

JEWISH FAMILY SERVICES OF SILICON VALLEY

AUDITED FINANCIAL STATEMENTS and  
Reports Required by Government Auditing Standards  
& OMB Circular A-133

JUNE 30, 2015

## TABLE OF CONTENTS

### FINANCIAL SECTION

Independent Auditor's Report on the Financial Statements and Supplemental Schedule of Expenditures of Federal Awards	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7

### REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards	13
Note to the Schedule of Expenditures of Federal Awards	14

### COMPLIANCE and INTERNAL CONTROL

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15
Independent Auditor's Report on Compliance for Each Major Program; and Report on Internal Control over Compliance in Accordance with OMB Circular A-133	16
Schedule of Findings and Questioned Costs	18

# Deborah Daly CPA

PO Box 39  
Pleasanton, CA 94566

www.dalycpa.com  
Office (925) 426-1996  
Fax (925) 426-1196

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Jewish Family Services of Silicon Valley:

### Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Services of Silicon Valley (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expense and cash flows for the year then ended and the related notes to the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Organization'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 Organization'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 Family Services of Silicon Valley as of June 30, 2015, and the changes in its net assets and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited Jewish Family Services of Silicon Valley June 30, 2014 financial statements, and expressed an unmodified audit opinion on those audited financial statements in our report dated September 10, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been obtained.

## Other Matters

### Required Supplementary Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The *schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 presented in the *schedule of expenditures of federal awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2015 on our consideration of the Jewish Family Services of Silicon Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jewish Family Services of Silicon Valley's internal control over financial reporting and compliance.



Pleasanton, California  
October 7, 2015

JEWISH FAMILY SERVICES of SILICON VALLEY  
STATEMENT of FINANCIAL POSITION  
At June 30, 2015 with Comparative Totals at June 30, 2014

	Unrestricted	Temporarily Restricted	Total 2015	Summarized 2014
<b>ASSETS</b>				
Cash	\$274,769	\$68,854	\$343,623	\$143,797
Certificate of deposit	103,112		103,112	103,063
Grants & awards receivable	67,054	95,000	162,054	234,818
Pledges receivable, current, net		12,839	12,839	
Inventory	6,309		6,309	3,851
Prepaid expenses	1,434		1,434	1,410
<b>TOTAL CURRENT ASSETS</b>	<b>452,678</b>	<b>176,692</b>	<b>629,371</b>	<b>486,939</b>
Pledges receivable, long term, net		81,184	81,184	
Property and equipment, net	4,512		4,512	3,258
<b>TOTAL OTHER ASSETS</b>	<b>4,512</b>	<b>81,184</b>	<b>85,696</b>	<b>3,258</b>
<b>TOTAL ASSETS</b>	<b>\$457,190</b>	<b>\$257,876</b>	<b>\$715,066</b>	<b>\$490,197</b>
<b>LIABILITIES</b>				
Accounts payable	\$2,241		\$2,241	
Deferred revenue	8,537		8,537	\$6,000
Refundable advances	2,962		2,962	2,870
Accrued compensation	36,691		36,691	34,394
<b>TOTAL LIABILITIES</b>	<b>50,431</b>		<b>50,431</b>	<b>43,264</b>
<b>NET ASSETS</b>				
Unrestricted	406,759		406,759	227,486
Temporarily restricted		\$257,876	257,876	219,447
<b>TOTAL NET ASSETS</b>	<b>406,759</b>	<b>257,876</b>	<b>664,635</b>	<b>446,933</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$457,190</b>	<b>\$257,876</b>	<b>\$715,066</b>	<b>\$490,197</b>

See Independent Accountant's Audit Report and Notes to Financial Statements.

