THE C.G. JUNG INSTITUTE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO

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BUCKLEY PATCHEN RIEMANN & HALL
An Accountancy Corporation

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The C.G. Jung Institute

We audited the accompanying financial statements of The C.G. Jung Institute of San Francisco, a nonprofit California corporation (the "Institute"), which comprise the statements of financial position as of June 30, 2016 and 2015, and related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with the 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 of material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

2890 North Main Street, Suite 200 Walnut Creek, CA 94597-2739 PH 925-937-2727 FX 925-937-2774 www.bprh-cpa.com

Report on Summarized Comparative Information

We have previously audited the Institute's 2015 financial statements, and our report dated January 22, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Buckley, Patchen, Riemann & Hall

November 4, 2016
Walnut Creek, California

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

ASSETS

	2016	2015
Current Assets:		
Cash and cash equivalents	$ 178,588	$ 177,991
Accounts receivable, net	197,951	75,380
Prepaid expenses	25,552	23,833
Total Current Assets	402,091	277,204
Non-Current Assets:		
Marketable securities (Note 3)	9,460,220	8,666,635
Property and equipment (Note 4)	300,415	268,115
Total Non-Current Assets	9,760,635	8,934,750
Total Assets	$ 10,162,726	$ 9,211,954

LIABILITIES AND NET ASSETS

	2016	2015
Current Liabilities:		
Accounts payable	$ 12,433	$ 17,547
Deferred revenue	-	3,590
Accrued vacation	35,191	39,782
Total Current Liabilities	47,624	60,919
Net Assets:		
Unrestricted	7,416,642	7,075,121
Temporarily restricted (Note 6)	2,592,570	1,965,589
Permanently restricted endowment (Note 8)	105,890	110,325
Total Net Assets	10,115,102	9,151,035
Total Liabilities and Net Assets	$ 10,162,726	$ 9,211,954

The accompanying notes are an integral part of these financial statements.
See Independent Auditor's Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	2016				2015
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Contributions:					
Contributions	$ 192,312	$ 796,604	$ -	$ 988,916	$ 196,576
ARAS	6,105	-	-	6,105	5,902
Total Contributions	198,417	796,604	-	995,021	202,478
Revenue and Earned Income:					
Member dues	200,280	-	-	200,280	201,945
Candidate tuition	66,190	-	-	66,190	79,824
Therapy income	158,000	-	-	158,000	136,451
Course fees	64,265	-	-	64,265	102,917
Royalties	6,629	-	-	6,629	6,220
Other income	13,305	-	-	13,305	43,349
Total Revenue and Earned Income	508,669	-	-	508,669	570,706
Investments Income:					
Dividends and interest	251,431	-	926	252,357	228,495
Net realized gain on disposition of securities on	217,434	-	-	217,434	158,866
Unrealized gain in marketable securities	57,087	-	-	57,087	(203,058)
Total Investments Income	525,952	-	926	526,878	184,303
Net assets released from restrictions	174,984	(169,623)	(5,361)	-	-
Total Contributions and Income	1,408,022	626,981	(4,435)	2,030,568	957,487
Expenses					
Program expenses	860,007	-	-	860,007	913,042
Management and general	105,232	-	-	105,232	111,525
Fundraising	101,262	-	-	101,262	46,060
Total Expenses	1,066,501	-	-	1,066,501	1,070,627
Change in Net Assets	341,521	626,981	(4,435)	964,067	(113,140)
Beginning Net Assets	7,075,121	1,965,589	110,325	9,151,035	9,264,175
Ending Net Assets	$ 7,416,642	$ 2,592,570	$ 105,890	$ 10,115,102	$ 9,151,035

