

JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007



**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30,2008 AND 2007**

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Independent Auditor's Report

To the Board of Directors
Jewish Family Service of San Diego
8804 Balboa Avenue
San Diego, California 92123

We have audited the accompanying consolidated statements of financial position of Jewish Family Service of San Diego as of June 30, 2008 and 2007, 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 consolidated financial position of Jewish Family Service of San Diego as of June 30, 2008 and 2007, 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
September 23, 2008

JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
<u>Current Assets:</u> (Notes 1, 2, 3, 4 and 5)		
Cash and cash equivalents	\$ 1,905,127	\$ 3,736,860
Investments	-0-	1,908,769
Accrued interest receivable	-0-	10,432
Accounts receivable, net	539,085	376,756
Grants and contracts receivable, net	905,690	908,071
HFLA loans receivable, net	39,240	27,531
Other loans receivable, net	47,843	-0-
Prepaid expenses	63,162	56,739
Unconditional promises to give, net	3,220,848	3,198,343
Other assets	<u>-0-</u>	<u>1,746,195</u>
Total Current Assets	<u>6,720,995</u>	<u>11,969,696</u>
<u>Noncurrent Assets:</u> (Notes 1, 3, 5, 6, 7 and 9)		
Investments	10,662,554	8,321,200
Unconditional promises to give, net	3,104,521	4,502,160
Deposits	24,252	15,163
Land, buildings and equipment, net	8,313,188	8,583,354
Bond issuance costs, net	<u>131,972</u>	<u>137,731</u>
Total Noncurrent Assets	<u>22,236,487</u>	<u>21,559,608</u>
TOTAL ASSETS	<u>\$28,957,482</u>	<u>\$33,529,304</u>

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

JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2008 AND 2007

LIABILITIES AND NET ASSETS

	<u>2008</u>	<u>2007</u>
<u>Current Liabilities:</u> (Note 1)		
Accounts payable	\$ 422,298	\$ 352,953
Accrued expenses	1,335,630	1,040,384
Taxes payable	135,444	161,354
Security deposits	-0-	2,275
Unearned revenue	121,623	28,305
Current portion of noncurrent liabilities	<u>125,000</u>	<u>3,515,678</u>
Total Current Liabilities	<u>2,139,995</u>	<u>5,100,949</u>
<u>Noncurrent Liabilities:</u> (Notes 7, 8 and 9)		
Deferred compensation	619,874	506,434
Bonds payable, less current portion	4,710,000	6,835,000
Notes payable, less current portion	<u>-0-</u>	<u>374,201</u>
Total Noncurrent Liabilities	<u>5,329,874</u>	<u>7,715,635</u>
 Total Liabilities	 <u>7,469,869</u>	 <u>12,816,584</u>
<u>Commitments</u> (Notes 7, 10 and 11)		
<u>Net Assets:</u> (Notes 1 and 12)		
Unrestricted	9,903,239	5,631,578
Temporarily restricted	9,666,621	13,225,143
Permanently restricted	<u>1,917,753</u>	<u>1,855,999</u>
Total Net Assets	<u>21,487,613</u>	<u>20,712,720</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$28,957,482</u>	 <u>\$33,529,304</u>

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

**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<u>Unrestricted Net Assets:</u>		
<u>Support and Revenues:</u>		
Grants and contracts	\$ 5,347,720	\$ 4,002,947
Net assets released from restrictions	4,675,564	726,790
Contributions	3,121,566	2,718,606
Charitable auto resources fees	3,046,204	2,222,589
Program revenue	632,680	692,989
Fees and other revenue	283,710	317,777
Gain on sale of other assets	24,584	-0-
Gain on sale of land, buildings and equipment	9,966	1,298,906
Investment income (loss)	<u>(313,892)</u>	<u>642,860</u>
Total Support and Revenue	<u>16,828,102</u>	<u>12,623,464</u>
<u>Expenses:</u>		
<u>Program Services:</u>		
Jewish Family Service of San Diego	8,993,865	7,585,968
Charitable Auto Resources	<u>1,637,267</u>	<u>1,285,459</u>
Total Program Services	<u>10,631,132</u>	<u>8,871,427</u>
<u>Supporting Services:</u>		
General and administrative	802,209	1,014,105
Fundraising	<u>668,125</u>	<u>502,186</u>
Total Supporting Services	<u>1,470,334</u>	<u>1,516,291</u>
Total Expenses	<u>12,101,466</u>	<u>10,387,718</u>
Change in Unrestricted Net Assets Before Income Taxes	4,726,636	2,235,746
Provision for Income Taxes	<u>454,975</u>	<u>327,726</u>
Change in Unrestricted Net Assets	<u>4,271,661</u>	<u>1,908,020</u>
<u>Temporarily Restricted Net Assets:</u>		
Contributions	1,094,847	7,765,759
Investment income	22,195	75,770
Net assets released from restrictions	<u>(4,675,564)</u>	<u>(726,790)</u>
Change in Temporarily Restricted Net Assets	<u>(3,558,522)</u>	<u>7,114,739</u>

(Continued)

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

**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<u>Permanently Restricted Net Assets:</u>		
Contributions	\$ 161,075	\$ 56,571
Investment income (loss)	<u>(99,321)</u>	<u>62,410</u>
Change in Permanently Restricted Net Assets	<u>61,754</u>	<u>118,981</u>
Change in Net Assets	774,893	9,141,740
Net Assets at Beginning of Year	<u>20,712,720</u>	<u>11,570,980</u>
NET ASSETS AT END OF YEAR	<u>\$21,487,613</u>	<u>\$20,712,720</u>

