Jewish Child and Family Services and Affiliates

Consolidated Financial Report
June 30, 2017

Contents

RSM US LLP

Independent Auditor's Report

To the Board of Directors
Jewish Child and Family Services

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Jewish Child and Family Services and its affiliates, which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, financial statements).

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Child and Family Services and its affiliates as of June 30, 2017 and 2016, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Effective June 30, 2017, the net assets of the Jewish Vocational Service Endowment Foundation were transferred to Jewish Child and Family Services Endowment Foundation. See Note 1 to the financial statements for additional information. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating and other supplementary information is presented for purposes of additional analysis rather than to present the financial position, changes in net assets, and cash flows of the individual entities and is not a required part of the 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 financial statements. The consolidating and other supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

RSM US LLP

Chicago, Illinois
January 8, 2018

This Page Intentionally Left Blank

Jewish Child and Family Services and Affiliates

Consolidated Statements of Financial Position
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 3,155,379	$ 1,467,932
Due from other affiliated organizations	260,446	316,199
Accounts receivable, net	3,701,035	4,454,428
Loans receivable, net	145,609	92,934
Prepaid expenses and other assets	98,152	124,033
Investments	11,636,326	10,614,976
Property and equipment, net	1,123,965	1,479,510
Endowment Foundations' assets	24,262,825	23,262,700
	$ 44,383,737	$ 41,812,712
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 1,870,425	$ 1,941,485
Accrued vacation	905,530	1,035,154
Due to Jewish Federation of Metropolitan Chicago	353,349	1,149,434
Deferred revenue and other liabilities	802,051	775,510
Deferred compensation payable	37,500	62,500
Merger loans due to Jewish Federation of Metropolitan Chicago	1,216,659	1,396,524
	5,185,514	6,360,607
Net assets:		
Unrestricted:		
Undesignated	-	-
Designated for special purposes	21,877,514	20,070,889
Property and equipment funds	6,157,850	4,286,091
	28,035,364	24,356,980
Temporarily restricted	2,489,782	2,433,002
Permanently restricted	8,673,077	8,662,123
	39,198,223	35,452,105
	$ 44,383,737	$ 41,812,712

See notes to consolidated financial statements.

Jewish Child and Family Services and Affiliates

Consolidated Statements of Activities
Years Ended June 30, 2017 and 2016

	2017				2016			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue:								
Public support:								
Allocated by Jewish Federation of Metropolitan Chicago	**$ 10,669,929**	**$ -**	**$ -**	**$ 10,669,929**	$ 11,038,534	$ -	$ -	$ 11,038,534
Contributions	**4,013,551**	**1,009,731**	**10,954**	**5,034,236**	4,535,940	924,916	8,381	5,469,237
	14,683,480	**1,009,731**	**10,954**	**15,704,165**	15,574,474	924,916	8,381	16,507,771
Program-related revenue:								
Fees and grants from governmental agencies	**17,972,711**	**-**	**-**	**17,972,711**	19,243,596	-	-	19,243,596
Program service fees	**1,869,778**	**-**	**-**	**1,869,778**	2,155,680	-	-	2,155,680
	19,842,489	**-**	**-**	**19,842,489**	21,399,276	-	-	21,399,276
Other revenue:								
Agencies investment income, net	**5,969**	**478**	**-**	**6,447**	4,137	112	-	4,249
Net gains (losses) on Agencies investments	**888,226**	**129,360**	**-**	**1,017,586**	(319,962)	(45,866)	-	(365,828)
Endowment Foundations income (loss)	**2,636,732**	**20,428**	**-**	**2,657,160**	(546,972)	2,350	-	(544,622)
Other interest income	**4,361**	**-**	**-**	**4,361**	5,522	-	-	5,522
Miscellaneous income	**57,459**	**-**	**-**	**57,459**	400,629	-	-	400,629
Net assets released from restrictions	**1,255,196**	**(1,255,196)**	**-**	**-**	1,235,460	(1,235,460)	-	-
	4,847,943	**(1,104,930)**	**-**	**3,743,013**	778,814	(1,278,864)	-	(500,050)
	39,373,912	**(95,199)**	**10,954**	**39,289,667**	37,752,564	(353,948)	8,381	37,406,997

(Continued)

Jewish Child and Family Services and Affiliates

Consolidated Statements of Activities (Continued)
Years Ended June 30, 2017 and 2016

	2017				2016			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Expenses:								
Program services:								
Counseling and support	**$ 12,149,014**	**$ -**	**$ -**	**$ 12,149,014**	$ 12,508,894	$ -	$ -	$ 12,508,894
Rehabilitation and skills training services	**5,262,700**	**-**	**-**	**5,262,700**	5,309,842	-	-	5,309,842
Foster care	**3,756,991**	**-**	**-**	**3,756,991**	2,928,075	-	-	2,928,075
Residential services	**2,793,776**	**-**	**-**	**2,793,776**	5,959,695	-	-	5,959,695
Education services	**6,215,587**	**-**	**-**	**6,215,587**	5,875,130	-	-	5,875,130
Therapeutic pediatric services	**1,165,508**	**-**	**-**	**1,165,508**	1,187,115	-	-	1,187,115
	31,343,576	**-**	**-**	**31,343,576**	33,768,751	-	-	33,768,751
Supporting services:								
Management and general	**4,137,262**	**-**	**-**	**4,137,262**	3,883,642	-	-	3,883,642
Fundraising	**1,182,813**	**-**	**-**	**1,182,813**	996,367	-	-	996,367
	5,320,075	**-**	**-**	**5,320,075**	4,880,009	-	-	4,880,009
	36,663,651	**-**	**-**	**36,663,651**	38,648,760	-	-	38,648,760
Increase (decrease) in net assets before other changes	**2,710,261**	**(95,199)**	**10,954**	**2,626,016**	(896,196)	(353,948)	8,381	(1,241,763)
Other changes in net assets:								
Inherent contribution of Hebrew Immigrant Aid Society net assets	**-**	**-**	**-**	**-**	6,204,443	182,379	100,000	6,486,822
Gain on sales of property	**1,120,102**	**-**	**-**	**1,120,102**	-	-	-	-
Transfers	**(151,979)**	**151,979**	**-**	**-**	(121,567)	121,567	-	-
	968,123	**151,979**	**-**	**1,120,102**	6,082,876	303,946	100,000	6,486,822
Increase (decrease) in net assets	**3,678,384**	**56,780**	**10,954**	**3,746,118**	5,186,680	(50,002)	108,381	5,245,059
Net assets:								
Beginning of year	**24,356,980**	**2,433,002**	**8,662,123**	**35,452,105**	19,170,300	2,483,004	8,553,742	30,207,046
End of year	**$ 28,035,364**	**$ 2,489,782**	**$ 8,673,077**	**$ 39,198,223**	$ 24,356,980	$ 2,433,002	$ 8,662,123	$ 35,452,105

See notes to consolidated financial statements.

Jewish Child and Family Services and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2017

	Program Services								Supporting Services		
	JCFS					JVS					
	Counseling and Support	Foster Care	Residential Services	Education Services	Therapeutic Pediatric Services	Rehabilitation and Skills Training Services	Job Counseling and Placement Services	Total Program Services	Management and General	Fundraising	Total
Functional expenses:											
Salaries	$ 6,057,935	$ 1,331,361	$ 1,570,594	$ 3,618,020	$ 605,652	$ 1,485,153	$ 694,092	$ 15,362,807	$ 2,077,480	$ 599,647	$ 18,039,934
Employee health and retirement benefits and payroll tax	1,797,462	387,228	463,704	1,082,228	178,384	606,131	281,896	4,797,033	681,490	190,978	5,669,501
	7,855,397	1,718,589	2,034,298	4,700,248	784,036	2,091,284	975,988	20,159,840	2,758,970	790,625	23,709,435
Professional fees and contract service payments	471,451	306,036	111,112	245,755	28,321	432,800	66,059	1,661,534	708,188	51,659	2,421,381
Supplies	195,577	55,937	155,098	198,812	135,609	213,397	6,045	960,475	23,076	24,592	1,008,143
Telephone	61,361	38,863	38,721	21,795	3,918	74,470	19,457	258,585	18,484	1,483	278,552
Postage and delivery	24,477	5,346	1,284	6,526	2,183	80	386	40,282	11,297	11,827	63,406
Occupancy	1,201,354	319,861	305,742	803,058	162,224	192,705	109,742	3,094,686	289,255	104,521	3,488,462
Equipment purchases, rentals, and repairs	25,489	11,145	(3,657)	11,332	2,038	37,423	18,695	102,465	14,759	1,599	118,823
Software purchases and maintenance	67,038	19,159	9,577	41,521	5,125	-	-	142,420	6,852	10,169	159,441
Marketing and advertising	74,800	25,180	8,712	38,402	13,922	1,688	2,020	164,724	18,872	136,134	319,730
Local transportation	106,936	239,476	26,636	7,858	12,224	54,903	9,385	457,418	11,925	3,503	472,846
Conferences, conventions, meetings, and major trips	38,408	14,904	2,604	15,639	3,411	7,547	2,159	84,672	60,183	2,568	147,423
Subscriptions and reference publications	5,508	114	57	245	31	15	2,521	8,491	1,806	593	10,890
Specific assistance to individuals	512,203	964,129	30,516	21,054	531	2,099,533	97,863	3,725,829	-	-	3,725,829
Membership dues	24,458	5,689	3,015	13,540	1,533	507	935	49,677	35,405	-	85,082
Miscellaneous expense	94,559	27,932	21,816	58,043	6,904	41,440	26,615	277,309	74,927	40,418	392,654
	10,759,016	3,752,360	2,745,531	6,183,828	1,162,010	5,247,792	1,337,870	31,188,407	4,033,999	1,179,691	36,402,097
Depreciation	37,220	4,631	48,245	31,759	3,498	14,908	14,908	155,169	103,263	3,122	261,554
	$ 10,796,236	$ 3,756,991	$ 2,793,776	$ 6,215,587	$ 1,165,508	$ 5,262,700	$ 1,352,778	$ 31,343,576	$ 4,137,262	$ 1,182,813	$ 36,663,651

See notes to consolidated financial statements.

