

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**



**JEWISH FAMILY SERVICE OF SAN DIEGO  
CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

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## Independent Auditor's Report

To the Board of Directors  
Jewish Family Service of San Diego  
San Diego, California

We have audited the accompanying consolidated statements of financial position of Jewish Family Service of San Diego as of June 30, 2011 and 2010, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These consolidated financial statements are the responsibility of Jewish Family Service of San Diego's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Service of San Diego as of June 30, 2011 and 2010, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Leaf & Cole LLP*

San Diego, California  
October 27, 2011

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2011 AND 2010**

**ASSETS**

	<u>2011</u>	<u>2010</u>
<b><u>Current Assets:</u></b> (Notes 1, 3 and 4)		
Cash and cash equivalents	\$ 2,243,983	\$ 1,862,565
Accounts receivable, net	725,304	659,108
Grants and contracts receivable	1,171,251	1,820,954
HFLA loans receivable, net	38,865	45,599
Other loans receivable, net	5,255	5,705
Prepaid expenses and other assets	64,739	49,308
Unconditional promises to give, net	1,223,977	1,979,813
Total Current Assets	<u>5,473,374</u>	<u>6,423,052</u>
 <b><u>Noncurrent Assets:</u></b> (Notes 1, 2, 4, 5, 6, and 7)		
Investments	14,615,498	11,001,714
Unconditional promises to give, net	113,250	367,358
Deposits	66,810	27,450
Land, buildings and equipment, net	7,329,352	7,563,147
Bond issuance costs, net	-	120,455
Beneficial interests in endowment funds	944,685	819,351
Total Noncurrent Assets	<u>23,069,595</u>	<u>19,899,475</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 28,542,969</u>	 <u>\$ 26,322,527</u>

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**JUNE 30, 2011 AND 2010**

**LIABILITIES AND NET ASSETS**

	<u>2011</u>	<u>2010</u>
<b><u>Current Liabilities:</u></b> (Note 1)		
Accounts payable	\$ 383,504	\$ 388,110
Accrued expenses	2,007,642	1,900,216
Taxes payable	21,796	209,177
Unearned revenue	485,245	419,548
Current portion of noncurrent liabilities	-	14,250
Total Current Liabilities	<u>2,898,187</u>	<u>2,931,301</u>
 <b><u>Noncurrent Liabilities:</u></b> (Notes 8 and 9)		
Deferred compensation	871,292	783,679
Bonds payable, less current portion	-	285,750
Total Noncurrent Liabilities	<u>871,292</u>	<u>1,069,429</u>
 Total Liabilities	<u>3,769,479</u>	<u>4,000,730</u>
 <b><u>Commitments</u></b> (Note 12)		
 <b><u>Net Assets:</u></b> (Notes 1, 10 and 11)		
Unrestricted	16,761,678	14,669,772
Temporarily restricted	6,052,127	5,817,674
Permanently restricted	1,959,685	1,834,351
Total Net Assets	<u>24,773,490</u>	<u>22,321,797</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u>\$ 28,542,969</u>	 <u>\$ 26,322,527</u>

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>Unrestricted Net Assets:</u></b>		
<b><u>Support and Revenues:</u></b>		
Grants and contracts	\$ 9,246,073	\$ 9,488,536
Contributions	3,500,945	4,251,331
Charitable auto resources fees	5,354,663	4,197,385
Program revenue	860,685	592,280
Fees and other revenue	197,906	199,019
Gain on sale of land, buildings and equipment	3,675	2,062
Investment income	1,220,633	625,394
Net assets released from restrictions	786,422	1,593,437
Total Support and Revenues	<u>21,171,002</u>	<u>20,949,444</u>
 <b><u>Expenses:</u></b>		
<b><u>Program Services:</u></b>		
Jewish Family Service of San Diego	13,703,210	13,275,966
Charitable Auto Resources, Inc.	2,181,555	2,161,654
Total Program Services	<u>15,884,765</u>	<u>15,437,620</u>
 <b><u>Supporting Services:</u></b>		
General and administrative	1,137,429	738,459
Fundraising	970,208	1,260,360
Total Supporting Services	<u>2,107,637</u>	<u>1,998,819</u>
Total Expenses	<u>17,992,402</u>	<u>17,436,439</u>
Change in Unrestricted Net Assets Before Income Taxes	3,178,600	3,513,005
Provision for Income Taxes	<u>1,086,694</u>	<u>663,587</u>
Change in Unrestricted Net Assets	<u>2,091,906</u>	<u>2,849,418</u>

(Continued)

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)**  
**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>Temporarily Restricted Net Assets:</u></b>		
Contributions	\$ 406,101	\$ 348,418
Investment income	565,829	230,616
Net assets released from restrictions	(737,477)	(1,545,383)
Change in Temporarily Restricted Assets	<u>234,453</u>	<u>(966,349)</u>
<b><u>Permanently Restricted Net Assets:</u></b>		
Contributions	-	16,839
Investment income	174,279	109,415
Distributions	(48,945)	(48,054)
Change in Permanently Restricted Net Assets	<u>125,334</u>	<u>78,200</u>
Change in Net Assets	2,451,693	1,961,269
Net Assets at Beginning of Year	<u>22,321,797</u>	<u>20,360,528</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 24,773,490</u></b>	<b><u>\$ 22,321,797</u></b>

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2011**

	Program Services	Supporting Services		Total Supporting Services	Total Jewish Family Service of San Diego		Charitable Auto Resources, Inc.	Eliminations	Total Expenses
		General and Administrative	Fundraising						
<b><u>Salaries and Related Expenses:</u></b>									
Salaries and wages	\$ 7,548,770	\$ 609,097	540,989	\$ 1,150,086	\$ 8,698,856	\$ 1,061,747	\$ -	\$ 9,760,603	
Payroll taxes	642,931	41,389	38,568	79,957	722,888	82,561	-	805,449	
Employee benefits	979,732	67,916	52,053	119,969	1,099,701	113,565	-	1,213,266	
Total Salaries and Related Expenses	<u>9,171,433</u>	<u>718,402</u>	<u>631,610</u>	<u>1,350,012</u>	<u>10,521,445</u>	<u>1,257,873</u>	<u>-</u>	<u>11,779,318</u>	
<b><u>Nonsalary Related Expenses:</u></b>									
Advertising and promotion	95,570	95	51,413	51,508	147,078	295,490	(41,050)	401,518	
Bad debts	(329)	(7,151)	10,210	3,059	2,730	8,940	-	11,670	
Bank fees and payroll processing	9,884	46,853	23,156	70,009	79,893	4,062	-	83,955	
Conferences and meetings	12,620	3,900	138	4,038	16,658	24,144	-	40,802	
Consultants	33,446	25,312	1,055	26,367	59,813	131,692	-	191,505	
Contributions	-	-	-	-	-	277,000	(277,000)	-	
Depreciation and amortization	342,106	160,778	31,175	191,953	534,059	-	-	534,059	
Emergency assistance	835,178	-	-	-	835,178	-	-	835,178	
Equipment rental and expense	211,073	11,345	7,359	18,704	229,777	42,301	-	272,078	
Fundraising	1,055	-	45,434	45,434	46,489	-	-	46,489	
Holocaust home care	163,914	-	-	-	163,914	-	-	163,914	
Insurance	77,346	19,565	1,037	20,602	97,948	42,735	-	140,683	
Interest expense	-	3,118	-	3,118	3,118	-	-	3,118	
Legal, accounting and audit	18,577	24,878	1,223	26,101	44,678	26,567	-	71,245	
Membership/subscriptions	14,023	21,956	409	22,365	36,388	-	-	36,388	
Miscellaneous	22,592	19,040	393	19,433	42,025	36,196	-	78,221	
Office and computer supplies	107,944	8,762	3,174	11,936	119,880	18,783	-	138,663	
Postage	23,674	1,685	10,634	12,319	35,993	34,388	-	70,381	
Printing	66,791	1,025	32,903	33,928	100,719	5,283	-	106,002	
Professional fees	199,393	36,460	46,345	82,805	282,198	196,426	(149,354)	329,270	

(Continued)

The accompanying notes are an integral part of the consolidated financial statements.



