

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED AUGUST 31, 2017 AND 2016**

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Minneapolis Jewish Federation and Subsidiaries  
Minnetonka, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Minneapolis Jewish Federation and Subsidiaries which comprise the consolidated statements of financial position as of August 31, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Minneapolis Jewish Federation and Subsidiaries as of August 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

*Other Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules for the statements of financial position and the consolidating schedules for the statements of activities, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
January 11, 2018

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2017 AND 2016**

<b>ASSETS</b>	2017	2016
Cash and Cash Equivalents	\$ 1,094,844	\$ 3,703,922
Short-Term Investments	4,735,160	-
Investments	134,654,506	116,732,547
Land Held for Sale	-	967,288
Pledges Receivable, Net:		
Annual Campaign	4,270,860	4,987,920
Other	78,940	21,171
Loans Receivable, Net	1,453,503	522,032
Estates Receivable	4,199,824	1,076,000
Split-Interest Agreements:		
Investments Held in Charitable Trusts	175,273	337,678
Interest in Charitable Trusts Held by Others	4,414	4,423
Pooled Income Funds	76,317	157,065
Receivable from Termed Charitable Trust	352,479	-
Property and Equipment, Net of Accumulated Depreciation	10,650,644	13,058,798
Other Assets	574,565	453,801
	\$ 162,321,329	\$ 142,022,645
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 279,597	\$ 292,261
Debt	-	1,050,000
Line of Credit	832,884	356,745
Allocations and Contributions Payable:		
Beneficiary Organizations	3,653,526	3,814,017
Jewish Federations of North America	3,253,454	3,260,197
Distributions Held for Others	4,733,209	2,425,000
Leases at Below-Market Rates	10,123,475	10,123,475
Agency Funds Payable	25,913,663	24,142,812
Other Liabilities	646,987	675,217
Deferred Income Under Pooled Income Agreements	55,015	76,789
Obligations Under Split-Interest Agreements	355,914	279,824
Total Liabilities	49,847,724	46,496,337
<b>NET ASSETS</b>		
Unrestricted	101,986,494	88,091,082
Temporarily Restricted	6,142,192	3,090,469
Permanently Restricted	4,344,919	4,344,757
Total Net Assets	112,473,605	95,526,308
	\$ 162,321,329	\$ 142,022,645

See accompanying Notes to Consolidated Financial Statements.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED AUGUST 31, 2017 AND 2016**

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>PUBLIC SUPPORT AND REVENUES</b>				
Public Support:				
Campaigns, Contributions, and Other	\$ 17,716,679	\$ 3,340,430	\$ 162	\$ 21,057,271
Revenues:				
Interest and Dividends	1,661,514	45,014	-	1,706,528
Net Realized Gain on Investments	2,309,939	145,839	-	2,455,778
Net Unrealized Gain on Investments	4,649,850	397,674	-	5,047,524
Change in Value of Split-Interest Agreements	(135,065)	(9)	-	(135,074)
Rental Income	777,612	-	-	777,612
Gain on Sale of Property and Equipment	3,131,041	-	-	3,131,041
Other	497,242	-	-	497,242
Total Revenues	<u>12,892,133</u>	<u>588,518</u>	<u>-</u>	<u>13,480,651</u>
Net Assets Released from Restrictions	<u>877,225</u>	<u>(877,225)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenues	31,486,037	3,051,723	162	34,537,922
<b>EXPENSES</b>				
Program Services:				
Annual Campaign Allocations	6,674,342	-	-	6,674,342
Contribution for Leases at Below-Market Rates	421,811	-	-	421,811
Community Services	2,138,131	-	-	2,138,131
Other Grants and Contributions	4,225,020	-	-	4,225,020
Total Program Services	<u>13,459,304</u>	<u>-</u>	<u>-</u>	<u>13,459,304</u>
Supporting Services:				
Management and General:				
Administrative Expense	1,237,052	-	-	1,237,052
Building Administration	695,086	-	-	695,086
Interest Expense	37,612	-	-	37,612
Provision for Uncollectible Pledges and Loans	295,442	-	-	295,442
Fundraising	1,866,129	-	-	1,866,129
Total Supporting Services	<u>4,131,321</u>	<u>-</u>	<u>-</u>	<u>4,131,321</u>
Total Expenses	<u>17,590,625</u>	<u>-</u>	<u>-</u>	<u>17,590,625</u>
<b>CHANGE IN NET ASSETS</b>	13,895,412	3,051,723	162	16,947,297
Net Assets - Beginning of Year	<u>88,091,082</u>	<u>3,090,469</u>	<u>4,344,757</u>	<u>95,526,308</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 101,986,494</u>	<u>\$ 6,142,192</u>	<u>\$ 4,344,919</u>	<u>\$ 112,473,605</u>

See accompanying Notes to Consolidated Financial Statements.

## 2016

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 13,865,340	\$ 637,261	\$ 225	\$ 14,502,826
1,374,316	34,431	-	1,408,747
1,172,378	86,967	-	1,259,345
563,259	66,580	-	629,839
44,782	(320)	-	44,462
740,178	-	-	740,178
-	-	-	-
657,096	-	-	657,096
4,552,009	187,658	-	4,739,667
9,367,939	(9,367,939)	-	-
27,785,288	(8,543,020)	225	19,242,493
6,428,399	-	-	6,428,399
421,811	-	-	421,811
2,221,391	-	-	2,221,391
5,291,141	-	-	5,291,141
14,362,742	-	-	14,362,742
1,119,815	-	-	1,119,815
617,774	-	-	617,774
38,475	-	-	38,475
(9,010)	-	-	(9,010)
1,588,866	-	-	1,588,866
3,355,920	-	-	3,355,920
17,718,662	-	-	17,718,662
10,066,626	(8,543,020)	225	1,523,831
78,024,456	11,633,489	4,344,532	94,002,477
\$ 88,091,082	\$ 3,090,469	\$ 4,344,757	\$ 95,526,308

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2017**

	Program Services			Supporting Services			Total Expenses
	Campaign Allocations	Other Contributions	Community Services	General Operations			
				Federation	Building	Fundraising	
Annual Campaign	\$ 6,674,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,674,342
Contribution for Leases at Below-Market Rates	-	421,811	-	-	-	-	421,811
Other Grants and Contributions from JCF	-	4,225,020	-	-	-	-	4,225,020
Other Expenses:							
Employee Expenses	-	-	1,173,036	429,970	-	876,289	2,479,295
Professional Fees	-	-	33,573	592,231	11,547	564,028	1,201,379
Supplies	-	-	16,742	21,952	1,796	5,014	45,504
Telephone	-	-	277	5,403	146	2,680	8,506
Postage	-	-	4,597	7,673	-	18,951	31,221
Occupancy	-	-	402,147	-	185,043	-	587,190
Equipment and Repairs	-	-	28,274	21,755	-	13,614	63,643
Publications and Advertising	-	-	33,379	2,362	-	63,456	99,197
Missions and Travel	-	-	40,567	3,776	-	4,890	49,233
Conferences, Meetings, and Membership	-	-	139,419	26,556	-	178,260	344,235
Depreciation and Amortization	-	-	42,757	12,887	496,554	-	552,198
Other	-	-	223,363	112,487	-	138,947	474,797
Total Other Expenses	-	-	2,138,131	1,237,052	695,086	1,866,129	5,936,398
Interest Expense	-	-	-	5,755	31,857	-	37,612
Provision for Uncollectible Pledges and Loans	-	-	-	295,442	-	-	295,442
Total Expenses	<u>\$ 6,674,342</u>	<u>\$ 4,646,831</u>	<u>\$ 2,138,131</u>	<u>\$ 1,538,249</u>	<u>\$ 726,943</u>	<u>\$ 1,866,129</u>	<u>\$ 17,590,625</u>

See accompanying Notes to Consolidated Financial Statements.