Jewish Child and Family Services and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2016

	Program Services										
	JCFS					JVS			Supporting Services		
	Counseling and Support	Foster Care	Residential Services	Education Services	Therapeutic Pediatric Services	Rehabilitation and Skills Training Services	Job Counseling and Placement Services	Total Program Services	Management and General	Fundraising	Total
Functional expenses:											
Salaries	$ 6,253,241	$ 980,866	$ 3,398,662	$ 3,490,585	$ 627,236	$ 1,507,852	$ 815,344	$ 17,073,786	$ 1,997,894	$ 559,896	$ 19,631,576
Employee health and retirement benefits and payroll tax	1,786,888	273,172	961,297	1,002,401	179,475	580,900	316,276	5,100,409	544,575	169,466	5,814,450
	8,040,129	1,254,038	4,359,959	4,492,986	806,711	2,088,752	1,131,620	22,174,195	2,542,469	729,362	25,446,026
Professional fees and contract service payments	630,197	232,006	286,566	224,430	18,278	463,182	105,356	1,960,015	611,149	25,946	2,597,110
Supplies	227,529	48,728	340,293	201,604	127,406	145,375	20,382	1,111,317	34,551	21,153	1,167,021
Telephone	76,723	28,238	74,209	31,585	5,017	87,290	30,426	333,488	19,962	3,841	357,291
Postage and delivery	24,031	5,014	2,480	6,873	2,009	133	229	40,769	13,383	11,628	65,780
Occupancy	1,100,890	183,230	562,951	733,403	172,544	243,063	119,612	3,115,693	290,143	58,829	3,464,665
Equipment purchases, rentals, and repairs	12,050	2,921	2,177	8,288	1,099	49,361	28,333	104,229	11,618	2,193	118,040
Software purchases and maintenance	43,205	8,371	26,158	29,487	3,139	-	-	110,360	21,514	9,572	141,446
Marketing and advertising	40,806	2,812	6,289	6,792	14,808	2,033	9,961	83,501	10,466	66,863	160,830
Local transportation	110,221	205,867	67,707	7,855	18,272	55,486	12,193	477,601	18,967	5,753	502,321
Conferences, conventions, meetings, and major trips	49,828	13,055	20,040	18,433	5,168	4,454	3,841	114,819	64,784	20,392	199,995
Subscriptions and reference publications	5,652	26	81	685	44	-	2,288	8,776	1,488	-	10,264
Specific assistance to individuals	292,309	917,127	100,644	5,015	74	2,123,272	114,270	3,552,711	-	-	3,552,711
Membership dues	29,395	4,772	16,760	17,272	1,902	638	1,460	72,199	28,101	-	100,300
Miscellaneous expense	107,343	12,978	51,968	45,225	4,867	30,024	57,973	310,378	106,801	37,670	454,849
	10,790,308	2,919,183	5,918,282	5,829,933	1,181,338	5,293,063	1,637,944	33,570,051	3,775,396	993,202	38,338,649
Depreciation	63,863	8,892	41,413	45,197	5,777	16,779	16,779	198,700	108,246	3,165	310,111
	$ 10,854,171	$ 2,928,075	$ 5,959,695	$ 5,875,130	$ 1,187,115	$ 5,309,842	$ 1,654,723	$ 33,768,751	$ 3,883,642	$ 996,367	$ 38,648,760

See notes to consolidated financial statements.

Jewish Child and Family Services and Affiliates

Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Increase in net assets	**$ 3,746,118**	$ 5,245,059
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	**261,554**	310,111
Gain on sales of property	**(1,120,102)**	-
Allowance for doubtful accounts and notes receivable	**57,966**	(67,281)
(Gains) losses on Agency investments	**(1,017,586)**	365,828
(Gains) losses on Endowment Foundation investments	**(2,123,725)**	602,499
Inherent contribution recorded upon consolidation of Hebrew Immigration Aid Society	**-**	(6,486,822)
Changes in:		
Due from other affiliated organizations	**55,753**	321,267
Accounts receivable	**644,897**	390,425
Loans receivable	**(2,145)**	116,827
Prepaid expenses and other assets	**25,881**	(62,418)
Endowment Foundation receivables and other assets	**25,539**	19,780
Accounts payable and accrued expenses	**(71,060)**	(317,914)
Accrued vacation	**(129,624)**	(142,263)
Due to Jewish Federation of Metropolitan Chicago	**(796,085)**	614,261
Deferred revenue and other liabilities	**26,541**	276,362
Deferred compensation payable	**(25,000)**	(25,000)
Refundable grant advances	**-**	(298,982)
Net cash (used in) provided by operating activities	**(441,078)**	861,739
Cash flows from investing activities:		
Purchases of property and equipment	**-**	(771,730)
Sales of property	**1,214,093**	-
Purchases of Agencies' investments	**(3,764)**	(897)
Purchases of Endowment Foundation investments	**(557,058)**	(165,027)
Proceeds from sales of Endowment Foundation investments	**1,655,119**	1,248,880
Cash and cash equivalents acquired in consolidation of HIAS	**-**	188,942
Net cash provided by investing activities	**2,308,390**	500,168
Cash flows from financing activities:		
Net repayments of borrowings on line of credit	**-**	(717,000)
Repayments of merger loan	**(179,865)**	(180,378)
Net cash used in financing activities	**(179,865)**	(897,378)
Increase in cash and cash equivalents	**1,687,447**	464,529
Cash and cash equivalents:		
Beginning of year	**1,467,932**	1,003,403
End of year	**$ 3,155,379**	$ 1,467,932

See notes to consolidated financial statements.

Jewish Child and Family Services and Affiliates

Consolidated Statements of Cash Flows (Continued)
Years Ended June 30, 2017 and 2016

	2017	2016
Supplemental disclosure of cash flow information:		
Interest paid	**$ 501**	$ 10,893
Inherent contribution of HIAS net assets (see Note 2):		
Fair value of net assets acquired (including cash of $188,942)	**$ -**	$ 6,569,390
Effective settlement of amount due from HIAS upon consolidation	**-**	(82,568)
	$ -	$ 6,486,822

See notes to consolidated financial statements.

Note 1. Organization and Significant Accounting Policies

Jewish Child and Family Services (JCFS) is a comprehensive social service agency that provides services to children, adults and families who reside in the Chicago, Illinois metropolitan area. Activities, which are funded primarily through government contracts and fees and subsidies received from an affiliated organization, include education, residential and child welfare services, counseling and support, services for people with disabilities and community support services.

Various affiliated entities are included in these consolidated financial statements.

Jewish Vocational Service and Employment Center (JVS): JVS is a private nonprofit social service agency that provides services to occupationally disadvantaged residents of metropolitan Chicago for the purpose of facilitating and maximizing the acquisition of employment and educational skills and opportunities. JVS is funded primarily by government grants and fees for services, program service fees and contributions from the general public and an appropriation from the Jewish Federation of Metropolitan Chicago.

On July 1, 2013, JCFS entered into an Alliance Agreement with JVS whereby the separate organizations agreed to continue and expand their relationship to work together to further their respective purposes and missions. Under this expanded Alliance Agreement, JVS amended its by-laws to allow JCFS to become the sole corporate member of JVS effective July 1, 2013. Sole corporate membership in another nonprofit organization represents controlling interest, requiring consolidation. As a result, the financial statements of JVS are consolidated within these financial statements, although each organization continues to maintain its own separate legal existence.

Endowment Foundations: The Jewish Child and Family Services Endowment Foundation (JCFS Endowment Foundation) and the Jewish Vocational Service Endowment Foundation (JVS Endowment Foundation) (collectively, Endowment Foundations) are nonprofit organizations whose purpose is to receive and hold endowment-type contributions for the benefit of JCFS and JVS, respectively. In accordance with the terms of an Agreement and Plan of Merger of Foundations, the Board of Directors of the JCFS Endowment Foundation and the Agency approved a transaction whereby the JCFS Endowment Foundation in effect acquired the net assets of the JVS Endowment Foundation, on June 30, 2017. At that time, the unrestricted, temporarily restricted, and permanently restricted net assets of the JVS Endowment Foundation and JCFS Endowment Foundation decreased and increased, respectively, by identical amounts, as a result of the merger transaction (Note 5). The JCFS Endowment Foundation became the surviving corporation and the JVS Endowment Foundation ceased to exist. All JVS designated or restricted funds will continue to be accounted for separately and distributions therefrom will be made by the JCFS Endowment Foundation to JVS.

The financial accounts of the Endowment Foundations are consolidated within (the financial statements of JCFS and JVS, and) these financial statements because JCFS and JVS (through date of merger) have control and economic interests in the respective entities. As a result of financial statement consolidation, this merger transaction had no effect on these consolidated financial statements. A beneficial interest asset in the transferred assets of JCFS Endowment Foundation reported by JVS effective June 30, 2017, is eliminated in the consolidation. “Endowment Foundations” as used herein represents the two entities as discussed above or, after the merger, the JCFS Endowment Foundation including the transferred net assets.

During 2017, the boards of the Agency and JVS granted their approval for a formal merger of the two agencies to occur on or before June 30, 2018. In anticipation of a merger, a number of the JVS’ government contracts were transferred to the Agency effective July 1, 2017. Until a merger is consummated, JVS expects to continue to perform the services under the transferred contracts with compensation flowing through from the Agency to JVS.

Note 1. Organization and Significant Accounting Policies (Continued)

Hebrew Immigrant Aid Society of Chicago (HIAS): Effective June 30, 2016, and pursuant to certain agreements and plans of merger, JCFS acquired the net assets of HIAS, and the JCFS Endowment Foundation acquired the net assets of the Hebrew Immigrant Aid Society of Chicago Endowment Foundation (HIAS Endowment Foundation). JCFS and JCFS Endowment Foundation are the surviving corporations and the separate existence of both HIAS and HIAS Endowment Foundation ceased. HIAS was an affiliated nonprofit social service agency whose mission was to guide Jewish immigrants and others through the immigration process to gain citizenship in the United States. The entities determined that they could better serve the community and realize greater efficiencies by coordinating their activities. These transactions are reflected on the fiscal year 2016 statement of activities as an inherent contribution of HIAS net assets, and the assets, liabilities and net assets were reported by the surviving corporations and included in the consolidated statement of financial position at June 30, 2016. All designated or restricted funds which were acquired will continue to be accounted for as such and distributions therefrom are to be made in accordance with the donor restrictions.

