JEWISH FAMILY AND CHILDREN'S SERVICE, INC.
AND SUBSIDIARIES
Phoenix, Arizona

CONSOLIDATED FINANCIAL STATEMENTS

15-MONTH PERIOD ENDED SEPTEMBER 30, 2015
AND YEAR ENDED JUNE 30, 2014

JEWISH FAMILY AND CHILDREN'S SERVICE, INC.JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
TABLE OF CONTENTS
15-MONTH PERIOD ENDED SEPTEMBER 30, 2015 AND YEAR ENDED JUNE 30, 2014

INDEPENDENT AUDITORS' REPORT

Board of Directors
Jewish Family and Children's Service, Inc.
and Subsidiaries
Phoenix, Arizona

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Jewish Family and Children's Service, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of September 30, 2015 and June 30, 2014 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the 15-month period ended September 30, 2015 and the year ended June 30, 2014, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Board of Directors
Jewish Family and Children's Service, Inc.
and Subsidiaries

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family and Children's Service, Inc., Inc. as of September 30, 2015 and June 30, 2014, and their changes in net assets and their cash flows for the 15-month period ended September 30, 2015 and the year ended June 30, 2014 in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of consolidated statements of activities and changes in net assets for the 3-month period ended September 30, 2015, and the years ended June 30, 2015 and June 30, 2014 and the schedule of consolidated statement of functional expenses for the year ended June 30, 2015 (with comparative totals for the year ended June 30, 2014) are presented for 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 audit 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
March 14, 2016

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2015 AND JUNE 30, 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	$ 12,304,168	$ 8,029,854
Receivables, Net	1,566,415	1,179,487
Related Party Receivables, Net	1,210,007	1,085,276
Prepaid Expenses	241,684	365,733
Deposits	153,992	162,563
Investments Held in Community Foundation	504,567	487,315
Investment in Joint Ventures	1,513,539	707,872
Property and Equipment, Net	4,896,171	2,778,364
Pledges Receivable, Net	801,150	528,255
Total Assets	$ 23,191,693	$ 15,324,719
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 436,928	$ 818,486
Accrued Expenses and Other Liabilities	1,803,100	1,740,427
Accrued Compensated Absences	847,896	677,464
Deferred Revenue	6,414,020	354,449
Notes Payable	2,993,117	1,433,332
Forgivable Loan	-	8,000
Total Liabilities	12,495,061	5,032,158
NET ASSETS		
Board-Designated	504,567	346,363
Unrestricted	8,896,377	8,879,552
Total Unrestricted	9,400,944	9,225,915
Temporarily Restricted	1,295,688	1,066,646
Total Net Assets	10,696,632	10,292,561
Total Liabilities and Net Assets	$ 23,191,693	$ 15,324,719

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
15-MONTH PERIOD ENDED SEPTEMBER 30, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Totals	Totals
SUPPORT, REVENUES, AND OTHER GAINS				
Support:				
Government and Contracts	$ 39,980,875	$ -	$ 39,980,875	$ 28,173,815
Contributions and Grants	2,137,663	615,280	2,752,943	2,610,183
Special Events, Net of Direct Benefit to Donors	309,369	20,000	329,369	227,152
Total Support	42,427,907	635,280	43,063,187	31,011,150
Revenues and Other Gains:				
Client Program Fees	346,370	-	346,370	576,567
Third Party Fees	703,449	-	703,449	458,787
Management Services	4,947,529	-	4,947,529	2,506,885
Investment Income	55,635	-	55,635	66,043
Miscellaneous Income	27,661	-	27,661	184,185
Total Revenues and Other Gains	6,080,644	-	6,080,644	3,792,467
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	406,238	(406,238)	-	-
Total Support, Revenues, and Other Gains	48,914,789	229,042	49,143,831	34,803,617

(Continued)

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS (CONTINUED)
15-MONTH PERIOD ENDED SEPTEMBER 30, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Totals	Totals
FUNCTIONAL EXPENSES				
Program Services:				
Behavioral Health Services	$ 26,080,312	$ -	$ 26,080,312	$ 19,042,870
Shelter Without Walls	452,394	-	452,394	385,289
Real World Job Development	633,386	-	633,386	501,508
Homebased Services	6,093,000	-	6,093,000	3,879,439
Older Adults	1,227,614	-	1,227,614	1,208,633
Jewish Community Services	403,862	-	403,862	332,007
Prevention Services	423,151	-	423,151	96,949
Total Program Services	35,313,719	-	35,313,719	25,446,695
Supporting Services:				
Management and General	5,425,722	-	5,425,722	4,089,699
Management Services	5,846,672	-	5,846,672	2,839,155
Fundraising	978,688	-	978,688	621,286
Twenty Thirty Three	777,861	-	777,861	330,466
Other	397,098	-	397,098	177,037
Total Supporting Services	13,426,041	-	13,426,041	8,057,643
Total Functional Expenses	48,739,760	-	48,739,760	33,504,338
CHANGES IN NET ASSETS	175,029	229,042	404,071	1,299,279
Net Assets - Beginning of Year	9,225,915	1,066,646	10,292,561	8,993,282
NET ASSETS - END OF YEAR	$ 9,400,944	$ 1,295,688	$ 10,696,632	$ 10,292,561

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2014

	2014		
	Unrestricted	Temporarily Restricted	Totals
SUPPORT, REVENUES, AND OTHER GAINS			
Support			
Government and Contracts	$ 28,173,815	$ -	$ 28,173,815
Contributions and Grants	1,888,566	721,617	2,610,183
Special Events, Net of Direct Benefit to Donors	168,017	59,135	227,152
Total Support	30,230,398	780,752	31,011,150
Revenues and Other Gains			
Client Program Fees	576,567	-	576,567
Third Party Fees	458,787	-	458,787
Management Services	2,506,885	-	2,506,885
Investment Income	53,835	12,208	66,043
Earnings from Equity Method Investments	-	-	-
Miscellaneous Income	184,185	-	184,185
Total Revenues and Other Gains	3,780,259	12,208	3,792,467
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	449,519	(449,519)	-
Total Support, Revenues, and Other Gains	34,460,176	343,441	34,803,617

