

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

Bloomfield Hills, Michigan

May 31, 2011 and 2010

COMBINED FINANCIAL STATEMENTS

Including Independent Auditor's Report

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

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Independent Auditor's Report

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

We have audited the accompanying combined statement of financial position of the Jewish Federation of Metropolitan Detroit and the United Jewish Foundation (the "Organizations") as of May 31, 2011 and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The prior year summarized comparative information has been derived from the Organizations' 2010 combined financial statements, which were audited by other auditors whose report dated October 4, 2010 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Jewish Federation of Metropolitan Detroit and the United Jewish Foundation at May 31, 2011 and the combined changes in net assets, functional expenses, and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

November 7, 2011

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF FINANCIAL POSITION
 May 31, 2011
 (With Comparative Combined Totals as of May 31, 2010)

ASSETS				
	Jewish Federation of Metropolitan Detroit	United Jewish Foundation	2011 Combined	2010 Combined
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 5,022	\$ 586,264	\$ 591,286	\$ 869,438
Investments	10,160,416	332,139,773	342,300,189	305,273,650
Accounts receivable, net	1,033,738	2,954,782	3,988,520	3,180,711
Pledges receivable, net	24,493,782	5,370,091	29,863,873	41,770,694
Notes receivable, net	98,537	21,275,702	21,374,239	24,393,929
Interorganization receivable/(payable)	(1,974,699)	1,974,699	-	-
Donated real estate and other interest held for investment	-	6,411,102	6,411,102	9,458,581
Advances and other assets	569,805	2,170,106	2,739,911	2,898,667
Property and equipment, net	463,393	73,254,080	73,717,473	70,647,935
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 34,849,994</u>	<u>\$ 446,136,599</u>	<u>\$ 480,986,593</u>	<u>\$ 458,493,605</u>
 LIABILITIES AND NET ASSETS				
LIABILITIES				
Appropriations payable				
General	\$ 15,635,285	\$ 2,174,150	\$ 17,809,435	\$ 4,080,753
Jewish Federations of North America and overseas	9,469,162	-	9,469,162	1,259,200
Trade accounts and other payables	1,959,777	180,692	2,140,469	3,297,117
Constituent agencies and other deposits	-	13,207,116	13,207,116	10,497,795
Bonds, notes and other payables	-	4,938,555	4,938,555	6,227,527
Charitable trust annuities payable	-	13,878,649	13,878,649	14,431,181
Other organizations payable	-	2,403,241	2,403,241	2,417,779
Contributions designated for future periods	-	2,066,585	2,066,585	1,768,105
Total Liabilities	<u>27,064,224</u>	<u>38,848,988</u>	<u>65,913,212</u>	<u>43,979,457</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET ASSETS				
Unrestricted	7,785,770	217,680,511	225,466,281	231,220,047
Temporarily restricted	-	44,257,988	44,257,988	39,739,784
Permanently restricted	-	145,349,112	145,349,112	143,554,317
Total Net Assets	<u>7,785,770</u>	<u>407,287,611</u>	<u>415,073,381</u>	<u>414,514,148</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 34,849,994</u>	<u>\$ 446,136,599</u>	<u>\$ 480,986,593</u>	<u>\$ 458,493,605</u>

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2011
(With Comparative Combined Totals for the Year Ended May 31, 2010)

	Jewish Federation of Metropolitan Detroit		United Jewish Foundation		Eliminating Adjustments	2011 Combined	2010 Combined	
	Unrestricted	Unrestricted	Temporarily Restricted	Permanently Restricted				Total UJF
OPERATING REVENUE AND SUPPORT								
Public support from contributions	\$ 35,079,055	\$ 21,811,168	\$ (207,776)	\$ 567,422	\$ 22,170,814	\$ (9,868,468)	\$ 47,381,401	\$ 52,431,645
Revenues								
Investment income (including unrealized gains)	25,322	23,378,825	17,601,226	-	40,980,051	-	41,005,373	33,545,018
Gain/(loss) on disposition of assets	(1,827)	(987,458)	-	-	(987,458)	-	(989,285)	(11,001)
Interorganization appropriations	5,990,884	3,835,579	645,092	-	4,480,671	(10,471,555)	-	-
Other operating income	3,264,855	4,448,489	2,059,536	1,234,130	7,742,155	(305,000)	10,702,010	6,923,684
Net assets released from restrictions	-	13,628,832	(13,586,832)	(42,000)	-	-	-	-
Total Revenues	9,279,234	44,304,267	6,719,022	1,192,130	52,215,419	(10,776,555)	50,718,098	40,457,701
Total Operating Revenue and Support	44,358,289	66,115,435	6,511,246	1,759,552	74,386,233	(20,645,023)	98,099,499	92,889,346
OPERATING EXPENSES								
Program Services								
Distributions								
Federation's annual campaign	-	9,867,123	-	-	9,867,123	(9,867,123)	-	-
Jewish Federations of North America and overseas	17,461,787	7,500	-	-	7,500	-	17,469,287	10,843,330
Local agencies	35,111,026	15,324,157	-	-	15,324,157	(10,472,900)	39,962,283	23,470,303
Other charitable organizations	2,185,307	17,391,695	-	-	17,391,695	-	19,577,002	19,049,536
Other	6,753,742	5,248,548	-	-	5,248,548	-	12,002,290	12,139,047
Total Program Services	61,511,862	47,839,023	-	-	47,839,023	(20,340,023)	89,010,862	65,502,216
Support Services								
Administrative	3,664,647	389,615	-	-	389,615	(305,000)	3,749,262	3,204,968
Financial resource development	2,604,002	-	-	-	-	-	2,604,002	3,165,931
Bad debt expense	774,877	1,284,109	-	-	1,284,109	-	2,058,986	1,326,909
Other	95,476	21,678	-	-	21,678	-	117,154	95,073
Total Support Services	7,139,002	1,695,402	-	-	1,695,402	(305,000)	8,529,404	7,792,881
Total Operating Expenses	68,650,864	49,534,425	-	-	49,534,425	(20,645,023)	97,540,266	73,295,097
Increase (Decrease) in Net Assets from Operations	(24,292,575)	16,581,010	6,511,246	1,759,552	24,851,808	-	559,233	19,594,249
Transfer of funds	-	1,957,799	(1,993,042)	35,243	-	-	-	-
INCREASE (DECREASE) IN NET ASSETS	(24,292,575)	18,538,809	4,518,204	1,794,795	24,851,808	-	559,233	19,594,249
NET ASSETS - Beginning of Year	32,078,345	199,141,702	39,739,784	143,554,317	382,435,803	-	414,514,148	394,919,899
NET ASSETS - END OF YEAR	\$ 7,785,770	\$ 217,680,511	\$ 44,257,988	\$ 145,349,112	\$ 407,287,611	\$ -	\$ 415,073,381	\$ 414,514,148

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended May 31, 2011
(With Comparative Combined Totals for the Year Ended May 31, 2010)

