Jewish Family Service of Greater Harrisburg, Inc.

Financial Statements

August 31, 2018 and 2017

Table of Contents
August 31, 2018 and 2017

Independent Auditor's Report

To the Board of Directors
Jewish Family Service of Greater Harrisburg, Inc.
Harrisburg, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Service of Greater Harrisburg, Inc., which comprise the statement of financial position as of August 31, 2018 and 2017, 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 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 reasonable basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Jewish Family Service of Greater Harrisburg, Inc. as of August 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

RKL LLP

March 12, 2019
Mechanicsburg, Pennsylvania

	August 31, 2018	August 31, 2017
Assets		
Current Assets		
Cash and cash equivalents	**$ 59,520**	$ 40,931
Accounts receivable, net	**109,279**	192,250
Pledge receivable	**11,462**	16,194
Prepaid expenses	**3,547**	11,826
Total Current Assets	**183,808**	261,201
Beneficial Interest in Net Assets of a Community Foundation	**170,976**	158,406
Property and Equipment, Net	**19,089**	7,198
Total Assets	**$ 373,873**	$ 426,805
Liabilities and Net Assets		
Current Liabilities		
Line of credit	**$ 120,000**	$ 113,370
Accounts payable	**49,552**	89,863
Accrued payroll taxes and other expenses	**3,211**	2,647
Total Current Liabilities	**172,763**	205,880
Net Assets		
Unrestricted	**7,745**	29,248
Temporarily restricted	**193,365**	191,677
Total Net Assets	**201,110**	220,925
Total Liabilities and Net Assets	**$ 373,873**	$ 426,805

See accompanying notes.

	Year Ended August 31, 2018	2017
Unrestricted Net Assets		
Revenue, gains, and other support		
Program service fees	**$ 1,064,941**	$ 1,124,046
Support		
Contributions	**457,020**	157,275
United Way of the Capital Region	**12,418**	15,316
Jewish Federation of Greater Harrisburg	**45,000**	45,000
Other grants	**500**	23,532
	514,938	241,123
Interest income	**48**	33
Miscellaneous income	**2,604**	736
Net assets released from restrictions	**39,414**	40,040
	42,066	40,809
Total revenue, gains, and other support	**1,621,945**	1,405,978
Functional expenses		
Program services	**1,350,503**	1,260,518
Supporting services		
Management and general	**217,822**	159,682
Fund-raising	**75,123**	66,318
Total functional expenses	**1,643,448**	1,486,518
Decrease in Unrestricted Net Assets	**(21,503)**	(80,540)
Temporarily Restricted Net Assets		
Support - United Way of the Capital Region	**9,682**	12,814
Contributions	**18,850**	28,431
Change in beneficial interest in net assets of a community foundation	**12,570**	11,636
Net assets released from restrictions	**(39,414)**	(40,040)
Increase in Temporarily Restricted Net Assets	**1,688**	12,841
Decrease in Net Assets	**(19,815)**	(67,699)
Net Assets at Beginning of Year	**220,925**	288,624
Net Assets at End of Year	**$ 201,110**	$ 220,925

See accompanying notes.

Jewish Family Service of Greater Harrisburg, Inc.

Statement of Functional Expenses

Year Ended August 31, 2018 with Comparative Totals for 2017

		Supporting Services		Total	
	Program Services	Management and General	Fund-Raising	2018	2017
Functional Expenses					
Compensation	$ 684,347	$ 121,474	$ 25,445	$ 831,266	$ 835,736
Payroll taxes	55,016	9,732	2,016	66,764	67,841
Employee benefits	68,128	9,457	1,625	79,210	79,621
Total Compensation and Benefits	807,491	140,663	29,086	977,240	983,198
Advertising and promotion	4,513	-	-	4,513	1,817
Bad debts	29,718	-	-	29,718	83,408
Conferences and seminars	4,165	549	-	4,714	5,525
Depreciation	2,560	447	54	3,061	3,945
Dues and subscriptions	13,349	800	4,274	18,423	12,365
Equipment repairs and maintenance	30,813	5,375	656	36,844	28,127
Interest	5,238	915	111	6,264	4,626
Insurance	13,426	2,341	286	16,053	15,054
Meals	31,138	-	-	31,138	28,340
Meetings and banquets	336	1,411	68	1,815	1,965
Office renovations	176,371	30,769	3,754	210,894	-
Office supplies	16,416	2,820	719	19,955	22,014
Program expenses	124,983	503	35,111	160,597	133,857
Postage	1,430	241	286	1,957	3,984
Printing	-	-	-	-	858
Professional services	23,089	25,015	-	48,104	71,201
Rent	19,946	3,479	425	23,850	43,727
Telephone	9,454	1,283	157	10,894	5,137
Travel	29,485	98	-	29,583	30,667
Utilities	6,582	1,113	136	7,831	6,703
Total Other Expenses	543,012	77,159	46,037	666,208	503,320
Total Functional Expenses	$ 1,350,503	$ 217,822	$ 75,123	$ 1,643,448	$ 1,486,518

See accompanying notes.