(Continued)

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2014

	2014		
	Unrestricted	Temporarily Restricted	Totals
FUNCTIONAL EXPENSES			
Program Services:			
Behavioral Health Services	$ 19,042,870	$ -	$ 19,042,870
Shelter Without Walls	385,289	-	385,289
Real World Job Development	501,508	-	501,508
Homebased Services	3,879,439	-	3,879,439
Older Adults	1,208,633	-	1,208,633
Jewish Community Services	332,007	-	332,007
Prevention Services	96,949	-	96,949
Total Program Services	25,446,695	-	25,446,695
Supporting Services:			
Management and General	4,089,699	-	4,089,699
Management Services	2,839,155	-	2,839,155
Fundraising	621,286	-	621,286
Twenty Thirty Three	330,466	-	330,466
Other	177,037	-	177,037
Total Supporting Services	8,057,643	-	8,057,643
Total Functional Expenses	33,504,338	-	33,504,338
CHANGES IN NET ASSETS	955,838	343,441	1,299,279
Net Assets - Beginning of Year	8,270,077	723,205	8,993,282
NET ASSETS - END OF YEAR	$ 9,225,915	$ 1,066,646	$ 10,292,561

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
15-MONTH PERIOD ENDED SEPTEMBER 30, 2015

	Program Services							
	Behavioral Health Services	Shelter Without Walls	Real World Job Development	Homebased Services	Older Adults	Jewish Community Services	Prevention Services	Total Program Services
EXPENSES								
Salaries	$ 15,887,874	$ 270,977	$ 357,634	$ 3,963,543	$ 801,299	$ 246,022	$ 327,402	$ 21,854,751
Payroll Taxes and Fringe Benefits	3,252,200	62,639	58,336	941,508	134,658	33,189	65,184	4,547,714
Total Payroll Expenses	19,140,074	333,616	415,970	4,905,051	935,957	279,211	392,586	26,402,465
Professional Fees and Contract Services	3,652,430	12,691	6,676	92,690	78,697	47,462	4,360	3,895,006
Supplies	128,543	1,823	8,764	19,994	42,065	609	863	202,661
Telephone	399,975	8,497	27,702	126,953	20,048	5,576	9,262	598,013
Postage, Shipping, and Delivery	62,640	309	3,131	3,439	4,658	416	56	74,649
Occupancy	1,441,888	3,406	84,319	21,074	48,784	943	2,167	1,602,581
Equipment	308,826	3,876	12,210	44,884	13,438	3,019	6,598	392,851
Printing and Publications	20,073	278	616	1,688	4,231	8,226	229	35,341
Travel	420,382	10,517	7,186	724,662	61,997	9,479	3,695	1,237,918
Meeting and Conferences	45,598	1,103	608	11,378	618	113	459	59,877
Events	959	160	-	-	3,971	9,439	-	14,529
Specific Assistance to Clients	207,271	71,868	43,799	95,812	-	34,360	-	453,110
Membership Dues and Subscriptions	40,009	1,542	1,028	9,367	1,888	619	655	55,108
Insurance	129,731	2,137	2,910	28,543	5,738	1,909	1,930	172,898
Depreciation and Amortization	62,263	574	6,599	6,735	1,880	504	290	78,845
Miscellaneous	19,650	(3)	11,868	730	3,644	1,977	1	37,867
Loss from Equity Method Investments	-	-	-	-	-	-	-	-
Provision for Doubtful Accounts	-	-	-	-	-	-	-	-
Total Non-Payroll Expenses	6,940,238	118,778	217,416	1,187,949	291,657	124,651	30,565	8,911,254
Total Expenses	$ 26,080,312	$ 452,394	$ 633,386	$ 6,093,000	$ 1,227,614	$ 403,862	$ 423,151	$ 35,313,719

(Continued)

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
15-MONTH PERIOD ENDED SEPTEMBER 30, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	Supporting Services							
	Management and General	Management Services	Fundraising	Twenty Thirty Three	Other	Total Supporting Services	Total Functional Expenses	2014 Totals
EXPENSES								
Salaries	$ 3,400,542	$ 3,060,278	$ 420,620	$ -	$ 6,000	$ 6,887,440	$ 28,742,191	$ 19,969,233
Payroll Taxes and Fringe Benefits	725,940	518,340	81,473	-	2,094	1,327,847	5,875,561	3,762,470
Total Payroll Expenses	4,126,482	3,578,618	502,093	-	8,094	8,215,287	34,617,752	23,731,703
Professional Fees and Contract Services	598,678	807,048	180,811	41,267	11,789	1,639,593	5,534,599	3,929,495
Supplies	41,624	17,835	2,062	-	-	61,521	264,182	185,872
Telephone	72,430	48,970	8,626	-	(77)	129,949	727,962	474,737
Postage, Shipping, and Delivery	9,897	7,367	7,321	-	(1)	24,584	99,233	73,630
Occupancy	272,115	219,479	37,956	56,457	43	586,050	2,188,631	1,482,395
Equipment	118,792	120,383	32,995	60,205	(197)	332,178	725,029	487,718
Printing and Publications	39,606	45,421	24,879	-	(34)	109,872	145,213	105,383
Travel	27,073	88,523	5,578	-	14	121,188	1,359,106	865,422
Meeting and Conferences	46,105	39,281	29,376	-	(8)	114,754	174,631	165,228
Events	2,049	-	119,710	-	-	121,759	136,288	124,187
Specific Assistance to Clients	-	-	-	-	20	20	453,130	611,166
Membership Dues and Subscriptions	20,696	12,418	2,622	-	(46)	35,690	90,798	60,166
Insurance	24,963	59,506	4,242	50,073	(156)	138,628	311,526	209,301
Depreciation and Amortization	6,650	9,924	804	434,185	(26)	451,537	530,382	323,073
Miscellaneous	18,562	15,965	10,591	135,674	407	181,199	219,066	183,099
Loss from Equity Method Investments	-	134,315	9,022	-	23,419	166,756	166,756	301,347
Provision for Doubtful Accounts	-	641,619	-	-	353,857	995,476	995,476	190,416
Total Non-Payroll Expenses	1,299,240	2,268,054	476,595	777,861	389,004	5,210,754	14,122,008	9,772,635
Total Expenses	$ 5,425,722	$ 5,846,672	$ 978,688	$ 777,861	$ 397,098	$ 13,426,041	$ 48,739,760	$ 33,504,338