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

JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

	Program Services	General and Administrative	Supporting Services		Total	Jewish Family Service of San Diego	Charitable Auto Resources, Inc.	Eliminations	Total Expenses
			Fundraising	Supporting Services					
Salaries and Related Expenses:									
Salaries and wages	\$4,799,798	\$413,492	\$356,073	\$ 769,565	\$5,569,363	\$ 798,522	\$	\$	\$ 6,367,885
Payroll taxes	404,626	30,597	24,784	55,381	460,007	61,390			521,397
Employee benefits	461,872	38,670	27,310	65,980	527,852	69,860			597,712
Total Salaries and Related Expenses	<u>5,666,296</u>	<u>482,759</u>	<u>408,167</u>	<u>890,926</u>	<u>6,557,222</u>	<u>929,772</u>	<u>-0-</u>		<u>7,486,994</u>
Nonsalary Related Expenses:									
Advertising and promotion	77,486	1,460	87,515	88,975	166,461	148,784			315,245
Bad debts	(347)	(2,828)	(28,895)	(31,723)	(32,070)	2,506			(29,564)
Bank fees and payroll processing	3,329	13,747	14,395	28,142	31,471	5,838			37,309
Conferences and meetings	4,965	11,159		11,159	16,124	27,919			44,043
Consultants	39,307	6,850	2,634	9,484	48,791	106,824			155,615
Contributions	-0-			-0-	-0-	115,000		(115,000)	-0-
Depreciation and amortization	344,737	51,904	19,404	71,308	416,045				416,045
Emergency assistance	805,057			-0-	805,057				805,057
Equipment rental and expense	201,792	5,206	9,396	14,602	216,394	37,265			253,659
Fundraising	319	37	86,657	86,694	87,013				87,013
Holocaust home care	157,220			-0-	157,220				157,220
Human resources allocated	95,086	(97,633)	2,547	(95,086)	-0-				-0-
Insurance	66,556	13,615	575	14,190	80,746	26,776			107,522
Interest expense	2,421	242,566		242,566	244,987				244,987
Lab fees	30,260			-0-	30,260				30,260
Legal, accounting and audit	25,190	6,086	1,889	7,975	33,165	15,564			48,729
Memberships/subscriptions	6,870	14,296	2	14,298	21,168				21,168
Miscellaneous	17,737	4,654	375	5,029	22,766	19,107			41,873
Office and computer supplies	52,747	3,685	2,021	5,706	58,453	17,331			75,784
Postage	21,394	6,467	6,739	13,206	34,600	17,286			51,886
Printing	61,774	632	30,475	31,107	92,881	6,008			98,889
Professional fees	163,862	9,969	12,979	22,948	186,810	198,831		(178,005)	207,636
Program expenses	488,768	274	1,645	1,919	490,687				490,687
Property and other taxes	-0-	1,245		1,245	1,245				1,245
Rent	168,584	1,718		1,718	170,302	46,589			216,891
Repairs and maintenance	87,337	4,325	2,422	6,747	94,084	21,141			115,225
Staff development	27,744	3,701	307	4,008	31,752	4,177			35,929
Subcontractor fees	7,093			-0-	7,093				7,093
Telephone	89,035	4,161	1,641	5,802	94,837	86,957			181,794
Temporary help	-0-			-0-	-0-	20,980			20,980
Transportation service	86,661	2,903		2,903	89,564				89,564
Travel, entertainment and transportation	125,934	3,764	2,615	6,379	132,313	61,038			193,351
Utilities	77,983	5,487	2,620	8,107	86,090	5,247			91,337
Total Nonsalary Related Expenses	<u>3,336,901</u>	<u>319,450</u>	<u>259,958</u>	<u>579,408</u>	<u>3,916,309</u>	<u>991,168</u>		(293,005)	<u>4,614,472</u>
Total Functional Expenses	9,003,197	802,209	668,125	1,470,334	10,473,531	1,920,940		(293,005)	12,101,466
Less: Intercompany	(9,332)			-0-	(9,332)	(283,673)		293,005	-0-
TOTAL EXPENSES	<u>\$8,993,865</u>	<u>\$802,209</u>	<u>\$668,125</u>	<u>\$1,470,334</u>	<u>\$10,464,199</u>	<u>\$1,637,267</u>	<u>\$</u>	<u>-0-</u>	<u>\$12,101,466</u>