**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2016**

	Program Services			Supporting Services			Total Expenses
	Campaign Allocations	Other Contributions	Community Services	General Operations			
				Federation	Building	Fundraising	
Annual Campaign	\$ 6,428,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,428,399
Contribution for Leases at Below-Market Rates	-	421,811	-	-	-	-	421,811
Other Grants and Contributions from JCF	-	5,291,141	-	-	-	-	5,291,141
Other Expenses:							
Employee Expenses	-	-	1,100,209	563,874	-	1,073,668	2,737,751
Professional Fees	-	-	69,187	374,375	7,591	149,670	600,823
Supplies	-	-	16,836	78,015	2,359	12,558	109,768
Telephone	-	-	450	5,012	173	6,285	11,920
Postage	-	-	4,032	7,996	-	35,479	47,507
Occupancy	-	-	308,314	1	131,476	-	439,791
Equipment and Repairs	-	-	9,675	21,570	-	6,230	37,475
Publications and Advertising	-	-	39,943	3,286	-	76,970	120,199
Missions and Travel	-	-	176,427	101	-	1,284	177,812
Conferences, Meetings, and Membership	-	-	261,198	16,406	-	174,862	452,466
Program Management	-	-	-	-	-	-	-
Depreciation and Amortization	-	-	102,616	29,306	476,175	-	608,097
Other	-	-	132,504	19,873	-	51,860	204,237
Total Other Expenses	-	-	2,221,391	1,119,815	617,774	1,588,866	5,547,846
Interest Expense	-	-	-	3,789	34,686	-	38,475
Provision for Uncollectible Pledges and Loans	-	-	-	(9,010)	-	-	(9,010)
Total Expenses	\$ 6,428,399	\$ 5,712,952	\$ 2,221,391	\$ 1,114,594	\$ 652,460	\$ 1,588,866	\$ 17,718,662

See accompanying Notes to Consolidated Financial Statements.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2017 AND 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 16,947,297	\$ 1,523,831
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	552,198	608,097
Provisions for Uncollectible Pledges and Loans	295,442	(9,010)
Gain on Sale of Property and Equipment	(3,227,679)	(60,141)
Change in Value of Split-Interest Agreements	135,074	(44,462)
Contribution Expense for Leases at Below-Market Rates	421,811	421,811
Imputed Rental Revenue from Contributed Lease	(421,811)	(421,811)
Contributions Received Restricted to Investment in Endowment Funds	(162)	(225)
Net Unrealized Gain on Investments	(5,047,524)	(629,839)
Net Realized Gain on Investments	(2,455,778)	(1,259,345)
Unrealized Loss on Real Estate Investments	96,638	-
Decrease in Pledges Receivable	363,849	815,711
(Increase) Decrease in Estates Receivable	(3,123,824)	6,276,942
(Increase) Decrease in Other Assets	(120,764)	6,505
Decrease in Accounts Payable and Accrued Expenses	(12,664)	(94,443)
Increase in Allocations and Contributions Payable	2,140,975	2,378,256
Decrease in Other Liabilities	(28,230)	(163,046)
Net Cash Provided by Operating Activities	6,514,848	9,348,831
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(12,082)	-
Proceeds on Sale of Property and Equipment	5,095,717	365,002
Proceeds on Land Held for Sale	870,650	-
Purchase of Short-Term Investments	(4,735,160)	-
Increase in Loans Receivable	(1,050,285)	(232,334)
Payments on Loans Receivable	118,814	53,250
Contributions to Agency Funds	1,682,168	2,143,351
Distributions from Agency Funds	(1,893,105)	(991,337)
Net Change in Split-Interest and Pooled Income Agreements	(190,075)	1,928,849
Purchases of Investments	(20,857,224)	(23,258,212)
Proceeds on Sale of Investments	12,420,355	11,750,642
Net Cash Used by Investing Activities	(8,550,227)	(8,240,789)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Long-Term Debt	(1,050,000)	-
Proceeds from Draws on Line of Credit	7,728,377	2,071,635
Repayment on Line of Credit	(7,252,238)	(1,714,890)
Contributions Received Restricted to Investment in Endowment Funds	162	225
Net Cash Provided (Used) by Financing Activities	(573,699)	356,970
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,609,078)	1,465,012
Cash and Cash Equivalents - Beginning of Year	3,703,922	2,238,910
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,094,844	\$ 3,703,922
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid During the Year	\$ 37,612	\$ 38,475

See accompanying Notes to Consolidated Financial Statements.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Minneapolis Jewish Federation and Subsidiaries (the Organization, Federation, or MJF) is a nonprofit organization which strives to build community, care for the welfare of Jews everywhere, and maximize participation in Jewish life.

The consolidated financial statements of the Organization include the Jewish Community Foundation (the JCF), the Jewish Community Building Corporation (the JCBC), and four supporting organizations. The JCF was created by action of the board of directors and is administered by a steering committee appointed by the president of the Organization, with the approval of the board of directors. The JCF is not a separate legal entity. The JCF accepts gifts for its general, special, and designated funds. It also manages donor advised funds, charitable trusts, remainder trusts, and similar grants in the interest of the community. Actions are subject to approval by the JCF Steering Committee and, when necessary, the Organization's board of directors. The JCBC is a wholly owned subsidiary of the Organization, organized for the purpose of holding real estate assets for the Organization. The consolidated financial statements include elimination entries between the Organization and JCBC. The four supporting organizations of the Organization were formed to fund both the Organization and charities supported by the Organization. The Organization appoints a majority of the board members for these organizations. In June 2016, the Organization created a new entity called JCF Condo Holdings, LLC (JCFCH) for the purposes of holding and selling two real estate donations. JCFCH activity during the years ended August 31, 2017 and 2016 is included in the Organization's consolidated financial statements.

**Basis of Presentation**

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

Unrestricted Net Assets – represent that portion of expendable funds that are available for support of the operations of the Organization.

Temporarily Restricted Net Assets – consist of contributions that have been restricted by the donor for specific purposes or are not available for use until a specific time.

Permanently Restricted Net Assets – consist of contributions that are limited by donor-imposed stipulations to invest the principal in perpetuity and to expend the income for program activities.

**Principles of Consolidation**

The consolidated financial statements herein include the consolidated operations of the Organization, JCBC, JCFCH, and four supporting organizations. Intercompany transactions have been eliminated in the preparation of the accompanying consolidated financial statements.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

The Organization considers all money market funds and certificates of deposit with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the consolidated statement of cash flows exclude restricted cash and cash equivalents. At times the balance may exceed federally insured limits.

**Short Term Investments**

Short-term investments held by the Organization consist of investments held in certificates of deposit with original maturities exceeding three months and they are carried at fair value.

**Investments**

Investments consist primarily of debt and equity securities and mutual funds. Investments in marketable debt and equity securities and mutual funds are carried at fair value based on quoted market prices. Certain investments held in alternative structures are estimated by the respective investment managers as market values are not readily determinable. Alternative investments consist of limited liability corporations, limited partnerships, funds of funds and hedge funds. Other investments held by the Organization's supporting organizations are reported at estimated fair value as provided by the supporting organizations using the most recent financial information. The Organization has approximately \$2.0 million in 2017 and \$3.0 million in 2016, in nonpublicly traded equity investments within the supporting organizations that are reported at cost. The Organization also has approximately \$2.7 and \$2.8 million in 2017 and 2016, respectively, in Israel bonds and an interest in a real estate partnership that is reported at cost.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the market volatility with certain investment securities, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements.

**Land Held for Sale**

Land held for sale is carried at the lower of cost or estimated fair value. If the land is donated, cost is considered the fair value as of the date of donation.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pledges Receivable**

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements. Gifts with donor stipulations that the corpus be maintained in perpetuity are recorded as permanently restricted net assets. Unconditional promises to give due in subsequent years are reflected as pledges receivable and are recorded at the present value of the expected future cash flows.

**Allowance for Uncollectible Pledges**

The balance in the allowance for uncollectible pledges is based on management's analysis of unpaid pledges and reflects an amount that, in management's judgment, is adequate to provide for losses after giving consideration to past experience, current economic conditions, and other factors deserving current recognition.