Jewish Family Service of Greater Harrisburg, Inc.

Statement of Functional Expenses (continued)
Year Ended August 31, 2018 with Comparative Totals for 2017

	Program Services							Total	
	Adoption	Case Management	Counseling	Group Home	Family Based Mental Health	Jewish Family Assistance	Kosher Meals on Wheels	2018	2017
Functional Expenses									
Compensation	$ 219,628	$ 48,165	$ 154,594	$ 3,221	$ 223,464	$ 15,391	$ 19,884	$ 684,347	$ 709,297
Payroll taxes	17,471	3,731	12,585	255	17,782	1,443	1,749	55,016	57,890
Employee benefits	26,236	7,224	10,905	462	20,024	1,124	2,153	68,128	69,956
Total Compensation and Benefits	263,335	59,120	178,084	3,938	261,270	17,958	23,786	807,491	837,143
Advertising and promotion	2,708	603	1,202	-	-	-	-	4,513	1,746
Bad debts	9,605	405	17,175	-	2,533	-	-	29,718	83,408
Conferences and seminars	1,199	20	1,041	-	1,840	65	-	4,165	5,525
Depreciation	816	164	403	187	835	58	97	2,560	3,495
Dues and subscriptions	1,484	293	9,466	335	1,494	104	173	13,349	7,861
Equipment repairs and maintenance	9,841	1,967	4,849	2,251	10,044	700	1,161	30,813	24,949
Interest	1,673	334	824	383	1,708	119	197	5,238	4,098
Insurance	4,288	857	2,113	981	4,376	305	506	13,426	13,336
Meals	-	-	-	-	-	-	31,138	31,138	28,340
Meetings and banquets	22	-	76	-	190	48	-	336	121
Office renovations	56,297	11,270	27,761	12,893	57,497	4,004	6,649	176,371	-
Office supplies	5,213	1,032	2,733	1,181	5,281	367	609	16,416	18,502
Program expenses	108,772	201	949	1,182	7,436	5,103	1,340	124,983	125,540
Postage	478	88	217	101	463	31	52	1,430	3,559
Printing	-	-	-	-	-	-	-	-	-
Professional services	8,009	-	3,080	12,000	-	-	-	23,089	21,135
Rent	6,370	1,274	3,139	1,457	6,502	453	751	19,946	40,668
Telephone	2,369	830	1,157	537	3,837	167	557	9,454	4,862
Travel	14,955	488	9	-	13,371	141	521	29,485	30,235
Utilities	2,188	407	1,013	466	2,079	189	240	6,582	5,995
Total Other Expenses	236,287	20,233	77,207	33,954	119,486	11,854	43,991	543,012	423,375
Total Functional Expenses	$ 499,622	$ 79,353	$ 255,291	$ 37,892	$ 380,756	$ 29,812	$ 67,777	$ 1,350,503	$ 1,260,518

See accompanying notes.

	Years Ended June 30, 2018	2017
Cash Flows from Operating Activities		
Change in net assets	**$ (19,815)**	$ (67,699)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Change in beneficial interest in net assets of a community foundation	**(12,570)**	(11,636)
Depreciation	**3,061**	3,945
(Increase) decrease in assets		
Accounts receivable	**82,971**	(77,115)
Pledge receivable	**4,732**	12,529
Prepaid expenses	**8,279**	(656)
Increase (decrease) in liabilities		
Accrued payroll taxes and other expenses	**564**	(913)
Accounts payable	**(40,311)**	63,912
Net Cash Provided by (Used in) Operating Activities	**26,911**	(77,633)
Cash Flows Used in Investing Activities		
Purchase of property and equipment	**(14,952)**	(3,377)
Cash Flows Provided by Financing Activities		
Net proceeds from line of credit	**6,630**	56,320
Net Increase (Decrease) in Cash and Cash Equivalents	**18,589**	(24,690)
Cash and Cash Equivalents at Beginning of Year	**40,931**	65,621
Cash and Cash Equivalents at End of Year	**$ 59,520**	$ 40,931
Supplemental Disclosure of Cash Flow Information		
Interest paid	**$ 6,264**	$ 4,626

See accompanying notes.