**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Program Services	Supporting Services			Total Supporting Services	Total Jewish Family Service of San Diego		Charitable Auto Resources, Inc.	Eliminations	Total Expenses
		General and Administrative	Fundraising							
<b><u>Nonsalary Related Expenses: (Continued)</u></b>										
Program expenses	\$ 810,278	\$ 116	\$ 145	\$ 261	\$ 810,539	\$ -	\$ -	\$ -	\$ 810,539	
Property and other taxes	23,907	4,200	1,061	5,261	29,168	-	-	-	29,168	
Rent	499,468	745	-	745	500,213	88,727	-	-	588,940	
Repairs and maintenance	91,986	5,612	4,489	10,101	102,087	6,871	-	-	108,958	
Staff development	26,119	2,707	454	3,161	29,280	5,417	-	-	34,697	
Subcontractor fees	149,276	-	-	-	149,276	-	-	-	149,276	
Telephone	116,794	10,101	3,192	13,293	130,087	61,756	-	-	191,843	
Transportation service	107,167	2,598	23	2,621	109,788	1,895	-	-	111,683	
Travel, entertainment and transportation	326,694	9,469	63,271	72,740	399,434	65,896	-	-	465,330	
Utilities	145,231	5,858	4,075	9,933	155,164	12,347	-	-	167,511	
Total Nonsalary Related Expenses	<u>4,531,777</u>	<u>419,027</u>	<u>342,768</u>	<u>761,795</u>	<u>5,293,572</u>	<u>1,386,916</u>	<u>(467,404)</u>	<u>(467,404)</u>	<u>6,213,084</u>	
Total Functional Expenses	13,703,210	1,137,429	974,378	2,111,807	15,815,017	2,644,789	(467,404)	(467,404)	17,992,402	
Less: Intercompany	<u>-</u>	<u>-</u>	<u>(4,170)</u>	<u>(4,170)</u>	<u>(4,170)</u>	<u>(463,234)</u>	<u>467,404</u>	<u>-</u>	<u>-</u>	
<b>TOTAL EXPENSES</b>	<u>\$ 13,703,210</u>	<u>\$ 1,137,429</u>	<u>\$ 970,208</u>	<u>\$ 2,107,637</u>	<u>\$ 15,810,847</u>	<u>\$ 2,181,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,992,402</u>	

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2010**

	Program Services	Supporting Services			Total Supporting Services	Total Jewish Family Service of San Diego	Charitable Auto Resources, Inc.	Eliminations	Total Expenses
		General and Administrative	Fundraising						
<b><u>Salaries and Related Expenses:</u></b>									
Salaries and wages	\$ 7,252,169	\$ 434,410	479,068	\$ 913,478	\$ 8,165,647	\$ 1,028,664	\$ -	\$ 9,194,311	
Payroll taxes	629,799	34,433	34,774	69,207	699,006	81,964	-	780,970	
Employee benefits	823,999	56,655	47,443	104,098	928,097	102,201	-	1,030,298	
Total Salaries and Related Expenses	<u>8,705,967</u>	<u>525,498</u>	<u>561,285</u>	<u>1,086,783</u>	<u>9,792,750</u>	<u>1,212,829</u>	<u>-</u>	<u>11,005,579</u>	
<b><u>Nonsalary Related Expenses:</u></b>									
Advertising and promotion	89,284	788	26,756	27,544	116,828	352,351	(35,900)	433,279	
Bad debts	(1)	11,500	415,290	426,790	426,789	9,316	-	436,105	
Bank fees and payroll processing	5,354	31,598	25,921	57,519	62,873	8,613	-	71,486	
Conferences and meetings	10,598	5,231	-	5,231	15,829	36,806	-	52,635	
Consultants	71,372	12,405	3,570	15,975	87,347	126,181	-	213,528	
Contributions	-	-	-	-	-	170,000	(170,000)	-	
Depreciation and amortization	354,025	40,604	28,540	69,144	423,169	-	-	423,169	
Emergency assistance	857,501	-	-	-	857,501	-	-	857,501	
Equipment rental and expense	271,223	11,139	8,106	19,245	290,468	63,310	-	353,778	
Fundraising	-	-	47,139	47,139	47,139	-	-	47,139	
Holocaust home care	128,002	-	-	-	128,002	-	-	128,002	
Insurance	64,875	13,471	878	14,349	79,224	25,741	-	104,965	
Interest expense	-	20,021	-	20,021	20,021	-	-	20,021	
Legal, accounting and audit	17,615	6,751	893	7,644	25,259	38,942	-	64,201	
Membership/subscriptions	13,683	3,637	82	3,719	17,402	-	-	17,402	
Miscellaneous	14,914	9,631	811	10,442	25,356	35,366	-	60,722	
Office and computer supplies	116,763	5,933	2,554	8,487	125,250	16,855	-	142,105	
Postage	26,437	1,430	11,029	12,459	38,896	32,482	-	71,378	
Printing	55,769	121	32,583	32,704	88,473	6,109	-	94,582	
Professional fees	268,675	5,537	22,772	28,309	296,984	177,512	(177,791)	296,705	

(Continued)

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2010**

	Program Services	Supporting Services			Total Supporting Services	Total Jewish Family Service of San Diego	Charitable Auto Resources, Inc.	Eliminations	Total Expenses
		General and Administrative	Fundraising						
<b><u>Nonsalary Related Expenses: (Continued)</u></b>									
Program expenses	\$ 914,192	\$ 366	\$ 271	\$ 637	\$ 914,829	\$ -	\$ -	\$ 914,829	
Property and other taxes	221	1,029	-	1,029	1,250	-	-	1,250	
Rent	349,667	1,179	-	1,179	350,846	85,081	-	435,927	
Repairs and maintenance	101,758	4,174	4,262	8,436	110,194	6,089	-	116,283	
Staff development	79,084	9,612	156	9,768	88,852	1,528	-	90,380	
Subcontractor fees	150,321	-	-	-	150,321	-	-	150,321	
Telephone	107,141	5,819	2,125	7,944	115,085	54,053	-	169,138	
Transportation service	82,578	2,568	-	2,568	85,146	1,479	-	86,625	
Travel, entertainment and transportation	310,401	3,907	68,884	72,791	383,192	55,731	-	438,923	
Utilities	108,547	4,510	3,973	8,483	117,030	21,451	-	138,481	
Total Nonsalary Related Expenses	<u>4,569,999</u>	<u>212,961</u>	<u>706,595</u>	<u>919,556</u>	<u>5,489,555</u>	<u>1,324,996</u>	<u>(383,691)</u>	<u>6,430,860</u>	
Total Functional Expenses	13,275,966	738,459	1,267,880	2,006,339	15,282,305	2,537,825	(383,691)	17,436,439	
Less: Intercompany	<u>-</u>	<u>-</u>	<u>(7,520)</u>	<u>(7,520)</u>	<u>(7,520)</u>	<u>(376,171)</u>	<u>383,691</u>	<u>-</u>	
<b>TOTAL EXPENSES</b>	<u>\$ 13,275,966</u>	<u>\$ 738,459</u>	<u>\$ 1,260,360</u>	<u>\$ 1,998,819</u>	<u>\$ 15,274,785</u>	<u>\$ 2,161,654</u>	<u>\$ -</u>	<u>\$ 17,436,439</u>	

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ 2,451,693	\$ 1,961,269
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation and amortization	534,059	423,169
Gain on sale of land, buildings and equipment	(3,675)	(2,062)
Donated assets	-	(5,982)
Net realized and unrealized gains on investments	(1,524,408)	(634,581)
Permanently restricted contributions	-	(16,839)
Permanently restricted investment income	(174,279)	(109,415)
Permanently restricted distributions	48,945	48,054
<b>(Increase) Decrease in:</b>		
Accounts receivable, net	(66,196)	(243,237)
Grants and contracts receivable	649,703	(666,957)
Prepaid expenses and other assets	(15,431)	(791)
Unconditional promises to give, net	1,009,944	1,813,950
Deposits	(39,360)	5,831
<b>Increase (Decrease) in:</b>		
Accounts payable	(4,606)	(29,063)
Accrued expenses	107,426	379,498
Taxes payable	(187,381)	192,383
Unearned revenue	65,697	(1,236)
Deferred compensation	87,613	98,880
Net Cash Provided by Operating Activities	<u>2,939,744</u>	<u>3,212,871</u>
<b><u>Cash Flows From Investing Activities:</u></b>		
HFLA loans receivable, net	6,734	10,251
Other loans receivable, net	450	295
Purchase of investments, net	(2,089,376)	(1,677,214)
Proceeds from sale of land, buildings and equipment	5,175	15,310
Purchase of land, buildings and equipment	(181,309)	(53,643)
Change in beneficial interests in endowment funds	(125,334)	(64,681)
Net Cash Used in Investing Activities	<u>(2,383,660)</u>	<u>(1,769,682)</u>