**Loans Receivable**

The loans receivable consist of noninterest bearing notes with maturities through 2024. The Organization provides an allowance for uncollectible loans using the allowance method as well as a specific identification method.

**Estates Receivable**

The estates receivable consist of two bequests recorded at the estimated value of the Organization's portion of the estate. Each bequest is at various stages in the determination or payout of the estate funds to the Organization and is recorded at the present value of any long-term portion of the expected payout.

**Interest in Charitable Trusts Held by Others**

An asset is recorded for the net present value of future cash flows from charitable remainder trusts held by others. The Organization will receive these assets upon the death of the beneficiaries.

**Pooled Income Funds**

The Organization has pooled income funds in which the donor is to receive a life interest in any income earned on these funds. Upon the donor's death, the value of the fund is available to the Organization for unrestricted use. The funds are stated at their fair value as of August 31, 2017 and 2016.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment acquisitions are recorded at cost. Expenditures for renewal and betterments are capitalized. Repair and maintenance costs are charged to expense. Gifts of long-lived assets such as land, buildings, or equipment are recorded at fair value at the date of donation. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Interest is capitalized in connection with the construction of facilities. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's useful life.

The Organization capitalizes items over \$5,000. Depreciation is calculated on a straight-line basis over the estimated useful lives of the underlying assets, ranging from 3 to 10 years for the various elements of furniture and equipment, 15 years for building systems, and 40 years for buildings and improvements.

**Allocations and Contributions Payable**

The Organization has commitments to fund beneficiary organizations and the Jewish Federations of North America. The allocations are recorded when approved by the Organization's board of directors.

**Agency Funds Payable**

The Organization follows accounting guidance regarding transfer of assets to a nonprofit that raises or holds contributions for others. Contributions where the donor has specified the beneficiary or the determination of the beneficiary is under the control of another third party are treated as agency transactions and are not reported as contribution revenues or grant distributions in the consolidated statement of activities unless the Organization has variance power with respect to the determination of the beneficiary. Variance power is the unilateral ability to redirect the use of the transferred assets to another beneficiary.

**Deferred Income Under Pooled Income Agreements**

Deferred revenue is recorded on pooled income funds to represent the amount of the discount for future interest. The liability is calculated as the difference between the fair value of the pooled income funds and the actuarially determined net present value of these assets.

**Obligations Under Split-Interest Agreements**

A liability is recorded for certain assets for which the Organization acts as an agent. The related agreements have stipulations that the assets be passed on to specific entities.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

Expenses are specifically allocated to the various programs and supporting services whenever practical and, when this is impractical, allocations are made on the basis of best estimates of management.

**Advertising Expenses**

Advertising costs are expensed when incurred. Advertising costs were \$26,465 and \$30,254 for the years ended August 31, 2017 and 2016, respectively.

**Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents, accounts payable and accrued expenses, allocations and contributions payable, and agency funds payable approximate fair value because of the short maturity of these financial instruments. Pledges receivable are recorded at fair value, using an appropriate discount rate. Investments are carried at fair value, based upon quoted market values or estimated fair value as determined by the general partner and the fund's manager. Assets for split-interest agreements are reported at fair value based on the fair value of the underlying investments. An estimate of the fair value of the contract for deed reported as a component of long-term debt is not readily determinable. Deferred income under pooled income agreements and obligations under split-interest agreements are reported at fair value based on life expectancy of the beneficiary and the present value of expected cash flows using a discount rate.

**Fair Value Measurements**

In accordance with accounting standards, the Organization has categorized its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access. Level 1 assets of the Organization include corporate stocks, bonds, and mutual funds.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements (Continued)**

*Level 2* – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in nonactive markets;
- pricing models whose inputs are observable for substantially the full term of the asset or liability; and
- pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

Level 2 assets include corporate bonds and mutual funds.

*Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset or liability. Securities valued using Level 3 assets include pooled income funds, and interest in charitable trusts held by others. A description of the alternative investments held at a net asset value can be found in Note 1 under Investments.

**Uniform Prudent Management of Institutional Funds Act**

During 2008, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) became effective in the state of Minnesota. In August 2008, accounting guidance was released which provided guidance on the classification of endowment fund net assets for states that have enacted versions of UPMIFA and enhanced disclosures for endowment funds. Under UPMIFA all unappropriated endowment fund assets are considered restricted.

**Use of Estimates in the Preparation of Consolidated Financial Statements**

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.



**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tax Exempt Status**

The Organization received authority from the Internal Revenue Service (IRS) to operate as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and the JCBC is exempt under Section 501(c)(25) of the IRC. The supporting organizations included in these consolidated financial statements are also exempt from income taxes under Section 501(c)(3) of the IRC. JCFCH is a wholly owned limited liability corporation of the Organization and all activities are included in the filings of the Organization.

The Organization has adopted a policy that clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. The policy describes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The implementation of this policy had no impact on the Organization's consolidated financial statements.

The Organization's tax returns are subject to review and examination by federal, state, and local authorities.

**Donated Services**

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the consolidated statement of activities because the criteria for recognition have not been satisfied.

**Subsequent Events**

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 11, 2018, the date the consolidated financial statements were available to be issued.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**NOTE 2 INVESTMENTS**

A summary of investments by type at August 31 is as follows:

	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents	\$ 3,178,927	\$ 1,935,833
Corporate Stocks and Equity Mutual Funds	64,602,103	62,657,084
Corporate Bonds and Bond Mutual Funds	23,295,351	14,571,050
Certificates of Deposit	4,735,160	-
Israel Bonds	678,808	765,533
Interest in Real Estate Partnership	2,000,000	2,000,000
Pooled Income Funds, Underlying Investments in:		
Cash and Cash Equivalents	1,175	8,057
Corporate Stocks and Equity Mutual Funds	26,957	61,372
Corporate Bonds and Bond Mutual Funds	48,185	87,636
Alternative Investments, Underlying Investments in:		
U.S. Corporate Equity		
Private Equity and Hedge Funds	19,249,088	10,780,256
Corporate Bonds	8,146,771	7,362,421
Real Estate	1,241,647	4,276,708
Investment Held by Supporting Organizations:		
Cash and Cash Equivalents	845,272	1,308,886
Corporate Stocks and Equity Mutual Funds	7,647,023	5,974,567
Corporate Bonds and Bond Mutual Funds	4,169	465,531
Alternative Investments, Underlying Investments in:		
Private Equity and Hedge Funds	3,267,688	4,285,324
Other	672,932	687,032
Total Investments	<u>\$ 139,641,256</u>	<u>\$ 117,227,290</u>

Investments are included in the following asset categories on the consolidated statements of financial position as of August 31:

	<u>2017</u>	<u>2016</u>
Investments	\$ 139,389,666	\$ 116,732,547
Investments Held in Charitable Trusts	175,273	337,678
Pooled Income Funds	76,317	157,065
Total Investments	<u>\$ 139,641,256</u>	<u>\$ 117,227,290</u>

Investment income for the years ended August 31 consisted of the following:

	<u>2017</u>	<u>2016</u>
Interest and Dividends	\$ 1,874,222	\$ 1,526,332
Realized Gain on Investments	2,455,778	1,259,345
Net Unrealized Gain on Investments	5,047,524	629,839
Investment Expenses	(167,694)	(117,585)
Total	<u>\$ 9,209,830</u>	<u>\$ 3,297,931</u>



**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Level 3 Assets and Liabilities**

The following table provides a summary of changes in fair value of the Organization's Level 3 financial assets for the year ended August 31, 2017:

	Pooled Income Funds	Interest in Charitable Trusts Held by Others	Total
Balance - September 1, 2016	\$ 157,065	\$ 4,423	\$ 161,488
Net Realized and Unrealized Gains (Losses)	4,669	-	4,669
Net Investment Income	-	-	-
Change in Value of Split-Interest Agreements	-	(9)	(9)
Purchases of Investments	-	352,479	352,479
Sale of Investments	(85,417)	-	(85,417)
Cash Receipts	-	-	-
Cash Disbursements	-	-	-
Expenses	-	-	-
Balance - August 31, 2017	<u>\$ 76,317</u>	<u>\$ 356,893</u>	<u>\$ 433,210</u>

