

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
CONSOLIDATING FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**Table of Contents**

	<b><u>Page</u></b>
<b>Independent Auditor's Report</b>	1 - 2
<b>Consolidating Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Consolidating Financial Statements	9 - 17
<b>Supplementary Information</b>	
Independent Auditor's Report on Supplementary Information	18
Schedule I - Conference on Jewish Material Claims Against Germany, Inc.	19



**CITRIN COOPERMAN**

Attest & Assurance | Tax Compliance & Research | Specialty & Consulting

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Jewish Family Service, Inc. and Jewish Family Service Foundation, Inc.

We have audited the accompanying consolidating financial statements of Jewish Family Service, Inc. and Jewish Family Service Foundation, Inc., which comprise the consolidating statements of financial position as of December 31, 2015 and 2014, and the related consolidating statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidating financial statements.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidating financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidating 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 consolidating 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 consolidating 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 consolidating financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Service, Inc. and Jewish Family Service Foundation, Inc. as of December 31, 2015 and 2014, the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

  
CERTIFIED PUBLIC ACCOUNTANTS

Plainview, New York  
November 16, 2016

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2015 AND 2014**

<u>ASSETS</u>	<u>2015</u>			<u>2014</u>		
	Jewish Family Service		Total	Jewish Family Service		Total
	Jewish Family Service, Inc.	Foundation, Inc.		Jewish Family Service, Inc.	Foundation, Inc.	
Cash and cash equivalents	\$ 624,354	\$ 276,830	\$ 901,184	\$ 527,480	\$ 276,801	\$ 804,281
Investments	-	247,202	247,202	4,287	251,533	255,820
Accounts receivable, net	274,232	-	274,232	102,126	-	102,126
Contributions receivable, net	23,907	-	23,907	103,168	-	103,168
Prepaid expenses and other assets	73,738	-	73,738	31,139	-	31,139
Security deposits	5,610	-	5,610	5,610	-	5,610
Cemetery plots	7,200	-	7,200	7,200	-	7,200
Fixed assets, net	<u>956,349</u>	<u>-</u>	<u>956,349</u>	<u>989,455</u>	<u>-</u>	<u>989,455</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,965,390</u></b>	<b><u>\$ 524,032</u></b>	<b><u>\$ 2,489,422</u></b>	<b><u>\$ 1,770,465</u></b>	<b><u>\$ 528,334</u></b>	<b><u>\$ 2,298,799</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>						
Liabilities:						
Accounts payable and accrued expenses	\$ 214,674	\$ -	\$ 214,674	\$ 140,311	\$ -	\$ 140,311
Deferred income	149,628	-	149,628	159,516	-	159,516
Security deposits payable	8,557	-	8,557	8,557	-	8,557
Retirement obligation	-	-	-	6,977	-	6,977
Mortgage payable	<u>446,738</u>	<u>-</u>	<u>446,738</u>	<u>480,375</u>	<u>-</u>	<u>480,375</u>
Total liabilities	<u>819,597</u>	<u>-</u>	<u>819,597</u>	<u>795,736</u>	<u>-</u>	<u>795,736</u>
Commitments and contingencies (Notes 8, 9 and 13)						
Net assets:						
Unrestricted	688,262	524,032	1,212,294	508,448	528,334	1,036,782
Temporarily restricted	112,029	-	112,029	120,779	-	120,779
Permanently restricted	<u>345,502</u>	<u>-</u>	<u>345,502</u>	<u>345,502</u>	<u>-</u>	<u>345,502</u>
Total net assets	<u>1,145,793</u>	<u>524,032</u>	<u>1,669,825</u>	<u>974,729</u>	<u>528,334</u>	<u>1,503,063</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,965,390</u></b>	<b><u>\$ 524,032</u></b>	<b><u>\$ 2,489,422</u></b>	<b><u>\$ 1,770,465</u></b>	<b><u>\$ 528,334</u></b>	<b><u>\$ 2,298,799</u></b>

See accompanying notes to consolidating financial statements.

