

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE

COMBINED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2015 AND 2014
AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2015

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE

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BROOKS, MCGINNIS & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

TWO PREMIER PLAZA

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INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors
of Jewish Family & Career Services, Inc. and Affiliate:

Report on the Financial Statements

We have audited the accompanying combined financial statements of Jewish Family & Career Services, Inc. and Affiliate (nonprofit organizations) (the Organization) which comprise the combined statements of financial position as of June 30, 2015 and 2014, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Jewish Family & Career Services, Inc. and Affiliate as of June 30, 2015 and 2014, and the combined changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Brooks, McGinnis & Company, LLC

Atlanta, Georgia
October 30, 2015

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

| | 2015 | 2014 |
|--|---------------|---------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 988,618 | \$ 165,772 |
| Cash restricted for Capital Campaign purposes | 483,428 | - |
| Grants and accounts receivable | 507,268 | 572,995 |
| Promises to give, net of allowance for doubtful accounts of \$21,010 and \$21,665 | 2,597,057 | 2,637,229 |
| Capital Campaign promises to give, net | 2,173,070 | 7,029 |
| Prepaid expenses and other assets | 195,035 | 180,384 |
| Agency investments | 1,368,616 | 1,178,158 |
| Foundation investments | 4,371,462 | 4,536,832 |
| Property and equipment, net | 5,323,103 | 5,364,822 |
| Total assets | \$ 18,007,657 | \$ 14,643,221 |
| LIABILITIES AND NET ASSETS | | |
| Liabilities: | | |
| Accounts payable | \$ 180,016 | \$ 188,281 |
| Accrued employee benefits | - | 9,173 |
| Deferred compensation | 1,238,155 | 1,036,080 |
| Deferred revenue | 15,721 | 19,822 |
| Capital lease obligations | 473,350 | 466,063 |
| Total liabilities | 1,907,242 | 1,719,419 |
| Net assets: | | |
| Unrestricted | 6,240,997 | 6,186,821 |
| Temporarily restricted | 7,241,742 | 4,094,339 |
| Permanently restricted | 2,617,676 | 2,642,642 |
| Total net assets | 16,100,415 | 12,923,802 |
| Total liabilities and net assets | \$ 18,007,657 | \$ 14,643,221 |

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

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTAL FOR 2014)

| | Unrestricted | Temporarily Restricted | Permanently Restricted | 2015 | Total 2014 |
|---|---------------------|---------------------------|---------------------------|----------------------|----------------------|
| Revenues, gains and support: | | | | | |
| Public support: | | | | | |
| Jewish Federation of Greater Atlanta | \$ - | \$ 1,440,851 | \$ - | \$ 1,440,851 | \$ 1,420,904 |
| United Way Services funding | 51,391 | 503,163 | - | 554,554 | 571,003 |
| Federal awards | - | 217,242 | - | 217,242 | 333,695 |
| Grants | - | 2,530,647 | - | 2,530,647 | 1,889,702 |
| Contributions | 261,503 | 712,042 | 2,947 | 976,492 | 621,257 |
| Annual giving campaign | 1,305,932 | - | - | 1,305,932 | 1,420,465 |
| Capital campaign pledges and contributions | - | 2,941,918 | - | 2,941,918 | - |
| Ben Massell Dental Clinic and other contributed services | 1,916,927 | - | - | 1,916,927 | 1,936,753 |
| Donated equipment | 5,000 | - | - | 5,000 | 109,728 |
| Special events, net of related expenses of \$66,702 (2015) and \$58,430 (2014) | 206,052 | - | - | 206,052 | 254,653 |
| Net assets released from restrictions: | | | | | |
| Satisfaction of program restrictions | 3,362,196 | (3,362,196) | - | - | - |
| Satisfaction of timing and other restrictions: | | | | | |
| Jewish Federation funding | 1,420,904 | (1,420,904) | - | - | - |
| United Way Services funding | 526,507 | (526,507) | - | - | - |
| Transfers | - | 27,913 | (27,913) | - | - |
| Total support | <u>9,056,412</u> | <u>3,064,169</u> | <u>(24,966)</u> | <u>12,095,615</u> | <u>8,558,160</u> |
| Other revenue and gains: | | | | | |
| Program services | 4,214,640 | - | - | 4,214,640 | 4,491,532 |
| Investment income | 17,842 | 83,234 | - | 101,076 | 579,316 |
| Other revenues | 81,581 | - | - | 81,581 | 114,791 |
| Total other revenue and gains | <u>4,314,063</u> | <u>83,234</u> | <u>-</u> | <u>4,397,297</u> | <u>5,185,639</u> |
| Total revenues, gains and support | <u>13,370,475</u> | <u>3,147,403</u> | <u>(24,966)</u> | <u>16,492,912</u> | <u>13,743,799</u> |
| Expenses: | | | | | |
| Program Services: | | | | | |
| Aviv Older Adult Services | 2,102,827 | - | - | 2,102,827 | 2,407,866 |
| Adoption Services | 78,571 | - | - | 78,571 | 53,301 |
| Counseling/Child and Adolescent Services | 1,923,205 | - | - | 1,923,205 | 1,966,030 |
| Careers and International Services | 604,617 | - | - | 604,617 | 650,784 |
| Developmental Disabilities Services | 3,467,030 | - | - | 3,467,030 | 3,673,741 |
| Ben Massell Dental Clinic | 3,063,693 | - | - | 3,063,693 | 2,932,825 |
| Total program services | <u>11,239,943</u> | <u>-</u> | <u>-</u> | <u>11,239,943</u> | <u>11,684,547</u> |
| Supporting Services: | | | | | |
| Management and general | 1,265,541 | - | - | 1,265,541 | 1,323,055 |
| Fundraising | 810,815 | - | - | 810,815 | 617,973 |
| Total supporting services | <u>2,076,356</u> | <u>-</u> | <u>-</u> | <u>2,076,356</u> | <u>1,941,028</u> |
| Total expenses and losses | <u>13,316,299</u> | <u>-</u> | <u>-</u> | <u>13,316,299</u> | <u>13,625,575</u> |
| Change in net assets | 54,176 | 3,147,403 | (24,966) | 3,176,613 | 118,224 |
| Net assets, beginning of year | <u>6,186,821</u> | <u>4,094,339</u> | <u>2,642,642</u> | <u>12,923,802</u> | <u>12,805,578</u> |
| Net assets, end of year | <u>\$ 6,240,997</u> | <u>\$ 7,241,742</u> | <u>\$ 2,617,676</u> | <u>\$ 16,100,415</u> | <u>\$ 12,923,802</u> |

