

**JEWISH FOUNDATION FOR
GROUP HOMES, INC.
FINANCIAL STATEMENTS
JUNE 30, 2010**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jewish Foundation for Group Homes, Inc.

We have audited the accompanying statements of financial position of Jewish Foundation for Group Homes, Inc. as of June 30, 2010 and 2009, and the related statements of activities, cash flows, and functional expenses flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Foundation for Group Homes, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Santos, Postal & Company, P.C.

November 22, 2010

JEWISH FOUNDATION FOR GROUP HOMES, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30,

ASSETS

	<u>2010</u>	<u>2009</u>
Cash	\$ 1,394,008	\$ 1,227,237
Accounts receivable, net of allowance for doubtful accounts of \$11,049 and \$15,200	325,244	251,797
Unconditional promises to give, net	1,689,197	1,805,991
Prepaid expenses	73,187	97,385
Investments	3,218,764	2,891,978
Beneficial interest in the assets of Jewish Foundation for Group Homes Endowment, Inc.	7,785,652	7,024,540
Property and equipment, net	10,775,370	10,909,859
Cash surrender value – life insurance	416,335	400,464
Other assets	<u>2,955</u>	<u>12,955</u>
Total assets	<u>\$ 25,680,712</u>	<u>\$ 24,622,206</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 609,309	\$ 538,004
Due to Jewish Foundation for Group Homes Endowment, Inc.	477,863	472,052
Fees received in advance	1,484,746	1,561,896
Notes payable	224,800	236,825
Refundable advances	2,603,387	2,603,387
Mortgage notes payable	1,355,621	1,730,456
Accrued defined benefit pension plan liability	<u>273,111</u>	<u>279,598</u>
Total liabilities	<u>7,028,837</u>	<u>7,422,218</u>
Unrestricted net assets:		
Operating	6,812,875	5,793,649
Board designated	<u>1,423,419</u>	<u>1,479,076</u>
Total unrestricted net assets	8,236,294	7,272,725
Temporarily restricted net assets	2,629,929	2,902,723
Permanently restricted net assets	<u>7,785,652</u>	<u>7,024,540</u>
Total net assets	<u>18,651,875</u>	<u>17,199,988</u>
Total liabilities and net assets	<u>\$ 25,680,712</u>	<u>\$ 24,622,206</u>

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

JEWISH FOUNDATION FOR GROUP HOMES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	Operating	Board Designated	Total Unrestricted	Temporarily Restricted	Permanently Restricted	2010 Totals	2009 Totals
REVENUE AND OTHER SUPPORT							
State grants	\$ 5,825,413	\$ -	\$ 5,825,413	\$ -	\$ -	\$ 5,825,413	\$ 5,122,737
Program service fees	1,572,778	-	1,572,778	-	-	1,572,778	1,506,078
Contributions	1,348,590	-	1,348,590	769,664	526,825	2,645,079	3,509,319
Less: costs of direct benefits to donors	-	-	-	(243,528)	-	(243,528)	(375,866)
Allocation from Jewish Federation of Greater Washington	317,000	-	317,000	-	-	317,000	311,000
Net investment income (loss)	6,256	153,642	159,898	97,019	413,289	670,206	(1,055,944)
County grants	633,482	-	633,482	-	-	633,482	582,571
Other income	33,397	-	33,397	-	-	33,397	56,426
Net assets released from restrictions	1,284,250	(209,299)	1,074,951	(1,073,329)	(1,622)	-	-
Total revenue and support	<u>11,021,166</u>	<u>(55,657)</u>	<u>10,965,509</u>	<u>(450,174)</u>	<u>938,492</u>	<u>11,453,827</u>	<u>9,656,321</u>
EXPENSES							
Program services							
Personnel costs	6,382,021	-	6,382,021	-	-	6,382,021	6,342,140
Occupancy costs	344,133	-	344,133	-	-	344,133	343,112
Depreciation	385,164	-	385,164	-	-	385,164	291,360
Facility expenses	1,370,375	-	1,370,375	-	-	1,370,375	1,272,067
Total program services	<u>8,481,693</u>	<u>-</u>	<u>8,481,693</u>	<u>-</u>	<u>-</u>	<u>8,481,693</u>	<u>8,248,679</u>
Supporting services, management and general							
Personnel costs	933,466	-	933,466	-	-	933,466	674,043
Occupancy costs	27,731	-	27,731	-	-	27,731	21,908
Depreciation	8,103	-	8,103	-	-	8,103	134,020
General administration	125,868	-	125,868	-	-	125,868	185,737
Total management and general	<u>1,095,168</u>	<u>-</u>	<u>1,095,168</u>	<u>-</u>	<u>-</u>	<u>1,095,168</u>	<u>1,015,708</u>
Fundraising							
Personnel costs	301,060	-	301,060	-	-	301,060	291,352
Occupancy costs	-	-	-	-	-	-	-
Depreciation	2,000	-	2,000	-	-	2,000	2,000
General administration	67,958	-	67,958	-	-	67,958	48,445
Total fundraising	<u>371,018</u>	<u>-</u>	<u>371,018</u>	<u>-</u>	<u>-</u>	<u>371,018</u>	<u>341,797</u>
Total expenses	<u>9,947,879</u>	<u>-</u>	<u>9,947,879</u>	<u>-</u>	<u>-</u>	<u>9,947,879</u>	<u>9,606,184</u>
RESULTS OF OPERATIONS	1,073,287	(55,657)	1,017,630	(450,174)	938,492	1,505,948	50,137
RECLASSIFICATION	-	-	-	177,380	(177,380)	-	-
CHANGE IN DEFINED BENEFIT PENSION PLAN DEFERRALS	<u>(54,061)</u>	<u>-</u>	<u>(54,061)</u>	<u>-</u>	<u>-</u>	<u>(54,061)</u>	<u>(265,948)</u>
CHANGE IN NET ASSETS	1,019,226	(55,657)	963,569	(272,794)	761,112	1,451,887	(215,811)
NET ASSETS, BEGINNING OF YEAR	<u>5,793,649</u>	<u>1,479,076</u>	<u>7,272,725</u>	<u>2,902,723</u>	<u>7,024,540</u>	<u>17,199,988</u>	<u>17,415,799</u>
NET ASSETS, END OF YEAR	<u>\$ 6,812,875</u>	<u>\$ 1,423,419</u>	<u>\$ 8,236,294</u>	<u>\$ 2,629,929</u>	<u>\$ 7,785,652</u>	<u>\$ 18,651,875</u>	<u>\$ 17,199,988</u>

