JEWISH FUNDERS NETWORK

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

CERINI & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS

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CERINI & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Jewish Funders Network
150 West 30th Street, Suite 900
New York, New York 10001

We have audited the accompanying statements of financial position of Jewish Funders Network ("JFN") as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of JFN's management. Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of JFN's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JFN as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cerini & Associates LLP

Bohemia, New York
May 15, 2011

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STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	2010	2009
ASSETS		
Current Assets:		
Cash and cash equivalents (Notes 2 and 5)	$ 917,563	$ 1,108,833
Investments (Note 2)	4,015,239	5,160,490
Accounts receivable	962,721	1,050,477
Prepaid expenses and other current assets	50,771	37,108
TOTAL CURRENT ASSETS	5,946,294	7,356,908
Restricted cash (Notes 2, 4, and 5)	18,896	18,606
Restricted investments (Note 2)	99,796	110,519
Accounts receivable	300,000	930,000
Property and equipment, net of accumulated depreciation (Note 3)	28,981	66,162
Other assets	33,770	89,547
TOTAL ASSETS	$ 6,427,737	$ 8,571,742
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	$ 108,255	$ 238,944
Grants payable (Note 7)	55,543	252,376
Deferred revenue	159,555	140,301
Other current liabilities	819	6,985
TOTAL LIABILITIES	324,172	638,606
Commitments and contingencies (Notes 2, 4, 5, 6, 7, 8, and 9)		
Net Assets:		
Unrestricted	1,265,098	1,176,167
Temporarily restricted (Notes 2, 4, and 9)	4,719,775	6,627,844
Permanently restricted (Notes 2, 4 and 9)	118,692	129,125
TOTAL NET ASSETS	6,103,565	7,933,136
TOTAL LIABILITIES AND NET ASSETS	$ 6,427,737	$ 8,571,742

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Grants (Note 4)	$ -	$ 5,316,095	$ -	$ 5,316,095
Contributions (Note 4)	374,941	243,564	-	618,505
Membership dues	510,861	-	-	510,861
Conference	219,652	-	-	219,652
Conference sponsorships	238,500	-	-	238,500
Program fees	354,385	-	-	354,385
Investment income (Note 2)	625	2,875	358	3,858
Other income	5,789	-	-	5,789
Net assets released from restriction (Note 4)	7,481,394	(7,470,603)	(10,791)	-
TOTAL SUPPORT AND REVENUE	9,186,147	(1,908,069)	(10,433)	7,267,645
EXPENSES				
Program services	2,201,053	-	-	2,201,053
Grants to not-for-profit organizations (Note 4)	6,032,860	-	-	6,032,860
Management and general	584,537	-	-	584,537
Fundraising	278,766	-	-	278,766
TOTAL EXPENSES	9,097,216	-	-	9,097,216
CHANGE IN NET ASSETS	88,931	(1,908,069)	(10,433)	(1,829,571)
Net assets, beginning of year	1,176,167	6,627,844	129,125	7,933,136
Net assets, end of year	$ 1,265,098	$ 4,719,775	$ 118,692	$ 6,103,565

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Grants (Note 4)	$ 4,918,678	$ 1,871,921	$ -	$ 6,790,599
Contributions (Note 4)	594,938	698,700	-	1,293,638
Membership dues	414,700	-	-	414,700
Conference	250,438	-	-	250,438
Conference sponsorships	310,000	-	-	310,000
Program fees	809,417	-	-	809,417
Investment income (Note 2)	47,889	-	(1,630)	46,259
Other income	6	-	-	6
Net assets released from restriction (Note 4)	1,270,136	(1,259,482)	(10,654)	-
TOTAL SUPPORT AND REVENUE	8,616,202	1,311,139	(12,284)	9,915,057
EXPENSES				
Program services	2,675,889	-	-	2,675,889
Grants to not-for-profit organizations (Note 4)	5,216,972	-	-	5,216,972
Management and general	512,666	-	-	512,666
Fundraising	191,333	-	-	191,333
TOTAL EXPENSES	8,596,860	-	-	8,596,860
CHANGE IN NET ASSETS	19,342	1,311,139	(12,284)	1,318,197
Net assets, beginning of year	1,156,825	5,316,705	141,409	6,614,939
Net assets, end of year	$ 1,176,167	$ 6,627,844	$ 129,125	$ 7,933,136