JCFS and JVS (collectively, the Agencies), Illinois nonprofit corporations, and the Endowment Foundations are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and applicable state law, except for taxes pertaining to unrelated business income, if any. The Endowment Foundations are each classified as a supporting foundation under Section 509(a)(3) of the Code.

The Agencies and the Endowment Foundations are affiliated with the Jewish Federation of Metropolitan Chicago (Jewish Federation), as more fully described in Note 3. Significant accounting policies are as follows:

Basis of presentation: The Agencies' financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). For financial reporting purposes, net assets and related activity for the Agencies' funds are classified as unrestricted, temporarily restricted or permanently restricted, based on the existence or absence of donor-imposed restrictions.

The Agencies' unrestricted funds are available for support of the Agencies' operations and are not subject to donor-imposed restrictions. Special-purpose funds have been internally designated for certain programs or uses.

Temporarily restricted net assets represent net assets subject to donor-imposed restrictions that will be met either by the Agencies' actions or the passage of time. Temporarily restricted net assets are reclassified to unrestricted net assets when the restrictions are met or have expired. These restrictions are reported in the consolidated statement of activities as net assets released from restrictions.

The Agencies' permanently restricted net assets represent funds subject to the restrictions of gift instruments requiring the principal to be maintained intact. Investment income, including realized and unrealized gains and losses, are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Agencies in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Consolidation: These financial statements have been prepared on a consolidated basis, whereby the financial statements include the accounts of the Agencies as well as those of their respective Endowment Foundations. Any intercompany accounts and transactions, such as annual Endowment Foundations' distributions received by the Agencies, are eliminated in consolidation.

Note 1. Organization and Significant Accounting Policies (Continued)

Cash and cash equivalents: The Agencies consider all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. At June 30, 2017 and 2016, cash equivalents are comprised entirely of money market funds. Cash and cash equivalents at times may exceed federally insured limits; however, the Agencies have not experienced any losses in such accounts. The Agencies believe they are not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable: Accounts receivable represents amounts due for reimbursement of program services and related revenue, the majority of which is due from governmental agencies. The amounts are stated net of an allowance for doubtful accounts of $507,905 and $380,315 as of June 30, 2017 and 2016, respectively, which management determines based on historical experience and analysis of specific accounts. Uncollectible amounts are written off in the year they are deemed to be worthless.

Loans receivable: JVS has a microloan program whereby loans are made to start-up businesses and individual entrepreneurs. The loan portfolio consists of first mortgages on real property. Loan maturities are generally up to three years, with interest on loans being accrued over the term of the loan based on the amount of principal outstanding.

The accrual of interest on loans is generally discontinued at the time the loan is 90 days past due unless the loan is well secured and in the process of collection. Past due status is generally based on contractual terms of the loan. Loans are placed on nonaccrual status or charged off at an earlier date if collection of principal or interest is considered doubtful.

Any interest accrued but not collected for loans that are placed on nonaccrual status or charged off is reversed against interest income. The interest on these loans is accounted for on the cash basis or cost recovery method until qualifying for return to accrual status. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured. Loans renegotiated in troubled debt restructurings are those loans on which concessions in terms have been granted because of a borrower's financial difficulty.

Allowance for loan losses: The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to income. Loans are charged against the allowance for loan losses when management believes the uncollectibility of the principal is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of allocated and general components. The allocated component relates to loans that are considered to be impaired. For those loans that are considered to be impaired, an allowance is established when the discounted cash flows of the impaired loan is lower than the carrying value of that loan. The general component covers non-impaired loans and is based on historical loss experience. Other adjustments may be made to the allowance for loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss.

Note 1. Organization and Significant Accounting Policies (Continued)

Loans are considered impaired when, based on current information and events, it is probable that JVS will not be able to collect all amounts due according to the contractual terms of the agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. The impairment is measured based on the present value of expected future cash flows or, alternatively, the observable market price of the loans. The amount of impairment, if any, and any subsequent changes are included in the allowance for loan losses.

Investments: The Agencies' and the Endowment Foundations' by-laws provide that all of their liquid assets are to be invested in the JFMC Pooled Endowment Portfolio, LLC (PEP), which is maintained by the Jewish Federation. The investment in the PEP is recorded at fair value. The Agencies and Endowment Foundations record investment transactions on a trade-date basis. Realized gains and losses on investment transactions and change in unrealized gain (loss) on investments are reported as such on the consolidated statements of activities. Interest income is recognized under the accrual basis. Dividend income is recognized on the ex-dividend date.

Remainder interests in charitable gift annuities: The Endowment Foundations are named as the designated beneficiaries of numerous remainder interests in charitable gift annuities held and administered by the Jewish Federation. The Endowment Foundations value their remainder interests in charitable gift annuities at fair value based upon the fair value of the charitable gift annuity assets less the fair value of the liability. The proceeds received from charitable gift annuities are released from restrictions upon the death of the annuitant.

Property and equipment: Property and equipment purchases of $1,000 or more are recorded at cost if purchased, or fair value if donated, and depreciated over their estimated useful lives on a straight-line basis, with the exception of leasehold improvements which are amortized over the terms of the respective leases, which are 15 years. The estimated useful lives for determining depreciation are 25 to 30 years for buildings and building improvements and 5 to 7 years for equipment, software, furniture and vehicles.

Accrued vacation: The Agencies record an accrued liability for employees' earned but unused vacation time at year-end.

Deferred revenue and other liabilities: The Agencies often receive funds from grants and other sources under fee-for-service arrangements, prior to the related expenses being incurred. These funds are reported as deferred revenue and other liabilities in the consolidated financial statements.

Revenue recognition: Contributions, including unconditional promises to give, are recorded as revenue in the period the promises are received at their fair value. Bequests from estates are generally recognized after the probate court declares the will valid. Grants are recognized when earned, which is generally when qualifying expenses have been incurred and all other grant requirements have been met. Fees from governmental agencies primarily represent performance-based contracts for services that are billed to governmental agencies and recognized as revenue as the work is performed. The allocation from the Jewish Federation of Metropolitan Chicago is communicated, received and recognized as public support revenue during and within the same fiscal year. Program service fees are recognized as revenue as the services are performed.

Donated services: A substantial number of volunteers have donated significant time to the Agencies' activities. However, only those services that meet the criteria for recognition are reflected in the consolidated financial statements. During fiscal year 2017, JCFS and JVS received donated services of $91,845 and $42,577, respectively. As of June 30, 2016, JCFS and JVS received donated services of $44,699, and $6,548, respectively. These amounts are included within contributions revenues in the consolidated statements of activities.

Note 1. Organization and Significant Accounting Policies (Continued)

Functional expenses: Operating expenses directly identified with a functional area are charged to that area, and where those expenses affect more than one area, they are allocated to functional areas in proportion to the benefit each area receives from those costs.

Income taxes: The accounting standard for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Agencies may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the entities and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the reporting periods presented in these consolidated financial statements.

The Agencies and Endowment Foundations file Form 990 annual information returns in the U.S. federal jurisdiction and the State of Illinois, and are generally no longer subject to examination by the Internal Revenue Service for years before 2014.

Use of estimates: In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions affecting the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent accounting pronouncements: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP. Early adoption is permitted. The updated standard will be effective for the Agencies' 2020 financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Key elements of the ASU include a reduction in the number of net asset categories from three to two, conforming requirements on releases of capital restrictions, several new requirements related to expense presentation and disclosure (including investment expenses), and new required disclosures communicating information useful in assessing liquidity. The new standard is effective for the Agencies' 2019 financial statements, and early adoption is allowed.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842).* The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases.* Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard will be effective for the Agencies' 2021 financial statements.

The Agencies are currently evaluating the impact of the adoption of the above standards on its consolidated financial statements.

Note 1. Organization and Significant Accounting Policies (Continued)

Reclassifications: Certain items on the 2016 consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications have no effect on net assets or changes in net assets as previously reported.

Subsequent events: The Agencies have evaluated subsequent events for potential recognition and/or disclosures through January 8, 2018, the date the consolidated financial statements were available to be issued.

Note 2. Inherent Contribution of Net Assets from Hebrew Immigrant Aid Society of Chicago and Hebrew Immigrant Aid Society of Chicago Endowment Foundation

The inherent contribution of net assets from HIAS and HIAS Endowment Foundation effective with the June 30, 2016, transaction, consisting of HIAS and HIAS Endowment Foundation assets, liabilities and net assets, which are now included in JCFS's statement of financial position at June 30, 2016, were as follows:

	HIAS	HIAS Endowment Foundation	Total
Fair value of assets acquired:			
Cash	$ 188,942	$ -	$ 188,942
Grants receivable	4,641	-	4,641
Due from Jewish Federation of Metropolitan Chicago	-	400	400
Due from Hebrew Immigrant Aid Society	-	66,214	66,214
Pledges receivable, net	-	68,640	68,640
Investment	381,125	5,926,892	6,308,017
	$ 574,708	$ 6,062,146	$ 6,636,854
Fair value of liabilities assumed:			
Due to Jewish Child and Family Services	$ 82,568	$ -	$ 82,568
Deferred revenue	1,250	-	1,250
Loan payable to HIAS Endowment Foundation	66,214	-	66,214
	$ 150,032	$ -	$ 150,032
Inherent contribution of net assets	$ 424,676	$ 6,062,146	$ 6,486,822
Net assets classification:			
Unrestricted	$ 355,575	$ 5,848,868	$ 6,204,443
Temporarily restricted	69,101	113,278	182,379
Permanently restricted	-	100,000	100,000
	$ 424,676	$ 6,062,146	$ 6,486,822

No cash consideration was received or paid as part of the transaction. JCFS and the JCFS Endowment Foundation followed the *Business Combinations* Topics of the Accounting Standards Codification, which required the acquisition method to be used in accounting for the transaction; no identifiable intangible assets were recorded.

Note 3. Affiliated Organizations

Jewish Federation: The Agencies are affiliates of the Jewish Federation. Pursuant to their affiliation agreements, the Jewish Federation provides an allocation of funds to the Agencies' unrestricted funds. The Jewish Federation subsidy totaled $10,669,929 and $11,038,534 for the Agencies for the years ended June 30, 2017 and 2016, respectively.

