

***JEWISH FUNDERS NETWORK  
AND AFFILIATE***

***CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015***

---



Connected  
to your business  
goals  
success

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
TABLE OF CONTENTS**

---

Independent Auditors' Report ..... 1

**Audited Consolidated Financial Statements:**

Consolidated Statements of Financial Position..... 3

Consolidated Statement of Activities for the year ended December 31, 2016 ..... 4

Consolidated Statement of Activities for the year ended December 31, 2015 ..... 5

Consolidated Statements of Cash Flows ..... 6

Notes to Consolidated Financial Statements ..... 7

**Supplementary Information:**

Consolidating Statement of Financial Position at December 31, 2016 ..... 16

Consolidating Statement of Financial Position at December 31, 2015 ..... 17

Consolidating Statement of Activities for the year ended December 31, 2016..... 18

Consolidating Statement of Activities for the year ended December 31, 2015..... 19



## 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 consolidated financial statements of Jewish Funders Network (a not-for-profit Organization) and its affiliated entity, Jewish Funders Network (R.A.) ("JFNRA," an Israeli nonprofit organization) (collectively "JFN"), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements. We did not audit the financial statements of JFNRA, which reflect total assets and revenues constituting 15% and 4%, respectively, of the related consolidated totals as of and for the year ended December 31, 2016 and 8% and 6%, respectively, of the related consolidated totals as of and for the year ended December 31, 2015. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for JFNRA, is based solely on the report of the other auditors.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained and the report of the other auditor are sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, based on our audits and the report of the other auditor, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of JFN as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying consolidating statements of financial position as of December 31, 2016 and 2015 and the consolidating statements of activities for the years then ended are presented for the purpose of additional analysis and are not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

*Cerini & Associates LLP*

Bohemia, New York  
May 23, 2017

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31,**

**2016**

**2015**

**ASSETS**

**Current Assets:**

Cash and cash equivalents (Notes 4 and 5).....	\$ 410,756	\$ 1,252,318
Current portion of restricted cash (Notes 4 and 5).....	3,809,293	247,960
Investments (Notes 2 and 4).....	3,191,357	1,424,969
Accounts receivable (Notes 4 and 5).....	1,274,354	418,045
Prepaid expenses and other current assets.....	56,378	60,344

<b>TOTAL CURRENT ASSETS</b>	8,742,138	3,403,636
-----------------------------	-----------	-----------

Long-term portion of restricted cash (Note 5).....	15,927	17,820
Property and equipment, net of accumulated depreciation (Note 3).....	60,836	12,065
Other assets.....	51,774	55,298

<b>TOTAL ASSETS</b>	\$ 8,870,675	\$ 3,488,819
---------------------	--------------	--------------

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable and accrued expenses .....	\$ 131,439	\$ 185,439
Grants payable (Note 7).....	429,916	9,916
Deferred revenue.....	260,344	208,356
Other current liabilities.....	3,482	4,009

<b>TOTAL LIABILITIES</b>	825,181	407,720
--------------------------	---------	---------

Commitments and contingencies (Notes 2, 4, 5, 6, 7, 8, and 9)

**Net Assets:**

Unrestricted.....	1,514,833	1,403,974
Temporarily restricted (Notes 4 and 9).....	6,514,734	1,659,305
Permanently restricted (Notes 2, 4, and 9).....	15,927	17,820

<b>TOTAL NET ASSETS</b>	8,045,494	3,081,099
-------------------------	-----------	-----------

<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 8,870,675	\$ 3,488,819
---	--------------	--------------

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>				
Grants (Notes 4 and 5).....	\$ 130,600	\$ 8,938,143	\$ -	\$ 9,068,743
Contributions (Notes 4 and 5).....	392,443	2,642,033	-	3,034,476
Membership dues.....	964,710	-	-	964,710
Conference .....	429,198	-	-	429,198
Conference sponsorships.....	693,260	-	-	693,260
Program fees.....	356,996	-	-	356,996
Investment income (Notes 2 and 4).....	10,158	313	115	10,586
Net assets released from restriction (Note 4).....	6,727,068	(6,725,060)	(2,008)	-
	<u>9,704,433</u>	<u>4,855,429</u>	<u>(1,893)</u>	<u>14,557,969</u>
<b>EXPENSES</b>				
Program services.....	4,166,839	-	-	4,166,839
Grants to not-for-profit organizations (Note 4).....	4,662,521	-	-	4,662,521
Management and general.....	596,432	-	-	596,432
Fundraising.....	172,110	-	-	172,110
	<u>9,597,902</u>	<u>-</u>	<u>-</u>	<u>9,597,902</u>
<b>COMPREHENSIVE INCOME</b>				
Gain on foreign currency exchange.....	4,328	-	-	4,328
	<u>110,859</u>	<u>4,855,429</u>	<u>(1,893)</u>	<u>4,964,395</u>
Net assets, beginning of year.....	<u>1,403,974</u>	<u>1,659,305</u>	<u>17,820</u>	<u>3,081,099</u>
Net assets, end of year.....	<u>\$ 1,514,833</u>	<u>\$ 6,514,734</u>	<u>\$ 15,927</u>	<u>\$ 8,045,494</u>