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (1,829,571)	$ 1,318,197
Adjustments to reconcile change in net assets to net cash (used in)/provided by operating activities:		
Depreciation expense	40,624	49,059
Net realized and unrealized gains on investments	(5,314)	(21,758)
Changes in operating assets and liabilities:		
Accounts receivable	717,756	(966,352)
Prepaid expenses and other current assets	(13,663)	11,311
Other assets	55,777	(37,496)
Accounts payable and accrued expenses	(130,689)	154,469
Grants payable	(196,833)	(85,005)
Deferred revenue	19,254	(205,729)
Other current liabilities	(6,166)	(8,817)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(1,348,825)	207,879
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	5,201,518	110,478
Purchases of investments	(4,040,230)	(114,827)
Purchases of property and equipment	(3,443)	(6,267)
Change in restricted cash	(290)	1,451
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	1,157,555	(9,165)
NET CHANGE IN CASH	(191,270)	198,714
Cash and cash equivalents, beginning of year	1,108,833	910,119
Cash and cash equivalents, end of year	$ 917,563	$ 1,108,833

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

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Jewish Funders Network ("JFN") is presented to assist in understanding JFN's financial statements. The financial statements and notes are representations of JFN's management, which is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization:
JFN was incorporated in 1994 as a not-for-profit corporation, organized under the laws of the State of Pennsylvania. Its primary purpose is to provide opportunities for Jewish philanthropists to discuss emerging issues; learn about new projects; share ideas and plans; gain expertise in the operational, administrative, and legal aspects of grant making; and exchange information. During 2009 JFN's Israel office was established to carry out JFN's mission overseas. As of December 31, 2010 not-for-profit status for JFN's Israel office was still pending an approval from the Israeli government. During the years ended December 31, 2010 and 2009 operations of the JFN's Israel office were conducted through Karen Karev, an established Israeli not-for-profit organization, that functioned as fiscal intermediary for JFN. Transactions between JFN and Karen Karev are recorded as grants in the accompanying statements of activity.

Income Tax Status:
JFN is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and is publicly supported, as described in section 509(a). On January 1, 2010, JFN adopted the recognition requirements for uncertain tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Tax benefits are recognized for tax positions taken or expected to be taken in a tax and information return, only when it is determined that the tax position will more-likely-than-not be sustained upon examination by taxing authorities. JFN has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. JFN believes that tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on JFN's financial condition, results of operations, or cash flows. Accordingly, JFN has not recorded any reserves, or related accruals for interest and penalties for uncertain tax positions at December 31, 2010. Tax returns for the years ended December 31, 2010, 2009, 2008, and 2007 are open for examination by federal, state, and local authorities.

Basis of Accounting:
The books of accounts are maintained on the accrual basis of accounting. Revenue is recorded as earned and expenses are recorded when incurred.

Basis of Presentation:
JFN is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of JFN and changes therein are classified and reported as follows:

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of Presentation (continued)

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

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

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by JFN. Generally, the donors of these assets permit JFN use all or part of the income earned on any related investments only for the specific purposes set forth with their donation.

Contributions:
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to JFN that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Revenue Recognition:
Conference revenue is recognized when the conference has occurred. Conference fees collected prior to the conference date are classified as deferred revenue in the accompanying statements of financial position.

Membership dues are recorded as revenue in the year to which the dues pertain. Dues pertaining to the time period not yet passed are classified as deferred revenue in the accompanying statements of financial position.

Program fees revenue is recognized based on the nature of the underlying program, principally as applicable services are provided.

Cash Equivalents:
For the purpose of the financial statements, cash equivalents represent money market funds with financial institutions.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Accounts Receivable:
A significant portion of the accounts receivable balance is comprised of multi-year pledges. Receivables are stated at the amount management expects to collect from outstanding balances. JFN considers receivables past due or delinquent when payments have not been received in a timely manner, and receivables are written off when management deems the possibility of collecting amounts due is completely unlikely. During the year ended December 31, 2010 approximately $48,000 of accounts receivable was written off. There were no write offs during the year ended December 31, 2009. A significant portion of accounts receivable due in 2010 has been collected subsequent to year-end. Management believes all remaining receivables are collectible. As such, no allowance was established for doubtful accounts as of December 31, 2010.

Property and Equipment:
Property and equipment are stated at cost, if purchased, or fair value, if contributed. Maintenance and repairs are charged to expense and betterments of $2,500 or more are capitalized. Depreciation is computed using the straight line method over each asset's estimated useful life as follows:

Furniture and equipment	3 – 7 years
Leasehold improvements	5 years

Donated Services:
JFN benefits from volunteer services in program and administrative duties from the Board members and other volunteers. Even though these donated services are valuable to JFN, and help to advance JFN's mission, no amounts have been reflected in the financial statements for contributed services inasmuch as such services do not meet the criteria for recognition in the financial statements under accounting principles generally accepted in the United States of America, nor do they create or enhance non-financial assets.