	Jewish Federation of Metropolitan Detroit			United Jewish Foundation			2011 Combined	2010 Combined
	Direct Programs	Administrative Services	Financial Resource Development	Direct Programs	Administrative Services	Eliminating Adjustments		
DISTRIBUTIONS								
Federation's annual campaign Jewish Federations of North America and overseas	\$ -	\$ -	\$ -	\$ 9,867,123	\$ -	\$ (9,867,123)	\$ -	\$ -
Local agencies	17,461,787	-	-	7,500	-	-	17,469,287	10,843,330
Other charitable organizations	35,111,026	-	-	15,324,157	-	(10,472,900)	39,962,283	23,470,303
	2,185,307	-	-	17,391,695	-	-	19,577,002	19,049,536
Total Distributions	54,758,120	-	-	42,590,475	-	(20,340,023)	77,008,572	53,363,169
OTHER EXPENSES								
Other program services	757,095	-	-	702,707	-	-	1,459,802	1,716,450
Salaries and wages	2,634,137	2,126,671	1,651,808	-	-	-	6,412,616	6,999,986
Employee benefits	325,421	378,119	185,303	-	-	-	888,843	1,023,328
Other personnel	399,352	385,446	241,754	-	-	-	1,026,552	1,159,046
Rent and building costs	85,000	140,119	79,881	523,328	21,510	(305,000)	544,838	615,836
Professional services	399,105	206,235	-	-	110,016	-	715,356	504,339
Meetings and events	583,997	21,538	98,320	-	-	-	703,855	798,307
Missions	1,191,730	-	-	-	-	-	1,191,730	593,120
Marketing	63,264	84,672	85,301	-	-	-	233,237	116,998
Professional development and donor cultivation	80,832	84,291	45,434	-	-	-	210,557	136,716
Interest and bank fees	-	-	107,531	78,406	65,280	-	251,217	307,349
Postage	30,229	56,778	17,943	-	-	-	104,950	87,805
Office expense	35,886	48,630	20,797	-	-	-	105,313	77,063
Property expenses	-	-	-	130,620	36,324	-	166,944	154,855
Equipment repairs and maintenance	39,124	14,897	25,816	-	-	-	79,837	222,772
Information technology support	36,577	65,590	32,152	-	-	-	134,319	135,490
Telephone	23,745	37,852	11,962	-	-	-	73,559	67,106
Insurance	-	13,809	-	-	48,559	-	62,368	84,334
Other	-	-	-	-	52,476	-	52,476	40,063
Total Other Expenses Before Depreciation, Bad Debt and Taxes	6,685,494	3,664,647	2,604,002	1,435,061	334,165	(305,000)	14,418,369	14,840,963
Depreciation	68,248	64,024	31,452	3,813,487	21,678	-	3,998,889	3,754,154
Bad debt expense	-	-	774,877	-	1,284,109	-	2,058,986	1,326,909
Unrelated business income tax	-	-	-	-	55,450	-	55,450	9,902
TOTAL EXPENSES	\$ 61,511,862	\$ 3,728,671	\$ 3,410,331	\$ 47,839,023	\$ 1,695,402	\$ (20,645,023)	\$ 97,540,266	\$ 73,295,097

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF CASH FLOWS
Years Ended May 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 559,233	\$ 19,594,249
Adjustments to reconcile increase in net assets to net cash flows from operating activities		
Depreciation	3,998,889	3,754,154
Bad debt expense	2,058,986	1,326,909
Bond amortization cost	9,486	9,486
Change in value of liability for charitable trust annuities	1,429,166	2,228,374
Net unrealized loss/(gain) on investments	(31,205,488)	(28,439,630)
Net realized loss/(gain) on investments	(7,299,544)	(3,420,780)
Loss/(gain) on disposals of donated real estate and other interests and property and equipment	989,285	11,001
Partnership and other investment income	(174,163)	(221,029)
Contributions and investment income restricted for permanent investment	(567,422)	(1,710,215)
Contribution of donated real estate and other interests held for investment	(158,550)	(501,942)
Increase (decrease) in assets and liabilities		
Accounts receivable	(812,312)	311,129
Pledges receivable	10,244,334	5,424,434
Advances and other assets	149,270	(474,905)
Appropriations payable, trade accounts and other payables	20,781,996	(2,184,460)
Constituent agencies and other deposits	2,709,321	(3,992,683)
Other organizations payable	(14,538)	(72,349)
Contributions designated for future periods and charitable trust annuities payable	298,480	(28,755)
Net Cash Flows from Operating Activities	<u>2,996,429</u>	<u>(8,387,012)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of donated real estate and other interests held for investment	3,380,192	-
Net proceeds (uses) from sales (purchases) of investments	1,478,493	14,603,675
Purchases of property and equipment	(8,057,712)	(4,206,782)
Proceeds from collection of notes receivable	2,627,694	2,114,545
Net Cash Flows from Investing Activities	<u>(571,333)</u>	<u>12,511,438</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions and investment income restricted for permanent investment	567,422	1,710,215
Proceeds from bonds and notes payable	4,105,500	5,700,000
Payments on charitable trust annuities	(1,981,698)	(1,968,493)
Payments on bonds and notes payable	(5,394,472)	(9,551,081)
Net Cash Flows from Financing Activities	<u>(2,703,248)</u>	<u>(4,109,359)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(278,152)	15,067
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>869,438</u>	<u>854,371</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 591,286</u>	<u>\$ 869,438</u>
Supplemental cash flow disclosures		
Cash paid for interest	\$ 166,824	\$ 276,209
Cash paid for income taxes	\$ 69,665	\$ 27,811

See accompanying notes to combined financial statements.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 1 – Organization

Organization

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

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

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

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

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

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

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

Cash and Cash Equivalents

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

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 2 – Summary of Significant Accounting Policies (continued)

Contributions

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

Unrestricted net assets of UJF include various support foundations and philanthropic funds. Support foundations are governed by individual Boards of Directors (“the Boards”). However, the support foundations are included in the financial statements because of their shared purpose with UJF, and because UJF manages the foundations’ operations and has majority control of the Boards. These foundations have total assets of approximately \$88,000,000 and \$79,000,000 as of May 31, 2011 and 2010, respectively. Philanthropic funds have total assets of approximately \$57,000,000 and \$59,000,000 at May 31, 2011 and 2010, respectively.

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

Transfers out of restricted funds result primarily from the use of restricted net assets for capital asset additions.

Constituent Agency Deposits

Deposits from constituent agencies and other organizations are reported in the UJF portfolio at fair value on the combined statement of financial position. Changes in the fair value of these deposits are reflected as a change in the corresponding liability on the combined statement of financial position. These transactions are not included in the combined statement of activities and changes in net assets. Investment income related to these deposits totaled \$1,488,368 and \$1,554,756 for the years ended May 31, 2011 and 2010, respectively, and is recorded as an increase to the related liability.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 2 – Summary of Significant Accounting Policies (continued)

Investments

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

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

The JFMD and UJF invest in various investment funds ("Funds") with investment managers who manage investment partnerships, managed accounts, commodity funds, hedge funds, and private equity funds which employ diversified styles and strategies. The goal of these investments is to generate a long-term return with less risk than the equity market. The net asset value of these investments is calculated by the investment manager based on prices and valuations supplied to it by the underlying investment or money manager, or similar financial data provider. Market values as of May 31, 2011 and 2010 are based on monthly valuations provided by the managers of the funds. Management, in coordination with the UJF investment committee and the investment consultant, obtains and considers the audited financial statements issued by nationally recognized accounting firms of such investments when evaluating the overall reasonableness of carrying value. Because of the inherent uncertainty of valuations, values may differ materially from values had a ready market existed.