JEWISH FAMILY SERVICES of SILICON VALLEY  
STATEMENT of ACTIVITIES

For the Year Ended June 30, 2015 with Comparative Totals For the year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2015</u>	<u>Summarized 2014</u>
Support and revenue				
Support				
Contracts & awards	\$800,023		\$800,023	\$757,959
Grants	55,559	\$161,350	216,909	221,242
Jewish Federation		71,500	71,500	51,500
United Way		50,000	50,000	50,000
Donations	275,829	94,022	369,851	170,352
In-kind donations	138,832		138,832	157,535
Special events	88,879		88,879	84,104
Revenue				
Program fees	132,701		132,701	6,769
Interest & investment income	90		90	172
Other income	602		602	1,550
Unrelated advertising income	485		485	906
Net assets released from temporary restrictions				
Expiration of time & purpose restrictions	338,443	(338,443)		
Total revenue & other support	<u>1,831,443</u>	<u>38,429</u>	<u>1,869,872</u>	<u>1,502,089</u>
Expenses				
Program services				
Resettlement & Vocational	606,614		606,614	426,469
Senior Services	507,736		507,736	398,062
Adult & Family	198,378		198,378	374,576
Supporting services				
Management & general	226,602		226,602	161,181
Fund-raising	112,840		112,840	86,997
Total expenses	<u>1,652,170</u>		<u>1,652,170</u>	<u>1,447,285</u>
INCREASE (DECREASE) IN NET ASSETS	<u>179,273</u>	<u>38,429</u>	<u>217,702</u>	<u>54,804</u>
NET ASSETS AT BEGINNING OF YEAR	<u>227,486</u>	<u>219,447</u>	<u>446,933</u>	<u>392,129</u>
NET ASSETS AT END OF YEAR	<u><u>\$406,759</u></u>	<u><u>\$257,876</u></u>	<u><u>\$664,635</u></u>	<u><u>\$446,933</u></u>

See Independent Accountant's Audit Report and Notes to Financial Statements.

JEWISH FAMILY SERVICES of SILICON VALLEY  
STATEMENT of FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2015 with Comparative Totals For the year Ended June 30, 2014

	Program Services				Supporting Services			Total	Summarized
	Resettlement & Vocational	Senior Services	Adult & Family	Total	Management & General	Fund Raising	Total	2015	2014
Salaries & wages	\$280,149	\$132,279	\$108,288	\$520,716	\$138,616	\$52,613	\$191,229	\$711,945	\$636,795
Payroll taxes	23,899	11,285	9,238	44,422	11,825	4,488	16,313	60,735	55,971
Employee benefits	43,215	20,405	16,704	80,324	21,382	8,116	29,498	109,822	90,547
Subtotal Compensation	347,263	163,969	134,230	645,462	171,823	65,217	237,040	882,502	783,313
Advertising					1,435		1,435	1,435	
Conferences & meetings	5,620	1,467	1,121	8,208	686		686	8,894	9,035
Dues, fees, & other charges					5,445		5,445	5,445	8,425
Insurance	1,898	896	734	3,528	939	356	1,295	4,823	4,846
Maintenance & repair	1,656	972	723	3,351	367	189	556	3,907	3,781
Postage						4,978	4,978	4,978	5,021
Printing & publications						6,668	6,668	6,668	8,245
Professional services	3,848	4,845	2,703	11,396	9,423	350	9,773	21,169	23,883
Rent / occupancy	65,523	30,938	25,327	121,788	32,420	12,305	44,725	166,513	160,883
Special events						17,487	17,487	17,487	14,071
Specific assistance	172,593	300,771	29,445	502,809				502,809	393,022
Supplies	3,430	1,619	2,246	7,295	1,697	3,486	5,183	12,478	20,679
Telephone & internet	4,156	1,963	1,607	7,726	2,057	781	2,838	10,564	10,608
Volunteers						905	905	905	
Total before depreciation	605,987	507,440	198,136	1,311,563	226,292	112,722	339,014	1,650,577	1,445,812
Depreciation	627	296	242	1,165	310	118	428	1,593	1,473
Total Expenses	\$606,614	\$507,736	\$198,378	\$1,312,728	\$226,602	\$112,840	\$339,442	\$1,652,170	\$1,447,285

See Independent Accountant's Audit Report and Notes to Financial Statements.