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

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

| | Unrestricted | Temporarily Restricted | Permanently Restricted | 2014 |
|---|--------------|---------------------------|---------------------------|---------------|
| Revenues, gains and support: | | | | |
| Public support: | | | | |
| Jewish Federation of Greater Atlanta | \$ - | \$ 1,420,904 | \$ - | \$ 1,420,904 |
| United Way Services funding | 44,496 | 526,507 | - | 571,003 |
| Federal awards | - | 333,695 | - | 333,695 |
| Grants | - | 1,889,702 | - | 1,889,702 |
| Contributions | 155,757 | 465,500 | - | 621,257 |
| Annual giving campaign | 1,420,465 | - | - | 1,420,465 |
| Ben Massell Dental Clinic and other contributed services | 1,936,753 | - | - | 1,936,753 |
| Donated equipment | 109,728 | - | - | 109,728 |
| Special events, net of related expenses of \$58,430 and \$63,341, respectively | 254,653 | - | - | 254,653 |
| Net assets released from restrictions: | | | | |
| Satisfaction of program restrictions | 3,099,236 | (3,099,236) | - | - |
| Satisfaction of timing and other restrictions: | | | | |
| Jewish Federation funding | 1,428,904 | (1,428,904) | - | - |
| United Way Services funding | 508,357 | (508,357) | - | - |
| Transfers | (2,923) | - | 2,923 | - |
| Total support | 8,955,426 | (400,189) | 2,923 | 8,558,160 |
| Other revenue and gains: | | | | |
| Program services | 4,491,532 | - | - | 4,491,532 |
| Investment income | 78,616 | 500,700 | - | 579,316 |
| Other revenues | 114,791 | - | - | 114,791 |
| Total other revenue and gains | 4,684,939 | 500,700 | - | 5,185,639 |
| Total revenues, gains and support | 13,640,365 | 100,511 | 2,923 | 13,743,799 |
| Expenses: | | | | |
| Program Services: | | | | |
| Aviv Older Adult Services | 2,407,866 | - | - | 2,407,866 |
| Adoption Services | 53,301 | - | - | 53,301 |
| Counseling/Child and Adolescent Services | 1,966,030 | - | - | 1,966,030 |
| Careers and International Services | 650,784 | - | - | 650,784 |
| Developmental Disabilities Services | 3,673,741 | - | - | 3,673,741 |
| Ben Massell Dental Clinic | 2,932,825 | - | - | 2,932,825 |
| Total program services | 11,684,547 | - | - | 11,684,547 |
| Supporting Services: | | | | |
| Management and general | 1,323,055 | - | - | 1,323,055 |
| Fundraising | 617,973 | - | - | 617,973 |
| Total supporting services | 1,941,028 | - | - | 1,941,028 |
| Total expenses and losses | 13,625,575 | - | - | 13,625,575 |
| Change in net assets | 14,790 | 100,511 | 2,923 | 118,224 |
| Net assets, beginning of year | 6,172,031 | 3,993,828 | 2,639,719 | 12,805,578 |
| Net assets, end of year | \$ 6,186,821 | \$ 4,094,339 | \$ 2,642,642 | \$ 12,923,802 |

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

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

| | Aviv Older Adult Services | Adoption Services | Counseling/Child and Adolescent Services | Careers and International Services | Developmental Disabilities Services | Ben Massell Dental Clinic | Total Program | Management and General | Fundraising | Total Expenses |
|--|---------------------------------|----------------------|--|--|---|---------------------------------|------------------|---------------------------|-------------|-------------------|
| Salaries and wages | \$ 1,161,132 | \$ 47,486 | \$ 1,138,504 | \$ 401,083 | \$ 2,190,060 | \$ 490,933 | \$ 5,429,198 | \$ 771,772 | \$ 440,012 | \$ 6,640,982 |
| Payroll benefits and payroll taxes | 201,012 | 4,476 | 160,072 | 62,808 | 366,855 | 84,964 | 880,187 | 101,823 | 70,642 | 1,052,652 |
| Total personnel costs | 1,362,144 | 51,962 | 1,298,576 | 463,891 | 2,556,915 | 575,897 | 6,309,385 | 873,595 | 510,654 | 7,693,634 |
| Annual Campaign costs | - | - | - | - | - | - | - | 75 | 114,604 | 114,679 |
| Capital Campaign costs | - | - | - | - | - | - | - | - | 108,232 | 108,232 |
| Bad debt expense | 719 | - | - | - | - | - | 719 | 7,123 | - | 7,842 |
| Building occupancy, repairs and maintenance | 23,844 | 7,344 | 52,323 | 12,791 | 73,428 | 57,291 | 227,021 | 25,341 | 14,029 | 266,391 |
| Client assistance | 537,577 | 12,248 | 316,185 | 25,718 | 323,913 | 140 | 1,215,781 | - | - | 1,215,781 |
| Conferences and meetings | 3,464 | 118 | 7,673 | 356 | 10,646 | 2,981 | 25,238 | 45,421 | 2,635 | 73,294 |
| Dues and subscriptions | 1,006 | 100 | 854 | 2,819 | 8,900 | 806 | 14,485 | 15,109 | - | 29,594 |
| Information technology | 30,244 | 779 | 40,597 | 15,984 | 56,293 | 31,393 | 175,290 | 32,506 | 17,910 | 225,706 |
| In-kind professional fees | - | - | - | - | - | 1,904,102 | 1,904,102 | 12,825 | - | 1,916,927 |
| Insurance and taxes | 22,265 | 590 | 29,107 | 12,002 | 61,430 | 13,846 | 139,240 | 19,453 | 13,167 | 171,860 |
| Marketing and advertising | 5,172 | 462 | 12,738 | 591 | 17,792 | 5,237 | 41,992 | 70,267 | 126 | 112,385 |
| Other | 109 | 3 | 143 | 59 | 12,453 | 68 | 12,835 | 2,448 | 65 | 15,348 |
| Postage | 4,719 | 81 | 1,513 | 1,004 | 2,189 | 1,158 | 10,664 | 4,990 | 7,206 | 22,860 |
| Professional fees | 35,518 | 223 | 88,157 | 49,002 | 69,299 | 20,155 | 262,354 | 109,227 | - | 371,581 |
| Supplies | 36,269 | 2,109 | 45,744 | 9,661 | 59,998 | 112,495 | 266,276 | 20,628 | 11,469 | 298,373 |
| Telephone | 8,032 | 435 | 5,234 | 1,475 | 21,168 | 9,668 | 46,012 | 7,854 | 2,028 | 55,894 |
| Transportation | 9,049 | 1,189 | 2,107 | 1,424 | 123,374 | 448 | 137,591 | 3,594 | 89 | 141,274 |
| Total expenses before depreciation | 2,080,131 | 77,643 | 1,900,951 | 596,777 | 3,397,798 | 2,735,685 | 10,788,985 | 1,250,456 | 802,214 | 12,841,655 |
| Depreciation | 22,696 | 928 | 22,254 | 7,840 | 69,232 | 328,008 | 450,958 | 15,085 | 8,601 | 474,644 |
| Total expenses | \$ 2,102,827 | \$ 78,571 | \$ 1,923,205 | \$ 604,617 | \$ 3,467,030 | \$ 3,063,693 | \$ 11,239,943 | \$ 1,265,541 | \$ 810,815 | \$ 13,316,299 |
| Percentage of Total | 16% | less than 1% | 14% | 5% | 26% | 23% | 84% | 10% | 6% | 100% |