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

Pledges Receivable

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

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 2 – Summary of Significant Accounting Policies (continued)

Pledges Receivable (continued)

Unconditional promises to give that are expected to be collected in future years are recorded as pledges receivable in the year promised at the present value of expected future cash flows, net of an allowance for uncollectible amounts. The present value of such amounts is computed using risk-free interest rates applicable to the years in which the promises are received and commensurate with the expected payment dates.

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

Donated Real Estate and Other Interests Held for Investment

Donated real estate and other interests held for investment consist of donated real estate or interests in real estate, carried at approximately \$2,741,000 and \$2,900,000 as of May 31, 2011 and 2010, respectively, and donated interests in partnerships and trusts carried at approximately \$554,000 and \$3,500,000 as of May 31, 2011 and 2010, respectively. The assets are recorded at their estimated fair values at the date of donation, as determined by independent appraisals. Subsequent to initial acquisition, donated interests in partnerships and trusts are accounted for under the cost or equity method, depending on the ownership level.

Also included in donated real estate and other interests held for investments are single premium annuity contracts related to life insurance policies on the respective donor's life, carried at approximately \$3,116,000 and \$3,100,000 as of May 31, 2011 and 2010, respectively. The organizations record these transactions in accordance with generally accepted accounting principles for deposit accounting. The organizations will ultimately receive, at a minimum, the original amount invested, plus interest, via annuity payments and death benefits. Since there is no transfer of risk associated with the life insurance policies, the related annuity and life insurance investments are accounted for as deposit transactions. Life insurance premium payments are recorded in a deposit account and are offset by the return of the principal portion of the annuity payments.

Advances and Other Assets

Included in advances and other assets are the cash surrender value of donated life insurance policies whereby UJF has been named as the beneficiary. The total cash surrender value of life insurance policies included in advances and other assets was \$2,234,626 and \$2,032,995 as of May 31, 2011 and 2010, respectively.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 2 – Summary of Significant Accounting Policies (continued)

Property and Equipment

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

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

Impairment of Long-Lived Assets

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

Appropriations Payable

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

Derivatives

UJF makes limited use of an interest rate swap agreement to manage interest rate risk associated with variable rate debt. Under the interest rate swap agreement, UJF and the counterparty agree to exchange the difference between fixed rate and variable rate interest amounts calculated by reference to specified notational amounts during the agreement period. Notational principal amounts are used to express the volume of these transactions, but the cash requirements and amounts subject to credit risk are substantially less. Amounts receivable or payable under swap agreements are accounted for as adjustments to interest expense on the related debt. Trade accounts and other liabilities include \$24,536 and \$41,631 related to the interest rate swap agreement as of May 31, 2011 and 2010, respectively.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 2 – Summary of Significant Accounting Policies (continued)

Charitable Trust Annuities Payable

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

The organizations have recorded the estimated fair value of the investments associated with irrevocable split-interest agreements and an estimated liability, using various discount rates for the net present value of the future cash outflows to beneficiaries. For the years ended May 31, 2011 and 2010, the combined statement of activities and changes in net assets included an increase/(decrease) to other operating income for changes in the estimated liability for split-interest agreements of \$678,325 and (\$918,425), respectively, and investment income included in investment income of \$2,405,970 and \$1,989,629, respectively. Net assets in these trusts, included in investments, amounted to \$4,554,934 and \$3,158,014 at May 31, 2011 and 2010, respectively. Assets held in split-interest agreements at May 31, 2011 and 2010 totaled \$16,675,472 and \$15,300,109, respectively.

Contributions Designated for Future Periods

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

Fair Value of Financial Instruments

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

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

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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 2 – Summary of Significant Accounting Policies (continued)

Revenue Recognition

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

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

Allocation of Expenses

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

Risks and Uncertainties

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

Tax-Exempt Status

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

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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 2 – Summary of Significant Accounting Policies (continued)

Tax-Exempt Status (continued)

The organizations apply the standards for accounting for uncertainty in income taxes. The tax effects from an uncertain tax position can be recognized in the financial statements, only if the position is more likely than not to be sustained on audit, based on the technical merits of the position. The organizations recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized, upon ultimate settlement with the relevant tax authority. At the adoption date, the organizations applied the new accounting standard to all tax positions for which the statute of limitations remained open. The organizations did not make any adjustment to opening net assets as a result of the implementation of the new accounting standard.

Based on its evaluation, the organizations have concluded that there are no significant uncertain tax positions requiring recognition in their financial statements. The organizations are no longer subject to U.S. federal income tax examinations by the Internal Revenue Service for the years before 2008.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Prior Year Financial Information

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organizations' financial statements for the year ended May 31, 2010, from which the summarized information was derived.

Reclassifications

Certain reclassifications were made to amounts in the 2010 financial statements to conform to the classifications used in 2011. These reclassifications had no impact on the reported net assets or change in net assets for 2010.

Volatility in Investment Values

Subsequent to year end, the organizations' investment portfolios have experienced significant volatility in fair value, consistent with the general volatility in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 2 – Summary of Significant Accounting Policies (continued)

Subsequent Events

The organizations have evaluated subsequent events through November 7, 2011, which is the date that the combined financial statements were approved and available to be issued.

NOTE 3 – Fair Value Measurements

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

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

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

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

The organizations hold as an investment various equity and fixed-income investments that are publicly traded securities. Fair values are based on quoted prices and are classified as level 1. Fair values determined by level 2 inputs use other inputs that are observable, either directly or indirectly. These level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals and net asset values. The portfolios of alternative investments and private equity investments are not publicly traded. Fair values are based on unobservable inputs and are classified as level 3.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 3 – Fair Value Measurements (continued)

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

	May 31, 2011			
	Total	Level 1	Level 2	Level 3
Pooled Income Portfolio				
Money market	\$ 20,142,247	\$ 20,142,247	\$ -	\$ -
Mutual Funds:				
Equity (a)	92,810,036	92,810,036	-	-
Debt (b)	61,724,924	61,724,924	-	-
Multi Strategy	32,090,877	32,090,877	-	-
Alternative Investments:				
Hedge fund of funds	17,249,166	-	16,466,890	782,276
Direct hedge funds	21,745,549	-	11,370,542	10,375,007
Global asset allocation	54,365,024	-	23,967,319	30,397,705
Private equity	11,514,783	-	-	11,514,783
Bond fund limited partnerships	6,300,583	-	-	6,300,583
Total Pooled Income Portfolio	317,943,189	206,768,084	51,804,751	59,370,354
Other:				
Money market	5,137,356	5,137,356	-	-
Israel bonds	1,078,003	-	1,078,003	-
Certificate of deposit	784,972	784,972	-	-
Common stocks	6,421,383	6,421,383	-	-
Mutual Funds:				
Equity	5,532,869	5,473,101	-	59,768
Debt	2,686,388	1,419,338	-	1,267,050
Multi Strategy	1,823,938	1,823,938	-	-
Hedge fund of funds	892,091	-	-	892,091
Total Other Investments	24,357,000	21,060,088	1,078,003	2,218,909
Total Investments	\$ 342,300,189	\$ 227,828,172	\$ 52,882,754	\$ 61,589,263

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 3 – Fair Value Measurements (continued)