The following table provides a summary of changes in fair value of the Organization's Level 3 financial assets for the year ended August 31, 2016:

	Pooled Income Funds	Interest in Charitable Trusts Held by Others	Total
Balance - September 1, 2015	\$ 604,298	\$ 1,610,090	\$ 2,214,388
Net Realized and Unrealized Gains (Losses)	5,019	-	5,019
Net Investment Income	-	-	-
Change in Value of Split-Interest Agreements	-	(320)	(320)
Purchases of Investments	-	-	-
Sale of Investments	(452,252)	-	(452,252)
Cash Disbursements	-	(1,605,347)	(1,605,347)
Expenses	-	-	-
Balance - August 31, 2016	<u>\$ 157,065</u>	<u>\$ 4,423</u>	<u>\$ 161,488</u>

In September 2009, guidance was issued under the ASC Topic *Fair Value Measurements and Disclosures* which clarified the fair value level classification for entities that calculate net asset value per share or its equivalent. The guidance states that "if a reporting entity has the ability to redeem its investment with the investee at net asset value per share (or its equivalent) at the measurement date, the fair value measurement of the investment shall be categorized as a Level 2 fair value measurement."

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

Fair value measurements of investments in certain entities that calculate net asset value (NAV) per share (or its equivalent) as of August 31, 2017:

	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Alternative Investments, Underlying Investments in:				
Private Equity and Hedge Funds	\$ 4,433,554	\$ -	Semi-Annual	95 Days
Private Equity and Hedge Funds	2,033,407	2,453,458	Not Available*	Not Applicable
Private Equity and Hedge Funds	9,751,085	-	Monthly	5 - 30 Days
Private Equity and Hedge Funds	3,031,042	-	Quarterly	30 Days
Real Estate	1,241,647	392,004	Not Available**	Not Applicable
Corporate Bonds	3,705,848	-	Not Available**	Not Applicable
Corporate Bonds	4,440,923	-	Annual	30 Days
Investment Held by Supporting Organizations:				
Alternative Investments	370,735	-	Not Available*	Not Available*
Alternative Investments	848,764	-	Quarterly	45 Days

\* Redemption upon the request of the shareholders is not available

\*\* Redemption of the investment is unavailable for two years due to a lockout period

Fair value measurements of investments in certain entities that calculate NAV per share (or its equivalent) as of August 31, 2016:

	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Alternative Investments, Underlying Investments in:				
Private Equity and Hedge Funds	\$ 4,122,534	\$ -	Semi-Annual	95 Days
Private Equity and Hedge Funds	434,092	3,849,309	Not Available*	Not Applicable
Private Equity and Hedge Funds	3,429,938	-	Monthly	30 Days
Private Equity and Hedge Funds	2,793,692	-	Quarterly	30 Days
Corporate Bonds	3,401,717	-	Not Available**	Not Applicable
Corporate Bonds	3,960,704	-	Annual	30 Days
Real Estate	3,604,978	-	Daily	5 Days
Real Estate	671,730	643,100	Not Available**	Not Applicable
Investment Held by Supporting Organizations:				
Alternative Investments	847,400	-	Quarterly	45 Days
Alternative Investments	419,221	46,614	Not Available*	Not Applicable

\* Redemption upon the request of the shareholders is not available

\*\* Redemption of the investment is unavailable for two years due to a lockout period

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

Alternative investments with underlying investments in private equity and hedge funds include investments in private equity companies. The private equity fund seek to earn a high return in exchange for limited liquidity and greater risk than public equities. The fund provides working capital to unlisted companies that need additional funds to grow and prosper, and can include both debt and equity positions. The hedge fund seeks returns by accessing investment opportunities that are unavailable to traditional investments. Compared to traditional investments, the hedge fund can use greater leverage, hold more concentrated positions, employ shorts and derivatives, as well as invest in private securities, real assets, and structured products. The fair value of the investments in this category is estimated using the NAV per share of the investment.

The corporate bond fund attempts to generate stable, predictable returns with relatively low correlation to the broader debt and equity markets. The fund seeks capital appreciation and current income by investing in value-oriented, event-driven debt and equity securities with an emphasis on debt instruments. The Organization values positions using the NAV.

The fair value of alternative investments with underlying investments in real estate is based on quoted market prices for the underlying real estate which comprise the net asset value of the investment. The real estate fund earns returns from land and permanent improvements to land such as buildings. A real estate fund may use the following three categories to describe its investments: core, value-added, and opportunistic. Core real estate investments typically have low volatility and high returns from the incomes of office, retail, industrial, multi-family, and hotel properties. Value-added real estate investments offer moderate volatility and seek to generate a return from a property value's appreciation and income by using leverage to make improvements to an existing property. Opportunistic real estate investments may exhibit substantial volatility and seek to profit by using high leverage to make dramatic improvements to properties in need of major changes.

Alternative investments held by supporting organizations include investments in international private equity companies. The fair value of the investment in this category is estimated using the net asset value per share of the investment.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**NOTE 4 PLEDGES RECEIVABLE, NET**

Pledges receivable at August 31, 2017 were received in conjunction with the Annual and Capital Campaigns as well as other fundraising activities:

	Annual Campaign and Other	Capital Campaign
Fiscal Year 2018 Annual Campaign and Beyond	\$ 150,318	\$ -
Fiscal Year 2017 Annual Campaign	4,629,642	-
Prior Years Annual Campaign	2,035,152	-
Other	134,688	-
Capital Campaign	-	186,990
Total	<u>6,949,800</u>	<u>186,990</u>
Estimated Commitment from JCF	(1,200,000)	-
Allowance for Uncollectible Pledges	(1,400,000)	(186,990)
Pledges Receivable, Net	<u>\$ 4,349,800</u>	<u>\$ -</u>

Annual Campaign, Capital Campaign, and other pledges receivable as of August 31, 2017 are anticipated to be collected as follows:

	Annual Campaign and Other	Capital Campaign
Amounts Due in:		
Less than One Year	\$ 5,732,040	\$ 186,990
One Year to Five Years	17,760	-
Total	<u>5,749,800</u>	<u>186,990</u>
Allowance for Uncollectible Pledges	(1,400,000)	(186,990)
Pledges Receivable, Net	<u>\$ 4,349,800</u>	<u>\$ -</u>

Pledges receivable at August 31, 2016 were received in conjunction with the Annual and Capital Campaigns as well as other fundraising activities:

	Annual Campaign and Other	Capital Campaign
Fiscal Year 2017 Annual Campaign and Beyond	\$ 416,371	\$ -
Fiscal Year 2016 Annual Campaign	5,146,858	-
Prior Years Annual Campaign	2,040,491	-
Other	21,171	-
Capital Campaign	-	242,778
Total	<u>7,624,891</u>	<u>242,778</u>
Estimated Commitment from JCF	(1,265,800)	-
Allowance for Uncollectible Pledges	(1,350,000)	(242,778)
Pledges Receivable, Net	<u>\$ 5,009,091</u>	<u>\$ -</u>

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 4 PLEDGES RECEIVABLE, NET (CONTINUED)**

Annual Campaign, Capital Campaign, and other pledges receivable as of August 31, 2016 are anticipated to be collected as follows:

	Annual Campaign and Other	Capital Campaign
Amounts Due in:		
Less than One Year	\$ 6,294,771	\$ 242,778
One Year to Five Years	64,320	-
Total	<u>6,359,091</u>	<u>242,778</u>
Allowance for Uncollectible Pledges	(1,350,000)	(242,778)
Pledges Receivable, Net	<u>\$ 5,009,091</u>	<u>\$ -</u>

The Capital Campaign was an endeavor of the Organization to allow the Minneapolis Jewish community to build and restore the infrastructure of many of its community institutions and to expand the scope of Jewish educational programming. Contributions to the Capital Campaign are treated as temporarily restricted contributions, as donors have stipulated that such contributions be restricted for the specific purposes of the Capital Campaign.

