

**JEWISH FEDERATION OF
METROPOLITAN DETROIT
AND UNITED JEWISH FOUNDATION**

Bloomfield Hills, Michigan

May 31, 2018 and 2017

COMBINED FINANCIAL STATEMENTS

Including Independent Auditor's Report

**JEWISH FEDERATION OF METROPOLITAN DETROIT
AND UNITED JEWISH FOUNDATION**

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Independent Auditor's Report

To the Board of Governors
Jewish Federation of Metropolitan Detroit and the
Board of Directors of the United Jewish Foundation

We have audited the accompanying combined financial statements of the Jewish Federation of Metropolitan Detroit and the United Jewish Foundation (collectively, the "Organizations") which comprise the combined statement of financial position as of May 31, 2018 and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Jewish Federation of Metropolitan Detroit and the United Jewish Foundation as of May 31, 2018 and the combined changes in net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Governors
Jewish Federation of Metropolitan Detroit and the
Board of Directors of the United Jewish Foundation

Other Matters

The prior year summarized comparative information has been derived from the Organizations' 2017 combined financial statements and, in our report dated October 4, 2017, we expressed an unmodified opinion on those combined financial statements.

Plante & Moran, PLLC

October 4, 2018

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF FINANCIAL POSITION
 May 31, 2018
 (With Comparative Combined Totals as of May 31, 2017)

	ASSETS			
	Jewish Federation of Metropolitan Detroit	United Jewish Foundation	2018 Combined	2017 Combined
ASSETS				
Cash and cash equivalents	\$ 600	\$ 750,439	\$ 751,039	\$ 749,194
Investments (Note 3)	17,808,427	531,243,219	549,051,646	517,964,803
Accounts receivable, net (Note 5)	225,877	11,648,131	11,874,008	7,826,420
Pledges receivable, net (Note 6)	22,606,202	8,597,676	31,203,878	29,130,600
Notes receivable, net (Note 7)	-	9,085,096	9,085,096	8,446,839
Interorganization (payable) receivable	(1,479,189)	1,479,189	-	-
Donated real estate and other interest held for investment, net	-	15,202,948	15,202,948	14,476,190
Advances and other assets	543,465	3,016,707	3,560,172	3,258,283
Property and equipment, net (Note 8)	325,414	60,171,965	60,497,379	67,078,677
TOTAL ASSETS	\$ 40,030,796	\$ 641,195,370	\$ 681,226,166	\$ 648,931,006
LIABILITIES AND NET ASSETS				
LIABILITIES				
Appropriations payable				
General	\$ 17,880,126	\$ 7,216,201	\$ 25,096,327	\$ 25,647,259
Jewish Federations of North America and overseas	7,903,930	-	7,903,930	7,937,630
Trade accounts and other payables	3,388,372	608,377	3,996,749	4,800,537
Constituent agencies and other deposits	-	68,618,270	68,618,270	67,268,612
Bonds, notes and other payables (Note 9)	-	1,620,153	1,620,153	1,207,599
Charitable trust annuities payable	-	9,344,554	9,344,554	10,673,355
Other organizations payable	-	13,259,468	13,259,468	13,247,875
Contributions designated for future periods	-	3,105,364	3,105,364	3,165,892
Total Liabilities	<u>29,172,428</u>	<u>103,772,387</u>	<u>132,944,815</u>	<u>133,948,759</u>
NET ASSETS				
Unrestricted	10,858,368	285,149,930	296,008,298	271,630,863
Temporarily restricted (Note 13)	-	53,006,140	53,006,140	53,132,368
Permanently restricted (Note 13)	-	199,266,913	199,266,913	190,219,016
Total Net Assets	<u>10,858,368</u>	<u>537,422,983</u>	<u>548,281,351</u>	<u>514,982,247</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 40,030,796	\$ 641,195,370	\$ 681,226,166	\$ 648,931,006

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended May 31, 2018

(With Comparative Combined Totals for the Year Ended May 31, 2017)

	Jewish Federation of Metropolitan Detroit		United Jewish Foundation		Eliminating Adjustments	2018 Combined	2017 Combined	
	Unrestricted	Unrestricted	Temporarily Restricted	Permanently Restricted				Total UJF
OPERATING REVENUE AND SUPPORT								
Public support from contributions	\$ 39,472,713	\$ 63,146,448	\$ 2,421,236	\$ 4,660,822	\$ 70,228,506	\$ (10,831,618)	\$ 98,869,601	\$ 92,096,620
Revenue								
Investment income (including unrealized gains)	17,538	10,904,695	11,433,509	-	22,338,204	-	22,355,742	41,770,357
Loss on disposition of assets	-	(2,757,391)	-	-	(2,757,391)	-	(2,757,391)	(4,555,681)
Interorganization appropriations	10,624,475	2,728,462	359,289	-	3,087,751	(13,712,226)	-	-
Miscellaneous fees and other	5,284,663	5,320,513	510,282	380,293	6,211,088	(305,000)	11,190,751	12,331,068
Net assets released from restrictions	-	10,808,733	(10,808,733)	-	-	-	-	-
Total Revenue	15,926,676	27,005,012	1,494,347	380,293	28,879,652	(14,017,226)	30,789,102	49,545,744
Total Operating Revenue and Support	55,399,389	90,151,460	3,915,583	5,041,115	99,108,158	(24,848,844)	129,658,703	141,642,364
OPERATING EXPENSES								
Program Services								
Distributions								
Federation's annual campaign	-	10,831,618	-	-	10,831,618	(10,831,618)	-	-
Jewish Federations of North America and overseas	9,350,657	55,000	-	-	55,000	-	9,405,657	9,346,462
Local agencies	25,765,006	24,455,617	-	-	24,455,617	(13,712,226)	36,508,397	28,580,838
Other charitable organizations	1,916,731	26,253,895	-	-	26,253,895	-	28,170,626	18,008,926
Other	9,100,390	5,845,753	-	-	5,845,753	-	14,946,143	15,892,843
Total Program Services	46,132,784	67,441,883	-	-	67,441,883	(24,543,844)	89,030,823	71,829,069
Support Services								
Administrative	4,914,528	446,656	-	-	446,656	(305,000)	5,056,184	4,777,220
Financial resource development	2,285,145	-	-	-	-	-	2,285,145	2,523,632
Bad debt (recovery) expense	716,381	(796,973)	-	-	(796,973)	-	(80,592)	(252,397)
Other	51,098	16,941	-	-	16,941	-	68,039	76,284
Total Support Services	7,967,152	(333,376)	-	-	(333,376)	(305,000)	7,328,776	7,124,739
Total Operating Expenses	54,099,936	67,108,507	-	-	67,108,507	(24,848,844)	96,359,599	78,953,808
Increase (Decrease) in Net Assets from Operations	1,299,453	23,042,953	3,915,583	5,041,115	31,999,651	-	33,299,104	62,688,556
Transfer of funds	-	35,029	(4,041,811)	4,006,782	-	-	-	-
INCREASE (DECREASE) IN NET ASSETS	1,299,453	23,077,982	(126,228)	9,047,897	31,999,651	-	33,299,104	62,688,556
NET ASSETS - Beginning of Year	9,558,915	262,071,948	53,132,368	190,219,016	505,423,332	-	514,982,247	452,293,691
NET ASSETS - END OF YEAR	\$ 10,858,368	\$ 285,149,930	\$ 53,006,140	\$ 199,266,913	\$ 537,422,983	\$ -	\$ 548,281,351	\$ 514,982,247

See accompanying notes to combined financial statements.