In accordance with the affiliation agreements, the Agencies may not negotiate any merger or material transfer of assets without approval of the Jewish Federation, and in the event of any liquidation of the Agencies, the net proceeds are to be distributed to the Jewish Federation.

JVS manages the Jewish Federation scholarship program for which JVS received scholarship funds from the Jewish Federation of $415,248 and $416,211 during fiscal years 2017 and 2016, respectively. JVS distributed scholarships totaling $416,971 and $413,961 during fiscal years 2017 and 2016, respectively. JVS reflects scholarship funds as temporarily restricted funds until awarded to the recipient. The temporarily restricted scholarship fund balance was $2,386 and $4,109 at June 30, 2017 and 2016, respectively.

The Agencies lease office and facility space from the JFMC Facilities Corporation, an affiliate of the Jewish Federation.

The Agencies participate with the Jewish Federation and its other affiliated agencies in self-insurance programs for health and dental insurance. All self-insurance programs of the Jewish Federation and its affiliated agencies include specific and aggregate stop loss insurance policies. Contributions by JCFS and JVS for such coverage during fiscal year 2017 (made to the Jewish Federation, as custodian for these programs) amounted to $1,096,474 and $213,972, respectively. Contributions by JCFS and JVS for such coverage during fiscal year 2016 (made to the Jewish Federation, as custodian for these programs) amounted to $1,223,446 and $242,711, respectively.

Amount shown as Due to Jewish Federation of Metropolitan Chicago on the consolidated statements of financial position as of June 30, 2017 and 2016, comprise primarily payments due under the various agreements between the Agencies and the Jewish Federation for information technology services, occupancy and self-insurance programs.

During fiscal year 2013, JCFS entered into an agreement whereby funds from the Jewish Federation are available to JCFS in an amount equivalent to costs incurred for the various phases of the July 1, 2013, alliance between JCFS and JVS. As of June 30, 2017 and 2016, JCFS has incurred various alliance-related costs and has outstanding balances of $288,259 and $393,124, respectively, due to the Jewish Federation. Repayments, with interest of 1.53 percent, are required in installments over a five-year period beginning in July 2014.

In addition, the Jewish Federation had previously made an interest-free loan to JCFS to pay merger-related costs related to a 2006 merger; the outstanding balance was $928,400 and $1,003,400 at June 30, 2017 and 2016, respectively. The loan is payable through July 2030.

Note 3. Affiliated Organizations (Continued)

The total future maturities of these two merger loans are as follows:

2018	$ 180,121
2019	180,121
2020	153,017
2021	75,000
2022	75,000
Thereafter	553,400
	$ 1,216,659

HIAS: Pursuant to a management agreement with the Hebrew Immigrant Aid Society of Chicago (HIAS) and prior to the acquisition of HIAS net assets on June 30, 2016, JCFS managed HIAS' professional service programs, policy development, personnel and office management, and financial matters, except for fundraising activities.

Auxiliaries: JCFS has one active auxiliary organized for the purpose of raising funds to be used for various programs of JCFS. The North Shore Auxiliary of Jewish Child and Family Services is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Revenue recorded from the North Shore Auxiliary of Jewish Child and Family Services totaled $175,000 and $34,000, respectively, during the years ended June 30, 2017 and 2016. The accounts of the North Shore Auxiliary of Jewish Child and Family Services are not included in the consolidated financial statements because they do not meet the criteria requiring consolidation.

Note 4. Investments and Fair Value Measurements

The Agencies' and the Endowment Foundations' investments are invested in the PEP at June 30, 2017 and 2016, as follows:

	2017			2016		
	JCFS	JVS	Total	JCFS	JVS	Total
Agency investments	$ 9,559,181	$ 2,077,145	$ 11,636,326	$ 8,720,150	$ 1,894,826	$ 10,614,976
Endowment Foundations	24,047,880	-	24,047,880	18,916,075	4,106,141	23,022,216
	$ 33,607,061	$ 2,077,145	$ 35,684,206	$ 27,636,225	$ 6,000,967	$ 33,637,192

The Agencies and the Endowment Foundations record their investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1. Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2. Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly.

Note 4. Investments and Fair Value Measurements (Continued)

Level 3. Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Agencies' and Endowment Foundations' assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors including, for example, the type of instrument, whether the instrument is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the instrument. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risk associated with investing in those instruments. The Agency and Endowment Foundations assess the levels of the investments at each measurement date.

The Agencies' and Endowment Foundations' investments represent their allocable share in the PEP and are measured at fair value using the net asset value per share (NAV) practical expedient and have not been categorized in the fair value hierarchy.

The practical expedient allows for investments in non-registered investment companies to be valued at NAV, which represents fair value. The Agencies and Endowment Foundations classify these investments using NAV within the fair value measurement table.

The Federation is the manager and administrator of the PEP and is also the majority owner of the PEP. As the manager, the Jewish Federation owned 79.2 percent of the PEP as of June 30, 2017, and the Agencies and the Endowment Foundations, respectively, had 1.41 and 2.91 percent interest in the Jewish Federation's portion of the PEP for the same reporting period. As the manager, the Jewish Federation owned 86.5 percent of the PEP as of June 30, 2016, and the Agencies and the Endowment Foundations, respectively, had 1.41 and 3.12 percent interest in the Jewish Federation's portion of the PEP for the same reporting period.

The PEP invests in various types of investments, including mutual funds, equity and debt securities, alternative investments and other investment vehicles. The Agencies and the Endowment Foundations do not own or have any interest in the underlying investments held by the PEP. The Agencies and the Endowment Foundations have the ability to contribute funds or withdraw funds from its account on the first day of each month. Withdrawal requests are required to be submitted to the PEP in writing at least 15 days prior to the beginning of each month and withdrawals representing more than 80 percent of an investor's assets are paid within 60 days.

Note 4. Investments and Fair Value Measurements (Continued)

The following section describes the valuation techniques used by the Agency and Endowment Foundation to measure their financial instruments at fair value and includes the level within the fair value hierarchy in which the financial instrument is categorized.

The PEP's investment in mutual funds, exchange-traded funds, and securities traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation. Precious metals are valued based on the closing spot price, derived from the over-the-counter precious metals trading market.

The PEP's investment in preferred stock and other equities traded on inactive markets or valued by reference to similar instruments are categorized as Level 2 in the fair value hierarchy. Investments in government securities and bonds and corporate notes and debt securities which are traded on a national securities exchange or market are valued at the mean between the current "bid" and "asked" quotations on that day. If a reliable bid and asked quotation cannot be obtained from a national securities exchange, the security is priced at the mean between the bid and asked quotation of a reliable market maker. If the investments are not traded on an exchange, they are stated at cost plus accrued interest, which approximates the fair value.

The PEP's investments in alternative investments and other investment vehicles are stated at fair value based on the applicable percentage ownership of the investment funds' net assets as of the measurement date, as determined by the PEP. In determining fair value, the PEP utilizes valuations and other information provided by the underlying investment funds. The underlying investment funds value securities and other financial instruments substantially on a fair value basis of accounting. The estimated fair values of certain investments of the underlying investment funds, which may include private placements and other securities for which prices are not readily available, are determined by the managers of the respective investment fund and may not reflect amounts that ultimately may be realized. The fair value of the PEP's alternative investments generally represents the amount expected to be received if the PEP were to liquidate its alternative investments, excluding any redemption charges that may apply. Accordingly, the estimated fair values of the alternative investments may differ significantly from the values that would have been used had a ready market existed for these investments.

As of June 30, 2017, $684,706 and $8,664,777 of the Endowment Foundations' investment in the PEP is temporarily restricted and permanently restricted, respectively. As of June 30, 2016, $783,200 and $8,653,286 of the Endowment Foundations' investment in the PEP was temporarily restricted and permanently restricted, respectively.

The Endowment Foundations' remainder interests in charitable gift annuities are classified as Level 3.

The Endowment Foundations value their remainder interest in a charitable gift annuity at residual value based upon the fair value of the charitable gift annuity assets less the fair value of the liability. The remainder interest is computed and measured at fair value using a present value discount rate ranging from 4.00 to 7.00 percent. In computing the remainder interest, management considers the estimated return on invested assets and the contractual payment obligation during the expected term of the annuity agreement based on the 2016 IRS Life Expectancy Tables. Contribution income and changes in fair value are recorded in temporarily restricted net assets as the Endowment Foundations will not receive control of the value of the interest until the death of the annuitant beneficiary.

Note 4. Investments and Fair Value Measurements (Continued)

The following table presents a reconciliation of activity for the Level 3 financial interests at June 30, 2017 and 2016:

	Remainder Interest	
	2017	2016
Balance, beginning of year	$ 147,704	$ 212,515
Additions	-	32,758
Net change in unrealized gain (loss)	12,940	(34,251)
Releases (liquidation) from restrictions	-	(63,318)
Balance, end of year	$ 160,644	$ 147,704

The Agencies and Endowment Foundations assess the levels of the financial instruments at each measurement date and transfers between levels are recognized on the actual date of the event or change in circumstance that caused the transfer in accordance with the Agencies' and Endowment Foundations' accounting policy regarding recognition of transfers between levels of the fair value hierarchy. There were no such transfers for the years ended June 30, 2017 and 2016.

The Agencies and the Endowment Foundations, through their investment in the PEP, enter into transactions with a variety of securities and derivative financial instruments. These derivative financials instruments may have market and/or credit risk in excess of the amounts recorded in the consolidated statements of financial position.

Market risk of investment: Market risk arises primarily from changes in the market value of financial instruments. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments, and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the overall exposure to market risk. The Jewish Federation attempts to control the PEP's exposure to market risk through various analytical monitoring techniques.

Credit risk: Credit risk arises primarily from the potential inability of counterparties to perform in accordance with the terms of a contract. Exposure to credit risk associated with counterparty nonperformance is limited to the current cost to replace all contracts in which there is a gain. Exchange-traded financial instruments generally do not give rise to significant counterparty exposure due to the cash settlement procedures for daily market movements and the margin requirements of individual exchanges.

Concentration of credit risk: The Agencies and the Endowment Foundations generally invest excess cash assets in the PEP. In the event the PEP does not fulfill its obligations, the Agencies and the Endowment Foundations may be exposed to risk. This risk of default depends on the creditworthiness of the counterparty to these transactions. The PEP attempts to minimize this credit risk by monitoring the creditworthiness of its counterparties.