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

JEWISH FOUNDATION FOR GROUP HOMES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Operating	Board Designated	Total Unrestricted	Temporarily Restricted	Permanently Restricted	2009 Totals
REVENUE AND OTHER SUPPORT						
State grants	\$ 5,122,737	\$ -	\$ 5,122,737	\$ -	\$ -	\$ 5,122,737
Program service fees	1,506,078	-	1,506,078	-	-	1,506,078
Contributions	1,773,637	25,045	1,798,682	1,386,277	324,360	3,509,319
Less: costs of direct benefits to donors	-	-	-	(375,866)	-	(375,866)
Allocation from Jewish Federation of Greater Washington	311,000	-	311,000	-	-	311,000
Net investment income (loss)	(246,040)	(115,991)	(362,031)	(63,743)	(630,170)	(1,055,944)
County grants	582,571	-	582,571	-	-	582,571
Other income	56,426	-	56,426	-	-	56,426
Net assets released from restrictions	1,268,289	(75,137)	1,193,152	(995,152)	(198,000)	-
Total revenue and support	10,374,698	(166,083)	10,208,615	(48,484)	(503,810)	9,656,321
EXPENSES						
Program services:						
Personnel costs	6,342,140	-	6,342,140	-	-	6,342,140
Occupancy costs	343,112	-	343,112	-	-	343,112
Depreciation	291,360	-	291,360	-	-	291,360
Facility expenses	1,272,067	-	1,272,067	-	-	1,272,067
Total program services	8,248,679	-	8,248,679	-	-	8,248,679
Supporting services, management and general:						
Personnel costs	674,043	-	674,043	-	-	674,043
Occupancy costs	21,908	-	21,908	-	-	21,908
Depreciation	134,020	-	134,020	-	-	134,020
General administration	185,737	-	185,737	-	-	185,737
Total management and general	1,015,708	-	1,015,708	-	-	1,015,708
Fundraising:						
Personnel costs	291,352	-	291,352	-	-	291,352
Occupancy costs	-	-	-	-	-	-
Depreciation	2,000	-	2,000	-	-	2,000
General administration	48,445	-	48,445	-	-	48,445
Total fundraising	341,797	-	341,797	-	-	341,797
Total expenses	9,606,184	-	9,606,184	-	-	9,606,184
RESULTS OF OPERATIONS	768,514	(166,083)	602,431	(48,484)	(503,810)	50,137
CHANGE IN DEFINED BENEFIT PENSION PLAN DEFERRALS	(265,948)	-	(265,948)	-	-	(265,948)
CHANGE IN NET ASSETS	502,566	(166,083)	336,483	(48,484)	(503,810)	(215,811)
NET ASSETS, BEGINNING OF YEAR	5,291,083	1,645,159	6,936,242	2,951,207	7,528,350	17,415,799
NET ASSETS, END OF YEAR	\$ 5,793,649	\$ 1,479,076	\$ 7,272,725	\$ 2,902,723	\$ 7,024,540	\$ 17,199,988

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

JEWISH FOUNDATION FOR GROUP HOMES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,451,887	\$ (215,811)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	395,267	427,380
Investment (gain) loss	(670,206)	1,055,944
Contributions made through JFGH Endowment, Inc. (net)	(347,823)	(126,360)
Donation of government bonds	(140,382)	(443,845)
Forgiveness of notes payable	(33,825)	(202,477)
Changes in:		
Accounts receivable	(75,784)	(103,277)
Unconditional promises to give	116,794	(8,168)
Cash surrender value – life insurance	(15,871)	(20,422)
Prepaid expenses	24,198	(7,252)
Other assets	-	1,425
Accounts payable and accrued expenses	71,305	(444,551)
Due to Jewish Foundation for Group Homes Endowment, Inc.	5,811	189,500
Fees received in advance	(77,150)	56,496
Accrued defined benefit pension plan liability	(6,487)	202,462
NET CASH PROVIDED BY OPERATING ACTIVITIES	697,734	361,044
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(250,778)	(291,004)
Purchases of marketable securities	(182,303)	-
Proceeds from sale of marketable securities	255,153	659,994
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(177,928)	368,990
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	21,800	-
Principal curtailments of mortgage notes payable	(374,835)	(537,155)
NET CASH USED BY FINANCING ACTIVITIES	(353,035)	(537,155)
NET INCREASE IN CASH AND CASH EQUIVALENTS	166,771	192,879
CASH, BEGINNING OF YEAR	1,227,237	1,034,358
CASH, END OF YEAR	\$ 1,394,008	\$ 1,227,237

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

JEWISH FOUNDATION FOR GROUP HOMES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	PROGRAM SERVICES				SUPPORT SERVICES		TOTALS	
	Group Homes	MOST Program	Oshinsky Apartment Program	Total Program Services	Management and General	Fundraising	2010	2009
PERSONNEL COSTS								
Salaries	\$ 4,794,270	\$ 227,065	\$ 490,906	\$ 5,512,241	\$ 700,712	\$ 245,282	\$ 6,458,235	\$ 6,184,710
Payroll taxes	355,068	13,881	35,552	404,501	63,482	9,530	477,513	483,694
Health and dental insurance	249,384	6,724	8,698	264,806	131,462	37,370	433,638	412,869
Workers compensation	79,423	2,000	5,288	86,711	12,537	5,224	104,472	95,077
Pension costs	79,981	500	3,251	83,732	17,662	2,500	103,894	83,399
Other employee benefits	29,778	-	252	30,030	7,611	1,154	38,795	47,786
Total personnel costs	<u>5,587,904</u>	<u>250,170</u>	<u>543,947</u>	<u>6,382,021</u>	<u>933,466</u>	<u>301,060</u>	<u>7,616,547</u>	<u>7,307,535</u>
OCCUPANCY COSTS								
Rent	29,129	-	25,238	54,367	-	-	54,367	47,192
Condominium expenses	10,956	-	-	10,956	-	-	10,956	10,243
Interest	51,525	13,500	9,582	74,607	15,678	-	90,285	90,635
Utilities	188,209	9,400	6,594	204,203	12,053	-	216,256	216,950
Total occupancy costs	<u>279,819</u>	<u>22,900</u>	<u>41,414</u>	<u>344,133</u>	<u>27,731</u>	<u>-</u>	<u>371,864</u>	<u>365,020</u>
DEPRECIATION	<u>382,010</u>	<u>2,251</u>	<u>903</u>	<u>385,164</u>	<u>8,103</u>	<u>2,000</u>	<u>395,267</u>	<u>427,380</u>
FACILITY EXPENSES								
Repairs and maintenance	219,535	13	3,062	222,610	-	-	222,610	247,584
Household supplies	64,582	140	900	65,622	164	-	65,786	61,425
Food costs	309,277	1,563	4,778	315,618	406	149	316,173	311,180
Recreation	13,794	983	1,701	16,478	-	-	16,478	19,092
Advertising (employment)	3,762	-	35	3,797	368	-	4,165	6,011
Staff training	14,797	176	139	15,112	3,019	-	18,131	27,844
Interest	-	-	-	-	-	-	-	7,321
Annual meeting expense	3,364	-	32	3,396	2,083	13	5,492	11,865
Licenses	10,839	-	14	10,853	-	-	10,853	14,161
Computer/internet	9,744	2,255	64	12,063	6,663	200	18,926	7,610
Medical/nursing services	60,538	1,781	1,028	63,347	281	-	63,628	57,300
Sign language interpretation	18,138	-	-	18,138	-	-	18,138	8,185
Automobile	79,894	4,956	1,212	86,062	188	-	86,250	81,493
Local transportation	46,685	1,983	14,787	63,455	3,125	49	66,629	68,293
Insurance	140,867	-	1,322	142,189	43,147	-	185,336	176,495
Office supplies and expenses	24,150	1,100	286	25,536	6,687	2,794	35,017	35,431
Printing/duplicating/mailing	5,224	52	47	5,323	3,085	14,979	23,387	28,927
Consultants and professional fees	55,974	-	526	56,500	13,246	25,000	94,746	46,939
Equip. rental/service contracts	117,994	-	770	118,764	13,464	3,794	136,022	102,349
Telephone	60,493	1,067	1,919	63,479	7,411	953	71,843	83,574
Membership dues	27,758	-	257	28,015	525	-	28,540	18,465
Bad debts	17,833	-	167	18,000	-	2,000	20,000	22,259
Home dedication	-	2,160	-	2,160	-	-	2,160	7,218
Drug screening/background check	10,797	-	102	10,899	-	-	10,899	10,586
Fundraising	-	-	-	-	7,579	17,364	24,943	33,197
Miscellaneous	1,855	1,082	22	2,959	14,427	663	18,049	11,445
Total facility expenses	<u>1,317,894</u>	<u>19,311</u>	<u>33,170</u>	<u>1,370,375</u>	<u>125,868</u>	<u>67,958</u>	<u>1,564,201</u>	<u>1,506,249</u>
GRAND TOTAL	<u>\$ 7,567,627</u>	<u>\$ 294,632</u>	<u>\$ 619,434</u>	<u>\$ 8,481,693</u>	<u>\$ 1,095,168</u>	<u>\$ 371,018</u>	<u>\$ 9,947,879</u>	<u>\$ 9,606,184</u>