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2014

	Program Services							
	Behavioral Health Services	Shelter Without Walls	Real World Job Development	Homebased Services	Older Adults	Jewish Community Services	Prevention Services	Total Program Services
EXPENSES								
Salaries	$ 11,506,987	$ 216,126	$ 289,379	$ 2,595,756	$ 766,268	$ 198,932	$ 78,177	$ 15,651,625
Payroll Taxes and Fringe Benefits	2,159,719	45,538	46,125	549,033	128,835	25,535	12,954	2,967,739
Total Payroll Expenses	13,666,706	261,664	335,504	3,144,789	895,103	224,467	91,131	18,619,364
Professional Fees and Contract Services	2,804,077	6,398	5,012	88,228	128,738	43,337	793	3,076,583
Supplies	107,586	683	3,740	6,612	36,670	173	47	155,511
Telephone	267,522	6,276	21,633	79,922	15,215	3,408	1,366	395,342
Postage, Shipping, and Delivery	48,459	295	2,449	2,762	4,054	464	88	58,571
Occupancy	967,462	4,182	66,251	15,553	43,121	899	1,312	1,098,780
Equipment	217,100	3,210	14,151	25,753	9,915	2,176	715	273,020
Printing and Publications	20,404	235	670	2,232	5,835	2,803	48	32,227
Travel	308,744	10,240	8,535	413,840	44,897	6,469	280	793,005
Meeting and Conferences	35,735	323	954	5,884	2,902	371	312	46,481
Events	350	-	375	-	3,753	15,070	-	19,548
Specific Assistance to Clients	398,630	88,702	31,755	62,910	155	29,014	-	611,166
Membership Dues and Subscriptions	25,468	521	726	5,409	2,239	751	172	35,286
Insurance	97,684	1,842	2,290	18,997	5,741	1,596	468	128,618
Depreciation and Amortization	66,361	568	4,381	5,580	1,977	470	167	79,504
Miscellaneous	10,582	150	3,082	968	8,318	539	50	23,689
Loss from Equity Method Investments	-	-	-	-	-	-	-	-
Provision for Doubtful Accounts	-	-	-	-	-	-	-	-
Total Non-Payroll Expenses	5,376,164	123,625	166,004	734,650	313,530	107,540	5,818	6,827,331
Total Expenses	$ 19,042,870	$ 385,289	$ 501,508	$ 3,879,439	$ 1,208,633	$ 332,007	$ 96,949	$ 25,446,695

(Continued)

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2014

	Supporting Services						
	Management and General	Management Services	Fundraising	Twenty Thirty Three	Other	Total Supporting Services	Total Functional Expenses
EXPENSES							
Salaries	$ 2,649,074	$ 1,362,755	$ 289,779	$ -	$ 16,000	$ 4,317,608	$ 19,969,233
Payroll Taxes and Fringe Benefits	514,334	229,555	50,093	-	749	794,731	3,762,470
Total Payroll Expenses	3,163,408	1,592,310	339,872	-	16,749	5,112,339	23,731,703
Professional Fees and Contract Services	413,008	377,056	42,593	2,360	17,895	852,912	3,929,495
Supplies	18,783	9,754	1,824	-	-	30,361	185,872
Telephone	51,173	23,798	4,158	-	266	79,395	474,737
Postage, Shipping, and Delivery	8,045	4,690	2,315	-	9	15,059	73,630
Occupancy	187,489	136,372	15,372	44,053	329	383,615	1,482,395
Equipment	71,122	65,216	16,121	60,008	2,231	214,698	487,718
Printing and Publications	45,658	15,455	11,874	117	52	73,156	105,383
Travel	20,921	47,844	3,630	-	22	72,417	865,422
Meeting and Conferences	51,756	51,790	14,325	-	876	118,747	165,228
Events	-	-	104,639	-	-	104,639	124,187
Specific Assistance to Clients	-	-	-	-	-	-	611,166
Membership Dues and Subscriptions	15,775	6,642	2,273	-	190	24,880	60,166
Insurance	19,447	27,219	2,779	30,458	780	80,683	209,301
Depreciation and Amortization	13,838	37,933	883	184,772	6,143	243,569	323,073
Miscellaneous	9,276	513	10,448	8,698	130,475	159,410	183,099
Loss from Equity Method Investments	-	301,347	-	-	-	301,347	301,347
Provision for Doubtful Accounts	-	141,216	48,180	-	1,020	190,416	190,416
Total Non-Payroll Expenses	926,291	1,246,845	281,414	330,466	160,288	2,945,304	9,772,635
Total Expenses	$ 4,089,699	$ 2,839,155	$ 621,286	$ 330,466	$ 177,037	$ 8,057,643	$ 33,504,338