**NOTE 5 LOANS RECEIVABLE**

Loans receivable consist of the following at August 31:

	2017	2016
Sabes JCC	\$ 2,959,149	\$ 2,753,236
Torah Academy	354,751	373,648
Jewish Family and Children's Service	10,878	65,146
Hillel	73,350	78,982
Sholom Community Alliance	21,215	21,215
Barry Family Campus	10,000	15,000
Heilicher Minneapolis Jewish Day School	800,000	1,147
Bais Yaakov	3,179	-
Shaarim	4,017	-
Other	5,137	1,831
Total Gross Loans Receivable	<u>4,241,676</u>	<u>3,310,205</u>
Less: Allowance for Uncollectible Amounts	(2,788,173)	(2,788,173)
Net Loans Receivable	<u>\$ 1,453,503</u>	<u>\$ 522,032</u>

As of August 31, 2017 and 2016, approximately 64% and 74% of the gross loans receivable are considered past due loans.



**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**NOTE 6 SPLIT-INTEREST AGREEMENTS**

The Organization has entered into various charitable remainder trusts, gift annuities, and pooled income arrangements with donors.

Charitable remainder trusts, gift annuities, and pooled income arrangements obligate the Organization to make payments to the annuitants and trust recipients for the remainder of their lives. A liability has been recorded equal to the present value of the estimated future obligations.

The various deferred gift obligations have various imputed interest rates. IRS life expectancy tables are utilized to determine life expectancies. Liabilities under split-interest agreements amounted to \$355,914 and \$279,824 at August 31, 2017 and 2016, respectively.

Split-interest agreements include gains (losses) in the change in value of split-interest agreements of (\$135,074) and \$44,462 during the years ended August 31, 2017 and 2016, respectively.

The Organization has pooled income funds, which are administered through an arrangement with the Jewish Foundations of North America. These arrangements provide for investment of donors' life income gifts in a fund combined with the gifts of other donors. Pooled income funds are stated at their fair value as of August 31, 2017 and 2016. Deferred revenue is the difference between the fair value of the pooled income funds and the actuarially determined net present value of these assets. The net present value of pooled income funds is based on the estimated life expectancies of the donors.

**NOTE 7 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at August 31:

	2017	2016
Land	\$ -	\$ 846,000
Building and Improvements	17,319,358	21,289,847
Furniture and Equipment	368,533	356,450
Subtotal	<u>17,687,891</u>	<u>22,492,297</u>
Accumulated Depreciation	<u>(7,037,247)</u>	<u>(9,433,499)</u>
Total	<u><u>\$ 10,650,644</u></u>	<u><u>\$ 13,058,798</u></u>

On May 31, 2017, JCBC sold the Ridgeview Office Center building. Proceeds from the sale, net of closing costs, were \$5,095,717 and resulted in a \$3,227,679 gain on property and equipment.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**NOTE 8 LONG-TERM DEBT**

In April 2012, the Organization refinanced its note payable with a \$1,550,000 note payable through a bank. The note bore interest at a fixed rate of 3.55%. The loan was secured by a security interest in certain assets of the Organization. The note reached maturity on April 1, 2017 and was refinanced. The note was paid in full in June 2017 via proceeds from the sale of real estate owned by JCBC.

During 2016, the Organization signed an agreement to guarantee the debt of a nonrelated entity in the amount of \$300,000. During 2017, the guarantee of this loan was released by the bank.

**NOTE 9 LINES OF CREDIT**

At August 31, 2017, the Organization has a \$3,000,000 line of credit available with an interest rate at 1.75% above the 30-day LIBOR (London Interbank Offered Rate) and a maturity date of March 29, 2019. The rate was 2.98% at August 31, 2017. The line of credit is secured by certain assets of the Organization. The line of credit balance was \$832,884 and \$356,745 at August 31, 2017 and 2016, respectively.

**NOTE 10 RETIREMENT PLANS**

The Organization maintains a defined contribution plan for essentially all employees of the Organization. The Organization made contributions of \$23,153 in the year ended August 31, 2017 and \$38,210 in the year ended August 31, 2016.

The Organization established a 457(b) deferred compensation plan for two of its former employees. Under the plan, deferred compensation contributions and investment earnings less fees and expenses are held for the participant until paid according to the provisions of the plan. The Organization made contributions of \$-0- in the years ended August 31, 2017 and 2016. The investment balance related to the plan as of August 31, 2017 and 2016 was \$23,903 and \$35,855, respectively.

The Organization also has a deferred compensation agreement with one of its former employees. At August 31, 2017 and 2016, approximately \$300,000 was vested under the agreement. Vested amounts will be paid in 10 annual equal installments beginning 60 days prior to the employee's 65th birthday. The liability recorded related to this agreement was \$165,000 and \$155,000 at August 31, 2017 and 2016, respectively.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 11 ALLOCATIONS PAYABLE**

The Organization has commitments to fund beneficiary organizations and the Jewish Federations of North America in the amount of \$6,906,980 and \$7,074,214 as of August 31, 2017 and 2016, respectively. Such amounts are reported as allocations payable in the consolidated financial statements. The board of directors, following the conclusion of the annual fundraising campaign, approves these amounts.

Allocations to fund beneficiary organizations and the Jewish Federations of North America are included in the following liability categories on the consolidated statement of financial position as of August 31:

	<u>2017</u>	<u>2016</u>
Beneficiary Organizations	\$ 3,653,526	\$ 3,814,017
Jewish Federations of North America	3,253,454	3,260,197
Total	<u>\$ 6,906,980</u>	<u>\$ 7,074,214</u>

**NOTE 12 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods at August 31:

	<u>2017</u>	<u>2016</u>
Capital Campaign	\$ 2,503	\$ 2,653
Jewish Community Foundation, Donor-Designated		
Amounts	5,953,093	2,401,226
Following Year Campaign	152,597	438,650
Building	-	105,860
Designated Gifts	33,999	142,080
Total Temporarily Restricted Net Assets	<u>\$ 6,142,192</u>	<u>\$ 3,090,469</u>

The Capital Campaign raised funds for a wide range of projects within the Jewish community. Donors contribute to the Organization in support of the overall community effort; the Organization is responsible for projects underwritten by the Capital Campaign.

Net assets were released from donor restrictions when a purpose restriction is fulfilled or through the passage of time.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**NOTE 13 PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets are restricted to investment in perpetuity. Income earned on these assets is expended according to donor stipulations. Permanently restricted net asset balances and the purposes the income is expendable to support as of August 31 are as follows:

	<u>2017</u>	<u>2016</u>
Designated for Specific Purposes by Donors	\$ 52,289	\$ 53,289
General Purposes of the Organization	4,292,630	4,291,468
Total Permanently Restricted Net Assets	<u>\$ 4,344,919</u>	<u>\$ 4,344,757</u>

**NOTE 14 RELATED PARTIES**

The Organization serves as the central planning, budgeting, and fundraising organization for the Jewish community. To the extent that there may be overlapping directorates between the Organization and other charitable organizations that it funds, related party relationships may exist between the Organization and these beneficiary organizations. The Organization has adopted a conflict of interest policy for its board of directors and staff members. In certain cases, members of the board may also serve on the boards or participate in the management of entities that provide services to the Organization.

Many members of the Organization's board of directors and staff make contributions to the Organization. These amounted to \$115,000 and \$227,000 for the years ended August 31, 2017 and 2016, respectively. Pledges receivable at August 31, 2017 and 2016 include \$149,000 and \$451,000, respectively, due from members of the board of directors and staff. Approximately 78% of the pledge receivable at August 31, 2017 related to the 2016, 2017, and 2018 campaigns.

**NOTE 15 SIGNIFICANT CONCENTRATION OF CREDIT RISK**

Approximately 8% of the Organization's pledges receivable balance is from one donor as of August 31, 2017 and 2016. As of August 31, 2017, 100% of the Organization's estates receivable was from two organizations. Estates receivable as of August 31, 2016 was from one organization.