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

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

| | Aviv Older Adult Services | Adoption Services | Counseling/Child and Adolescent Services | Careers and International Services | Developmental Disabilities Services | Ben Massell Dental Clinic | Total Program | Management and General | Fundraising | Total Expenses |
|---|---------------------------------|----------------------|--|--|---|---------------------------------|----------------------|---------------------------|-------------------|----------------------|
| Salaries and wages | \$ 1,406,604 | \$ 33,321 | \$ 1,245,736 | \$ 432,645 | \$ 2,334,573 | \$ 425,240 | \$ 5,878,119 | \$ 789,044 | \$ 388,362 | \$ 7,055,525 |
| Payroll benefits and payroll taxes | 225,732 | 4,028 | 175,829 | 70,132 | 402,443 | 75,969 | 954,133 | 103,662 | 61,083 | 1,118,878 |
| Total personnel costs | 1,632,336 | 37,349 | 1,421,565 | 502,777 | 2,737,016 | 501,209 | 6,832,252 | 892,706 | 449,445 | 8,174,403 |
| Annual Campaign costs | - | - | - | - | - | - | - | - | 79,830 | 79,830 |
| Bad debt expense | 549 | - | - | - | - | - | 549 | 22,329 | - | 22,878 |
| Building occupancy, repairs and maintenance | 24,560 | 7,200 | 49,366 | 14,179 | 74,457 | 51,662 | 221,424 | 18,160 | 10,805 | 250,389 |
| Client assistance | 560,927 | 3,720 | 274,843 | 30,003 | 337,150 | - | 1,206,643 | - | - | 1,206,643 |
| Conferences and meetings | 6,552 | - | 8,587 | 2,118 | 17,675 | 3,111 | 38,043 | 46,221 | 1,902 | 86,166 |
| Dues and subscriptions | 1,735 | - | 783 | 219 | 5,475 | 841 | 9,053 | 18,546 | - | 27,599 |
| Information technology | 37,756 | 680 | 38,495 | 18,947 | 59,782 | 15,621 | 171,281 | 27,120 | 17,624 | 216,025 |
| In-kind professional fees | - | - | - | - | - | 1,900,059 | 1,900,059 | 36,694 | - | 1,936,753 |
| Insurance and taxes | 24,456 | 525 | 28,229 | 13,914 | 72,439 | 12,384 | 151,947 | 17,832 | 10,680 | 180,459 |
| Marketing and advertising | 6,045 | 575 | 11,278 | 1,272 | 15,130 | 7,262 | 41,562 | 86,420 | 14,442 | 142,424 |
| Other | - | - | - | - | 8,993 | - | 8,993 | 730 | - | 9,723 |
| Postage | 5,090 | 171 | 2,454 | 941 | 3,945 | 1,210 | 13,811 | 4,415 | 7,051 | 25,277 |
| Professional fees | 36,507 | 249 | 66,446 | 44,943 | 43,309 | 15,553 | 207,007 | 105,747 | 5,277 | 318,031 |
| Supplies | 23,713 | 1,187 | 31,641 | 10,880 | 44,716 | 102,972 | 215,109 | 20,775 | 11,844 | 247,728 |
| Telephone | 8,681 | 547 | 5,395 | 1,855 | 21,941 | 8,334 | 46,753 | 8,867 | 1,946 | 57,566 |
| Transportation | 13,076 | 506 | 4,407 | 764 | 160,877 | 784 | 180,414 | 2,340 | - | 182,754 |
| Total expenses before depreciation | 2,381,983 | 52,709 | 1,943,489 | 642,812 | 3,602,905 | 2,621,002 | 11,244,900 | 1,308,902 | 610,846 | 13,164,648 |
| Depreciation | 25,883 | 592 | 22,541 | 7,972 | 70,836 | 311,823 | 439,647 | 14,153 | 7,127 | 460,927 |
| Total expenses | <u>\$ 2,407,866</u> | <u>\$ 53,301</u> | <u>\$ 1,966,030</u> | <u>\$ 650,784</u> | <u>\$ 3,673,741</u> | <u>\$ 2,932,825</u> | <u>\$ 11,684,547</u> | <u>\$ 1,323,055</u> | <u>\$ 617,973</u> | <u>\$ 13,625,575</u> |
| Percentage of Total | <u>18%</u> | <u>less than 1%</u> | <u>14%</u> | <u>5%</u> | <u>27%</u> | <u>22%</u> | <u>86%</u> | <u>10%</u> | <u>4%</u> | <u>100%</u> |