Note 1 - Nature of Business

Jewish Family Service of Greater Harrisburg, Inc. (the Corporation) is a social service agency. Until November 7, 1996, activities of the Corporation were provided through the United Jewish Community of Greater Harrisburg, now Jewish Federation of Greater Harrisburg. On November 7, 1996, the Corporation became a separate legal entity, organized as a Pennsylvania nonprofit corporation. The Corporation provides assistance to Jewish and general communities through adoption and foster care services, case management, counseling, kosher meals on wheels, outreach services, family based mental health services, children's play and cognitive behavioral therapy, children's support and other groups, and other programs.

Note 2 - Summary of Significant Accounting Policies

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

Basis of Presentation

The Corporation 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. In addition, the Corporation is required to present the statement of cash flows.

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Corporation pursuant to those stipulations or that expire by the passage of time.

Permanently Restricted Net Assets - Net assets subject to permanent donor-imposed stipulations. Generally, the donors of such assets permit the Corporation to use all or part of the income earned on the assets. The Corporation had no permanently restricted net assets at August 31, 2018 and 2017.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

The Corporation considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Note 2 - Summary of Significant Accounting Policies (continued)

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are reported net of an allowance for doubtful accounts to reserve for potential uncollectible amounts. Receivables are generally due thirty days after billed. The allowance for doubtful accounts is estimated based upon the collectibility of delinquent accounts, generally those accounts that are three months or more past due. Receivables are charged off against the allowance when, in the judgement of management, it is unlikely they will be collected. Allowance for doubtful accounts was $56,542 and $26,734 at August 31, 2018 and 2017, respectively.

Beneficial Interest in Net Assets of a Community Foundation

Beneficial interest in net assets of a community foundation is reported at fair value as determined by the community foundation.

Property and Equipment

Property and equipment are recorded at cost, if purchased, and fair value at the date of the donation, if contributed. Expenditures and betterments that enhance property and equipment values are capitalized, while maintenance and repairs are expensed when incurred. Depreciation is computed using the straight-line method of accounting over the estimated useful lives of the assets.

Long-Lived Assets

Long-lived assets, other than those held for sale, are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value amount. Fair value estimates are based on assumptions concerning the amount and timing of the estimated future cash flows and discount rates reflecting varying degrees of perceived risk. Management of the Corporation concluded that no impairment adjustments were required during the years ended August 31, 2018 or 2017.

Federal Income Taxes

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Corporation has reviewed the impact of accounting of uncertainty in income taxes (FASB ASC 740-10-05) on the financial statements and has determined there are no material uncertain tax positions or unrecognized tax benefits and there is no material impact on the statements of financial position, activities and changes in net assets, functional expenses, and cash flows.

The IRS Form 990 for the Corporation for the years ended August 31, 2017, 2016, and 2015 remain open for an examination or compliance check by the IRS.

Note 2 - Summary of Significant Accounting Policies (continued)

Contributions

Contributions are recorded as increases in unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets depending on the existence and/or nature of any donor restrictions. Contributions that are restricted to the use of the Corporation's programs are reflected as unrestricted revenue when they are received and spent during the year.

Donated Services

The Corporation receives donated services in carrying out its activities. In accordance with FASB ASC 958-605-25, these donated services do not meet the criteria for recognition as contributed services and, therefore, no revenue or expense for donated services are included in the financial statements.

Functional Allocation of Expenses

The Corporation allocates its expenses on a functional basis among the various program and supporting services. Expenses that can be identified, with a specific program and supporting services, are allocated directly according to their natural expenditures classification.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Advertising

The Corporation follows the policy of charging costs of advertising to expense as incurred. Advertising expense was $4,513 and $1,817 for the years ended August 31, 2018 and 2017, respectively.

Reclassifications

Certain reclassifications were made to the financial statements for 2017 in order for them to be comparative to the 2018 presentation. These changes did not affect net assets and the changes in net assets for the year ended August 31, 2017.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides a robust framework for addressing revenue recognition issues and, upon its effective date, replaces almost all existing revenue recognition guidance. This guidance is effective for annual reporting periods beginning after December 15, 2018.

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. This guidance is effective for fiscal years beginning after December 15, 2019.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. This guidance is effective for annual periods beginning after December 15, 2017.