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

	May 31, 2010			
	Total	Level 1	Level 2	Level 3
Pooled Income Portfolio				
Money market	\$ 20,647,279	\$ 20,647,279	\$ -	\$ -
Mutual Funds:				
Equity (a)	75,580,057	75,580,057	-	-
Debt (b)	83,736,692	83,736,692	-	-
Multi Strategy	27,843,343	27,843,343	-	-
Commodities	3,409,261	3,409,261	-	-
Hedge fund of funds	17,227,040	-	15,116,729	2,110,311
Direct hedge funds	18,159,979	-	11,015,862	7,144,117
Global asset allocation	26,541,902	-	5,591,766	20,950,136
Private equity	10,250,209	-	-	10,250,209
Bond fund limited partnerships	5,444,629	-	-	5,444,629
Total Pooled Income Portfolio	288,840,391	211,216,632	31,724,357	45,899,402
Other:				
Money market	2,742,295	2,742,295	-	-
Israel bonds	1,246,564	-	1,246,564	-
Certificate of deposit	1,336,403	1,336,403	-	-
Common stocks	878,806	878,806	-	-
Mutual Funds:				
Equity	3,628,409	3,561,236	-	67,173
Debt	3,918,042	2,794,592	-	1,123,450
Multi Strategy	1,755,660	1,755,660	-	-
Hedge fund of funds	927,080	-	-	927,080
Total Other Investments	16,433,259	13,068,992	1,246,564	2,117,703
Total Investments	\$ 305,273,650	\$ 224,285,624	\$ 32,970,921	\$ 48,017,105

(a) - Equity mutual funds include investments in closed funds which can be redeemed daily based on net asset values (NAV) provided by the fund managers. Balances in these type of funds were \$72,748,683 and \$38,109,942 as of May 31, 2011 and 2010, respectively.

(b) - Debt mutual funds include investments in closed funds which can be redeemed daily based on net asset values (NAV) provided by the fund managers. Balances in these type of funds were \$26,362,520 and \$31,069,365 as of May 31, 2011 and 2010, respectively.

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NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended May 31, 2011 and 2010

NOTE 3 – Fair Value Measurements (continued)

The changes in Level 3 assets measured at fair value on a recurring basis are summarized as follows:

	Year Ended May 31, 2011				
	Beginning Balance	Purchases	Sales and Settlements	Realized and Unrealized Gains and (Losses)	Ending Balance
Pooled Income Portfolio:					
Hedge fund of funds	\$ 2,110,311	\$ -	\$ (1,085,780)	\$ (242,255)	\$ 782,276
Direct hedge funds	7,144,117	4,521,143	(2,413,662)	1,123,409	10,375,007
Global asset allocation	20,950,136	6,726,868	(597,238)	3,317,939	30,397,705
Private equity	10,250,209	250,684	(204,586)	1,218,476	11,514,783
Bond fund limited partnerships	5,444,629	-	-	855,954	6,300,583
Other:					
Equity mutual funds	67,173	-	(12,841)	5,436	59,768
Debt mutual funds	1,123,450	-	-	143,600	1,267,050
Hedge fund of funds	927,080	-	-	(34,989)	892,091
Total	<u>\$ 48,017,105</u>	<u>\$ 11,498,695</u>	<u>\$ (4,314,107)</u>	<u>\$ 6,387,570</u>	<u>\$ 61,589,263</u>
	Year Ended May 31, 2010				
	Beginning Balance	Purchases	Sales and Settlements	Realized and Unrealized Gains and (Losses)	Ending Balance
Pooled Income Portfolio:					
Hedge fund of funds	\$ 11,585,836	\$ -	\$ (9,729,307)	\$ 253,782	\$ 2,110,311
Direct hedge funds	8,346,262	-	(2,803,750)	1,601,605	7,144,117
Global asset allocation	38,127,897	1,235,052	(21,114,967)	2,702,154	20,950,136
Private equity	29,061,495	2,730,558	(28,700,059)	7,158,215	10,250,209
Bond fund limited partnerships	-	5,000,000	-	444,629	5,444,629
Other:					
Equity mutual funds	288,809	-	(242,738)	21,102	67,173
Debt mutual funds	1,125,274	-	-	(1,824)	1,123,450
Hedge fund of funds	-	1,000,000	-	(72,920)	927,080
Total	<u>\$ 88,535,573</u>	<u>\$ 9,965,610</u>	<u>\$ (62,590,821)</u>	<u>\$ 12,106,743</u>	<u>\$ 48,017,105</u>

Investments represent both shares of commonly traded mutual funds, stocks and bonds for which an active and liquid market exists, and investments in partnerships, hedge funds and private equity funds which are not publicly traded and are valued at net asset valuation (NAV) as determined by the investment managers; however, transparency is not provided in these funds and the assets on which NAV is based. This results in significant outputs which are unobservable.

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**NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010**

NOTE 3 – Fair Value Measurements (continued)

Investment Type	Investment Objective	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Fund of Funds	Invest in a diversified set of hedge fund managers to produce equity-like returns, but with reduced volatility. Underlying hedge fund manager strategies include directional equity (i.e., long/short equity) and non-directional strategies (i.e., market neutral, multi-strategy, arbitrage, relative value and event driven).	None	Quarterly	90 days
Global Asset Allocation Fund	Allocate assets across the full range of asset classes, including fixed income, equities and commodities to create a diversified portfolio that adds value primarily through tactical asset allocation decisions. Underlying investments may include mutual funds, hedge funds, derivatives and individual securities.	None	Monthly	14 days
Direct Hedge Funds	Invest directly in debt, equity and derivative securities to produce equity-like returns, but with reduced volatility. Strategies employed include long/short equity, multi-strategy, arbitrage, relative value and event driven. Beta exposure to markets will vary based on the degree of hedging utilized by the managers.	None	Quarterly	45-60 days
Private Equity	Invest directly in securities of companies that are generally not actively traded at the time of investment, securities that are perceived to be trading at distressed levels (many of which are illiquid), or a basket of private equity funds that invest in said securities. Additionally, make acquisitions of private equity limited partnership interests and direct investment portfolios with a focus of acquiring these interests at a significant discount. Investments may be in U.S. or foreign markets, and returns are expected to be higher than those that can be achieved in equity markets, albeit with higher expected volatility. Funds within this category are not redeemable.	\$ 2,978,015	N/A	N/A
Bond Fund LPs	Invest in distressed and/or discounted, but liquid, debt securities including investment grade corporate bonds, high yield corporate bonds and bank loans in order to add value above the return of the broad U.S. bond market.	None	N/A	N/A

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 4 – Investments

Investment income includes realized gains of \$7,299,544 and \$3,420,780, unrealized gains of \$31,205,488 and \$28,439,631, and interest and dividends of \$9,164,129 and \$7,329,712 (net of approximately \$931,000 and \$854,000 in fees), in each case for the years ended May 31, 2011 and 2010, respectively. Investment income in the organizations' combined statement of activities and changes in net assets is presented net of investment income earned on amounts held for constituent agencies and other deposits, charitable trust annuities payable and other organizations payable.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 5 – Accounts Receivable

Accounts receivable consists of the following as of May 31:

	2011			2010
	JFMD	UJF	Combined	
Advances to constituent agencies	\$ 756,802	\$ 3,861,007	\$ 4,617,809	\$ 3,786,792
Other receivables	389,405	80,835	470,240	488,945
Total gross accounts receivable	1,146,207	3,941,842	5,088,049	4,275,737
Allowance for uncollectible amounts	(112,469)	(987,060)	(1,099,529)	(1,095,026)
Net accounts receivable	<u>\$ 1,033,738</u>	<u>\$ 2,954,782</u>	<u>\$ 3,988,520</u>	<u>\$ 3,180,711</u>

NOTE 6 – Pledges Receivable

	2011			2010
	JFMD	UJF	Combined	Net Receivables
Gross pledges receivable	\$ 29,953,299	\$ 8,107,591	\$ 38,060,890	\$ 49,694,129
Allowance for uncollectible amounts	(5,459,517)	(2,416,194)	(7,875,711)	(7,705,306)
Unamortized discount	-	(321,306)	(321,306)	(218,129)
Net pledges receivable	<u>\$ 24,493,782</u>	<u>\$ 5,370,091</u>	<u>\$ 29,863,873</u>	<u>\$ 41,770,694</u>

Payments on pledges receivable at May 31, 2011 are expected to be received as follows:

	JFMD	UJF	Combined
Within one year	\$ 29,953,299	\$ 3,797,346	\$ 33,750,645
Between one and five years	-	2,773,945	2,773,945
More than five years	-	1,536,300	1,536,300
Total	<u>\$ 29,953,299</u>	<u>\$ 8,107,591</u>	<u>\$ 38,060,890</u>

Pledges receivable were discounted at rates ranging from 0.18% to 2.75% at May 31, 2011 and 2010.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 6 – Pledges Receivable (continued)

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

	2011	2010
Millennium campaign		
Jewish Life Fund	\$ 1,925,000	\$ 2,175,000
Jewish Community Center	1,364,638	1,484,638
Jewish Foundation for the Elderly	830,000	630,000
Berman Center for the Performing Arts	820,416	4,711,911
Jean and Samuel Frankel Jewish Academy of Metropolitan Detroit	693,071	1,177,329
Jewish Women's Foundation	692,090	758,962
JVS	357,424	365,860
Jewish Education Trust	350,000	1,010,000
BBYO Student Conference Center	229,250	289,030
Nancy & James Grosfeld Social Impact Fund	200,000	325,000
Jewish Community Center Teen Center	160,000	320,000
Jewish Senior Life	145,169	176,002
Jewish Family Service	122,500	942,500
Becker YAD All Star Mission	60,000	60,000
Jewish Community Center	51,150	191,350
Blumberg Fund Youth in Travel	30,000	50,000
Alan & Sue Kaufman Family Sports Program	30,000	30,000
Alliance for Jewish Education	16,000	26,000
Fresh Air Society	14,333	31,667
University of Michigan Hillel	11,300	80,300
Akiva Hebrew Day School	2,250	2,850
Friends of BBYO	2,000	2,000
Community Level Jewish Life Fund	1,000	1,000
Darchei Torah Zekelman Girls School	-	546,489
Michigan State University Hillel	-	70,000
Darchei Torah Boys School	-	10,000
Bar Ilan University	-	5,000
Leonard M. Simons - Archives	-	1,500
	<u>\$ 8,107,591</u>	<u>\$ 15,474,388</u>

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 7 – Notes Receivable

Notes receivable consist of the following at May 31:

	2011	2010
UJF:		
Note receivable from a related party bearing interest at 3.03% annually, due in annual principal and interest installments of \$2,248,811 through December 2016	\$ 12,170,134	\$ 13,994,899
Mortgage receivable from a related party bearing interest at 7.10%, with interest payments of \$47,333 due monthly, principal due in October 2013	8,000,000	8,000,000
Other notes receivable	1,455,014	2,323,014
Gross notes receivable	21,625,148	24,317,913
Allowance for uncollectible amounts	(349,446)	(65,620)
Notes receivable, net - UJF	21,275,702	24,252,293
JFMD - Other notes receivable	98,537	141,636
Notes receivable, net - Combined	\$ 21,374,239	\$ 24,393,929

NOTE 8 – Property and Equipment – JFMD and UJF

Property and equipment consist of the following at May 31:

	2011	2010
Land	\$ 7,293,372	\$ 7,593,372
Buildings	110,487,658	107,150,627
Furniture and equipment	3,996,989	3,372,935
Construction in progress	6,418,140	4,426,651
Total	128,196,158	122,543,585
Accumulated depreciation	(54,478,685)	(51,895,650)
Net Property and Equipment	\$ 73,717,473	\$ 70,647,935

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2010 and 2009

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

The majority of land and buildings represent communal properties and consist of the following at May 31, 2011:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
United Jewish Foundation			
Max M. Fisher Federation Building	\$ 900,000	\$ 7,140,339	\$ 8,040,339
Fresh Air Society – Camp Tamarack			
Ortonville	225,215	5,170,135	5,395,350
Grange Hall Road	247,207	-	247,207
Mesick	5,185	2,777	7,962
Mio	5,000	2,835	7,835
Kennedy	129,782	49,868	179,650
Wawa	6,750	11,942	18,692
Jewish Community Center			
Applebaum Campus site	2,412,155	45,920,534	48,332,689
Taubman Campus site	46,378	6,316,648	6,363,026
Jewish Family Service	1,537,176	6,944,131	8,481,307
Jean and Samuel Frankel Jewish Academy of Metropolitan Detroit	-	7,355,437	7,355,437
Akiva Hebrew Day School	250,000	4,248,320	4,498,320
B'nai B'rith Youth Organization	-	1,120,071	1,120,071
Jewish Senior Life			
Fleischman Residence	-	5,437,974	5,437,974
Epicenter	-	1,298,200	1,298,200
Brown Adult Day Care Center	-	1,369,521	1,369,521
Brown Memory Care Pavilion	-	1,298,297	1,298,297
JVS - Workshop – Woodward and Canfield	245,916	1,150,299	1,396,215
Yeshivas Darchei Torah	40,147	6,467,073	6,507,220
University of Michigan Hillel	-	3,266,174	3,266,174
Michigan State University Hillel	65,555	2,216,439	2,281,994
Eastern Michigan University Hillel	-	152,035	152,035
Yeshiva Beth Yehudah	121,500	2,081,071	2,202,571
Yeshiva Beth Yehudah Preschool	165,000	1,367,538	1,532,538
31840 West Seven Mile, Livonia	39,647	100,000	139,647
121 & 118 W. Lafayette, Detroit	120,000	-	120,000
6866 W. Maple, West Bloomfield	175,759	-	175,759
14450 Ten Mile Road, Oak Park	555,000	-	555,000
	<u>7,293,372</u>	<u>110,487,658</u>	<u>117,781,030</u>
Accumulated depreciation	-	51,595,173	51,595,173
	<u>\$ 7,293,372</u>	<u>\$ 58,892,485</u>	<u>\$ 66,185,857</u>

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 9 – Financing Arrangements

At May 31, 2011 and 2010, UJF has bonds payable outstanding of \$200,000 and \$400,000, respectively, which consist of Michigan Strategic Fund Multi-mode Limited Obligation Revenue Bonds, bearing fixed interest at 5.75% per annum. The bonds are payable in annual increments of \$200,000 through 2012. Collateral for the bonds consists of a letter of credit issued by a local lender and a mortgage interest in the Max M. Fisher Federation Building.