The accompanying notes are an integral part of these financial statements.
See Independent Auditor's Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	Library	Extended Education	Membership	Clinic	Training Institute	Jung Journal	Other Programs	Program Expenses	Management and General	Fundraising	2016 Total	2015 Total
Expenses:												
Salaries, wages, benefits and payroll taxes	$ 64,856	$ 61,148	$ 62,207	$ 113,827	$ 36,119	$ -	$ 29,564	$ 367,721	$ 6,909	$ 50,201	$ 424,831	$ 429,589
Professional services	15,839	13,682	18,178	49,681	-	21,500	40,781	159,661	9,031	3,323	172,015	183,181
Honorarium, editorial asst. and president fee	-	11,850	10,000	-	-	12,290	2,250	36,390	-	2,595	38,985	46,753
Bank charges	-	1,902	3,061	48	593	16	114	5,734	1,586	205	7,525	5,686
Insurance	4,892	4,254	1,274	20,496	2,389	-	2,137	35,442	18,493	2,239	56,174	52,678
Retirement plan	4,047	615	1,273	3,052	3,147	-	508	12,642	10,827	1,881	25,350	26,056
Information technology	3,535	-	-	-	-	-	255	3,790	26,455	85	30,330	16,541
Supplies	608	1,144	-	383	-	1,602	6,746	10,483	7,780	5,855	24,118	32,020
Copier and other equipment	-	-	-	-	-	-	-	-	9,056	-	9,056	8,924
Printing and postage	-	11,314	-	514	914	12	2,175	14,929	4,048	10,880	29,857	21,033
Utilities	1,272	1,199	1,604	3,784	-	-	2,558	10,417	-	7,960	18,377	18,720
IAAP dues	-	-	24,358	-	-	-	-	24,358	-	-	24,358	26,728
Conferences and meeting expenses	-	5,751	48,926	1,099	1,077	-	9,077	65,930	353	1,522	67,805	104,736
Building expense	2,064	1,944	2,602	3,712	-	-	-	10,322	604	-	10,926	7,542
Bad debt/allowance for bad debt	748	705	717	1,313	417	-	341	4,241	80	579	4,900	-
Other expense	20,104	5,153	2,280	3,866	15,579	7,052	28,183	82,217	9,714	11,791	103,722	71,437
Total Expenses, Excluding Depreciation	117,965	120,661	176,480	201,775	60,235	42,472	124,689	844,277	104,936	99,116	1,048,329	1,051,624
Depreciation expense	2,774	2,616	2,661	4,869	1,545	-	1,265	15,730	296	2,146	18,172	19,003
Total Expenses	$ 120,739	$ 123,277	$ 179,141	$ 206,644	$ 61,780	$ 42,472	$ 125,954	$ 860,007	$ 105,232	$ 101,262	$ 1,066,501	$ 1,070,627

The accompanying notes are an integral part of these financial statements.
See Independent Auditor's Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO
STATEMENTS OF CASH FLOWS
JUNE 30, 2016 AND 2015

	2016	2015
Operating Activities:		
Change in net assets	$ 964,067	$ (113,140)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	18,172	19,003
Net realized and unrealized (gain)/loss on investments	(274,521)	44,192
Stock donations	(74,561)	(4,877)
(Increase)/Decrease in Operating Assets		
Accounts receivable	(122,571)	(15,150)
Prepaid expenses	(1,719)	(2,658)
Increase/(Decrease) in Operating Liabilities		
Accounts payable	(5,114)	(15,299)
Deferred revenue	(3,590)	3,590
Accrued liabilities	(4,591)	(129)
Net Cash Provided by/(used in) Operating Activities	495,572	(84,468)
Investing Activities:		
Purchases of fixed assets	-	(3,290)
Jung relocation related expenses (asset holding account)	(50,472)	(48,461)
Purchases of investments	(1,220,141)	(1,302,863)
Sales of investments	775,638	1,410,194
Net Cash Provided by/(used in) Investing Activities	(494,975)	55,580
Net Increase/(Decrease) in Cash and Cash Equivalents	597	(28,888)
Cash and Cash Equivalents - Beginning of Year	177,991	206,879
Cash and Cash Equivalents - End of Year	$ 178,588	$ 177,991

The accompanying notes are an integral part of these financial statements.
See Independent Auditor's Report.