JEWISH FAMILY SERVICES of SILICON VALLEY  
STATEMENT of CASH FLOWS  
For the Year Ended June 30, 2015 with Comparative Totals For the year Ended June 30, 2014

	Total 2015	Summarized 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets:	\$217,702	\$54,804
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	1,593	1,473
Interest earned on certificate of deposit	(49)	(137)
(Increase) decrease in operating assets		
Grants & awards receivable	72,764	(17,357)
Pledges receivable	(94,022)	
Inventory	(2,458)	340
Prepaid expenses	(24)	(165)
Increase (decrease) in operating liabilities		
Accounts payable	2,241	(1,810)
Deferred revenue	2,537	4,163
Refundable advances	92	(3,747)
Accrued compensation	2,297	(2,140)
<b>NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES</b>	<b>202,673</b>	<b>35,424</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital asset additions	(2,847)	(2,227)
<b>NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES</b>	<b>(2,847)</b>	<b>(2,227)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	199,826	33,197
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	143,797	110,600
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b>\$343,623</b>	<b>\$143,797</b>

See Independent Accountant's Audit Report and Notes to Financial Statements.

JEWISH FAMILY SERVICES of SILICON VALLEY  
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF ACTIVITIES

Jewish Family Services of Silicon Valley (the Organization) is a public benefit, non-profit organization, incorporated in California in 1979. The Organization's mission is to empower individuals and families facing life's challenges by providing quality human services inspired by Jewish values. The Organization carries out this mission by providing a unique combination of multilingual and culturally sensitive services.

NOTE B – PROGRAM SERVICES

The Organization provides services to the community in three major programs: Adult & Family Services: which consists of counseling, case management, resource referrals, consultation, Project N.O.A.H. emergency assistance (food & related assistance) and volunteer opportunities; Senior Services: which includes case management, caregiver support, geriatric assessments, care plans, home visits, referral services, emergency assistance, home care and social services for Holocaust survivors; and Resettlement Services: which is vocational services, career services, pre-arrival planning, initial life necessities, financial assistance, resource referrals, orientation & integration, acculturation services; English as a Second Language classes, job search assistance, and career counseling.

NOTE C – SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared on the accrual basis of accounting. The significant accounting policies that follow enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The Organization prepares its financial statements in accordance with generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows.

Unrestricted net assets include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Temporarily restricted net assets include those subject to donor restrictions not met at the end of the current reporting period. Permanently restricted net assets include those subject to non-expiring donor restrictions, such as an endowment. The Organization currently does not have any permanently restricted net assets.

Estimates

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

Indirect Expense Allocations

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated to the various functional areas based on work assignments of personnel as estimated by management.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash accounts and highly liquid investment accounts, with a maturity of three months or less, to be cash equivalents.

JEWISH FAMILY SERVICES of SILICON VALLEY  
NOTES TO FINANCIAL STATEMENTS

NOTE C – SIGNIFICANT ACCOUNTING POLICIES - continued

Contributions

The Organization accounts for contributions received and contributions made in accordance with accounting standards for not-for-profit organizations. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Restricted contributions are reported as an increase in temporarily or permanently restricted net assets. When the restriction is met, the amount is shown as a reclassification from restricted net assets to unrestricted net assets.

Contributions In-kind

Donated equipment and other donated goods are recorded at their estimated fair market value on the day of donation. Donated services are recognized as contributions if the services create or enhance a financial asset or require specialized skills which the donor has and would otherwise be purchased by the Organization. During the years ending June 30, 2015 and June 30, 2014 the Organization received a significant amount of donated services from unpaid volunteers who assist in fundraising and program services that do not satisfy the criteria for recognition under generally accepted accounting principles.