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

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>				
Grants (Notes 4 and 5).....	\$ 154,417	\$ 12,755,937	\$ -	\$ 12,910,354
Contributions (Notes 4 and 5).....	546,266	1,691,245	-	2,237,511
Membership dues.....	899,400	-	-	899,400
Conference .....	336,170	-	-	336,170
Conference sponsorships.....	535,077	-	-	535,077
Program fees.....	182,522	-	-	182,522
Investment income (Notes 2 and 4).....	5,610	39	126	5,775
Net assets released from restriction (Note 4).....	17,428,442	(17,428,442)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	20,087,904	(2,981,221)	126	17,106,809
<b>EXPENSES</b>				
Program services.....	3,474,747	-	-	3,474,747
Grants to not-for-profit organizations (Note 4).....	15,562,858	-	-	15,562,858
Management and general.....	612,173	-	-	612,173
Fundraising.....	172,004	-	-	172,004
<b>TOTAL EXPENSES</b>	19,821,782	-	-	19,821,782
<b>COMPREHENSIVE INCOME</b>				
Loss on foreign currency exchange.....	(679)	-	-	(679)
<b>CHANGE IN NET ASSETS</b>	265,443	(2,981,221)	126	(2,715,652)
Net assets, beginning of year.....	1,138,531	4,640,526	17,694	5,796,751
Net assets, end of year.....	<u>\$ 1,403,974</u>	<u>\$ 1,659,305</u>	<u>\$ 17,820</u>	<u>\$ 3,081,099</u>

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

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,**

**2016**

**2015**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets.....	\$ 4,964,395	\$ (2,715,652)
<u>Adjustments to reconcile change in net assets</u>		
<u>to net cash used in operating activities:</u>		
Depreciation expense.....	28,864	8,901
Net realized and unrealized (gain)/loss on investments.....	(4,377)	731
Loss on fixed asset disposal.....	301	-
Donated stock.....	(1,760,000)	-
<u>Changes in operating assets and liabilities:</u>		
Restricted cash.....	(3,559,440)	2,428,874
Accounts receivable.....	(856,309)	185,539
Prepaid expenses and other current assets.....	3,966	17,990
Other assets.....	3,524	(23,612)
Accounts payable and accrued expenses.....	(54,000)	51,553
Grants payable.....	420,000	(1,800)
Deferred revenue.....	51,988	1,699
Other current liabilities.....	(527)	2,243
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(761,615)</b>	<b>(43,534)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales of investments.....	233,004	32,665
Purchases of investments.....	(235,014)	(34,907)
Purchases of property and equipment.....	(77,937)	(1,792)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(79,947)</b>	<b>(4,034)</b>

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

Cash and cash equivalents, beginning of year.....	1,252,318	1,299,886
Cash and cash equivalents, end of year.....	<u>\$ 410,756</u>	<u>\$ 1,252,318</u>



**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Jewish Funders Network and its affiliated entity, Jewish Funder's Network (R.A.) ("JFNRA") (collectively "JFN") is presented to assist in understanding JFN's consolidated financial statements. The consolidated financial statements and notes are representations of JFN's management, which is responsible for the integrity and objectivity of the consolidated 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 consolidated financial statements.

**Organization:**

Jewish Funders Network 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. JFNRA was established at the end of 2008 to carry out Jewish Funders Network's mission overseas. On November 30, 2008, JFNRA received the initial designation as a not-for-profit organization, or Amutah, from the Israeli authorities. It did not commence operations until November 2011. During the year ended December 31, 2014, JFNRA received confirmation by the tax authorities to operate as a "public institution" concerning contributions in accordance with Section 46 of the Israeli tax laws (income tax credit for donation). Prior to November 2011, the fiscal operations of JFNRA were conducted through Keren Karev, an established Israeli not-for-profit organization that functioned as a fiscal intermediary for Jewish Funders Network.