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

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

| | <u>2015</u> | <u>2014</u> |
|--|---------------------|-------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ <u>3,176,613</u> | \$ <u>118,224</u> |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation expense | 474,644 | 460,927 |
| Net realized and unrealized gains on investments | (2,983) | (457,366) |
| Donated equipment | (5,000) | (109,728) |
| Contributions restricted for permanent endowment | (2,947) | - |
| Promises to give restricted for Capital Campaign | (2,941,918) | - |
| Changes in assets and liabilities: | | |
| (Increase) decrease in: | | |
| Grants and accounts receivable | 65,727 | 25,249 |
| Promises to give, net | 40,172 | (128,582) |
| Prepaid expenses and other assets | (14,651) | (10,280) |
| Increase (decrease) in: | | |
| Accounts payable | (8,265) | (52,843) |
| Accrued employee benefits | (9,173) | (4,242) |
| Deferred revenue | (4,101) | (4,230) |
| Total adjustments | <u>(2,408,495)</u> | <u>(281,095)</u> |
| Net cash provided by (used in) operating activities | <u>768,118</u> | <u>(162,871)</u> |
| Cash flows from investing activities: | | |
| Increase in cash restricted for Capital Campaign purposes | (483,428) | - |
| Sales of investments | 3,557,440 | 5,286,472 |
| Purchases of investments | (3,377,470) | (5,186,150) |
| Purchase of property and equipment | (364,113) | (81,973) |
| Net cash provided by (used in) investing activities | <u>(667,571)</u> | <u>18,349</u> |
| Cash flows from financing activities: | | |
| Collections on Capital Campaign promises to give | 775,877 | 25,898 |
| Contributions restricted for permanent endowment | 2,947 | - |
| Principal payments on capital lease obligations | (56,525) | (80,059) |
| Net cash provided by (used in) financing activities | <u>722,299</u> | <u>(54,161)</u> |
| Net increase (decrease) in cash and cash equivalents | 822,846 | (198,683) |
| Cash and cash equivalents, beginning of year | <u>165,772</u> | <u>364,455</u> |
| Cash and cash equivalents, end of year | <u>\$ 988,618</u> | <u>\$ 165,772</u> |
| Supplemental disclosure of cash flow information: | | |
| Non-cash addition to equipment under capital lease | <u>\$ 63,812</u> | <u>\$ -</u> |
| Interest paid | <u>\$ 2,246</u> | <u>\$ 632</u> |

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

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies

Jewish Family & Career Services, Inc. (the Agency) was incorporated in 1997 as a result of a merger between Jewish Family Services, Inc. and Jewish Vocational Services, Inc. JF&CS Foundation, Inc. (the Foundation) receives and administers funds for the exclusive benefit and support of Jewish Family & Career Services, Inc. Together, Jewish Family & Career Services, Inc. and JF&CS Foundation, Inc. are referred to as the Organization.

The Organization is a private, nonprofit organization as defined in Section 501(c)(3) of the Internal Revenue Code, whose purpose is to provide health, career, and human services to support and enhance the well-being of individuals and families across all ages, faiths, cultures and lifestyles. JF&CS Foundation, Inc. is further categorized as a Type 1 supporting organization under Section 509(a)(3) of the Internal Revenue Code.

Principles of Combination

The combined financial statements include the accounts of Jewish Family & Career Services, Inc. and JF&CS Foundation, Inc. All significant intercompany accounts and transactions have been eliminated in combination.

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 those estimates.

Comparative Totals

Comparative totals included in the 2015 combined statements of activities should be read in conjunction with the 2014 combined financial statements from which the summarized information was derived.

Method of Reporting and Financial Statement Presentation

The Organization maintains its accounts on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization reports 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) based upon the existence or absence of donor-imposed restrictions, as follows:

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies – Continued

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions including the carrying value of all property and equipment. Items that affect (i.e., increase or decrease) this net asset category include program service fees and related expenses associated with the core activities of the Organization. In addition to these exchange transactions, changes to this category of net assets include investment income and unrestricted contributions.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are restricted contributions including promises to give for which restrictions have not been met or the specific time period that they may be used has not passed. These amounts are reclassified to unrestricted net assets when such restrictions are met or have expired.

Permanently Restricted Net Assets – Net assets subject to donor-imposed restrictions to be maintained permanently by the Organization. Items that affect this net asset category include gifts wherein donors stipulate that the corpus be held in perpetuity (primarily gifts for endowment) and only the income, as defined by the Organization’s investment policy, be made available for program operations or other purposes as specified by the donor.

Promises to give and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of donor restrictions.

Cash and Cash Equivalents and Concentration of Credit

For purposes of the statements of cash flows, the Organization considers all short-term, interest-bearing deposits with original maturities of three months or less to be cash equivalents.

Cash and cash equivalents include demand deposit accounts. Balances in the Organization’s demand deposit accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured balances in the demand deposit accounts as of June 30, 2015 and 2014 totaled \$1,422,086 and \$64,337, respectively. Management believes that cash and investments are maintained at financial institutions with high credit ratings that would, under normal circumstances, carry a low risk of potential loss.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies – Continued

Grants and Accounts Receivable

Reimbursements to be received under contracts with Federal grantors are recorded as revenue when the related expenditures are incurred. Reimbursements are based on actual expenditures or cost per unit of service arrangements. Grants and accounts receivable represent amounts due for such expenditures incurred prior to year-end. Management believes grants and accounts receivable are fully collectible as of June 30, 2015 and 2014.