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Jewish Family Service, Inc.				Jewish Family Service Foundation, Inc.	Grand Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	
Public support and other revenue:						
Public support:						
Jewish Federation of Northern New Jersey	\$ 449,542	\$ -	\$ -	\$ 449,542	\$ -	\$ 449,542
Grant income	654,270	-	-	654,270	-	654,270
Contributions	165,195	-	-	165,195	-	165,195
Fund-raising event revenue:						
Fund-raising event	\$ 471,541					
Less: direct costs	<u>(105,624)</u>					
Net fund-raising event revenue	<u>365,917</u>	<u>-</u>	<u>-</u>	<u>365,917</u>	<u>-</u>	<u>365,917</u>
Total public support	<u>1,634,924</u>	<u>-</u>	<u>-</u>	<u>1,634,924</u>	<u>-</u>	<u>1,634,924</u>
Other revenue:						
Counseling fees	317,974	-	-	317,974	-	317,974
Program fees - school-based services	1,166,797	-	-	1,166,797	-	1,166,797
Other program fees	86,105	-	-	86,105	-	86,105
Rental income	60,210	-	-	60,210	-	60,210
Less: rental expenses	(40,223)	-	-	(40,223)	-	(40,223)
Investment losses	(1,994)	-	-	(1,994)	(4,152)	(6,146)
Other	<u>4,872</u>	<u>-</u>	<u>-</u>	<u>4,872</u>	<u>-</u>	<u>4,872</u>
Total other revenue	<u>1,593,741</u>	<u>-</u>	<u>-</u>	<u>1,593,741</u>	<u>(4,152)</u>	<u>1,589,589</u>
Net assets released from restrictions	<u>8,750</u>	<u>(8,750)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and public support	<u>3,237,415</u>	<u>(8,750)</u>	<u>-</u>	<u>3,228,665</u>	<u>(4,152)</u>	<u>3,224,513</u>
Expenses:						
Program services:						
Family counseling	303,274	-	-	303,274	-	303,274
Senior adults	905,892	-	-	905,892	-	905,892
Adult case management	135,822	-	-	135,822	-	135,822
School-based services	959,090	-	-	959,090	-	959,090
Camp	<u>8,750</u>	<u>-</u>	<u>-</u>	<u>8,750</u>	<u>-</u>	<u>8,750</u>
Total program services	<u>2,312,828</u>	<u>-</u>	<u>-</u>	<u>2,312,828</u>	<u>-</u>	<u>2,312,828</u>
Supporting services:						
Management and general	615,448	-	-	615,448	150	615,598
Fund-raising	<u>129,325</u>	<u>-</u>	<u>-</u>	<u>129,325</u>	<u>-</u>	<u>129,325</u>
Total supporting services	<u>744,773</u>	<u>-</u>	<u>-</u>	<u>744,773</u>	<u>150</u>	<u>744,923</u>
Total expenses	<u>3,057,601</u>	<u>-</u>	<u>-</u>	<u>3,057,601</u>	<u>150</u>	<u>3,057,751</u>
Increase (decrease) in net assets	179,814	(8,750)	-	171,064	(4,302)	166,762
Net assets - beginning of year	<u>508,448</u>	<u>120,779</u>	<u>345,502</u>	<u>974,729</u>	<u>528,334</u>	<u>1,503,063</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 688,262</u>	<u>\$ 112,029</u>	<u>\$ 345,502</u>	<u>\$ 1,145,793</u>	<u>\$ 524,032</u>	<u>\$ 1,669,825</u>

See accompanying notes to consolidating financial statements.

