

COMBINED FINANCIAL STATEMENTS

**JAFCO CHILDREN'S FOUNDATION, INC.
JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.**

FOR THE YEAR ENDED DECEMBER 31, 2016

**JAFCO CHILDREN'S FOUNDATION, INC.
JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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**JAFCO CHILDREN'S FOUNDATION, INC.
JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
JAFCO Children's Foundation, Inc.
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Ability Center, Inc.
JAFCO-Jewish Adoption and Family Care Options, Inc.
Sunrise, Florida

We have audited the accompanying combined financial statements of JAFCO Children's Foundation, Inc., Jewish Adoption and Foster Care Options, Inc., JAFCO Children's Ability Center, Inc. and JAFCO-Jewish Adoption and Family Care Options, Inc. (nonprofit organizations) which comprise the combined statement of financial position as of December 31, 2016, and the related combined statements of activities, combined statement of cash flows, supplemental information for the year then ended, and the related notes to the combined 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.

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. Those standards require that we plan and perform the audit 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.

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JAFCO Children's Foundation, Inc.

Jewish Adoption and Foster Care Options, Inc.

JAFCO Children's Ability Center, Inc.

JAFCO- Jewish Adoption and Family Care Options, Inc.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of JAFCO Children's Foundation, Inc., Jewish Adoption and Foster Care Options, Inc., JAFCO Children's Ability Center, Inc. and JAFCO- Jewish Adoption and Family Care Options, Inc. (nonprofit organizations) as of December 31, 2016, and the combined changes in their net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The schedule of functional expenses on pages 5, 14, 18, 21, 24 and 27 are presented for purposes of additional analysis 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 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.

Arie A. Jaykan & Company, CPA

May 3, 2017

Tamarac, Florida

**JAFCO CHILDREN'S FOUNDATION, INC.
 JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
 JAFCO CHILDREN'S ABILITY CENTER, INC.
 JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
 COMBINED STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2016**

ASSETS

Cash and cash equivalents	\$ 5,827,097
Investments, at market value	2,431,365
Contributions Receivable:	
Godparent program	6,513,410
Children's ability center	1,773,077
Circle of hope	887,835
Children's village	4,000
Other	532,997
Prepaid Expenses	170,274
Property, furniture and equipment, net of accumulated depreciation of \$3,373,762	15,069,569
Deposits	7,254
	<u>\$ 33,216,878</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Revolving loan payable-bank	\$ 500,000
Accounts payable and accrued expenses	139,282
TOTAL CURRENT LIABILITIES	<u>639,282</u>

NET ASSETS:

Unrestricted	\$ (678,795)
Temporarily restricted	12,598,427
Permanently restricted	<u>20,657,964</u>
	<u>32,577,596</u>
	<u>\$ 33,216,878</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

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**JAFCO CHILDREN'S FOUNDATION, INC.
 JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
 JAFCO CHILDREN'S ABILITY CENTER, INC.
 JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
 COMBINED STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT:				
Government and related funding	\$ 1,636,497	\$ -	\$ -	\$ 1,636,497
Grants and private foundations	-	2,565,928	655,358	3,221,286
Donations	1,032,272	-	-	1,032,272
Fundraising events	2,878,199	-	-	2,878,199
Client fees	138,600	-	-	138,600
Investment return	151,108	-	-	151,108
Private foundations and major donations	131,984	-	-	131,984
Interest and dividends	168,855	-	-	168,855
Restrictions satisfied by payments	-	(1,983,643)	1,983,643	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	6,137,515	582,285	2,639,001	9,358,801
EXPENSES:				
Program	6,498,798	-	-	6,498,798
Management and general	741,448	-	-	741,448
Fundraising	1,337,264	-	-	1,337,264
TOTAL EXPENSES	8,577,510	-	-	8,577,510
CHANGE IN NET ASSETS	(2,439,995)	582,285	2,639,001	781,291
NET ASSETS AT BEGINNING OF YEAR	(3,238,800)	12,016,142	23,018,963	31,796,305
RESTRICTION SATISFIED BY PASSING OF TIME	5,000,000	-	(5,000,000)	-
NET ASSETS AT END OF YEAR	\$ (678,795)	\$ 12,598,427	\$ 20,657,964	\$ 32,577,596