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended May 31, 2018
(With Comparative Combined Totals for the Year Ended May 31, 2017)

	Jewish Federation of Metropolitan Detroit			United Jewish Foundation			2018 Combined	2017 Combined
	Direct Programs	Administrative Services	Financial Resource Development	Direct Programs	Administrative Services	Eliminating Adjustments		
DISTRIBUTIONS								
Federation's annual campaign	\$ -	\$ -	\$ -	\$ 10,831,618	\$ -	\$ (10,831,618)	\$ -	\$ -
Jewish Federations of North America and overseas	9,350,657	-	-	55,000	-	-	9,405,657	9,346,462
Local agencies	25,765,006	-	-	24,455,617	-	(13,712,226)	36,508,397	28,580,838
Other charitable organizations	1,916,731	-	-	26,253,895	-	-	28,170,626	18,008,926
Total Distributions	37,032,394	-	-	61,596,130	-	(24,543,844)	74,084,680	55,936,226
OPERATING EXPENSES								
Other program services	1,512,811	-	-	417,461	-	-	1,930,272	937,530
Salaries and wages	4,506,712	3,233,343	1,538,738	-	-	-	9,278,793	9,359,143
Employee benefits	745,267	715,920	265,464	-	-	-	1,726,651	1,801,778
Other personnel	353,774	239,857	88,939	-	-	-	682,570	695,188
Rent and building costs	149,771	117,719	37,510	941,137	28,033	(305,000)	969,170	965,234
Professional services	5,064	141,544	-	-	210,179	-	356,787	998,425
Meetings and events	809,402	126,990	104,903	-	-	-	1,041,295	1,799,672
Missions	635,565	-	-	-	-	-	635,565	704,181
Marketing	98,173	43,108	27,606	-	-	-	168,887	177,451
Professional development and donor cultivation	69,520	57,313	38,447	-	-	-	165,280	211,264
Interest and bank fees	12,170	-	105,431	48,907	131,021	-	297,529	311,827
Postage	17,996	36,479	13,527	-	-	-	68,002	88,068
Office expense	7,569	21,351	7,941	-	-	-	36,861	63,060
Property expenses	-	-	-	399,503	3,880	-	403,383	563,338
Equipment repairs and maintenance	29,075	60,502	22,434	-	-	-	112,011	153,913
Information technology support	55,513	55,630	20,628	-	-	-	131,771	213,039
Telephone	19,125	36,616	13,577	-	-	-	69,318	68,683
Insurance	11,591	28,156	-	17,032	50,882	-	107,661	111,397
Other	-	-	-	160,535	22,661	-	183,196	152,303
Total Operating Expenses Before Depreciation and Bad Debt	9,039,098	4,914,528	2,285,145	1,984,575	446,656	(305,000)	18,365,002	19,375,494
Depreciation	61,292	37,276	13,822	3,861,178	16,941	-	3,990,509	3,894,485
Bad debt (recovery) expense	-	-	716,381	-	(796,973)	-	(80,592)	(252,397)
TOTAL OPERATING EXPENSES	\$ 46,132,784	\$ 4,951,804	\$ 3,015,348	\$ 67,441,883	\$ (333,376)	\$ (24,848,844)	\$ 96,359,599	\$ 78,953,808

See accompanying notes to combined financial statements.

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF CASH FLOWS

May 31, 2018

(With Comparative Prior Year Information)

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 33,299,104	\$ 62,688,556
Adjustments to reconcile increase in net assets to net cash flows from operating activities		
Depreciation	3,990,509	3,894,485
Bad debt recovery	(80,592)	(252,397)
Change in value of liability for charitable trust annuities	(76,658)	(1,768,092)
Net unrealized gain on investments	(2,518,246)	(43,886,267)
Net realized gain on investments	(14,924,259)	(2,415,830)
Loss on disposals of donated real estate and other interests and property and equipment	2,895,791	4,555,681
Partnership and other investment loss	22,076	395,224
Contributions restricted for permanent investment	(4,860,822)	(1,863,750)
Contribution of donated real estate and other interests held for investment	(2,412,498)	(54,900)
Increase (decrease) in assets and liabilities		
Accounts receivable	(4,052,441)	(863,069)
Pledges receivable	(137,262)	2,528,635
Advances and other assets	(301,889)	(112,663)
Appropriations payable, trade accounts, and other payables	(1,388,420)	(519,463)
Constituent agencies and other deposits	1,349,658	8,358,529
Other organizations payable	11,593	429,955
Contributions designated for future periods and charitable trust annuities payable	(60,528)	415,457
Net Cash Flows from Operating Activities	<u>10,755,116</u>	<u>31,530,091</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from sale of donated real estate and other interests held for investment	3,346,168	2,147,430
Net uses from purchases of investments	(13,644,338)	(21,383,227)
Purchases of property and equipment	(1,987,508)	(11,988,755)
Net (payments) proceeds from (issuance) collection of notes receivable	(638,257)	86,963
Net Cash Flows from Investing Activities	<u>(12,923,935)</u>	<u>(31,137,589)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts on contributions restricted for permanent investment	3,010,250	1,739,193
Payments on charitable trust annuities	(1,252,140)	(1,309,032)
Net proceeds (payments) on (issuance) bonds and notes payable	412,554	(570,823)
Net Cash Flows used in Financing Activities	<u>2,170,664</u>	<u>(140,662)</u>
Net Increase in Cash and Cash Equivalents	1,845	251,840
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>749,194</u>	<u>497,354</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 751,039</u>	<u>\$ 749,194</u>
Supplemental cash flow disclosures		
Cash paid for interest	\$ 44,979	\$ 51,602
Cash paid for income taxes	\$ 27,074	\$ 9,789

See accompanying notes to combined financial statements.

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**JEWISH FEDERATION OF METROPOLITAN DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 1 – Organization

Organization

The Jewish Federation of Metropolitan Detroit (JFMD) and the United Jewish Foundation (UJF) are central organizations of the Jewish community. JFMD is the operating entity, which conducts various annual campaigns to raise funds to support local, national, and overseas agencies. UJF retains custody of property and investments held for the long-term benefit of the community. JFMD and UJF, although separate legal entities with separate governance, are referred to as the “organizations” throughout this report and are combined herein because they are under common management.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the organizations have been prepared on the accrual basis of accounting.

The organizations classify resources for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three categories is as follows:

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the organizations. Generally, donors of these assets require the organizations to maintain and invest the original contributions, but permit the use of investment earnings for general or specific purposes.

Temporarily Restricted Net Assets – Net assets whose use by the organizations is subject to donor-imposed stipulations that can be fulfilled by actions of the organizations pursuant to those stipulations or that expire by the passage of time.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Boards or may otherwise be limited to contractual agreements with outside parties.

Cash and Cash Equivalents

The organizations define cash and cash equivalents as highly liquid, short-term investments with a maturity date of three months or less. Cash and cash equivalents held with investment advisors are included in investments.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 2 – Summary of Significant Accounting Policies (continued)

Contributions

Contributions are generally reported as increases to unrestricted net assets, unless the related assets are limited by donor-imposed restrictions. Contributions and investment income with donor-imposed restrictions are reported as temporarily restricted revenues and are reclassified to unrestricted net assets when expenses are incurred that satisfy the donor-imposed restrictions or upon expiration of donor-imposed time restrictions. Contributions are unconditional transfers of cash or other assets. Other assets include securities, land, buildings, and unconditional promises to give those items or financial support in the future. Contributions of securities and other assets are measured at their fair value at the date of receipt. Expenses are reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Support Foundations and Philanthropic Funds

Unrestricted net assets of UJF include various support foundations and philanthropic funds. Support foundations are governed by individual Boards of Directors (“the Boards”). However, the support foundations are included in the financial statements because of their shared purpose with UJF in supporting JFMD. These foundations have total assets of \$101,414,827 and \$100,602,119 as of May 31, 2018 and 2017, respectively. Philanthropic funds have total assets of \$112,884,503 and \$85,403,094 at May 31, 2018 and 2017, respectively.

Although support foundations and philanthropic funds are unrestricted, donors may suggest distributions to organizations exempt under Section 501(c)(3) of the Internal Revenue Code. Donors may also provide UJF direction as to the use of these funds, which may result in transfers of funds to temporarily or permanently restricted net assets.