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

JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

	Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Jewish Family Service of San Diego	Charitable Auto Resources, Inc.	Eliminations	Total Expenses
Salaries and Related Expenses:								
Salaries and wages	\$4,178,103	\$ 352,067	\$206,265	\$ 558,332	\$4,736,435	\$ 709,748	\$	\$ 5,446,183
Payroll taxes	368,873	30,141	15,657	45,798	414,671	59,840		474,511
Employee benefits	<u>351,881</u>	<u>26,384</u>	<u>19,643</u>	<u>46,027</u>	<u>397,908</u>	<u>53,082</u>		<u>450,990</u>
Total Salaries and Related Expenses	<u>4,898,857</u>	<u>408,592</u>	<u>241,565</u>	<u>650,157</u>	<u>5,549,014</u>	<u>822,670</u>	<u>-0-</u>	<u>6,371,684</u>
Nonsalary Related Expenses:								
Administrative expenses allocated	(12,625)	11,130	1,495	12,625	-0-			-0-
Advertising and promotion	184,775	1,971	2,409	4,380	189,155	46,426		235,581
Bank fees and payroll processing	9,369	13,755	12,262	26,017	35,386	9,359		44,745
Conferences and meetings	10,653	11,542		11,542	22,195	25,464		47,659
Consultants	39,153	18,079	703	18,782	57,935	69,219		127,154
Contributions	-0-			-0-	-0-	25,000	(25,000)	-0-
Depreciation and amortization	205,930	35,199	8,559	43,758	249,688			249,688
Emergency assistance	200,253			-0-	200,253			200,253
Equipment rental and expense	124,111	15,651	4,796	20,447	144,558	22,151		166,709
Fundraising	392	267	78,767	79,034	79,426			79,426
Holocaust home care	136,361			-0-	136,361			136,361
Human resources allocated	101,802	(101,802)		(101,802)	-0-			-0-
Insurance	61,084	15,650	1,157	16,807	77,891	26,684		104,575
Interest expense	113,759	425,345		425,345	539,104			539,104
Lab fees	55,303			-0-	55,303			55,303
Legal, accounting and audit	29,130	25,874	4,191	30,065	59,195	14,518		73,713
Memberships/subscriptions	12,400	13,331	1	13,332	25,732			25,732
Miscellaneous	53,329	15,640	271	15,911	69,240	4,889		74,129
Office and computer supplies	57,427	9,690	3,383	13,073	70,500	15,334		85,834
Postage	27,316	3,599	4,778	8,377	35,693	19,911		55,604
Printing	69,691	4,305	13,303	17,608	87,299	6,445		93,744
Professional fees	197,889	39,371	103,192	142,563	340,452	116,794	(113,558)	343,688
Program expenses	366,944	270	9,101	9,371	376,315			376,315
Property and other taxes	(6,071)	986	(2,754)	(1,768)	(7,839)			(7,839)
Rent	231,119	2,669	7,285	9,954	241,073	43,706		284,779
Repairs and maintenance	91,081	6,987	2,670	9,657	100,738	5,587		106,325
Staff development	18,160	3,961		3,961	22,121	765		22,886
Subcontractor fees	1,940	11		11	1,951			1,951
Telephone	82,371	4,215	1,307	5,522	87,893	50,485		138,378
Temporary help	-0-			-0-	-0-	41,424		41,424
Transportation service	46,056	8,996	396	9,392	55,448			55,448
Travel, entertainment and transportation	110,320	4,068	594	4,662	114,982	41,228		156,210
Utilities	75,749	14,753	2,755	17,508	93,257	7,898		101,155
Total Nonsalary Related Expenses	<u>2,695,171</u>	<u>605,513</u>	<u>260,621</u>	<u>866,134</u>	<u>3,561,305</u>	<u>593,287</u>	<u>(138,558)</u>	<u>4,016,034</u>
Total Functional Expenses	7,594,028	1,014,105	502,186	1,516,291	9,110,319	1,415,957	(138,558)	10,387,718
Less: Intercompany	<u>(8,060)</u>			<u>-0-</u>	<u>(8,060)</u>	<u>(130,498)</u>	<u>138,558</u>	<u>-0-</u>
TOTAL EXPENSES	<u>\$7,585,968</u>	<u>\$1,014,105</u>	<u>\$502,186</u>	<u>\$1,516,291</u>	<u>\$9,102,259</u>	<u>\$1,285,459</u>	<u>\$ -0-</u>	<u>\$10,387,718</u>

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

**JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 774,893	\$9,141,740
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	416,045	249,688
Gain on sale of land, buildings and equipment	(9,966)	(1,298,906)
Gain on sale of other assets	(24,584)	-0-
Net realized and unrealized (gains) and losses on investments	656,391	(415,557)
Permanently restricted contributions	(161,075)	(56,571)
Permanently restricted investment (income)/loss	99,321	(62,410)
(Increase) Decrease in:		
Accrued interest receivable	10,432	853
Accounts receivable, net	(162,329)	(179,000)
Grants and contracts receivable	2,381	(467,294)
Prepaid expenses	(6,423)	(2,607)
Prepaid taxes	-0-	197
Unconditional promises to give, net	1,375,134	(2,834,996)
Deposits	(9,089)	(4,578)
Increase (Decrease) in:		
Accounts payable	69,345	(5,667)
Accrued expenses	295,246	276,705
Taxes payable	(25,910)	161,354
Security deposits	(2,275)	(3,250)
Unearned revenue	93,318	5,893
Deferred compensation	<u>113,440</u>	<u>93,889</u>
Net Cash Provided by Operating Activities	<u>3,504,295</u>	<u>4,599,483</u>
<u>Cash Flows From Investing Activities:</u>		
HFLA loans receivable, net	(11,709)	8,900
Other loans receivable, net	(47,843)	-0-
Purchase of investments, net	(1,088,976)	(3,914,305)
Proceeds from sale of land, buildings and equipment	14,614	1,904,273
Purchase of land, buildings and equipment	(144,768)	(2,683,840)
Proceeds from sale of other assets	<u>1,770,779</u>	<u>-0-</u>
Net Cash Used by Investing Activities	<u>492,097</u>	<u>(4,684,972)</u>

(Continued)

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

JEWISH FAMILY SERVICE OF SAN DIEGO
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>Cash Flows From Financing Activities:</u>		
Repayment on bonds payable	\$(4,165,000)	\$ -0-
Repayments on notes payable	(1,724,879)	-0-
Permanently restricted contributions	161,075	56,571
Permanently restricted investment (loss) income	<u>(99,321)</u>	<u>62,410</u>
Net Cash (Used) Provided by Financing Activities	<u>(5,828,125)</u>	<u>118,981</u>
 Net (Decrease) Increase in Cash and Cash Equivalents	 (1,831,733)	 33,492
 Cash and Cash Equivalents at Beginning of Year	 <u>3,736,860</u>	 <u>3,703,368</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$1,905,127</u>	 <u>\$3,736,860</u>
 <u>Supplementary Disclosure of Cash Flow Information:</u>		
Interest paid	<u>\$ 293,358</u>	<u>\$ 412,304</u>
Taxes paid	<u>\$ 310,132</u>	<u>\$ 81,454</u>

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

**JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

Note 1 - Organization and Nature of Activities and Significant Accounting Policies:

Organization and Nature of Activities

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 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 three 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, protect the vulnerable, with human services based on Jewish values.

JFS Foundation, LLC

JFS Foundation, LLC (Foundation) is a California Not-For-Profit organized on March 27, 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 the Older Adult Services.

JFS Holdings, LLC

JFS Holdings, LLC (Holdings) is a California 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 December, 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.

**JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Organization and Nature of Activities (Continued)

JFS operates the following programs:

Counseling and Care Management

A broad base of services are available to the community through the following programs:

- . Information and Referral
- . Adoption Alliance of San Diego
- . Caring Community - Living with Cancer
- . Counseling Services
- . Education and Outreach for Jews with Mental Health Concerns
- . Food Pantry
- . Jewish BIGPals for Boys and Girls
- . Project SARAH (Stop Abusive Relationships At Home)
- . Refugee Resettlement and Acculturation
- . Supporting Jewish Single Parents
- . Community Case Management
- . Intensive Case Management
- . Long-Term Ombudsman Program for Edgemore Geriatric Hospital

Coachella Valley Services and Overnight Shelter (CV-SOS)

In partnership with JFS of the Desert, the CV-SOS program feeds and houses 25 homeless people per night with the help of seven churches and synagogues in the Coachella Valley. JFS also manages Nightingale Manor, a 45-bed emergency shelter for families with children in Palm Springs.

Desert Horizons

Located in the Coachella Valley, Desert Horizons 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.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Organization and Nature of Activities (Continued)

HIV Services

The HIV Services Program provides counseling, testing, and early intervention services to participants of County-funded alcohol, drug treatment, and recovery programs. The program provides educational information to more than 7,000 individuals annually in an effort to prevent the spread of HIV infection. In addition, through this program JFS offers a full array of cash management services including a behavior management program. The Talking About Tina support group meets weekly for HIV-positive men who use methamphetamine. The goal is to help participants reduce and eventually stop their drug use.

Parenting, Youth and School-Based Services

A broad base of services are available to families and youth in the community through the following programs:

- . CHAMP (Children Are More Protected)
- . Foothills High School Teen Parent Program
- . Mentoring Mothers
- . Peaceful Parenting (0 - 5 years) and JFS Parenting (6 - 18 years)
- . Preschool in the Park
- . Golden Hill School-Based Counseling
- . YAD (Youth Assessment and Development)

Older Adult/Senior Services

A broad base of services are available to older adults through the following Older Adult/Senior Service programs:

- . CO-OP (Creating Opportunities for Older Persons)
- . Care Management
- . Foodmobile
- . Information and Referral
- . Jewish Healing Center
- . JFS Fix-It Service
- . Rides & Smiles

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Organization and Nature of Activities (Continued)

Older Adult/Senior Services Continued)

- . Senior Nutrition
- . Senior Wheels
- . SOS - Serving Older Holocaust Survivors Program
- . College Avenue Senior Center
- . North County Inland Senior Center
- . University City Senior Center
- . Volunteer Relations

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 have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The consolidated financial statements are presented in accordance with Statement of Financial Accounting Standards No. 117, Financial Statements of Not-For-Profit Organizations, which requires JFS to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted assets.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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>2008</u>	<u>2007</u>
Accounts receivable	\$ 19,374	\$31,689
Grants and contracts receivable	248,423	-0-
HFLA loans receivable	4,360	5,795
Other loans receivable	<u>1,000</u>	<u>-0-</u>
	<u>\$273,157</u>	<u>\$37,484</u>

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.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Investments

JFS has adopted Statement of Financial Accounting Standards (SFAS) No. 124, "Accounting for Certain Investments Held by Not-For-Profit Organization." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the 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.

Land, Buildings and Equipment

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	5 - 31.5 years
Equipment	5 - 7 years
Furniture and equipment	5 - 7 years
Vehicles	5 years

Depreciation aggregated \$410,286 and \$243,929 for the years ended June 30, 2008 and 2007, respectively.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Amortization

Bond issuance costs totalling \$131,972 and \$137,731, net of accumulated amortization of \$11,518 and \$5,759 at June 30, 2008 and 2007, respectively are amortized on the straight-line method based on the term of the related debt. Amortization expense totalled \$5,759 and \$5,759 for the years ended June 30, 2008 and 2007, respectively.

Compensated Absences

Vested and accumulated personal time off (PTO) is recorded as an expense and liability as benefits accrue to employees. The accrued PTO liability totalled \$333,290 and \$259,276 at June 30, 2008 and 2007, respectively and is included in accrued expenses.

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. Deferred revenue is recorded when cash received under a grant or contract exceeds the revenue earned. Unearned revenue totalled \$121,623 and \$28,305 at June 30, 2008 and 2007, respectively.

Contributed Services

Donated services have not been reflected in the accompanying financial statements since no objective basis is available to measure the value of such services. Nevertheless, volunteers have donated significant amounts of their time in JFS's program services and its fundraising campaigns.

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.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 1 - Organization and Nature of Activities and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Income Taxes

JFS, 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 totalling \$454,975 and \$327,726 for the years ended June 30, 2008 and 2007, respectively. Income taxes payable totalled \$135,444 and \$161,354 at June 30, 2008 and 2007, respectively.

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.

Cash and Cash Equivalents

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

Note 2 - Grants and Contracts Receivable:

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

	<u>2008</u>	<u>2007</u>
County of San Diego	\$ 326,994	\$388,271
TACHS	248,423	-0-
Jewish Community Foundation	173,039	-0-
Conference on Jewish Material Claims Against Germany, Inc.	138,461	126,200
Hebrew Immigrant Aid Society	120,358	56,267
County of Riverside	101,437	205,501
Grossmont Healthcare District	24,234	44,948
Catholic Charities	9,353	24,428

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 2 - Grants and Contracts Receivable: (Continued)

	<u>2008</u>	<u>2007</u>
JFS of Desert	\$ 6,770	\$ 26,600
Other grants and contracts	5,044	13,125
Desert Healthcare District	-0-	14,018
Regional Access Project	-0-	6,932
Department of Health and Human Services	<u>-0-</u>	<u>1,781</u>
Total Grants and Contracts Receivable	1,154,113	908,071
Less: Allowance for Uncollectible	<u>(248,423)</u>	<u>-0-</u>
Grants and Contracts Receivable, Net	<u>\$ 905,690</u>	<u>\$908,071</u>

Note 3 - Unconditional Promises to Give:

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

	<u>2008</u>	<u>2007</u>
Receivable in less than one year	\$3,423,655	\$3,568,686
Less: Allowance for Uncollectible	(202,807)	(365,910)
Discount	<u>-0-</u>	<u>(4,433)</u>
Receivable in less than one year, net	<u>3,220,848</u>	<u>3,198,343</u>
Receivable in one to five years	3,683,723	5,506,323
Receivable in more than five years	-0-	62,500
Less: Allowance for Uncollectible	(82,851)	(97,388)
Discount	<u>(496,351)</u>	<u>(969,275)</u>
Receivable in more than one year, net	<u>3,104,521</u>	<u>4,502,160</u>
Unconditional Promises to Give, Net	<u>\$6,325,369</u>	<u>\$7,700,503</u>

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 \$285,658 and \$463,298 at June 30, 2008 and 2007, respectively.