Investment in funds: The managers of underlying investment funds in which the PEP invests may utilize derivative instruments with off-balance sheet risk. The Agencies' and the Endowment Foundations' exposure of risk is limited to their allocable share of the PEP's investment.

Note 4. Investments and Fair Value Measurements (Continued)

As of June 30, 2017 and 2016, the PEP was invested as follows:

	2017		2016	
	Percentage of total PEP	Approximate Hierarchy Level within the PEP	Percentage of total PEP	Approximate Hierarchy Level within the PEP
Equity:				
U.S. large cap	2 %	Level 1	3 %	Level 1
U.S. small cap	8	Level 1 - NAV	8	Level 1 - NAV
Developed markets	16	Level 1 - NAV	9	Level 1 - NAV
Emerging markets	7	Level 1 - NAV	6	Level 1 - NAV
Hedge equity	15	NAV	14	NAV
Private equity	12	NAV	11	NAV
Credit:				
Core credit	5	Level 1 - NAV	5	Level 1 - NAV
Non core credit	2	NAV	2	Level 1 - NAV
Hedged credit	10	NAV	9	NAV
Private credit	2	NAV	1	NAV
Cash	-	Level 1	6	Level 1
U.S. Treasury bill and put options	1	Level 1	1	Level 1
Commodities	2	Level 1	4	Level 1
Real assets	5	NAV	5	NAV
Real estate	7	NAV	9	NAV
Opportunistic	6	NAV	7	NAV
	100 %		100 %	

Investment by the PEP measured at fair value using the net asset value per share (NAV) practical expedient are not categorized in the fair value hierarchy.

Note 5. Endowment Foundations

The Endowment Foundations were created pursuant to a 1999 agreement between the Jewish Federation and the Agencies. In accordance with the original agreements and any subsequent amendments, the Agencies have agreed to transfer to their respective Endowment Foundations all endowment gifts and all amounts received in excess of $25,000 from each non-endowment gift, bequest, and devise it receives, and the Jewish Federation has agreed to transfer to the Endowment Foundations all endowment gifts and all amounts received in excess of $25,000 from each non-endowment gift, bequest, and devise it receives that are specified by the donor for the use of JCFS or JVS. The first $25,000 received by the Jewish Federation from gifts specified by the donor for JCFS or JVS will be included in the Jewish Federation’s annual allocation to the appropriate agency.

The operating expenses of JCFS’ and JVS’ Endowment Foundations for fiscal year 2017 were $134,772 and $39,543, respectively. During fiscal year 2016, the operating expenses of JCFS’ and JVS’ Endowment Foundations were $62,931 and $36,905, respectively.

Note 5. Endowment Foundations (Continued)

Each Agency has the right to terminate its obligations and status as a participating agency, as defined. In addition, upon dissolution of individual Endowment Foundations (which may only take place upon agreement of both parties) or termination of the respective affiliation agreements between the Agencies and the Jewish Federation, the Endowment Foundations' assets will be transferred to the Jewish Federation and used for the purposes for which they were intended.

The Endowment Foundations include donor-restricted funds established for a variety of purposes. In addition, funds with no donor-imposed restrictions are considered part of the endowment because they are held and invested by the Endowment Foundations for the benefit of the Agencies. These funds are categorized as board designated. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with the terms of an Agreement and Plan of Merger of Foundations, the Board of Directors of the JVS Endowment Foundation and JVS approved a transaction whereby the JVS Endowment Foundation's net assets were in effect transferred to the JCFS Endowment Foundation on June 30, 2017. At that time, the JCFS Endowment Foundation became the surviving corporation and the JVS Endowment Foundation ceased to exist. JVS has maintained an interest in the net assets transferred to the JCFS Endowment Foundation; all endowment funds designated or restricted for JVS will continue to be accounted for separately and distributions therefrom will be made by the JCFS Endowment Foundation to JVS.

Interpretation of relevant law

The Agencies and the Endowment Foundations follow the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the State of Illinois. The Board of Directors for each of the Endowment Foundations has interpreted the Illinois UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Endowment Foundations' policy is to classify as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The Endowment Foundations have no other activities beyond receiving and investing contributions on behalf of the Agencies and incurs no other expenditures other than those made on behalf of the Agencies. Therefore, all investment income is considered appropriated for expenditure and is classified as unrestricted board-designated net assets available for distribution unless explicitly restricted by the donor, in which case it is classified as temporarily restricted revenue until such restrictions are met.

In accordance with UPMIFA, the Endowment Foundations consider the following factors in making a determination to appropriate or accumulate earnings on donor-restricted endowment funds:

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

Note 5. Endowment Foundations (Continued)

The JVS Endowment Foundation merged with and into the JCFS Endowment Foundation on June 30, 2017. The Endowment Foundations' net asset composition by type of restriction is as follows at June 30, 2017 and 2016:

	2017							
	JCFS				JVS			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated	$ 16,404,921	$ -	$ -	$ 16,404,921	$ -	$ -	$ -	$ -
Donor-restricted	(1,654,191)	887,405	8,673,077	7,906,291	-	-	-	-
	$ 14,750,730	$ 887,405	$ 8,673,077	$ 24,311,212	$ -	$ -	$ -	$ -

	2016							
	JCFS				JVS			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated	$ 11,353,658	$ -	$ -	$ 11,353,658	$ 4,006,265	$ -	$ -	$ 4,006,265
Donor-restricted	(1,706,927)	969,124	8,562,123	7,824,320	(124)	45,052	100,000	144,928
	$ 9,646,731	$ 969,124	$ 8,562,123	$ 19,177,978	$ 4,006,141	$ 45,052	$ 100,000	$ 4,151,193

Note 5. Endowment Foundations (Continued)

The changes in endowment net assets for the Agencies' Endowment Foundations were as follows for the years ended June 30, 2017 and 2016:

Year ended June 30, 2017:	JCFS			
	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total
Endowment net assets, beginning of year	$ 9,646,731	$ 969,124	$ 8,562,123	$ 19,177,978
Contributions	415,414	7,488	10,954	433,856
Investment return:				
Investment income	8,955	-	-	8,955
Net appreciation (realized and unrealized) on investment	1,745,719	-	-	1,745,719
	1,754,674	-	-	1,754,674
Other changes:				
Change in remainder interest in a charitable gift annuity	-	7,451	-	7,451
Other income	309			309
Release of restrictions	147,199	(147,199)	-	-
Distributions to Agency	(1,197,296)	-	-	(1,197,296)
Administrative and development expenses	(113,772)	-	-	(113,772)
Other expenses	(21,000)	-	-	(21,000)
	(1,184,560)	(139,748)	-	(1,324,308)
Other changes in net assets:				
Inherent contribution of Jewish Vocational Service Endowment Foundation net assets	4,118,471	50,541	100,000	4,269,012
Endowment net assets, end of year	$ 14,750,730	$ 887,405	$ 8,673,077	$ 24,311,212

Note 5. Endowment Foundations (Continued)

Year ended June 30, 2017:

	JVS			
	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total
Endowment net assets, beginning of year	$ 4,006,141	$ 45,052	$ 100,000	$ 4,151,193
Contributions	75,896	-	-	75,896
Investment return:				
Investment income	1,412	-	-	1,412
Net appreciation (realized and unrealized) on investment	378,006	-	-	378,006
	379,418	-	-	379,418
Other changes:				
Change in remainder interest in a charitable gift annuity	-	5,489	-	5,489
Other income	67			67
Distributions to Agency	(303,508)	-	-	(303,508)
Administrative and development expenses	(39,543)	-	-	(39,543)
	(342,984)	5,489	-	(337,495)
Other changes in net assets:				
Contribution of net assets to Jewish Child and Family Services Endowment Foundation	(4,118,471)	(50,541)	(100,000)	(4,269,012)
Endowment net assets, end of year	$ -	$ -	$ -	$ -

Note 5. Endowment Foundations (Continued)

Year ended June 30, 2016:	JCFS			
	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total
Endowment net assets, beginning of year	$ 4,936,484	$ 1,005,544	$ 8,453,742	$ 14,395,770
Contributions	78,270	3,843	8,381	90,494
Investment return:				
Investment income	1,265	-	-	1,265
Net (depreciation) appreciation (realized and unrealized)	(477,838)	32,758	-	(445,080)
	(476,573)	32,758	-	(443,815)
Other changes:				
Change in remainder interest in a charitable gift annuity	-	(26,058)	-	(26,058)
Release of restrictions	160,241	(160,241)	-	-
Distributions to Agency	(837,628)	-	-	(837,628)
Administrative and development expenses	(60,189)	-	-	(60,189)
Other expenses	(2,742)	-	-	(2,742)
	(740,318)	(186,299)	-	(926,617)
Other changes in net assets:				
Inherent contribution of Hebrew Immigrant Aid Society Endowment Foundation net assets	5,848,868	113,278	100,000	6,062,146
Endowment net assets, end of year	$ 9,646,731	$ 969,124	$ 8,562,123	$ 19,177,978

Note 5. Endowment Foundations (Continued)

Year ended June 30, 2016:	JVS			
	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total
Endowment net assets, beginning of year	$ 4,511,512	$ 53,245	$ 100,000	$ 4,664,757
Investment return:				
Investment income	369	-	-	369
Net depreciation (realized and unrealized) on investment	(157,419)	-	-	(157,419)
	(157,050)	-	-	(157,050)
Other changes:				
Change in remainder interest in a charitable gift annuity	-	(8,193)	-	(8,193)
Distributions to Agency	(311,416)	-	-	(311,416)
Administrative and development expenses	(36,905)	-	-	(36,905)
	(348,321)	(8,193)	-	(356,514)
Endowment net assets, end of year	$ 4,006,141	$ 45,052	$ 100,000	$ 4,151,193

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Illinois UPMIFA requires each of the Endowment Foundations to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets of JCFS' Endowment Foundation were $1,654,191 and $1,706,927 as of June 30, 2017 and 2016, respectively. Deficiencies of this nature that are reported in unrestricted net assets of JVS' Endowment Foundation were $0 and $124 as of June 30, 2017 and 2016, respectively.

