Disability Assistance		C021538	<u>63,000</u>
			367,367
Emergency Food Assistance Program Passed through NYC Food Bank	10.569	A57884213	<u>39,825</u>
Total U.S. Department of Agriculture			<u>407,192</u>
U.S. Department of Housing and Urban Development Office of Community Planning and Development Community Development Block Grants/ Entitlement Grants	14.218		
Passed through NYC Department of Youth and Community Development		766607-9917/6780	<u>69,786</u>
Total U.S. Department of Housing and Urban Development			<u>69,786</u>
U.S. Department of Labor Employment Training Administration WIA/WIOA Youth Activities	17.259		
Passed through NYC Department of Youth and Community Development		20131407503/4097 Year 5	2,124
		20131407503/4228 Year 6	17,466
		20131407503/4345 Year 7	<u>132,194</u>
			<u>151,784</u>
Total U.S. Department of Labor			<u>151,784</u>

-continued-

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Transportation			
Federal Transit Administration (FTA)			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		
Passed through NYS Department of Transportation		C035150	\$ <u>248,768</u>
New Freedom Program	20.521		
Passed through NYS Department of Transportation		C005600	<u>137,539</u>
Total U.S. Department of Transportation			<u>386,307</u>
U.S. Department of Education			
Office of Vocational and Adult Education			
Adult Education - Basic Grants to States	84.002		
Passed through NYS Education Department		C402164	<u>97,703</u>
Total U.S. Department of Education			<u>97,703</u>
U.S. Department of Health and Human Services			
Special Programs for the Aging - Title III, Part D			
Grants for Disease Prevention and Health Promotion Services	93.043		
Passed through NYC Department for the Aging		20160001492	<u>4,889</u>
Administration for Community Living			
Aging Cluster			
Special Programs for the Aging - Title III, Part B			
Grants for Supportive Services and Senior Centers	93.044		
Passed through NYC Department for the Aging		20131408706	7,537
		20131408953	11,203
		20131408954	21,047
		20131410445	17,648
		20160000514	16,755
		20160001492	16,734
		20161422234	<u>5,448</u>
			<u>96,372</u>

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**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Health and Human Services (continued)			
Administration for Community Living (continued)			
Aging Cluster (continued)			
Special Programs for the Aging - Title III, Part C			
Nutrition Services			
	93.045		
Passed through NYC Department for the Aging		20131408706	\$ 29,241
		20131408953	36,840
		20131408954	78,155
		20131410445	38,591
		20160001051	88,641
		20160001492	70,715
			<u>342,183</u>
Nutrition Services Incentive Program	93.053		
Passed through NYC Department for the Aging		20131408706	21,865
		20131408953	25,380
		20131408954	35,843
		20131410445	37,316
		20160001051	50,025
		20160001492	62,430
			<u>232,859</u>
Total Aging Cluster			<u>671,414</u>
Programs for Disaster Relief Appropriations Act - Non-Construction	93.095		
Passed through NYS Office of Children and Family Services		C027088	<u>423</u>
Administration for Children and Families			
Temporary Assistance for Needy Families (TANF)	93.558		
Passed through NYC HRA/Family Independence Administration		20120002206	419,972
Passed through NYS Office of Temporary Disability Assistance		C021730	<u>142,500</u>
			<u>562,472</u>

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**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Health and Human Services (continued)			
Community Services Block Grant	93.569		
Passed through NYC Department of Youth and Community Development		76607-9920/6780	\$ 29,089
		821304-9805/6780	206,700
		88419A2-9805/6160	17,230
			<u>253,019</u>
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584		
Passed through NYS Office of Temporary Disability Assistance		C021161	51,492
			<u>51,492</u>
Social Services Block Grant	93.667		
Passed through NYC Department for the Aging		A578-84213	570
		20131408706	45,510
		20131408953	69,319
		20131408954	107,201
		20131410445	55,646
		20160000514	83,575
		20160001051	39,540
		20160001492	94,796
		20161422234	81,780
			<u>577,937</u>
Total U.S. Department of Health and Human Services			<u>2,121,646</u>
U.S. Department of Homeland Security Non-Profit Security Program	97.008		
Passed through NYS Division of Homeland Security and Emergency Services		C155137	63,838
			<u>63,838</u>
Total U.S. Department of Homeland Security			<u>63,838</u>
Total expenditures of federal awards			<u>\$ 3,298,256</u>

See independent auditor's report.