Constituent Agency Deposits

Deposits from constituent agencies and other organizations are reported in the UJF portfolio at fair value on the combined statement of financial position. Changes in the fair value of these deposits are reflected as a change in the corresponding liability on the combined statement of financial position. These transactions are not included in the combined statement of activities and changes in net assets. Investment income related to these deposits totaled \$3,214,984 and \$6,917,705 for the years ended May 31, 2018 and 2017, respectively, and is recorded as a decrease or increase, respectively, to the related liability.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 2 – Summary of Significant Accounting Policies (continued)

Investments

The United Jewish Foundation manages the investment portfolio for the benefit of JFMD and UJF funds. The investment portfolio is comprised of equity securities, debt securities, hedge funds, funds of funds, and private equity investments. The Foundation records all investment in equity and debt securities with readily determinable fair values, based on published quotations at fair value in accordance with generally accepted accounting principles.

Each UJF fund carries its investment account based upon its original contribution, adjusted for subsequent receipts and disbursements and allocation of investment income. Each fund is allocated a portion of the portfolio's actual earnings, based on that fund's account balance.

JFMD and UJF invest in various investment funds (the "Funds") with investment managers who manage investment partnerships, managed accounts, commodity funds, hedge funds, and private equity funds which employ diversified styles and strategies. The goal of these investments is to generate a long-term return with less risk than the equity market. The net asset value of these investments is calculated by the investment manager based on prices and valuations supplied to it by the underlying investment or money manager, or similar financial data provider. Market values as of May 31, 2018 and 2017 are based on monthly valuations provided by the managers of the funds. Management, in coordination with the UJF investment committee and the investment consultant, obtains and considers the audited financial statements issued by nationally recognized accounting firms of such investments when evaluating the overall reasonableness of carrying value. Because of the inherent uncertainty of valuations, values may differ materially from values had a ready market existed.

The investment managers may utilize a variety of financial instruments in their trading strategies, including equity and debt securities of U.S. and foreign issuers as well as a variety of derivative instruments. Several of these financial instruments contain varying degrees of off-balance-sheet risk whereby changes in market value of the securities underlying the financial instruments may be in excess of the amounts recorded on the investments' balance sheet. However, due to the nature of JFMD and UJF's limited interest in these funds, JFMD and UJF's risk with respect to such transactions is limited to its capital balance in each fund.

Pledges Receivable

The organizations receive pledges and bequests of financial support. Support revenue is recognized when pledges representing unconditional promises to give are received. In the absence of such promises, revenue is recognized when pledges are paid. Conditional promises to give are not included as support until the conditions are met.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 2 – Summary of Significant Accounting Policies (continued)

Pledges Receivable (continued)

Unconditional promises to give that are expected to be collected in future years are recorded as pledges receivable in the year promised at the present value of expected future cash flows, net of an allowance for uncollectible amounts. The present value of such amounts is computed using appropriate discount rates ranging from 1.5 to 2.9 percent based on the years in which the promises are received and commensurate with the expected payment dates.

An allowance for uncollectible amounts is provided based on management's judgment. The determination includes such factors as prior collection history, type of contributions, and nature of fundraising.

Notes Receivable

Notes receivable are reported at the original issue amount plus accrued interest, less principal repaid. Interest is recognized according to terms of the specific notes. Notes and loans receivable consist primarily of amounts due to UJF from related parties (see Note 7).

The organizations consider a financing loan receivable to be impaired when, based upon current information and events, it believes it is probable that the organizations will be unable to collect all amounts due according to the contractual terms of the loan agreement. The organizations had \$345,420 in loans 90 days or more past due and considered to be impaired or uncollectible as of May 31, 2018 and 2017. The full balance of these loans has been recorded as an allowance for uncollectible loans.

Donated Real Estate and Other Interests Held for Investment

Donated real estate and other interests held for investment consist of donated real estate or interests in real estate, carried at \$9,636,500 and \$11,020,800 as of May 31, 2018 and 2017, respectively, and donated interests in partnerships and trusts carried at \$446,965 and \$748,409 as of May 31, 2018 and 2017, respectively. The assets are recorded at their estimated fair values at the date of donation, as determined by independent appraisals. Subsequent to initial acquisition, donated interests in partnerships and trusts are accounted for under the cost or equity method, depending on the ownership level.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 2 – Summary of Significant Accounting Policies (continued)

Donated Real Estate and Other Interests Held for Investment (continued)

Also included in donated real estate and other interests held for investments are single premium annuity contracts related to life insurance policies on the respective donor's life, carried at \$2,663,979 as of May 31, 2018 and 2017. The organizations record these transactions in accordance with generally accepted accounting principles for deposit accounting. The organizations will ultimately receive, at a minimum, the original amount invested, plus interest, via annuity payments and death benefits. Since there is no transfer of risk associated with the life insurance policies, the related annuity and life insurance investments are accounted for as deposit transactions. Life insurance premium payments are recorded in a deposit account and are offset by the return of the principal portion of the annuity payments.

Advances and Other Assets

Included in advances and other assets is the cash surrender value of donated life insurance policies whereby UJF has been named as the beneficiary. The total cash surrender value of life insurance policies included in advances and other assets was \$2,415,426 and \$2,286,399 as of May 31, 2018 and 2017, respectively.

Property and Equipment

Property and equipment are recorded at cost or, if acquired by gift, at fair value as of the date of donation. Depreciation of equipment is provided using the straight-line method over estimated useful lives of 3 to 10 years. Buildings and building renovations are depreciated using the straight-line method over periods of 10 to 30 years. Upon retirement or sale, the cost of disposed assets and the related accumulated depreciation are removed from the accounts, and any resulting gains or losses are recorded as increases or decreases in the combined statement of activities and changes in net assets. Repair and maintenance costs are expensed as incurred.

Property and equipment include land, buildings, and other property used by the organizations and their constituent agencies.

Impairment of Long-Lived Assets

The organizations review long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 2 – Summary of Significant Accounting Policies (continued)

Appropriations Payable

Appropriations payable represent awards to constituent and other agencies as of May 31, with payments expected to be made generally throughout the next fiscal year. Also included in the UJF appropriations payable are certain multi-year awards granted by various philanthropic funds.

Charitable Trust Annuities Payable

Certain donors have established irrevocable split-interest agreements with the organizations, primarily charitable gift annuities, pooled life income funds, and irrevocable charitable remainder trusts, whereby the donated assets are invested and distributions are made to the donor and/or other beneficiaries in accordance with the agreement for a specified period of time, at which time the remaining assets and future investment return are retained by the organizations. The organizations typically serve as trustee for the split-interest agreement.

The organizations have recorded the estimated fair value of the investments associated with irrevocable split-interest agreements and an estimated liability, using various discount rates for the net present value of the future cash outflows to beneficiaries. For the years ended May 31, 2018 and 2017, the combined statement of activities and changes in net assets included an increase to other operating income for changes in the estimated liability for split-interest agreements of \$1,036,604 and \$3,532,340, respectively, and investment income included in investment income of \$903,900 and \$2,196,853, respectively. Net assets of these trusts amounted to \$5,671,398 and \$5,380,868 at May 31, 2018 and 2017, respectively. Assets held in split-interest agreements, which are included in investments, totaled \$18,121,316 and \$19,220,115 as of May 31, 2018 and 2017, respectively.

Contributions Designated for Future Periods

Contributions designated for future periods represent the residual value of a charitable trust annuity agreement which is subject to donor control and has, therefore, been deferred pending final donor resolution of the distribution of the funds.

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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 2 – Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The organizations have estimated the fair value of their financial instruments using the following methods and assumptions:

The carrying amounts of cash, accounts receivable, pledges receivable, appropriations payable, and accounts payable approximate fair value due to their short-term nature, and the carrying amounts of the organizations' notes receivable and long-term debt are considered to approximate fair value because current rates approximate market rates available on instruments with similar terms and credit risk.

