

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

Bloomfield Hills, Michigan

May 31, 2012 and 2011

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, 2012 and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years 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' 2011 combined financial statements and, in our report dated November 7, 2011, we expressed an unqualified opinion on those financial 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 2012 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, 2012 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

October 12, 2012

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF FINANCIAL POSITION
 May 31, 2012
 (With Comparative Combined Totals as of May 31, 2011)

	ASSETS			
	Jewish Federation of Metropolitan Detroit	United Jewish Foundation	2012 Combined	2011 Combined
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 600	489,241	\$ 489,841	\$ 591,286
Investments	11,994,514	304,417,267	316,411,781	342,300,189
Accounts receivable, net	825,588	2,891,251	3,716,839	3,907,644
Pledges receivable, net	21,825,405	3,732,552	25,557,957	29,944,749
Notes receivable, net	68,619	17,932,163	18,000,782	21,374,239
Interorganization receivable/(payable)	(1,609,463)	1,609,463	-	-
Donated real estate and other interest held for investment	-	6,355,230	6,355,230	6,411,102
Advances and other assets	571,471	2,063,112	2,634,583	2,739,911
Property and equipment, net	611,432	69,760,484	70,371,916	73,717,473
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 34,288,166	\$ 409,250,763	\$ 443,538,929	\$ 480,986,593
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	LIABILITIES AND NET ASSETS			
LIABILITIES				
Appropriations payable				
General	\$ 15,512,639	1,688,035	\$ 17,200,674	\$ 17,809,435
Jewish Federations of North America and overseas	9,389,462	-	9,389,462	9,469,162
Trade accounts and other payables	2,513,930	425,269	2,939,199	2,140,469
Constituent agencies and other deposits	-	12,652,201	12,652,201	13,207,116
Bonds, notes and other payables	-	3,491,539	3,491,539	4,938,555
Charitable trust annuities payable	-	12,790,825	12,790,825	13,878,649
Other organizations payable	-	1,978,141	1,978,141	2,403,241
Contributions designated for future periods	-	1,927,596	1,927,596	2,066,585
Total Liabilities	<u>27,416,031</u>	<u>34,953,606</u>	<u>62,369,637</u>	<u>65,913,212</u>
NET ASSETS				
Unrestricted	6,872,135	196,008,299	202,880,434	225,466,281
Temporarily restricted	-	30,632,319	30,632,319	44,257,988
Permanently restricted	-	147,656,539	147,656,539	145,349,112
Total Net Assets	<u>6,872,135</u>	<u>374,297,157</u>	<u>381,169,292</u>	<u>415,073,381</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 34,288,166	\$ 409,250,763	\$ 443,538,929	\$ 480,986,593
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 Year Ended May 31, 2012
 (With Comparative Combined Totals for the Year Ended May 31, 2011)