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Jewish Family Service, Inc.			Total	Jewish Family Service Foundation, Inc.	Grand Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		Unrestricted	
Public support and other revenue:						
Public support:						
Jewish Federation of Northern New Jersey	\$ 470,296	\$ -	\$ -	\$ 470,296	\$ -	\$ 470,296
Grant income	416,983	-	-	416,983	-	416,983
Contributions	186,164	5,000	-	191,164	176,782	367,946
Fundraising event revenue:						
Fund-raising event	\$ 507,678					
Less: direct costs	(111,754)					
Net fund-raising event revenue	<u>395,924</u>	<u>-</u>	<u>-</u>	<u>395,924</u>	<u>-</u>	<u>395,924</u>
Total public support	<u>1,469,367</u>	<u>5,000</u>	<u>-</u>	<u>1,474,367</u>	<u>176,782</u>	<u>1,651,149</u>
Other revenue:						
Counseling fees	190,517	-	-	190,517	-	190,517
Program fees - school-based services	994,852	-	-	994,852	-	994,852
Other program fees	74,329	-	-	74,329	-	74,329
Rental income	56,410	-	-	56,410	-	56,410
Less: rental expenses	(38,598)	-	-	(38,598)	-	(38,598)
Investment income	8,329	-	-	8,329	598	8,927
Other	<u>575</u>	<u>-</u>	<u>-</u>	<u>575</u>	<u>-</u>	<u>575</u>
Total other revenue	<u>1,286,414</u>	<u>-</u>	<u>-</u>	<u>1,286,414</u>	<u>598</u>	<u>1,287,012</u>
Net assets released from restrictions	<u>2,000</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and public support	<u>2,757,781</u>	<u>3,000</u>	<u>-</u>	<u>2,760,781</u>	<u>177,380</u>	<u>2,938,161</u>
Expenses:						
Program services:						
Family counseling	235,732	-	-	235,732	-	235,732
Senior adults	644,065	-	-	644,065	-	644,065
Adult case management	135,238	-	-	135,238	-	135,238
School-based services	813,514	-	-	813,514	-	813,514
Camp	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total program services	<u>1,830,549</u>	<u>-</u>	<u>-</u>	<u>1,830,549</u>	<u>-</u>	<u>1,830,549</u>
Supporting services:						
Management and general	554,043	-	-	554,043	150	554,193
Fund-raising	<u>114,644</u>	<u>-</u>	<u>-</u>	<u>114,644</u>	<u>-</u>	<u>114,644</u>
Total supporting services	<u>668,687</u>	<u>-</u>	<u>-</u>	<u>668,687</u>	<u>150</u>	<u>668,837</u>
Total expenses	<u>2,499,236</u>	<u>-</u>	<u>-</u>	<u>2,499,236</u>	<u>150</u>	<u>2,499,386</u>
Increase in net assets	258,545	3,000	-	261,545	177,230	438,775
Net assets - beginning of year	<u>249,903</u>	<u>117,779</u>	<u>345,502</u>	<u>713,184</u>	<u>351,104</u>	<u>1,064,288</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 508,448</u>	<u>\$ 120,779</u>	<u>\$ 345,502</u>	<u>\$ 974,729</u>	<u>\$ 528,334</u>	<u>\$ 1,503,063</u>

See accompanying notes to consolidating financial statements.

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Program Services					Supporting Services					Grand Total	
	Family Counseling	Senior Adults	Adult Case Management	School-based Services	Camp	Program Services Total	Management and General	Fund-raising	Direct Cost of Fund-raising Events	Rental Expenses		Supporting Services Total
Personnel costs:												
Salaries	\$ 159,705	\$ 275,547	\$ 82,593	\$ 575,280	\$ -	\$ 1,093,125	\$ 212,076	\$ 86,638	\$ -	\$ -	\$ 298,714	\$ 1,391,839
Payroll taxes and employee benefits	15,209	27,434	18,230	71,578	-	132,451	105,658	8,839	-	-	114,497	246,948
Total personnel costs	174,914	302,981	100,823	646,858	-	1,225,576	317,734	95,477	-	-	413,211	1,638,787
Other expenses:												
Professional fees	108,018	3,100	-	242,193	-	353,311	27,695	-	-	-	27,695	381,006
Accounting, legal and other fees	1,117	3,114	-	2,607	-	6,838	65,120	-	-	-	65,120	71,958
Camp fees	-	-	-	-	8,750	8,750	-	-	-	-	-	8,750
Supplies	2,314	1,400	-	7,767	-	11,481	20,601	265	-	-	20,866	32,347
Assistance to individuals	-	420,622	23,390	-	-	444,012	-	-	-	-	-	444,012
Staff travel and development	1,652	3,956	14	2,210	-	7,832	1,848	-	-	-	1,848	9,680
Telephone	-	-	-	-	-	-	15,181	-	-	-	15,181	15,181
Postage and shipping	318	1,661	-	212	-	2,191	2,830	3,551	-	-	6,381	8,572
Equipment	-	2,417	2,134	1,894	-	6,445	8,239	1,971	-	844	11,054	17,499
Printing and design	-	-	-	378	-	378	6,098	16,905	-	-	23,003	23,381
Advertising and public relations	390	3,581	-	5,217	-	9,188	21,780	460	-	-	22,240	31,428
Food and venue	194	8,605	-	44,537	-	53,336	6,661	-	105,624	-	112,285	165,621
Food - KMOW	-	135,755	-	-	-	135,755	-	-	-	-	-	135,755
Dues and conferences	-	1,451	-	-	-	1,451	9,045	-	-	-	9,045	10,496
Occupancy	-	-	-	-	-	-	61,134	-	-	20,832	81,966	81,966
Insurance	5,464	7,172	3,074	3,756	-	19,466	11,270	2,049	-	1,366	14,685	34,151
Interest	-	-	-	-	-	-	22,125	-	-	7,375	29,500	29,500
Depreciation	8,893	10,077	6,387	1,461	-	26,818	7,736	8,647	-	9,806	26,189	53,007
Miscellaneous	-	-	-	-	-	-	10,501	-	-	-	10,501	10,501
<b>TOTAL EXPENSES</b>	<b>303,274</b>	<b>905,892</b>	<b>135,822</b>	<b>959,090</b>	<b>8,750</b>	<b>2,312,828</b>	<b>615,598</b>	<b>129,325</b>	<b>105,624</b>	<b>40,223</b>	<b>890,770</b>	<b>3,203,598</b>
Less: expenses deducted directly from revenues on the consolidating statement of activities												
Direct cost of fund-raising events	-	-	-	-	-	-	-	-	(105,624)	-	(105,624)	(105,624)
Rental expenses	-	-	-	-	-	-	-	-	-	(40,223)	(40,223)	(40,223)
<b>Total expenses reported by function on the consolidating statement of activities</b>	<b>\$ 303,274</b>	<b>\$ 905,892</b>	<b>\$ 135,822</b>	<b>\$ 959,090</b>	<b>\$ 8,750</b>	<b>\$ 2,312,828</b>	<b>\$ 615,598</b>	<b>\$ 129,325</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 744,923</b>	<b>\$ 3,057,751</b>