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

JAFCO CHILDREN'S FOUNDATION, INC.
JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and related expenses	\$ 4,312,248	\$ 532,376	\$ 479,139	\$ 5,323,763
Client living expenses	402,317	-	-	402,317
Depreciation	416,616	49,037	24,484	490,137
Residential expenses	221,029	-	-	221,029
Fundraising expenses	-	-	669,674	669,674
Facilities expenses	442,249	-	-	442,249
Insurance	197,718	49,429	-	247,147
Telephone and utilities	182,180	22,772	22,772	227,724
Office supplies and expenses	44,150	36,792	66,226	147,168
Professional fees	130,819	32,705	-	163,524
Rent	18,000	6,000	-	24,000
Interest expense	24,161	2,843	1,421	28,425
Transportation and travel	49,880	3,118	9,352	62,350
Training, screening and fees	51,007	6,376	6,376	63,759
Credit card charges	6,424	-	57,820	64,244
	<u>\$ 6,498,798</u>	<u>\$ 741,448</u>	<u>\$ 1,337,264</u>	<u>\$ 8,577,510</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

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**JAFCO CHILDREN'S FOUNDATION, INC.
 JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
 JAFCO CHILDREN'S ABILITY CENTER, INC.
 JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
 COMBINED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATING ACTIVITIES:

Increase in net assets	\$	781,291
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		490,317
Unrealized gain on investments		(151,108)
Changes in operating assets and liabilities:		
Increase in contributions and other receivables		(378,475)
Increase in prepaid expenses		(82,818)
Increase in accounts payable and accrued expenses		64,731
Decrease in deferred revenue		<u>(213,545)</u>
Net Cash Provided by Operating Activities	\$	510,393

INVESTING ACTIVITIES:

Net Decrease in investments		(49,510)
Collection of deposits		<u>4,295</u>
Net Cash Used By Investing Activities		(45,215)

FINANCING ACTIVITIES

Pay down loan payable-bank		<u>(1,000,000)</u>
Net Cash Used By Financing Activities		<u>(1,000,000)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (534,822)

**CASH AND CASH EQUIVALENTS AT
BEGINNING OF YEAR** 6,361,919

**CASH AND CASH EQUIVALENTS AT
END OF YEAR** \$ 5,827,097

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

**JAFCO CHILDREN'S FOUNDATION, INC.
JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

Nature of Activities

Jewish Adoption and Foster Care Options, Inc. (aka JAFCO, Jewish Adoption and Family Care Options) was incorporated in April 1992 under the laws of the State of Florida as a not-for-profit voluntary agency exempt from income taxes under the Internal Revenue Code. At inception the Organization received a ruling from the Internal Revenue Service (IRS) that it is a tax-exempt entity under Section 501{c}{3} of the Internal Revenue Code.

Jewish Adoption and Foster Care Options, Inc. (in South Florida) is licensed by the Florida Department of Children and Families to provide foster care and adoption services in Miami-Dade, Broward and Palm Beach counties. Jewish Adoption and Foster Care Options, Inc. currently provides an entire continuum of programs and services for abused and neglected children and those with developmental disabilities and their families including the following:

- Family Preservation/Case Management Services
- Foster/Adoptive Parent Recruitment, Training and Licensing/Home Studies
- Foster Care Placement, Supervision and Support
- Adoption Placement and Post Adoption Support Services
- Emergency Shelter
- Group Home
- Independent Living

JAFCO Children's Foundation Inc. was incorporated in March 2004 under the laws of the State of Florida as a not-for-profit voluntary agency exempt from income taxes under the Internal Revenue Code. At inception the Organization received a ruling from the Internal Revenue Service (IRS) that it is a tax-exempt entity under Section 501{c}{3} of the Internal Revenue Code.

The sole purpose of the JAFCO Children's Foundation is to provide funding and support for JAFCO approved programs listed in its bylaws.