	Jewish Federation of Metropolitan Detroit		United Jewish Foundation		Eliminating Adjustments	2012 Combined	2011 Combined	
	Unrestricted	Unrestricted	Temporarily Restricted	Permanently Restricted				Total UJF
OPERATING REVENUE AND SUPPORT								
Public support from contributions	\$ 34,597,064	\$ 19,873,160	\$ 1,952,770	\$ 2,778,549	\$ 24,604,479	\$ (9,414,142)	\$ 49,787,401	\$ 47,381,401
Revenues								
Investment income (including unrealized gains and losses)	19,580	(12,426,331)	840,053	-	(11,586,278)	-	(11,566,698)	41,005,373
Gain/(loss) on disposition of assets	-	989,437	-	-	989,437	-	989,437	(989,285)
Interorganization appropriations	9,684,381	1,564,500	273,502	-	1,838,002	(11,522,383)	-	-
Miscellaneous fees and other	3,291,107	4,304,929	182,524	(1,029,666)	3,457,787	(291,000)	6,457,894	10,702,010
Net assets released from restrictions	-	18,580,761	(18,580,761)	-	-	-	-	-
Total Revenues	12,995,068	13,013,296	(17,284,682)	(1,029,666)	(5,301,052)	(11,813,383)	(4,119,367)	50,718,098
Total Operating Revenue and Support	47,592,132	32,886,456	(15,331,912)	1,748,883	19,303,427	(21,227,525)	45,668,034	98,099,499
OPERATING EXPENSES								
Program Services								
Distributions								
Federation's annual campaign	-	9,414,142	-	-	9,414,142	(9,414,142)	-	-
Jewish Federations of North America and overseas	9,533,708	206,418	-	-	206,418	-	9,740,126	17,469,287
Local agencies	22,014,328	15,707,319	-	-	15,707,319	(11,522,383)	26,199,264	39,962,283
Other charitable organizations	1,862,726	21,036,912	-	-	21,036,912	-	22,899,638	19,577,002
Other	7,122,751	5,287,357	-	-	5,287,357	-	12,410,108	12,002,290
Total Program Services	40,533,513	51,652,148	-	-	51,652,148	(20,936,525)	71,249,136	89,010,862
Support Services								
Administrative	3,853,380	434,787	-	-	434,787	(291,000)	3,997,167	3,749,262
Financial resource development	2,758,009	-	-	-	-	-	2,758,009	2,604,002
Bad debt expense	1,244,225	185,551	-	-	185,551	-	1,429,776	2,058,986
Other	116,640	21,395	-	-	21,395	-	138,035	117,154
Total Support Services	7,972,254	641,733	-	-	641,733	(291,000)	8,322,987	8,529,404
Total Operating Expenses	48,505,767	52,293,881	-	-	52,293,881	(21,227,525)	79,572,123	97,540,266
(Decrease) Increase in Net Assets from Operations	(913,635)	(19,407,425)	(15,331,912)	1,748,883	(32,990,454)	-	(33,904,089)	559,233
Transfer of funds	-	(2,264,787)	1,706,243	558,544	-	-	-	-
(DECREASE) INCREASE IN NET ASSETS	(913,635)	(21,672,212)	(13,625,669)	2,307,427	(32,990,454)	-	(33,904,089)	559,233
NET ASSETS - Beginning of Year	7,785,770	217,680,511	44,257,988	145,349,112	407,287,611	-	415,073,381	414,514,148
NET ASSETS - END OF YEAR	\$ 6,872,135	\$ 196,008,299	\$ 30,632,319	\$ 147,656,539	\$ 374,297,157	\$ -	\$ 381,169,292	\$ 415,073,381

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended May 31, 2012
(With Comparative Combined Totals for the Year Ended May 31, 2011)

	Jewish Federation of Metropolitan Detroit			United Jewish Foundation			2012 Combined	2011 Combined
	Direct Programs	Administrative Services	Financial Resource Development	Direct Programs	Administrative Services	Eliminating Adjustments		
DISTRIBUTIONS								
Federation's annual campaign	\$ -	\$ -	\$ -	\$ 9,414,142	\$ -	\$ (9,414,142)	\$ -	\$ -
Jewish Federations of North America and overseas	9,533,708	-	-	206,418	-	-	9,740,126	17,469,287
Local agencies	22,014,328	-	-	15,707,319	-	(11,522,383)	26,199,264	39,962,283
Other charitable organizations	1,862,726	-	-	21,036,912	-	-	22,899,638	19,577,002
Total Distributions	33,410,762	-	-	46,364,791	-	(20,936,525)	58,839,028	77,008,572
OTHER EXPENSES								
Other program services	999,504	-	-	440,443	-	-	1,439,947	1,459,802
Salaries and wages	2,697,712	2,370,044	1,770,190	-	-	-	6,837,946	6,412,616
Employee benefits	497,343	610,193	357,028	-	-	-	1,464,564	1,427,565
Other personnel	230,016	198,742	115,887	-	-	-	544,645	487,830
Rent and building costs	118,397	131,378	41,225	605,990	25,634	(291,000)	631,624	544,838
Professional services	620,674	180,099	-	-	146,428	-	947,201	715,356
Meetings and events	633,558	23,866	115,950	-	-	-	773,374	703,855
Missions	835,313	-	-	23,980	-	-	859,293	1,191,730
Marketing	174,151	9,133	50,105	-	-	-	233,389	233,237
Professional development and donor cultivation	47,411	50,258	29,241	-	-	-	126,910	210,557
Interest and bank fees	-	-	118,986	141,507	75,274	-	335,767	251,217
Postage	23,218	38,037	22,180	-	-	-	83,435	104,950
Office expense	32,614	61,440	40,018	-	-	-	134,072	105,313
Property expenses	-	-	-	161,465	29,907	-	191,372	166,944
Equipment repairs and maintenance	53,255	67,431	39,319	-	-	-	160,005	79,837
Information technology support	42,531	64,937	37,865	-	-	-	145,333	134,319
Telephone	22,712	34,324	20,015	-	-	-	77,051	73,559
Insurance	-	13,498	-	134,173	66,354	-	214,025	62,368
Other	-	-	-	-	86,570	-	86,570	52,476
Total Other Expenses Before Depreciation, Bad Debt and Taxes	7,028,409	3,853,380	2,758,009	1,507,558	430,167	(291,000)	15,286,523	14,418,369
Depreciation	94,342	73,678	42,962	3,779,799	21,395	-	4,012,176	3,998,889
Bad debt expense	-	-	1,244,225	-	185,551	-	1,429,776	2,058,986
Unrelated business income tax	-	-	-	-	4,620	-	4,620	55,450
TOTAL EXPENSES	\$ 40,533,513	\$ 3,927,058	\$ 4,045,196	\$ 51,652,148	\$ 641,733	\$ (21,227,525)	\$ 79,572,123	\$ 97,540,266