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

JEWISH FOUNDATION FOR GROUP HOMES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	PROGRAM SERVICES				SUPPORT SERVICES		TOTALS
	Group Homes	MOST Program	Oshinsky Apartment Program	Total Program Services	Management and General	Fundraising	2009
PERSONNEL COSTS							
Salaries	\$ 4,907,869	\$ 115,764	\$ 382,085	\$ 5,405,718	\$ 533,749	\$ 245,243	\$ 6,184,710
Payroll taxes	385,946	8,491	31,885	426,322	39,758	17,614	483,694
Health and dental insurance	297,345	9,476	24,605	331,426	62,629	18,814	412,869
Workers compensation	69,737	3,557	5,996	79,290	11,389	4,398	95,077
Pension costs	61,999	2,027	5,331	69,357	10,132	3,910	83,399
Other employee benefits	27,681	474	1,872	30,027	16,386	1,373	47,786
Total personnel costs	<u>5,750,577</u>	<u>139,789</u>	<u>451,774</u>	<u>6,342,140</u>	<u>674,043</u>	<u>291,352</u>	<u>7,307,535</u>
OCCUPANCY COSTS							
Rent	23,580	-	23,612	47,192	-	-	47,192
Condominium expenses	10,243	-	-	10,243	-	-	10,243
Interest	77,709	-	-	77,709	12,926	-	128,665
Utilities	207,968	-	-	207,968	8,982	-	216,950
Total occupancy costs	<u>319,500</u>	<u>-</u>	<u>23,612</u>	<u>343,112</u>	<u>21,908</u>	<u>-</u>	<u>365,020</u>
DEPRECIATION	<u>284,045</u>	<u>7,314</u>	<u>1</u>	<u>291,360</u>	<u>134,020</u>	<u>2,000</u>	<u>427,380</u>
FACILITY EXPENSES							
Repairs and maintenance	243,298	155	3,260	246,713	871	-	247,584
Household supplies	58,067	221	1,864	60,152	1,273	-	61,425
Food costs	306,653	353	4,174	311,180	-	-	311,180
Recreation	15,639	71	2,008	17,718	1,374	-	19,092
Advertising (employment)	2,719	-	-	2,719	1,792	1,500	6,011
Staff training	21,352	500	1,070	22,922	4,922	-	27,844
Interest	6,297	-	-	6,297	1,024	-	7,321
Annual meeting expense	10,209	-	-	10,209	1,656	-	11,865
Licenses	11,024	-	-	11,024	2,987	150	14,161
Computer/internet	306	-	-	306	7,304	-	7,610
Medical/nursing services	42,340	-	-	42,340	14,960	-	57,300
Sign language interpretation	8,185	-	-	8,185	-	-	8,185
Automobile expense	73,812	3,727	1,047	78,586	2,907	-	81,493
Local transportation	46,578	196	13,934	60,708	7,583	2	68,293
Insurance	143,586	-	-	143,586	32,909	-	176,495
Office supplies and expenses	25,538	2,255	44	27,837	4,708	2,886	35,431
Printing/duplicating/mailing	18,435	-	-	18,435	4,031	6,461	28,927
Consultants and professional fees	32,100	48	380	32,528	14,411	-	46,939
Equipment rental/service contracts	76,080	-	-	76,080	26,269	-	102,349
Telephone	75,202	282	470	75,954	7,131	489	83,574
Membership dues	700	-	-	700	17,765	-	18,465
Bad debts	-	-	-	-	17,000	5,259	22,259
Home dedication	7,218	-	-	7,218	-	-	7,218
Drug screening/background check	9,366	-	-	9,366	1,220	-	10,586
Fundraising	-	-	-	-	1,499	31,698	33,197
Miscellaneous expense	1,304	-	-	1,304	10,141	-	11,445
Total facility expenses	<u>1,236,008</u>	<u>7,808</u>	<u>28,251</u>	<u>1,272,067</u>	<u>185,737</u>	<u>48,445</u>	<u>1,506,249</u>
Grand total	<u>\$ 7,590,130</u>	<u>\$ 154,911</u>	<u>\$ 503,638</u>	<u>\$ 8,248,679</u>	<u>\$ 1,015,708</u>	<u>\$ 341,797</u>	<u>\$ 9,606,184</u>

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

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Jewish Foundation for Group Homes, Inc. (the Foundation) is a non-stock Maryland corporation. The Foundation provides community residential services and support to adults with a wide range of developmental disabilities and operates in the metropolitan area of Washington, D.C., receiving grants from federal, state and county governments and charitable donations.

FINANCIAL STATEMENT PRESENTATION

The Foundation presents its financial statements using net asset classifications as follows:

- a. Unrestricted Net Assets – Net assets subject to neither donor-imposed restrictions nor Board of Directors designations.
- b. Designated Net Assets – Net assets not subject to donor-imposed restriction but designated for special purposes by the Board of Directors.
- c. Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Foundation and/or the passage of time.
- d. Permanently Restricted Net Assets – Net assets subject to donor-imposed restrictions that they be maintained permanently by the Foundation. Generally, donors of these assets permit the Foundation to use all or part of the earnings on any related investments for general or specific purposes.

CONTRIBUTIONS

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received.

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

CONTRIBUTIONS (Continued)

Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

CONTRIBUTED SERVICES

Contributed services are reflected in the financial statements at the fair value of the services received. Significant contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Additionally, the Foundation receives donated services from a variety of unpaid volunteers assisting the Foundation in its programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied.

EARNED REVENUE RECOGNITION

Revenue from contractual agreements is recognized as it is earned through the provision of services to beneficiaries. Certain government contracts are paid quarterly in advance; accordingly this revenue received in advance is deferred and recognized when earned.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash is defined as currency on hand and demand deposits at banks. The Foundation considers all highly liquid investments with maturity of three months

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)

CASH AND CASH EQUIVALENTS (Continued)

or less when purchased to be cash equivalents. The Foundation has no items considered to be cash equivalents at June 30, 2010 and 2009.

ACCOUNTS RECEIVABLE

Accounts receivable are presented in the financial statements net of an allowance for doubtful accounts. Accounts receivable are determined to be past due based on how recently payments have been received. The allowance for doubtful accounts is determined based on an annual review of account balances, including the age of the balance and the past experience with the beneficiary or the beneficiary's sponsor. Bad debt expense is recorded when the allowance is adjusted. Uncollectible accounts receivable are charged to the allowance for doubtful accounts.

INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in investment income.

BENEFICIAL INTEREST IN THE ASSETS OF JEWISH FOUNDATION FOR
GROUP HOMES ENDOWMENT, INC.