As of August 31, 2017, approximately 38% of contribution revenue was from one estate gift. As of August 31, 2016, approximately 11% of contribution revenue was from one estate gift.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**NOTE 16 BARRY FAMILY CAMPUS**

**Ground Lease**

The JCBC entered into a lease, commencing August 30, 2002, with the Sabes JCC to lease the land for a period of 99 years at \$1 per year. The JCBC transferred management and all associated costs to the Barry Family Campus (the Campus) in 2007. The lease qualifies for treatment as a capital lease by the Organization; however, no amounts are recorded on the consolidated statement of financial position to reflect the fair value of the leased property because the Organization derives no financial benefit under the lease.

**Sublease**

As part of the Organization's Capital Campaign, the JCBC made substantial improvements to the Campus. These improvements are included in property and equipment on the consolidated statements of financial position of the Organization.

The JCBC also entered into three subleases, commencing September 1, 2002, with the three primary tenants of the Campus (including the Sabes JCC). The subleases are for a period of 25 years at \$1 per year and automatically renew for an additional year at the end of each year. Under the subleases, the tenants are to reimburse the Barry Family Campus for their pro-rata share of the maintenance and utility costs of the Campus. The Barry Family Campus records the reimbursement of maintenance and utility costs for the building as an offset to expense in the consolidated statements of activities. The rental payments under the subleases of \$1 have been determined by the Organization to be below fair value.

Consequently, the JCBC has recorded a contribution made to the tenants of the Campus for the estimated fair value of the rent over the term of the subleases. The Organization has used depreciation expense attributable to the improvements made by the Organization to the Campus over the term of the subleases as its estimate of fair value.

**NOTE 17 ENDOWMENT**

In August 2008, accounting guidance was issued that provides guidance on the net asset classification of donor restricted endowment funds for a nonprofit organization that is subject to an enacted version of UPMIFA. The guidance also expands disclosures about an organization's endowment funds (both donor restricted and board-designated endowment funds) whether or not the organization is subject to UPMIFA. The Organization has adopted this accounting guidance.

Since December 22, 1980, there has been in effect a Policy Statement adopted by the Organization's board of directors. Under the terms of the Policy Statement, the board of directors has the power to modify or eliminate any donor-imposed condition, limitation, or restriction on any contribution if one or more of the conditions, limitations, or restrictions become impracticable or impossible to fulfill. This power is referred to as the "variance power." Because the variance power allows the board of directors to eliminate donor-imposed time restrictions under certain limited circumstances, most of the Organization's funds that are administered as endowment funds are not endowment funds within the meaning of UPMIFA.

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**NOTE 17 ENDOWMENT (CONTINUED)**

Permanently restricted net assets represent the portion of each gift that the Organization has concluded must be retained permanently in accordance with explicit donor stipulations or, in the absence of such stipulations, must be retained permanently consistent with the relevant law. Donor restricted endowment funds are not classified as permanently restricted assets if the Organization has determined that the variance power applies to the funds.

Temporarily restricted net assets consist of irrevocable charitable trusts, purpose restricted contributions, restricted contributions receivable, and the portion of donor restricted endowment funds that is not classified as permanently restricted net assets. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction.

Unrestricted net assets represent that portion of expendable funds that is available for support of the programs and operations of the Organization.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the historic dollar value of such fund. The amounts by which the endowment funds have fallen below such recorded values were approximately \$-0- as of August 31, 2017 and 2016. These differences resulted from unfavorable market fluctuations that occurred after the investment of new contributions to the endowment funds and continued appropriation for certain programs that were deemed prudent by the board of directors. These differences are reported in unrestricted net assets.

**Return Objectives and Risk Parameters**

The Organization offers donors a choice of three investment pools: the Short-Term Income Pool, the Balanced Growth and Income Pool, and the Long-Term Growth and Income Pool. The Short-Term Income Pool seeks a modest degree of income by investing primarily in a combination of short to intermediate term bond funds. The primary objective is for the preservation of principal. The Balanced Growth and Income Pool seeks to provide sufficient returns to meet the distribution policy by investing in a mix of stocks and bonds. This pool is most appropriate for funds that make modest distributions each year, but intend to leave the majority of the fund balance untouched over a 3- to 7-year period. The Long-Term Growth and Income Pool seeks to provide for real growth by achieving a total return, net of investment management fees, equal to or greater than spending, administrative expenses, and inflation. This pool is most appropriate for funds that distribute a small proportion of the fund balance each year or will make no distributions for a number of years before beginning to make allocations. On November 1, 2017, subsequent to year-end, the Organization eliminated the Balanced Growth and Income Pool as a donor investment choice and funds in this pool were moved per donor instructions to the Short-Term Income Pool or the Long-Term Growth and Income Pool.

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**NOTE 17 ENDOWMENT (CONTINUED)**

**Strategies for Achieving Objectives**

The Organization believes the achievement of investment returns should be viewed in a long-term context. Investments are made to balance the goals of achieving desirable long-term results while maintaining the liquidity necessary to meet donor-advised distribution requests based upon the general governing philosophy of (a) achieving long-term growth of assets while preserving capital, (b) targeting investment strategies which demonstrate the ability to generate consistent long-term results, and (c) earning the highest total return that is prudently possible consistent with the risk tolerance deemed appropriate.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Organization's general practice is to distribute up to 5% each calendar year of the market value of its endowment fund, provided such a distribution does not reduce the value of the fund below the permanently restricted amount. This is consistent with Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity, or for a specified term, as well as to provide additional real growth through new gifts and investment return.

The following is a summary of endowment funds subject to UPMIFA for the years ended August 31, 2017 and 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets - September 1, 2016	\$ -	\$ 1,311,406	\$ 4,344,757	\$ 5,656,163
Investment Income	-	45,014	-	45,014
Net Realized and Unrealized Gain on Investments	-	543,513	-	543,513
Contributions	-	-	162	162
Appropriations of Endowment Assets for Expenditure	-	(160,475)	-	(160,475)
Endowment Net Assets - August 31, 2017	<u>\$ -</u>	<u>\$ 1,739,458</u>	<u>\$ 4,344,919</u>	<u>\$ 6,084,377</u>
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets - September 1, 2015	\$ -	\$ 1,127,382	\$ 4,344,532	\$ 5,471,914
Investment Income	-	34,431	-	34,431
Net Realized and Unrealized Gain on Investments	-	153,547	-	153,547
Contributions	-	-	225	225
Appropriations of Endowment Assets for Expenditure	-	(3,954)	-	(3,954)
Endowment Net Assets - August 31, 2016	<u>\$ -</u>	<u>\$ 1,311,406</u>	<u>\$ 4,344,757</u>	<u>\$ 5,656,163</u>

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**NOTE 18 CONTINGENCY**

On April 19, 2016, the Melvin S. Cohen Trust F/B/O Minneapolis Federation for Jewish Service (Trust) brought a lawsuit against the Minneapolis Jewish Federation in Wisconsin State Court, Eau Claire County. The lawsuit sought declaratory relief to modify the Cohen Trust to remove the Minneapolis Jewish Federation as the beneficiary and supported organization of the Trust, and to transfer 2015 distributions held by the Minneapolis Jewish Federation, and future distributions from the Trust, to third parties Donor Trust, Inc. and the National Community Foundation. The Organization denied the allegations of the complaint, removed the lawsuit to federal court venue in the Western District of Wisconsin (Madison, Wisconsin), and asserted several counterclaims against the Trust and its trustees, including claims for breach of fiduciary duty. Thereafter, the Trust and the trustees each filed a response to the counterclaims, the case was re-captioned to remove the Trust as a party, and the trustees submitted an Amended Complaint asserted on behalf of the trustees, which the Organization answered. In December 2017 the court issued a summary judgement which was very favorable to the Organization. The decision did not dispose of all claims in the case, and the matter is scheduled for trial starting January 29, 2018. Scheduled for trial are breach of fiduciary duty claims brought by both parties against the other. The distributions held by the Organization as of August 31, 2017 are \$4,733,209. In view of the pending litigation, the Organization considers this distribution to be contingent upon the outcome of the litigation and, as such, has not recorded this distribution in its revenues for the year ended August 31, 2017. The distribution is carried on the consolidated statements of financial position as Distributions Held for Others.