See accompanying notes to consolidating financial statements.



**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Program Services					Supporting Services					Grand Total	
	Family Counseling	Senior Adults	Adult Case Management	School- based Services	Camp	Program Services Total	Management and General	Fund- raising	Direct Cost of Fund-raising Events	Rental Expenses		Supporting Services Total
Personnel costs:												
Salaries	\$ 136,993	\$ 231,417	\$ 80,522	\$ 477,608	\$ -	\$ 926,540	\$ 194,216	\$ 70,634	\$ -	\$ -	\$ 264,850	\$ 1,191,390
Payroll taxes and employee benefits	22,507	10,832	14,460	51,064	-	98,863	85,807	6,003	-	-	91,810	190,673
Total personnel costs	159,500	242,249	94,982	528,672	-	1,025,403	280,023	76,637	-	-	356,660	1,382,063
Other expenses:												
Professional fees	54,980	-	-	240,221	-	295,201	26,395	1,210	-	-	27,605	322,806
Accounting, legal and other fees	575	1,921	-	3,731	-	6,227	61,649	-	-	-	61,649	67,876
Camp fees	-	-	-	-	2,000	2,000	-	-	-	-	-	2,000
Supplies	273	384	-	9,134	-	9,791	11,980	-	-	-	11,980	21,771
Assistance to individuals	-	236,321	25,734	-	-	262,055	-	732	-	-	732	262,787
Staff travel and development	1,053	4,314	-	1,400	-	6,767	1,259	-	-	-	1,259	8,026
Telephone	-	74	38	154	-	266	12,236	-	-	-	12,236	12,502
Postage and shipping	138	1,322	-	105	-	1,565	-	7,636	-	-	7,636	9,201
Equipment	-	2,582	2,319	2,096	-	6,997	6,926	2,698	-	-	9,624	16,621
Printing and design	-	-	-	-	-	-	4,014	11,698	-	-	15,712	15,712
Advertising and public relations	764	-	-	-	-	764	22,689	7,992	-	-	30,681	31,445
Food and venue	49	1,506	-	21,696	-	23,251	6,097	35	111,754	-	117,886	141,137
Food - KMOW	-	132,978	-	-	-	132,978	-	-	-	-	-	132,978
Dues and conferences	363	200	-	-	-	563	4,382	1,900	-	-	6,282	6,845
Occupancy	-	-	-	-	-	-	67,426	-	-	21,104	88,530	88,530
Insurance	6,440	8,617	3,693	4,508	-	23,258	14,958	2,765	-	-	17,723	40,981
Interest	-	-	-	-	-	-	23,584	-	-	7,861	31,445	31,445
Depreciation	11,597	11,597	8,472	1,797	-	33,463	7,632	1,341	-	9,633	18,606	52,069
Miscellaneous	-	-	-	-	-	-	2,943	-	-	-	2,943	2,943
<b>TOTAL EXPENSES</b>	<b>235,732</b>	<b>644,065</b>	<b>135,238</b>	<b>813,514</b>	<b>2,000</b>	<b>1,830,549</b>	<b>554,193</b>	<b>114,644</b>	<b>111,754</b>	<b>38,598</b>	<b>819,189</b>	<b>2,649,738</b>
Less: expenses deducted directly from revenues on the consolidating statement of activities												
Direct cost of fund-raising events	-	-	-	-	-	-	-	-	(111,754)	-	(111,754)	(111,754)
Rental expenses	-	-	-	-	-	-	-	-	-	(38,598)	(38,598)	(38,598)
<b>Total expenses reported by function on the consolidating statement of activities</b>	<b>\$ 235,732</b>	<b>\$ 644,065</b>	<b>\$ 135,238</b>	<b>\$ 813,514</b>	<b>\$ 2,000</b>	<b>\$ 1,830,549</b>	<b>\$ 554,193</b>	<b>\$ 114,644</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 668,837</b>	<b>\$ 2,499,386</b>