(Continued)

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO  
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>Cash Flows From Financing Activities:</u></b>		
Repayment of bonds payable	(300,000)	(1,535,000)
Permanently restricted contributions	-	16,839
Permanently restricted investment income	174,279	109,415
Permanently restricted distributions	(48,945)	(48,054)
Net Cash Used in Financing Activities	<u>(174,666)</u>	<u>(1,456,800)</u>
Net Decrease in Cash and Cash Equivalents	381,418	(13,611)
Cash and Cash Equivalents at Beginning of Year	<u>1,862,565</u>	<u>1,876,176</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 2,243,983</u></b>	<b><u>\$ 1,862,565</u></b>
<b><u>Supplementary Disclosure of Cash Flow Information:</u></b>		
Interest Paid	<u>\$ 218</u>	<u>\$ 3,074</u>
Income Taxes Paid	<u>\$ 1,274,075</u>	<u>\$ 471,204</u>

The accompanying notes are an integral part of the consolidated financial statements.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**Note 1 - Organization and Significant Accounting Policies:**

**Organization**

The consolidated financial statements will be referred to as “JFS” and include the accounts of the following entities:

**Jewish Family Service of San Diego**

Jewish Family Service of San Diego (JFS) is a California 501(c)(3) Not-For-Profit organization that was founded in 1918 by a consortium of women’s clubs who sought to address the myriad of human needs of the time. Today JFS is a comprehensive social service organization with eleven locations throughout San Diego County and two facilities serving the Coachella Valley along with seven Housing and Urban Development (HUD) apartments. From its early grassroots origins, the agency now serves over 30,000 people annually. The mission of JFS is to strengthen the individual, enhance the family, and protect the vulnerable, with human services based on Jewish values.

**JFS Foundation, LLC**

JFS Foundation, LLC (Foundation) is a California 501(c)(3) Not-For-Profit organized on March 28, 2006. The Foundation was formed to raise funds for JFS through “The Building on a Tradition of Caring Capital Campaign” with a goal to fund the purchase and renovation of the new headquarters building and endowing a portion of Older Adult Services.

**JFS Holdings, LLC**

JFS Holdings, LLC (Holdings) is a California 501(c)(3) Not-For-Profit organized on March 28, 2006. Holdings was formed to acquire and renovate the new headquarters building.

**Charitable Auto Resources, Inc.**

Charitable Auto Resources, Inc. (CARS) was incorporated in Delaware October 14, 2003 as a For-Profit Corporation. CARS is a service-orientated car donation management program based in San Diego, California. CARS accepts car donations in all 50 states and the District of Columbia. CARS is dedicated to helping nonprofit organizations raise funds through successful car donation programs. JFS owns 100% of the outstanding common stock of CARS.

JFS operates the following programs in four divisions:

**Counseling, Parenting & Youth Services and Patient Advocacy**

The Counseling program provides individual, couples, family and group counseling services to individuals from diverse backgrounds. Services are provided by licensed therapists and interns on a sliding scale; some forms of insurance are accepted. Both brief and long-term therapy is available, depending on client need. Areas of specialty include: mood disorder, play therapy, communication, divorce and separation, chronic health issues, grief, and general life transitions.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
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**Note 1 - Organization and Significant Accounting Policies:**

**Organization (Continued)**

**Counseling, Parenting & Youth Services and Patient Advocacy (Continued)**

The Parenting and Youth Services department provides a broad base of services to families and youth, with a focus on strengthening family relationships through education. Programs in this department include: Guiding Adolescent Parents, Preschool in the Park, Positive Parenting, and Parents Support and Empowerment. Of note, this department houses the largest County grant ever received by JFS.

The Patient Advocacy Program provides support for the rights of mentally ill individuals through direct service and general education. Patient Advocates work throughout the County, advocating on behalf of mentally ill individuals at psychiatric hospitals, board and care facilities, legal hearings and more. Advocates also ensure that these individuals are being treated with respect by providing education to direct service staff and administrators at these facilities.

**Community Services**

Adoption Alliance is a non-profit adoption agency, licensed by the State of California and fully Hague Accredited, providing international and domestic homestudies, post-placement studies, parent education, consultations, groups and referrals.

Community Case Management provides professional crisis case managers dedicated to empowering the client and their family to return to self-sufficiency after an unstable situation. Case managers provide the necessary resources, referrals, and services critical to the client's physical, emotional, and spiritual well-being.

Girls Give Back is a leadership, empowerment and service-learning program for young Jewish women. Girls Give Back promotes Jewish values while developing social-mindedness, critical thinking, healthy self-esteem, and empathy in high school girls.

In conjunction with the *Hand Up* Teen Leadership Program, the *Hand Up* Youth Food Pantry distributes food to low-income and homeless individuals and families at multiple sites in San Diego County. It provides a unique opportunity for youth and groups to volunteer in the pantry

The nationally-recognized *Hand Up* Teen Leadership Program offers high school students a unique opportunity to learn about social change and see the difference they can make in our community. Students use leadership skills in a real-world setting by supporting the *Hand Up* Youth Food Pantry through direct service and advocacy.

The Intensive Psychiatric Case Management program is for Jewish adults who require intensive ongoing support to live successfully in the community.

Jewish BIGPals matches Jewish adult mentors with Jewish children from single-parent or non-traditional families. Mentors provide friendship, companionship, and life-enriching experiences to the children they mentor, enhancing their growth and development and helping them achieve their full potential.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 1 - Organization and Significant Accounting Policies:**

**Organization (Continued)**

**Community Services (Continued)**

Established in 2008 in response to the economic crisis, the Jewish Employment Network supports Jewish individuals in their job search and helps connect Jewish community members with employers.

The Jewish Healing Center provides short-term spiritual counseling and support, friendly visits, healing services, meditation, contemplative workshops, and support groups for chronic illness, bereavement, and spiritual direction.

Preferred Communities, a specialized medical case management program, assists newly arrived refugees with significant health issues. A skilled medical social worker helps connect and navigate a complex medical system while at the same time building cultural awareness and sensitivity to refugee issues with health care providers.

The Prins Asylum Program offers pro-bono legal assistance for individuals who are experiencing or at risk of persecution in their homeland and are seeking protection in the United States.

Project SARAH (Stop Abusive Relationships At Home) provides counseling, case management, community outreach and education, support groups and legal advocacy to survivors of domestic or relationship violence and their children.

Since 1918 JFS has offered resettlement services to newly arriving refugees and asylees from around the world. Refugee Resettlement and Acculturation program case managers work with refugee families providing financial assistance, social services, case management, and acculturation programs and workshops.

The Family Strengthening Program for Refugees aims to help refugee families integrate and become self-sufficient in their new culture and society. The program provides interactive workshops on communication and money management skills, placing emphasis on the integration process, healthy parenting, gender relations, and budgeting.

Stars of David is a national network of support and information for Jewish and interfaith families with adopted children.

Supporting Jewish Single Parents (SJSP) actively welcomes and connects Jewish single parents and their children to the Jewish community. The program helps promote Jewish continuity and offers services that enhance a feeling of belonging and inclusion.

Volunteer Services provides and coordinates volunteer opportunities at JFS. More than 600 volunteers are active each month and these volunteers donated more than 57,000 hours last year. Volunteers are the heart of JFS, working directly with those in need and providing administrative support.