The Corporation is currently evaluating the impact of the pending adoption of the new standards on the financial statements.

Note 3 - Concentrations

The Corporation maintains cash balances at financial institutions which may at times exceed federally insured limits. The Corporation has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes that it is not subject to any significant credit risks on its cash accounts.

The Corporation has a contract with a non-related social service organization to provide adoption services. Revenue from this contract is included in Program Services Fees-Adoption. Revenue from this contract is a substantial portion of total adoption revenue during each of the years ended August 31, 2018 and 2017 and the receivable amount from this organization is a substantial portion of total accounts receivable at August 31, 2018 and 2017.

Note 4 - Pledge Receivable

The pledge receivable consists of United Way funding for the subsequent year and various contribution amounts pledged by individuals payable in the subsequent year. The pledge receivable amounts have been recorded at estimated realizable value, net of allowance for uncollectible pledge receivable of $-0- at August 31, 2018 and 2017 as follows: $9,682 and $12,814, respectively, for United Way funding and $1,780 and $3,380, respectively, for pledged contributions from individuals.

Note 5 - Beneficial Interest in Net Assets of a Community Foundation

The Corporation is the beneficiary of eight endowment funds of the Greater Harrisburg Foundation, a component of the Foundation for Enhancing Communities (Foundation), a community foundation. The funds are the property of the Foundation and are held as component funds of the Foundation. The Corporation funds are co-mingled with those of other funds for investment purposes.

The Board of Directors has directed the Foundation to distribute the income according to the Foundation's spending policy for both endowment funds.

The organizational endowment funds are reflected in the statement of financial position as interest in net assets of a community foundation.

Note 6 - Fair Value of Financial Instruments

The fair value hierarchy prioritizes the inputs to valuation methods 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 as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 - Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

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

The following valuation technique was used to measure fair value of assets in the tables below on a recurring basis:

Beneficial interest in net assets of a community foundation: Assets held by the Foundation are invested in fixed income funds, equities and equity funds that have quoted prices in active markets. The Corporation adjusts its interest in the assets held by the Foundation similar to the equity method of accounting, which results in the assets being carried at fair value. The interest in the assets held by the Foundation is measured using Level 3 inputs within the fair value hierarchy.

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, although the Corporation 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.

Note 6 - Fair Value of Financial Instruments (continued)

The following tables set forth by level, within the fair value hierarchy, the Corporation's assets at fair value:

	Fair Value Measurements at August 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Beneficial interest in net assets of a community foundation	**$ -**	**$ -**	**$ 170,976**	**$ 170,976**

	Fair Value Measurements at August 31, 2017			
Beneficial interest in net assets of a community foundation	$ -	$ -	$ 158,406	$ 158,406

For assets falling within Level 3 in the fair value hierarchy, the activity recognized during the years ended August 31 is as follows:

	Beneficial Interest in Net Assets of a Community Foundation
Balance as of August 31, 2016	$ 146,770
Unrealized gains	11,636
Balance as of August 31, 2017	**158,406**
Unrealized gains	**12,570**
Balance as of August 31, 2018	**$ 170,976**

The unrealized gains for beneficial interest in net assets of a community foundation are included as change in beneficial interest in net assets of a community foundation on the statement of activities.

Note 7 - Property and Equipment, Net

Property and equipment consist of the following at August 31:

	2018	**2017**
Furniture and equipment (useful lives 3 to 12 years)	**$ 42,927**	$ 27,975
Accumulated depreciation	**(23,838)**	(20,777)
	$ 19,089	$ 7,198

Note 8 - Line of Credit

The Corporation has a $120,000 business line of credit loan with BB&T. The line of credit is payable in monthly installments of interest only and principal is due on demand. The interest rate is a variable rate of interest that is equal to the lender's prime rate, plus 0.50%. The interest rate at August 31, 2018 and 2017 was 5.50% and 5.00%, respectively. The balance on the line of credit was $120,000 and $113,370 at August 31, 2018 and 2017, respectively.