Revenue Recognition

The Organization recognizes revenue on the accrual basis of accounting. Cost reimbursable awards are recognized as revenue in the period in which the service is provided. Grants are recognized as revenue when unconditional and awarded in writing. The Organization's primary revenue sources are grants and awards from local governments and foundations, and donations from individuals and corporations.

Allowance for Doubtful Accounts

The Organization does not maintain an allowance on grants receivable, as reimbursements from these funding sources are likely to be received. Grants and awards receivable allowances are based on management's assessment of uncollectible balances at the end of the respective period. Balances still outstanding after management has used reasonable collection efforts are written off to bad debts expense. For the years ended June 30, 2015 and June 30, 2014 a valuation allowance was not considered necessary on grants and awards receivable. Current and long term pledges are reported net of a ten percent allowance and long term pledges have been discounted using the average US Treasury market rate, of two percent, for the current year and adding one percent for credit risk and adding one percent for valuation risk.

Inventory

Inventory consists of various gift cards donated to the Organization by members of the community. Gift cards are valued at their face value as reported on the gift card. Gift cards are distributed to clients as necessary. Gift cards are recorded as an in-kind donation when received and expensed to direct assistance upon their distribution. Inventory at June 30, 2015 is reported at \$6,309 and inventory at June 30, 2014 is reported at \$3,851.

Property, Equipment and Depreciation

Property and equipment is recorded at cost when purchased or, if contributed, at estimated fair market value when donated. It is the Organization's policy to capitalize items costing more than \$500. Depreciation is computed using the straight-line method over the assets estimated useful life, which ranges from three to five years. Depreciation is charged to the activity benefiting from the use of the property or equipment.

Refundable Advances and Deferred Revenue

Refundable advances represent funds received and held to pay off the remaining balance on the Organization's photocopier lease agreement. Deferred revenue represents advance payments received on Claims Conference awards.

JEWISH FAMILY SERVICES of SILICON VALLEY  
NOTES TO FINANCIAL STATEMENTS

NOTE C – SIGNIFICANT ACCOUNTING POLICIES - continued

Income Taxes

The Organization is not classified as a private foundation and is exempt from federal and state income taxes under section 501(c)3 of the Internal Revenue Code and Section 23701(d) of the California Code. The Organization is considered a publicly supported organization. The Financial Accounting Standards Boards prescribes a recognition threshold and a measurement attribute for financial statement recognition of tax positions taken or expected to be taken on a tax return. Management has evaluated its uncertain tax positions and related income tax contingencies and does not believe any material uncertain tax positions exist. The Organization's federal and state informational returns for the years ending June 30, 2011 through June 30, 2014 are subject to examination by regulatory agencies; generally for three years after they have been filed.

Fair Value Measurements

Fair value is defined as 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. A hierarchy has been established to prioritize the inputs to valuation techniques used to measure fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date. Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for an asset or a liability at the reporting date.

The Organization's assets measured and reported at fair value are as follows:

Year Ended 6/30/2015	Fair Value	Level 1
Certificates of Deposit	\$103,112	\$103,112
Year Ended 6/30/2014	Fair Value	Level 1
Certificates of Deposit	\$103,063	\$103,063

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was obtained. In addition, certain reclassifications have been made to the prior year numbers to conform to the current year presentation.