See accompanying notes to consolidating financial statements.

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 166,762	\$ 438,775
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gains (losses) on investments	8,618	(432)
Donated securities	-	(4,287)
Depreciation	53,007	52,069
Bad debt recovery	(859)	-
Changes in assets and liabilities:		
Accounts receivable	(164,309)	32,504
Contributions receivable	72,323	(54,790)
Prepaid expenses and other assets	(42,599)	(3,623)
Security deposits	-	2,700
Accounts payable and accrued expenses	74,363	(17,034)
Deferred income	(9,888)	43,154
Security deposits payable	-	247
Retirement obligation	<u>(6,977)</u>	<u>(20,000)</u>
Net cash provided by operating activities	<u>150,441</u>	<u>469,283</u>
Cash used in investing activities:		
Purchase of fixed assets	<u>(19,901)</u>	<u>-</u>
Cash used in financing activities:		
Principal payments of mortgage payable	<u>(33,637)</u>	<u>(31,692)</u>
Net increase in cash and cash equivalents	96,903	437,591
Cash and cash equivalents - beginning	<u>804,281</u>	<u>366,690</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b><u>\$ 901,184</u></b>	<b><u>\$ 804,281</u></b>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 29,500</u>	<u>\$ 31,445</u>

See accompanying notes to consolidating financial statements.

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 1. NATURE OF ORGANIZATION**

Jewish Family Service, Inc. ("JFS") was organized on December 4, 1978. The JFS mission statement reads:

Based upon Jewish tradition and values, the mission of JFS is to strengthen and preserve the well-being of individuals and families; to help them effectively meet the challenges and changes through life by providing quality human services and professional counseling to all who call upon its services.

Jewish Family Service Foundation, Inc. ("JFSF") was organized in 2009 and began operations in 2012 with the sole purpose of raising funds to support JFS. On March 7, 2012, JFS initially transferred \$250,000 to JFSF.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of consolidation

The accompanying consolidating financial statements include the accounts of JFS and JFSF (collectively referred to as the "Organization"). The financial statements have been consolidated because JFS maintains an economic interest in and control of JFSF through common board membership and the ability to elect JFSF board members. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of accounting

The accompanying consolidating financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") and are presented in accordance with accounting requirements for not-for-profit organizations. The Organization classifies net assets, revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions.

The net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets represent net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets are net assets whose use has been limited by donors to a specific time period and/or purpose.
- Permanently restricted net assets are subject to donor-imposed stipulations that the principal corpus be maintained in perpetuity.

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash on deposit and money market accounts that are readily convertible into cash. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

A separate bank account is required for depositing grant funds received from the County of Bergen, Department of Human Services. The Organization subsequently transfers the funds from this account to the operating bank account when required.

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Use of estimates

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

Fair value measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Categorization within the valuation hierarchy is based upon the lowest level of 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. Under this standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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 assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, 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.