The Jewish Foundation for Group Homes Endowment, Inc. (the Endowment) is a not-for-profit organization whose purpose is to develop and to hold certain of the Foundation's assets in perpetuity and to provide the investment income derived from these assets to the Foundation. The Endowment's board of trustees is independent of the Foundation's board of trustees. The Foundation accounts for its assets that are held by the Endowment pursuant to Accounting Standards Codification – Topic 958.

PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY AND EQUIPMENT (Continued)

cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Purchases of property and equipment greater than \$1,000 are capitalized and stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the property.

INCOME TAXES

The Foundation is exempt from federal income tax under the provisions of Section 501(c) (3) of the Internal Revenue Code.

SUBSEQUENT EVENTS

Management evaluated subsequent events through November 22, 2010 which is the date that the financial statements were available to be issued.

NOTE 2: UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are composed of the following:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Unconditional promises to give	\$ 1,835,919	\$ 1,971,746
Less: Unamortized discount at 4%	<u>(146,722)</u>	<u>(165,755)</u>
Net unconditional promise to give	<u>\$ 1,689,197</u>	<u>\$ 1,805,991</u>
Amounts due in:		
Less than one year	\$ 645,667	\$ 604,000
One to five years	<u>1,190,252</u>	<u>1,367,746</u>
Total	<u>\$ 1,835,919</u>	<u>\$ 1,971,746</u>

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 3: INVESTMENTS

Pursuant to FASB Codification Topic 820, Fair Value Measurements and Disclosures, the Foundation established a framework for measuring the fair value of its investments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets,
- Quoted prices for identical or similar assets in inactive markets,
- Inputs other than quoted market prices that are observable for the asset,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2010 and 2009

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 3: INVESTMENTS (Continued)

	As of June 30, 2010		
	Level 1	Level 2	Level 3
Money market funds	\$ 150,522	\$ -	\$ -
Corporate equities	979,256	-	-
Exchange traded funds	91,636	-	-
U.S. Government obligations	140,111	-	-
High-grade corporate bonds	663,843	-	-
Municipal bonds	242,355	-	-
Bonds issued by the State of Israel	-	790,765	-
Jewish Federation of Greater Washington Endowment Funds	138,996	-	-
Mutual Funds	21,280	-	-
	\$ 2,427,999	\$ 790,765	\$ -

	As of June 30, 2009		
	Level 1	Level 2	Level 3
Money market funds	\$ 104,776	\$ -	\$ -
Corporate equities	761,284	-	-
Exchange traded funds	96,375	-	-
U.S. Government obligations	141,244	-	-
High-grade corporate bonds	640,217	-	-
Municipal bonds	229,498	-	-
Bonds issued by the State of Israel	-	771,199	-
Jewish Federation of Greater Washington Endowment Funds	127,816	-	-
Mutual Funds	19,569	-	-
	\$ 2,120,779	\$ 771,199	\$ -

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 3: INVESTMENTS (Continued)

The fair value for assets in level 2 is calculated using quoted market prices for similar assets in active markets. The following schedules summarize investment returns and their classification in the statement of activities for the years ended June 30, 2010 and 2009:

	2010		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Interest and dividends	\$ 93,306	\$ 25,724	\$ 103,031
Unrealized gain	69,810	70,636	306,497
Realized gain (loss)	(3,218)	659	3,761
	\$ 159,898	\$ 97,019	\$ 413,289

	2009		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Interest and dividends	\$ 68,628	\$ 11,280	\$ 42,290
Unrealized gain (loss)	(415,042)	(73,280)	(672,460)
Realized gain	(15,617)	(1,743)	-
	\$ (362,031)	\$ (63,743)	\$ (630,170)

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2010	2009
Land	\$ 1,819,534	\$ 1,819,534
Buildings and improvements	10,676,480	10,471,425
Furniture and equipment	899,143	862,198
Transportation equipment	736,181	752,979
	14,131,338	13,906,136
Accumulated depreciation	(3,355,968)	(2,996,277)
	\$ 10,775,370	\$ 10,909,859

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 5: NOTES PAYABLE

The Foundation has non-interest bearing loans payable to the Montgomery County government. The loan proceeds were used to fund various improvements to selected group homes and are payable in equal amounts of principal only to commence three years from the completion date of the related improvements. The Foundation has the right to request Montgomery County to forgive the outstanding balance of the loans upon the completion of three years of operating the group home in compliance with all the provisions of the Group Home Rehabilitation Program, as prescribed by the Montgomery County Department of Housing and Community Development (DHCD). Such forgiveness totaled \$33,825 and \$202,477 for the years ended June 30, 2010 and 2009 respectively, and is included in county grants in the statement of activities.

The Foundation established a revolving line of credit of \$1,750,000 with a bank. The line is secured by cash balances of up to \$307,000, accounts receivable, the Foundation's personal property, and certain investments defined in the security agreement. Advances under this arrangement accrue interest at a fixed interest rate and are payable on demand. There was no balance outstanding on this line as of June 30, 2010 or 2009.

Total cash paid for interest, including mortgage interest (see note 7), was \$90,285 and \$97,956 for the years ended June 30, 2010 and 2009, respectively.

NOTE 6: REFUNDABLE ADVANCES

The Foundation obtained grants from the State of Maryland for the purchase or renovation of certain group homes. For periods of thirty years, expiring in 2026 through 2036, the State has a right of recovery against the specific group home, under certain circumstances, of an amount bearing the same ratio to the then current fair market value of the property as the amount of the State participation in the total eligible cost of the property. Such circumstances would include a sale or transfer to any person, agency or organization that would not qualify as an applicant or if the property ceases to serve as a developmental disabilities facility.

NOTE 7: MORTGAGE NOTES PAYABLE

The Foundation has two non-interest bearing mortgage notes payable to Fairfax County, Virginia, totaling \$319,537, secured by two group homes. The notes require no monthly payments and are due at maturity in 2037. Upon settlement, the County is entitled to 26 percent of the increase in the market value of the two group homes over the market value at the time the mortgages were initiated.

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 7: MORTGAGE NOTES PAYABLE (Continued)

Management is unable to estimate the fair value of the two group homes as of the mortgage maturity dates.

The Foundation also has a mortgage note payable to a bank totaling \$1,086,084 secured by the Foundation's Joy W. and S. Robert Cohen Administrative Building, requiring monthly payments of \$13,818 applied first at a fixed interest rate of 6.75 percent with the balance to principal. On October 27, 2011, the interest rate will change to a variable percentage equal to the five year U.S. Treasury security rate plus 200 basis points. The note requires a balloon payment at maturity on October 27, 2016. The mortgage balances were \$1,036,084 and \$1,410,919 for the years ended June 30, 2010 and 2009 respectively.

Required principal payments for the next five years are as follows: 2011 – \$98,906; 2012 – \$105,793; 2013 – \$113,159; 2014 – \$121,038; and 2015 – \$129,465. These amounts have changed from the prior year due to the Foundation's accelerated principal payments during the year ended June 30, 2010.

NOTE 8: RETIREMENT PLANS

DEFINED CONTRIBUTION PLANS

All employees are eligible to participate in a tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code. Employees may elect to contribute up to 20% of their salary, up to a maximum amount established by federal regulations. The Foundation does not contribute to this plan.

The Foundation sponsors a non-participatory defined contribution plan. All employees except highly compensated individuals, as defined, are eligible for this plan. The Foundation's annual contribution to this plan is determined by the Board of Directors and is allocated to participants based upon length of service. Management applied for this plan to be tax exempt under section 401(k) of the Internal Revenue Code. The contribution to the plan for the years ended June 30, 2010 and 2009 was \$82,770 and \$74,240, respectively.