**Basis of Consolidation:**

The accompanying consolidated financial statements include the accounts and transactions of Jewish Funders Network and JFNRA. Accordingly, all significant intercompany accounts and transactions have been eliminated in consolidation.

**Income Tax Status:**

Jewish Funders Network 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). Jewish Funders Network is also exempt from state and local taxes. Jewish Funders Network evaluated its operations for uncertain tax positions and have determined that there were no uncertain tax positions for 2016 and 2015. Tax returns for the years ended December 31, 2016, 2015, 2014, and 2013 are open for examination by federal, state, and local taxing authorities. As previously outlined, the tax-exempt status of JFNRA was established on November 30, 2008 in Israel, and is valid through March 31, 2018.

**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.

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

---

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

Basis of Presentation:

JFN is required to report information regarding its consolidated 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:

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 consolidated statements 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 to 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 consolidated 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 consolidated financial statements, cash equivalents represent money market funds with an original maturity of three months or less which are held with financial institutions.

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

---

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

Exchange Rates:

For the purpose of the consolidated financial statements, the statements of financial position of JFNRA have been converted from Israeli Shekels to U.S. Dollars using the foreign exchange rates at December 31, 2016 and 2015. The average exchange rates were used to convert the JFNRA statements of activities for the years ended December 31, 2016 and 2015. For the year ended December 31, 2016 the gain on foreign currency exchange was \$4,328. For the year ended December 31, 2015 the loss on foreign currency exchange was \$679.

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the consolidated 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 consolidated statements of activities.

Accounts Receivable:

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 completely unlikely. No receivables were written off during the years ended December 31, 2016 and 2015.

Management believes all remaining receivables are collectible. As such, no allowance was established for doubtful accounts as of December 31, 2016 and 2015.

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 its 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 consolidated financial statements for contributed services inasmuch as such services do not meet the criteria for recognition in the consolidated financial statements under accounting principles generally accepted in the United States of America, nor do they create or enhance non-financial assets.

Compensated Absences:

JFN allows employees to accrue unused vacation time and has recorded a vacation accrual of \$11,171 and \$23,794 at December 31, 2016 and 2015, respectively. These amounts are included with accounts payable and accrued expenses in the accompanying statements of financial position.

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

---

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

JFNRA accumulates vacation on an ongoing basis. The accumulated leave accrual at December 31, 2016 and 2015 amounted to \$18,818 and \$14,267, respectively, which is included within accounts payable and accrued expenses in the accompanying consolidating statements of financial position.

Grants Payable:

From time to time JFN acts on behalf of one or more donor organizations under agreements that provide for JFN to administer a matching grant program for the donors. The grants are recorded as grants payable until such time as they are disbursed by JFN when approved by the grantor, based on JFN's recommendations.

Line of Credit:

JFN has an open line of credit with a financial institution in the amount of \$250,000. No funds were borrowed under this line as of both December 31, 2016 and 2015.

Functional Expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated 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 consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated 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, 2017 and May 23, 2017, which is the date that the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements.

**NOTE 2 - INVESTMENTS**

JFN presents investments in the consolidated 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).

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

---

**NOTE 2 - INVESTMENTS (continued)**

- 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 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.

As of both December 31, 2016 and 2015, all of JFN’s investments were held in U.S. Government Securities, whose fair values equaled their historical costs. 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 consolidated statements of financial position.

The following schedule summarizes the investment returns included in the consolidated statements of activities for the years ended December 31,:

	<b>2016</b>	<b>2015</b>
Interest and dividend income.....	\$ 6,209	\$ 6,506
Net realized and unrealized gain/(loss) on investments.....	4,377	(731)
Total investment income.....	\$ 10,586	\$ 5,775

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

---

**NOTE 3 - PROPERTY AND EQUIPMENT**

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

	<u>2016</u>	<u>2015</u>
Furniture and equipment .....	\$ 349,927	\$ 272,781
Leasehold improvements .....	58,194	58,194
Total cost .....	408,121	330,975
Less: accumulated depreciation .....	(347,285)	(318,910)
Net property and equipment .....	<u>\$ 60,836</u>	<u>\$ 12,065</u>

**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 2016 and 2015, JFN received \$8,938,143 and \$12,755,937, respectively, in grants and \$2,642,033 and \$1,691,245, respectively, in restricted contributions, and disbursed \$4,662,521 and \$15,562,858, respectively, in grants to qualifying organizations.