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**JAFCO CHILDREN'S FOUNDATION, INC.
JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

The JAFCO Children's Ability Center, Inc. (aka JAFCO Respite and Family Resource Center for Children with Developmental Disabilities) was incorporated in March 2012 as a not-for-profit voluntary agency exempt from income taxes under the Internal Revenue Code. At inception the Organization received a ruling from the Internal Revenue Service (IRS) that it is a tax-exempt entity under Section 501 {c} {3} of the Internal Revenue Code.

The JAFCO Children's Ability Center, Inc. is licensed by the Florida Department of Children and Family and provides family enrichment, resources and respite care to families raising a child (age birth to 22) with a developmental disability (including Autism, Cerebral Palsy, Spina Bifida, Intellectual Disabilities and Prader Willi) including the following services:

- Support Groups
- Respite Care/Day and Overnight Respite
- Parent Education and Training
- Life Skills and Social Skills Training
- Social activities for parents and children
- Family support/case management
- 24 hour on-call crisis support for families
- Day and overnight summer camp
- After school activities for children

JAFCO-Jewish Adoption and Family Care Options, Inc. (in PA) was incorporated in May 2013 as a not-for-profit voluntary agency exempt from income taxes under the Internal Revenue Code (IRS). At inception the Organization received a ruling from the Internal Revenue Service (IRS) that it is a tax-exempt entity under Section 501 {c} {3} of the Internal Revenue Code.

**JAFCO CHILDREN'S FOUNDATION, INC.
JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

JAFCO-Jewish Adoption and Family Care Options, Inc. (in PA) is licensed by the Pennsylvania Department of Human Services to provide foster care and adoption services in the Greater Philadelphia area. JAFCO-Jewish Adoption and Family Care Options, Inc. currently provides an entire continuum of programs and services for abused and neglected children and those with developmental disabilities and their families including the following:

- Family Preservation/Case Management Services
- Foster/Adoptive Parent Recruitment, Training and Licensing/Home study
- Foster Care Placement, Supervision and Support
- Adoption Placement and Post Adoption Support Services
- Supervised Visitation

Jewish Adoption and Family Care Options, Inc. and the JAFCO Children's Ability Center, Inc. are subject to periodic audit by the Florida Department of Children and Families, Children's Services Council of Broward County, ChildNet, Inc., Aging & Disability Resource Center of Broward County, Our Kids of Miami, Medicaid, Broward County Social Services as well as the Council on Accreditation of Rehabilitation Facilities (CARF). JAFCO-Jewish Adoption and Family Care Options, Inc. is licensed and audited by the Pennsylvania Department of Human Services on an annual basis.

Estimates and Assumptions

In preparing the financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in addition to disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates

**JAFCO CHILDREN'S FOUNDATION, INC.
JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

Property, Furniture and Equipment

Property, furniture and equipment are recorded at cost and are depreciated using the straight-line method over its estimated useful life.

Financial Statement Presentation

The Organizations have adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organizations are required to report information regarding their financial position and activities according to three classes of net assets, unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organizations are required to present a statement of cash flows. As permitted by the statement, the Organizations do not use fund accounting.

Contributions

The Organizations have also adopted SFAS No. 116, Accounting for Contributions Received and Contributions Made. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions.

Income Taxes

The Organizations are not-for-profit organizations exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and they each file separate tax returns.

**JAFCO CHILDREN'S FOUNDATION, INC.
 JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
 JAFCO CHILDREN'S ABILITY CENTER, INC.
 JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
 NOTES TO COMBINED FINANCIAL STATEMENTS (cont'd)
 FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
 ACCOUNTING POLICIES (Continued)

Investments

Under SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains are reported as increases in unrestricted net assets in the reporting period in which the income and gains are recognized.

Cash and Cash Equivalents

For purposes of the combined statement of activities and the combined statement of cash flows, the Organizations consider all highly liquid investments available for current use to be cash equivalents.

NOTE B – SUPPORT AND REVENUE

Contributions receivable from the Godparent program, Children's Ability Center, Circle of Hope, Children's Village and other are promises to give \$9,711,319 over the next ten years and are approximately as follows:

2017	\$2,159,000
2018	1,431,000
2019	1,331,000
2020	1,216,000
2021 and thereafter	<u>3,574,000</u>
	<u>\$9,711,000</u>

In 2016, the JAFCO Children's Foundations, Inc. Board of Trustees agreed to reclassify \$5,000,000 from permanently restricted assets to unrestricted assets due to the passing of time.