In June 2008, the Foundation's Executive committee approved the establishment of an IRC section 457(b) plan to supplement retirement income for certain key members of the Foundation's executive management team. The Foundation's annual contribution to this plan is determined by the Board of Directors and is allocated to participants based upon years of service and compensation level.

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 8: RETIREMENT PLANS (Continued)

DEFINED CONTRIBUTION PLANS (Continued)

The contribution to the plan for the years ended June 30, 2010 and 2009 was \$45,292 and \$45,179 respectively.

DEFINED BENEFIT PLAN

The Foundation sponsors a non-contributory defined benefit pension plan which covers all full-time employees who had completed one year of service and attained the age of 21 as of May 31, 2006. The plan provides for retirement benefits based on years of service and final average salary. Effective May 31, 2006, the plan was frozen and plan participants no longer accrue benefits after May 31, 2006. Further, employees hired after May 31, 2006, are not eligible to participate in this plan.

There were three retirees under the plan as of June 30, 2010. The Foundation's funding policy is to contribute annually an amount that has been determined by an actuary. The contributions for the years ended June 30, 2010 and 2009 were \$100,000 and \$80,000, respectively. The measurement dates used to determine the following pension valuations and measurements were June 30, 2010 and 2009 respectively.

The funded status of the plan was as follows:

	<u>2010</u>	<u>2009</u>
Fair value of plan assets	\$ 964,935	\$ 823,273
Less: projected benefit obligation	<u>1,238,046</u>	<u>1,102,871</u>
Funded status	<u>\$ (273,111)</u>	<u>\$ (279,598)</u>

The Plan's investment goals, in order to provide benefits at normal retirement age, are both security and long-term stability with moderate growth commensurate with the anticipated retirement dates of participants. Investments, other than fixed dollar investments, are included among the Plan's investments to prevent erosion by inflation. However, investments are sufficiently liquid to enable the Plan, on short notice, to make some distributions in the event of the death or disability of a participant

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 8: RETIREMENT PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

The change in the defined benefit pension plan deferrals for the years ended June 30, 2010 and 2009, is comprised of the following:

	<u>2010</u>	<u>2009</u>
Difference between actual return on plan assets and expected return on plan assets	\$ 7,417	\$ 280,504
Actuarial gain	73,472	3,122
Amortization of deferred loss	(9,150)	-
Amortization of deferred prior service costs	<u>(17,678)</u>	<u>(17,678)</u>
	<u>\$ 54,061</u>	<u>\$ 265,948</u>

The amounts that have not yet been recognized as a component of net periodic benefit cost as of June 30, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Deferred net loss on plan assets	\$ 301,768	\$ 230,029
Deferred prior service costs	<u>177,387</u>	<u>195,065</u>
Net deferred cost	<u>\$ 479,155</u>	<u>\$ 425,094</u>

Management estimates that for the year ending June 30, 2011, amortization of the deferred prior service costs will be \$17,678, amortization of the deferred net loss on Plan assets will be \$14,211, the interest cost will be \$74,283, and the expected return on plan assets will be \$67,545.

Weighted average assumptions for both years are a 6.0 percent discount rate and a 7.0 percent long-term return on plan assets. The expected long-term return on plan assets was derived based on the asset allocation of the plan and the anticipated long-term economic outlook.

Weighted-average asset allocations by category are as follows:

	<u>2010</u>	<u>2009</u>
Equity securities	87%	69%
Debt securities	13%	31%

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 8: RETIREMENT PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Estimated future benefit payments are approximately as follows:

Year ended June 30,	2011	\$ 13,000
	2012	35,000
	2013	38,000
	2014	58,000
	2015	58,000
	2016 to 2020	409,000

Pursuant to a recommendation from the pension plan administrator, management intends to deposit \$75,000 into the plan during the next fiscal year.

NOTE 9: RECLASSIFICATION

During 2010 the board of directors of the Foundation and the board of trustees of the Endowment Corporation agreed that one fund in permanently restricted net assets was, in fact, temporarily restricted. Accordingly this fund was transferred from permanently restricted net assets to temporarily restricted net assets.

NOTE 10: ENDOWMENT FUNDS

The following are the changes in endowment net assets for the years ended June 30, 2010 and 2009:

	<u>Board Designated</u>	<u>Permanently Restricted</u>
Endowment net assets at June 30, 2008	\$ 1,645,159	\$ 7,528,350
Investment return		
Investment income (net)	18,271	42,290
Net depreciation (realized and unrealized)	(134,262)	(672,460)
Contributions	25,045	324,360
Releases	<u>(75,137)</u>	<u>(198,000)</u>
Endowment net assets at June 30, 2009	<u>\$ 1,479,076</u>	<u>\$ 7,024,540</u>

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 10: ENDOWMENT FUNDS (Continued)

	Board Designated	Permanently Restricted
Endowment net assets at June 30, 2009	\$ 1,479,076	\$ 7,024,540
Investment return		
Investment income (net)	40,740	117,215
Net depreciation (realized and unrealized)	112,902	296,074
Contributions	-	526,825
Transfer	-	(177,380)
Releases	(209,299)	(1,622)
Endowment net assets at June 30, 2010	\$ 1,423,419	\$ 7,785,652

Because of recent market declines, the permanently restricted endowment net assets are less than permanently restricted net asset corpus by \$654,025 as of June 30, 2010. The management of JFGH-Endowment, Inc. intends to restore corpus and suspended substantially all payments to the Foundation for the fiscal year ended June 30, 2010.

NOTE 11: CONCENTRATIONS OF CREDIT RISK

The Foundation's credit risk arises from cash, accounts receivable and promises to give. The Foundation maintains its cash balances in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits.

NOTE 12: INVESTMENT OBJECTIVES AND POLICIES

The investments of the Foundation have two primary objectives. The first is to provide a maximum annual stream of income to help meet the budgetary needs of the Foundation. The second objective, the investment objective, is to preserve the value of the investments over the long-term, net of the effects of inflation, through an investment strategy that emphasizes long-term growth and limited risks. In order to meet both objectives, the investment policy and objectives are long-term in nature.

The investment managers engaged by the Foundation are responsible for the investment and management of the Foundation's funds in accordance with these investment and policy guidelines.

JEWISH FOUNDATION FOR GROUP HOMES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 12: INVESTMENT OBJECTIVES AND POLICIES (Continued)

Asset Class	Target %	Range %
Equities	60%	50%-75%
Cash and fixed income	25%	20%-35%
Alternative investments (Hedge funds, private equities, real estate)	15%	0%-25%

It is understood that the investment manager may deviate from the target allocation goal from time to time on a short-term basis, however, at no time should the investment in equities or alternative investments exceed the high end of the specified ranges of the total value of the Foundation's investments.

NOTE 13: NON-CASH INVESTING AND FINANCING ACTIVITIES

Non-cash investing and financing activities were as follows:

	2010	2009
Bonds of the State of Israel received in settlement of promises to give	\$ 140,382	\$ 200,000
Forgiveness of debt by Montgomery County	33,825	202,477
Donations to Endowment Fund on Foundation's behalf	347,823	126,360

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors
Jewish Foundation for Group Homes, Inc.

Our report on our audit of the basic financial statements of Jewish Foundation for Group Homes, Inc. for the year ended June 30, 2010 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages 23-32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Santos, Postal & Company, P.C.

