

***JEWISH FUNDERS NETWORK
AND AFFILIATE***

***CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016***



**JEWISH FUNDERS NETWORK
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
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, 2017 and 2016, 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 3% and 5%, respectively, of the related consolidated totals as of and for the year ended December 31, 2017 and 15% and 4%, respectively, of the related consolidated totals as of and for the year ended December 31, 2016. 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, 2017 and 2016, 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, 2017 and 2016 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 3, 2018

**JEWISH FUNDERS NETWORK
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**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,**

2017

2016

ASSETS

Current Assets:

Cash and cash equivalents (Notes 4 and 5).....	\$ 1,891,489	\$ 410,756
Current portion of restricted cash (Notes 4 and 5).....	883,650	3,809,293
Investments (Notes 2, 4, 5, and 9).....	1,695,041	3,191,357
Accounts receivable (Note 5).....	1,003,335	1,274,354
Prepaid expenses and other current assets.....	139,763	53,777

TOTAL CURRENT ASSETS	5,613,278	8,739,537
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Long-term portion of restricted cash (Note 5).....	16,039	15,927
Long-term advance payments.....	11,444	2,601
Property and equipment, net of accumulated depreciation (Note 3).....	62,193	60,836
Other assets.....	53,651	51,774

TOTAL ASSETS	\$ 5,756,605	\$ 8,870,675
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 126,399	\$ 131,439
Grants payable (Note 7).....	195,916	429,916
Deferred revenue.....	478,415	260,344
Other current liabilities.....	469	3,482

TOTAL LIABILITIES	801,199	825,181
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Commitments and contingencies (Notes 2, 4, 5, 6, 7, 8, and 9)

Net Assets:

Unrestricted.....	2,613,381	1,514,833
Temporarily restricted (Notes 4 and 9).....	2,325,986	6,514,734
Permanently restricted (Notes 4 and 9).....	16,039	15,927

TOTAL NET ASSETS	4,955,406	8,045,494
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TOTAL LIABILITIES AND NET ASSETS	\$ 5,756,605	\$ 8,870,675
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**JEWISH FUNDERS NETWORK
AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Grants (Notes 4 and 5).....	\$ 222,907	\$ 3,074,137	\$ -	\$ 3,297,044
Contributions (Notes 4 and 5).....	777,665	1,968,051	-	2,745,716
Membership dues.....	1,079,622	-	-	1,079,622
Conference	422,921	-	-	422,921
Conference sponsorships.....	630,928	-	-	630,928
Program fees.....	381,641	-	-	381,641
Investment income (Notes 2, 4, and 9).....	8,240	488	112	8,840
Net assets released from restriction (Note 4).....	9,231,424	(9,231,424)	-	-
TOTAL SUPPORT AND REVENUE	12,755,348	(4,188,748)	112	8,566,712
EXPENSES				
Program services.....	3,958,109	-	-	3,958,109
Grants to not-for-profit organizations (Note 4).....	6,888,561	-	-	6,888,561
Management and general.....	632,921	-	-	632,921
Fundraising.....	199,358	-	-	199,358
TOTAL EXPENSES	11,678,949	-	-	11,678,949
COMPREHENSIVE INCOME				
Gain on foreign currency exchange.....	22,149	-	-	22,149
CHANGE IN NET ASSETS	1,098,548	(4,188,748)	112	(3,090,088)
Net assets, beginning of year.....	1,514,833	6,514,734	15,927	8,045,494
Net assets, end of year.....	<u>\$ 2,613,381</u>	<u>\$ 2,325,986</u>	<u>\$ 16,039</u>	<u>\$ 4,955,406</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, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
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, 4, and 9).....	10,158	313	115	10,586
Net assets released from restriction (Notes 4 and 9).....	6,727,068	(6,725,060)	(2,008)	-
TOTAL SUPPORT AND REVENUE	9,704,433	4,855,429	(1,893)	14,557,969
EXPENSES				
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
TOTAL EXPENSES	9,597,902	-	-	9,597,902
COMPREHENSIVE INCOME				
Loss on foreign currency exchange.....	4,328	-	-	4,328
CHANGE IN NET ASSETS	110,859	4,855,429	(1,893)	4,964,395
Net assets, beginning of year.....	1,403,974	1,659,305	17,820	3,081,099
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
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**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

2017

2016

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets.....	\$ (3,090,088)	\$ 4,964,395
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Adjustments to reconcile change in net assets

to net cash provided by/(used in) operating activities:

Depreciation expense.....	37,767	28,864
Net realized and unrealized gain on investments.....	(5,036)	(4,377)
Loss on fixed asset disposal.....	-	301
Donated stock.....	-	(1,760,000)

Changes in operating assets and liabilities:

Restricted cash.....	2,925,531	(3,559,440)
Accounts receivable.....	271,019	(856,309)
Prepaid expenses and other current assets.....	(85,986)	3,966
Other assets.....	(10,720)	3,524
Accounts payable and accrued expenses.....	(5,040)	(54,000)
Grants payable.....	(234,000)	420,000
Deferred revenue.....	218,071	51,988
Other current liabilities.....	(3,013)	(527)

NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	18,505	(761,615)
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CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales of investments.....	1,715,533	233,004
Purchases of investments.....	(215,533)	(235,014)
Purchases of property and equipment.....	(37,772)	(77,937)

NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	1,462,228	(79,947)
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NET CHANGE IN CASH AND CASH EQUIVALENTS	1,480,733	(841,562)
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Cash and cash equivalents, beginning of year.....	410,756	1,252,318
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Cash and cash equivalents, end of year.....	<u>\$ 1,891,489</u>	<u>\$ 410,756</u>
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**JEWISH FUNDERS NETWORK
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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, who 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 2017 and 2016. As previously outlined, the tax-exempt status of JFNRA was established on November 30, 2008 in Israel, and is valid through March 31, 2019.

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
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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, 2017 and 2016. The average exchange rates were used to convert the JFNRA statements of activities for the years ended December 31, 2017 and 2016.

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, 2017 and 2016.

Management believes all remaining receivables are collectible. As such, no allowance was established for doubtful accounts as of December 31, 2017 and 2016.

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 \$8,218 and \$11,171 at December 31, 2017 and 2016, respectively. These amounts are included with accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

**JEWISH FUNDERS NETWORK
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

JFNRA accumulates vacation on an ongoing basis. The accumulated leave accrual at December 31, 2017 and 2016 amounted to \$22,098 and \$18,818, respectively, which is included within accounts payable and accrued expenses in the accompanying consolidated 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, 2017 and 2016.

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, 2018 and May 3, 2018, 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
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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, 2017 and 2016, all of JFN's investments were held 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 consolidated statements of financial position.

NOTE 3 - PROPERTY AND EQUIPMENT

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

	2017	2016
Furniture and equipment	\$ 390,594	\$ 349,927
Leasehold improvements	58,194	58,194
Total cost	448,788	408,121
Less: accumulated depreciation	(386,595)	(347,285)
Net property and equipment	\$ 62,193	\$ 60,836

**JEWISH FUNDERS NETWORK
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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.

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

	<u>2017</u>	<u>2016</u>
Membership Operations Aviv Afternoon of Learning Program	\$ 20,000	\$ -
Membership Services LA Expansion	-	12,500
JMFF Board Member Institute	125,000	-
C3	18,295	77,473
Israel Office Grants	303,333	280,000
Jewish Teen Funders Network.....	332,756	762,500
Defining Moments	75,000	-
Leadership Fund.....	62,500	12,500
Other	398,063	518,027
Give to Israel	883,650	3,809,293
Social Venture Fund	-	580,020
Northern Israel Relief 1	743	344,697
Northern Israel Early Childhood	37,991	37,969
Northern Israel Relief 2	17,404	23,014
JJ Greenberg Award Fund	51,251	56,741
Total	<u>\$2,325,986</u>	<u>\$6,514,734</u>

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 \$16,039 and \$15,927 as of December 31, 2017 and 2016, 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 12% of total grants and contributions revenue recognized during the year ended December 31, 2017 was attributed to one donor. Approximately 69% of the December 31, 2017 accounts receivable balance was attributed to three donors.

**JEWISH FUNDERS NETWORK
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 5 - CONCENTRATIONS OF RISK (continued)

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

NOTE 6 - RETIREMENT PLAN

Jewish Funders Network 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. Jewish Funders Network provided contributions of \$55,924 and \$54,177 for the years ended December 31, 2017 and 2016, 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 2017 and 2016 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.

NOTE 8 - LEASE COMMITMENTS

In October 2015, JFN renewed its office lease, which expired on January 31, 2016, 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,:

2018.....	\$	236,814
2019.....		243,327
2020.....		250,018
2021.....		265,859
2022.....		273,985
Thereafter		892,819
Total	\$	<u>2,162,822</u>

**JEWISH FUNDERS NETWORK
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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, 2017 and 2016 was added to the permanently restricted net asset balances.

During the years ended December 31, 2017 and 2016, JFN had the following endowment-related activities:

	Unrestricted	Permanently Restricted
December 31, 2017:		
Endowment funds, beginning of year	\$ -	\$ 15,927
Investment return	-	112
Releases from permanent restrictions	-	-
Expenditures	-	-
Endowment funds, end of year	\$ -	\$ 16,039
December 31, 2016:		
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	\$ -	\$ 15,927