**NOTE 19 OPERATING LEASE**

**Office Lease**

On November 30, 2017, subsequent to year-end, the Organization signed a lease for office space. The lease is for a period of 72 months, and is to commence January 2018. Future lease payments are included in the table below.

<u>Year Ending August 31,</u>	<u>Amount</u>
2018	\$ 77,189
2019	112,518
2020	115,893
2021	119,370
2022	122,951
Thereafter	169,267
Total	<u>\$ 717,188</u>



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<b>ASSETS</b>	Federation (Including JCF and JCFCH)	JCBC	Supporting Organizations	Eliminations	Consolidated
Cash and Cash Equivalents	\$ 509,674	\$ 585,170	\$ -	\$ -	\$ 1,094,844
Short Term Investments	4,735,160	-	-	-	4,735,160
Investments	122,387,487	-	12,267,019	-	134,654,506
Due from Related Parties	-	2,739,976	-	(2,739,976)	-
Pledges Receivable, Net:					
Annual Campaign	4,270,860	-	-	-	4,270,860
Other	78,940	-	-	-	78,940
Loans Receivable, Net	1,404,337	49,166	-	-	1,453,503
Estates Receivable	4,199,824	-	-	-	4,199,824
Split-Interest Agreements:					
Investments Held in Charitable Trusts	175,273	-	-	-	175,273
Interest in Charitable Trusts Held by Others	4,414	-	-	-	4,414
Pooled Income Funds	76,317	-	-	-	76,317
Investments Held in Insurance Contracts	352,479	-	-	-	352,479
Property and Equipment, Net of Accumulated Depreciation	31,518	10,619,126	-	-	10,650,644
Other Assets	572,565	2,000	-	-	574,565
<b>Total Assets</b>	<b>\$ 138,798,848</b>	<b>\$ 13,995,438</b>	<b>\$ 12,267,019</b>	<b>\$ (2,739,976)</b>	<b>\$ 162,321,329</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts Payable and Accrued Expenses	\$ 267,538	\$ 12,059	\$ -	\$ -	\$ 279,597
Line of Credit	832,884	-	-	-	832,884
Allocations and Contributions Payable:					
Beneficiary Organizations	3,653,526	-	-	-	3,653,526
Jewish Federations of North America	3,253,454	-	-	-	3,253,454
Other Allocations Payable	4,733,209	-	-	-	4,733,209
Leases at Below Market Rates	-	10,123,475	-	-	10,123,475
Due to Related Parties	2,739,976	-	-	(2,739,976)	-
Agency Funds Payable	25,913,663	-	-	-	25,913,663
Other Liabilities	646,987	-	-	-	646,987
Deferred Income Under Pooled Income Agreements	55,015	-	-	-	55,015
Obligations Under Split-Interest Agreements	355,914	-	-	-	355,914
<b>Total Liabilities</b>	<b>42,452,166</b>	<b>10,135,534</b>	<b>-</b>	<b>(2,739,976)</b>	<b>49,847,724</b>
<b>NET ASSETS</b>					
Unrestricted	85,859,571	3,859,904	12,267,019	-	101,986,494
Temporarily Restricted	6,142,192	-	-	-	6,142,192
Permanently Restricted	4,344,919	-	-	-	4,344,919
<b>Total Net Assets</b>	<b>96,346,682</b>	<b>3,859,904</b>	<b>12,267,019</b>	<b>-</b>	<b>112,473,605</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 138,798,848</b>	<b>\$ 13,995,438</b>	<b>\$ 12,267,019</b>	<b>\$ (2,739,976)</b>	<b>\$ 162,321,329</b>

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULE FOR THE STATEMENT OF FINANCIAL POSITION**  
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<b>ASSETS</b>	Federation (Including JCF and JCFCF)	JCBC	Supporting Organizations	Eliminations	Consolidated
Cash and Cash Equivalents	\$ 3,180,704	\$ 523,218	\$ -	\$ -	\$ 3,703,922
Investments	104,036,777	-	12,695,770	-	116,732,547
Land Held for Sale	967,288	-	-	-	967,288
Due from Related Parties	945,682	-	-	(945,682)	-
Pledges Receivable, Net:					
Annual Campaign	4,987,920	-	-	-	4,987,920
Other	21,171	-	-	-	21,171
Loans Receivable, Net	408,492	113,540	-	-	522,032
Estates Receivable	1,076,000	-	-	-	1,076,000
Split-Interest Agreements:					
Investments Held in Charitable Trusts	337,678	-	-	-	337,678
Interest in Charitable Trusts Held by Others	4,423	-	-	-	4,423
Pooled Income Funds	157,065	-	-	-	157,065
Receivable from Termed Charitable Trust	-	-	-	-	-
Property and Equipment, Net of					
Accumulated Depreciation	32,321	13,026,477	-	-	13,058,798
Other Assets	443,403	10,398	-	-	453,801
<b>Total Assets</b>	<b>\$ 116,598,924</b>	<b>\$ 13,673,633</b>	<b>\$ 12,695,770</b>	<b>\$ (945,682)</b>	<b>\$ 142,022,645</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts Payable and Accrued Expenses	\$ 276,647	\$ 15,614	\$ -	\$ -	\$ 292,261
Debt	-	1,050,000	-	-	1,050,000
Line of Credit	356,745	-	-	-	356,745
Allocations and Contributions Payable:					
Beneficiary Organizations	3,814,017	-	-	-	3,814,017
Jewish Federations of North America	3,260,197	-	-	-	3,260,197
Other Allocations Payable	2,425,000	-	-	-	2,425,000
Leases at Below Market Rates	-	10,123,475	-	-	10,123,475
Due to Related Parties	-	945,682	-	(945,682)	-
Agency Funds Payable	24,142,812	-	-	-	24,142,812
Other Liabilities	478,100	197,117	-	-	675,217
Deferred Income Under Pooled					
Income Agreements	76,789	-	-	-	76,789
Obligations Under Split-Interest Agreements	279,824	-	-	-	279,824
<b>Total Liabilities</b>	<b>35,110,131</b>	<b>12,331,888</b>	<b>-</b>	<b>(945,682)</b>	<b>46,496,337</b>
<b>NET ASSETS</b>					
Unrestricted	74,159,427	1,235,885	12,695,770	-	88,091,082
Temporarily Restricted	2,984,609	105,860	-	-	3,090,469
Permanently Restricted	4,344,757	-	-	-	4,344,757
<b>Total Net Assets</b>	<b>81,488,793</b>	<b>1,341,745</b>	<b>12,695,770</b>	<b>-</b>	<b>95,526,308</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 116,598,924</b>	<b>\$ 13,673,633</b>	<b>\$ 12,695,770</b>	<b>\$ (945,682)</b>	<b>\$ 142,022,645</b>