November 22, 2010

JEWISH FOUNDATION FOR GROUP HOMES, INC.
STATEMENT OF GROUP HOMES EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

Group Home	Personnel Costs	Occupancy Costs	Depreciation	Facilities Expense	Total Expense
Gelman Home	\$ 226,958	\$ 11,765	\$ 18,026	\$ 62,869	\$ 319,618
Bender Home	224,705	9,686	14,261	51,388	300,040
Kay Home	282,948	11,995	15,063	59,473	369,479
Cohen Home	219,099	10,031	8,787	49,793	287,710
Meisel Home	322,295	12,969	22,782	58,161	416,207
Goldsten Home	188,790	9,979	16,042	56,499	271,310
Reich Home	204,891	10,755	15,743	50,950	282,339
Sagon Home	181,972	9,374	14,665	48,522	254,533
Mendelson I Home	309,371	11,187	16,479	63,844	400,881
Rubin Home	242,640	11,285	17,457	59,050	330,432
Feldman Home	189,502	11,845	18,102	75,786	295,235
Brown Home	228,201	15,648	19,276	75,232	338,357
Silverman/Porten Home	239,090	8,962	12,968	94,066	355,086
Mendelson II Home	320,799	12,375	23,162	54,504	410,840
Gelman II Home	318,504	12,363	15,755	55,084	401,706
Polinger Home	337,257	10,079	13,600	52,227	413,163
Wagner Home	230,443	12,688	19,439	72,006	334,576
Berlinsky/ Young Home	228,891	10,843	25,926	46,824	312,484
Stempler/ Stone Home	356,175	13,659	24,867	66,753	461,454
Levin Home	329,173	12,526	23,819	65,895	431,413
Congressional Village ALU	113,178	34,114	2,718	23,480	173,490
Dalinsky ALU	147,014	12,156	11,496	34,531	205,197
Torchinsky ALU	146,008	3,535	11,577	40,957	202,077
MOST Program	250,170	22,900	2,251	19,311	294,632
Oshinsky Apartment Program	543,947	41,414	903	33,170	619,434
	<u>\$ 6,382,021</u>	<u>\$ 344,133</u>	<u>\$ 385,164</u>	<u>\$ 1,370,375</u>	<u>\$ 8,481,693</u>

JEWISH FOUNDATION FOR GROUP HOMES, INC.
SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Fund	Purpose	Net Assets, July 1, 2009	Contributions	Investment Earnings	Unrealized Gain on Investments	Realized Gain on Investment	Total Additions	Reclassification	Net Assets Released from Restrictions	Net Assets, June 30, 2010
The Gertrude E. Cohen Memorial Fund	Established by the Board as a designated fund, the earnings of which will be used for operating purposes.	\$ 380,034	\$ -	\$ 12,346	\$ 33,898	\$ 316	\$ 46,560	\$ -	\$ (25,505)	\$ 401,089
The Virginia E. Corb Memorial Fund	Established by the Board as a designated fund, the earnings of which will be used for operating purposes.	52,912	-	1,719	4,720	44	6,483	-	(3,549)	55,846
Anonymous Memorial Fund (2009)	Established by the Board as a designated fund, the earnings of which will be used for operating purposes.	225,000	-	-	-	-	-	-	(125,000)	100,000
The Sam, Minnie and Maurice Feldman Family Vacation Fund	Established by the Board as a designated fund, the earnings of which will be used to provide funding assistance for program enrichment activities.	490,718	-	15,941	43,771	408	60,120	-	(36,878)	513,960
JFGH Group Home Maintenance Fund	Established by the Board as a designated fund, the earnings of which will be used to provide funding for maintenance of group homes for those homes with under-funded endowment funds	156,980	-	5,100	14,002	130	19,232	-	(6,864)	169,348
The Beth C. Sloan Endowment for Development Purposes	Established by the Board as a designated fund, the earnings of which will be used to provide funding for development endeavors.	3,106	-	101	277	3	381	-	(204)	3,283
The Alice Frankel Memorial Fund	Established by the Board as a designated fund, the earnings of which will be used for operating purposes.	120,455	-	3,913	10,744	100	14,757	-	(7,952)	127,260
The Hepner Family Fund	Established by the Board as a designated fund, the earnings of which will be used for operating purposes.	49,871	-	1,620	4,448	41	6,109	-	(3,347)	52,633
Totals		<u>\$ 1,479,076</u>	<u>\$ -</u>	<u>\$ 40,740</u>	<u>\$ 111,860</u>	<u>\$ 1,042</u>	<u>\$ 153,642</u>	<u>\$ -</u>	<u>\$ (209,299)</u>	<u>\$ 1,423,419</u>

JEWISH FOUNDATION FOR GROUP HOMES, INC.
SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Fund	Purpose	Net Assets, July 1, 2009	Contributions	Investment Earnings	Unrealized Gain on Investments	Realized Gain on Investment	Total Additions	Reclassification	Net Assets Released from Restrictions	Net Assets, June 30, 2010
Anonymous Operating Fund	To be used solely for operating purposes. Withdrawals from the fund may not exceed, in any one calendar year, the greater of \$25,000 or the earnings of the fund in that calendar year.	\$ -	\$ -	\$ 2,881	\$ 7,911	\$ 74	\$ 10,866	\$ 177,380	\$ -	\$ 188,246
The Sharyn R. Bass Memorial Fund	To pay for training programs for Jewish Foundation for Group Homes agency staff. This includes fees for seminars, tuition, books, workshops, periodicals, and video equipment.	7,311	161	237	652	6	1,056	-	(462)	7,905
The Norman G. and Roberta Cohen and S. Robert and Joy Cohen Health / Medical Needs Fund	To provide funds for the health needs of residents.	-	36	-	-	-	36	-	(36)	-
The Barry M. Clayman Memorial Fund	To support the operating needs of Jewish Foundation for Group Homes, providing funds for recreational services.	-	12,000	-	-	-	12,000	-	(12,000)	-
Anne L. and William A. Rich Cultural Enrichment Fund	Provide funding of entertainment activities for JFGH residents	21,352	-	694	1,905	18	2,617	-	(8,703)	15,266
H E Foster Family Fund	To enable Jewish Foundation for Group Homes to provide services necessary to train adults with disabilities with skills for independent living	-	90	-	-	-	90	-	(90)	-
The Morris Frankel CMI Fund	Created to provide funding that will enable Jewish Foundation for Group Homes' residents with mental illness to enjoy community recreational activities that they would otherwise not be able to afford.	31,005	-	1,007	2,766	26	3,799	-	(2,082)	32,722
The Judy and Ken Gilman Fund for Family Counseling	To support programs that provide emotional support and resources to family members of current residents and waiting list applicants.	-	36	-	-	-	36	-	(36)	-

