JEWISH FAMILY SERVICE, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.

CONSOLIDATING FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

SIX MONTHS ENDED JUNE 30, 2016

JEWISH FAMILY SERVICE, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
FOR THE SIX MONTHS ENDED JUNE 30, 2016

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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 statement of financial position as of June 30, 2016, and the related consolidating statements of activities, functional expenses, and cash flows for the six months 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 audit. We conducted our audit 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.

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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 June 30, 2016, and the changes in their net assets and their cash flows for the six months then ended, in accordance with accounting principles generally accepted in the United States of America.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Plainview, New York
November 16, 2016

JEWISH FAMILY SERVICE, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

	Jewish Family Service, Inc.	Jewish Family Service Foundation, Inc.	Total
ASSETS			
Cash and cash equivalents	$ 391,535	$ 301,346	$ 692,881
Investments	-	248,972	248,972
Accounts receivable, net	249,799	-	249,799
Contributions receivable, net	9,408	-	9,408
Prepaid expenses and other assets	73,028	-	73,028
Security deposits	5,610	-	5,610
Cemetery plots	7,200	-	7,200
Property and equipment, net	1,044,939	-	1,044,939
TOTAL ASSETS	$ 1,781,519	$ 550,318	$ 2,331,837
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued expenses	$ 211,091	$ -	$ 211,091
Deferred income	19,571	-	19,571
Security deposits payable	2,194	-	2,194
Mortgage payable	429,147	-	429,147
Total liabilities	662,003	-	662,003
Commitments and contingencies (Notes 7, 8 and 12)			
Net assets:			
Unrestricted	661,985	550,318	1,212,303
Temporarily restricted	112,029	-	112,029
Permanently restricted	345,502	-	345,502
Total net assets	1,119,516	550,318	1,669,834
TOTAL LIABILITIES AND NET ASSETS	$ 1,781,519	$ 550,318	$ 2,331,837

See accompanying notes to consolidating financial statements.

JEWISH FAMILY SERVICE, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE SIX MONTHS ENDED JUNE 30, 2016

		Jewish Family Service, Inc.				Jewish Family Service Foundation, Inc.	
		Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Grand Total
Public support and other revenue:							
Public support:							
Jewish Federation of Northern New Jersey		$ 235,153	$ -	$ -	$ 235,153	$ -	$ 235,153
Grant income		448,655	-	-	448,655	-	448,655
Contributions		77,982	-	-	77,982	25,000	102,982
Fund-raising event	$ 131,314						
Less: direct costs	(42,536)						
Net fund-raising event revenue		88,778	-	-	88,778	-	88,778
Total public support		850,568	-	-	850,568	25,000	875,568
Other revenue:							
Counseling fees		221,670	-	-	221,670	-	221,670
Program fees - school-based services		757,755	-	-	757,755	-	757,755
Other program fees		37,608	-	-	37,608	-	37,608
Rental income		30,105	-	-	30,105	-	30,105
Less: rental expenses		(22,009)	-	-	(22,009)	-	(22,009)
Investment income		7	-	-	7	1,286	1,293
Other		4,055	-	-	4,055	-	4,055
Total other revenue		1,029,191	-	-	1,029,191	1,286	1,030,477
Total revenue and public support		1,879,759	-	-	1,879,759	26,286	1,906,045
Expenses:							
Program services:							
Family counseling		209,334	-	-	209,334	-	209,334
Senior adults		539,598	-	-	539,598	-	539,598
Adult case management		68,574	-	-	68,574	-	68,574
School-based services		569,504	-	-	569,504	-	569,504
Total program services		1,387,010	-	-	1,387,010	-	1,387,010
Supporting services:							
Management and general		391,750	-	-	391,750	-	391,750
Fund-raising		127,276	-	-	127,276	-	127,276
Total supporting services		519,026	-	-	519,026	-	519,026
Total expenses		1,906,036	-	-	1,906,036	-	1,906,036
Increase (decrease) in net assets		(26,277)	-	-	(26,277)	26,286	9
Net assets - beginning of year		688,262	112,029	345,502	1,145,793	524,032	1,669,825
NET ASSETS - END OF YEAR		$ 661,985	$ 112,029	$ 345,502	$ 1,119,516	$ 550,318	$ 1,669,834

See accompanying notes to consolidating financial statements.