**JAFCO CHILDREN'S FOUNDATION, INC.
 JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
 JAFCO CHILDREN'S ABILITY CENTER, INC.
 JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
 NOTES TO COMBINED FINANCIAL STATEMENTS (cont'd)
 FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE C – PROPERTY, FURNITURE AND EQUIPMENT

Property, furniture and equipment consist of the following:

Children's Ability Center	
land and buildings	\$ 11,205,917
Village land and buildings	6,068,456
Office furniture and equipment	378,327
Children's Ability Center furniture	
and equipment	395,107
Village furniture	211,849
Transportation equipment	<u>183,675</u>
	18,443,331
Less: Accumulated Depreciation	<u>3,373,762</u>
	<u>\$ 15,069,569</u>

Depreciation Expense for 2016 was \$490,137.

NOTE D – REVOLVING LOAN PAYABLE-BANK

The Organization has a \$3,000,000 Revolving Loan with a bank. The purpose of the Revolving Loan is for the construction of the Children's Ability Center in Sunrise, Florida. The balance of the loan is due on February 28, 2018. The Organization, at its option, can prepay the Revolving Loan at any time, or from time to time, in whole or in part, in an amount not less than \$100,000. Interest is paid monthly at the LIBOR rate of 3.16875%. In addition, the Revolving Loan is personally guaranteed by two of the Organization's trustees. At December 31, 2016 the outstanding balance was \$ 500,000.

NOTE E – RETIREMENT PLAN

Jewish Adoption and Foster Care Options, Inc. has a defined contribution pension plan under 403(b) of the Internal Revenue Code. The plan requires contributions by the Organization and contributions by participants through payroll withholding to eligible employees. The Organization's contribution to the plan in 2016 was \$27,171.

SUPPLEMENTAL INFORMATION

JAFCO CHILDREN'S FOUNDATION, INC.
JEWISH ADOPTION & FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

FOR THE YEAR ENDED DECEMBER 31, 2016

JAFCO CHILDREN'S FOUNDATION, INC.
JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

ASSETS	JAFCO CHILDREN'S FOUNDATION, INC.	JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.	JAFCO CHILDREN'S ABILITY CENTER, INC.	JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.	ELIMINATION	COMBINED
Cash and cash equivalents	\$ 4,985,366	\$ 489,242	\$ 352,327	\$ 162	\$ -	\$ 5,827,097
Investments, at market value	2,431,365	-	-	-	-	2,431,365
Contributions Receivable:						
Godparent program	6,513,410	-	-	-	-	6,513,410
Children's ability center	1,773,077	-	-	-	-	1,773,077
Circle of hope	887,835	-	-	-	-	887,835
Children's village	4,000	-	-	-	-	4,000
Other	178,932	178,714	175,351	-	-	532,997
Prepaid Expenses	128,631	26,083	15,560	-	-	170,274
Property, furniture and equipment, net of accumulated depreciation of \$2,859,339 — and \$514,423, respectively	15,005,915	63,654	-	-	-	15,069,569
Deposits	4,295	1,500	1,459	-	-	7,254
Due from Jewish Adoption and Foster Care Options, Inc.	1,371,526	-	-	125,963	(1,497,489)	-
	<u>\$ 33,284,352</u>	<u>\$ 759,193</u>	<u>\$ 544,697</u>	<u>\$ 126,125</u>		<u>\$ 33,216,878</u>

LIABILITIES AND NET ASSETS

LIABILITIES:						
Revolving loan payable-bank	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Accounts payable and accrued expenses	3,105	119,313	16,863	-	-	139,281
Due to JAFCO Children's Foundation, Inc.	-	1,371,526	-	-	\$ (1,371,526)	-
Due to Jafco-Jewish Adoption and Family Care Options, Inc.	-	125,963	-	-	(125,963)	-
Total Liabilities	<u>503,105</u>	<u>1,616,802</u>	<u>16,863</u>	<u>-</u>		<u>639,281</u>
NET ASSETS:						
Unrestricted	2,746,142	(857,609)	527,834	126,125	-	2,542,492
Temporarily restricted	12,016,142	-	-	-	-	12,016,142
Permanently restricted	18,018,963	-	-	-	-	18,018,963
	<u>32,781,247</u>	<u>(857,609)</u>	<u>527,834</u>	<u>126,125</u>		<u>32,577,597</u>
	<u>\$ 33,284,352</u>	<u>\$ 759,193</u>	<u>\$ 544,697</u>	<u>\$ 126,125</u>		<u>\$ 33,216,878</u>