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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 4 - Other Assets:

In May, 2005, JFS acquired the Hope Village Project, a 20 unit apartment complex. JFS's plans were to renovate the project in order to provide affordable housing to individuals with mental illness. In August, 2006 JFS determined that the project would not meet the needs of the anticipated program recipients and has agreed to transfer the property to another nonprofit upon their successful completion of financing arrangements. The property was transferred on September 5, 2007.

Note 5 - Investments:

JFS maintains its investments at the Jewish Community Foundation, CoAmerica Bank 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 the Jewish Community Foundation are invested in one of four investment pools. Pool A is a Money Market Pool that seeks principal preservation by investing in money market funds. Pool B is an Interest-Income Pool that seeks higher interest income than Pool A with a moderate risk of principal loss. Pool C is an Equity-Income Pool that invests in a combination of stock and bond funds, while taking on more market risk than Pools A or B. Pool D is a Growth Pool that seeks the highest level of return of the Pools by investing in a combination of stock and bonds funds, with an increased risk of investment losses. Investments consist of the following at June 30:

	<u>2008</u>	<u>2007</u>
Current:		
U.S. Treasury Bill	\$ -0-	\$ 480,950
U.S. Treasury Bond	-0-	482,939
U.S. Treasury Note	<u>-0-</u>	<u>944,880</u>
Total Current	<u>-0-</u>	<u>1,908,769</u>
Noncurrent:		
Pool A - Money Market	1,954,198	2,418,692
Pool C - Equity Income	525,724	506,434
Pool D - Growth Fund	8,018,632	5,394,074
Schwartz Trust - CoAmerica Bank	162,000	-0-
State of Israel Bonds	<u>2,000</u>	<u>2,000</u>
Total Noncurrent	<u>10,662,554</u>	<u>8,321,200</u>
Total Investments	<u>\$10,662,554</u>	<u>\$10,229,969</u>

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 5 - Investments: (Continued)

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

	<u>2008</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest	\$376,946	\$25,064	\$ -0-	\$402,010
Net realized and unrealized gains (losses)	(656,391)	-0-	(96,347)	(752,738)
Investment fees	<u>(34,447)</u>	<u>(2,869)</u>	<u>(2,974)</u>	<u>(40,290)</u>
Total Investment Income (Loss)	<u>\$<u>(313,892)</u></u>	<u>\$<u>22,195</u></u>	<u>\$<u>(99,321)</u></u>	<u>\$<u>(391,018)</u></u>

	<u>2007</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest	\$247,870	\$79,660	\$	\$327,530
Net realized and unrealized gains (losses)	415,717	(160)	66,385	481,942
Investment fees	<u>(20,727)</u>	<u>(3,730)</u>	<u>(3,975)</u>	<u>(28,432)</u>
Total Investment Income	<u>\$<u>642,860</u></u>	<u>\$<u>75,770</u></u>	<u>\$<u>62,410</u></u>	<u>\$<u>781,040</u></u>

Note 6 - Land, Buildings and Equipment:

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

	<u>2008</u>	<u>2007</u>
Land	\$2,023,335	\$2,023,335
Buildings and improvements	6,068,659	6,016,784
Furniture and equipment	414,524	386,489
Equipment	468,048	434,185
Vehicles	<u>139,350</u>	<u>129,173</u>
Total	9,113,916	8,989,966
Less: Accumulated depreciation	<u>(800,728)</u>	<u>(406,612)</u>
Land, Buildings and Equipment, Net	<u>\$<u>8,313,188</u></u>	<u>\$<u>8,583,354</u></u>

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 7 - Deferred Compensation:

JFS has a deferred compensation agreement with an executive employee. The plan provides for quarterly contributions to investment accounts held at the Jewish Community Foundation set aside for this purpose. Contributions totalled \$119,632 and \$45,000 for the years ended June 30, 2008 and 2007, respectively and are included in employee benefits in the consolidated statement of functional expenses. The deferred compensation liability totalled \$619,874 and \$506,434 at June 30, 2008 and 2007, respectively and is fully funded at June 30, 2008 and 2007. The asset is included in investments in Pool A and Pool C at June 30, 2008 and 2007.

Note 8 - Bonds Payable:

	<u>2008</u>	<u>2007</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 1.70% and 3.86% at June 30, 2008 and 2007, respectively. Annual principal payments are required beginning January 1, 2008 and continuing through January 1, 2031. The loan is collateralized by a letter of credit (Note 11) .	\$4,835,000	\$9,000,000
Less: Current portion	(125,000)	(2,165,000)
	<u>\$4,710,000</u>	<u>\$6,835,000</u>

The future principal payments on the bonds payable are as follows:

<u>Years Ended</u> <u>June 30,</u>	
2009	\$ 125,000
2010	130,000
2011	135,000
2012	140,000
2013	150,000
Thereafter	<u>4,155,000</u>
	<u>\$4,835,000</u>

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 9 - Notes Payable:

Notes payable consist of the following at June 30:

	<u>2008</u>	<u>2007</u>
Note payable to San Diego National Bank in the initial amount of \$380,000. The note was payable in monthly interest only payments at the prime rate (8.25% at June 30, 2007 and 2006) until the conversion date at which time the loan was payable in monthly installments required to fully amortize the loan by its due date of May 12, 2011. Secured by real property.	\$-0-	\$ 379,879
Note payable to Low Income Investment Fund in the original amount of \$735,000. The note was payable in monthly interest only payments at 7.25%. Principal and accrued interest were due August 31, 2007. Secured by real property.	-0-	735,000
Note payable to Corporation for Supportive Housing in the original amount of \$610,000. The note was payable in monthly interest only payments at 5.00%. Principal and accrued interest were due March 31, 2006, but the lender agreed to an extension to August 31, 2007. Secured by real property.	-0-	<u>610,000</u>
Total Notes Payable	-0-	1,724,879
Less: Current portion	-0-	<u>(1,350,678)</u>
Notes Payable, Net	<u>\$-0-</u>	<u>\$ 374,201</u>

Note 10 - Retirement Plan:

JFS has established a 401(k) retirement plan (the "Plan") covering all full-time employees of JFS. 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 \$134,940 and \$106,648 to plan for the years ended June 30, 2008 and 2007, respectively.

**JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

Note 11 - Commitments:

Facility Operating Leases

JFS leases office facilities under lease agreements expiring through May, 2013.

The future minimum obligation under these lease agreements are as follows at June 30:

Years Ended <u>June 30,</u>	
2009	\$270,619
2010	229,196
2011	111,320
2012	91,333
2013	<u>86,782</u>
Total	<u>\$789,250</u>

Rent expense for the office facilities totalled \$216,891 and \$284,779 for the years ended June 30, 2008 and 2007, respectively.

Letter of Credit

The bonds payable to the Colorado Educational and Cultural Facilities Authority require JFS to provide an irrevocable Letter of Credit. The Letter of Credit was issued by US Bank in the amount of the bonds outstanding (\$9,000,000 at June 30, 2008 and 2007). Unreimbursed drawings under the letter of credit for a liquidity drawings will bear 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 will bear interest at the reimbursement rate from the date of the draw. The Letter of Credit will expire on May 15, 2011 unless it expires earlier or is extended in accordance with its terms. JFS pays a quarterly fee on the Letter of Credit to Wells Fargo Bank, N.A. No demands for payment were made on the Letter of Credit as of June 30, 2008.

JEWISH FAMILY SERVICE OF SAN DIEGO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 12 - Net Assets:

Temporarily Restricted Net Assets

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

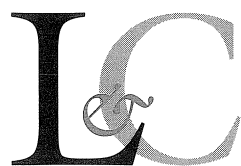
	<u>2008</u>	<u>2007</u>
Capital Campaign	\$5,515,167	\$ 9,370,066
Madeline Goldberg Foundation	2,459,212	2,459,212
Pledge receivable, net	835,680	707,371
Grants and Contributions with time and purpose restrictions	663,236	566,917
Hebrew Free Loan Assistance (HFLA)	116,851	121,577
Argen Interest Free Loan	<u>76,475</u>	<u>-0-</u>
Total Temporarily Restricted Net Assets	<u>\$9,666,621</u>	<u>\$13,225,143</u>

For the years ended June 30, 2008 and 2007, net assets in the amount of \$4,675,564 and \$726,790, respectively were released from donor restrictions by incurring expenses and events satisfying the purpose or time restrictions specified by donors.

Permanently Restricted Net Assets:

Permanently restricted net assets consist of the following at June 30:

	<u>2008</u>	<u>2007</u>
General Endowment Funds	\$ 908,843	\$ 908,843
Katzin Endowment Fund	533,091	608,164
Endowment Unconditional Promises to Give, Net	225,496	226,421
Schwartz Endowment Fund	162,000	-0-
Chortek Endowment Fund	<u>88,323</u>	<u>112,571</u>
Total Permanently Restricted Net Assets	<u>\$1,917,753</u>	<u>\$1,855,999</u>



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Independent Auditor's Report on Supplementary Information

To the Board of Directors
Jewish Family Service of San Diego

Our report on our audits of the consolidated financial statements of Jewish Family Service of San Diego (A Nonprofit Corporation) as of June 30, 2008 and 2007 appears on page 1. Those audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information on pages 26 to 33 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. This information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, are fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Leaf & Cole LLP

San Diego, California
September 23, 2008

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008

	ASSETS					
	<u>Jewish Family Service of Of San Diego</u>	<u>JFS Foundation, LLC</u>	<u>JFS Holdings, LLC</u>	<u>Charitable Auto Resources, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
<u>Current Assets:</u>						
Cash and cash equivalents	\$ 1,050,379	\$ 253,843	\$	\$ 600,905	\$	\$ 1,905,127
Accounts receivable, net	190,336			348,749		539,085
Grants and contracts receivable, net	905,690					905,690
HFLA loans receivable, net	39,240					39,240
Other loans receivable, net	47,843					47,843
Prepaid expenses	45,999			17,163		63,162
Unconditional promises to give, net	878,333	2,342,515				3,220,848
Intercompany receivables	<u>80,000</u>	<u>319,881</u>	<u>—</u>	<u>77,164</u>	<u>(477,045)</u>	<u>—</u>
Total Current Assets	<u>3,237,820</u>	<u>2,916,239</u>	<u>-0-</u>	<u>1,043,981</u>	<u>(477,045)</u>	<u>6,720,995</u>
<u>Noncurrent Assets:</u>						
Investments	10,206,894	455,660				10,662,554
Investment in subsidiary	138,481				(138,481)	-0-
Unconditional promises to give, net	637,011	2,467,510				3,104,521
Intercompany receivables	13,195,920			9,161	(13,195,920)	-0-
Deposits	15,091		7,680,753			24,252
Land, buildings and equipment, net	632,435					8,313,188
Bond issuance costs, net	<u>131,972</u>	<u>2,923,170</u>	<u>7,680,753</u>	<u>9,161</u>	<u>(13,334,401)</u>	<u>131,972</u>
Total Noncurrent Assets	<u>24,957,804</u>	<u>\$5,839,409</u>	<u>\$7,680,753</u>	<u>\$1,053,142</u>	<u>\$(13,811,446)</u>	<u>\$28,957,482</u>
TOTAL ASSETS	<u>\$28,195,624</u>					