NOTE D – RECEIVABLES

At June 30, 2015 grants and awards receivable consist of unrestricted \$67,087, and temporarily restricted \$95,000, net of \$0 allowance for doubtful collection, all are due within one year. At June 30, 2014 grants, awards and promises to give receivable consist of unrestricted \$84,818, and temporarily restricted \$160,000, net of \$10,000 allowance for doubtful collection, all are due within one year. At June 30, 2015 pledges receivable are as follows:

Pledges Receivable	Gross	Allowance	Discount	Net
Current	\$14,265	\$1,427	\$0	\$12,839
Long Term, 2 - 4 years	\$94,502	\$9,450	\$3,868	\$81,184
Total	<u>\$108,767</u>	<u>\$10,877</u>	<u>\$3,868</u>	<u>\$94,022</u>

JEWISH FAMILY SERVICES of SILICON VALLEY  
NOTES TO FINANCIAL STATEMENTS

NOTE E – CERTIFICATES OF DEPOSIT

The Organization holds a certificate of deposit, bearing interest at .05% and a maturity of six months, with penalties for early withdrawal. Any penalties incurred for early withdrawal would not have a material effect on the financial statements. The certificate is valued at \$103,112 at June 30, 2015 and at \$103,063 at June 30, 2014.

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment and related accumulated depreciation is as follows:

	6/30/2015	6/30/2014
Furniture & Equipment	\$23,010	\$45,988
Accumulated Depreciation	<u>(\$18,498)</u>	<u>(\$42,730)</u>
Equipment, net book value	<u>\$4,512</u>	<u>\$3,258</u>

For the year ending June 30, 2015 depreciation expense is \$1,593 and for the year ending June 30, 2014 depreciation expense is \$1,473.

NOTE G – CONTINGENT LIABILITIES

Conditions contained within the various contracts awarded to the Organization are subject to the funding agencies' criteria under which expenditures may be charged against and are subject to audit under such criteria. Occasionally, such audits may determine that certain costs incurred against the grants may not comply with the established criteria governing them. In such cases, Organization management could be held responsible for repayments to the funding agency for disallowed costs or be subject to reductions of future funding. Management does not anticipate any material questioned costs for the contracts and grants administered during the period.

NOTE H – LEASE COMMITMENTS

The Organization leases office space under a non-cancellable agreement expiring in February 2020, with a five year renewal option. The Organization is responsible for common area costs, currently \$3,997 per month. Monthly payments required are \$0 until July 2016, at which time a monthly payment, not to exceed twenty cents per square foot, will be assessed. Rent expense for the year ending June 30, 2015, \$166,513, includes an in-kind adjustment of \$122,162 to reflect the difference between actual payments made and the facilities fair market value. Rent expense for the year ending June 30, 2014, \$160,883, includes an in-kind adjustment of \$116,531. Future minimum payments under this agreement are as follows: \$53,018 for the years ending June 30, 2016, June 30, 2017, June 30, 2018, June 30, 2019 and \$49,406 for the year ending June 30, 2020.

In addition, the Organization leases a photocopier under a non-cancellable agreement expiring in May 2018. Future minimum payments under this agreement are as follows: \$4,999 for the years ending June 30, 2016 and June 30, 2017 and \$3,162 for the year ending June 30, 2018.

NOTE I – IN-KIND DONATIONS

The Organization received and recognized the following in-kind donations:

	6/30/2015	6/30/2014
Office Space	\$122,162	\$116,531
Gift Card Inventory	\$6,112	\$11,440
Direct Assistance	<u>\$10,558</u>	<u>\$29,564</u>
Total In-kind Donations	<u>\$138,832</u>	<u>\$157,535</u>

JEWISH FAMILY SERVICES of SILICON VALLEY  
NOTES TO FINANCIAL STATEMENTS

NOTE J – RESTRICTIONS ON NET ASSETS

For the year ended June 30, 2015 the Organization's temporary restricted net asset activity is as follows:

<u>Purpose</u>	<u>Beginning</u>	<u>Additions</u>	<u>Released</u>	<u>Ending</u>
Capstone Campaign	\$5,252			\$5,252
Client Assistance	\$593		(\$593)	\$0
Connections to Work		\$10,000	(\$10,000)	\$0
Food Program		\$11,350	(\$11,350)	\$0
Micro Grants		\$26,500	(\$26,500)	\$0
Project Noah	\$46,250	\$80,000	(\$80,000)	\$46,250
ESL Services	\$15,000	\$60,000	(\$60,000)	\$15,000
Scholarship Fund	\$2,352			\$2,352
Time Restricted	<u>\$150,000</u>	<u>\$189,022</u>	<u>(\$150,000)</u>	<u>\$189,022</u>
Total	<u>\$219,447</u>	<u>\$376,872</u>	<u>(\$338,443)</u>	<u>\$257,876</u>