**JEWISH FAMILY SERVICE OF SAN DIEGO  
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JUNE 30, 2011 AND 2010**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Organization (Continued)**

**Emergency Shelter and Supportive Housing**

Roy's Desert Resource Center, named in honor of the late Riverside County Supervisor, Roy Wilson, is the first comprehensive homeless center built in the Western Coachella Valley. Located in Palm Springs, the center offers shelter and numerous supportive services to ninety (90) homeless individuals each night. Desert SOS staff members assist clients in regaining their stability in the community, as well as securing safe and affordable housing.

Desert Horizons, located in the Coachella Valley, is a scattered-site, transitional living program which places homeless individuals directly from the streets and emergency shelters into transitional housing units with appropriate supportive services. The units consists of seven (7) two and three-bedroom apartments located in Palm Springs, Cathedral City and Desert Hot Springs.

Desert Vista is a 40-bed, scattered site permanent supportive housing project based in the Coachella Valley. The goal of this HUD-funded Supportive Housing Program is to:

- Help participants obtain and remain in permanent housing.
- Help participants increase skills and/or income.
- Help participants achieve greater self-determination.

**Older Adult Services**

Geriatric Care Management provides comprehensive assessments, plan of care, coordination of services, consultations, advocacy and referrals for older adults in need.

Serving Older Holocaust Survivors (SOS) program provides care management, home care, and emergency assistance services for low-income Jewish Holocaust survivors.

CO-OP (Creating Opportunities for Older Persons) allows older adults to age in place in a supported community.

The three older adult centers, College Avenue Older Adult Services located at Congregation Beth Jacob, North County Inland Center located at Temple Adat Shalom and University City Center located at Congregation Beth Israel, all provide daily activities, exercise and computer classes, educational programs and hot kosher lunches. College Avenue Older Adult Services also has available a nutritious salad bar in addition to the hot lunch.

The Senior Nutrition program is a kosher kitchen located at Congregation Beth Jacob that provides nutritional hot food to the Older Adult Centers and the Foodmobile program.

The Foodmobile program provides home delivered hot kosher meals and friendly visits to older adults and younger homebound disabled adults.

**JEWISH FAMILY SERVICE OF SAN DIEGO  
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**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Organization (Continued)**

**Older Adult Services (Continued)**

On the Go is a transportation program for older adults providing the following:

- Rides & Smiles - individual transportation by volunteer drivers to necessary medical and personal appointments.
- On the Go Shuttles - group transportation to shopping and dining destinations and to JFS Older Adult Centers.
- On the Go Excursions - group transportation to organized activities and community events.
- Taxi Scrip for individual transportation.

JFS Fix-It Service provides free home repairs for low-income older adults.

**Significant Accounting Policies**

**Consolidated Financial Statements**

The consolidated financial statements include the accounts of Jewish Family Service of San Diego, JFS Foundation, LLC, JFS Holdings, LLC and Charitable Auto Resources, Inc. All material intercompany transactions have been eliminated in consolidation.

**Method of Accounting**

The consolidated financial statements of JFS have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

In June 2009, the Financial Accounting Standards Board (FASB) Accounting Standards Codification (Codification) was issued. The Codification is the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. The Codification is effective for financials statements issued for interim and annual periods ending after September 15, 2009. The implementation of this standard did not have a material impact on the consolidated financial position and consolidated results of operations.

**Financial Statement Presentation**

The consolidated financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Financial Statement Presentation**

The FASB has issued reporting standards for endowments of not-for-profit Organizations subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and enhanced disclosures for all endowment funds. The standards provide guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of UPMIFA, which serves as a model act for states to modernize their laws governing donor-restricted endowment funds. The standards also require additional disclosures about endowments (both donor-restricted funds and board-designated funds) to enable users of financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policies, and related investment policies of its endowment funds.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Risks and Uncertainties**

JFS invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated statement of financial position.

**Fair Value Measurements**

JFS has adopted the fair value standards for financial assets and liabilities that are required to be measured at fair value on a recurring basis. The Fair Value Measurement standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). These standards do not change existing guidance as to whether or not an instrument is carried at fair value.

JFS's consolidated statements of financial position include the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments - Jewish Community Foundation funds are considered Level 2 assets and are reported at fair value based on the fair value of the underlying assets in the funds as reported by the fund manager, Jewish Community Foundation, since these funds are valued by the fund manager and are not traded in an active market. The State of Israel Bonds are considered Level 2 assets and are reported at the face value of the bonds, which approximates fair value.

**JEWISH FAMILY SERVICE OF SAN DIEGO  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Fair Value Measurements**

- Beneficial interests in endowment funds (Jewish Community Foundation and Comerica Bank) are considered Level 3 assets and are reported at fair value based on the fair value of the underlying assets which approximates the future discounted cash flows.

**Allowance for Doubtful Accounts**

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. The allowance for doubtful accounts consists of the following at June 30:

	<u>2011</u>	<u>2010</u>
Accounts receivable	\$ 40,023	\$ 54,540
HFLA loans receivable	4,318	5,066
Other loans receivable	584	634
Total	\$ 44,925	\$ 60,240

**Contributions**

Contributions are recognized when the donor makes a promise to give to JFS that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Uncollectible unconditional promises to give are recognized on the allowance method based on historical experience and management's evaluation of outstanding unconditional promises to give. The allowance for uncollectible unconditional promises to give is \$666,544 and \$667,105 at June 30, 2011 and 2010, respectively.

**Investments**

Unrealized gains and losses are included in the consolidated change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

JFS has an investment committee that has established an investment policy. It is JFS's policy to diversify all investment portfolios. The investment committee reviews and evaluates the risk within the investment portfolios, nevertheless, those portions of the investment portfolios consisting of holdings in equity securities and debt instruments are exposed to market price volatility in the stock and bond markets and are therefore, inherently at risk.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Capitalization and Depreciation**

Land, buildings and equipment are recorded at cost. Donations of land, buildings 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 assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, JFS reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. JFS reclassifies temporarily restricted net assets to unrestricted net assets at that time. Buildings and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Buildings and improvements	15 - 31.5 years
Furniture and equipment	5 - 7 years
Equipment	5 - 7 years
Vehicles	5 years

Depreciation aggregated \$413,604 and \$417,410 for the years ended June 30, 2011 and 2010, respectively.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of land, buildings or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

**Impairment of Real Estate**

JFS reviews its investment in real estate for impairment whenever events and changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted net cash flows expected to be generated by the property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of real estate exceeds the fair value of such property. There were no impairment losses recognized in 2011 or 2010.

**Amortization**

Bond issuance costs totaling \$0- and \$120,455, net of accumulated amortization of \$0- and \$23,035 at June 30, 2011 and 2010, respectively are amortized on the straight-line method based on the term of the related debt. Amortization expense totaled \$120,455 and \$5,759 for the years ended June 30, 2011 and 2010, respectively.

**Compensated Absences**

Vested and accumulated vacation is recorded as an expense and liability as benefits accrue to employees. The accrued vacation liability totaled \$530,645 and \$496,055 at June 30, 2011 and 2010, respectively and is included in accrued expenses.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Revenue Recognition**

Grant and contract revenue are recognized in the period in which the related work is performed in accordance with the terms of the grant or contract. Grants receivable are recorded when revenue earned under a grant or contract exceeds the cash received. Unearned revenue is recorded when cash received under a grant or contract exceeds the revenue earned. Unearned revenue totaled \$485,245 and \$419,548 at June 30, 2011 and 2010, respectively.

**Donated Services**

JFS utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the consolidated financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the years ended June 30, 2011 and 2010, did not meet the requirements above, therefore no amounts were recognized in the consolidated financial statements.

**Allocated Expenses**

Expenses by function have been allocated by program and supporting services classifications on the basis of internal records and estimates made by JFS's management.

**Income Taxes**

JFS, the Foundation and Holdings are public charities and are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

CARS is a Delaware corporation subject to federal and state income taxes on its net earnings. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of current taxes totaling \$1,086,694 and \$663,587 for the years ended June 30, 2011 and 2010, respectively. Income taxes payable totaled \$21,796 and \$209,177 at June 30, 2011 and 2010, respectively.

JFS uses a loss contingencies approach for evaluating uncertain tax positions and continually evaluates changes in tax law and new authoritative rulings.