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF CASH FLOWS
Years Ended May 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) Increase in net assets	\$ (33,904,089)	\$ 559,233
Adjustments to reconcile (decrease) increase in net assets to net cash flows from operating activities		
Depreciation	4,012,176	3,998,889
Bad debt expense	1,429,776	2,058,986
Bond amortization cost	5,534	9,486
Change in value of liability for charitable trust annuities	903,649	1,429,166
Net unrealized loss/(gain) on investments	20,500,688	(31,205,488)
Net realized loss/(gain) on investments	(1,702,185)	(7,299,544)
Loss/(gain) on disposals of donated real estate and other interests and property and equipment	(989,437)	989,285
Partnership and other investment income	138,000	(174,163)
Contributions restricted for permanent investment	(2,778,549)	(567,422)
Contribution of donated real estate and other interests held for investment	-	(158,550)
Increase (decrease) in assets and liabilities		
Accounts receivable	185,090	(731,436)
Pledges receivable	3,151,724	10,163,458
Advances and other assets	99,794	149,270
Appropriations payable, trade accounts and other payables	110,269	20,781,996
Constituent agencies and other deposits	(554,915)	2,709,321
Other organizations payable	(425,100)	(14,538)
Contributions designated for future periods and charitable trust annuities payable	(138,989)	298,480
Net Cash Flows from Operating Activities	<u>(9,956,564)</u>	<u>2,996,429</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds (uses) from sales (purchases) of donated real estate and other interests held for investment	(82,127)	3,380,192
Net proceeds (uses) from sales (purchases) of investments	7,089,905	1,478,493
Purchases of property and equipment	(877,182)	(8,057,712)
Proceeds from sale of property	450,000	-
Issuance of notes receivable	(210,000)	-
Proceeds from collection of notes receivable	4,334,463	2,627,694
Net Cash Flows from Investing Activities	<u>10,705,059</u>	<u>(571,333)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions and investment income restricted for permanent investment	2,588,549	567,422
Proceeds from bonds and notes payable	2,894,500	4,105,500
Payments on charitable trust annuities	(1,991,473)	(1,981,698)
Payments on bonds and notes payable	(4,341,516)	(5,394,472)
Net Cash Flows from Financing Activities	<u>(849,940)</u>	<u>(2,703,248)</u>
Net Decrease in Cash and Cash Equivalents	(101,445)	(278,152)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>591,286</u>	<u>869,438</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 489,841	\$ 591,286
Supplemental cash flow disclosures		
Cash paid for interest	\$ 164,952	\$ 166,824
Cash paid for income taxes	\$ 31,537	\$ 69,665
Non-cash sale of property	\$ 750,000	\$ -

See accompanying notes to combined financial statements.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

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, 2012 and 2011

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 \$73,000,000 and \$88,000,000 as of May 31, 2012 and 2011, respectively. Philanthropic funds have total assets of approximately \$56,000,000 and \$57,000,000 at May 31, 2012 and 2011, respectively.