The fair value of the financial instruments above is determined using Level 2 inputs as described in Note 3.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

UJF reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Allocation of Expenses

The organizations adhere to generally accepted accounting principles in reporting expenses according to their functional classifications. Accordingly, certain costs have been allocated among the programs and support services benefited. Although the methods used are considered reasonable, other methods could be used that would produce a different result.

Risks and Uncertainties

The organizations hold various investments in any combination of stocks, bonds, fixed-income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Given the level of risk associated with certain investment securities and the level of uncertainty related to the changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could materially affect investment balances and the amounts reported in the combined statement of financial position and the combined statement of activities and changes in net assets.

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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 2 – Summary of Significant Accounting Policies (continued)

Tax-Exempt Status

The organizations are Michigan nonprofit corporations under Section 509(a)(3) of the Internal Revenue Code that have been granted an exemption from the payment of income taxes under Section 501(c)(3) and have been determined to be other than private foundations. The organizations' management believes that the organizations continue to operate in a manner that preserves their tax-exempt status.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Prior Year Financial Information

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organizations' financial statements for the year ended May 31, 2017, from which the summarized information was derived.

Subsequent Events

The organizations have evaluated subsequent events through October 4, 2018, which is the date that the combined financial statements were approved and available to be issued.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 2 – Summary of Significant Accounting Policies (continued)

Upcoming Accounting Pronouncement – Not-for Profit Entities Financial Reporting Model

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, in August 2016. ASU 2016-14 requires significant changes to the financial reporting model of organizations that follow FASB not-for-profit rules, including changing from three classes of net assets to two classes: net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the organizations, including required disclosures about the liquidity and availability of resources. The new standard is effective for the organizations' year ending May 31, 2019 and thereafter and must be applied on a retrospective basis. The organizations have evaluated the anticipated impact of the standard to primarily be the conversion to two classes of net assets and the required disclosures regarding liquidity and availability of assets. Based on current market conditions, the organizations anticipate a reclassification of net assets once the new accounting rules for endowment funds with deficiencies are implemented. If these rules had been in effect at May 31, 2018, this would have resulted in an increase to net assets without donor restrictions of approximately \$13.6 million and a decrease to net assets with donor restrictions of approximately \$13.6 million due to certain endowment funds with deficiencies as disclosed in Note 12.

Upcoming Accounting Pronouncement – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The accounting guidance will result in more governmental contracts being accounted for as contributions and may delay revenue recognition for certain grants and contributions that no longer meet the definition of unconditional. The new guidance will be effective for the organizations' year ending May 31, 2020 and will be applied on a modified prospective basis. The organizations do not expect the standard to have a significant impact on the timing of revenue recognition for government grants and contracts but have not yet determined the impact on the timing of recognition of foundation and individual grants and contributions.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
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NOTE 3 – Fair Value Measurements

As defined in the accounting standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the organizations use various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, the organizations attempt to utilize valuation methods that maximize the use of observable inputs. Based on the observability of the inputs used in the valuation methods, the organizations are required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported, and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities

Level 2 - Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3 - Unobservable inputs that are not corroborated by market data

The organizations hold as an investment various equity and fixed-income investments that are publicly traded securities. Fair values are based on quoted prices and are classified as Level 1. Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals and net asset values. The organizations hold no investments that would be classified as Level 3. The organizations' policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during the years ended May 31, 2018 and 2017.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 3 – Fair Value Measurements (continued)

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	May 31, 2018			
	Total	Level 1	Level 2	Valued at NAV
Pooled Income Portfolio				
Money market	\$ 39,001,074	\$ 39,001,074	\$ -	-
Mutual Funds:				
Equity	232,219,815	206,392,077	-	25,827,738
Debt	17,517,760	17,517,760	-	-
Real Assets	40,731,605	40,731,605	-	-
Liquid Limited Partnerships'				
Equity	41,965,281	-	-	41,965,281
Alternative Investments:				
Direct hedge funds	101,767,617	-	-	101,767,617
Private equity	21,468,629	-	-	21,468,629
Total Pooled Income Portfolio	494,671,781	303,642,516	-	191,029,265
Other:				
Money market	7,121,220	7,121,220	-	-
Israel bonds	469,500	-	469,500	-
Certificate of deposit	1,642,503	1,642,503	-	-
Common stocks	28,132,309	28,132,309	-	-
U.S. government debt	13,704	13,704	-	-
Municipal Debt	197,650	-	197,650	-
Corporate debt	658,750	-	658,750	-
Mutual Funds:				
Equity	11,632,760	11,632,760	-	-
Debt	1,507,049	1,507,049	-	-
Pooled Investment Fund	2,456,077	-	-	2,456,077
Private Equity	548,343	-	-	548,343
Total Other Investments	54,379,865	50,049,545	1,325,900	3,004,420
Total Investments	\$ 549,051,646	\$ 353,692,061	\$ 1,325,900	\$ 194,033,685

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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 3 – Fair Value Measurements (continued)

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	May 31, 2017			
	Total	Level 1	Level 2	Valued at NAV
Pooled Income Portfolio				
Money market	\$ 25,857,140	\$ 25,857,140	\$ -	-
Mutual Funds:				
Equity	210,872,216	173,254,241	-	37,617,975
Debt	55,467,138	18,341,313	-	37,125,825
Multi Strategy	-	-	-	-
Real Assets	38,993,802	38,993,802	-	-
Liquid Limited Partnerships				
Equity	7,812,768	-	-	7,812,768
Alternative Investments:				
Direct hedge funds	105,261,710	-	-	105,261,710
Private equity	19,119,463	-	-	19,119,463
Total Pooled Income Portfolio	<u>463,384,237</u>	<u>256,446,496</u>	<u>-</u>	<u>206,937,741</u>
Other:				
Money market	6,996,348	6,996,348	-	-
Israel bonds	2,177,000	-	2,177,000	-
Certificate of deposit	1,640,169	1,640,169	-	-
Common stocks	27,956,236	27,956,236	-	-
U.S. Government Debt	267,323	267,323	-	-
Municipal Debt	410,755	-	410,755	-
Corporate Debt	507,188	-	507,188	-
Mutual funds:				
Equity	8,585,909	8,585,909	-	-
Debt	1,352,485	1,352,485	-	-
Multi-strategy	-	-	-	-
Pooled Investment Fund	2,250,306	-	-	2,250,306
Direct Hedge Fund	2,303,420	-	-	2,303,420
Private Equity	133,427	-	-	133,427
Total Other Investments	<u>54,580,566</u>	<u>46,798,470</u>	<u>3,094,943</u>	<u>4,687,153</u>
Total Investments	<u>\$ 517,964,803</u>	<u>\$ 303,244,966</u>	<u>\$ 3,094,943</u>	<u>\$ 211,624,894</u>

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 3 – Fair Value Measurements (continued)