JEWISH FOUNDATION FOR GROUP HOMES, INC.
SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Fund</u>	<u>Purpose</u>	<u>Net Assets, July 1, 2009</u>	<u>Contributions</u>	<u>Investment Earnings</u>	<u>Unrealized Gain on Investments</u>	<u>Realized Gain on Investment</u>	<u>Total Additions</u>	<u>Reclassification</u>	<u>Net Assets Released from Restrictions</u>	<u>Net Assets, June 30, 2010</u>
Sally and Robert Goldberg Maryland MOST™ Program Fund	To fund the operations of the JFGH Maryland MOST™ Program	-	231,495	-	-	-	231,495	-	(50,000)	181,495
Henkin Activity Fund	To provide funding for recreational activities for JFGH residents	16,419	13,918	-	-	-	13,918	-	(953)	29,384
JFGH Joy W. and S. Robert Cohen Building Purchase Fund	To provide funding for purchase and renovations to the Joy W. and S. Robert Cohen Building	2,167,097	177,308	-	-	-	177,308	-	(909,757)	1,434,648
JFGH Group Home Renovation Fund	To provide funding for renovations to group homes	-	55,000	-	-	-	55,000	-	(9,000)	46,000
The JFGH Fund	Subsidizes the cost of the program for residents who require financial assistance and for the acquisition and operation of the group homes.	582,125	-	18,910	51,924	484	71,318	-	(40,239)	613,204
The JFGH Vision Fund	To provide greater accessibility for JFGH residents who are visually challenged.	7,242	311	235	646	6	1,198	-	(469)	7,971
The Andy Karp Art Scholarship Fund	To subsidize the cost of art related activities for residents.	12,245	61	398	1,092	10	1,561	-	(820)	12,986
The Ina and Jack Kay Jewish Living Fund	To subsidize the costs of the Jewish Living Program.	-	-	-	-	-	-	-	-	-
Felice Myles Fund	To promote staff retention and professional enhancements	-	272	-	-	-	272	-	(272)	-
The Rabbi Albert and Claire Pattashnick Endowment Fund	To provide for Jewish Foundation for Group Homes operational needs. Earnings from this fund and a portion of the principal, not to exceed a total of \$10,000 per year, may be used in	21,029	-	683	1,876	17	2,576	-	(1,410)	22,195
The OAP Residents and Staff Israeli Travel Fund	To fund trips to Israel for the residents and staff of the Oshinsky Apartment	13,062	-	424	1,165	11	1,600	-	-	14,662
Planned Giving Life Insurance Program	To fund life insurance premiums on the life of JFGH founder with JFGH as the owner and beneficiary of the policy. The death benefit will constitute the initial corpus of a permanent endowment fund.	-	20,000	-	-	-	20,000	-	(20,000)	-

JEWISH FOUNDATION FOR GROUP HOMES, INC.
SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Fund	Purpose	Net Assets, July 1, 2009	Contributions	Investment Earnings	Unrealized Gain on Investments	Realized Gain on Investment	Total Additions	Reclassification	Net Assets Released from Restrictions	Net Assets, June 30, 2010
Irving and Nancy Shapiro Recreation Fund	To help support summer recreation programs and vacation opportunities for all residents	16,000	-	-	-	-	-	-	-	16,000
Silverstein / Steinberg Weekend Activities Fund	To help support JFGH resident social recreational weekend activities	7,836	448	255	699	7	1,409	-	(2,000)	7,245
Wagner / Braunsberg Jewish Living Fund	To subsidize the costs of the Jewish Living Program.	-	15,000	-	-	-	15,000	-	(15,000)	-
Totals		<u>\$ 2,902,723</u>	<u>\$ 526,136</u>	<u>\$ 25,724</u>	<u>\$ 70,636</u>	<u>\$ 659</u>	<u>\$ 623,155</u>	<u>\$ 177,380</u>	<u>\$ (1,073,329)</u>	<u>\$ 2,629,929</u>

JEWISH FOUNDATION FOR GROUP HOMES, INC.
SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Fund	Purpose	Net Assets, July 1, 2009	Contributions	Investment Earnings	Management Expenses	Total Additions	Reclassification	Net Assets Released from Restrictions	Net Assets, June 30, 2010
Joy W. and S. Robert Cohen Building Maintenance Fund	To provide funds to support the maintenance for the Joy W. and S. Robert Cohen Building	\$ 82,123	\$ -	\$ 8,064	\$ (257)	\$ 7,807	\$ -	\$ -	\$ 89,930
Anonymous Operating Fund	To be used solely for operating purposes. Withdrawals from the fund may not exceed, in any one calendar year, the greater of \$25,000 or the earnings of the fund in that calendar year.	177,380	-	-	-	-	(177,380)	-	-
Bender Foundation Group Home Endowment Fund	To generate annual income to subsidize the annual charitable purposes of Jewish Foundation for Group Homes	459,043	12,004	13,153	(416)	24,741	-	-	483,784
Stanley S. Bender Endowment Fund	To generate annual income to subsidize the annual charitable purposes of Jewish Foundation for Group Homes	862,153	-	26,498	(838)	25,660	-	-	887,813
The Berlinsky/Young Group Home Maintenance Fund	To provide funds to support the maintenance for the Berlinsky/Young Group Home.	23,058	1,000	2,264	(72)	3,192	-	-	26,250
The Bimblich Fund	To support the internship of an appropriate individual from the State of Israel who works or studies in the field of disabilities.	42,899	-	4,213	(133)	4,080	-	-	46,979
The David P. Bindeman Fund for Home Renovation	To provide a perpetual source of funds to remodel and renovate group homes	36,760	393	3,610	(114)	3,889	-	-	40,649
The Anne R. Bord Transportation Endowment Fund	To maintain the fleet of vehicles used to meet the transportation needs of the residents. The earnings and appreciation from the fund are to be used for purchases of new vehicles as well as the repair and maintenance of the existing fleet.	76,406	-	7,503	(237)	7,266	-	-	83,672
The Anne R. Bord Volunteer Program Fund	To pay the salary of the Volunteer Program Director and the expenses of the Volunteer Program.	113,254	-	11,121	(352)	10,769	-	-	124,023

JEWISH FOUNDATION FOR GROUP HOMES, INC.
SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Fund	Purpose	Net Assets, July 1, 2009	Contributions	Investment Earnings	Management Expenses	Total Additions	Reclassification	Net Assets Released from Restrictions	Net Assets, June 30, 2010
The Nancy L. Cohen Fund	To encourage the hiring and retention of the best direct care staff possible. The interest income is to be used for staff training, development, bonuses and incentives, tuition reimbursement and other salary enhancements.	1,535	-	151	(5)	146	-	-	1,681
Ryna and Melvin S. Cohen Family Endowment Fund	To generate annual income to subsidize the annual charitable purposes of Jewish Foundation for Group Homes	878,221	22,201	31,738	(1,004)	52,935	-	-	931,156
The John and Lynn Colby Fund	To help fund the opening of two new homes in the Commonwealth of Virginia and the scholarship needs of residents living in the Virginia homes. Two thirds (2/3) of annual earnings and appreciation will be used to fund the Virginia operations and one third (1/3) of annual earnings and appreciation will be retained and added to principal.	61,967	-	6,085	(192)	5,893	-	-	67,860
Alan Y. Cole Staff Development Fund	To provide a perpetual source of funds for training of JFGH staff	9,002	290	171	(5)	456	-	-	9,458
Jay B. Cutler Endowment for Health and Medical Needs	To support the medical and health needs of residents.	43,107	-	4,233	(134)	4,099	-	-	47,206
The Idalee and Jack Diener Dental Program	To fund the cost of out-of-office dental expenses of Jewish Foundation for Group Homes residents. Only the interest and appreciation from the principal will be used to pay for those expenses.	117,131	-	11,502	(364)	11,138	-	-	128,269
Charles E. Dalinsky and Fan Chotner Condominium Maintenance Fund	To provide funding for maintenance costs associated with the Dalinsky-Chotner Alternative Living Unit (ALU)	95,369	-	9,365	(296)	9,069	-	-	104,438
Ruthie Eisen Memorial Fund	To subsidize the annual "adaptive dance experience" for JFGH residents, or the "Residents Self Esteem Program"	15,071	-	1,480	(47)	1,433	-	-	16,504