Promises to Give

Promises to give are recognized as revenues in the period the unconditional promise is made at their estimated fair value less an appropriate allowance for uncollectible amounts. Promises to give over more than one year are recorded at their discounted present value. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based on quoted market prices with all related gains and losses reported in the statements of activities.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Property and equipment are stated at cost or estimated fair value at time of donation. Depreciation is computed by the straight-line method over the estimated useful lives as stated below:

| | |
|-----------------------------------|---------------|
| Buildings and improvements | 10 - 40 years |
| Furniture, fixtures and equipment | 3 - 7 years |
| Vehicles | 5 years |

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Organization's management identified no indicators of impairment of property and equipment as of June 30, 2015 and 2014.

Deferred Revenue

Deferred revenue primarily represents fees received for services to be performed in the subsequent year.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies – Continued

Ben Massell Dental Clinic Contributed Services

The Organization operates the Ben Massell Dental Clinic (BMDC) which provides quality dental care at no cost to Atlanta's neediest population. BMDC provided 20,210 and 20,199 procedures to patients with a fair market value of approximately \$5,440,000 and \$5,429,000 during the years ended June 30, 2015 and 2014, respectively.

BMDC's procedures are solely provided by volunteer dentists. Such non-cash gifts of services (and corresponding offsetting expenses) are recorded at their estimated fair value, as such services are provided by individuals possessing specialized skills that would need to be purchased if not provided by donation. For the years ended June 30, 2015 and 2014, such volunteer services had an aggregate estimated fair value of \$1,904,101 and \$1,900,059, respectively. Such fair value is based on the estimated value of the service if provided at a private dental practice less an estimate for overhead at such practice.

Income Taxes

The Organization is a nonprofit organization exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended June 30, 2015 and 2014, the Organization did not have any unrelated business income, and accordingly, no unrelated business income tax. The Organization's income tax returns are subject to examination by the appropriate regulatory authorities for all open years, which typically include the last three years filed.

Functional Allocation of Expenses

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

Subsequent Event

Subsequent events have been evaluated through October 30, 2015, which is the date the financial statements were available to be issued, and there were no significant subsequent events.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies – Continued

Reclassification of Previously Presented Amounts

Public support contributions aggregating \$173,200 have been reclassified from “Unrestricted” to “Temporarily Restricted” in the accompanying 2014 Combined Statement of Activities; Net Assets Released from Program Restrictions have been increased by the same amount. Accordingly, this reclassification had no effect on Total Support previously presented in such statement.

In addition, Depreciation expense aggregating \$115,452 has been reclassified from “Management and General” to several programs in the accompanying 2014 Combined Statement of Functional Expenses.

2. Promises to Give, Net

All promises to give are expected to be received within one to five years. Promises to give at June 30 are as follows:

| | 2015 | 2014 |
|--------------------------------------|--------------|--------------|
| Jewish Federation promise to give | \$ 1,440,851 | \$ 1,420,904 |
| United Way Services promise to give | 503,163 | 526,507 |
| Unrestricted annual promises to give | 653,043 | 689,818 |
| | \$ 2,597,057 | \$ 2,637,229 |

Unrestricted annual promises to give above are expected to be collected as follows:

| | 2015 | 2014 |
|-----------------------------------|------------|------------|
| Due within one year | \$ 600,662 | \$ 596,847 |
| Due within two to five years | 55,000 | 100,000 |
| Less present value discount of 5% | (2,619) | (7,029) |
| | \$ 653,043 | \$ 689,818 |

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

3. Capital Campaign Promises to Give, Net

During 2014, the Organization embarked on a \$5.1 million Capital Campaign to complete its campus in Dunwoody, Georgia. Gross pledges to the campaign total approximately \$3,150,000 as of June 30, 2015, of which the Agency expects to receive approximately \$3,100,000. Approximately \$830,000 of these pledges have been received as of June 30, 2015. As of June 30, 2015, Capital campaign promises to give consist of the following:

| | |
|-----------------------------------|----------------------------|
| Due within one year | \$ 1,108,343 |
| Due within two to five years | 1,161,991 |
| Less present value discount of 5% | <u>(97,264)</u> |
| | <u><u>\$ 2,173,070</u></u> |

4. Investments

Agency Investments

The Agency maintains investments primarily associated with deferred compensation plans as further described in Note 6. These plans establish parameters as to how their assets are to be invested.

Foundation Investments

The Foundation owns all of the Organization's endowment funds. The Board of Directors of JF&CS Foundation has adopted an Investment Policy for the purpose of providing general guidelines for the prudent management of its investments. The JF&CS Foundation Board has fiduciary responsibility for directing and monitoring the investment management of the assets and is authorized to establish relationships and delegate responsibilities to a third party to manage the assets. The JF&CS Foundation Board has delegated management responsibility to an external professional investment manager.

To satisfy the long-term objectives of JF&CS Foundation, the investment policy has various asset allocation guidelines. The target allocations are intended to represent long term averages based on the overall risk level the Foundation is willing take with respect to the portfolio, the intent being that current allocations be determined by the investment advisor within certain parameters and approved by the Foundation Board. The JF&CS Foundation Board reviews these allocation percentages periodically.

The JF&CS Foundation Board meets on a quarterly basis with an external professional investment manager to review asset performance results, comparable benchmark results, plan reports, asset allocation, appropriateness of plan assets and any other related issues. The Investment Policy is reviewed at least annually to determine whether it is still appropriate.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

4. Investments – Continued

Foundation Investments – Continued

The JF&CS Foundation Board determines the amount to be made available annually to meet the needs of and be spent by Jewish Family & Career Services. The annual amount expected to be made available is approximately 5% of the total asset value, however, the JF&CS Foundation Board has the discretion to adjust this amount as needed based on market conditions. Amounts made available are in line with the donor's intent, a written donor agreement, or the charitable mission of Jewish Family & Career Services. No funds may be used to further any personal interests of any related party to the Organization. For the years ended June 30, 2015 and 2014, the Foundation incurred total investment fees and expenses of approximately \$33,000 and \$25,000, respectively.