JEWISH FAMILY SERVICE, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE SIX MONTHS ENDED JUNE 30, 2016

	Program Services					Supporting Services					
	Family Counseling	**Senior Adults**	**Adult Case Management**	**School-based Services**	**Program Services Total**	**Management and General**	**Fund-raising**	**Direct Cost of Fund-raising Events**	**Rental Expenses**	**Supporting Services Total**	**Grand Total**
Personnel costs:											
Salaries	$ 112,761	$ 162,029	$ 44,898	$ 333,841	$ 653,529	$ 167,274	$ 100,081	$ -	$ -	$ 267,355	$ 920,884
Payroll taxes and employee benefits	12,368	21,305	9,077	42,470	85,220	61,248	11,214	-	-	72,462	157,682
Total personnel costs	125,129	183,334	53,975	376,311	738,749	228,522	111,295	-	-	339,817	1,078,566
Other expenses:											
Professional, counseling and staffing fees	66,888	2,225	1,895	155,567	226,575	8,045	-	-	-	8,045	234,620
Accounting and other fees	2,013	1,221	-	1,369	4,603	38,974	200	-	-	39,174	43,777
Supplies	312	6,204	-	2,516	9,032	12,126	309	-	66	12,501	21,533
Assistance to individuals	-	236,810	4,775	-	241,585	4,166	2,400	-	-	6,566	248,151
Travel	492	2,641	62	1,103	4,298	1,541	-	-	-	1,541	5,839
Telephone	-	-	-	-	-	9,148	-	-	-	9,148	9,148
Postage and shipping	100	822	-	6	928	1,565	2,189	-	-	3,754	4,682
Minor equipment	-	1,794	932	814	3,540	1,938	834	-	275	3,047	6,587
Printing and design	-	-	-	-	-	4,614	620	-	-	5,234	5,234
Advertising and public relations	2,196	-	-	595	2,791	15,035	4,009	-	-	19,044	21,835
Food and venue	1,303	5,463	-	26,879	33,645	2,409	2,106	42,536	-	47,051	80,696
Food - KMOW	-	83,881	-	-	83,881	-	-	-	-	-	83,881
Dues and conferences	98	2,966	-	-	3,064	4,997	771	-	-	5,768	8,832
Occupancy	-	-	-	-	-	29,289	-	-	12,241	41,530	41,530
Insurance	5,054	6,633	2,843	3,474	18,004	10,423	1,895	-	1,263	13,581	31,585
Interest	-	-	-	-	-	10,483	-	-	3,494	13,977	13,977
Depreciation	5,604	5,604	4,092	870	16,170	3,754	648	-	4,670	9,072	25,242
Miscellaneous	145	-	-	-	145	4,721	-	-	-	4,721	4,866
TOTAL EXPENSES	209,334	539,598	68,574	569,504	1,387,010	391,750	127,276	42,536	22,009	583,571	1,970,581
Less: expenses deducted directly from revenues on the consolidating statement of activities:											
Direct cost of fund-raising events	-	-	-	-	-	-	-	(42,536)	-	(42,536)	(42,536)
Rental expenses	-	-	-	-	-	-	-	-	(22,009)	(22,009)	(22,009)
Total expenses reported by function on the consolidating statement of activities	$ 209,334	$ 539,598	$ 68,574	$ 569,504	$ 1,387,010	$ 391,750	$ 127,276	$ -	$ -	$ 519,026	$ 1,906,036

See accompanying notes to consolidating financial statements.

JEWISH FAMILY SERVICE, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2016

Cash flows from operating activities:	
Change in net assets	$ 9
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Realized and unrealized gain on investments	(1,770)
Depreciation	25,242
Changes in assets and liabilities:	
Accounts receivable	24,433
Contributions receivable	14,499
Prepaid expenses and other assets	710
Accounts payable and accrued expenses	(3,583)
Deferred income	(130,057)
Security deposits payable	(6,363)
Net cash used in operating activities	(76,880)
Cash used in investing activities:	
Purchase of fixed assets	(113,832)
Cash used in financing activities:	
Principal payments of mortgage payable	(17,591)
Net decrease in cash and cash equivalents	(208,303)
Cash and cash equivalents - beginning	901,184
CASH AND CASH EQUIVALENTS - ENDING	$ 692,881
Supplemental disclosure of cash flow information:	
Interest paid	$ 13,977

See accompanying notes to consolidating financial statements.