Investment Type	Investment Objective	Percentage	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Mutual Funds	Equity mutual funds valued at NAV include investments in closed funds which can be redeemed daily based on net asset values (NAV) provided by the fund managers. The organizations have no unfunded commitments for these funds as of May 31, 2018 and 2017, and there are no liquidity restrictions placed on these funds.	100%	None	N/A	N/A
Debt Mutual Funds	Debt mutual funds valued at NAV include investments in closed funds which can be redeemed daily based on net asset values (NAV) provided by the fund managers. The organizations have no unfunded commitments for these funds as of May 31, 2018 and 2017, and there are no liquidity restrictions placed on these funds.	100%	None	N/A	N/A
Direct Hedge Funds	Invest directly in debt, equity and derivative securities to produce equity-like returns, but with reduced volatility. Strategies employed include long/short equity, multi-strategy, arbitrage, relative value and event driven. Beta exposure to markets will vary based on the degree of hedging utilized by the managers. Approximately 44 percent of the funds within this category are subject to an investor gate which allows for only 25 percent redemption during any three-month period.	100%	None	Quarterly - Biennially	30-120 days
Private Equity	Invests directly in securities of companies that are generally not actively traded at the time of investment, securities that are perceived to be trading at distressed levels (many of which are illiquid), or a basket of private equity funds that invest in said securities. Additionally, makes acquisitions of private equity limited partnership interests and direct investment portfolios with a focus of acquiring these interests at a significant discount. Investments may be in U.S. or foreign markets, and returns are expected to be higher than those that can be achieved in equity markets, albeit with higher expected volatility. Funds within this category are not redeemable. Certain funds within this category will be redeemable quarterly upon 60 days' notice following the expiration of an initial 12-month lock-up period.	39%	\$ 5,704,298	N/A	N/A
		61%	None	Quarterly	60 days
Liquid Limited Partnerships	Invest directly in publicly traded equity securities, fixed-income securities or futures through a commingled vehicle. Though the underlying securities have daily liquidity, funds within this category may offer liquidity ranging from daily to monthly.	100%	None	Monthly	None to 30 days

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NOTES TO COMBINED FINANCIAL STATEMENTS
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NOTE 4 – Investments

Investment income includes realized gains of \$14,924,259 and \$2,415,830, unrealized gains of \$2,518,246 and \$43,886,267, and interest and dividends of \$11,749,683 and \$7,405,885 (net of \$913,756 and \$714,068 in fees), in each case for the years ended May 31, 2018 and 2017, respectively. Investment income in the organizations' combined statement of activities and changes in net assets is presented net of investment income earned on amounts held for constituent agencies and other deposits, charitable trust annuities payable, and other organizations payable.

NOTE 5 – Accounts Receivable

Accounts receivable consists of the following as of May 31:

	2018			2017
	JFMD	UJF	Combined	
Advances to constituent agencies	\$ -	\$ 11,659,220	\$ 11,659,220	\$ 7,668,440
Other receivables	225,877	216,165	442,042	383,247
Total gross accounts receivable	225,877	11,875,385	12,101,262	8,051,687
Allowance for uncollectible amounts	-	(227,254)	(227,254)	(225,267)
Net accounts receivable	<u>\$ 225,877</u>	<u>\$ 11,648,131</u>	<u>\$ 11,874,008</u>	<u>\$ 7,826,420</u>

NOTE 6 – Pledges Receivable

	2018			2017
	JFMD	UJF	Combined	Net Receivables
Gross pledges receivable	\$ 26,834,783	\$ 12,280,397	\$ 39,115,180	\$ 37,039,123
Allowance for uncollectible amounts	(4,228,581)	(1,009,871)	(5,238,452)	(5,948,075)
Unamortized discount	-	(2,672,850)	(2,672,850)	(1,960,448)
Net pledges receivable	<u>\$ 22,606,202</u>	<u>\$ 8,597,676</u>	<u>\$ 31,203,878</u>	<u>\$ 29,130,600</u>

Payments on pledges receivable at May 31, 2018 are expected to be received as follows:

	JFMD	UJF	Combined
Within one year	\$ 26,834,783	\$ 1,587,016	\$ 28,421,799
Between one and five years	-	3,060,680	3,060,680
More than five years	-	7,632,701	7,632,701
Total	<u>\$ 26,834,783</u>	<u>\$ 12,280,397</u>	<u>\$ 39,115,180</u>

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 6 – Pledges Receivable (continued)

UJF's pledges outstanding represent pledges in connection with the Centennial Campaign and various communal capital and endowment campaigns, and consist of the following at May 31:

	2018	2017
Centennial Campaign	\$ 10,216,514	\$ 8,990,000
Akiva Hebrew Day School	1,042,235	1,264,353
Jewish Women's Foundation	473,698	473,615
BBYO Student Conference Center	127,650	132,650
Legacy Fund	125,200	120,179
Jean and Samuel Frankel Jewish Academy of Metropolitan Detroit	110,000	130,000
JVS	100,000	100,000
Max M. Fisher Federation Building	50,000	-
Robinson Pioneer Village - Fresh Air Society	23,000	26,000
Jewish Community Center	10,000	15,950
Berman Center for the Performing Arts	1,500	2,100
University of Michigan Hillel	600	600
Millennium - Jewish Life Fund	-	975,000
Millennium - Jewish Community Center	-	551,566
Harris Nature Center	-	145,000
Jewish Senior Life	-	5,000
	<u>\$ 12,280,397</u>	<u>\$ 12,932,013</u>
Total Pledges Receivable	<u>\$ 12,280,397</u>	<u>\$ 12,932,013</u>

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 7 – Notes Receivable

Notes receivable consist of the following at May 31:

	2018	2017
UJF:		
Gifted promissory note in the form of a mortgage receivable. The receivable is held in a Restricted Fund, and bears interest at 7.10%, with interest payments of \$47,333 due monthly. The principal is due the earlier of September 2033 or six months following the death of the donor. (The Restricted Fund holds an offsetting payable in the same amount, payable to an unaffiliated Jewish organization.)	\$ 8,000,000	\$ 8,000,000
Land contract receivable bearing interest at 7.00% annually, payable semi-annually with interest only payments. The entire unpaid principal is due on October 1, 2022.	821,886	-
Land contract receivable bearing interest at 7.00% annually, due in monthly principal and interest installments of \$10,000 through November 2019	169,694	273,825
Other notes receivable	438,936	500,765
Gross notes receivable	9,430,516	8,774,590
Allowance for uncollectible amounts	(345,420)	(345,420)
Notes receivable, net - UJF	9,085,096	8,429,170
JFMD - Other notes receivable	-	17,669
Notes receivable, net - Combined	\$ 9,085,096	\$ 8,446,839

NOTE 8 – Property and Equipment – JFMD and UJF

Property and equipment consist of the following at May 31:

	2018	2017
Land	\$ 6,994,234	\$ 7,210,208
Buildings	119,525,734	125,286,639
Furniture and equipment	4,693,427	4,475,196
Construction in progress	243,168	1,467,287
Total	131,456,563	138,439,330
Accumulated depreciation	(70,959,184)	(71,360,653)
Property and Equipment, net	\$ 60,497,379	\$ 67,078,677

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 8 – Property and Equipment – JFMD and UJF (continued)

The majority of land and buildings represent communal properties and consist of the following at May 31, 2018:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
United Jewish Foundation			
Max M. Fisher Federation Building	\$ 900,000	\$ 7,741,051	\$ 8,641,051
Fresh Air Society – Camp Tamarack			
Ortonville	381,073	13,080,686	13,461,759
Grange Hall Road	247,207	-	247,207
Kennedy	129,782	49,868	179,650
Wawa	6,750	11,942	18,692
Jewish Community Center			
Applebaum Campus site	2,412,155	53,089,978	55,502,133
Taubman Campus site	46,378	38,333	84,711
Jewish Family Service	1,537,176	7,039,228	8,576,404
Jean and Samuel Frankel Jewish Academy of Metropolitan Detroit	-	7,805,628	7,805,628
Farber Hebrew Day School - Yeshivat Akiva	291,482	11,993,870	12,285,352
B'nai B'rith Youth Organization	-	1,120,071	1,120,071
Jewish Senior Life			
Fleischman Residence	-	6,561,524	6,561,524
Epicenter	-	1,298,200	1,298,200
Brown Adult Day Care Center	-	1,476,812	1,476,812
Brown Memory Care Pavilion	-	1,298,297	1,298,297
JVS - Workshop – Woodward and Canfield	245,916	1,392,106	1,638,022
University of Michigan Hillel	-	3,311,702	3,311,702
Michigan State University Hillel	65,555	2,216,438	2,281,993
6866 W. Maple, West Bloomfield	175,760	-	175,760
14450 Ten Mile Road, Oak Park	555,000	-	555,000
	<u>6,994,234</u>	<u>119,525,734</u>	<u>126,519,968</u>
Accumulated depreciation	<u>-</u>	<u>(67,068,115)</u>	<u>(67,068,115)</u>
Total Land and Buildings	<u>\$ 6,994,234</u>	<u>\$ 52,457,619</u>	<u>\$ 59,451,853</u>

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 9 – Financing Arrangements

At May 31, 2018 and 2017, UJF has an unsecured note payable outstanding of \$125,000 and 150,000, respectively, related to the purchase of land at 14450 Ten Mile Road, Oak Park. The note is noninterest-bearing with annual payments of \$25,000. The loan matures in February 2023.