**Concentration of Credit Risk**

JFS maintained its cash in bank deposit accounts which, at times, may exceed federally insured limits. JFS has not experienced any losses in such accounts. JFS believes it is not exposed to any significant credit risk on cash and cash equivalents.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Cash and Cash Equivalents**

For purposes of the consolidated statement of cash flows, JFS considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

**Subsequent Events**

JFS has evaluated subsequent events through October 27, 2011, which is the date the consolidated financial statements are available for issuance, and concluded that there were no events or transactions that needed to be disclosed.

**Note 2 - Fair Value Measurements:**

The following table summarizes assets measured at fair value by classification within the fair value hierarchy as of June 30:

	2011			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2011
Jewish Community Foundation	\$ -	\$ 14,580,048	\$ -	\$ 14,580,048
State of Israel Bonds	-	1,000	-	1,000
Beneficial Interests in Endowment Funds (Note 7)	-	-	944,685	944,685
	<u>\$ -</u>	<u>\$ 14,581,048</u>	<u>\$ 944,685</u>	<u>\$ 15,525,733</u>
	2010			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2010
Jewish Community Foundation	\$ -	\$ 10,945,714	\$ -	\$ 10,945,714
State of Israel Bonds	-	2,000	-	2,000
Beneficial Interests in Endowment Funds (Note 7)	-	-	819,351	819,351
	<u>\$ -</u>	<u>\$ 10,947,714</u>	<u>\$ 819,351</u>	<u>\$ 11,767,065</u>

The reconciliation for financial instruments measured at fair value on a recurring basis as significant unobservable inputs (Level 3) are included in the Notes as indicated above.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
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**Note 3 - Grants and Contracts Receivable:**

Grants and contracts receivable consist of the following at June 30:

	<u>2011</u>	<u>2010</u>
County of Riverside	\$ 296,674	\$ 188,983
County of San Diego	217,505	642,164
Conference on Jewish Material Claims Against Germany, Inc.	175,359	134,729
CVAG - Coachella Valley Association of Governments	121,735	314,234
Family Health Centers	77,521	-
Hebrew Immigrant Aid Society	77,293	352,134
Jewish Community Foundation	66,981	64,194
Catholic Charities	38,617	31,741
Palomar Pomerado Health	33,764	-
Rady Children's Hospital	16,589	-
Social Advocates for Youth	15,333	15,167
San Diego Association of Governments	13,227	31,181
Grossmont Healthcare District	10,000	10,000
Other grants and contracts	6,633	2,743
Desert Healthcare District	4,020	10,125
Jewish Federation of San Diego County	-	18,750
City of Palm Desert	-	4,809
Total Grants and Contracts Receivable	<u>\$ 1,171,251</u>	<u>\$ 1,820,954</u>

**Note 4 - Unconditional Promises to Give:**

Unconditional promises to give consist of the following at June 30:

	<u>2011</u>	<u>2010</u>
Receivables due in less than one year	\$ 1,890,521	\$ 2,616,638
Less: Allowance for Uncollectible	<u>(666,544)</u>	<u>(636,825)</u>
Receivables due in less than one year, net	<u>1,223,977</u>	<u>1,979,813</u>
Receivables due in one to five years	133,500	440,500
Less: Allowance for Uncollectible	-	(30,280)
Discount	<u>(20,250)</u>	<u>(42,862)</u>
Receivables due in more than one year, net	<u>113,250</u>	<u>367,358</u>
Unconditional Promises to Give, Net	<u>\$ 1,337,227</u>	<u>\$ 2,347,171</u>

The unconditional promises to give have been discounted to their net present value using a discount rate of 1.7% to 6%.



**JEWISH FAMILY SERVICE OF SAN DIEGO**  
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**Note 5 - Investments:**

JFS maintains its investments at Jewish Community Foundation and in State of Israel Bonds. These funds are classified as permanently restricted if the investments must be maintained in perpetuity. The funds held at Jewish Community Foundation are invested in investment pools or are held as cash until invested in an investment pool. The Short Term Pool is a cash equivalent pool that seeks principal preservation by investing in certificates of deposit, securities issued or guaranteed by the U.S. government and other cash equivalents. The Mid Term Pool invests 1% in cash and cash equivalents, 30% in domestic and international equities, 69% in fixed income, and does not include an allocation to alternative investments or real estate. The Long Term Pool invests 1% in cash and cash equivalents, 64% in domestic and international equities, 30% in fixed income and 5% in real assets consisting of REITS and/or commodities. The Endowment Pool invests 57% in domestic and international equities, 31% in fixed income and 12% in alternative investments consisting of commodities and hedge funds of funds. Investments consist of the following at June 30:

	<u>2011</u>	<u>2010</u>
Cash	\$ 34,450	\$ 54,000
Short Term Pool	4,444,712	2,949,109
Mid Term Pool	358,018	50,259
Long Term Pool	7,741,267	7,545,415
Endowment Pool	2,036,051	400,931
State of Israel Bonds	1,000	2,000
Total Investments	<u>\$ 14,615,498</u>	<u>\$ 11,001,714</u>

The following schedule summarizes the investment income and its classification in the consolidated statement of activities for the years ended June 30:

	<u>2011</u>			<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Interest	\$ 214,115	\$ 82,402	\$ -	\$ 296,517
Net realized and unrealized gains	1,032,736	491,672	179,279	1,703,687
Investment fees	(26,218)	(8,245)	(5,000)	(39,463)
Total Investment Income	<u>\$ 1,220,633</u>	<u>\$ 565,829</u>	<u>\$ 174,279</u>	<u>\$ 1,960,741</u>

	<u>2010</u>			<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Interest	\$ 196,716	\$ 61,775	\$ -	\$ 258,491
Net realized and unrealized gains	456,490	178,091	114,287	748,868
Investment fees	(27,812)	(9,250)	(4,872)	(41,934)
Total Investment Income	<u>\$ 625,394</u>	<u>\$ 230,616</u>	<u>\$ 109,415</u>	<u>\$ 965,425</u>

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 6 - Land, Buildings and Equipment:**

Land, buildings and equipment consist of the following at June 30:

	<u>2011</u>	<u>2010</u>
Land	\$ 2,023,335	\$ 2,023,335
Buildings and improvements	6,105,644	6,105,644
Furniture and equipment	400,967	400,967
Equipment	492,714	476,206
Vehicles	174,388	146,788
Network upgrades in-progress	118,523	-
Subtotal	<u>9,315,571</u>	<u>9,152,940</u>
Less: Accumulated depreciation	<u>(1,986,219)</u>	<u>(1,589,793)</u>
Land, Buildings and Equipment, Net	<u>\$ 7,329,352</u>	<u>\$ 7,563,147</u>

**Note 7 - Beneficial Interests in Endowment Funds:**

JFS has a beneficial interest in endowment funds held at Jewish Community Foundation and Comerica Bank. The funds held at Jewish Community Foundation are invested in the Long Term Pool, which invests 1% in cash and cash equivalents, 64% in domestic and international equities, 30% in fixed income and 5% in real assets consisting of REITS and/or commodities, and the Endowment Pool, which invests 57% in domestic and international equities, 31% in fixed income and 12% in alternative investments consisting of commodities and hedge funds of funds. The funds held at Comerica Bank are invested in a balanced portfolio including cash and cash equivalents, equities and fixed income securities.