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

Constituent Agency Deposits

Deposits from constituent agencies and other organizations are reported in the UJF portfolio at fair value on the combined statement of financial position. Changes in the fair value of these deposits are reflected as a change in the corresponding liability on the combined statement of financial position. These transactions are not included in the combined statement of activities and changes in net assets. Investment income/(loss) related to these deposits totaled (\$166,508) and \$1,488,368 for the years ended May 31, 2012 and 2011, respectively, and is recorded as an increase/(decrease) to the related liability.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

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, 2012 and 2011 are based on monthly valuations provided by the managers of the funds. Management, in coordination with the UJF investment committee and the investment consultant, obtains and considers the audited financial statements issued by nationally recognized accounting firms of such investments when evaluating the overall reasonableness of carrying value. Because of the inherent uncertainty of valuations, values may differ materially from values had a ready market existed.

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

Pledges Receivable

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

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

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.

Notes Receivable

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

The organization considers a financing loan receivable to be impaired when, based upon current information and events, it believes it is probable that the organization will be unable to collect all amounts due according to the contractual terms of the loan agreement. The organization had \$348,440 and \$349,446 in loans considered to be impaired or uncollectible as of May 31, 2012 and 2011. The full balance of these loans has been recorded as an allowance for uncollectible loans. The balance of loans 90 days or more past due was \$348,440 and \$349,446 as of May 31, 2012 and 2011, respectively.

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 \$2,631,000 and \$2,741,000 as of May 31, 2012 and 2011, respectively, and donated interests in partnerships and trusts carried at approximately \$606,000 and \$554,000 as of May 31, 2012 and 2011, respectively. The assets are recorded at their estimated fair values at the date of donation, as determined by independent appraisals. Subsequent to initial acquisition, donated interests in partnerships and trusts are accounted for under the cost or equity method, depending on the ownership level.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

NOTE 2 – Summary of Significant Accounting Policies (continued)

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

Also included in donated real estate and other interests held for investments are single premium annuity contracts related to life insurance policies on the respective donor's life, carried at approximately \$3,118,000 and \$3,116,000 as of May 31, 2012 and 2011, 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 \$1,974,288 and \$2,234,626 as of May 31, 2012 and 2011, respectively.

Property and Equipment

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

Property and equipment 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.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

NOTE 2 – Summary of Significant Accounting Policies (continued)

Appropriations Payable

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

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 \$7,224 and \$24,536 related to the interest rate swap agreement as of May 31, 2012 and 2011, respectively.

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, 2012 and 2011, 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 (\$1,582,669) and \$678,325, respectively, and investment income included in investment income/(loss) of (\$818,008) and \$2,405,970, respectively. Net assets of these trusts amounted to \$3,571,332 and \$4,554,934 at May 31, 2012 and 2011, respectively. Assets held in split-interest agreements, which are included in investments, totaled \$14,700,354 and \$16,675,472 as of May 31, 2012 and 2011, respectively.

Contributions Designated for Future Periods

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

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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

NOTE 2 – Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

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

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

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

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.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

NOTE 2 – Summary of Significant Accounting Policies (continued)

Tax-Exempt Status

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

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, 2011, from which the summarized information was derived.

Reclassifications

Certain reclassifications were made to amounts in the 2011 financial statements to conform to the classifications used in 2012. These reclassifications had no impact on the reported net assets or change in net assets for 2011.