Note 9 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at August 31:

	2018	**2017**
Pledge Receivable - United Way	**$ 9,682**	$ 12,814
Jewish Family Service Operating Resources Fund	**75,662**	69,744
Jewish Family Service Counseling Subsidy Fund	**10,455**	9,686
Jewish Family Service Healing Center Fund	**16,760**	15,456
Jewish Family Service Family Life Education Fund	**10,437**	9,646
Jewish Family Service Outreach Programs Fund	**14,202**	13,106
Jewish Family Assistance Endowment Fund	**11,224**	10,427
Jack, Jan, and Harren Pitnick Fund	**20,516**	19,617
Libby Urie Philanthropic Fund	**11,720**	10,724
Syrian Refugee Resettlement	**-**	11,982
Grant Writing	**-**	812
Pilot Case Management Program	**12,707**	7,663
	$ 193,365	$ 191,677

Note 10 - Pension Plan

Pension benefits are provided to the Corporation's employees under the Jewish Federation of Greater Harrisburg Pension Plan, a noncontributory defined benefit pension plan sponsored by Jewish Federation of Greater Harrisburg covering employees who meet age and service requirements. The plan was amended effective December 31, 2013 to exclude from participation all employees not already participating in the plan and to cease benefit accruals and the crediting hours of service for purposes of accruing additional years of benefit service. Eligible employees may have elected to be excluded from the plan. Benefits are based on years of service and average compensation of the employees. The Corporation does not have a formal agreement to determine the amount of its pension contribution to be made to the plan, if any. Jewish Federation of Greater Harrisburg, based on the actuarial report for the plan, required cash contributions to the plan of $20,543 and $15,099 for the years ended August 31, 2018 and 2017, respectively.

The Corporation sponsors a 403(b) defined contribution plan covering substantially all of its employees. Eligibility occurs immediately upon employment with the Corporation. The plan is entirely funded by voluntary employee contributions. The Corporation does not match employee contributions or make additional contributions to the plan. Effective February 1, 2013, the plan was restated to permit Roth salary deferrals.

Note 11 - Operating Leases

During April 2014, the Corporation entered into a 63-month non-cancelable copier lease. The base monthly lease payment was $343. During September 2017, the Corporation modified this lease with a new 63-month non-cancelable copier lease with a base monthly lease payment of $381. Rent expense under the lease agreement for the years ended August 31, 2018 and 2017 was $5,454 and $5,017, respectively. Future minimum lease payments for the next four years are $4,577 annually through the year ended August 31, 2022 and $1,144 for the year ended August 31, 2023.

Note 12 - Related Party Transactions

The fundamental relationship between the Corporation and the Jewish Federation of Greater Harrisburg (formerly the United Jewish Community of Greater Harrisburg) that reflects the purposes for which the Corporation was created is described in a relationship agreement dated February 8, 2001. The Corporation received $45,000 cash support from Jewish Federation of Greater Harrisburg during the years ended August 31, 2018 and 2017.

In an agreement dated February 8, 2001, the Corporation entered into a lease agreement to lease a building owned by Jewish Federation of Greater Harrisburg. In addition, this agreement included administrative services to be provided by Jewish Federation of Greater Harrisburg. The initial term was five years, with the option to extend for one period of five years which was exercised on January 1, 2006 and the lease term was through December 31, 2010. However, the lease is being renewed on an annual basis with the same terms. The initial lease called for monthly rental payments of $1,210, with an additional $200 paid to a capital reserve fund held by Jewish Federation of Greater Harrisburg. In addition, the monthly rental payments are subject to annual increases by an amount equal to the increase in the Consumer Price Index. The current monthly rental amount is $2,125 at August 31, 2018. Total rental and facility expense under this lease for the years ended August 31, 2018 and 2017 was $25,500 and $26,800, respectively.

The administrative services to be provided by Jewish Federation of Greater Harrisburg under this agreement include the administering of employee benefits and marketing and public relations services. During the years ended August 31, 2018 and 2017, the Corporation incurred expenses totaling $29,466 and $27,588, respectively, to Jewish Federation of Greater Harrisburg for pension, dental, vision, life and disability insurance, and other benefits, and $5,060 and $5,154, respectively, for marketing and public relations services. At August 31, 2018 and 2017, total amount payable to Jewish Federation of Greater Harrisburg was $16,127 and $27,338, respectively.

Note 13 - Program Service Fees

Program service fees consisted of the following for the years ended August 31:

	2018	2017
Adoption and Foster Care	**$ 475,780**	$ 470,696
Counseling	**213,094**	196,909
Kosher Meals on Wheels	**38,715**	38,187
Case Management	**49,667**	95,157
Group Home	**16,596**	16,596
Family Based Mental Health	**271,089**	306,501
	$ 1,064,941	$ 1,124,046

Note 14 - Subsequent Events

The Corporation has evaluated subsequent events through March 12, 2019. This date is the date the financial statements were available to be issued. No material events subsequent to August 31, 2018 were noted.