At May 31, 2011 and 2010, UJF has an unsecured note payable outstanding of \$897,222 and \$1,463,889, respectively, related to the purchase of the Akiva Hebrew Day School Building. The note is payable to a bank and bears interest at 225 basis points over LIBOR with monthly principal and interest payments due over a term of 36 months with the final payment due in December 2012. The effective interest rate was 2.44% as of May 31, 2011.

At May 31, 2011 and 2010, UJF also has an unsecured note payable outstanding of \$24,415 and \$97,607, respectively, related to the HVAC system at the Max M. Fisher Federation Building. The note is payable to a bank and bears interest at 6.91% per annum with monthly principal and interest payments of \$6,476. The loan matured in August 2011 and was paid in full subsequent to year end.

At May 31, 2011 and 2010, UJF also has an unsecured note payable outstanding of \$300,000 and \$325,000, respectively, related to the purchase of land at 14450 Ten Mile Road, Oak Park. The note is noninterest-bearing with annual payments of \$25,000. The loan matures in February 2023.

At May 31, 2011 and 2010, UJF also has bonds payable outstanding of \$1,852,335 and \$1,872,616, respectively, which consist of Bank of America Public Capital Corp limited obligation revenue notes, bearing interest at a fixed rate of 4.45% per annum. The bonds are callable at any time and mature July 1, 2023. The proceeds from the bond issuance were used to finance an HVAC system at the Jewish Community Center.

The organizations have an unsecured line of credit agreement with a bank in the amount of \$10 million. Interest is charged on outstanding borrowings at a specified interest rate based on LIBOR. There were no outstanding balances pursuant to this agreement as of May 31, 2011 and 2010. This agreement expired August 30, 2011 and was renewed subsequent to year end through August 29, 2012.

The terms of certain notes payable and lines of credit include cross-default provisions and require the organizations to comply with certain covenants, the most restrictive of which is the maintenance of certain levels of unrestricted net assets.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 9 – Financing Arrangements (continued)

UJF has recorded the obligation for building and construction loans on behalf of constituent agencies since the related assets are recorded on UJF's books. At May 31, 2011, UJF has outstanding balances for the following organizations:

	2011	2010
Jean and Samuel Frankel		
Jewish Academy of Metropolitan Detroit	\$ 850,000	\$ 1,350,000
Jewish Community Center	814,583	418,167
Jewish Senior Life	-	144,654
B'nai B'rith Youth Organization	-	145,286
Yeshiva Darchei Torah	-	10,308
Total	\$ 1,664,583	\$ 2,068,415

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

May 31, 2012	\$ 933,297	
May 31, 2013	478,093	
May 31, 2014	153,104	
May 31, 2015	158,922	
May 31, 2016	25,000	
Thereafter	1,525,556	
Total Bonds and Notes Payable	3,273,972	
Amounts owed to banks on behalf of constituent agencies (per above)	1,664,583	
Total Bonds, Notes and Other Payables	\$ 4,938,555	

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 10 – Pension Costs

The organizations participate with certain constituent agencies in two qualified multi-employer defined benefit pension plans covering substantially all employees. Participants in the plans become 100% vested after five years of service. The position of the organizations related to other contributors to the multi-employer plan has not been determined with respect to plan assets and accumulated benefits. Pension costs are accrued currently and represent the current year normal costs, as determined by the aggregate cost method. The organizations recognized pension expense of \$538,722 and \$530,938 for the years ended May 31, 2011 and 2010, respectively.

Accumulated plan benefits and net assets for the non-union employee plan for the organizations and participating constituent agencies, as determined by the actuaries, as of January 1, 2011, the most recent valuation date, are as follows:

Actuarial Present Value of Accumulated Plan Benefits	
Vested	\$ 21,235,214
Non-vested	883,339
Total	<u>\$ 22,118,553</u>
Net Assets Available for Plan Benefits	<u>\$ 18,628,634</u>

Accumulated plan benefits and net assets for the union employee plan for the organizations and participating constituent agencies, as determined by the actuaries, as of January 1, 2011, the most recent valuation date, are as follows:

Actuarial Present Value of Accumulated Plan Benefits	
Vested	\$ 1,508,038
Non-vested	1,738
Total	<u>\$ 1,509,776</u>
Net Assets Available for Plan Benefits	<u>\$ 767,351</u>

NOTE 11 – Transactions with Affiliates

The Federation and The Jewish Fund have entered into a management agreement whereby the Federation provides administrative support to the Fund for an agreed-upon fee. Such fees were \$215,000 for the fiscal years ended May 31, 2011 and 2010.

Grants received from The Jewish Fund by the Federation were \$899,369 and \$1,489,417 and indirect grant expenses paid to other affiliated entities were approximately \$40.0 million and \$23.5 million for the fiscal years ended May 31, 2011 and 2010, respectively.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 11 – Transactions with Affiliates (continued)

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

	2011	2010
Appropriations payable	\$ 14,468,432	\$ 549,877
Constituent agency deposits	10,468,048	7,106,314
Total	<u>\$ 24,936,480</u>	<u>\$ 7,656,191</u>

NOTE 12 – Endowment Funds

UJF's endowment consists of 951 individual donor-restricted funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported, based on the existence or absence of donor-imposed restrictions.

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

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

1. The duration and preservation of the fund
2. The purposes of the organizations and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organizations
7. The investment policies of the organizations

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 12 – Endowment Funds (continued)

Endowment net asset composition as of May 31, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted	\$ (9,037,118)	\$ 21,312,919	\$ 145,349,112	\$ 157,624,913

Endowment net asset composition as of May 31, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted	\$ (13,300,812)	\$ 17,842,540	\$ 143,554,317	\$ 148,096,045

Changes in endowment net assets for the year ended May 31, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (13,300,812)	\$ 17,842,540	\$ 143,554,317	\$ 148,096,045
Income from investments	-	18,517,007	-	18,517,007
Contributions	-	233,312	567,422	800,734
Appropriation of endowment assets for expenditures	-	(9,868,621)	(42,000)	(9,910,621)
Other income	-	155,664	1,234,130	1,389,794
Transfers of net assets	-	(1,303,289)	35,243	(1,268,046)
Reclassification of income	4,263,694	(4,263,694)	-	-
Endowment net assets, end of year	<u>\$ (9,037,118)</u>	<u>\$ 21,312,919</u>	<u>\$ 145,349,112</u>	<u>\$ 157,624,913</u>

AND UNITED JEWISH FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 12 – Endowment Funds (continued)

Changes in endowment net assets for the year ended May 31, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ (17,992,627)	\$ 15,099,419	\$ 141,513,349	\$ 138,620,141
Income from investments		15,522,972	-	15,522,972
Contributions	-	172,714	1,710,215	1,882,929
Appropriation of endowment assets for expenditures	-	(8,621,625)	(1,250)	(8,622,875)
Other income	-	207,781	354,217	561,998
Transfers of net assets	-	153,094	(22,214)	130,880
Reclassification of income	4,691,815	(4,691,815)	-	-
Endowment net assets, end of year	<u>\$ (13,300,812)</u>	<u>\$ 17,842,540</u>	<u>\$ 143,554,317</u>	<u>\$ 148,096,045</u>

Funds with Deficiencies - From time to time, the fair value associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA require the organizations to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were \$9,037,118 and \$13,300,812 as of May 31, 2011 and 2010, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new permanently restricted contributions. Subsequent gains that restore the fair value of the assets of endowment fund to the required level will be classified as an increase in unrestricted net assets.