Investment Assets

The Organization classifies its investment assets using a hierarchy of inputs to fair value measurements in accordance with professional standards, as follows:

- Level 1* – Quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.
- Level 2* – Inputs to the valuation methodology that are derived principally from or corroborated by observable market data:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the assets or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3* – Inputs that are unobservable and significant to the overall fair value measurement.

The asset's 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 Organization's direct investments in equity and fixed income securities consist primarily of investments in exchange-traded companies, mutual funds or bond funds. Accordingly, the Organizations' direct investments in equity and fixed income investments are Level 1 securities. The Organization values all other securities at prices provided by its investment manager, which obtains such pricing from recognized pricing services. Such services generally provide daily asset pricing and are verified by the investment manager by reference to a secondary pricing source. Accordingly, a portion of the Organization's other investments are classified as Level 2 investments. None of the Organization's investments are Level 3 investments.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

4. Investments – Continued

| <u>Agency Investments</u> | <u>Fair Value Hierarchy</u> | <u>2015</u> | <u>2014</u> |
|--------------------------------|---------------------------------|---------------------|---------------------|
| Money market funds | 2 | \$ 24,833 | \$ 28,600 |
| Equity mutual funds | 1 | 826,583 | 751,800 |
| Preferred securities | 1 | - | 70,193 |
| Equities | 1 | 456,122 | 272,047 |
| Bond funds and corporate bonds | 1 | 55,653 | 19,633 |
| Broad commodity funds | 1 | 5,425 | 35,885 |
| Total Agency investments | | <u>\$ 1,368,616</u> | <u>\$ 1,178,158</u> |

| <u>Foundation Investments</u> | <u>Fair Value Hierarchy</u> | <u>2015</u> | <u>2014</u> |
|-------------------------------|---------------------------------|---------------------|---------------------|
| Money market funds | 2 | \$ 290,790 | \$ 148,064 |
| Individual common stocks | 1 | 431,745 | 397,027 |
| Equity mutual funds: | | | |
| Large cap | 1 | 942,177 | 1,058,142 |
| Mid cap | 1 | 714,074 | 1,114,009 |
| Small cap blend | 1 | 162,180 | 270,824 |
| International | 1 | 1,095,358 | 782,809 |
| Fixed Income: | | | |
| Short term bond fund | 1 | 317,266 | 537,198 |
| Other | 1 | 403,835 | 114,140 |
| Other investments | 1 | 14,037 | 114,619 |
| Total Foundation investments | | <u>\$ 4,371,462</u> | <u>\$ 4,536,832</u> |

Investment income consists of the following for the years ended June 30:

| | <u>2015</u> | <u>2014</u> |
|------------------------|-------------------|-------------------|
| Interest and dividends | \$ 98,093 | \$ 121,950 |
| Realized gain | 3,459 | 528,252 |
| Unrealized gain (loss) | (476) | (70,886) |
| Investment income | <u>\$ 101,076</u> | <u>\$ 579,316</u> |

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

5. Property and Equipment, Net

Property and equipment consist of the following at June 30:

| | 2015 | 2014 |
|--|--------------|--------------|
| Land and building | \$ 3,282,601 | \$ 3,282,601 |
| Land and building under capital lease | 2,716,605 | 2,716,605 |
| Leasehold improvements | 792,858 | 792,858 |
| Office equipment and furniture | 1,083,825 | 904,567 |
| Dental equipment and furniture | 1,655,716 | 1,655,716 |
| Vehicles | 475,963 | 425,951 |
| Construction in progress | 248,580 | 44,925 |
| | 10,256,148 | 9,823,223 |
| Less accumulated depreciation for all other assets | (4,933,045) | (4,458,401) |
| Property and equipment, net | \$ 5,323,103 | \$ 5,364,822 |

Depreciation expense for the years ended June 30, 2015 and 2014 was \$474,644 and \$460,927, respectively.

6. Deferred Compensation

The Organization has entered into a deferred compensation agreement with its former Chief Executive Officer that provides benefits payable at the earlier of age 66, retirement, death, total disability, or severance from the Organization. Under certain conditions, benefits are payable to his surviving beneficiary. The amount of such liability at June 30, 2015 and 2014 is \$895,885 and \$741,570, respectively. Deferred compensation charged to expense totaled approximately \$76,000 and \$73,000 for the years ended June 30, 2015 and 2014, respectively. The Organization's liability under this plan as of January 4, 2016 is expected to be paid to the former executive on that date. Agency investments which fund this plan (as discussed in Note 4) are also expected to be liquidated at this that time.

The Organization also maintains a deferred compensation plan under Internal Revenue Code Section 457(b) for a select group of management or highly compensated employees. Eligible employees may elect to make pre-tax deferrals into this plan up to Internal Revenue Service contribution limits. All compensation deferred under this plan and all investments purchased with such deferrals are owned by the Organization until distributed to the employee. The amount of such liability at June 30, 2015 and 2014 is \$342,270 and \$294,510, respectively.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

7. Line of Credit

The Organization has a line of credit with a maximum amount available of \$600,000 that is secured by property owned by the Organization and is due on demand. The Organization is required to pay down any outstanding balance under this line to a maximum of \$100 for 30 consecutive days annually. The line of credit accrues interest at the Bank's Prime Rate (3.25% as of June 30, 2015) plus .5% with a floor of 5%. There was no amount due on the line of credit as of June 30, 2015 and June 30, 2014. This line of credit agreement expires March 11, 2016.