NOTE K – NEWSLETTER ADVERTISING

The Organization produces a monthly newsletter that includes advertising space. The advertising income and direct expenses are as follows:

	6/30/2015	6/30/2014
Advertising Income	\$485	\$2,659
Postage / Printing Costs	<u>\$0</u>	<u>(\$1,753)</u>
Unrelated Advertising, Net	<u>\$485</u>	<u>\$906</u>

NOTE L – RETIREMENT PLAN

The Organization sponsors a defined contribution plan covering all employees with at least one month of service. The Organization makes contributions equal to 5% of the employee's compensation. Employer contributions to this plan for the year ended June 30, 2015 are \$31,771, and for the year ended June 30, 2014 are \$29,757.

NOTE M – FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments and contracts / grants awarded.

The Organization maintains a majority of their cash in bank deposit accounts that, at times, may exceed federally insured limits of \$250,000. The organization has not experienced any losses in such accounts. Management believes the organization is not exposed to any significant credit risk related to cash. At June 30, 2015, the Organization's uninsured cash is \$226,894. At June 30, 2014, the Organization's uninsured cash is \$12,686.

For the year ending June 30, 2015 HIAS comprises 34% of the contracts awarded. At June 30, 2015 United Way comprises 31% of the contracts and awards receivable. For the year ending June 30, 2014 HIAS comprises 40% of the contracts awarded and the estate of Helena Smith comprises 41% of the donations receivable at June 30, 2014. The ability of certain contracts, grants and donations to continue to provide amounts comparable with prior years may be dependent upon current and future economic conditions and budget constraints. While the Board of Directors believes, the Organization has the resources to continue current and future programs, its ability to do so, and the extent to which it does, may be dependent on the above factors.

JEWISH FAMILY SERVICES of SILICON VALLEY  
NOTES TO FINANCIAL STATEMENTS

NOTE N – SUBSEQUENT EVENTS

Management has reviewed the results of the Organization's operations for the period of time from its year end, June 30, 2015, through October 7, 2015, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

NOTE O – BENEFICIAL INTEREST IN TRUST

The Organization is a beneficiary of the Harry and Jeanette Weinberg Foundation Endowment Fund, effective December 31, 2007, which is administered by the Jewish Federation of Silicon Valley, who also has been granted variance power. The terms of the trust mandate perpetual control of the corpus to the named trustee. The Organization it is entitled to receive annually the lesser of 5% of the average fund's principal balance, based on the fund's previous twelve months balance, or the fund's total earnings for the prior year. Any excess earnings will be applied to the principal balance for future distributions. For the year ending June 30, 2015 the Organization received a distribution of \$50,643 and for the year ending June 30, 2014 the Organization received a distribution of \$50,007.

JEWISH FAMILY SERVICES of SILICON VALLEY  
 SCHEDULE of EXPENDITURES of FEDERAL AWARDS  
 For the Year Ended June 30, 2015