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
15-MONTH PERIOD ENDED SEPTEMBER 30, 2015 AND
YEAR ENDED JUNE 30, 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	$ 404,071	$ 1,299,279
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	530,382	323,073
Provision for Doubtful Accounts	995,476	238,596
Forgiveness of Loan	(8,000)	(8,000)
Transfer of Property and Equipment to a Receivable	-	(163,543)
Equity in (Earnings) Loss of Joint Ventures	166,756	301,347
Net Realized and Unrealized Gains on Investments	(55,635)	(66,043)
Increase (Decrease) in Cash Resulting from Changes in:		
Receivables	(456,985)	317,286
Related Party Receivables	(1,050,150)	(635,319)
Prepaid Expenses	124,049	(9,266)
Deposits	8,571	(13,227)
Accounts Payable	(381,558)	436,887
Accrued Expenses and Other Liabilities	62,673	(61,139)
Accrued Compensated Absences	170,432	83,261
Deferred Revenue	6,059,571	(692,684)
Net Cash Provided by Operating Activities	6,569,653	1,350,508
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments Held in Community Foundation	(49,692)	(82,173)
Sales of Other Investments	15,652	-
Purchases of Investment in Joint Ventures	(900,000)	(350,000)
Purchases of Property and Equipment	(2,648,189)	(1,242,701)
Transfer of Property and Equipment to a Receivable	-	163,543
Net Cash Used in Operating Activities	(3,582,229)	(1,511,331)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Capital Campaign Pledges Receivable	236,267	68,675
Increase in Capital Campaign Pledges Receivable	(509,162)	(422,096)
Proceeds from Note Payable	1,559,785	1,433,332
Net Cash Provided by Financing Activities	1,286,890	1,079,911
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,274,314	919,088
Cash and Cash Equivalents - Beginning of Year	8,029,854	7,110,766
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 12,304,168	$ 8,029,854
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest Paid	$ 112,468	$ 5,026

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of Jewish Family and Children's Service, Inc., Twenty Thirty Three, Inc., Child and Family Solutions, LLC, and JFCS Behavioral Health, LLC's (collectively the Organization) significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Organization

Jewish Family and Children's Service, Inc. (JFCS) was founded in 1936, obtained nonprofit 501(c)(3) status in 1955, and became non-sectarian in 1964. JFCS serves the diverse human service needs of families and individuals of all ages, races and faiths throughout Maricopa County. The JFCS Agency mission is to strengthen the community by offering high quality behavioral health and social services to children, families and adults of all ages throughout Maricopa County, in accordance with a Jewish value system that cares about all humanity.

JFCS objectives include meeting and exceeding community expectations through a commitment to treat people with dignity and respect and to deliver services in accordance with a value system that cares about all humanity.

Child and Family Solutions, LLC (CFS) is a single member LLC and was founded in 2006.

JFCS Behavioral Health, LLC (BH) is a single member LLC and was founded in 2006.

Twenty Thirty Three, Inc., (TTT) is a nonprofit, non-sectarian organization which acquires land, buildings and equipment and subsequently leases those assets to JFCS under various operating leases.

TTT leases all of its buildings and equipment to JFCS. Various members of the board of directors of TTT are also members of the board of directors of JFCS.

The activities of TTT, CFS, and BH have been consolidated with those of JFCS as JFCS exercises control over these entities.

The Organization is presenting 15 month consolidated financial statements in the current year due to a change in fiscal year-end from June 30 to September 30.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with the *FASB Accounting Standards Codification (ASC 958)*. Under the Codification, JFCS is required to provide financial statements which are prepared to focus on the organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

JFCS maintains its accounts on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Unrestricted Net Assets

Unrestricted net assets are not subject to donor imposed stipulations and are those currently available at the discretion of the board for use in JFCS's operations, in accordance with its bylaws. Temporarily restricted net assets received and expended in the same year are classified as unrestricted.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those which are subject to donor-imposed stipulations that will be met by JFCS and/or the passage of time.

Permanently Restricted Net Assets

Permanently restricted net assets are those which represent permanent endowments where it is stipulated by donors that the principal remain in perpetuity and only the income is available as unrestricted or temporarily restricted, as per the endowment agreements. At September 30, 2015 and June 30, 2014, JFCS had no permanently restricted net assets.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of JFCS and its subsidiaries. Inter-organization transactions and balances have been eliminated in the consolidation.

Use of Estimates in the Preparation of Financial Statements

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

Cash and Cash Equivalents

JFCS considers all short-term investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of cash held in checking, savings, and money market accounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables consist primarily of amounts due from various governmental agencies. Receivables are carried at the original invoice amount less an estimated reserve for doubtful receivables based on a review of all outstanding accounts. Management determines the reserve by identifying troubled accounts as well as evaluating receivables and considering a customer's financial condition, credit history, and current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded as an increase to the allowance when received.

Pledges Receivable

Unconditional promises to give (pledges receivable) are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Monies received pursuant to conditional promises are reflected as deferred revenue. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates as determined by management that are applicable to the years in which the promises are made. Amortization of the discount is included in contribution support. Management provides for probable uncollectible amounts through a charge to earnings and an increase to a valuation allowance based on its assessment of the current status of individual pledges. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction of receivables.

Investments

The investments in equity securities with readily determinable fair value are measured at fair value in the consolidated statements of financial position as determined by available market prices. JFCS also has assets held by the Jewish Community Foundation of Greater Phoenix which are recorded at fair value based upon quoted market prices of the underlying assets. Investment income or loss (including unrealized and realized gains and losses on investments, interest, and dividends) is included in unrestricted net assets unless the associated income or loss is restricted.

Board Designated Net Assets

As of September 30, 2015 and June 30, 2014, included in unrestricted net assets is a $504,567 and $346,363, respectively, board-designated investment in an investment fund held at the Jewish Community Foundation of Greater Phoenix, an unrelated entity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Buildings, leasehold improvements, vehicles, equipment, and furniture are initially recorded at cost, if purchased or at fair value at date of donation if contributed. The Organization's policy is to capitalize assets costing $1,000 or more and with a useful life of greater than one year. Property and equipment are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	5 – 35 years
Furniture, Equipment, and Vehicles	3 – 5 years
Software	7 years

Improvements to leased property are amortized over the lesser of the life of the lease or life of the improvements. Amortization expense on assets acquired under capital leases is included with depreciation expense on owned assets.