Grants Payable:
JFN receives grants from donors, whose intent is that JFN will redistribute the funds to various not-for-profit organizations that are aligned with JFN's mission. These donors and JFN work together to identify organizations that are aligned with JFN's mission. JFN records such grants as a liability.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Functional Expenses:
The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon an analysis of personnel time and space utilized for the related activities.

Use of Estimates:
The presentation of financial statements in conformity with the accounting principles generally accepted in the United States of America 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 these estimates.

Events Occurring After the Report Date:
JFN has evaluated events and transactions that occurred between January 1, 2011 and May 15, 2011, which is the date that the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 2 -- INVESTMENTS

JFN presents investments in the statements of financial position at fair value. A fair value hierarchy has been established based on the observability of inputs to the evaluation of an asset or liability as of the measurement date. The three-level valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair value levels (Level 1, 2, and 3).

- Level 1: Level 1 instruments are valued using observable inputs that reflect quoted prices for identical assets or liabilities in active markets that JFN has the ability to access at the measurement date. Level 1 assets include highly-liquid U.S. Treasury securities and exchange-traded equity securities.

- Level 2: Level 2 instruments are valued using observable inputs, other than quoted prices included in Level 1, for the asset or liability or prices for similar assets and liabilities. Most debt securities and some preferred stocks are model-priced by vendors using observable inputs and are classified within Level 2. Also included in the Level 2 category are derivative instruments that are priced using models with observable market inputs, including interest rates, foreign currency, and certain credit swap contracts.

- Level 3: Level 3 instruments are valued using valuations that are derived from techniques in which one or more of the significant inputs are unobservable (including assumptions about risk). Level 3 securities include less liquid securities such as highly structured and/or lower quality, asset-backed securities ("ABS") and commercial mortgage-backed securities ("CMBS"), including ABS backed by sub-prime loans, and private placement

NOTE 2 -- INVESTMENTS *(continued)*

debt and equity securities. Embedded derivatives and complex derivatives securities, including equity derivatives, longer dated interest rate swaps and certain complex credit derivatives are also included in Level 3. Because Level 3 fair values, by their nature, contain unobservable market inputs as there is no observable market for these assets and liabilities, considerable judgment is used to determine the Level 3 fair values. Level 3 fair values represent JFN's best estimate of an amount that could be realized in a current market exchange absent actual market exchanges.

All of the investments held by JFN are considered level 1 investments because they are regularly traded and have quoted prices in active markets.

Investments are presented in the financial statements at fair value. The fair and historic values of JFN's investments by major security type are as follows at December 31, 2010:

	Historical Cost	Fair Value
Cash	$ -	$ -
U.S. government securities	4,115,035	4,115,035
Total investments	$ 4,115,035	$ 4,115,035

The following schedule summarizes the investment return included in the statement of activities for the year ended December 31, 2010:

Interest and dividend income	$ 9,172
Net realized and unrealized loss on investments	(5,314)
Total investment income	$ 3,858

The fair and historic values of JFN's investments by major security type are as follows at December 31, 2009:

	Historical Cost	Fair Value
Cash	$ 169	$ 169
U.S. government securities	5,270,840	5,270,840
Total investments	$ 5,271,009	$ 5,271,009

The following schedule summarizes the investment return included in the statement of activities for the year ended December 31, 2009:

Interest and dividend income	$ 24,501
Net realized and unrealized gain on investments	21,758
Total investment income	$ 46,259

NOTE 2 -- INVESTMENTS *(continued)*

JFN invests in U.S. government securities. Such investments are exposed to risks such as interest rate and market risks. Due to the level of risk associated with certain investment vehicles, it is possible that changes in the values of investment holdings could occur in the near term and that change could materially affect the amounts reported in the statements of financial position.

For the years ended December 31, 2010 and 2009, JFN included in cash and investments restricted for use of $118,692 and $129,125, respectively, that were held in permanently restricted funds (See Note 4) and $4,719,775 and $6,627,844, respectively, that was held in temporarily restricted funds.

NOTE 3 -- PROPERTY AND EQUIPMENT

Property and equipment balances consisted of the following at December 31,:

	2010	2009
Furniture and equipment	$ 238,374	$ 234,931
Leasehold improvements	58,194	58,194
Total cost	296,568	293,125
Less: accumulated depreciation	(267,587)	(226,963)
Net property and equipment	$ 28,981	$ 66,162

Depreciation expense for the years ended December 31, 2010 and 2009 was $40,624 and $49,059, respectively.

NOTE 4 -- NET ASSETS

Temporarily Restricted Net Assets

JFN receives grants and contributions that are primarily restricted for use in specific programs and causes aligned with JFN's mission. JFN maintains variance power over these grants (see Note 9). During fiscal 2010 and 2009, JFN received $5,316,095 and $1,871,921, respectively in grants and $243,564 and $698,700, respectively in such restricted contributions and disbursed $6,032,860 and $5,216,972, respectively, in grants to qualifying organizations.