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

	<u>2016</u>	<u>2015</u>
Foundation Services Fund: Fund 1 .....	\$ -	\$ 4,672
Membership Services LA Expansion .....	12,500	-
Matching Grants Program .....	-	12,945
C3 .....	77,473	-
Israel Office Grants .....	280,000	-
Jewish Teen Funders Network.....	762,500	346,275
Peer Networks .....	-	67,332
Leadership Fund - time restricted .....	12,500	157,000
Other .....	518,027	328,026
Give to Israel .....	3,809,293	247,960
Social Venture Fund .....	580,020	-
Northern Israel Relief 1 .....	344,697	371,885
Northern Israel Early Childhood .....	37,969	37,964
Northern Israel Relief 2 .....	23,014	23,010
JJ Greenberg Award Fund .....	56,741	62,236
Total .....	<u>\$6,514,734</u>	<u>\$1,659,305</u>

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

---

**NOTE 4 - NET ASSETS (continued)**

**Permanently Restricted Net Assets**

Interest and dividend income generated and retained by the permanently restricted contributions in the portfolio have been classified as permanently restricted in JFN's consolidated statements of activities (See Note 9). Permanently restricted net assets restricted for the Shapiro Fund totaled \$15,927 and \$17,820 as of December 31, 2016 and 2015, respectively.

**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.

Approximately 52% of total grants and contributions revenue recognized during the year ended December 31, 2016 were attributed to three donors. Approximately 66% of the December 31, 2016 accounts receivable balance was attributed to two donors.

Approximately 85% of total grants and contributions revenue recognized during the year ended December 31, 2015 were attributed to three donors. Approximately 74% of the December 31, 2015 accounts receivable balance was attributed to four donors.

The sole purpose of these grants is to fund grants out in the same amounts. These grants do not affect JFN's operations.

**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 \$54,177 and \$54,717 for the years ended December 31, 2016 and 2015, respectively.

JFNRA participates in a state mandated retirement plan in accordance with the "Extension Order for Comprehensive Pension Insurance in the Economy" issued by the Israeli Ministry of Industry, Labor and Trade. All Israeli employers are required to provide their employees with a minimum pension. The minimum employer contribution rate for pensions for both 2016 and 2015 was 6%.

**NOTE 7 - GRANTS PAYABLE**

In 2013 JFN entered into agreements with two foundations for matching grant programs. These programs provide grants to match in part or in whole, grants that are made by qualifying JFN members to institutions in support of each program's objectives. At December 31, 2016 and 2015, matching grants payable amounted to \$429,916 and \$9,916, respectively, and was included with grants payable in the accompanying statements of financial position.

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

---

**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 expired on January 31, 2016. In October 2015, JFN renewed this lease through January 31, 2026. The lease calls for various annual escalations.

Future minimum payments under this lease agreement are as follows for the years ending December 31,:

2017.....	\$	230,080
2018.....		236,814
2019.....		243,327
2020.....		250,018
2021.....		265,859
Thereafter .....		1,166,805
Total .....	\$	<u>2,392,903</u>

**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 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 the Shapiro Fund is recorded as a permanent endowment.

**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 endowment is invested in a restricted money market account.

**Spending Policy**

Under JFN’s spending policy, permanently restricted funds are used to fund the expense associated with a biennial award. Investment income, generated from the permanently restricted funds at December 31, 2016 and 2015 was added to the permanently restricted net asset balances.



**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

---

**NOTE 9 - ENDOWMENT (continued)**

During the years ended December 31, 2016 and 2015, JFN had the following endowment-related activities:

<b>December 31, 2016</b>	<b>Unrestricted</b>	<b>Permanently Restricted</b>
Endowment funds, beginning of year .....	\$ -	\$ 17,820
Investment return .....	-	115
Releases from permanent restrictions .....	2,008	(2,008)
Expenditures .....	(2,008)	-
Endowment funds, end of year .....	<u>\$ -</u>	<u>\$ 15,927</u>
<b>December 31, 2015</b>	<b>Unrestricted</b>	<b>Permanently Restricted</b>
Endowment funds, beginning of year .....	\$ -	\$ 17,694
Investment return .....	-	126
Releases from permanent restrictions .....	-	-
Expenditures .....	-	-
Endowment funds, end of year .....	<u>\$ -</u>	<u>\$ 17,820</u>