**MINNEAPOLIS JEWISH FEDERATION AND SUBSIDIARIES**  
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**YEAR ENDED AUGUST 31, 2017**  
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	Federation (Including JCF and JCFCH)			JCBC	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted
<b>PUBLIC SUPPORT AND REVENUES</b>					
Public Support:					
Campaigns, Contributions, and Other	\$ 17,933,975	\$ 3,340,430	\$ 162	\$ -	\$ -
Capital Campaign	-	-	-	-	-
Total Public Support	<u>17,933,975</u>	<u>3,340,430</u>	<u>162</u>	<u>-</u>	<u>-</u>
Revenues:					
Interest and Dividends	1,445,736	45,014	-	-	-
Net Realized Gain on Investments	1,858,604	145,839	-	-	-
Net Unrealized Gain (Loss) on Investments	4,912,213	397,674	-	-	-
Change in Value of Split-Interest Agreements	(135,065)	(9)	-	-	-
Rental Income	-	-	-	858,915	-
Gain (Loss) on Sale of Property and Equipment	(96,638)	-	-	3,227,679	-
Other	497,242	-	-	-	-
Total Revenues	<u>8,482,092</u>	<u>588,518</u>	<u>-</u>	<u>4,086,594</u>	<u>-</u>
Net Assets Released from Restrictions	<u>771,365</u>	<u>(771,365)</u>	<u>-</u>	<u>105,860</u>	<u>(105,860)</u>
Total Public Support and Revenues	<u>27,187,432</u>	<u>3,157,583</u>	<u>162</u>	<u>4,192,454</u>	<u>(105,860)</u>
<b>EXPENSES</b>					
Program Services:					
Campaign Allocations:					
Annual Campaign	6,674,342	-	-	-	-
Capital Campaign	-	-	-	-	-
Contribution for Leases at Below-Market Rates					
	-	-	-	421,811	-
Community Services	1,718,450	-	-	419,681	-
Other Grants and Contributions	<u>3,623,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Emergency Israel Campaign	-	-	-	-	-
Total Program Services	<u>12,016,737</u>	<u>-</u>	<u>-</u>	<u>841,492</u>	<u>-</u>
Supporting Services:					
Management and General:					
Administrative Expense	1,221,922	-	-	-	-
Building Administration	81,303	-	-	695,086	-
Interest Expense	5,755	-	-	31,857	-
Provision for Uncollectible Pledges and Loans					
	295,442	-	-	-	-
Fundraising	<u>1,866,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Supporting Services	<u>3,470,551</u>	<u>-</u>	<u>-</u>	<u>726,943</u>	<u>-</u>
Total Expenses	<u>15,487,288</u>	<u>-</u>	<u>-</u>	<u>1,568,435</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	11,700,144	3,157,583	162	2,624,019	(105,860)
Net Assets - Beginning of Year	<u>74,159,427</u>	<u>2,984,609</u>	<u>4,344,757</u>	<u>1,235,885</u>	<u>105,860</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 85,859,571</u>	<u>\$ 6,142,192</u>	<u>\$ 4,344,919</u>	<u>\$ 3,859,904</u>	<u>\$ -</u>

Supporting Organizations		Consolidated Federation		
Unrestricted	Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted
\$ 2,504	\$ (219,800)	\$ 17,716,679	\$ 3,340,430	\$ 162
-	-	-	-	-
<u>2,504</u>	<u>(219,800)</u>	<u>17,716,679</u>	<u>3,340,430</u>	<u>162</u>
215,778	-	1,661,514	45,014	-
451,335	-	2,309,939	145,839	-
(262,363)	-	4,649,850	397,674	-
-	-	(135,065)	(9)	-
-	(81,303)	777,612	-	-
-	-	3,131,041	-	-
-	-	497,242	-	-
<u>404,750</u>	<u>(81,303)</u>	<u>12,892,133</u>	<u>588,518</u>	<u>-</u>
-	-	877,225	(877,225)	-
<u>407,254</u>	<u>(301,103)</u>	<u>31,486,037</u>	<u>3,051,723</u>	<u>162</u>
-	-	6,674,342	-	-
-	-	-	-	-
-	-	421,811	-	-
-	-	2,138,131	-	-
<u>820,875</u>	<u>(219,800)</u>	<u>4,225,020</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
<u>820,875</u>	<u>(219,800)</u>	<u>13,459,304</u>	<u>-</u>	<u>-</u>
15,130	-	1,237,052	-	-
-	(81,303)	695,086	-	-
-	-	37,612	-	-
-	-	295,442	-	-
-	-	1,866,129	-	-
<u>15,130</u>	<u>(81,303)</u>	<u>4,131,321</u>	<u>-</u>	<u>-</u>
<u>836,005</u>	<u>(301,103)</u>	<u>17,590,625</u>	<u>-</u>	<u>-</u>
(428,751)	-	13,895,412	3,051,723	162
<u>12,695,770</u>	<u>-</u>	<u>88,091,082</u>	<u>3,090,469</u>	<u>4,344,757</u>
<u>\$ 12,267,019</u>	<u>\$ -</u>	<u>\$ 101,986,494</u>	<u>\$ 6,142,192</u>	<u>\$ 4,344,919</u>

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	Federation (Including JCF and JCFCH)			JCBC	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted
<b>PUBLIC SUPPORT AND REVENUES</b>					
Public Support:					
Campaigns, Contributions, and Other	\$ 11,872,952	\$ 637,261	\$ 225	\$ -	\$ -
Capital Campaign	-	-	-	-	-
Total Public Support	11,872,952	637,261	225	-	-
Revenues:					
Interest and Dividends	1,071,250	34,431	-	-	-
Net Realized Gain on Investments	630,451	86,967	-	-	-
Net Unrealized Gain (Loss) on Investments	1,034,748	66,580	-	-	-
Change in Value of Split-Interest Agreements	44,782	(320)	-	-	-
Rental Income	-	-	-	834,091	-
Gain on Sale of Property and Equipment	-	-	-	60,141	-
Other	596,955	-	-	37,300	-
Total Revenues	3,378,186	187,658	-	931,532	-
Net Assets Released from Restrictions	9,367,939	(9,367,939)	-	-	-
Total Public Support and Revenues	24,619,077	(8,543,020)	225	931,532	-
<b>EXPENSES</b>					
Program Services:					
Campaign Allocations:					
Annual Campaign	6,465,699	-	-	-	-
Capital Campaign	-	-	-	-	-
Contribution for Leases at Below-Market Rates	-	-	-	421,811	-
Community Services	1,850,180	-	-	371,211	-
Other Grants and Contributions	3,741,997	-	-	-	-
Emergency Israel Campaign	-	-	-	-	-
Total Program Services	12,057,876	-	-	793,022	-
Supporting Services:					
Management and General:					
Administrative Expense	1,098,589	-	-	-	-
Building Administration	93,913	-	-	617,774	-
Interest Expense	3,789	-	-	34,686	-
Provision for Uncollectible Pledges and Loans	(9,010)	-	-	-	-
Fundraising	1,588,866	-	-	-	-
Total Supporting Services	2,776,147	-	-	652,460	-
Total Expenses	14,834,023	-	-	1,445,482	-
<b>CHANGE IN NET ASSETS</b>	9,785,054	(8,543,020)	225	(513,950)	-
Net Assets - Beginning of Year	64,374,373	11,527,629	4,344,532	1,749,835	105,860
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 74,159,427</u>	<u>\$ 2,984,609</u>	<u>\$ 4,344,757</u>	<u>\$ 1,235,885</u>	<u>\$ 105,860</u>

Supporting Organizations		Consolidated Federation		
Unrestricted	Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted
\$ 2,254,388	\$ (262,000)	\$ 13,865,340	\$ 637,261	\$ 225
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,254,388	(262,000)	13,865,340	637,261	225
303,066	-	1,374,316	34,431	-
541,927	-	1,172,378	86,967	-
(471,489)	-	563,259	66,580	-
-	-	44,782	(320)	-
-	(93,913)	740,178	-	-
-	-	60,141	-	-
-	(37,300)	596,955	-	-
373,504	(131,213)	4,552,009	187,658	-
<u>-</u>	<u>-</u>	<u>9,367,939</u>	<u>(9,367,939)</u>	<u>-</u>
2,627,892	(393,213)	27,785,288	(8,543,020)	225
-	(37,300)	6,428,399	-	-
-	-	-	-	-
-	-	421,811	-	-
-	-	2,221,391	-	-
1,811,144	(262,000)	5,291,141	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,811,144	(299,300)	14,362,742	-	-
21,226	-	1,119,815	-	-
-	(93,913)	617,774	-	-
-	-	38,475	-	-
-	-	(9,010)	-	-
-	-	1,588,866	-	-
21,226	(93,913)	3,355,920	-	-
1,832,370	(393,213)	17,718,662	-	-
795,522	-	10,066,626	(8,543,020)	225
11,900,248	-	78,024,456	11,633,489	4,344,532
<u>\$ 12,695,770</u>	<u>\$ -</u>	<u>\$ 88,091,082</u>	<u>\$ 3,090,469</u>	<u>\$ 4,344,757</u>