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

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

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 12 – Endowment Funds (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy - The organizations have a policy of generally appropriating for distribution each year 5.5% of the endowment base. The endowment base is defined as the three-year moving average of the market value of the total endowment portfolio (calculated as of the last day of each of the previous 12 quarters). In establishing this policy, the organizations considered the long-term expected return on their endowment. Accordingly, over the long term, the organizations expect the current spending policy to allow their endowment to grow at an average of approximately 2% annually. This is consistent with the organizations' objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 13 – Restricted Net Assets

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

	2011		
	Temporarily Restricted	Permanently Restricted	Total
Perpetual Annual Campaign Endowment (PACE) funds	\$ 3,851,684	\$ 61,178,474	\$ 65,030,158
Special-purpose funds	8,480,506	12,652,582	21,133,088
Constituent agency funds	31,925,798	71,518,056	103,443,854
Total Net Assets	\$ 44,257,988	\$ 145,349,112	\$ 189,607,100
	2010		
	Temporarily Restricted	Permanently Restricted	Total
Perpetual Annual Campaign Endowment (PACE) funds	\$ 1,426,763	\$ 60,617,879	\$ 62,044,642
Special-purpose funds	7,812,909	11,379,662	19,192,571
Constituent agency funds	30,500,112	71,556,776	102,056,888
Total Net Assets	\$ 39,739,784	\$ 143,554,317	\$ 183,294,101

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2011 and 2010

NOTE 14 – Contingencies

During 2001, Jewish Senior Life (“JSL”) (formerly Jewish Apartments and Services), a constituent agency supported by the organizations, issued \$18,000,000 in variable rate demand limited obligation revenue bonds. A local lender issued a letter of credit guaranteeing payment of the bonds and related interest, which are being repaid over a 25-year period. Should JSL not meet its obligation to make required principal and interest payments, the bond trustee may draw on the letter of credit. In that event, UJF has guaranteed to reimburse the lender. At May 31, 2011, \$14,700,000 of the bonds were outstanding.

NOTE 15 – Concentrations

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



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Independent Auditor's Report on Supplemental Information

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

We have audited the combined financial statements of the Jewish Federation of Metropolitan Detroit and the United Jewish Foundation as of and for the year ended May 31, 2011. Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining information in the accompanying schedules is presented for the purpose of additional analysis of the combined financial statements rather than to present the financial position, results of operations, functional expenses, and cash flows of the individual organizations and is not a required part of the basic combined financial statements. The combining information has been subjected to the procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Plante & Moran, PLLC

November 7, 2011

JEWISH FEDERATION OF METROPOLITAN DETROIT

COMBINING STATEMENT OF FINANCIAL POSITION
May 31, 2011

ASSETS									
	Operating Fund	Federation Annual Campaign	JFMD Programming	Grant Programming	Capital Needs	Overseas Programming	Missions Fund	Jewish Life Fund	Total
ASSETS									
Cash	\$ 5,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,022
Investments	181,731	8,140,933	243,075	-	1,094,575	322,790	242,144	(64,832)	10,160,416
Accounts receivable, net	309,142	-	72,498	-	571,835	8,700	-	71,563	1,033,738
Pledges receivable, net	-	24,472,598	21,184	-	-	-	-	-	24,493,782
Notes receivable, net	-	98,537	-	-	-	-	-	-	98,537
Interfund receivables (payables)	3,972,933	(8,090,850)	-	-	1,096,157	125,000	371,790	550,271	(1,974,699)
Advances and other assets	377,194	-	163,561	-	-	-	29,050	-	569,805
Property and equipment, net	463,393	-	-	-	-	-	-	-	463,393
TOTAL ASSETS	\$ 5,309,415	\$ 24,621,218	\$ 500,318	\$ -	\$ 2,762,567	\$ 456,490	\$ 642,984	\$ 557,002	\$ 34,849,994
LIABILITIES AND NET ASSETS									
LIABILITIES									
Appropriations payable									
General	\$ -	\$ 15,054,458	\$ 104,189	\$ -	\$ 476,638	\$ -	\$ -	\$ -	\$ 15,635,285
Jewish Federations of North America and overseas	-	9,469,162	-	-	-	-	-	-	9,469,162
Trade accounts and other payables	1,780,573	-	5,053	-	-	23,111	151,040	-	1,959,777
Total Liabilities	1,780,573	24,523,620	109,242	-	476,638	23,111	151,040	-	27,064,224
NET ASSETS									
Unrestricted	3,528,842	97,598	391,076	-	2,285,929	433,379	491,944	557,002	7,785,770
TOTAL LIABILITIES AND NET ASSETS	\$ 5,309,415	\$ 24,621,218	\$ 500,318	\$ -	\$ 2,762,567	\$ 456,490	\$ 642,984	\$ 557,002	\$ 34,849,994

JEWISH FEDERATION OF METROPOLITAN DETROIT

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2011

	Operating Fund	Federation Annual Campaign	JFMD Programming	Grant Programming	Capital Needs	Overseas Programming	Missions Fund	Jewish Life Fund	Total
OPERATING REVENUE AND SUPPORT									
Public support from contributions	\$ 75,677	\$ 34,585,354	\$ 353,376	\$ -	\$ -	\$ -	\$ 875	\$ 63,773	\$ 35,079,055
Revenues									
Investment income (including unrealized gains)	-	25,322	-	-	-	-	-	-	25,322
Gain/(loss) on disposition of assets	(1,827)	-	-	-	-	-	-	-	(1,827)
Interorganization appropriations	645,282	-	2,416,653	-	1,018	-	60,688	2,867,243	5,990,884
Miscellaneous fees and other income	2,498,055	12,392	13,959	-	15,763	-	650,622	74,064	3,264,855
Total Operating Revenue and Support	3,217,187	34,623,068	2,783,988	-	16,781	-	712,185	3,005,080	44,358,289
OPERATING EXPENSES									
Program Services									
Distributions									
Jewish Federations of North America and overseas	-	17,442,092	18,195	-	-	1,500	-	-	17,461,787
Local agencies	-	29,965,117	2,416,030	-	416,764	-	-	2,313,115	35,111,026
Other charitable organizations	-	1,121,502	147,891	14,361	1,018	-	-	900,535	2,185,307
Other	4,804,917	11,396	329,335	-	-	57,434	1,191,730	358,930	6,753,742
Total Program Services	4,804,917	48,540,107	2,911,451	14,361	417,782	58,934	1,191,730	3,572,580	61,511,862
Support Services									
Administrative	3,664,418	229	-	-	-	-	-	-	3,664,647
Financial resource development	2,496,471	106,579	952	-	-	-	-	-	2,604,002
Bad debt expense	-	724,741	50,136	-	-	-	-	-	774,877
Other	95,476	-	-	-	-	-	-	-	95,476
Total Support Services	6,256,365	831,549	51,088	-	-	-	-	-	7,139,002
Total Operating Expenses	11,061,282	49,371,656	2,962,539	14,361	417,782	58,934	1,191,730	3,572,580	68,650,864
Decrease in Net Assets from Operations	(7,844,095)	(14,748,588)	(178,551)	(14,361)	(401,001)	(58,934)	(479,545)	(567,500)	(24,292,575)
Transfer of funds	12,112,650	(15,944,048)	(187,193)	-	1,915,000	201,000	830,834	1,071,757	-
INCREASE (DECREASE) IN NET ASSETS	4,268,555	(30,692,636)	(365,744)	(14,361)	1,513,999	142,066	351,289	504,257	(24,292,575)
NET ASSETS - Beginning of Year	(739,713)	30,790,234	756,820	14,361	771,930	291,313	140,655	52,745	32,078,345
NET ASSETS - END OF YEAR	\$ 3,528,842	\$ 97,598	\$ 391,076	\$ -	\$ 2,285,929	\$ 433,379	\$ 491,944	\$ 557,002	\$ 7,785,770