The activity in the beneficial interests in endowment funds consisted of the following for the years ended June 30:

	<u>2011</u>	<u>2010</u>
Balance, June 30, 2010	\$ 819,351	\$ 754,670
Contributions	-	3,320
Investment gain	174,279	109,415
Distributions	<u>(48,945)</u>	<u>(48,054)</u>
Balance, June 30, 2011	<u>\$ 944,685</u>	<u>\$ 819,351</u>

**Note 8 - Deferred Compensation:**

JFS has a deferred compensation agreement with an executive employee. The plan provides for quarterly contributions to investment accounts held at Jewish Community Foundation set aside for this purpose. Contributions totaled \$76,316 and \$94,632 for the years ended June 30, 2011 and 2010, respectively and are included in employee benefits in the consolidated statements of functional expenses. The deferred compensation liability totaled \$871,292 and \$783,679 at June 30, 2011 and 2010, respectively, and is fully funded at June 30, 2011 and 2010. The corresponding assets are included in investments in the Short Term Pool and Mid Term Pool at June 30, 2011 and 2010.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**Note 9 - Bonds Payable:**

	<u>2011</u>	<u>2010</u>
Colorado Educational and Cultural Facilities Authority Variable Rate Demand Revenue Bonds (National Jewish Federation Bond Program) Series C-3 dated May 1, 2006. The bonds bear interest at a variable rate (adjusted daily) which was 1.19% at June 30, 2010. Annual principal payments are required beginning January 1, 2008 and continuing through January 1, 2031. The loan was collateralized by a letter of credit (Note 12). The loan was repaid in 2011.	\$ -	\$ 300,000
Less: Current portion	-	(14,250)
Bonds Payable, Net	<u>\$ -</u>	<u>\$ 285,750</u>

**Note 10 - Temporarily Restricted Net Assets:**

Temporarily restricted net assets are available for the following purposes at June 30:

	<u>2011</u>	<u>2010</u>
Capital Campaign	\$ 2,075,604	\$ 2,070,139
Grants and Contributions with time and purpose restrictions	3,746,476	3,247,294
Unappropriated endowment earnings	111,292	-
Hebrew Free Loan Assistance (HFLA)	88,376	94,650
Rubenstein Scholarship fund	30,379	-
Pledges receivable, net	-	405,591
Total Temporarily Restricted Net Assets	<u>\$ 6,052,127</u>	<u>\$ 5,817,674</u>

Net assets in the amounts of \$737,477 and \$1,545,383 were released from donor restrictions by incurring expenses and events satisfying the purpose or time restrictions specified by donors for the years ended June 30, 2011 and 2010, respectively.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**Note 11 - Endowment Net Assets:**

JFS's endowment consists of five individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions. JFS holds and manages the general endowment fund, with the remaining four funds held and managed by others.

**JFS Managed Funds:**

JFS has interpreted the enacted version of the Uniform Prudent Management of Institutional funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, JFS classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment (2) the original value of subsequent gifts donated to the permanent endowment (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by JFS in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, JFS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of JFS and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of JFS
7. The investment policies of JFS

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires JFS to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were \$-0- and \$95,717 as of June 30, 2011 and 2010, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred in the 2009 - 2010 investment portfolio.

JFS has adopted investment and spending policies for endowment funds that:

1. Protect the invested assets
2. Preserve spending capacity of the fund income
3. Maintain a diversified portfolio of assets that meet investment return objectives while keeping risk at a minimal level
4. Comply with applicable laws

JFS's endowment funds are invested at Jewish Community Foundation in the Long Term Pool, which invests 65% in domestic and international equities, 30% in fixed income and 5% in real assets consisting of REITS and/or commodities.

JFS's spending policy is to disburse funds available in accordance with donor restrictions to meet the current program needs of JFS.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**Note 11 - Endowment Net Assets: (Continued)**

**Beneficial Interests in Endowment Funds:**

The beneficial interests in endowment funds are held by Jewish Community Foundation (“JCF”) and Comerica Bank (the “Bank”) and are managed in accordance with UPMIFA. The investment objectives are to maintain the purchasing power (real value) of the endowment funds. However, from time to time, the fair value of the assets in the endowment fund may fall below the level that the donors require be retained as a fund of perpetual duration. JFS classifies permanently restricted net assets held by JCF and the Bank as:

1. The original value of gifts donated to the fund
2. The original value of JFS funds transferred to the fund
3. The original value of subsequent gifts donated to the fund
4. Investment income and realized and unrealized gains and losses on investments
5. Distributions from the fund in accordance with the spending policy

JCF and the Bank have adopted investment and spending policies for endowment funds that:

1. Protect the invested assets
2. Preserve spending capacity of the fund income
3. Maintain a diversified portfolio of assets that meet investment return objectives while keeping risk at a moderate level
4. Comply with applicable laws

JCF endowment funds are invested in the Long Term Pool, which invests 1% in cash and cash equivalents, 64% in domestic and international equities, 30% in fixed income and 5% in real assets consisting of commodities, and the Endowment Pool, which invests 57% in domestic and international equities, 31% in fixed income and 12% in alternative investments consisting of commodities and hedge funds of funds. The endowment funds held at Comerica Bank are invested in a balanced portfolio including cash and cash equivalents, equities and fixed income securities.

JCF’s spending policy is to disburse 5% annually, based upon endowment principal market value. If the market value of the Endowment Principal of any fund, at the end of each month, is less than the initial value of all contributions made to the Endowment Principal, then distributions will be limited to interest and dividends received. Given the recent market declines, many of JCF’s endowment fund distributions will be limited. The Bank’s spending policy is to distribute 5% annually.

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**Note 11 - Endowment Net Assets: (Continued)**

Endowment composition by type of fund as of June 30:

	2011			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Held by JFS:</b>				
General Endowment Fund	\$ -	\$ 111,292	\$ 1,015,000	\$ 1,126,292
<b>Beneficial Interest in Endowment Funds:</b>				
Held by Jewish Community Foundation:				
Katzin Endowment Fund	-	-	554,256	554,256
Gotkowitz Endowment Fund	-	-	175,133	175,133
Chortex Endowment Fund	-	-	73,905	73,905
Held by Comerica Bank:				
Schwartz Endowment Fund	-	-	141,391	141,391
Total Endowment Funds	<u>\$ -</u>	<u>\$ 111,292</u>	<u>\$ 1,959,685</u>	<u>\$ 2,070,977</u>

	2010			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Held by JFS:</b>				
General Endowment Fund	\$ (95,717)	\$ -	\$ 1,015,000	\$ 919,283
<b>Beneficial Interest in Endowment Funds:</b>				
Held by Jewish Community Foundation:				
Katzin Endowment Fund	-	-	476,554	476,554
Gotkowitz Endowment Fund	-	-	152,956	152,956
Chortex Endowment Fund	-	-	71,567	71,567
Held by Comerica Bank:				
Schwartz Endowment Fund	-	-	118,274	118,274
Total Endowment Funds	<u>\$ (95,717)</u>	<u>\$ -</u>	<u>\$ 1,834,351</u>	<u>\$ 1,738,634</u>

Changes in endowment net assets for the years ended June 30:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets at June 30, 2009	\$ (151,632)	\$ -	\$ 1,756,151	\$ 1,604,519
Net realized and unrealized appreciation	56,996	-	109,415	166,411
Contributions	-	-	16,839	16,839
Appropriation of endowment assets for expenditure	(1,081)	-	(48,054)	(49,135)
Endowment Net Assets at June 30, 2010	<u>(95,717)</u>	<u>-</u>	<u>1,834,351</u>	<u>1,738,634</u>
Net realized and unrealized appreciation	95,717	111,292	174,279	381,288
Appropriation of endowment assets for expenditure	-	-	(48,845)	(48,845)
Endowment Net Assets at June 30, 2011	<u>\$ -</u>	<u>\$ 111,292</u>	<u>\$ 1,959,685</u>	<u>\$ 2,070,977</u>

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**Note 12 - Commitments:**

**Retirement Plan**

JFS has established a 401(k) retirement plan (the “Plan”) covering all full-time and half-time employees. The Plan allows for employee contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code if they wish beginning on their hire date. JFS may make a discretionary contribution to the Plan on an annual basis. Employees are eligible to participate in JFS’s contribution if they are 21 years of age and have completed 975 hours of service during the Plan year. JFS contributed \$270,972 and \$242,262 to plan for the years ended June 30, 2011 and 2010, respectively.

**Facility Operating Leases**

JFS leases office facilities under lease agreements expiring through February 2014. Rent expense for the office facilities totaled \$588,941 and \$435,927 for the years ended June 30, 2011 and 2010, respectively.

Future minimum lease payments are as follows:

Years Ended June 30	
2012	\$ 453,545
2013	340,460
2014	45,006
Total	<u>\$ 839,011</u>

**Letter of Credit**

The bonds payable to the Colorado Educational and Cultural Facilities Authority required JFS to provide an irrevocable Letter of Credit. The Letter of Credit was issued by US Bank in the original amount of the bonds outstanding (\$9,000,000 at June 30, 2010). Unreimbursed drawings under the letter of credit for a liquidity drawing were charged interest for the first 90 days at the bank’s prime rate (floating) during any three-year period, and thereafter, at the bank’s prime rate (floating), plus 2.0% per annum. Other unreimbursed drawings were charged interest at the reimbursement rate from the date of the draw. The Letter of Credit expired on May 15, 2011. JFS paid a quarterly fee on the Letter of Credit to US Bank. No demands for payment were made on the Letter of Credit as of June 30, 2011.