Donations-in-kind

Donations of noncash assets are recorded at their fair values at the date received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, and are provided by individuals possessing those skills, are recorded at their fair values in the period received.

Accounts receivable

Accounts receivable are reported at their outstanding unpaid principal balances reduced by an allowance for doubtful accounts. On a periodic basis, management evaluates such receivables and establishes an allowance for doubtful accounts based on a history of write-offs and collections and current credit conditions. At December 31, 2015 and 2014, the allowance for doubtful accounts was \$10,332 and \$18,129, respectively.

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributions receivable

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Contributions receivable are due in less than one year; therefore, no discount to present value is required.

Management evaluates such receivables and establishes an allowance for doubtful accounts based on a history of write-offs and collections and current credit conditions. At December 31, 2015, the allowance for doubtful accounts was \$6,938, and there was no allowance required at December 31, 2014.

Investments

Investments are reported at fair value. Fair value is 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. See Note 4 for a discussion of fair value measurements.

Investment transactions are recorded on a trade-date basis. Unrealized gains and losses represent the net change in the carrying value of securities owned as of the date of the consolidating statements of financial position. Realized gains and losses on investments are determined using the specific-identification method. Earnings from dividends are recognized on the ex-dividend date.

Fixed assets

Fixed assets are stated at cost if acquired or at their fair values at the date of donation. Maintenance and repairs are charged to operations when incurred. Expenditures that increase the value or significantly extend the lives of assets with a cost of \$1,000 or more are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Revenue and support recognition

The Organization derives revenue and support primarily from grants, contributions, and program and counseling fees.

Contributions, including beneficial interests in remainder trusts, are recognized as revenue when they are unconditionally promised. Conditional promises to give are recognized as contributions when substantially all conditions are met. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidating statements of activities as "Net assets released from restrictions".

Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. Special event income is recognized when the event has taken place.

Revenue from cost-reimbursement grants is recognized when the Organization has expended the program costs in accordance with the grant agreements.

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Deferred income

Revenue generated from program fees - school-based services is recognized when such services are rendered. The portion of revenue collected in advance but not yet earned is reflected as deferred income.

Advertising

Advertising costs are expensed as incurred and aggregated \$31,428 and \$31,445 for the years ended December 31, 2015 and 2014, respectively.

Allocation of expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidating statements of activities. Accordingly, certain costs have been allocated by management among the programs and supporting services benefited.

Income taxes

JFS and JFSF qualify as tax-exempt, not-for-profit organizations under Section 501(c)(3) of the Internal Revenue Code.

The Organization recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, the Organization assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change.

Management has evaluated the Organization's tax positions and has concluded that the Organization has taken no uncertain tax positions that require adjustment to the consolidating financial statements. Generally, the Organization is no longer subject to income tax examinations by U.S. federal or state taxing authorities for years before 2012.

Reclassifications

Certain amounts in the 2014 consolidating financial statements have been reclassified to conform to the current-year presentation. The change in net assets previously reported for 2014 was not affected by these changes.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through November 16, 2016, the date on which these consolidating financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in these consolidating financial statements.

Starting in January 2016, the board of directors has decided to change its accounting period from a calendar year ended December 31 to a fiscal year ending on June 30.

On October 26, 2016, the board of directors has agreed to acquire Jewish Family Service of North Jersey, Inc., a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. The acquisition is currently in process, and is expected to happen effective January 1, 2017.

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 3. CONCENTRATION OF CREDIT RISK**

The Organization maintains cash and cash equivalent balances with financial institutions which were routinely in excess of federal insurance limits during 2015 and 2014. The Organization has not experienced any losses in these accounts, and management does not believe the Organization is exposed to any significant credit risks with respect to cash and cash equivalents.

Revenue from the after school program accounted for 36% and 34% of total public support and other revenue during the years ended December 31, 2015 and 2014, respectively.

Revenue from Jewish Federation of Northern New Jersey ("JFNNJ") accounted for 14% and 16% of total public support and other revenue during the years ended December 31, 2015 and 2014, respectively.

Revenue from Jewish Family Service of Central New Jersey ("JFSCNJ") accounted for 14% of total public support and other revenue during the year ended December 31, 2015. There was no revenue concentration from JFSCNJ during the year ended December 31, 2014.