Gain or loss on sale of assets is calculated by netting the book value of the investment in the capital asset against the consideration received on the asset sold.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Equity Investments

JFCS's investments in entities owned 20% or more, but not more than 50%, are accounted for using the equity method of accounting. Investments in entities owned less than 20% are carried at cost.

Contributions

JFCS records contributions and grants from governmental agencies as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, JFCS reports the support as unrestricted.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Deferred Revenue

The Organization recognizes amounts received from contracts and grants as earned when services are rendered under unit of service contracts or as allowable costs are incurred under cost reimbursement contracts. A receivable is recorded to the extent the amount earned exceeds cash advances, less an estimate made for amounts that may be uncollectible, which is determined based on management's judgment and historical experience with the contracting agency. Conversely, a liability (deferred revenue) is recorded when cash advances exceed amounts earned.

Income Taxes

Jewish Family and Children's Service, Inc. is exempt from federal income taxes under Section 501(c)(3) and Twenty Thirty Three, Inc., is exempt under 501(c)(2) of the Internal Revenue Code (IRC) of 1954 as amended and from state income taxes under ARS 43-1201. In addition, JFCS and TTT have been determined by the Internal Revenue Service (IRS) not to be private foundations within the meaning of Section 509(a). Income determined to be unrelated business taxable income (UBTI) would be taxable. Management believes that JFCS and TTT have no uncertain tax positions as of September 30, 2015 and June 30, 2014.

Economic Dependency and Concentration of Credit Risk

During the 15-month period ended September 30, 2015 and year ended June 30, 2014, the Organization received approximately 60% of its revenue through the Regional Behavioral Health Authority in Maricopa, an agent for the state of Arizona. The loss of this revenue source would have a materially adverse effect on the Organization.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The costs are allocated based on salary, professional fees, and square footage percentages.

NOTE 2 CASH AND CASH EQUIVALENTS

Cash as of September 30, 2015 and June 30, 2014 consisted of a carrying amount of $12,304,168 and $8,029,854, with $11,958,871 and $7,626,893 being unrestricted and $345,297 and $402,961 being temporarily restricted, respectively.

NOTE 3 RECEIVABLES

Receivables consist of the following:

	2015	2014
Department of Child Safety	$ 914,303	$ 473,066
Maricopa RBHA	131,236	-
City of Phoenix	32,497	17,881
Area Agency of Aging	8,910	14,828
Jewish Community Foundation	88,054	129,666
CRS/Other Insurance	202,621	526,081
Other Receivables	331,701	90,815
Subtotal	1,709,322	1,252,337
Less: Allowance for Doubtful Accounts	(142,907)	(72,850)
Total Receivables, Net	$ 1,566,415	$ 1,179,487

Interest is not charged on receivables. The allowance for doubtful accounts is based on management's assessment of the account's ability to pay, the presence of a contractual agreement, and other factors. Receivables are considered past due based on contractual terms. Receivables are considered to be past due if any portion of the receivable balance is outstanding for more than 120 days. As of September 30, 2015 and June 30, 2014, the amount outstanding over 120 days was $150,526 and $258,836, respectively.

NOTE 4 RELATED PARTY RECEIVABLES

Related party receivables consist of the following:

	2015	2014
Topaz, LLC	$ 709,822	$ 786,775
Behavioral Health Information Network of Arizona, LLC	1,405,669	556,716
Quality Care Network of Arizona	2,350	8,000
Subtotal	2,117,841	1,351,491
Less: Allowance for Doubtful Accounts	(907,834)	(266,215)
Total Related Party Receivables, Net	$ 1,210,007	$ 1,085,276

The allowance for doubtful accounts is based on management's assessment of the account's ability to pay, the presence of a contractual agreement, and other factors.

NOTE 5 PLEDGES RECEIVABLE

Pledges receivable consist of the following:

	2015	2014
Pledges Receivable	$ 850,433	$ 576,435
Less: Unamortized Discount	(25,519)	(23,180)
Total	824,914	553,255
Less: Allowance for Uncollectibles	(23,764)	(25,000)
Pledges Receivable, Net	$ 801,150	$ 528,255
Amounts Due in:		
Less than One Year	$ 197,719	$ 196,835
One to Five Years	652,714	379,600
Total	$ 850,433	$ 576,435

The discount rate used to determine the present value of the pledges receivable balance is a rate considered appropriate for the expected repayment term. The discount rate approximates 1.6%.

NOTE 6 INVESTMENTS

Investments in Joint Ventures

Topaz, LLC

JFCS is a 50% owner and managing administrative member in Topaz, LLC (Topaz), a partnership with another not-for-profit entity providing information technology services to not-for-profit entities. JFCS recognized its share of the equity in the earnings (loss) of Topaz of $46,782 and $(85,662) for the 15-month period ended September 30, 2015 and year ended June 30, 2014, respectively.

JFCS provided approximately $3,201,276 and $1,444,712 in management and administrative services during the 15-month period ended September 30, 2015 and year ended June 30, 2014, respectively. A new administrative service agreement was signed on July 9, 2015, adding additional capital into Topaz by both members. This infusion of capital will allow Topaz to provide its own administration in 2016, with JFCS providing less administrative services to Topaz.

The Topaz investment consisted of an equity balance of $1,489,009 and $542,227 at September 30, 2015 and June 30, 2014, respectively.