8. Lease Obligations

Capital Lease Obligations

The Organization is the lessee of its corporate office building and phone equipment under agreements that allow the Organization to purchase the related assets for a significantly reduced amount (less than \$1,000) on expiration of the leases. These agreements have been accounted for as capital leases. The building and phone equipment leases have been capitalized based upon interest rates of 6% and 4.6%, respectively. However, payments under the building lease vary based on LIBOR (up to a maximum of 6%). Accumulated depreciation for the building and phone equipment under the capital lease agreements totaled \$673,590 and \$617,856 as of June 30, 2015 and 2014, respectively. Depreciation expense for the building and phone equipment under capital leases was \$55,734 and \$45,767 for the years ended June 30, 2015 and 2014, respectively. Contractual future lease payments under capital leases for each of the next six years and in the aggregate are as follows:

| <u>For Year Ending June 30:</u> | <u>Building</u> | <u>Phone Equipment</u> | <u>Total</u> |
|-----------------------------------|-------------------|----------------------------|-------------------|
| 2016 | \$ 80,173 | \$ 14,311 | \$ 94,484 |
| 2017 | 80,173 | 14,311 | 94,484 |
| 2018 | 80,173 | 14,311 | 94,484 |
| 2019 | 80,173 | 14,311 | 94,484 |
| 2020 | 80,173 | 10,733 | 90,906 |
| 2021 | 80,173 | - | 80,173 |
| Total minimum lease payments | <u>481,038</u> | <u>67,975</u> | <u>549,013</u> |
| Less amount representing interest | <u>(68,644)</u> | <u>(7,019)</u> | <u>(75,663)</u> |
| | <u>\$ 412,394</u> | <u>\$ 60,956</u> | <u>\$ 473,350</u> |

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

8. Lease Obligations – Continued

Operating Lease Obligations

The Organization has several non-cancelable operating leases, primarily for leased facilities and equipment that expire over future years and provide for purchase or renewal options. Future minimum lease payments under non-cancelable operating leases are:

For Year Ending June 30:

| | | |
|------------------------------|----|----------------------|
| 2016 | \$ | 39,642 |
| 2017 | | 33,454 |
| 2018 | | <u>15,782</u> |
| Total minimum lease payments | \$ | <u><u>88,878</u></u> |

Total rent expense for operating leases was approximately \$82,000 and \$71,000 for the years ended June 30, 2015 and 2014, respectively.

9. Unrestricted Net Assets

Unrestricted net assets consist of the following at June 30:

| | <u>2015</u> | <u>2014</u> |
|--|----------------------------|----------------------------|
| Expended for property and equipment, net of accumulated depreciation and capital lease obligation | \$ 4,849,753 | \$ 4,898,759 |
| Available for operations | <u>1,391,244</u> | <u>1,288,062</u> |
| Total unrestricted net assets | <u><u>\$ 6,240,997</u></u> | <u><u>\$ 6,186,821</u></u> |

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

10. Temporarily Restricted Net Assets

Temporarily restricted net assets are comprised of funds the Organization has received subject to donor imposed restrictions. Temporarily restricted net assets are available for the following purposes or time at June 30:

| | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|
| Jewish Federation funding | \$ 1,440,851 | \$ 1,420,904 |
| United Way Services funding | 503,163 | 526,507 |
| Capital Campaign - Campus Project | 2,656,498 | - |
| Ben Massell Dental Clinic | 103,325 | 89,846 |
| Aviv Older Adult Services | 148,312 | 190,960 |
| Adoption Services | 148,007 | 158,735 |
| Counseling/Child and Adolescent Services | 229,360 | 223,560 |
| Developmental Disabilities Services | 284,728 | 372,095 |
| Building/general and administrative | 301,085 | 281,493 |
| Community Human Services | 37,038 | 69,007 |
| Passover and emergency assistance | 347,899 | 185,125 |
| Grants restricted for use in the subsequent year | 1,041,476 | 576,107 |
| Total temporarily restricted net assets | <u>\$ 7,241,742</u> | <u>\$ 4,094,339</u> |

Temporarily restricted net assets consist of the following as of June 30:

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|
| Cash and cash equivalents | \$ 1,472,046 | \$ 165,772 |
| Jewish Federation promise to give | 1,440,851 | 1,420,904 |
| United Way Services promise to give | 503,163 | 526,507 |
| Capital Campaign promises to give, net | 2,173,070 | 7,029 |
| Agency investments | 130,461 | 81,951 |
| Foundation investments | 1,522,151 | 1,892,176 |
| Total temporarily restricted net assets | <u>\$ 7,241,742</u> | <u>\$ 4,094,339</u> |

During the years ended June 30, 2015 and 2014, certain net assets were released from donor restrictions by satisfying time and/or program restrictions specified by donors. Total satisfaction of program restrictions was as follows:

| | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|
| Federal award grants | \$ 217,242 | \$ 333,695 |
| Grants | 2,065,278 | 2,167,846 |
| Passover and emergency assistance | 193,129 | 145,809 |
| Capital Campaign purposes | 285,420 | - |
| Other | 601,127 | 451,886 |
| Total satisfaction of program restrictions | <u>\$ 3,362,196</u> | <u>\$ 3,099,236</u> |

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

11. Permanently Restricted Net Assets and Endowment Funds

JF&CS Foundation follows the requirements of Georgia’s Uniform Prudent Management of Institutional Funds Act (the “Act”). The Foundation is required to evaluate the gift instrument and related information to determine the directions and intentions of the donor. The Foundation classifies gifts that are not immediately expendable as either temporarily or permanently restricted, depending on the restrictions that the donor has imposed. As a result, JF&CS Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to a permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. Unless otherwise stated in the donor agreement, earnings on permanent endowments are classified as temporarily restricted for the purpose specified by the donor until those funds are approved to be spent.

Permanently restricted net assets are comprised of the corpus of investments subject to donor imposed restrictions. Income from these investments may be expended to support the following activities at June 30:

| | 2015 | 2014 |
|--|--------------|--------------|
| Aviv Older Adult Services | \$ 917,999 | \$ 914,962 |
| Adoption Services | 25,000 | 25,000 |
| Counseling/Child and Adolescent Services | 27,065 | 27,065 |
| Developmental Disabilities Services | 550,000 | 578,003 |
| Ben Massell Dental Clinic | 591,852 | 591,852 |
| Community Human Service Endowment - donor directs the use of income for various programs as needs change | 505,760 | 505,760 |
| Total permanently restricted net assets | \$ 2,617,676 | \$ 2,642,642 |

All funds held by JF&CS Foundation, Inc. were established by gifts or bequests to provide a source of future income generally for specific purposes and are therefore considered endowment funds for financial reporting purposes. Jewish Family & Career Services, Inc. does not maintain any endowment funds but rather receives numerous grants and contributions from various funders generally to be used for Organization combined activities within the upcoming year.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