Additionally, JFNNJ accounted for 32% and 20% of total accounts receivable at December 31, 2015 and 2014, respectively. JFSCNJ accounted for 52% and 14% of total accounts receivable at December 31, 2015 and 2014, respectively. Bergen County accounted for 47% of total accounts receivable at December 31, 2014. There was no accounts receivable concentration for Bergen County at December 31, 2015.

**NOTE 4. FAIR VALUE MEASUREMENTS**

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the table below. The valuation techniques are as follows:

- a) *Market approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- b) *Cost approach*. Amount that would be required to replace the service capacity of an asset (replacement cost); and
- c) *Income approach*. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)**

The following tables present the investments measured at fair value by level at December 31, 2015 and 2014:

<u>Description</u>	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at December 31, 2015	<u>Valuation Technique</u>
Money market funds	\$ 149,479	\$ -	\$ -	\$ 149,479	(a)
JFNNJ pooled investment account	<u>-</u>	<u>97,723</u>	<u>-</u>	<u>97,723</u>	(a)
Total	<u>\$ 149,479</u>	<u>\$ 97,723</u>	<u>\$ -</u>	<u>\$ 247,202</u>	

<u>Description</u>	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at December 31, 2014	<u>Valuation Technique</u>
Money market funds	\$ 149,613	\$ -	\$ -	\$ 149,613	(a)
Common stock	4,287	-	-	4,287	(a)
JFNNJ pooled investment account	<u>-</u>	<u>101,920</u>	<u>-</u>	<u>101,920</u>	(a)
Total	<u>\$ 153,900</u>	<u>\$ 101,920</u>	<u>\$ -</u>	<u>\$ 255,820</u>	

The following is a description of the valuation methodologies used for assets measured at fair value:

*Money market funds* - valued at cost plus accrued interest, which approximates fair value due to the liquidity of the investment.

*Common stock* - valued based on the closing price reported in the active market in which the individual security is traded.

*JFNNJ pooled investment account* - valued at JFS's share of the investments of the JFNNJ pooled investments as reported by JFNNJ and its investment managers and advisors. The methods and procedures used to value these investments may include but are not limited to: (1) performing comparisons with prices of comparable or similar securities; (2) obtaining valuation-related information from issuers; and/or (3) other analytical data relating to the investment and using other available indications of value, absent readily available market values.



**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)**

The methods 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 the Organization believes its valuation methods are appropriate and consistent with those of 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 5. RETIREMENT OBLIGATION**

JFS provides a voluntary supplementary retirement plan for the former executive director, who retired on June 30, 1995. The liability reflects the present value of the obligation based on mortality tables and a discount rate of 5%.

**NOTE 6. FIXED ASSETS**

The following is an analysis of fixed assets as of December 31, 2015 and 2014:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
<b><u>December 31, 2015</u></b>			
Land	\$ 536,700	\$ -	\$ 536,700
Building and improvements	886,582	(494,840)	391,742
Furniture and equipment	<u>127,323</u>	<u>(99,416)</u>	<u>27,907</u>
	<u>\$ 1,550,605</u>	<u>\$ (594,256)</u>	<u>\$ 956,349</u>
<b><u>December 31, 2014</u></b>			
Land	\$ 536,700	\$ -	\$ 536,700
Building and improvements	873,098	(453,521)	419,577
Furniture and equipment	<u>120,906</u>	<u>(87,728)</u>	<u>33,178</u>
	<u>\$ 1,530,704</u>	<u>\$ (541,249)</u>	<u>\$ 989,455</u>

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 7. TEMPORARILY RESTRICTED NET ASSETS**

During 2015 and 2014, net assets were released from restrictions by incurring expenses satisfying the restricted purposes as follows:

	<b>2015</b>	<b>2014</b>
Youth Assistance Fund	\$ 8,750	\$ 2,000

At December 31, 2015 and 2014, temporarily restricted net assets were available for the following purposes:

	<b>2015</b>	<b>2014</b>
Child counseling	\$ 20,014	\$ 20,014
Senior adults	23,676	23,676
Youth assistance	8,841	17,591
Maier Bat Mitzvah	13,975	13,975
President's fund	18,526	18,526
Bergenfield designated	18,383	18,383
Other programs	8,614	8,614
	\$ 112,029	\$ 120,779

**NOTE 8. MORTGAGE PAYABLE**

In April 2010, JFS entered into a mortgage agreement with a financial institution totaling \$610,000 at an interest rate of 6.25%. Payment of principal and interest is made in monthly installments of \$5,261. The loan is secured by the building located in Teaneck, New Jersey. The mortgage is due on May 1, 2025. Principal payments over the next five years and thereafter are as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2016	\$ 35,833
2017	38,171
2018	40,661
2019	43,314
2020	46,140
Thereafter	242,619
	\$ 446,738

Interest expense for the years ended December 31, 2015 and 2014, was \$29,500 and \$31,445, respectively.