<u>CFDA#</u>	<u>Grantor / Pass thru</u>	<u>Name of Program</u>	<u>Contract \$</u>	<u>Revenue \$</u>
19.510	US Department of State HIAS	Reception & Placement	* \$277,200	<u>\$262,050</u>
93.576	US Department of State HIAS	Matching Grant	\$19,000	\$10,949
	US Department of Health & Human Services Office of Refugee Resettlement PARS	Refugee Self Sufficiency	\$60,000	\$60,000
	US Department of Health & Human Services Santa Clara County Social Services Agency	Target Assistance Descretionary	\$5,225	\$4,759
		Sub-total, 93.576 Funds		<u>\$75,708</u>
97.024	Federal Emergency Management Agency The Emergency Food and Shelter National Board United Way	Emergency Food	* \$64,353	<u>\$35,275</u>
93.566	US Department of Health & Human Services Santa Clara County Social Services Agency	RESS	\$68,857	<u>\$62,715</u>
93.584	US Department of Health & Human Services Santa Clara County Social Services Agency	TAP	\$70,918	\$64,592
	US Department of Health & Human Services Vietnamese Voluntary Foundation	TAP Senior	\$4,306	\$4,306
		Sub-total, 93.584 Funds		<u>\$68,898</u>
93.558	US Department of Health & Human Services Santa Clara County Social Services Agency	Vocational English Language Training	\$75,000	<u>\$68,310</u>
	* Denotes major program	Total Federal Funding		<u><u>\$572,956</u></u>

JEWISH FAMILY SERVICES OF SILICON VALLEY  
NOTES TO THE SCHEDULE of EXPENSIDUTRES of FEDERAL AWARDS

NOTE A – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jewish Family Services of Silicon Valley and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Jewish Family Services of Silicon Valley, it is not intended to and does not present the financial position, changes in net assets or cash flows of Jewish Family Services of Silicon Valley.

NOTE B – EXPENDITURES

Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, Cost principles for nonprofit organizations, wherein either certain types of expenditures are not allowable or are limited to as in reimbursement. Pass through entity identifying numbers are presented where available.

REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of Jewish Family Services of Silicon Valley:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Jewish Family Services of Silicon Valley, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jewish Family Services of Silicon Valley's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jewish Family Services of Silicon Valley's internal control. Accordingly, we do not express an opinion on the effectiveness of Jewish Family Services of Silicon Valley's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jewish Family Services of Silicon Valley's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pleasanton, California  
October 7, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE OMB CIRCULAR A-133

To the Board of Directors of Jewish Family Services of Silicon Valley:

Report on Compliance for Each Major Federal Program

We have audited Jewish Family Services of Silicon Valley's compliance with the types of compliance requirements described in the *OMB circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2015. Jewish Family Services of Silicon Valley's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jewish Family Services of Silicon Valley's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jewish Family Services of Silicon Valley's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jewish Family Services of Silicon Valley's compliance.

Opinion on Each Major Federal Program

In our opinion, Jewish Family Services of Silicon Valley's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Jewish Family Services of Silicon Valley is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jewish Family Services of Silicon Valley's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jewish Family Services of Silicon Valley's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly this report is not suitable for any other purpose.



Pleasanton, California  
October 7, 2015

JEWISH FAMILY SERVICES of SILICON VALLEY  
 SCHEDULE of FINDINGS and QUESTIONED COSTS  
 June 30, 2015

Section I Summary of Auditor Results

Financial Statements

Type of Auditor's Report?	Unmodified
Internal Control Over Financial Reporting	
Material Weaknesses Identified?	No
Significant Deficiencies Identified, that are not considered Material Weaknesses?	No
Noncompliance material to the Financial Statements?	No

Federal Awards

Internal Control Over Major Program	
Material Weaknesses Identified?	No
Significant Deficiencies Identified, that are not considered Material Weaknesses?	No
Type of Auditor Report issued on Compliance for Major Program?	Unmodified
Any Audit Findings Disclosed that are required to be reported in accordance with 510A of Circular A-133?	No

Identification of Major Programs:

CFDA# / Name of Program	19.510	Resettlement and Placement
CFDA# / Name of Program	97.024	Emergency Food and Shelter

Dollar threshold to distinguish between Type A and Type B programs?	\$300,000
Auditee qualify as low risk?	No

Section III Federal Award Findings and Questioned Costs

No matters were reported

Section IV Summary Schedule of Prior Year Audit Findings

No matters were reported