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### **Independent Auditor's Report on Supplementary Information**

To the Board of Directors  
Jewish Family Service of San Diego

We have audited the consolidated financial statements of Jewish Family Service of San Diego as of and for the years ended June 30, 2011 and 2010, and have issued our report thereon dated October 27, 2011, which contained an unqualified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

*Leaf & Cole LLP*

San Diego, California  
October 27, 2011



**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**JUNE 30, 2011**

**ASSETS**

	Jewish Family Service of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
<b><u>Current Assets:</u></b>						
Cash and cash equivalents	\$ 1,415,909	\$ 8,331	\$ -	\$ 819,743	\$ -	\$ 2,243,983
Accounts receivable, net	86,407	-	-	638,897	-	725,304
Grants and contracts receivable	1,171,251	-	-	-	-	1,171,251
HFLA loans receivable, net	38,865	-	-	-	-	38,865
Other loans receivable, net	5,255	-	-	-	-	5,255
Prepaid expenses and other assets	22,458	-	-	42,281	-	64,739
Unconditional promises to give, net	971,916	252,061	-	-	-	1,223,977
Intercompany receivables	207,141	-	-	-	(207,141)	-
Total Current Assets	<u>3,919,202</u>	<u>260,392</u>	<u>-</u>	<u>1,500,921</u>	<u>(207,141)</u>	<u>5,473,374</u>
<b><u>Noncurrent Assets:</u></b>						
Investments	12,905,037	1,710,461	-	-	-	14,615,498
Investment in subsidiary	396,078	-	-	-	(396,078)	-
Unconditional promises to give, net	8,500	104,750	-	-	-	113,250
Intercompany receivables	9,067,196	-	-	-	(9,067,196)	-
Deposits	60,066	-	-	6,744	-	66,810
Land, buildings and equipment, net	337,759	-	6,991,593	-	-	7,329,352
Beneficial interests in endowment funds	944,685	-	-	-	-	944,685
Total Noncurrent Assets	<u>23,719,321</u>	<u>1,815,211</u>	<u>6,991,593</u>	<u>6,744</u>	<u>(9,463,274)</u>	<u>23,069,595</u>
<b>TOTAL ASSETS</b>	<u>\$ 27,638,523</u>	<u>\$ 2,075,603</u>	<u>\$ 6,991,593</u>	<u>\$ 1,507,665</u>	<u>\$ (9,670,415)</u>	<u>\$ 28,542,969</u>

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)**  
**JUNE 30, 2011**

**LIABILITIES AND NET ASSETS**

	Jewish Family Service of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
<b><u>Current Liabilities:</u></b>						
Accounts payable	\$ 300,467	\$ -	\$ -	\$ 83,037	\$ -	\$ 383,504
Accrued expenses	1,208,029	-	-	799,613	-	2,007,642
Taxes payable	-	-	-	21,796	-	21,796
Intercompany payables	-	-	-	207,141	(207,141)	-
Unearned revenue	485,245	-	-	-	-	485,245
Total Current Liabilities	<u>1,993,741</u>	<u>-</u>	<u>-</u>	<u>1,111,587</u>	<u>(207,141)</u>	<u>2,898,187</u>
<b><u>Noncurrent Liabilities:</u></b>						
Deferred compensation	871,292	-	-	-	-	871,292
Intercompany payables	-	2,075,603	6,991,593	-	(9,067,196)	-
Total Noncurrent Liabilities	<u>871,292</u>	<u>2,075,603</u>	<u>6,991,593</u>	<u>-</u>	<u>(9,067,196)</u>	<u>871,292</u>
Total Liabilities	<u>2,865,033</u>	<u>2,075,603</u>	<u>6,991,593</u>	<u>1,111,587</u>	<u>(9,274,337)</u>	<u>3,769,479</u>
<b><u>Net Assets:</u></b>						
Unrestricted	16,761,678	-	-	396,078	(396,078)	16,761,678
Temporarily restricted	6,052,127	-	-	-	-	6,052,127
Permanently restricted	1,959,685	-	-	-	-	1,959,685
Total Net Assets	<u>24,773,490</u>	<u>-</u>	<u>-</u>	<u>396,078</u>	<u>(396,078)</u>	<u>24,773,490</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 27,638,523</u>	<u>\$ 2,075,603</u>	<u>\$ 6,991,593</u>	<u>\$ 1,507,665</u>	<u>\$ (9,670,415)</u>	<u>\$ 28,542,969</u>

**JEWISH FAMILY SERVICE OF SAN DIEGO  
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011**

	Jewish Family Service of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
<b>Unrestricted Net Assets:</b>						
<b><u>Support and Revenue:</u></b>						
Grants and contracts	\$ 9,246,073	\$ -	\$ -	\$ -	\$ -	\$ 9,246,073
Contributions	3,818,995	-	-	-	(318,050)	3,500,945
Charitable auto resources fees	-	-	-	5,354,663	-	5,354,663
Program revenue	1,005,869	-	-	-	(145,184)	860,685
Fees and other revenue	170,008	-	-	27,898	-	197,906
Gain on sale of land, buildings and equipment	3,675	-	-	-	-	3,675
Investment income	1,220,605	-	-	28	-	1,220,633
Income from subsidiary	1,655,276	-	-	-	(1,655,276)	-
Management fees	-	-	-	4,170	(4,170)	-
Net assets released from restrictions	786,422	-	-	-	-	786,422
Total Support and Revenues	<u>17,906,923</u>	<u>-</u>	<u>-</u>	<u>5,386,759</u>	<u>(2,122,680)</u>	<u>21,171,002</u>
<b><u>Expenses:</u></b>						
<b>Program Services:</b>						
Jewish Family Service of San Diego	13,703,210	-	-	-	-	13,703,210
Charitable Auto Resources	-	-	-	2,644,789	(463,234)	2,181,555
Total Program Services	<u>13,703,210</u>	<u>-</u>	<u>-</u>	<u>2,644,789</u>	<u>(463,234)</u>	<u>15,884,765</u>
<b>Supporting Services:</b>						
General and administrative	1,137,429	-	-	-	-	1,137,429
Fundraising	974,378	-	-	-	(4,170)	970,208
Total Supporting Services	<u>2,111,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,170)</u>	<u>2,107,637</u>
Total Expenses	<u>15,815,017</u>	<u>-</u>	<u>-</u>	<u>2,644,789</u>	<u>(467,404)</u>	<u>17,992,402</u>
Change in Unrestricted Net Assets Before Income Taxes	2,091,906	-	-	2,741,970	(1,655,276)	3,178,600

(Continued)

**JEWISH FAMILY SERVICE OF SAN DIEGO  
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2011**

	Jewish Family Service of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 1,086,694	\$ -	\$ 1,086,694
Change in Unrestricted Net Assets	2,091,906	-	-	1,655,276	(1,655,276)	2,091,906
<b><u>Temporarily Restricted Net Assets:</u></b>						
Contributions	406,101	-	-	-	-	406,101
Investment income	565,829	-	-	-	-	565,829
Net assets released from restrictions	<u>(737,477)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(737,477)</u>
Change in Temporarily Restricted Net Assets	<u>234,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,453</u>
<b><u>Permanently Restricted Net Assets:</u></b>						
Contributions	-	-	-	-	-	-
Investment income	174,279	-	-	-	-	174,279
Distributions	<u>(48,945)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,945)</u>
Change in Permanently Restricted Net Assets	<u>125,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,334</u>
Change in Net Assets	2,451,693	-	-	1,655,276	(1,655,276)	2,451,693
Net Assets at Beginning of Year	22,321,797	-	-	230,802	(230,802)	22,321,797
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,490,000)</u>	<u>1,490,000</u>	<u>-</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 24,773,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 396,078</u>	<u>\$ (396,078)</u>	<u>\$ 24,773,490</u>