NOTE 6 INVESTMENTS (CONTINUED)

Summary financial information for Topaz, LLC, as of and for the years ended December 31, 2014 and 2013, is as follows:

	2014 Audited	2013 Audited
Assets		
Cash and Equivalents	$ 398,031	$ 1,685,428
Accounts Receivable	565,013	141,455
Prepaid and Deposits	15,143	3,538
Inventory	109,481	342,392
Total Current Assets	$ 1,087,668	$ 2,172,813
Equipment, Net of Accumulated Depreciation	$ 1,332,197	$ 806,050
Liabilities	$ 1,146,651	$ 1,782,146
Partners' Capital	1,273,214	1,196,717
Total Liabilities and Partners' Capital	$ 2,419,865	$ 2,978,863
Total Revenue	$ 3,998,518	$ 2,791,842
Total Expenses	3,922,021	(2,884,425)
Net Earnings	$ 76,497	$ (92,583)

Behavioral Health Information Network of Arizona, LLC

JFCS is a 29% owner and managing member in Behavioral Health Information Network of Arizona, LLC (BHINAZ), partnering with other not-for-profit stakeholders providing statewide health information exchange (HIE) services. JFCS provided approximately $1,665,514 and $957,349 in management and administrative services during the 15-month period ended September 30, 2015 and year ended June 30, 2014, respectively. The BHINAZ investment consisted of an equity balance of $-0- and $134,615 at September 30, 2015 and June 30, 2014, respectively. JFCS recognized its share of the loss in BHINAZ of $134,315 and $215,685 for the 15-month period ended September 30, 2015 and year ended June 30, 2014, respectively.

NOTE 6 INVESTMENTS (CONTINUED)

Other Investments

JFCS has two other investments carried at cost which totaled $24,530 and $31,030 at September 30, 2015 and June 30, 2014, respectively.

Jewish Community Foundation of Greater Phoenix

JFCS also has funds on deposit at the Jewish Community Foundation of Greater Phoenix, which has been designated by the board of directors. The investments totaled $504,567 and $487,315 as of September 30, 2015 and June 30, 2014, respectively.

NOTE 7 FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB *Accounting Standards Codification (ASC) 820, Fair Value Measurement and Disclosures*, provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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 or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- 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 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on assumptions that market participants would use in pricing an asset or liability.

NOTE 7 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy.

Investments Held by Jewish Community Foundation of Greater Phoenix

The Organization's investments held by Jewish Community Foundation of Greater Phoenix primarily consist of State of Israel bonds, corporate and governmental debt securities, and equity securities, which are held primarily at stock brokerage firms. The fair value on these investments, held by Jewish Community Foundation of Greater Phoenix, is determined as follows. Mutual funds are valued at publicly quoted net asset value. Equity and debt securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the markets are still considered active at the last transaction price before year-end. The State of Israel bonds are valued at face value, which approximates fair value. The amount recorded on the consolidated statements of financial position reflects the Organization's contributions plus (minus) the Organization's allocated share of the investment return on the entire pool of investments. This investment is classified within Level 3 of the valuation hierarchy.

The following table sets forth by level, within the fair value hierarchy, the Organization's fair value as of September 30, 2015 and June 30, 2014:

	2015			
	Level 1	Level 2	Level 3	Total
Investment Held by Jewish Community Foundation of Greater Phoenix	$ -	$ -	$ 504,567	$ 504,567

	2014			
	Level 1	Level 2	Level 3	Total
Investment Held by Jewish Community Foundation of Greater Phoenix	$ -	$ -	$ 487,315	$ 487,315

The following is a reconciliation of beginning and ending balances of assets measured at fair value on a reoccurring basis using significant unobservable (Level 3) inputs during the 15-month period ended September 30, 2015 and June 30, 2014:

	2015	2014
Balance - Beginning of Year	$ 487,315	$ 320,959
Additions	49,692	105,278
Total Unrealized Gain/(Loss), Included in the Changes in Net Assets	(32,440)	61,078
Balance - End of Year	$ 504,567	$ 487,315

NOTE 7 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table describes the valuation techniques used to calculate fair market value for assets in Level 3:

Quantitative Information about Level 3 Fair Value Measurements

	Fair Value at September 30, 2015	Fair Value at June 30, 2014	Valuation Techniques	Unobservable Inputs
Jewish Community Foundation of Greater Phoenix	$504,567	$487,315	Percentage ownership of investment pool	The percentage ownership investment pool as applied to investment statements

The Organization evaluates Level 2 and Level 3 investments for events and changes in circumstances that indicate a transfer into or transfer out of Level 3. The Organization recognizes the transfers into and out of Level 3 as of the date of the event or change in circumstance. During the 15-month period ended September 30, 2015 and year ended June 30, 2014, there were no transfers into or out of the Level 3 category.

NOTE 8 RELATED PARTY TRANSACTIONS

Quality Care Network of Arizona (QCN) is a Provider Network Organization (PNO) that began operations on July 13, 2007, and is responsible for providing behavioral health services to children that need to be intensively cased managed. QCN will also be responsible for managing approximately 45% of all children’s behavioral health dollars in Maricopa County. JFCS assisted in the creation of QCN and is one of five founding board members. Mercy Maricopa Integrated Care announced that on January 1, 2015, contracts with Children’s Provider Network Organizations (PNO) would be transferred directly to the Regional Behavioral Health Authority (RBHA). Additionally, effective July 1, 2015, services for children’s high needs case management would no longer be provided by Children’s Provider Network Organizations and would be moved under direct provider contracts. The loss of funding to QCN would result in the dissolution of this related party organization.

JFCS earned $6,823,213 and $14,046,973 in funding from QCN to provide children behavioral health for the six months ended December 31, 2014 and year ended June 30, 2014, respectively. Additionally, for 15-month period ended September 30, 2015 and year ended June 30, 2014, JFCS provided administrative services including Medical Director Services amounting to $71,970 and $103,805, respectively.