11. Permanently Restricted Net Assets and Endowment Funds – Continued

Endowment and other funds by net assets category consisted of the following as of June 30, 2015 and 2014:

| 2015 | Unrestricted Board Designated | Temporarily Restricted | Permanently Restricted | Total |
|--|----------------------------------|---------------------------|---------------------------|---------------|
| Endowment funds, beginning of year | \$ 515,523 | \$ 1,378,667 | \$ 2,642,642 | \$ 4,536,832 |
| Contributions/transfers | 7,208 | 83,710 | 2,947 | 93,865 |
| Investment income | 16,235 | 81,858 | - | 98,093 |
| Net appreciation (depreciation) of investments | (375) | 1,377 | - | 1,002 |
| Appropriation of endowment assets for expenditure | (36,660) | (293,757) | (27,913) | (358,330) |
| Endowment funds, end of year | 501,931 | 1,251,855 | 2,617,676 | 4,371,462 |
| All other funds | 5,739,066 | 5,989,887 | - | 11,728,953 |
| Total net assets | \$ 6,240,997 | \$ 7,241,742 | \$ 2,617,676 | \$ 16,100,415 |
| 2014 | | | | |
| Endowment funds, beginning of year | \$ 505,481 | \$ 1,038,809 | \$ 2,639,719 | \$ 4,184,009 |
| Contributions/transfers | 14,450 | 79,448 | 2,923 | 96,821 |
| Investment income | 15,143 | 106,807 | - | 121,950 |
| Net appreciation of investments | 52,655 | 393,893 | - | 446,548 |
| Appropriation of endowment assets for expenditure | (72,206) | (240,290) | - | (312,496) |
| Endowment funds, end of year | 515,523 | 1,378,667 | 2,642,642 | 4,536,832 |
| All other funds | 5,671,298 | 2,715,672 | - | 8,386,970 |
| Total net assets | \$ 6,186,821 | \$ 4,094,339 | \$ 2,642,642 | \$ 12,923,802 |

12. Contingencies

Certain federally funded programs are routinely subject to special audit. Such federal agencies have the authority to determine liabilities as well as to limit, suspend, or terminate the federal programs. Since the Organization does not expect claims to arise as a result of such audits, no provision for liabilities, if any, has been provided in the Organization's combined financial statements.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

13. Employee Benefit Plan

The Organization maintains a 401(k) plan and matches 100% of the first 3% contributed by eligible employees and 50% of the next 2% contributed by eligible employees to the plan. Contributions for the years ended June 30, 2015 and June 30, 2014 totaled approximately \$157,000 and \$141,000, respectively.

14. Change in Net Assets

The total change in net assets, excluding non-cash depreciation expense is detailed below.

| | <u>2015</u> | <u>2014</u> |
|--|---------------------|-------------------|
| Total change in net assets per Statement of Activities | \$ 3,176,613 | \$ 118,224 |
| Plus depreciation expense | <u>474,644</u> | <u>460,927</u> |
| Change in net assets, excluding depreciation expense | <u>\$ 3,651,257</u> | <u>\$ 579,151</u> |

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE

OTHER INFORMATION AS REQUIRED BY
THE STATE OF GEORGIA
DEPARTMENT OF HUMAN SERVICES
AND GRANTOR AGENCY

BROOKS, MCGINNIS & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS
TWO PREMIER PLAZA
5607 GLENRIDGE DRIVE, SUITE 650
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INDEPENDENT AUDITOR'S REPORT ON OTHER INFORMATION

To the Board of Directors
of Jewish Family & Career Services, Inc. and Affiliate:

We have audited the combined financial statements of Jewish Family & Career Services, Inc. and Affiliate for the years ended June 30, 2015 and 2014 and have issued our report thereon dated October 30, 2015. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The following schedules of state contractual assistance and schedule of other contractual assistance are presented for the purposes of additional analysis and is not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Brooks, McGinnis & Company, LLC

Atlanta, Georgia
October 30, 2015

JEWISH FAMILY & CAREER SERVICES, INC.
 AND AFFILIATE
 SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2015

| State Contract Number | Award | Expenditures | Cash Receipts | Due From (To) State Agency | Contract Dates |
|--|----------|--------------|------------------|----------------------------------|-------------------|
| Passed through Atlanta Regional Commission: | | | | | |
| National Family Caregiver Support-State | \$ 1,382 | \$ 1,382 | \$ - | \$ 1,382 | 7/1/14 - 6/30/15 |

See Independent Auditor's Report on Other Information.

JEWISH FAMILY & CAREER SERVICES, INC.
AND AFFILIATE
SCHEDULE OF OTHER CONTRACTUAL ASSISTANCE
REVIEWED DURING THE AUDIT
FOR THE YEAR ENDED JUNE 30, 2015

Conference on Jewish Material Claims Against Germany, Inc.
Claims Conference In-Home Services Program

| Fund | Application Number | Award Amount | Expenditures | Contract Dates |
|----------------------------|-----------------------|-----------------|--------------|-----------------|
| 2014 calendar year grants: | | | | |
| SO41 | 13910 | \$ 160,800 | \$ 160,800 | 1/1/14-12/31/14 |
| GG16 | 15397 | \$ 383,525 | \$ 383,525 | 1/1/14-12/31/14 |

During the performance of our audit procedures for the years ending June 30, 2015 and 2014, we determined that these funds were applied exclusively for the purposes for which they were granted during the contract dates of the grant.

| | | | | |
|----------------------------|-------|------------|------------|--------------------|
| 2015 calendar year grants: | | | | |
| SO45 | 16470 | \$ 58,807 | \$ 29,340 | \$ 1/1/15-12/31/15 |
| GG17 | 16729 | \$ 485,518 | \$ 257,491 | \$ 1/1/15-12/31/15 |

During the performance of our audit procedures for the year ending June 30, 2015, we determined that these funds were applied exclusively for the purposes for which they were granted during the contract dates of the grant. Expenditures were for the first six months of the 2015 grant period.