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**JUNE 30, 2010**

**ASSETS**

	Jewish Family Service of <u>San Diego</u>	JFS Foundation, <u>LLC</u>	JFS Holdings, <u>LLC</u>	Charitable Auto Resources, Inc.	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>Current Assets:</u></b>						
Cash and cash equivalents	\$ 953,323	\$ 9,368	\$ -	\$ 899,874	\$ -	\$ 1,862,565
Accounts receivable, net	95,346	-	-	563,762	-	659,108
Grants and contracts receivable	1,820,954	-	-	-	-	1,820,954
HFLA loans receivable, net	45,599	-	-	-	-	45,599
Other loans receivable, net	5,705	-	-	-	-	5,705
Prepaid expenses and other assets	12,079	-	-	37,229	-	49,308
Unconditional promises to give, net	753,554	1,226,259	-	-	-	1,979,813
Intercompany receivables	190,683	-	-	-	(190,683)	-
Total Current Assets	<u>3,877,243</u>	<u>1,235,627</u>	<u>-</u>	<u>1,500,865</u>	<u>(190,683)</u>	<u>6,423,052</u>
<b><u>Noncurrent Assets:</u></b>						
Investments	10,340,042	661,672	-	-	-	11,001,714
Investment in subsidiary	230,802	-	-	-	(230,802)	-
Unconditional promises to give, net	194,518	172,840	-	-	-	367,358
Intercompany receivables	9,304,725	-	-	-	(9,304,725)	-
Deposits	20,706	-	-	6,744	-	27,450
Land, buildings and equipment, net	328,561	-	7,234,586	-	-	7,563,147
Bond issuance costs, net	120,455	-	-	-	-	120,455
Beneficial interests in endowment funds	819,351	-	-	-	-	819,351
Total Noncurrent Assets	<u>21,359,160</u>	<u>834,512</u>	<u>7,234,586</u>	<u>6,744</u>	<u>(9,535,527)</u>	<u>19,899,475</u>
<b>TOTAL ASSETS</b>	<u>\$ 25,236,403</u>	<u>\$ 2,070,139</u>	<u>\$ 7,234,586</u>	<u>\$ 1,507,609</u>	<u>\$ (9,726,210)</u>	<u>\$ 26,322,527</u>

**JEWISH FAMILY SERVICE OF SAN DIEGO**  
**SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)**  
**JUNE 30, 2010**

**LIABILITIES AND NET ASSETS**

	Jewish Family Service of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
<b><u>Current Liabilities:</u></b>						
Accounts payable	\$ 308,327	\$ -	\$ -	\$ 79,783	\$ -	\$ 388,110
Accrued expenses	1,103,052	-	-	797,164	-	1,900,216
Taxes payable	-	-	-	209,177	-	209,177
Intercompany payables	-	-	-	190,683	(190,683)	-
Unearned revenue	419,548	-	-	-	-	419,548
Current portion of noncurrent liabilities	14,250	-	-	-	-	14,250
Total Current Liabilities	<u>1,845,177</u>	<u>-</u>	<u>-</u>	<u>1,276,807</u>	<u>(190,683)</u>	<u>2,931,301</u>
<b><u>Noncurrent Liabilities:</u></b>						
Deferred compensation	783,679	-	-	-	-	783,679
Intercompany payables	-	2,070,139	7,234,586	-	(9,304,725)	-
Bonds payable, less current portion above	285,750	-	-	-	-	285,750
Total Noncurrent Liabilities	<u>1,069,429</u>	<u>2,070,139</u>	<u>7,234,586</u>	<u>-</u>	<u>(9,304,725)</u>	<u>1,069,429</u>
 Total Liabilities	 <u>2,914,606</u>	 <u>2,070,139</u>	 <u>7,234,586</u>	 <u>1,276,807</u>	 <u>(9,495,408)</u>	 <u>4,000,730</u>
<b><u>Net Assets:</u></b>						
Unrestricted	14,669,772	-	-	230,802	(230,802)	14,669,772
Temporarily restricted	5,817,674	-	-	-	-	5,817,674
Permanently restricted	1,834,351	-	-	-	-	1,834,351
Total Net Assets	<u>22,321,797</u>	<u>-</u>	<u>-</u>	<u>230,802</u>	<u>(230,802)</u>	<u>22,321,797</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>25,236,403</u></b>	<b>\$ <u>2,070,139</u></b>	<b>\$ <u>7,234,586</u></b>	<b>\$ <u>1,507,609</u></b>	<b>\$ <u>(9,726,210)</u></b>	<b>\$ <u>26,322,527</u></b>

**JEWISH FAMILY SERVICE OF SAN DIEGO  
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010**

	Jewish Family Service of <u>San Diego</u>	JFS Foundation, <u>LLC</u>	JFS Holdings, <u>LLC</u>	Charitable Auto <u>Resources, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>Unrestricted Net Assets:</u></b>						
<b><u>Support and Revenue:</u></b>						
Grants and contracts	\$ 9,488,536	\$ -	\$ -	\$ -	\$ -	\$ 9,488,536
Contributions	4,287,231	-	-	-	(35,900)	4,251,331
Charitable auto resources fees	-	-	-	4,197,385	-	4,197,385
Program revenue	932,551	-	-	-	(340,271)	592,280
Fees and other revenue	199,019	-	-	-	-	199,019
Gain on sale of land, buildings and equipment	2,062	-	-	-	-	2,062
Investment income	625,394	-	-	-	-	625,394
Income from subsidiary	1,003,493	-	-	-	(1,003,493)	-
Management fees	-	-	-	7,520	(7,520)	-
Net assets released from restrictions	1,593,437	-	-	-	-	1,593,437
Total Support and Revenues	<u>18,131,723</u>	<u>-</u>	<u>-</u>	<u>4,204,905</u>	<u>(1,387,184)</u>	<u>20,949,444</u>
<b><u>Expenses:</u></b>						
<b><u>Program Services:</u></b>						
Jewish Family Service of San Diego	13,275,966	-	-	-	-	13,275,966
Charitable Auto Resources	-	-	-	2,537,825	(376,171)	2,161,654
Total Program Services	<u>13,275,966</u>	<u>-</u>	<u>-</u>	<u>2,537,825</u>	<u>(376,171)</u>	<u>15,437,620</u>
<b><u>Supporting Services:</u></b>						
General and administrative	738,459	-	-	-	-	738,459
Fundraising	1,267,880	-	-	-	(7,520)	1,260,360
Total Supporting Services	<u>2,006,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,520)</u>	<u>1,998,819</u>
Total Expenses	<u>15,282,305</u>	<u>-</u>	<u>-</u>	<u>2,537,825</u>	<u>(383,691)</u>	<u>17,436,439</u>
Change in Unrestricted Net Assets Before Income Taxes	2,849,418	-	-	1,667,080	(1,003,493)	3,513,005

(Continued)

**JEWISH FAMILY SERVICE OF SAN DIEGO  
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2010**

	Jewish Family Service of <u>San Diego</u>	JFS Foundation, <u>LLC</u>	JFS Holdings, <u>LLC</u>	Charitable Auto <u>Resources, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 663,587	\$ -	\$ 663,587
Change in Unrestricted Net Assets	2,849,418	-	-	1,003,493	(1,003,493)	2,849,418
<b><u>Temporarily Restricted Net Assets:</u></b>						
Contributions	348,418	-	-	-	-	348,418
Investment income	230,616	-	-	-	-	230,616
Net assets released from restrictions	<u>(1,545,383)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,545,383)</u>
Change in Temporarily Restricted Net Assets	<u>(966,349)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(966,349)</u>
<b><u>Permanently Restricted Net Assets:</u></b>						
Contributions	16,839	-	-	-	-	16,839
Investment income	109,415	-	-	-	-	109,415
Distributions	<u>(48,054)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,054)</u>
Change in Permanently Restricted Net Assets	<u>78,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,200</u>
Change in Net Assets	1,961,269	-	-	1,003,493	(1,003,493)	1,961,269
Net Assets at Beginning of Year	20,360,528	-	-	167,309	(167,309)	20,360,528
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(940,000)</u>	<u>940,000</u>	<u>-</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 22,321,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,802</u>	<u>\$ (230,802)</u>	<u>\$ 22,321,797</u>