At May 31, 2018 and 2017, UJF also has bonds payable outstanding of \$905,153 and \$1,057,599, respectively, which consist of Bank of America Public Capital Corp. limited obligation revenue notes, bearing interest at a fixed rate of 4.45% per annum. The bonds are callable at any time and mature July 1, 2023. The proceeds from the bond issuance were used to finance an HVAC system at the Jewish Community Center.

At May 31, 2018, there is an unsecured line of credit, related to the construction of the Farber Hebrew Day School - Yeshivat Akiva. At May 31, 2018, the balance on the line of credit is \$590,000. The note bears a floating interest rate of LIBOR plus 1.38%. The loan matures in February 2023.

Anticipated five-year maturities of bonds and notes payable are as follows:

May 31, 2019	\$ 583,780
May 31, 2020	381,013
May 31, 2021	198,532
May 31, 2022	206,414
May 31, 2023	214,654
Thereafter	35,760
Total Bonds and Notes Payable	<u>\$ 1,620,153</u>

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
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NOTE 10 – Retirement Plans

The JFMD maintains the Jewish Federation of Metropolitan Detroit Pension Plan (the "Plan") which covers substantially all of the employees of the organization and certain constituent agencies. As of December 31, 2014, the JFMD Pension Plan was frozen. The Plan is not required to file Form 5500 and does not have a separate Employer Identification Number.

Contributions to the Plan were \$133,800 and \$197,000 for the years ended May 31, 2018 and 2017, respectively. Based on information as of December 31, 2017, the year end of the Plan, the organization's contributions to the Plan represent more than 5 percent of total contributions received by the Plan. The amount of the organization's contributions to the Plan decreased by approximately 32 percent from 2017 to 2018, primarily as a result of higher than expected investment returns.

In addition, to the extent that the Plan is underfunded, and in the event that other organizations participating in the Plan have no assets available to pay their contributions, then the organization's future contributions to the Plan may increase to cover retirement benefits of employees of other organizations participating in the Plan. The following information is based on the financial statements of the Plan as of December 31, 2017.

Total plan assets	\$ 21,443,470
Actuarial present value of accumulated plan benefits	23,519,338
Total contributions received by the Plan	663,329
Indicated level of funding	At least 80%

The organization previously participated in a separate pension plan for union employees. Effective January 1, 2011, the union plan was merged into the plan described above.

Effective January 1, 2015, JFMD restated its 403(b) retirement plan to replace the Pension Plan. The Federation elected, for calendar year 2017, to offer a matching safe harbor contribution equal to 100% of the employee's 403(b) plan contributions up to 3% of pay and 50% of the employee's contributions above 3% up to 5% of pay.

NOTE 11 – Transactions with Affiliates

The Federation and The Jewish Fund have entered into a management agreement whereby the Federation provides administrative support to the Fund for an agreed-upon fee. Such fees were \$300,000 for the years ended May 31, 2018 and 2017.

Grants received from The Jewish Fund by the Federation were \$441,574 and \$405,500 and indirect grant expenses paid to other affiliated entities were \$36,508,397 and \$28,580,836 for the years ended May 31, 2018 and 2017, respectively.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 11 – Transactions with Affiliates (continued)

Amounts owed to affiliated agencies at May 31 are summarized below:

	2018	2017
Appropriations payable	\$ 19,770,487	\$ 19,138,955
Constituent agency deposits	23,079,840	22,943,563
Total	<u>\$ 42,850,327</u>	<u>\$ 42,082,518</u>

NOTE 12 – Endowment Funds

UJF's endowment consists of 1,130 individual donor-restricted funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The organizations have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent donor stipulations to the contrary. As a result of this interpretation, the organizations classify as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organizations in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organizations consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organizations and the donor-restricted 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 organizations
7. The investment policies of the organizations

**JEWISH FEDERATION OF METROPOLITAN DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 12 – Endowment Funds (continued)

Endowment net asset composition as of May 31, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted	\$ (13,622,690)	\$ 29,234,475	\$ 199,266,913	\$ 214,878,698
Board Designated	13,037,077	-	-	13,037,077
Split-interest agreements	233,829	-	-	233,829
	<u>\$ (351,784)</u>	<u>\$ 29,234,475</u>	<u>\$ 199,266,913</u>	<u>\$ 228,149,604</u>

Endowment net asset composition as of May 31, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted	\$ (13,383,843)	\$ 27,691,077	\$ 190,219,016	\$ 204,526,250
Board Designated	13,141,307	-	-	13,141,307
Split-interest agreements	194,521	-	-	194,521
	<u>\$ (48,015)</u>	<u>\$ 27,691,077</u>	<u>\$ 190,219,016</u>	<u>\$ 217,862,078</u>

Changes in endowment net assets for the year ended May 31, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ (48,015)	\$ 27,691,077	\$ 190,219,016	\$ 217,862,078
Income from investments	261,022	10,828,122	106	11,089,250
Contributions	-	231,925	4,660,822	4,892,747
Appropriation of endowment assets for expenditures	(595,252)	(9,139,421)	-	(9,734,673)
Other income (loss)	181,289	(234,475)	380,293	327,107
Transfers of net assets	88,019	(381,600)	4,006,676	3,713,095
Reclassification of income	(238,847)	238,847	-	-
Endowment net assets, end of year	<u>\$ (351,784)</u>	<u>\$ 29,234,475</u>	<u>\$ 199,266,913</u>	<u>\$ 228,149,604</u>

**JEWISH FEDERATION OF METROPOLITAN DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 12 – Endowment Funds (continued)

Changes in endowment net assets for the year ended May 31, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ (7,947,729)	\$ 19,002,158	\$ 184,117,527	\$ 195,171,956
Income from investments	1,477,751	24,372,143	-	25,849,894
Contributions	172	1,831,384	1,863,750	3,695,306
Appropriation of endowment assets for expenditures	(81,677)	(8,654,193)	(800,000)	(9,535,870)
Other income	13,534	265,554	84,999	364,087
Transfers of net assets	-	(2,636,035)	4,952,740	2,316,705
Reclassification of income	6,489,934	(6,489,934)	-	-
Endowment net assets, end of year	<u>\$ (48,015)</u>	<u>\$ 27,691,077</u>	<u>\$ 190,219,016</u>	<u>\$ 217,862,078</u>

Funds with Deficiencies - From time to time, the fair value associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA require the organizations to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were \$13,622,690 and \$13,383,843 as of May 31, 2018 and 2017, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new permanently restricted contributions. Subsequent gains that restore the fair value of the assets of endowment funds to the required level will be classified as an increase in unrestricted net assets.

Return Objectives and Risk Parameters - The organizations have adopted investment and pending policies for endowment assets that attempt to provide a predictable stream of funding to the organizations' programs and are 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 organizations must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce results that exceed 5% annually while assuming a moderate level of investment risk.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 12 – Endowment Funds (continued)

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

Spending Policy and How the Investment Objectives Relate to Spending Policy - The organizations have a policy of generally appropriating for distribution each year 5% of the endowment base. The endowment base is defined as the three-year moving average of the market value of the total endowment portfolio (calculated as of the last day of each of the previous 12 quarters). In establishing this policy, the organizations considered the long-term expected return on their endowment. Accordingly, over the long term, the organizations expect the current spending policy to allow their endowment to grow at an average of approximately 2% annually. This is consistent with the organizations' 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.