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008

LIABILITIES AND NET ASSETS

	Jewish Family Service of Of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
Current Liabilities:						
Accounts payable	\$ 257,627	\$ 4,361	\$	\$ 160,310	\$	\$ 422,298
Accrued expenses	796,723			538,907		1,335,630
Taxes payable				135,444		135,444
Intercompany payables	77,164			80,000	(157,164)	-0-
Unearned revenue	121,623					121,623
Current portion of noncurrent liabilities	125,000					125,000
Total Current Liabilities	<u>1,378,137</u>	<u>4,361</u>	<u>-0-</u>	<u>914,661</u>	<u>(157,164)</u>	<u>2,139,995</u>
Noncurrent Liabilities:						
Deferred compensation	619,874					619,874
Intercompany payables		5,835,048	7,680,753		(13,515,801)	-0-
Bonds payable, less current portion	4,710,000					4,710,000
Total Noncurrent Liabilities	<u>5,329,874</u>	<u>5,835,048</u>	<u>7,680,753</u>	<u>-0-</u>	<u>(13,515,801)</u>	<u>5,329,874</u>
Total Liabilities	<u>6,708,011</u>	<u>5,839,409</u>	<u>7,680,753</u>	<u>914,661</u>	<u>(13,672,965)</u>	<u>7,469,869</u>
Net Assets:						
Unrestricted	9,823,239			138,481	(58,481)	9,903,239
Temporarily restricted	9,746,621				(80,000)	9,666,621
Permanently restricted	1,917,753					1,917,753
Total Net Assets	<u>21,487,613</u>	<u>-0-</u>	<u>-0-</u>	<u>138,481</u>	<u>(138,481)</u>	<u>21,487,613</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$28,195,624</u>	<u>\$5,839,409</u>	<u>\$7,680,753</u>	<u>\$1,053,142</u>	<u>\$(13,811,446)</u>	<u>\$28,957,482</u>

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	Jewish Family Service of Of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
Unrestricted Net Assets:						
Support and Revenue:						
Grants and contracts	\$ 5,347,720	\$	\$	\$	\$	\$ 5,347,720
Net assets released from restrictions	4,675,564					4,675,564
Contributions	3,156,566				(35,000)	3,121,566
Charitable auto resources fees				3,046,204	(168,673)	3,046,204
Program revenue	801,353					632,680
Fees and other revenue	283,710					283,710
Gain on sale of other assets	24,584					24,584
Gain on sale of land, buildings and equipment	9,966			12,362		9,966
Investment income (loss)	(326,254)				(691,983)	(313,892)
Income from subsidiary	691,983			9,332	(9,332)	-0-
Management fees				3,067,898	(904,988)	-0-
Total Support and Revenues	<u>14,665,192</u>	<u>-0-</u>	<u>-0-</u>			<u>16,828,102</u>
Expenses:						
Program Services:						
Jewish Family Service of San Diego	9,003,197				(9,332)	8,993,865
Charitable Auto Resources				1,920,940	(283,673)	1,637,267
Total Program Services	<u>9,003,197</u>	<u>-0-</u>	<u>-0-</u>	<u>1,920,940</u>	<u>(293,005)</u>	<u>10,631,132</u>
Supporting Services:						
General and administrative	802,209					802,209
Fundraising	668,125					668,125
Total Supporting Services	<u>1,470,334</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,470,334</u>
Total Expenses	<u>10,473,531</u>	<u>-0-</u>	<u>-0-</u>	<u>1,920,940</u>	<u>(293,005)</u>	<u>12,101,466</u>
Change in Unrestricted Net Assets Before Income Taxes	4,191,661			1,146,958	(611,983)	4,726,636
Provision for Income Taxes				454,975		454,975
Change in Unrestricted Net Assets	<u>4,191,661</u>	<u>-0-</u>	<u>-0-</u>	<u>691,983</u>	<u>(611,983)</u>	<u>4,271,661</u>

(Continued)

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

	Jewish Family Service of Of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
<u>Temporarily Restricted Net Assets:</u>						
Contributions	\$ 1,174,847	\$	\$	\$	\$ (80,000)	\$ 1,094,847
Investment income	22,195					22,195
Net assets released from restrictions	(4,675,564)					(4,675,564)
Change in Temporarily Restricted Net Assets	<u>(3,478,522)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(80,000)</u>	<u>(3,558,522)</u>
<u>Permanently Restricted Net Assets:</u>						
Contributions	161,075					161,075
Investment income (loss)	(99,321)					(99,321)
Change in Permanently Restricted Net Assets	<u>61,754</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>61,754</u>
Change in Net Assets	774,893	-0-	-0-	691,983	(691,983)	774,893
Net Assets (Deficit) at Beginning of Year	20,712,720			211,498	(211,498)	20,712,720
Dividends				(765,000)	765,000	-0-
NET ASSETS (DEFICIT) AT END OF YEAR	<u>\$21,487,613</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$138,481</u>	<u>\$(138,481)</u>	<u>\$21,487,613</u>

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2007

ASSETS

	Jewish Family Service of Of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
Current Assets:						
Cash and cash equivalents	\$ 2,833,522	\$ 451,983	\$	\$451,355	\$	\$ 3,736,860
Investments	1,908,769					1,908,769
Accrued interest receivable	10,432					10,432
Accounts receivable, net	104,740			272,016		376,756
Grants and contract receivable	908,071					908,071
HFLA loans receivable, net	27,531					27,531
Prepaid expenses	45,088			11,651		56,739
Unconditional promises to give, net	602,132	2,596,211				3,198,343
Other assets	1,746,195					1,746,195
Intercompany receivables		298,809		77,169	(375,978)	-0-
Total Current Assets	<u>8,186,480</u>	<u>3,347,003</u>	<u>-0-</u>	<u>812,191</u>	<u>(375,978)</u>	<u>11,969,696</u>
Noncurrent Assets:						
Investments	7,883,077	438,123				8,321,200
Investment in subsidiary	211,498				(211,498)	-0-
Unconditional promises to give, net	588,225	3,913,935				4,502,160
Intercompany receivables	15,271,107				(15,271,107)	-0-
Deposits	10,715			4,448		15,163
Land, buildings and equipment, net	682,313		7,901,041			8,583,354
Bond issuance costs, net	<u>137,731</u>	<u>4,352,058</u>	<u>7,901,041</u>	<u>4,448</u>	<u>(15,482,605)</u>	<u>137,731</u>
Total Noncurrent Assets	<u>24,784,666</u>	<u>\$7,699,061</u>	<u>\$7,901,041</u>	<u>\$816,639</u>	<u>\$(15,858,583)</u>	<u>\$33,529,304</u>
TOTAL ASSETS	\$32,971,146					