UNITED JEWISH FOUNDATION

COMBINING STATEMENT OF FINANCIAL POSITION
May 31, 2011

ASSETS							
	General Fund	Philanthropic Funds	Support Foundations	Land, Building and Equipment	Other Unrestricted Funds	Restricted Funds	Total
ASSETS							
Cash	\$ 586,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 586,264
Investments	20,375,826	45,750,055	72,623,553	73,107	13,464,600	179,852,632	332,139,773
Accounts receivable, net	291,770	-	-	49	502,797	2,160,166	2,954,782
Pledges receivable, net	-	-	-	-	-	5,370,091	5,370,091
Notes receivable, net	204,000	8,000,000	12,978,082	-	-	93,620	21,275,702
Interfund receivables (payables)	1,783,667	(110,000)	(708,504)	(101,157)	-	1,110,693	1,974,699
Donated real estate and other interests held for investment	305,000	3,477,055	2,629,047	-	-	-	6,411,102
Advances and other assets	90,000	-	-	6,739	101,353	1,972,014	2,170,106
Property and equipment, net	-	-	-	66,920,415	-	6,333,665	73,254,080
TOTAL ASSETS	\$ 23,636,527	\$ 57,117,110	\$ 87,522,178	\$ 66,899,153	\$ 14,068,750	\$ 196,892,881	\$ 446,136,599
LIABILITIES AND NET ASSETS							
LIABILITIES							
Appropriations payable	\$ 64,150	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 110,000	\$ 2,174,150
Trade accounts and other payables	4,850	25,360	3,749	10,769	111,427	24,537	180,692
Constituent agencies and other deposits	-	-	-	-	13,207,116	-	13,207,116
Bonds, notes and other payables	-	-	-	3,273,972	-	1,664,583	4,938,555
Charitable trust annuities payable	-	-	3,824,696	-	-	10,053,953	13,878,649
Other organizations payable	-	-	-	-	-	2,403,241	2,403,241
Contributions designated for future periods	-	-	-	-	-	2,066,585	2,066,585
Total Liabilities	69,000	2,025,360	3,828,445	3,284,741	13,318,543	16,322,899	38,848,988
NET ASSETS							
Unrestricted	23,567,527	55,091,750	83,693,733	63,614,412	750,207	(9,037,118)	217,680,511
Temporarily restricted	-	-	-	-	-	44,257,988	44,257,988
Permanently restricted	-	-	-	-	-	145,349,112	145,349,112
Total Net Assets	23,567,527	55,091,750	83,693,733	63,614,412	750,207	180,569,982	407,287,611
TOTAL LIABILITIES AND NET ASSETS	\$ 23,636,527	\$ 57,117,110	\$ 87,522,178	\$ 66,899,153	\$ 14,068,750	\$ 196,892,881	\$ 446,136,599

UNITED JEWISH FOUNDATION

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2011

	General Fund	Philanthropic Funds	Support Foundations	Land, Building and Equipment	Other Unrestricted Funds	Restricted Funds	Total
OPERATING REVENUE AND SUPPORT							
Public support from contributions	\$ 469,273	\$ 8,832,995	\$ 12,488,618	\$ 20,282	\$ -	\$ 359,646	\$ 22,170,814
Revenues							
Investment income (including unrealized gains)	3,405,611	6,676,512	9,017,173	-	15,835	21,864,920	40,980,051
Gain/(loss) on disposition of assets	-	(92,398)	-	(895,060)	-	-	(987,458)
Interorganization appropriations	3,754,046	10,000	-	71,533	-	645,092	4,480,671
Miscellaneous fees and other income	4,128,696	-	(429,053)	610,845	138,001	3,293,666	7,742,155
Total Operating Revenue and Support	<u>11,757,626</u>	<u>15,427,109</u>	<u>21,076,738</u>	<u>(192,400)</u>	<u>153,836</u>	<u>26,163,324</u>	<u>74,386,233</u>
OPERATING EXPENSES							
Program Services							
Distributions							
Federation's annual campaign	54,538	3,228,813	2,432,275	-	-	4,151,497	9,867,123
Jewish Federations of North America and overseas	-	-	-	-	-	7,500	7,500
Local agencies	5,287,413	577,999	2,160,870	-	108,340	7,189,535	15,324,157
Other charitable organizations	-	10,493,021	6,103,468	-	-	795,206	17,391,695
Other	214,603	-	352,047	4,291,488	1,600	388,810	5,248,548
Total Program Services	<u>5,556,554</u>	<u>14,299,833</u>	<u>11,048,660</u>	<u>4,291,488</u>	<u>109,940</u>	<u>12,532,548</u>	<u>47,839,023</u>
Support Services							
Administrative	212,450	29,360	61,201	55,158	125	31,321	389,615
Bad debt expense	219,146	-	-	-	-	1,064,963	1,284,109
Other	-	-	-	21,678	-	-	21,678
Total Support Services	<u>431,596</u>	<u>29,360</u>	<u>61,201</u>	<u>76,836</u>	<u>125</u>	<u>1,096,284</u>	<u>1,695,402</u>
Total Operating Expenses	<u>5,988,150</u>	<u>14,329,193</u>	<u>11,109,861</u>	<u>4,368,324</u>	<u>110,065</u>	<u>13,628,832</u>	<u>49,534,425</u>
Increase (Decrease) in Net Assets from Operations	5,769,476	1,097,916	9,966,877	(4,560,724)	43,771	12,534,492	24,851,808
Transfer of funds	<u>(626,408)</u>	<u>(1,765,198)</u>	<u>(1,715,897)</u>	<u>6,015,302</u>	<u>50,000</u>	<u>(1,957,799)</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	5,143,068	(667,282)	8,250,980	1,454,578	93,771	10,576,693	24,851,808
NET ASSETS - Beginning of Year	<u>18,424,459</u>	<u>55,759,032</u>	<u>75,442,753</u>	<u>62,159,834</u>	<u>656,436</u>	<u>169,993,289</u>	<u>382,435,803</u>
NET ASSETS - END OF YEAR	<u>\$ 23,567,527</u>	<u>\$ 55,091,750</u>	<u>\$ 83,693,733</u>	<u>\$ 63,614,412</u>	<u>\$ 750,207</u>	<u>\$ 180,569,982</u>	<u>\$ 407,287,611</u>