NOTE 13 – Restricted Net Assets

UJF's temporarily restricted net assets consist of the following at May 31:

	Temporarily Restricted	
	2018	2017
Unappropriated Endowment Earnings:		
Perpetual Annual Campaign		
Endowment (PACE) funds	\$ 2,915,159	\$ 2,845,745
Special-purpose funds	4,407,725	4,377,352
Constituent agency funds	21,911,591	20,467,980
Total Unappropriated Endowment Earnings	29,234,475	27,691,077
Other Time and/or Purpose Restrictions:		
Special-purpose funds	8,115,525	8,263,660
Constituent agency funds	15,656,140	17,177,631
Total Other Time and/or Purpose Restrictions	23,771,665	25,441,291
Total Temporarily Restricted Net Assets	\$ 53,006,140	\$ 53,132,368

**JEWISH FEDERATION OF METROPOLITAN DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 13 – Restricted Net Assets (Continued)

UJF's permanently restricted net assets consist of the following at May 31:

	Permanently Restricted	
	2018	2017
Perpetual Annual Campaign Endowment (PACE) funds	\$ 71,729,973	\$ 67,839,091
Special-purpose funds	16,175,023	15,580,324
Constituent agency funds	111,361,917	106,799,601
Total Permanently Restricted Net Assets	\$ 199,266,913	\$ 190,219,016

NOTE 14 – Contingencies

During 2001, Jewish Senior Life (JSL) (formerly Jewish Apartments and Services), a constituent agency supported by the organizations, issued \$18,000,000 in variable rate demand limited obligation revenue bonds. A local lender issued a letter of credit guaranteeing payment of the bonds and related interest, which are being repaid over a 25-year period. Should JSL not meet its obligation to make required principal and interest payments, the bond trustee may draw on the letter of credit. In that event, UJF has guaranteed to reimburse the lender. On July 10, 2013, UJF was granted a second priority mortgage interest in the underlying property, the Meer Jewish Apartments, to provide collateral support for its guarantee obligation. At May 31, 2018 and 2017, \$8,200,000 and \$10,200,000 of the bonds were outstanding, respectively. Subsequent to the balance sheet date, JSL refinanced the bonds. Under the terms of the new bond agreement, UJF is no longer a guarantor on the note.

Jewish Community Center (JCC), a constituent agency supported by the organization, has a bank line of credit for \$500,000. The outstanding balance was \$0 and \$500,000 as of May 31, 2018 and 2017, respectively, and bears interest at LIBOR plus 1.35 percent. The bank line of credit is guaranteed by UJF.

NOTE 15 – Concentrations

The organizations maintain their cash in bank deposit accounts which, at times, may exceed federally insured limits. The organizations have not experienced losses in such accounts.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 16 – Self-Insurance

The organizations became self-insured for medical coverage effective December 1, 2014. The claims are administered by a third-party administrator. Initial losses of up to \$140,000 per person are the responsibility of the organizations, with an aggregate annual maximum of approximately \$1,200,000. Total claims expense for the years ended May 31, 2018 and 2017 were approximately \$834,000 and \$825,000, respectively. Liabilities for estimated claims incurred but not reported totaling approximately \$157,000 and \$125,000 as of May 31, 2018 and 2017, respectively have been recorded.

SUPPLEMENTAL INFORMATION

Independent Auditor's Report on Supplemental Information

To the Board of Governors
Jewish Federation of Metropolitan Detroit and the
Board of Directors of the United Jewish Foundation

We have audited the combined financial statements of the Jewish Federation of Metropolitan Detroit and the United Jewish Foundation as of and for the year ended May 31, 2018 and have issued our report thereon dated October 4, 2018, which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the 2018 combined financial statements as a whole. The accompanying combining statements of financial position and combining statements of activities and changes in net assets are presented for the purpose of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2018 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2018 combined financial statements as a whole.

Plante & Moran, PLLC

October 4, 2018

JEWISH FEDERATION OF METROPOLITAN DETROIT

COMBINING STATEMENT OF FINANCIAL POSITION

May 31, 2018

ASSETS

	Operating Fund	Federation Annual Campaign	JFMD Programming	Oversees Programming	Missions Fund	Jewish Life Fund	Total
ASSETS							
Cash and cash equivalents	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600
Investments	1,464,290	14,383,915	1,422,165	507,489	15,963	14,605	17,808,427
Accounts receivable, net	225,877	-	-	-	-	-	225,877
Pledges receivable, net	-	22,603,902	-	2,300	-	-	22,606,202
Notes receivable, net	-	-	-	-	-	-	-
Interfund receivables (payables)	4,365,615	(7,979,794)	250,000	213,200	321,790	1,350,000	(1,479,189)
Advances and other assets	529,945	-	-	5,020	8,500	-	543,465
Property and equipment, net	325,414	-	-	-	-	-	325,414
TOTAL ASSETS	\$ 6,911,741	\$ 29,008,023	\$ 1,672,165	\$ 728,009	\$ 346,253	\$ 1,364,605	\$ 40,030,796

LIABILITIES AND NET ASSETS

LIABILITIES							
Appropriations payable							
General	\$ -	\$ 17,521,962	\$ 358,164	\$ -	\$ -	\$ -	\$ 17,880,126
Jewish Federations of North America and overseas	-	7,903,930	-	-	-	-	7,903,930
Trade accounts and other payables	3,332,725	-	-	45,524	-	10,123	3,388,372
Total Liabilities	3,332,725	25,425,892	358,164	45,524	-	10,123	29,172,428
NET ASSETS							
Unrestricted	3,579,016	3,582,131	1,314,001	682,485	346,253	1,354,482	10,858,368
TOTAL LIABILITIES AND NET ASSETS	\$ 6,911,741	\$ 29,008,023	\$ 1,672,165	\$ 728,009	\$ 346,253	\$ 1,364,605	\$ 40,030,796

JEWISH FEDERATION OF METROPOLITAN DETROIT

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2018

	Operating Fund	Federation Annual Campaign	JFMD Programming	Overseas Programming	Missions Fund	Jewish Life Fund	Total
OPERATING REVENUE AND SUPPORT							
Public support from contributions	\$ 14,833	\$ 37,559,922	\$ 1,518,510	\$ 280,298	\$ 99,150	\$ -	\$ 39,472,713
Revenue							
Investment income (including unrealized gains)	-	17,538	-	-	-	-	17,538
Interorganization appropriations	4,419,697	5,200	3,547,560	14,726	29,368	2,607,924	10,624,475
Miscellaneous fees and other	4,378,412	80,000	277,609	210,933	337,709	-	5,284,663
Total Revenue	<u>8,798,109</u>	<u>102,738</u>	<u>3,825,169</u>	<u>225,659</u>	<u>367,077</u>	<u>2,607,924</u>	<u>15,926,676</u>
Total Operating Revenue and Support	<u>8,812,942</u>	<u>37,662,660</u>	<u>5,343,679</u>	<u>505,957</u>	<u>466,227</u>	<u>2,607,924</u>	<u>55,399,389</u>
OPERATING EXPENSES							
Program Services							
Distributions							
Jewish Federations of North America and overseas	-	9,323,695	24,333	2,629	-	-	9,350,657
Local agencies	151,252	19,424,995	3,623,750	22,500	147,506	2,395,003	25,765,006
Other charitable organizations	-	1,066,617	360,330	47,500	230,790	211,494	1,916,731
Other	6,899,329	-	879,309	690,358	631,394	-	9,100,390
Total Program Services	<u>7,050,581</u>	<u>29,815,307</u>	<u>4,887,722</u>	<u>762,987</u>	<u>1,009,690</u>	<u>2,606,497</u>	<u>46,132,784</u>
Support Services							
Administrative	4,914,528	-	-	-	-	-	4,914,528
Financial resource development	2,172,884	105,431	2,579	80	4,171	-	2,285,145
Bad debt recovery	-	716,381	-	-	-	-	716,381
Other	51,098	-	-	-	-	-	51,098
Total Support Services	<u>7,138,510</u>	<u>821,812</u>	<u>2,579</u>	<u>80</u>	<u>4,171</u>	<u>-</u>	<u>7,967,152</u>
Total Operating Expenses	<u>14,189,091</u>	<u>30,637,119</u>	<u>4,890,301</u>	<u>763,067</u>	<u>1,013,861</u>	<u>2,606,497</u>	<u>54,099,936</u>
(Decrease) Increase in Net Assets from Operations	(5,376,149)	7,025,541	453,378	(257,110)	(547,634)	1,427	1,299,453
Transfer of funds	5,664,855	(7,350,945)	(582,140)	490,167	458,613	1,319,450	-
INCREASE (DECREASE) IN NET ASSETS	288,706	(325,404)	(128,762)	233,057	(89,021)	1,320,877	1,299,453
NET ASSETS - Beginning of Year	<u>3,290,310</u>	<u>3,907,535</u>	<u>1,442,763</u>	<u>449,428</u>	<u>435,274</u>	<u>33,605</u>	<u>9,558,915</u>
NET ASSETS - END OF YEAR	<u>\$ 3,579,016</u>	<u>\$ 3,582,131</u>	<u>\$ 1,314,001</u>	<u>\$ 682,485</u>	<u>\$ 346,253</u>	<u>\$ 1,354,482</u>	<u>\$ 10,858,368</u>