These net assets from grants, inclusive of related investment income, were restricted for the following purposes at December 31,:

NOTE 4 -- NET ASSETS *(continued)*

	2010	2009
Foundation Services Fund: Fund 1	$ 1,753,813	$ 966,850
Northern Israel Relief 1	1,601,669	2,766,670
Northern Israel Early Childhood	137,939	341,486
Northern Israel Relief 2	73,483	205,778
Foundation Services: Expansion	55,742	230,762
Membership Services	133,163	235,918
Time restricted	402,500	803,700
Other	561,466	1,076,680
Total	$ 4,719,775	$ 6,627,844

JFN also maintains a portfolio of funds provided by donors. These funds are provided by the donors for the specific purposes consistent with JFN's mission. All interest, dividends, net realized gains, and net unrealized gains are maintained as part of the grants payable balance.

Permanently Restricted Net Assets

Permanently restricted net assets consist of restricted contributions from two separate donors which are held within restricted cash and restricted investments on the accompanying statements of financial position. Interest and dividend income generated and retained by these contributions in the portfolio have been classified as permanently restricted in JFN's statements of activities. The breakout of these restricted net assets by donor is as follows at December 31,:

	2010	2009
JJ Greenberg Award Fund	$ 99,795	$ 110,518
Shapiro Award	18,897	18,607
Total	$ 118,692	$ 129,125

NOTE 5 -- CONCENTRATIONS OF RISK

From time to time, JFN has cash on deposit and short term investments with financial institutions in excess of federally insured limits. At December 31, 2010 and 2009 these amounts were approximately $413,000 and $556,000, respectively.

NOTE 6 -- RETIREMENT PLAN

JFN participates in a 401(k) plan that covers substantially all employees over the age of twenty-one. Vesting in participants' accounts is immediate. This plan provides for elective contributions to this plan that range from 3% to 4% of each participant's compensation for any plan year. Contributions are subject to certain limitations as stipulated in the plan document. JFN provided contributions of approximately $45,228 and $44,589 for the years ended December 31, 2010 and 2009, respectively.

NOTE 7 -- GRANTS PAYABLE

JFN has an outstanding agreement from prior years with the Avi Chai Foundation for a matching grant program ("MATCH"). MATCH will provide grants of $25,000 to $50,000 to match grants of an equal or greater amount, which are made by qualifying JFN members, to institutions in support of Jewish education. At December 31, 2010 and 2009, matching grants payable amounted to $55,543 and $252,376, respectively, and was included with grants payable on the accompanying statements of financial position.

NOTE 8 -- LEASE COMMITMENTS

JFN entered into a lease for office space at its Manhattan location in November 2005, which commenced in January 2006, and expires on January 31, 2016. The lease contains escalation clauses of 3% per annum.

In addition, JFN leases certain copying equipment. These leases are set to expire between now and December 31, 2016. Future minimum payments under non-cancellable operating leases are as follows for the years ending December 31,:

2011	$	155,329
2012		160,122
2013		163,454
2014		162,162
2015		166,398
2016		13,759
Total	$	821,224

NOTE 9 -- ENDOWMENT

Effective September 17, 2010, the State of New York enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the provisions of which apply to the endowment funds existing on or established after that date.

JFN's endowment consists of the JJ Greenberg Memorial Fund and Shapiro Fund that are permanently restricted for use by the donor. JFN is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. The full amount of contributions received towards JJ Greenberg and Shapiro Funds were initially recorded as permanent endowment. JFN adopted a spending policy whereby it looks to provide ongoing support of scholarships as provided for by the endowment funds. As a result, on annual basis, a portion of the endowment fund is released from restriction in accordance with JFN's spending policy.

NOTE 9 -- ENDOWMENT *(continued)*

Return Objectives and Risk Parameters

JFN has adopted an investment strategy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment. In order to have the funds readily available, JFN's endowments are invested in U.S. government securities.

Spending Policy

Under adopted JFN's spending policy, permanently restricted funds are used for the purposes of awarding an annual $5,000 scholarship, and to cover the expenses associated with the annual award ceremony, which is allowable under the donor guidelines. Investment income, generated from its permanently restricted funds at December 31, 2010 and 2009 was added to the permanently restricted balance of the net assets.

During the year ended December 31, 2010, JFN had the following endowment-related activities:

	Unrestricted	Permanently Restricted
Endowment funds, beginning of year	$ -	$ 129,125
Investment return	-	358
Releases from permanent restrictions	10,791	(10,791)
Expenditures	(10,791)	-
Endowment funds, end of year	$ -	$ 118,692