JAFCO CHILDREN'S FOUNDATION, INC.
 JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
 JAFCO CHILDREN'S ABILITY CENTER, INC.
 JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
 STATEMENTS OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2016

	JAFCO CHILDREN'S FOUNDATION, INC.	JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.	JAFCO CHILDREN'S ABILITY CENTER, INC.	JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.	ELIMINATION	COMBINED
REVENUES, GAINS AND OTHER SUPPORT:						
Government and related funding	\$ -	\$ 1,636,497	\$ -	\$ -	\$ -	\$ 1,636,497
Grants and private foundations	2,379,613	100,275	741,398	-	-	3,221,286
Donations	144,491	544,051	212,855	130,875	-	1,032,272
Fundraising events	-	1,984,177	520,384	373,638	-	2,878,199
Client fees	-	-	138,600	-	-	138,600
Investment return	151,108	-	-	-	-	151,108
Private foundations and Major donations	131,984	-	-	-	-	131,984
Interest and dividends	168,855	-	-	-	-	168,855
JAFCO Children's Foundation, Inc.	-	900,000	-	-	(900,000)	-
JAFCO Children's Foundation, Inc.	-	-	776,558	-	(776,558)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	2,976,051	5,165,000	2,389,795	504,513		9,358,801
EXPENSES:						
Functional and Fundraising expenses	769,028	5,315,334	2,114,760	378,388	-	8,577,510
Jewish Adoption and Foster Care Options, Inc.	900,000	-	-	-	(900,000)	-
JAFCO Ability Center, Inc.	776,558	-	-	-	(776,558)	-
TOTAL EXPENSES	2,445,586	5,315,334	2,114,760	378,388		8,577,510
CHANGE IN NET ASSETS	530,465	(150,334)	275,035	126,125	-	781,291
NET ASSETS AT BEGINNING OF YEAR	32,250,780	(707,275)	252,799	-	-	31,796,304
NET ASSETS AT END OF YEAR	\$ 32,781,245	\$ (857,609)	\$ 527,834	\$ 126,125		\$ 32,577,595

JAFCO CHILDREN'S FOUNDATION, INC.
JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	JAFCO CHILDREN'S FOUNDATION, INC.	JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.	JAFCO CHILDREN'S ABILITY CENTER, INC.	JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.	COMBINED
Salaries and related expenses	\$ -	\$ 3,596,066	\$ 1,489,028	\$ 238,669	\$ 5,323,763
Client living expenses	-	402,317	-	-	402,317
Depreciation	450,809	39,328	-	-	490,137
Residential expenses	-	180,750	40,279	-	221,029
Fundraising expenses	115,930	305,337	169,796	78,611	669,674
Facilities expenses	-	209,603	229,953	2,693	442,249
Insurance	66,156	144,433	33,928	2,630	247,147
Telephone and utilities	-	144,825	77,473	5,426	227,724
Office supplies and expenses	-	108,833	25,530	12,805	147,168
Professional fees	86,150	50,875	23,926	2,573	163,524
Rent	-	-	-	24,000	24,000
Interest expense	28,425	-	-	-	28,425
Transportation and travel	-	51,286	3,213	7,851	62,350
Training, screening and fees	-	49,390	12,939	1,430	63,759
Credit card charges	21,558	32,291	8,695	1,700	64,244
	<u>\$ 769,028</u>	<u>\$ 5,315,334</u>	<u>\$ 2,114,760</u>	<u>\$ 378,388</u>	<u>\$ 8,577,510</u>