The accompanying notes are an integral part of this schedule.

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2016

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Jewish Community Council of Greater Coney Island, Inc. under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jewish Community Council of Greater Coney Island, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Jewish Community Council of Greater Coney Island, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3 - INDIRECT COST RATE

JCCGCI has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - SUBRECIPIENTS

There were no payments made to subrecipients for federal awards received during the year ended June 30, 2016.

-continued-

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2016

NOTE 5 - NEW YORK CITY DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT - WIA PROGRAMS

<u>Federal Grantor/Pass-through Grantor/Program</u>	<u>Contract Period</u>	<u>CFDA Number</u>	<u>Pass-through Number</u>	<u>Program Amount or Award</u>	<u>Expenditures</u>
United States Department of Labor Employment Training Administration WIA/WIOA Youth Activities Passed through New York City Department of Youth and Community Development					
Out of School Youth	September 1, 2014 - August 31, 2015	17.259	20131407503/4097 Year 5	\$ 132,500	\$ 2,124*
Out of School Youth	September 1, 2015 - August 31, 2016	17.259	20131407503/4228 Year 6	132,500	17,466**
Out of School Youth	September 1, 2016 - August 31, 2017	17.259	20131407503/4345 Year 7	159,000	132,194

* These expenditures represent amounts spent in the follow-up period.

** A portion of these expenditures represents amounts spent in the follow-up period.



**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**

Independent Auditor's Report

**Board of Directors
Jewish Community Council
of Greater Coney Island, 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 Community Council of Greater Coney Island, Inc., which comprise the balance sheet as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 3, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jewish Community Council of Greater Coney Island, 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 Community Council of Greater Coney Island, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Jewish Community Council of Greater Coney Island, Inc.'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

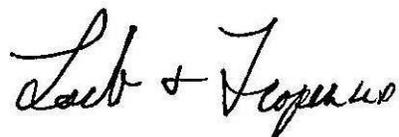
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jewish Community Council of Greater Coney Island, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



February 3, 2017



**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

**Board of Directors
Jewish Community Council
of Greater Coney Island, Inc.**

Report on Compliance for Each Major Federal Program

We have audited Jewish Community Council of Greater Coney Island, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Jewish Community Council of Greater Coney Island, Inc.'s major federal programs for the year ended June 30, 2016. Jewish Community Council of Greater Coney Island, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jewish Community Council of Greater Coney Island, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jewish Community Council of Greater Coney Island, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jewish Community Council of Greater Coney Island, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Jewish Community Council of Greater Coney Island, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

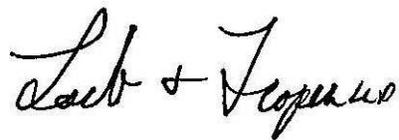
Report on Internal Control Over Compliance

Management of Jewish Community Council of Greater Coney Island, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jewish Community Council of Greater Coney Island, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jewish Community Council of Greater Coney Island, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Loeb & Troper". The signature is written in a cursive, flowing style.

February 3, 2017

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		<u>Unmodified</u>	
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no	
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported	
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no	

Federal Awards

Internal control over major federal programs:			
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no	
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported	
Type of auditor's report issued on compliance for major federal programs:		<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> yes	<u> X </u> no	

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	<u>Aging Cluster</u>
93.044	Special Programs for the Aging - Title III, Part B, Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging - Title III, Part C, Nutrition Services
93.053	Nutrition Services Incentive Program

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

**JEWISH COMMUNITY COUNCIL
OF GREATER CONEY ISLAND, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.