Note 1 Organization:

The C.G. Jung Institute of San Francisco (the "Institute") was founded to advance a viewpoint vital to the conscious, ethical practice and utilization of analytical psychology and to disseminate knowledge central to that end. The Institute trains psychotherapists to become Jungian analysts and maintains a collegial society to provide continuing education and ethical review for member analysts. It offers education and information to other professionals and the general public and promotes research about Jungian analysis and psychotherapy.

The Institute maintains the Virginia Allan Detloff Library and the Archive for Research in Archetypal Symbolism (ARAS) as educational resources. ARAS maintains an extensive library of slides, reproductions of slides and reproductions of art objects having symbolic cross-cultural significance. No dollar amounts have been included for the ARAS collection since a value for it cannot be established.

The Institute operates the James Goodrich Whitney clinic to provide access to Jungian psychotherapy to those who are unable to afford the cost of private treatment.

Note 2 Summary of Significant Accounting Policies:

Basis of accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial statement presentation
Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed stipulations. Accordingly, net assets of the Institute and changes therein are classified and reported as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met, by the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets—Net assets subject to donor or board-imposed stipulations that they be maintained permanently by the Institute. Generally, the donors of these assets permit the Institute to use all or part of the income earned, if any, on any related investments for unrestricted purposes.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles.

Note 2 Summary of Significant Accounting Policies (continued):

Cash equivalents
For purposes of the statement of cash flows, the Institute considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Tax-exempt status
The Institute is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. The Institute is subject to routine audits by taxing jurisdictions; however, currently, there are no audits in progress. The Institute is no longer subject to income tax examination for years prior to 2010. The Institute has no uncertain tax positions as of June 30, 2016 and 2015.

Property and equipment
The Institute capitalizes property and equipment with a cost of over $500 and an estimated life of three years or more. Property and equipment are stated at cost and are being depreciated using the straight-line method over their estimated useful lives, which range from 5 to 40 years. Minor renewals or replacements and maintenance and repairs are expensed. Major replacements and improvements are capitalized.

Contributions
Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

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

In-kind contributions
The Institute records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

The Institute's clinical program is operated by unpaid volunteers. The value of the contributed time is not reflected in the accompanying financial statements.

Note 2. Summary of Significant Accounting Policies (continued):

Accounts receivable
Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Institute provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of patients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Institute's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. For the years ended June 30, 2016 and 2015, allowance for doubtful accounts totaled $5,400 and $500, respectively.

Investments
Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Reclassifications
Certain 2016 balances have been reclassified to conform with 2015 presentation. These reclassifications have no impact on changes in net assets.

Note 3. Fair Value Measurements:

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that provides 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Note 3 Fair Value Measurements (continued):

Level 2 Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology include:

- Valuation methodology is unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any 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 Institute's assets at fair value as of June 30, 2016 and 2015:

	June 30, 2016			
	Cost	Level 1	Level 2 and 3	Total
Equity Securities	$ 2,873,531	$ 4,993,866	$ -	$ 4,993,866
Certificates of Deposit	1,100,000	1,111,452	-	1,111,452
Government Bonds	99,609	100,572	-	100,572
Corporate Bonds	3,243,541	3,254,330	-	3,254,330
Total Investments	$ 7,316,681	$ 9,460,220	$ -	$ 9,460,220

	June 30, 2015			
	Cost	Level 1	Level 2 and 3	Total
Equity Securities	$ 2,729,615	$ 4,718,414	$ -	$ 4,718,414
Certificates of Deposit	800,000	800,825	-	800,825
Government Bonds	499,407	504,996	-	504,996
Corporate Bonds	2,625,482	2,642,400	-	2,642,400
Total Investments	$ 6,654,504	$ 8,666,635	$ -	$ 8,666,635

Note 3 Fair Value Measurements (continued):

The Institute paid investment management fees totaling $47,415 and $48,770 for the years ended June 30, 2016 and 2015, respectively.