**SUPPLEMENTARY INFORMATION**

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016**

ASSETS	Jewish Funders Network	JFNRA	Eliminations	Total
<b>Current Assets:</b>				
Cash and cash equivalents.....	\$ 46,083	\$ 364,673	\$ -	\$ 410,756
Current portion of restricted cash.....	3,809,293	-	-	3,809,293
Investments .....	3,191,357	-	-	3,191,357
Accounts receivable.....	1,274,354	-	-	1,274,354
Prepaid expenses and other current assets.....	52,944	3,434	-	56,378
<b>TOTAL CURRENT ASSETS</b>	<b>8,374,031</b>	<b>368,107</b>	<b>-</b>	<b>8,742,138</b>
Long-term portion of restricted cash .....	15,927	-	-	15,927
Property and equipment, net of accumulated depreciation.....	55,073	5,763	-	60,836
Other assets.....	51,774	-	-	51,774
<b>TOTAL ASSETS</b>	<b>\$ 8,496,805</b>	<b>\$ 373,870</b>	<b>\$ -</b>	<b>\$ 8,870,675</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued expenses .....	\$ 86,571	\$ 44,868	\$ -	\$ 131,439
Grants payable .....	429,916	-	-	429,916
Deferred revenue.....	260,344	-	-	260,344
Other current liabilities.....	-	3,482	-	3,482
<b>TOTAL LIABILITIES</b>	<b>776,831</b>	<b>48,350</b>	<b>-</b>	<b>825,181</b>
<b>Net Assets:</b>				
Unrestricted.....	1,189,313	325,520	-	1,514,833
Temporarily restricted.....	6,514,734	-	-	6,514,734
Permanently restricted.....	15,927	-	-	15,927
<b>TOTAL NET ASSETS</b>	<b>7,719,974</b>	<b>325,520</b>	<b>-</b>	<b>8,045,494</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 8,496,805</b>	<b>\$ 373,870</b>	<b>\$ -</b>	<b>\$ 8,870,675</b>

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2015**

ASSETS	Jewish Funders Network	JFNRA	Eliminations	Total
<b>Current Assets:</b>				
Cash and cash equivalents.....	\$ 766,961	\$ 485,357	\$ -	\$ 1,252,318
Current portion of restricted cash.....	247,960	-	-	247,960
Investments .....	1,424,969	-	-	1,424,969
Accounts receivable.....	418,045	-	-	418,045
Prepaid expenses and other current assets.....	245,480	14,864	(200,000)	60,344
<b>TOTAL CURRENT ASSETS</b>	<b>3,103,415</b>	<b>500,221</b>	<b>(200,000)</b>	<b>3,403,636</b>
Long-term portion of restricted cash.....	17,820	-	-	17,820
Property and equipment, net of accumulated depreciation.....	4,763	7,302	-	12,065
Other assets.....	55,298	-	-	55,298
<b>TOTAL ASSETS</b>	<b>\$ 3,181,296</b>	<b>\$ 507,523</b>	<b>\$ (200,000)</b>	<b>\$ 3,488,819</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued expenses .....	\$ 142,181	\$ 43,258	\$ -	\$ 185,439
Grants payable .....	9,916	-	-	9,916
Deferred revenue.....	210,670	197,686	(200,000)	208,356
Other current liabilities.....	-	4,009	-	4,009
<b>TOTAL LIABILITIES</b>	<b>362,767</b>	<b>244,953</b>	<b>(200,000)</b>	<b>407,720</b>
<b>Net Assets:</b>				
Unrestricted.....	1,141,404	262,570	-	1,403,974
Temporarily restricted.....	1,659,305	-	-	1,659,305
Permanently restricted.....	17,820	-	-	17,820
<b>TOTAL NET ASSETS</b>	<b>2,818,529</b>	<b>262,570</b>	<b>-</b>	<b>3,081,099</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,181,296</b>	<b>\$ 507,523</b>	<b>\$ (200,000)</b>	<b>\$ 3,488,819</b>