JAFCO CHILDREN'S FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

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ASSETS

Cash and cash equivalents	\$ 4,985,366
Investments, at market value	2,431,365
Contributions Receivable:	
Godparent program	6,513,410
Children's ability center	1,773,077
Circle of hope	887,835
Children's village	4,000
Other	178,932
Prepaid Expenses	128,631
Property, furniture and equipment, net of accumulated depreciation of \$2,859,339	 15,005,915
Deposits	4,295
Due from Jewish Adoption and Foster Care Options, Inc.	<u>1,371,526</u>
	 <u><u>\$ 33,284,352</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITES:	
Revolving loan payable-bank	\$ 500,000
Accounts payable and accrued liabilities	<u>3,105</u>
TOTAL CURRENT LIABILITES	 503,105
NET ASSETS:	
Unrestricted	\$ 2,746,142
Temporarily restricted	12,016,142
Permanently restricted	<u>18,018,963</u>
	 <u>32,781,247</u>
	 <u><u>\$ 33,284,352</u></u>

JAFCO CHILDREN'S FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

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REVENUES, GAINS AND
OTHER SUPPORT:

Contributions	\$ 2,379,613
Other donations	144,491
Investment return	151,108
Private foundations and Major donations	131,984
Interest, dividends and gains	<u>168,855</u>

TOTAL REVENUES, GAINS
AND OTHER SUPPORT

\$ 2,976,051

EXPENSES:

Functional expenses	769,028
Jewish Adoption and Foster Care Options, Inc.	900,000
JAFCO Children's Ability Center, Inc.	<u>776,558</u>

TOTAL EXPENSES

2,445,586

CHANGE IN NET ASSETS

530,465

NET ASSETS AT BEGINNING
OF YEAR

32,250,780

NET ASSETS AT END
OF YEAR

\$ 32,781,245

JAFCO CHILDREN'S FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

18

Depreciation	\$ 450,809
Fundraising expenses	115,930
Professional fees	86,150
Insurance	66,156
Interest expense	28,425
Credit card charges	<u>21,558</u>
	<u><u>\$ 769,028</u></u>

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

19

ASSETS

Cash	\$ 489,242
Contributions Receivable	178,714
Prepaid Expenses	26,083
Furniture and equipment, net of accumulated depreciation of \$514,423	63,654
Deposits	1,500
	<hr/>
	<u>\$ 759,193</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued expenses	\$ 119,313
Due to Jafco-Jewish Adoption and Family Care Options, Inc.	<u>125,963</u>
Total Current Liabilities	245,276
Due to JAFCO Children's Foundation, Inc.	<u>1,371,526</u>
TOTAL LIABILITIES	1,616,802
NET ASSETS:	
Unrestricted	(857,609)
	<hr/>
	<u>\$ 759,193</u>

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

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REVENUES, GAINS AND

OTHER SUPPORT:

Government and related funding	\$ 1,636,497
Grants and private foundations	100,275
Donations	544,051
Fundraising events	1,984,177
JAFCO Children's Foundation, Inc.	<u>900,000</u>

TOTAL REVENUES, GAINS

AND OTHER SUPPORT

\$ 5,165,000

EXPENSES:

Functional expenses	5,009,997
Fundraising expenses	<u>305,337</u>

TOTAL EXPENSES

5,315,334

CHANGE IN NET ASSETS

(150,334)

NET ASSETS AT BEGINNING

OF YEAR

(707,275)

NET ASSETS AT END

OF YEAR

\$ (857,609)

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

21

Salaries and related expenses	\$ 3,596,066
Client living expenses	402,317
Facilities expenses	209,603
Residential expenses	180,750
Telephone and utilities	144,825
Insurance	144,433
Office supplies and expenses	108,833
Transportation and travel	51,286
Professional fees	50,875
Training, screening and fees	49,390
Depreciation	39,328
Credit card charges	<u>32,291</u>
	<u><u>\$ 5,009,997</u></u>

JAFCO CHILDREN'S ABILITY CENTER, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

22

ASSETS

Cash	\$ 352,327
Accounts receivable	175,351
Prepaid expenses	15,560
Deposits	1,459
	<hr/>
	<u>\$ 544,697</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	<u>\$ 16,863</u>
Total Current Liabilities	16,863

NET ASSETS:

Unrestricted	527,834
	<hr/>
	<u>\$ 544,697</u>

JAFCO CHILDREN'S ABILITY CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

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REVENUES, GAINS AND
OTHER SUPPORT:

Grants and private foundations	\$ 741,398
Donations	212,855
Client fees	138,600
Fundraising events	520,384
JAFCO Children's Foundation, Inc.	<u>776,558</u>

TOTAL REVENUES, GAINS
AND OTHER SUPPORT

\$ 2,389,795

EXPENSES:

Functional expenses	1,944,964
Fundraising expenses	<u>169,796</u>

TOTAL EXPENSES

2,114,760

CHANGE IN NET ASSETS

275,035

NET ASSETS AT BEGINNING
OF YEAR

252,799

NET ASSETS AT END
OF YEAR

\$ 527,834

**JAFCO CHILDREN'S ABILITY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

24

Salaries and related expenses	\$ 1,489,028
Facilities expenses	229,953
Telephone and utilities	77,473
Residential expenses	40,279
Insurance	33,928
Office supplies and expenses	25,530
Professional fees	23,926
Training, screening and fees	12,939
Credit card charges	8,695
Transportation and travel	<u>3,213</u>
	<u><u>\$ 1,944,964</u></u>

JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

25

ASSETS

Cash	\$ 162
Due from Jewish Adoption and Foster Care Options, Inc.	125,963
	<hr/>
	<u>\$ 126,125</u>

LIABILITIES AND NET ASSETS

LIABILITIES	\$ -
NET ASSETS:	
Unrestricted	126,125
	<hr/>
	<u>\$ 126,125</u>

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES, GAINS AND OTHER SUPPORT:		
Donations	\$ 130,875	
Fundraising events	<u>373,638</u>	
 TOTAL REVENUES, GAINS AND OTHER SUPPORT		 \$ 504,513
 EXPENSES:		
Functional expenses	299,777	
Fundraising expenses	<u>78,611</u>	
 TOTAL EXPENSES		 <u>378,388</u>
 CHANGE IN NET ASSETS		 126,125
 NET ASSETS AT BEGINNING OF YEAR		 <u>-</u>
 NET ASSETS AT END OF YEAR		 <u>\$ 126,125</u>

JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

27

Salaries and related expenses	\$ 238,669
Rent	24,000
Office supplies and expenses	12,805
Transportation and travel	7,851
Telephone and utilities	5,426
Support services	2,693
Insurance	2,630
Professional fees	2,573
Credit card charges	1,700
Training, screening and fees	<u>1,430</u>
	<u><u>\$ 299,777</u></u>

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

7880 N. UNIVERSITY DRIVE #201
TAMARAC, FLORIDA 33321
TEL: (954) 722-9250
FAX: (954) 726-6715
email:arie@taykancpa.com

**Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

To the Boards of Trustees
JAFCO Children's Foundation, Inc.
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Ability Center, Inc.
JAFCO --Jewish Adoption and Family Care Options, Inc.
Sunrise, Florida

We have audited the combined financial statements of JAFCO Children's Foundation, Inc., Jewish Adoption and Foster Care Options, Inc., JAFCO Children's Ability Center, Inc. and JAFCO-Jewish Adoption and Family Care Options, Inc.(nonprofit organizations) as of and for the year ended December 31, 2016 and have issued our report thereon dated May 3, 2017. 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.

Compliance

As part of obtaining reasonable assurance about whether JAFCO Children's Foundation, Inc., Jewish Adoption and Foster Care Options, Inc., JAFCO Children's Ability Center, Inc. and JAFCO-Jewish Adoption and Family Care Options, Inc. combined financial statements are free of material misstatement, we performed tests of their compliance with certain provisions of laws, regulations and contracts 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered JAFCO Children's Foundation, Inc., Jewish Adoption and Foster Care Options, Inc., JAFCO Children's Ability Center, Inc. and JAFCO-Jewish Adoption and Family Care Options, Inc. internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the combined financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

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JAFCO Children's Foundation, Inc.

Jewish Adoption and Foster Care Options, Inc.

JAFCO Children's Ability Center, Inc.

JAFCO-Jewish Adoption and Family Care Options, Inc.

This report is intended for the information and use of management and others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ari A. Jaykam : Company, c PA

May 3, 2017

Tamarac, Florida