Methodology Used to Determine Fair Value of Investments

Level 1 Investments – Quoted market price.

Although the Institute believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 4 Property and Equipment:

Property and equipment consisted of the following as of June 30, 2016 and 2015:

	2016	2015
Land	$ 76,800	$ 76,800
Improvements	455,754	455,754
Furniture and Equipment	64,714	64,714
Total, Gross	597,268	597,268
Less: Accumulated Depreciation	(395,786)	(377,614)
Institute Relocation	98,933	48,461
Total, Net	$ 300,415	$ 268,115

Depreciation expense for the years ended June 30, 2016 and 2015 was $18,172 and $19,003, respectively.

Note 5 Risk and Uncertainties:

The Institute maintains cash and investment balances at various financial institutions. Cash accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000. Throughout the year, the cash balances exceeded the FDIC insured limits. The Institute has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash for the years ended June 30, 2016 and 2015.

Note 6 Temporarily Restricted Assets:

Temporarily restricted net assets consisted of the following for the year ended June 30, 2016 and 2015:

	2016	2015
Ayer Fund	$ 27,549	$ 30,220
Bradway - Child Fund	40,386	41,955
Bradway - Archive	5,554	5,554
SF Foundation	29,074	63,011
East Bay Foundation	75,000	88,683
Brickyard (Various)	60,397	11,982
Clinic	1,490,039	1,541,446
Other	1,287	1,822
Detloff Fund	3,178	2,500
Building Fund	697,354	-
International Student	57,282	75,351
Van Loben Sels	105,470	103,065
Total	$ 2,592,570	$ 1,965,589

Note 7 Retirement Plan:

The Institute adopted a 403(b) retirement plan (the "Plan"). The Institute's contribution to the plan is six percent of annual compensation for each participant, or ten percent if matched by the employee. Certain employees are presently covered by the retirement Plan. Funding is made on a monthly basis. Employer contributions to the Plan totaled $25,360 and $26,056 for the years ended June 30, 2016 and 2015, respectively.

Note 8 Endowment:

On July 1, 1990, a donor established the Friends of the ARAS endowment fund in honor of Joseph L. Henderson.

Interpretation of Relevant Law
The Board of Directors of the Institute has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Institute classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Institute and the endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Institute.
(7) The investment policies of the Institute.

Return Objectives and Risk Parameters
The Institute is in the process of adopting formal investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, the endowment assets are invested assuming a conservative level of investment risk.

Strategies Employed for Achieving Objectives
To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institute targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 8 Endowment (continued):

Listed below is a summary of the endowment activity for the years ended June 30, 2016 and 2015:

	2016	2015
Endowment Net Assets, Beginning of Year	$ 110,325	$ 109,860
Contributions	-	-
Investment Income	926	6,372
Expenditures	(5,361)	(5,907)
Transfers	-	-
Endowment Net Assets, End of Year	$ 105,890	$ 110,325

Note 9 Jung Institute Relocation:

The Board approved the relocation of the Jung Institute to a site to be determined. The Institute has incurred various expenses in connection with relocation efforts. For the years ended June 30, 2016 and 2015, expenses associated with the relocation efforts totaled $98,933 and $48,461, respectively. These fees were capitalized and will be depreciated upon completion of the relocation. Of these expenses, $82,288 was paid to a consultant to oversee the identification, acquisition and the relocation of the Institute. The consultant overseeing the relocation is also a non-voting member of the finance committee, a related party.

The Institute hopes the relocation will be finalized within the next two fiscal years.

Note 10 Subsequent Events:

Management has evaluated the impact of subsequent events through November 4, 2016, the date the financial statements were available to be issued. Management has not identified any subsequent events that would require and adjustment to the financial statements or disclosure as required under generally accepted accounting principles.