UNITED JEWISH FOUNDATION

COMBINING STATEMENT OF FINANCIAL POSITION
May 31, 2018

	ASSETS						
	General Fund	Philanthropic Funds	Support Foundations	Land, Building and Equipment	Other Unrestricted Funds	Restricted Funds	Total
ASSETS							
Cash and cash equivalents	\$ 750,439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,439
Investments	13,989,486	110,539,312	98,284,264	(77,890)	74,451,974	234,056,073	531,243,219
Accounts receivable, net	25,023	-	-	6,313	1,415,572	10,201,223	11,648,131
Pledges receivable, net	-	-	-	-	125,201	8,472,475	8,597,676
Notes receivable, net	40,500	29,710	23,306	-	169,694	8,821,886	9,085,096
Interfund receivables (payables)	(250,000)	(2,040,000)	(7,740,210)	-	1,529,987	9,979,412	1,479,189
Donated real estate and other interests held for investment	-	4,355,481	10,847,467	-	-	-	15,202,948
Advances and other assets	17,108	-	-	375	520,798	2,478,426	3,016,707
Property and equipment, net	-	-	-	59,928,797	2,876	240,292	60,171,965
TOTAL ASSETS	<u>\$ 14,572,556</u>	<u>\$ 112,884,503</u>	<u>\$ 101,414,827</u>	<u>\$ 59,857,595</u>	<u>\$ 78,216,102</u>	<u>\$ 274,249,787</u>	<u>\$ 641,195,370</u>
	LIABILITIES AND NET ASSETS						
LIABILITIES							
Appropriations payable	\$ -	\$ 3,497,552	\$ 1,447,500	\$ -	\$ 2,160,448	\$ 110,701	\$ 7,216,201
Trade accounts and other payables	14,978	-	-	49,710	397,954	145,735	608,377
Constituent agencies and other deposits	-	-	-	-	68,618,270	-	68,618,270
Bonds, notes and other payables	-	-	-	1,030,153	-	590,000	1,620,153
Charitable trust annuities payable	-	-	-	-	-	9,344,554	9,344,554
Other organizations payable	-	-	-	-	-	13,259,468	13,259,468
Contributions designated for future periods	-	-	-	-	-	3,105,364	3,105,364
Total Liabilities	<u>14,978</u>	<u>3,497,552</u>	<u>1,447,500</u>	<u>1,079,863</u>	<u>71,176,672</u>	<u>26,555,822</u>	<u>103,772,387</u>
NET ASSETS							
Unrestricted	14,557,578	109,386,951	95,740,023	58,777,732	7,039,430	(351,784)	285,149,930
Temporarily restricted	-	-	952,304	-	-	52,053,836	53,006,140
Permanently restricted	-	-	3,275,000	-	-	195,991,913	199,266,913
Total Net Assets	<u>14,557,578</u>	<u>109,386,951</u>	<u>99,967,327</u>	<u>58,777,732</u>	<u>7,039,430</u>	<u>247,693,965</u>	<u>537,422,983</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,572,556</u>	<u>\$ 112,884,503</u>	<u>\$ 101,414,827</u>	<u>\$ 59,857,595</u>	<u>\$ 78,216,102</u>	<u>\$ 274,249,787</u>	<u>\$ 641,195,370</u>

UNITED JEWISH FOUNDATION

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2018

	General Fund	Philanthropic Funds	Support Foundations	Land, Building and Equipment	Other Unrestricted Funds	Restricted Funds	Total
OPERATING REVENUE AND SUPPORT							
Public support from contributions	\$ -	\$ 53,266,277	\$ 8,761,235	\$ 767,801	\$ 351,136	\$ 7,082,057	\$ 70,228,506
Revenue							
Investment income (including unrealized gains)	691,065	3,489,108	6,695,526	-	58,738	11,403,767	22,338,204
Loss on disposition of assets	-	-	(35,775)	(2,581,594)	(140,022)	-	(2,757,391)
Interorganization appropriations	129,252	277,760	-	-	2,321,450	359,289	3,087,751
Miscellaneous fees and other	4,169,945	1,909	21,788	609,667	335,915	1,071,864	6,211,088
Total Revenue	4,990,262	3,768,777	6,681,539	(1,971,927)	2,576,081	12,834,920	28,879,652
Total Operating Revenue and Support	4,990,262	57,035,054	15,442,774	(1,204,126)	2,927,217	19,916,977	99,108,158
OPERATING EXPENSES							
Program Services							
Distributions							
Federation's annual campaign	-	5,149,430	1,276,418	-	-	4,405,770	10,831,618
Jewish Federations of North America and overseas	-	-	55,000	-	-	-	55,000
Local agencies	5,506,953	4,533,115	3,104,696	2,000	1,771,140	9,537,713	24,455,617
Other charitable organizations	-	20,410,577	5,215,076	-	-	628,242	26,253,895
Other	248,024	-	261,999	4,455,492	458,849	421,389	5,845,753
Total Program Services	5,754,977	30,093,122	9,913,189	4,457,492	2,229,989	14,993,114	67,441,883
Support Services							
Administrative	298,796	3,375	78,394	60,555	-	5,536	446,656
Bad debt recovery	-	-	-	-	-	(796,973)	(796,973)
Other	-	-	-	16,941	-	-	16,941
Total Support Services	298,796	3,375	78,394	77,496	-	(791,437)	(333,376)
Total Operating Expenses	6,053,773	30,096,497	9,991,583	4,534,988	2,229,989	14,201,677	67,108,507
(Decrease) Increase in Net Assets from Operations	(1,063,511)	26,938,557	5,451,191	(5,739,114)	697,228	5,715,300	31,999,651
Transfer of funds	480,743	(157,082)	(4,040,983)	324,037	289,347	3,103,938	-
(DECREASE) INCREASE IN NET ASSETS	(582,768)	26,781,475	1,410,208	(5,415,077)	986,575	8,819,238	31,999,651
NET ASSETS - Beginning of Year	15,140,346	82,605,476	98,557,119	64,192,809	6,052,855	238,874,727	505,423,332
NET ASSETS - END OF YEAR	\$ 14,557,578	\$ 109,386,951	\$ 99,967,327	\$ 58,777,732	\$ 7,039,430	\$ 247,693,965	\$ 537,422,983