NOTE 8 RELATED PARTY TRANSACTIONS (CONTINUED)

Behavioral Health Information Network of Arizona began operations on June 27, 2013 and was created to provide statewide exchange of healthcare information to participating providers. JFCS is the managing member providing management and administrative services to this organization. JFCS transferred $163,543 of computer software to Behavioral Health Information Network of Arizona, LLC (BHINAZ) in 2014.

Management believes the future revenue streams for Behavioral Health Network of Arizona (BHINAZ), LLC remain to be a concern due to adverse market conditions. The long-term viability of BHINAZ may become an issue if these conditions remain.

NOTE 9 PROPERTY AND EQUIPMENT

Property and equipment owned by the Organization consist of the following:

	2015	2014
Land	$ 447,106	$ 279,830
Building and Improvements	4,291,673	886,458
Furniture and Equipment	2,168,629	1,380,147
Computer Software	554,079	475,569
Leasehold Improvements	607,623	560,290
Construction in Process	14,379	1,853,007
Total	8,083,489	5,435,301
Less: Accumulated Depreciation and Amortization	(3,187,318)	(2,656,937)
Property and Equipment, Net	$ 4,896,171	$ 2,778,364

Depreciation and amortization expense charged to operations was $530,382 and $323,073 for the 15-month period ended September 30, 2015 and year ended June 30, 2014, respectively. There was no interest capitalized in either 2015 or 2014 due to its immateriality.

NOTE 10 LINE OF CREDIT

The Organization has a revolving line of credit for $1,000,000 from a bank with no balance outstanding as of September 30, 2015 or June 30, 2014. On May 28, 2015, JFCS extended the line of credit for 24 months which matures on June 10, 2017. The renewed line of credit is unsecured and has interest that is payable monthly at one month LIBOR plus 1.01% and 2.94% (1.20% and 3.55%) as of September 30, 2015 and June 30, 2014, respectively.

The line of credit has covenants requiring the Organization to maintain certain financial ratios and liquidity. At September 30, 2015 and June 30, 2014, management believes the Organization was in compliance with these covenants.

NOTE 11 FORGIVABLE LOAN

During the year ended June 30, 2006, JFCS executed a note payable in the amount of $40,000 to the City of Phoenix, Arizona. The loan was secured by a 10-year lien on real property. This note carried a 0% interest rate and is forgivable in $8,000 installments annually beginning in year six of the loan and matured in March 2015. The balance outstanding was $-0- and $8,000 as of September 30, 2015 and June 30, 2014, respectively.

NOTE 12 DEFERRED REVENUE

For the 15-month period ended September 30, 2015, the total block payments the Organization received from Mercy Maricopa Integrated Care for adult and children behavioral health services, and QCN for children behavioral services, exceeded the amount earned in the amount of $6,378,353 and $34,548, respectively.

For the year ended June 30, 2014, the total block payments the Organization received from Mercy Maricopa Integrated Care for adult behavioral health services, and QCN for children behavioral services, exceeded the amount earned in the amount of $24,687 and $328,133, respectively. All deferred revenue amounts for adult children behavioral health services due to Mercy Maricopa Integrated Care and QCN at June 30, 2014 have been recouped and/or resolved as of September 30, 2015.

The balances noted in the two preceding paragraphs make up a significant portion of the deferred revenue balances outstanding as of September 30, 2015 and June 30, 2014.

NOTE 13 NOTES PAYABLE

The Organization had an outstanding note payable balance with a bank of $2,309,872 and $1,433,332 as of September 30, 2015 and June 30, 2014, respectively. Interest on the note payable accrues at a fixed rate of 3.15% and will be due in equal monthly payments with the final payment due on July 31, 2025. The loan is secured by inventory, equipment and accounts receivable of the Organization. There was a second note payable of $232,773 as of September 30, 2015 with the same bank. Interest on the note payable accrues at a fixed rate of 2.4% and is due in equal monthly payments with the final payment due on January 31, 2019.

The Organization also had an outstanding note payable balance with a bank of $450,472 as of September 30, 2015. Interest on the note payable accrues at a fixed rate of 2.5% and will be due in equal monthly payments with final payment due on December 31, 2021. The loan is secured by equipment of the Organization.

Interest expense on the notes payable was $112,468 and $5,026 for the 15-month period ended September 30, 2015 and year ended June 30, 2014, respectively, and is included in management and general in the accompanying consolidated statements of activities and changes in net assets.

As of September 30, 2015, the approximate aggregate maturities required on the note payable are as follows:

Year Ending September 30,	Amount
2016	$ 221,894
2017	228,005
2018	234,288
2019	187,283
2020	171,534
Thereafter	1,950,113
Total	$ 2,993,117

NOTE 14 OPERATING LEASES

The Organization leases various facilities and equipment under operating leases expiring after 2019. Total lease expense was $1,957,649 and $1,348,429 for the 15-month period ended September 30, 2015 and year ended June 30, 2014, respectively.

Future minimum payments under these non-cancelable operating lease commitments are as follows:

Year Ending September 30,	Amount
2016	$ 1,724,179
2017	1,555,457
2018	1,393,717
2019	1,206,603
2020	750,674
Thereafter	25,765
Total	$ 6,656,395

NOTE 15 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for program activities of JFCS as following:

	2015	2014
Time Restricted	$ 1,158,770	$ 913,369
Purpose Restricted:		
Friends for Life	38,510	38,510
Client Assistance	87,663	110,654
Program Service	10,245	3,613
Staff/Emergencies	500	500
Total Temporarily Restricted Net Assets	$ 1,295,688	$ 1,066,646

A summary of the net assets released from restriction are as follows:

	2015	2014
Time Restricted	$ 340,447	$ -
Client Assistance	57,845	42,875
Program Service	7,946	406,644
Total Net Assets Released from Restriction	$ 406,238	$ 449,519

NOTE 16 RETIREMENT PLAN

The Organization has a Section 401(k) plan under the IRC. This plan has two contribution components:

1. A salary reduction arrangement plan, and
2. Employer's qualified non-elective plan.

Under the salary reduction arrangement, employees may allocate a portion of their compensation in accordance with the IRC. The employer may at its discretion contribute a matching amount. In order to participate, employees must be at least 18 years of age to make salary reduction contributions to this plan. There is no minimum service requirement to make salary reduction contributions to the plan. An employee is automatically enrolled into the plan on the first of the month subsequent to the employee's date of hire.