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2007

LIABILITIES AND NET ASSETS

	Jewish Family Service of Of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
Current Liabilities:						
Accounts payable	\$ 209,080	\$ 30,186	\$	\$113,687	\$	\$ 352,953
Accrued expenses	710,284			330,100		1,040,384
Taxes payable				161,354		161,354
Security deposits	2,275				(77,169)	2,275
Intercompany payables	77,169					-0-
Unearned revenue	28,305					28,305
Current portion of noncurrent liabilities	3,515,678					3,515,678
Total Current Liabilities	<u>4,542,791</u>	<u>30,186</u>	<u>-0-</u>	<u>605,141</u>	<u>(77,169)</u>	<u>5,100,949</u>
Noncurrent Liabilities:						
Deferred compensation	506,434					506,434
Intercompany payables		7,668,875	7,901,041		(15,569,916)	-0-
Bonds payable, less current portion	6,835,000					6,835,000
Notes payable, less current portion	<u>374,201</u>	<u>7,668,875</u>	<u>7,901,041</u>	<u>-0-</u>	<u>(15,569,916)</u>	<u>374,201</u>
Total Noncurrent Liabilities	<u>7,715,635</u>	<u>7,668,875</u>	<u>7,901,041</u>	<u>-0-</u>	<u>(15,569,916)</u>	<u>7,715,635</u>
Total Liabilities	<u>12,258,426</u>	<u>7,699,061</u>	<u>7,901,041</u>	<u>605,141</u>	<u>(15,647,085)</u>	<u>12,816,584</u>
Net Assets:						
Unrestricted	5,631,578			211,498	(211,498)	5,631,578
Temporarily restricted	13,225,143					13,225,143
Permanently restricted	1,855,999					1,855,999
Total Net Assets	<u>20,712,720</u>	<u>-0-</u>	<u>-0-</u>	<u>211,498</u>	<u>(211,498)</u>	<u>20,712,720</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$32,971,146</u>	<u>\$7,699,061</u>	<u>\$7,901,041</u>	<u>\$816,639</u>	<u>\$(15,858,583)</u>	<u>\$33,529,304</u>

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

	Jewish Family Service of Of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
Unrestricted Net Assets:						
Support and Revenue:						
Grants and contracts	\$ 4,002,947	\$	\$	\$	\$	\$ 4,002,947
Contributions	2,743,606				(25,000)	2,718,606
Charitable auto resources fees				2,222,589		2,222,589
Gain on sale of land, buildings and equipment	1,298,906					1,298,906
Net assets released from restrictions	726,790					726,790
Program revenue	798,487				(105,498)	692,989
Investment income	639,977			2,883		642,860
Fees and other revenue	317,777				(489,849)	317,777
Income from subsidiary	489,849				(8,060)	-0-
Management fees				8,060		-0-
Total Support and Revenues	<u>11,018,339</u>	<u>-0-</u>	<u>-0-</u>	<u>2,233,532</u>	<u>(628,407)</u>	<u>12,623,464</u>
Expenses:						
Program Services:						
Jewish Family Service of San Diego	7,594,028				(8,060)	7,585,968
Charitable Auto Resources				1,415,957	(130,498)	1,285,459
Total Program Services	<u>7,594,028</u>	<u>-0-</u>	<u>-0-</u>	<u>1,415,957</u>	<u>(138,558)</u>	<u>8,871,427</u>
Supporting Services:						
General and administrative	1,014,105					1,014,105
Fundraising	502,186					502,186
Total Supporting Services	<u>1,516,291</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,516,291</u>
Total Expenses	<u>9,110,319</u>	<u>-0-</u>	<u>-0-</u>	<u>1,415,957</u>	<u>(138,558)</u>	<u>10,387,718</u>
Change in Unrestricted Net Assets Before Income Taxes	1,908,020			817,575	(489,849)	2,235,746
Provision for Income Taxes				327,726		327,726
Change in Unrestricted Net Assets	<u>1,908,020</u>	<u>-0-</u>	<u>-0-</u>	<u>489,849</u>	<u>(489,849)</u>	<u>1,908,020</u>

(Continued)

JEWISH FAMILY SERVICE OF SAN DIEGO
SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2007

	Jewish Family Service of Of San Diego	JFS Foundation, LLC	JFS Holdings, LLC	Charitable Auto Resources, Inc.	Eliminations	Consolidated
<u>Temporarily Restricted Net Assets:</u>						
Contributions	\$ 7,765,759	\$	\$	\$	\$	\$ 7,765,759
Investment income	75,770					75,770
Net assets released from restrictions	<u>(726,790)</u>					<u>(726,790)</u>
Change in Temporarily Restricted Net Assets	<u>7,114,739</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>7,114,739</u>
<u>Permanently Restricted Net Assets:</u>						
Contributions	56,571					56,571
Investment income (loss)	<u>62,410</u>					<u>62,410</u>
Change in Permanently Restricted Net Assets	<u>118,981</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>118,981</u>
Change in Net Assets	9,141,740	-0-	-0-	489,849	(489,849)	9,141,740
Net Assets (Deficit) at Beginning of Year	11,570,980			236,649	(236,649)	11,570,980
Dividends				(515,000)	515,000	-0-
NET ASSETS (DEFICIT) AT END OF YEAR	<u>\$20,712,720</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$211,498</u>	<u>\$(211,498)</u>	<u>\$20,712,720</u>