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Jewish Funders Network			JFNRA		Eliminations	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted		
<b>SUPPORT AND REVENUE</b>							
Grants .....	\$ 130,600	\$ 8,938,143	\$ -	\$ -	\$ -	\$ -	\$ 9,068,743
Contributions .....	288,812	2,642,033	-	339,644	-	(236,013)	3,034,476
Membership dues.....	964,710	-	-	120,675	-	(120,675)	964,710
Conference .....	429,198	-	-	18,032	-	(18,032)	429,198
Conference sponsorships.....	693,260	-	-	88,663	-	(88,663)	693,260
Program fees.....	244,758	-	-	129,549	-	(17,311)	356,996
Investment income .....	10,158	313	115	-	-	-	10,586
Other income.....	-	-	-	-	-	-	-
Net assets released from restriction.....	6,727,068	(6,725,060)	(2,008)	-	-	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>9,488,564</b>	<b>4,855,429</b>	<b>(1,893)</b>	<b>696,563</b>	<b>-</b>	<b>(480,694)</b>	<b>14,557,969</b>
<b>EXPENSES</b>							
Program services.....	4,095,667	-	-	551,866	-	(480,694)	4,166,839
Grants to not-for-profit organizations .....	4,662,521	-	-	-	-	-	4,662,521
Management and general.....	514,344	-	-	82,088	-	-	596,432
Fundraising.....	168,123	-	-	3,987	-	-	172,110
<b>TOTAL EXPENSES</b>	<b>9,440,655</b>	<b>-</b>	<b>-</b>	<b>637,941</b>	<b>-</b>	<b>(480,694)</b>	<b>9,597,902</b>
<b>COMPREHENSIVE INCOME</b>							
Gain on foreign currency exchange.....	-	-	-	4,328	-	-	4,328
<b>CHANGE IN NET ASSETS</b>	<b>47,909</b>	<b>4,855,429</b>	<b>(1,893)</b>	<b>62,950</b>	<b>-</b>	<b>-</b>	<b>4,964,395</b>
Net assets, beginning of year.....	1,141,404	1,659,305	17,820	262,570	-	-	3,081,099
Net assets, end of year.....	<u>\$ 1,189,313</u>	<u>\$ 6,514,734</u>	<u>\$ 15,927</u>	<u>\$ 325,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,045,494</u>

**JEWISH FUNDERS NETWORK  
AND AFFILIATE**

**CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Jewish Funders Network			JFNRA		Eliminations	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted		
<b>SUPPORT AND REVENUE</b>							
Grants .....	\$ 154,417	\$ 12,755,937	\$ -	\$ -	\$ -	\$ -	\$ 12,910,354
Contributions .....	328,654	1,691,245	-	526,731	-	(309,119)	2,237,511
Membership dues.....	899,400	-	-	68,272	-	(68,272)	899,400
Conference .....	336,170	-	-	20,687	-	(20,687)	336,170
Conference sponsorships.....	535,077	-	-	58,847	-	(58,847)	535,077
Program fees.....	142,826	-	-	66,192	-	(26,496)	182,522
Investment income .....	5,610	39	126	-	-	-	5,775
Net assets released from restriction.....	17,428,442	(17,428,442)	-	-	-	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>19,830,596</b>	<b>(2,981,221)</b>	<b>126</b>	<b>740,729</b>	<b>-</b>	<b>(483,421)</b>	<b>17,106,809</b>
<b>EXPENSES</b>							
Program services.....	3,435,112	-	-	523,056	-	(483,421)	3,474,747
Grants to not-for-profit organizations .....	15,562,858	-	-	-	-	-	15,562,858
Management and general.....	514,907	-	-	97,266	-	-	612,173
Fundraising.....	172,004	-	-	-	-	-	172,004
<b>TOTAL EXPENSES</b>	<b>19,684,881</b>	<b>-</b>	<b>-</b>	<b>620,322</b>	<b>-</b>	<b>(483,421)</b>	<b>19,821,782</b>
<b>COMPREHENSIVE INCOME</b>							
Loss on foreign currency exchange.....	-	-	-	(679)	-	-	(679)
<b>CHANGE IN NET ASSETS</b>	<b>145,715</b>	<b>(2,981,221)</b>	<b>126</b>	<b>119,728</b>	<b>-</b>	<b>-</b>	<b>(2,715,652)</b>
Net assets, beginning of year.....	995,689	4,640,526	17,694	142,842	-	-	5,796,751
Net assets, end of year.....	<u>\$ 1,141,404</u>	<u>\$ 1,659,305</u>	<u>\$ 17,820</u>	<u>\$ 262,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,081,099</u>