SUPPLEMENTARY INFORMATION

**JEWISH FUNDERS NETWORK
AND AFFILIATE**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

ASSETS	Jewish Funders Network	JFNRA	Eliminations	Total
Current Assets:				
Cash and cash equivalents.....	\$ 1,754,715	\$ 136,774	\$ -	\$ 1,891,489
Current portion of restricted cash.....	883,650	-	-	883,650
Investments	1,695,041	-	-	1,695,041
Accounts receivable.....	1,003,335	-	-	1,003,335
Prepaid expenses and other current assets.....	122,722	17,041	-	139,763
TOTAL CURRENT ASSETS	5,459,463	153,815	-	5,613,278
Long-term portion of restricted cash	16,039	-	-	16,039
Long-term advance payments.....	-	11,444	-	11,444
Property and equipment, net of accumulated depreciation.....	40,735	21,458	-	62,193
Other assets.....	53,651	-	-	53,651
TOTAL ASSETS	\$ 5,569,888	\$ 186,717	\$ -	\$ 5,756,605
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 60,442	\$ 65,957	\$ -	\$ 126,399
Grants payable	195,916	-	-	195,916
Deferred revenue.....	478,415	-	-	478,415
Other current liabilities.....	-	469	-	469
TOTAL LIABILITIES	734,773	66,426	-	801,199
Net Assets:				
Unrestricted.....	2,493,090	120,291	-	2,613,381
Temporarily restricted.....	2,325,986	-	-	2,325,986
Permanently restricted.....	16,039	-	-	16,039
TOTAL NET ASSETS	4,835,115	120,291	-	4,955,406
TOTAL LIABILITIES AND NET ASSETS	\$ 5,569,888	\$ 186,717	\$ -	\$ 5,756,605

**JEWISH FUNDERS NETWORK
AND AFFILIATE**

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

ASSETS	Jewish Funders Network	JFNRA	Eliminations	Total
Current Assets:				
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	833	-	53,777
TOTAL CURRENT ASSETS	8,374,031	365,506	-	8,739,537
Long-term portion of restricted cash.....	15,927	-	-	15,927
Long-term advance payments.....	-	2,601	-	2,601
Property and equipment, net of accumulated depreciation.....	55,073	5,763	-	60,836
Other assets.....	51,774	-	-	51,774
TOTAL ASSETS	\$ 8,496,805	\$ 373,870	\$ -	\$ 8,870,675
LIABILITIES AND NET ASSETS				
Current Liabilities:				
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
TOTAL LIABILITIES	776,831	48,350	-	825,181
Net Assets:				
Unrestricted.....	1,189,313	325,520	-	1,514,833
Temporarily restricted.....	6,514,734	-	-	6,514,734
Permanently restricted.....	15,927	-	-	15,927
TOTAL NET ASSETS	7,719,974	325,520	-	8,045,494
TOTAL LIABILITIES AND NET ASSETS	\$ 8,496,805	\$ 373,870	\$ -	\$ 8,870,675

**JEWISH FUNDERS NETWORK
AND AFFILIATE**

**CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Jewish Funders Network			JFNRA		Eliminations	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted		
SUPPORT AND REVENUE							
Grants	\$ 217,885	\$ 3,074,137	\$ -	\$ 5,022	\$ -	\$ -	\$ 3,297,044
Contributions	545,955	1,968,051	-	289,483	-	(57,773)	2,745,716
Membership dues.....	1,088,310	-	-	72,599	-	(81,287)	1,079,622
Conference	422,921	-	-	12,295	-	(12,295)	422,921
Conference sponsorships.....	657,040	-	-	-	-	(26,112)	630,928
Program fees.....	331,250	-	-	50,391	-	-	381,641
Investment income	8,240	488	112	-	-	-	8,840
Net assets released from restriction.....	9,231,424	(9,231,424)	-	-	-	-	-
TOTAL SUPPORT AND REVENUE	12,503,025	(4,188,748)	112	429,790	-	(177,467)	8,566,712
EXPENSES							
Program services.....	3,570,002	-	-	565,574	-	(177,467)	3,958,109
Grants to not-for-profit organizations	6,888,561	-	-	-	-	-	6,888,561
Management and general.....	543,435	-	-	89,486	-	-	632,921
Fundraising.....	197,250	-	-	2,108	-	-	199,358
TOTAL EXPENSES	11,199,248	-	-	657,168	-	(177,467)	11,678,949
COMPREHENSIVE INCOME							
Gain on foreign currency exchange.....	-	-	-	22,149	-	-	22,149
CHANGE IN NET ASSETS	1,303,777	(4,188,748)	112	(205,229)	-	-	(3,090,088)
Net assets, beginning of year.....	1,189,313	6,514,734	15,927	325,520	-	-	8,045,494
Net assets, end of year.....	<u>\$ 2,493,090</u>	<u>\$ 2,325,986</u>	<u>\$ 16,039</u>	<u>\$ 120,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,955,406</u>

**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		
SUPPORT AND REVENUE							
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
Net assets released from restriction.....	6,727,068	(6,725,060)	(2,008)	-	-	-	-
TOTAL SUPPORT AND REVENUE	9,488,564	4,855,429	(1,893)	696,563	-	(480,694)	14,557,969
EXPENSES							
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
TOTAL EXPENSES	9,440,655	-	-	637,941	-	(480,694)	9,597,902
COMPREHENSIVE INCOME							
Gain on foreign currency exchange.....	-	-	-	4,328	-	-	4,328
CHANGE IN NET ASSETS	47,909	4,855,429	(1,893)	62,950	-	-	4,964,395
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>