**NOTE 9. RENTAL INCOME**

JFS had an operating lease agreement with a tenant expiring August 2016. Future minimum rents receivable under this noncancelable lease is \$7,200 for the year ending December 31, 2016.

**JEWISH FAMILY SERVICE, INC. AND  
JEWISH FAMILY SERVICE FOUNDATION, INC.  
NOTES TO CONSOLIDATING FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**NOTE 10. PERMANENTLY RESTRICTED NET ASSETS (ENDOWMENTS)**

Interpretation of Relevant Law

The Board of Trustees of JFS follows New Jersey guidelines under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). UPMIFA provides that the governing board may appropriate for expenditures the uses and purposes for which the endowment fund was established, including how much of the net appreciation, both realized and unrealized, of the fair value of the assets of the endowment to be added over the historical value of the fund that is considered prudent. The policy of the governing board is to appropriate all investment income up to 7% of the corpus and the excess added to the historical dollar value.

Return Objectives, Strategies Employed and Spending Policy

The objective is to maintain the principal endowment funds at the original amount designated by the donor while earning investment income. The investment policy to achieve this objective is to invest in low-risk securities. Interest earned in relation to the endowment funds is recorded as unrestricted income.

During the years ended December 31, 2015 and 2014, there were no changes to the permanently restricted net assets.

**NOTE 11. CONTRIBUTIONS**

Contribution revenue includes bequests received by JFSF in the amount of \$176,782 for the year ended December 31, 2014. Such revenue is neither predictable nor recurring.

**NOTE 12. RELATED-PARTY TRANSACTIONS**

During the years ended December 31, 2015 and 2014, board members of the Organization made contributions of \$135,728 and \$136,410, respectively, which is included in the contributions in the accompanying consolidating statements of activities.

**NOTE 13. CONTINGENCIES**

Revenue from cost-reimbursement grants is subject to audits and possible adjustments by the funding agencies. The effects of any such adjustments are recorded when reasonably determinable. Management believes that the effect of audit adjustments, if any, will not have a material effect on the accompanying consolidating financial statements.

**SUPPLEMENTARY INFORMATION**



**CITRIN COOPERMAN**

Attest & Assurance | Tax Compliance & Research | Specialty & Consulting

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
Jewish Family Service, Inc. and Jewish Family Service Foundation, Inc.

We have audited the accompanying consolidating financial statements of Jewish Family Service, Inc. and Jewish Family Service Foundation, Inc. as of and for the year ended December 31, 2015, and our report thereon dated November 16, 2016, which expressed an unmodified opinion on those consolidating financial statements, appears on pages 1 - 2. Our audit was conducted for the purpose of forming an opinion on the consolidating financial statements as a whole. Schedule I - Conference on Jewish Material Claims Against Germany, Inc., Fund: GG17 - Application Number: 16736 on page 19 is presented for purposes of additional analysis and is not a required part of the consolidating 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 consolidating financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating 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 consolidating financial statements as a whole.

  
CERTIFIED PUBLIC ACCOUNTANTS

Plainview, New York  
November 16, 2016

**JEWISH FAMILY SERVICE, INC.**  
**SCHEDULE I - CONFERENCE ON JEWISH MATERIAL CLAIMS**  
**AGAINST GERMANY, INC.**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**FUND: GG17**  
**APPLICATION NUMBER: 16736**

Amounts received:	
Claims conference grant	\$ <u>429,808</u>
Amounts expended:	
Claims conference expenses	386,313
Personnel costs	19,936
Administrative overhead	<u>22,505</u>
	<u>428,754</u>
<b>EXCESS AMOUNTS RECEIVED OVER EXPENDITURES</b>	<b>\$ <u><u>1,054</u></u></b>