To receive employer matching contributions, an employee must be at least 18 years of age and have completed at least one year of service and has worked a minimum of 1000 hours. During the 15-month period ended September 30, 2015 and the year ended June 30, 2014 the Organization contributed $.50 for each $1.00 of eligible contributions deferred from the employees' annual salary. A participant's "eligible contributions" equal the amount of the participant's elective deferrals for the plan year up to 6%. The total contribution expense was $265,214 and $193,589 for the 15-month period ended September 30, 2015 and year ended June 30, 2014, respectively.

Under the employer's qualified non-elective portion, the employer may contribute to the plan at its discretion. The employee does not contribute to this portion of the plan. To become a participant, an employee must complete one year of service and attain age 18. The total contribution expense was $-0- for the 15-month period ended September 30, 2015 and year ended June 30, 2014, respectively.

NOTE 17 ADVERTISING

The Organization uses advertising to promote its community programs and recruit employees. Advertising costs are expensed as incurred. Advertising expense totaled $53,776 and $34,046 for the 15-month period ended September 30, 2015 and the year ended June 30, 2014, respectively.

NOTE 18 CONTINGENT LIABILITIES

The Organization participates in a number of federal and state-assisted grant and contract programs which are subject to financial and compliance audits. The audits of these programs for, or including, the 15-month period ended September 30, 2015, have not been accepted. Accordingly, the Organization's compliance with applicable grant or contract requirements may be established at some future date. The amount, if any, of expenditures or fees for units of service which may be disallowed by the granting or contracting agencies cannot be determined at this time, although the Organization's management expects such amounts, if any, to be immaterial.

In the opinion of management, the Organization was not involved, as of September 30, 2015, in any pending or threatened claims/litigation that could materially affect the Organization's financial position and changes in net assets.

NOTE 19 CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash with high-credit quality financial institutions and generally limits the amount of credit exposure to the amount in excess of the Federal Deposit Insurance Corporation (FDIC) insurance coverage limit of $250,000. At various times throughout the year, the Organization's cash balances may exceed the federally insured limits. Management believes there are no unusual risks associated with current depository institutions.

NOTE 20 SUBSEQUENT EVENTS

Management evaluated subsequent events through March 14, 2016, the date the consolidated financial statements were available to be issued. Events or transactions occurring after September 30, 2015, but prior to March 14, 2016, that provided additional evidence about conditions that existed at September 30, 2015, have been recognized in the consolidated financial statements for the 15-month period ended September 30, 2015. Events or transactions that provided evidence about conditions that did not exist at September 30, 2015, but arose before the consolidated financial statements were available to be issued, have not been recognized in the consolidated financial statements for the 15-month period ended September 30, 2015.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
SCHEDULE OF CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE 3-MONTH PERIOD ENDED SEPTEMBER 30, 2015, AND THE
YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014

	12 Months Ending June 30, 2014	12 Months Ending June 30, 2015	3 Months Ending September 30, 2015
SUPPORT, REVENUES, AND OTHER GRANTS			
Support:			
Government and Contracts	$ 28,173,815	$ 30,513,896	$ 9,466,979
Contributions and Grants	2,610,183	2,016,913	736,030
Special Events, Net of Direct Benefit to Donors	227,152	297,839	31,530
Total Support	31,011,150	32,828,648	10,234,539
Revenues and Other Gains:			
Client Program Fees	576,567	303,229	43,141
Third-Party Fees	458,787	539,156	164,293
Management Services	2,506,885	3,809,708	1,137,821
Investment Income	66,043	7,473	48,162
Miscellaneous Income	184,185	41,741	(14,080)
Total Revenue and Other Gains	3,792,467	4,701,307	1,379,337
Total Support, Revenues, and Other Gains	34,803,617	37,529,955	11,613,876

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
SCHEDULE OF CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE 3-MONTH PERIOD ENDED SEPTEMBER 30, 2015, AND THE YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014 (CONTINUED)

	12-Months Ended June 30, 2014	12-Months Ended June 30, 2015	3-Months Ended September 30, 2015
FUNCTIONAL EXPENSES			
Program Services:			
Behavioral Health Services	19,042,870	20,227,124	5,853,188
Shelter Without Walls	385,289	373,571	78,823
Real World Job Development	501,508	506,028	127,358
Homebased Services	3,879,439	4,631,559	1,461,441
Older Adults Services	1,208,633	1,001,621	225,993
Jewish Community Services	332,007	316,894	86,968
Prevention Services	96,949	356,601	66,550
Total Program Services	25,446,695	27,413,398	7,900,321
Supporting Services:			
Management and General	4,089,699	4,279,731	1,145,991
Management Services	2,839,155	3,764,571	2,082,101
Fundraising	621,286	824,254	154,434
Twenty Thirty Three	330,466	550,457	227,404
Other	177,037	97,890	299,208
Total Supporting Services	8,057,643	9,516,903	3,909,138
Inter-Company Eliminations			
Total Functional Expenses	33,504,338	36,930,301	11,809,459
CHANGES IN NET ASSETS	1,299,279	599,654	(195,583)
Net Assets - Beginning of Period	8,993,282	10,292,561	10,892,215
NET ASSETS - END OF PERIOD	$ 10,292,561	$ 10,892,215	$ 10,696,632