Return objectives and risk parameters: The Endowment Foundations have adopted investment and spending policies for endowment assets that attempt to provide a stable stream of funding to programs supported by their endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner intended to achieve an annualized long-term average nominal return which is approximately equal to the long-term average return of the market as a whole, but with less volatility than the overall market. Actual returns in any given year may vary significantly from the target amount.

Note 5. Endowment Foundations (Continued)

Strategies employed for achieving objectives: To satisfy its long-term rate-of-return objectives, each of the Endowment Foundations rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Each of the Endowment Foundations' policy is to invest 100 percent of the endowment cash assets in the PEP.

Spending policy and how the investment objectives relate to spending policy: The Endowment Foundations have adopted the Jewish Federation's Controlled Growth Distribution Policy (CGDP) to calculate distributions. Under this policy, the distribution rate for annual distributions from each of the Endowment Foundations is based on the market performance of the PEP, with certain caps and floors to provide stability during volatile market environments. The CGDP also includes a target growth rate of 2.5 percent per year.

Note 6. Property and Equipment

Property and equipment consists of the following at June 30, 2017 and 2016:

	2017	2016
Group homes	$ 573,802	$ 1,870,312
Other building and improvements	347,259	347,259
Office furniture and equipment	4,356,570	4,356,570
	5,277,631	6,574,141
Accumulated depreciation	(4,153,666)	(5,094,631)
	$ 1,123,965	$ 1,479,510

During fiscal year 2017, JCFS sold four group homes that had a net book value of $94,372. The gain on sales from these properties is reflected within other changes in net assets on the consolidated statements of activities.

Note 7. Line of Credit

JCFS has a line of credit agreement with JPMorgan Chase Bank, N.A. with a borrowing limit of $2,500,000. There were no outstanding borrowings as of June 30, 2017 and 2016. Interest on borrowings is payable monthly at a rate equal to the bank's prime rate (4.25 and 3.50 percent at June 30, 2017 and 2016, respectively) for each floating rate advance, or at adjusted one-month LIBOR plus 0.9 percent for each LIBOR rate advance (1.1714 and 0.4527 percent at June 30, 2017 and 2016, respectively). The line is guaranteed by the Jewish Federation, and has an expiration date of February 28, 2018, at which time JCFS intends to renew the line for another year.

JCFS also had an uncollateralized $2,000,000 line of credit with the Jewish Federation which bears interest at 30-day LIBOR plus 120 basis points. There were no outstanding borrowings on this line as of June 30, 2016. This line expired on June 27, 2016, and was not renewed.

Note 7. Line of Credit (Continued)

JVS has a $1,500,000 line of credit agreement with MB Financial Bank which bears interest at three-month daily LIBOR (1.21 and 0.65 percent as of June 30, 2017 and 2016, respectively) plus 1.75 percentage points with a minimum annual interest rate of 2.0 percent. The line of credit is guaranteed by the Jewish Federation. There were no balances outstanding on the line at June 30, 2017 and 2016, respectively. This agreement expires on February 15, 2018. Management intends to seek renewal of the agreement for another year.

JVS also had an uncollateralized $1,500,000 line of credit with the Jewish Federation which required interest at a rate equal to 30-day LIBOR plus 120 basis points. This line expired on June 27, 2016, and was not renewed.

Note 8. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2017 and 2016:

	2017	2016
JCFS:		
Services for people with disabilities	$ 106,531	$ 89,774
Program developmental research	105,878	102,597
Childcare and education	31,181	32,732
Counseling and support	39,642	33,977
Scholarship and loan programs	426,301	356,388
Teen programs	331,686	307,267
Other	511,184	444,668
	1,552,403	1,367,403
JCFS Endowment Foundation:		
Research and training	159,837	188,849
Scholarships	486,404	549,553
Legal access	40,165	44,984
Time restricted	200,999	185,738
	887,405	969,124
JVS:		
Duman Microenterprise Fund	46,224	46,224
Emergency Fund	1,364	1,090
Jewish Federation scholarship program	2,386	4,109
	49,974	51,423
JVS Endowment Foundation:		
Remainder interest in charitable gift annuity	-	45,052
	$ 2,489,782	$ 2,433,002

Releases from restriction of $1,255,196 and $1,235,460 during the years ended June 30, 2017 and 2016, respectively, consisted of the purpose or time restrictions being met relating to the above net assets. During fiscal year 2017, JCFS released $826,499 of net assets from restriction, and JVS released $428,697 of net assets from restriction. During fiscal year 2016, JCFS released $811,112 of net assets from restriction, and JVS released $424,348 of net assets from restriction.

Note 9. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2017 and 2016, related to the Endowment Foundation were donor-restricted for the following purposes:

	2017	2016
JCFS Endowment Foundation:		
Permanent endowment	$ 5,567,255	$ 5,503,554
Education and scholarship	2,160,002	2,160,002
Recreational programs	116,719	116,719
Samuel Cohen fund	100,000	100,000
Glick family	100,000	100,000
Samuel and Betty Fink Memorial Fund	100,000	-
Financial assistance	296,749	285,795
Other	232,352	296,053
	8,673,077	8,562,123
JVS Endowment Foundation:		
Samuel and Betty Fink Memorial Fund	-	100,000
	$ 8,673,077	$ 8,662,123

Note 10. Retirement Plans

The Agencies are employer participants in two employee retirement plans, Jewish Federation Employees' Retirement Savings Trust Plan of the Jewish Federation of Metropolitan Chicago and Participating Employers (FERST) and Jewish Federation Employees' Retirement Income Plan of the Jewish Federation of Metropolitan Chicago and Participating Employers (FERIP). The plans cover substantially all of the Agencies' employees.

FERST is a defined contribution pension plan, employer contributions to which are computed on the basis of a percentage of salaries. Annual contributions by the Agencies to FERST for the fiscal years ended June 30, 2017 and 2016, were $205,674 and $240,483, respectively.

FERIP is a self-administered, noncontributory defined benefit pension plan, the funding of which is provided on the basis of normal cost as actuarially determined. FERIP is treated as a multi-employer plan for accounting purposes.

Annual contributions paid or accrued by the Agencies are determined as a percentage of payroll and are at the direction of Jewish Federation's Board of Directors based on recommendations from its Administration Committee.

The Agencies' participation in FERIP plan for the fiscal periods ended June 30, 2017 and 2016, is outlined in the table below.

Agency	Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status 2016	Pension Protection Act Zone Status 2015	FIP/RP Status Pending/ Implemented	Contributions of the Agency 2017	Contributions of the Agency 2016	Contributions of the Agency 2015	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
JCFS	FERIP	36-2167034	N/A	N/A	N/A	$ 547,507	$ 542,086	$ 536,718	N/A	N/A
JVS	FERIP	36-2167034	N/A	N/A	N/A	$ 183,380	$ 181,565	$ 179,767	N/A	N/A

Note 10. Retirement Plans (Continued)

Plan information for FERIP is not publicly available. FERIP provides fixed monthly retirement payments on the basis of the credits earned by the participating employees. To the extent that the plan is underfunded, the future contributions to the plan may increase and may be used to fund retirement benefits for employees related to other employers who have ceased operations. The Agencies could be assessed a withdrawal liability in the event that it decides to cease participating in the plan.

FERIP's actuarial valuation for the years ended December 31, 2016 and 2015, indicated the fair value of the plan assets was $80,268,617 and $76,173,371, respectively; total actuarial projected benefit obligation was $130,710,480 and $123,422,836, respectively; and total contributions for all participating employers were $3,566,933 and $3,910,612, respectively. The plan's actuarial valuation for the plan years ended December 31, 2016 and 2015, indicated that the plan was approximately 61 and 62 percent funded, respectively.

At the date these consolidated financial statements were issued, Forms 5500 were not available for the plan years ending in 2017.

In addition, an agreement with JCFS' former executive director provides for supplemental deferred compensation totaling $250,000, payable in 120 monthly installments until December 2018.

JCFS' consolidated financial statements reflect a liability of $37,500 and $62,500, and a receivable of $12,316 and $20,527 in connection with a related loan agreement (the loan was for personal income taxes on the deferred compensation, paid by JCFS in 2006 on behalf of the former executive director) at June 30, 2017 and 2016, respectively. This receivable is included within accounts receivable on the consolidated statements of financial position.

Note 11. Lease Obligations

The Agencies occupy various office and facility space under various leases expiring through 2017 including some with month-to-month arrangements. For the month-to-month arrangements, management expects to occupy the sites for a long-term period. Total rental expenses paid to the JFMC Facilities Corporation for the fiscal years ended June 30, 2017 and 2016, are as follows:

	2017		2016	
	JCFS	JVS	JCFS	JVS
Joy Faith Knapp Children's Center	$ 1,114,560	$ -	$ 1,106,884	$ -
Elaine Kersten Children's Center	348,000	40,392	386,309	-
Goldie Bachmann Luftig Building, Skokie, Illinois	201,000	58,091	193,568	55,948
Abe and Ida Cooper Center	281,895	-	18,719	-
Bernard Weinger JCC, Northbrook, Illinois	-	2,567	-	30,396
Buffalo Grove, Illinois	88,512	13,343	78,452	11,826
Other:				
Agency's main administrative office	585,336	315,306	585,341	315,307
Various other facility space	51,096	4,856	50,005	15,829
	$ 2,670,399	$ 434,555	$ 2,419,278	$ 429,306

Note 12. Concentrations and Contingencies

The Agencies are substantially supported by revenue from the Illinois Department of Human Services, the Jewish Federation of Metropolitan Chicago, and the U.S. Government. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Agencies' programs and activities.

Amounts received and expended by the Agencies under various government programs are subject to review by government agencies, and these reviews are conducted from time to time. Accordingly, the Agencies' compliance with applicable program requirements is often established in subsequent periods.

In the opinion of management, other adjustments of expenditures that may be disallowed by the governmental agencies, if any, cannot be determined at this time.