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.

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 ended on June 30.

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents (continued)
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.

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 period. 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 June 30, 2016, the allowance for doubtful accounts was $10,332.

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 June 30, 2016, the allowance for doubtful accounts was $11,438.

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 statement 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 statement of activities as “Net assets released from restrictions.”

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and support recognition (continued)
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.

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 $21,835 for the six-months ended June 30, 2016.

Allocation of expenses
The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidating statement 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 "IRC").

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 2014.

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.

On October 26, 2016, the Board of Trustees approved a plan to merge Jewish Family Service of North Jersey, Inc., a not-for-profit organization, into Jewish Family Services, Inc. under Section 501(c)(3) of the IRC. The merger shall be effective January 1, 2017.

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 the six months ended June 30, 2016. 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 40% of total public support and other revenue during the six months ended June 30, 2016.

Revenue from Jewish Federation of Northern New Jersey ("JFNNJ") accounted for 12% of total public support and other revenue during the six months ended June 30, 2016.

Revenue from Jewish Family Service of Central New Jersey accounted for 14% of total public support and other revenue during the six months ended June 30, 2016.

Additionally, JFNNJ accounted for 27% of total accounts receivable at June 30, 2016. Jewish Family Service of Central New Jersey accounted for 49% of total accounts receivable at June 30, 2016.

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).

The following table presents the investments measured at fair value by level at June 30, 2016:

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at June 30, 2016	Valuation Technique
Money market funds	$ 149,986	$ -	$ -	$ 149,986	(a)
JFNNJ pooled investment account	-	98,986	-	98,986	(a)
Total	$ 149,986	$ 98,986	$ -	$ 248,972	

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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.

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. FIXED ASSETS

The following is an analysis of fixed assets as of June 30, 2016:

	Cost	Accumulated Depreciation	Net
Land	$ 536,700	$ -	$ 536,700
Building and improvements	997,844	(514,748)	483,096
Furniture and equipment	129,893	(104,750)	25,143
	$ 1,664,437	$ (619,498)	$ 1,044,939

NOTE 6. TEMPORARILY RESTRICTED NET ASSETS

During the six months ended June 30, 2016, there was no net asset that was released from restrictions by incurring expenses satisfying the restricted purposes.

At June 30, 2016, temporarily restricted net assets were available for the following purposes:

Child counseling	$	20,014
Senior adults		23,676
Youth assistance		8,841
Maier Bat Mitzvah		13,975
President's fund		18,526
Bergenfield designated		18,383
Other programs		8,614
	$	112,029

NOTE 7. 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:

Period ending June 30:		
2017	$	36,975
2018		39,387
2019		41,957
2020		44,694
2021		47,610
Thereafter		218,524
	$	429,147

Interest expense for the six months ended June 30, 2016, was $13,977.

NOTE 8. RENTAL INCOME

JFS had an operating lease agreement with a tenant expiring August 2016. Future minimum rents receivable under this noncancelable lease is $1,800 for the six months ended June 30, 2016.

NOTE 9. 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 six months ended June 30, 2016, there were no changes to the permanently restricted net assets.

NOTE 10. CONTRIBUTIONS

Contribution revenue includes bequests received by JFSF in the amount of $25,000 for the six months ended June 30, 2016. Such revenue is neither predictable nor recurring.

NOTE 11. RELATED-PARTY TRANSACTIONS

During the six months ended June 30, 2016, board members of the Organization made contributions of $27,500.

NOTE 12. 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

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 six months ended June 30, 2016, 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: GG18 - Application Number: 17691 on page 16 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.

Citrin Cooperman & Company, LLP
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 SIX MONTHS ENDED JUNE 30, 2016
FUND: GG18
APPLICATION NUMBER: 17691

Amounts received:	
Claims conference grant	$ 272,704
Amounts expended:	
Claims conference expenses	235,076
Personnel costs	4,080
Administrative overhead	23,850
	263,006
EXCESS AMOUNTS RECEIVED OVER EXPENDITURES	$ 9,698