JEWISH FOUNDATION FOR GROUP HOMES, INC.
SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Fund	Purpose	Net Assets, July 1, 2009	Contributions	Investment Earnings	Management Expenses	Total Additions	Reclassification	Net Assets Released from Restrictions	Net Assets, June 30, 2010
JFGH Endowment Fund	Gifts to be applied to a general endowment fund managed by Jewish Foundation for Group Homes Endowment Inc.	392,824	88,320	36,863	(1,166)	124,017	-	-	516,841
The Sam, Minnie and Maurice Feldman Group Home Maintenance Endowment Fund	To support the maintenance and repair costs relating to the Sam, Minnie and Maurice Feldman Group Home.	9,592	-	942	(30)	912	-	-	10,504
The Ellen, Eve and Herman Gelman Endowed Fund for the Visual Arts	To develop and implement program that provides opportunities for residents to become interactively involved in the visual arts.	205,924	-	20,221	(640)	19,581	-	-	225,505
The Elias and Fannie Gelman Group Home Maintenance Fund	To provide funds to support the maintenance of the Fannie and Elias Gelman Group Home.	20,115	50	1,975	(62)	1,963	-	-	22,078
The Celia and Oscar Gildenhorn CMI Program Fund	To help support the Foundation's Chronic Mental Illness (CMI) program.	75,859	100	7,449	(236)	7,313	-	-	83,172
The William and Frances Glukenhous MEDS Endowment Fund	To support the medical / nursing needs of residents.	18,966	-	1,862	(59)	1,803	-	-	20,769
The Aaron and Cecile Goldman Self Esteem Fund	To provide essential self-esteem building programs for residents and to meet the operating needs of JFGH.	49,499	277	4,179	(132)	4,324	-	-	53,823
The Janice W. Goldsten Endowment Fund	To generate annual income for Jewish Foundation for Group Homes operations.	428,949	-	23,601	(747)	22,854	-	-	451,803
The Janice W. Goldsten Group Home Fund	To support the Janice W. Goldsten Group Home	907,474	154,654	28,034	(887)	181,801	-	-	1,089,275
The Henry and Alice Greenwald CSLA Program Subsidy Fund	To provide supportive services to residents living within the context of Jewish Foundation for Group Homes Community Supported Living Arrangement (CSLA) program.	248,648	-	24,417	(772)	23,645	-	-	272,293
Leslie and Samuel Kaplan Family Endowment Fund	To generate annual income to subsidize the annual charitable purposes of Jewish Foundation for Group Homes	270,476	9,225	8,142	(258)	17,109	-	-	287,585

JEWISH FOUNDATION FOR GROUP HOMES, INC.
SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Fund	Purpose	Net Assets, July 1, 2009	Contributions	Investment Earnings	Management Expenses	Total Additions	Reclassification	Net Assets Released from Restrictions	Net Assets, June 30, 2010
Annabelle and Edward Katz Maintenance Fund	To provide supplemental funding for maintenance needs and home modifications at group homes	47,692	2,308	2,455	(78)	4,685	-	-	52,377
Barbara and Jack Kay Fund	To generate annual income for Jewish Foundation for Group Homes operations.	-	181,727	1,091	(35)	182,783	-	-	182,783
Kosher Kitchen Endowment Fund	To fund the replacement of kosher kitchen items at JFGH group homes and related expenses for the Jewish Living Program	-	21,149	-	-	21,149	-	-	21,149
The Levenson/Peskowitz Transportation Endowment Fund	To maintain the fleet of vans used to meet the transportation needs of the residents. The income and appreciation from the fund principal will be used for purchases of new vehicles as well as the repair and maintenance of the existing fleet.	151,721	-	14,899	(471)	14,428	-	-	166,149
The Marge and Chuck Levin Group Home Maintenance Fund	To provide for the maintenance needs of the Marge and Chuck Levin Group Home.	20,107	200	1,974	(62)	2,112	-	-	22,219
Ida Mendelson Group Home Maintenance Fund	To provide for the maintenance needs of the Ida Mendelson Group Home.	11,994	-	1,178	(37)	1,141	-	-	13,135
The Lorita and Murry Mendelson Group Home Maintenance Fund	To provides for the maintenance needs of the Lorita and Murry Mendelson Home.	17,167	-	1,686	(53)	1,633	-	-	18,800
The Shirley Perlman Pollin Memorial Fund for Maintenance Needs	Provides that the interest from the funds contributed will be used for the maintenance and repairs of any group home within the Jewish Foundation for Group Homes.	211,575	208	20,776	(657)	20,327	-	-	231,902
Anne L. and William A. Rich Cultural Enrichment	To support cultural activities for residents	20,885	-	2,051	(65)	1,986	-	-	22,871
The Doris A. and Philip R. Rolnick Endowment Fund	To enable residents to live with dignity.	11,278	-	1,107	(35)	1,072	-	-	12,350

JEWISH FOUNDATION FOR GROUP HOMES, INC.
SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Fund	Purpose	Net Assets, July 1, 2009	Contributions	Investment Earnings	Management Expenses	Total Additions	Reclassification	Net Assets Released from Restrictions	Net Assets, June 30, 2010
The Alan Silverberg Fun Day Fund	Established in memory of Alan Silverberg to support special events for the residents. The interest from the funds contributed will be allocated each year toward a special occasion, in celebration of Alan's love for life and enjoyable activities.	112,576	10,716	12,107	(383)	22,440	-	(1,622)	133,394
The Rosalie and Eugene M. Sporn Fund for Medical/Nursing Needs	To support the medical and nursing needs of residents.	68,094	4,300	6,898	(218)	10,980	-	-	79,074
The Lawrence Alan Stempler/David S. Stone Group Home Maintenance Fund	To provide for the maintenance needs of the Lawrence Alan Stempler / David S. Stone Group Home.	160,452	17,438	15,756	(498)	32,696	-	-	193,148
The Gerald and Deana Stempler Fund for Residence Subsidy	To subsidize the cost of serving residents in Jewish Foundation for Group Homes.	127,967	-	12,566	(397)	12,169	-	-	140,136
The David B. and Diane H. Sykes Tree of Life Fund	To support Jewish Foundation for Group Homes Jewish Living Program.	41,039	-	4,030	(127)	3,903	-	-	44,942
Morris and Ruth Victor Scholarship Fund	To enable individuals to reside in a Jewish Foundation for Group Homes residence.	86,052	50	8,450	(267)	8,233	-	-	94,285
The Harry and Jeanette Weinberg Foundation of Baltimore, Maryland Endowment	For unrestricted purposes primarily for those individuals whose financial resources are less than the financial resources of 50 % of the individuals in the relevant community	98,607	-	9,683	(306)	9,377	-	-	107,984
The Reid Wolinsky Memorial Fund	To provide a source of funds to support the operations of the JFGH, with a special emphasis in music and the cultural life of the residents.	46,095	-	4,526	(143)	4,383	-	-	50,478
The Alane and Gene Youngentob Medical Resource Endowment	To support the JFGH's health and wellness programs for the ever-changing health needs of its residents	68,434	215	6,720	(213)	6,722	-	-	75,156
Subtotal		\$ 7,024,540	\$ 526,825	\$ 426,789	\$ (13,500)	\$ 940,114	\$ (177,380)	\$ (1,622)	\$ 7,785,652