Supplementary Information

Jewish Child and Family Services and Affiliates

Consolidating Detail Statements of Financial Position
June 30, 2017 and 2016

	2017				2016			
	JCFS	JVS	Consolidating/ Eliminating Entries	Total	JCFS	JVS	Consolidating/ Eliminating Entries	Total
Assets								
Cash and cash equivalents	$ 2,361,145	$ 794,234	$ -	$ 3,155,379	$ 1,014,238	$ 453,694	$ -	$ 1,467,932
Due from other affiliated organizations	1,230,793	-	(970,347)	260,446	929,951	-	(613,752)	316,199
Accounts receivable, net	2,424,341	1,305,286	(28,592)	3,701,035	3,009,670	1,444,758	-	4,454,428
Loans receivable, net	-	145,609	-	145,609	-	92,934	-	92,934
Prepaid expenses and other assets	77,253	20,899	-	98,152	84,047	39,986	-	124,033
Investments	9,559,181	2,077,145	-	11,636,326	8,720,150	1,894,826	-	10,614,976
Property and equipment, net	1,024,904	99,061	-	1,123,965	1,346,568	132,942	-	1,479,510
Endowment Foundations' assets	24,262,825	-	-	24,262,825	19,111,507	4,151,193	-	23,262,700
Beneficial interest in JCFS Endowment Foundation	-	4,269,012	(4,269,012)	-	-	-	-	-
	$ 40,940,442	$ 8,711,246	$ (5,267,951)	$ 44,383,737	$ 34,216,131	$ 8,210,333	$ (613,752)	$ 41,812,712
Liabilities and Net Assets								
Liabilities:								
Accounts payable and accrued expenses	$ 1,466,028	$ 1,374,744	$ (970,347)	$ 1,870,425	$ 1,484,146	$ 1,071,091	$ (613,752)	$ 1,941,485
Accrued vacation	735,467	170,063	-	905,530	844,809	190,345	-	1,035,154
Due to Jewish Federation of Metropolitan Chicago and affiliate	356,797	25,144	(28,592)	353,349	1,111,740	37,694	-	1,149,434
Deferred revenue and other liabilities	676,051	126,000	-	802,051	653,010	122,500	-	775,510
Deferred compensation payable	37,500	-	-	37,500	62,500	-	-	62,500
Merger loans due to Jewish Federation of Metropolitan Chicago	1,216,659	-	-	1,216,659	1,396,524	-	-	1,396,524
	4,488,502	1,695,951	(998,939)	5,185,514	5,552,729	1,421,630	(613,752)	6,360,607
Net assets:								
Unrestricted:								
Undesignated	-	-	-	-	-	-	-	-
Designated for special purposes	19,280,266	6,715,719	(4,118,471)	21,877,514	13,611,603	6,459,286	-	20,070,889
Property and equipment funds	6,058,789	99,061	-	6,157,850	4,153,149	132,942	-	4,286,091
	25,339,055	6,814,780	(4,118,471)	28,035,364	17,764,752	6,592,228	-	24,356,980
Temporarily restricted	2,439,808	100,515	(50,541)	2,489,782	2,336,527	96,475	-	2,433,002
Permanently restricted	8,673,077	100,000	(100,000)	8,673,077	8,562,123	100,000	-	8,662,123
	36,451,940	7,015,295	(4,269,012)	39,198,223	28,663,402	6,788,703	-	35,452,105
	$ 40,940,442	$ 8,711,246	$ (5,267,951)	$ 44,383,737	$ 34,216,131	$ 8,210,333	$ (613,752)	$ 41,812,712

Jewish Child and Family Services and Affiliates

Consolidating Detail Statement of Activities – All Funds
Year Ended June 30, 2017

	JCFS				JVS				Consolidating/	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Eliminating Entries	Consolidated Total
Revenue:										
Public support:										
Allocated by Jewish Federation of Metropolitan Chicago	$ 8,570,613	$ -	$ -	$ 8,570,613	$ 2,099,316	$ -	$ -	$ 2,099,316	$ -	$ 10,669,929
Contributions	3,613,792	582,483	10,954	4,207,229	399,759	427,248	-	827,007	-	5,034,236
	12,184,405	582,483	10,954	12,777,842	2,499,075	427,248	-	2,926,323	-	15,704,165
Program-related revenue:										
Fees and grants from governmental agencies	13,004,893	-	-	13,004,893	4,967,818	-	-	4,967,818	-	17,972,711
Program service fees	1,789,649	-	-	1,789,649	305,156	-	-	305,156	(225,027)	1,869,778
	14,794,542	-	-	14,794,542	5,272,974	-	-	5,272,974	(225,027)	19,842,489
Other revenue:										
Agencies investment income, net	5,296	478	-	5,774	673	-	-	673	-	6,447
Net gains on Agencies investments	706,580	129,360	-	835,940	181,646	-	-	181,646	-	1,017,586
Endowment Foundations income	2,181,351	14,939	-	2,196,290	455,381	5,489	-	460,870	-	2,657,160
Other interest income	-	-	-	-	4,361	-	-	4,361	-	4,361
Miscellaneous income	1,032,459	-	-	1,032,459	-	-	-	-	(975,000)	57,459
Net assets released from restrictions	826,499	(826,499)	-	-	428,697	(428,697)	-	-	-	-
	4,752,185	(681,722)	-	4,070,463	1,070,758	(423,208)	-	647,550	(975,000)	3,743,013
	31,731,132	(99,239)	10,954	31,642,847	8,842,807	4,040	-	8,846,847	(1,200,027)	39,289,667

(Continued)

Jewish Child and Family Services and Affiliates

Consolidating Detail Statement of Activities – All Funds (Continued)
Year Ended June 30, 2017

	JCFS				JVS				Consolidating/	
	Unrestricted	Temporarily Restricted	Permanently Restricted	JCFS Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Eliminating Entries	Consolidated Total
Expenses:										
Program services:										
Counseling and support	$ 11,006,236	$ -	$ -	$ 11,006,236	$ 1,633,854	$ -	$ -	$ 1,633,854	$ (491,076)	$ 12,149,014
Rehabilitation and skills training services	-	-	-	-	5,799,194	-	-	5,799,194	(536,494)	5,262,700
Foster care	3,756,991	-	-	3,756,991	-	-	-	-	-	3,756,991
Residential services	2,793,776	-	-	2,793,776	-	-	-	-	-	2,793,776
Education services	6,215,587	-	-	6,215,587	-	-	-	-	-	6,215,587
Therapeutic pediatric services	1,165,508	-	-	1,165,508	-	-	-	-	-	1,165,508
	24,938,098	-	-	24,938,098	7,433,048	-	-	7,433,048	(1,027,570)	31,343,576
Supporting services:										
Management and general	3,330,471	-	-	3,330,471	963,570	-	-	963,570	(156,779)	4,137,262
Fundraising	974,854	-	-	974,854	223,637	-	-	223,637	(15,678)	1,182,813
	4,305,325	-	-	4,305,325	1,187,207	-	-	1,187,207	(172,457)	5,320,075
	29,243,423	-	-	29,243,423	8,620,255	-	-	8,620,255	(1,200,027)	36,663,651
Increase (decrease) in net assets before other changes	2,487,709	(99,239)	10,954	2,399,424	222,552	4,040	-	226,592	-	2,626,016
Other changes in net assets:										
Inherent contribution of Jewish Vocational Service Endowment Foundation net assets	4,118,471	50,541	100,000	4,269,012	-	-	-	-	(4,269,012)	-
Gain on sales of property	1,120,102	-	-	1,120,102	-	-	-	-	-	1,120,102
Transfers	(151,979)	151,979	-	-	-	-	-	-	-	-
	5,086,594	202,520	100,000	5,389,114	-	-	-	-	(4,269,012)	1,120,102
Increase in net assets	7,574,303	103,281	110,954	7,788,538	222,552	4,040	-	226,592	(4,269,012)	3,746,118
Net assets:										
Beginning of year	17,764,752	2,336,527	8,562,123	28,663,402	6,592,228	96,475	100,000	6,788,703	-	35,452,105
End of year	$ 25,339,055	$ 2,439,808	$ 8,673,077	$ 36,451,940	$ 6,814,780	$ 100,515	$ 100,000	$ 7,015,295	$ (4,269,012)	$ 39,198,223

Jewish Child and Family Services and Affiliates

Consolidating Detail Statement of Activities – All Funds
Year Ended June 30, 2016

	JCFS				JVS				Consolidating/	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Eliminating Entries	Consolidated Total
Revenue:										
Public support:										
Allocated by Jewish Federation of Metropolitan Chicago	$ 8,892,652	$ -	$ -	$ 8,892,652	$ 2,145,882	$ -	$ -	$ 2,145,882	$ -	$ 11,038,534
Contributions	4,053,410	498,706	8,381	4,560,497	482,530	426,210	-	908,740	-	5,469,237
	12,946,062	498,706	8,381	13,453,149	2,628,412	426,210	-	3,054,622	-	16,507,771
Program-related revenue:										
Fees and grants from governmental agencies	14,202,929	-	-	14,202,929	5,040,667	-	-	5,040,667	-	19,243,596
Program service fees	2,062,764	-	-	2,062,764	107,943	-	-	107,943	(15,027)	2,155,680
	16,265,693	-	-	16,265,693	5,148,610	-	-	5,148,610	(15,027)	21,399,276
Other revenue:										
Agencies investment income, net	3,561	112	-	3,673	576	-	-	576	-	4,249
Net losses on Agencies investments	(252,300)	(45,866)	-	(298,166)	(67,662)	-	-	(67,662)	-	(365,828)
Endowment Foundations income	(389,922)	10,543	-	(379,379)	(157,050)	(8,193)	-	(165,243)	-	(544,622)
Other interest income	-	-	-	-	5,522	-	-	5,522	-	5,522
Miscellaneous income	699,062	-	-	699,062	331,567	-	-	331,567	(630,000)	400,629
Net assets released from restrictions	811,112	(811,112)	-	-	424,348	(424,348)	-	-	-	-
	871,513	(846,323)	-	25,190	537,301	(432,541)	-	104,760	(630,000)	(500,050)
	30,083,268	(347,617)	8,381	29,744,032	8,314,323	(6,331)	-	8,307,992	(645,027)	37,406,997

(Continued)

Jewish Child and Family Services and Affiliates

Consolidating Detail Statement of Activities – All Funds (Continued)
Year Ended June 30, 2016

	JCFS				JVS				Consolidating/	
	Unrestricted	Temporarily Restricted	Permanently Restricted	JCFS Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Eliminating Entries	Consolidated Total
Expenses:										
Program services:										
Counseling and support	$ 10,854,171	$ -	$ -	$ 10,854,171	$ 1,872,807	$ -	$ -	$ 1,872,807	$ (218,084)	$ 12,508,894
Rehabilitation and skills training services	-	-	-	-	5,637,518	-	-	5,637,518	(327,676)	5,309,842
Foster care	2,928,075	-	-	2,928,075	-	-	-	-	-	2,928,075
Residential services	5,959,695	-	-	5,959,695	-	-	-	-	-	5,959,695
Education services	5,875,130	-	-	5,875,130	-	-	-	-	-	5,875,130
Therapeutic pediatric services	1,187,115	-	-	1,187,115	-	-	-	-	-	1,187,115
	26,804,186	-	-	26,804,186	7,510,325	-	-	7,510,325	(545,760)	33,768,751
Supporting services:										
Management and general	3,219,881	-	-	3,219,881	753,829	-	-	753,829	(90,068)	3,883,642
Fundraising	794,662	-	-	794,662	210,904	-	-	210,904	(9,199)	996,367
	4,014,543	-	-	4,014,543	964,733	-	-	964,733	(99,267)	4,880,009
	30,818,729	-	-	30,818,729	8,475,058	-	-	8,475,058	(645,027)	38,648,760
Increase (decrease) in net assets before other changes	(735,461)	(347,617)	8,381	(1,074,697)	(160,735)	(6,331)	-	(167,066)	-	(1,241,763)
Other changes in net assets:										
Inherent contribution of Hebrew Immigrant Aid Society net assets	6,204,443	182,379	100,000	6,486,822	-	-	-	-	-	6,486,822
Transfers	(121,567)	121,567	-	-	-	-	-	-	-	-
	6,082,876	303,946	100,000	6,486,822	-	-	-	-	-	6,486,822
Increase (decrease) in net assets	5,347,415	(43,671)	108,381	5,412,125	(160,735)	(6,331)	-	(167,066)	-	5,245,059
Net assets:										
Beginning of year	12,417,337	2,380,198	8,453,742	23,251,277	6,752,963	102,806	100,000	6,955,769	-	30,207,046
End of year	$ 17,764,752	$ 2,336,527	$ 8,562,123	$ 28,663,402	$ 6,592,228	$ 96,475	$ 100,000	$ 6,788,703	$ -	$ 35,452,105

Jewish Child and Family Services and Affiliates

Consolidating Detail Statement of Activities – Unrestricted Funds
Year Ended June 30, 2017

	JCFS				JVS			
	Undesignated	Designated for Special Purposes	Property and Equipment	Unrestricted Total	Undesignated	Designated for Special Purposes	Property and Equipment	Unrestricted Total
Revenue:								
Public support:								
Allocated by Jewish Federation of Metropolitan Chicago	$ 8,570,613	$ -	$ -	$ 8,570,613	$ 2,099,316	$ -	$ -	$ 2,099,316
Contributions	3,461,004	153,891	(1,103)	3,613,792	399,759	-	-	399,759
	12,031,617	153,891	(1,103)	12,184,405	2,499,075	-	-	2,499,075
Program-related revenue:								
Fees and grants from governmental agencies	13,004,893	-	-	13,004,893	4,967,818	-	-	4,967,818
Program service fees	1,789,649	-	-	1,789,649	305,156	-	-	305,156
	14,794,542	-	-	14,794,542	5,272,974	-	-	5,272,974
Other revenue:								
Agencies investment income, net	43	4,197	1,056	5,296	-	673	-	673
Net gains on Agencies investments	-	421,158	285,422	706,580	181,646	-	-	181,646
Endowment Foundations income	1,343,022	838,329	-	2,181,351	343,051	112,330	-	455,381
Other interest income	-	-	-	-	4,361	-	-	4,361
Miscellaneous income	1,032,459	-	-	1,032,459	-	-	-	-
Net assets released from restrictions	679,300	147,199	-	826,499	466,914	(38,217)	-	428,697
	3,054,824	1,410,883	286,478	4,752,185	995,972	74,786	-	1,070,758
	29,880,983	1,564,774	285,375	31,731,132	8,768,021	74,786	-	8,842,807

(Continued)

Jewish Child and Family Services and Affiliates

Consolidating Detail Statement of Activities – Unrestricted Funds (Continued)
Year Ended June 30, 2017

	JCFS				JVS			
	Undesignated	Designated for Special Purposes	Property and Equipment	Unrestricted Total	Undesignated	Designated for Special Purposes	Property and Equipment	Unrestricted Total
Expenses:								
Program services:								
Counseling and support	$ 10,969,016	$ -	$ 37,220	$ 11,006,236	$ 1,618,946	$ -	$ 14,908	$ 1,633,854
Rehabilitation and skills training services	-	-	-	-	5,784,286	-	14,908	5,799,194
Foster care	3,752,360	-	4,631	3,756,991	-	-	-	-
Residential services	2,745,531	-	48,245	2,793,776	-	-	-	-
Education services	6,183,828	-	31,759	6,215,587	-	-	-	-
Therapeutic pediatric services	1,162,010	-	3,498	1,165,508	-	-	-	-
	24,812,745	-	125,353	24,938,098	7,403,232	-	29,816	7,433,048
Supporting services:								
Management and general	3,230,935	-	99,536	3,330,471	959,843	-	3,727	963,570
Fundraising	972,070	-	2,784	974,854	223,299	-	338	223,637
	4,203,005	-	102,320	4,305,325	1,183,142	-	4,065	1,187,207
	29,015,750	-	227,673	29,243,423	8,586,374	-	33,881	8,620,255
Increase (decrease) in net assets before other changes	865,233	1,564,774	57,702	2,487,709	181,647	74,786	(33,881)	222,552
Other changes in net assets:								
Inherent contribution of Jewish Vocational Service Endowment Foundation net assets	-	4,118,471	-	4,118,471	-	-	-	-
Gain on sales of property	-	-	1,120,102	1,120,102	-	-	-	-
Transfers	(865,233)	(14,582)	727,836	(151,979)	(181,647)	181,647	-	-
Increase (decrease) in net assets	-	5,668,663	1,905,640	7,574,303	-	256,433	(33,881)	222,552
Net assets:								
Beginning of year	-	13,611,603	4,153,149	17,764,752	-	6,459,286	132,942	6,592,228
End of year	$ -	$ 19,280,266	$ 6,058,789	$ 25,339,055	$ -	$ 6,715,719	$ 99,061	$ 6,814,780

Jewish Child and Family Services and Affiliates

Consolidating Detail Statement of Activities – Unrestricted Funds
Year Ended June 30, 2016

	JCFS				JVS			
	Undesignated	Designated for Special Purposes	Property and Equipment	Unrestricted Total	Undesignated	Designated for Special Purposes	Property and Equipment	Unrestricted Total
Revenue:								
Public support:								
Allocated by Jewish Federation of Metropolitan Chicago	$ 8,892,652	$ -	$ -	$ 8,892,652	$ 2,145,882	$ -	$ -	$ 2,145,882
Contributions	3,860,587	192,823	-	4,053,410	482,530	-	-	482,530
	12,753,239	192,823	-	12,946,062	2,628,412	-	-	2,628,412
Program-related revenue:								
Fees and grants from governmental agencies	14,202,929	-	-	14,202,929	5,040,667	-	-	5,040,667
Program service fees	2,062,764	-	-	2,062,764	107,943	-	-	107,943
	16,265,693	-	-	16,265,693	5,148,610	-	-	5,148,610
Other revenue:								
Agencies investment income, net	302	2,998	261	3,561	410	166	-	576
Net losses on Agencies investments	-	(146,000)	(106,300)	(252,300)	(67,662)	-	-	(67,662)
Endowment Foundations income (loss)	908,940	(1,298,862)	-	(389,922)	348,321	(505,371)	-	(157,050)
Other interest income	-	-	-	-	5,522	-	-	5,522
Miscellaneous income	699,062	-	-	699,062	331,567	-	-	331,567
Net assets released from restrictions	650,871	160,241	-	811,112	424,348	-	-	424,348
	2,259,175	(1,281,623)	(106,039)	871,513	1,042,506	(505,205)	-	537,301
	31,278,107	(1,088,800)	(106,039)	30,083,268	8,819,528	(505,205)	-	8,314,323

(Continued)

Jewish Child and Family Services and Affiliates

Consolidating Detail Statement of Activities – Unrestricted Funds (Continued)
Year Ended June 30, 2016

	JCFS				JVS			
	Undesignated	Designated for Special Purposes	Property and Equipment	Unrestricted Total	Undesignated	Designated for Special Purposes	Property and Equipment	Unrestricted Total
Expenses:								
Program services:								
Counseling and support	$ 10,790,308	$ -	$ 63,863	$ 10,854,171	$ 1,856,028	$ -	$ 16,779	$ 1,872,807
Rehabilitation and skills training services	-	-	-	-	5,620,739	-	16,779	5,637,518
Foster care	2,919,183	-	8,892	2,928,075	-	-	-	-
Residential services	5,918,282	-	41,413	5,959,695	-	-	-	-
Education services	5,829,933	-	45,197	5,875,130	-	-	-	-
Therapeutic pediatric services	1,181,338	-	5,777	1,187,115	-	-	-	-
	26,639,044	-	165,142	26,804,186	7,476,767	-	33,558	7,510,325
Supporting services:								
Management and general	3,115,830	-	104,051	3,219,881	749,634	-	4,195	753,829
Fundraising	791,878	-	2,784	794,662	210,523	-	381	210,904
	3,907,708	-	106,835	4,014,543	960,157	-	4,576	964,733
	30,546,752	-	271,977	30,818,729	8,436,924	-	38,134	8,475,058
Increase (decrease) in net assets before other changes	731,355	(1,088,800)	(378,016)	(735,461)	382,604	(505,205)	(38,134)	(160,735)
Other changes in net assets:								
Inherent contribution of Hebrew Immigrant Aid Society net assets	127,558	6,076,885	-	6,204,443	-	-	-	-
Transfers	(858,913)	201,265	536,081	(121,567)	(382,604)	306,376	76,228	-
Increase (decrease) in net assets	-	5,189,350	158,065	5,347,415	-	(198,829)	38,094	(160,735)
Net assets:								
Beginning of year	-	8,422,253	3,995,084	12,417,337	-	6,658,115	94,848	6,752,963
End of year	$ -	$ 13,611,603	$ 4,153,149	$ 17,764,752	$ -	$ 6,459,286	$ 132,942	$ 6,592,228