**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)

Subsequent Events

The organizations have evaluated subsequent events through October 12, 2012, 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. The organizations' policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during the years ended May 31, 2012 and 2011.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
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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, 2012			
	Total	Level 1	Level 2	Level 3
Pooled Income Portfolio				
Money market	\$ 17,586,015	\$ 17,586,015	\$ -	\$ -
Mutual Funds:				
Equity (a)	80,632,421	80,632,421	-	-
Debt (b)	63,251,868	63,251,868	-	-
Multi Strategy	30,792,819	30,792,819	-	-
Liquid Limited Partnerships				
Equity	4,693,046	-	4,693,046	-
Alternative Investments:				
Hedge fund of funds	228,257	-	-	228,257
Direct hedge funds	32,866,530	-	11,057,886	21,808,644
Global asset allocation	48,726,669	-	19,769,328	28,957,341
Private equity	11,723,134	-	-	11,723,134
Total Pooled Income Portfolio	<u>290,500,759</u>	<u>192,263,123</u>	<u>35,520,260</u>	<u>62,717,376</u>
Other:				
Money market	7,165,227	7,165,227	-	-
Israel bonds	826,503	-	826,503	-
Certificate of deposit	786,784	786,784	-	-
Common stocks	4,943,270	4,943,270	-	-
Mutual Funds:				
Equity	4,582,882	4,579,241	-	3,641
Debt	2,490,401	1,176,833	-	1,313,568
Multi Strategy	935,616	935,616	-	-
Pooled Investment Fund	2,270,131	-	-	2,270,131
Direct Hedge Fund	1,910,208	-	-	1,910,208
Total Other Investments	<u>25,911,022</u>	<u>19,586,971</u>	<u>826,503</u>	<u>5,497,548</u>
Total Investments	<u>\$ 316,411,781</u>	<u>\$ 211,850,094</u>	<u>\$ 36,346,763</u>	<u>\$ 68,214,924</u>

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

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	-	-
Commodities	-	-	-	-
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	<u>317,943,189</u>	<u>206,768,084</u>	<u>51,804,751</u>	<u>59,370,354</u>
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	<u>24,357,000</u>	<u>21,060,088</u>	<u>1,078,003</u>	<u>2,218,909</u>
Total Investments	<u>\$ 342,300,189</u>	<u>\$ 227,828,172</u>	<u>\$ 52,882,754</u>	<u>\$ 61,589,263</u>

(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 \$61,711,440 and \$72,748,683 as of May 31, 2012 and 2011, 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 \$25,680,804 and \$26,362,520 as of May 31, 2012 and 2011, respectively.

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NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended May 31, 2012 and 2011

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, 2012					
	Beginning Balance	Purchases	Sales and Settlements	Realized and Unrealized Gains and (Losses)	Ending Balance
Pooled Income Portfolio:					
Hedge fund of funds	\$ 782,276	\$ -	\$ (192,208)	\$ (361,811)	\$ 228,257
Direct hedge funds	10,375,007	11,288,689	(216,438)	361,386	21,808,644
Global asset allocation	30,397,705	1,102,770	(2,129,075)	(414,059)	28,957,341
Private equity	11,514,783	6,121,792	(4,028,197)	(1,885,244)	11,723,134
Bond fund limited partnerships	6,300,583	-	(6,226,503)	(74,080)	-
Other:					
Equity mutual funds	59,768	-	-	(56,127)	3,641
Debt mutual funds	1,267,050	-	-	46,518	1,313,568
Hedge fund of funds	892,091	-	(720,964)	(171,127)	-
Direct hedge funds	-	2,000,000	-	(89,792)	1,910,208
Pooled Investment Fund	-	2,500,000	-	(229,869)	2,270,131
Total	\$ 61,589,263	\$ 23,013,251	\$ (13,513,385)	\$ (2,874,205)	\$ 68,214,924
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	\$ 48,017,105	\$ 11,498,695	\$ (4,314,107)	\$ 6,387,570	\$ 61,589,263

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, 2012 and 2011

NOTE 3 – Fair Value Measurements (continued)

<u>Investment Type</u>	<u>Investment Objective</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
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 - Quarterly	14-60 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 - Biennially	45-90 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. Certain funds within this category will be redeemable quarterly upon 60 days' notice following the expiration of an initial 12-month lock-up period.	\$ 2,289,453	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
Liquid Limited Partnerships	Invest directly in publicly traded equity securities, fixed-income securities or futures through a commingled vehicle. Though the underlying securities have daily liquidity, funds within this category may offer liquidity ranging from daily to monthly.	None	Daily	30 days

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

NOTE 4 – Investments

Investment income includes realized gains of \$1,702,185 and \$7,299,544, unrealized gains/(losses) of (\$20,500,688) and \$31,205,488, and interest and dividends of \$8,522,824 and \$9,164,129 (net of approximately \$873,000 and \$931,000 in fees), in each case for the years ended May 31, 2012 and 2011, 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, 2012 and 2011

NOTE 5 – Accounts Receivable

Accounts receivable consists of the following as of May 31:

	2012			2011
	JFMD	UJF	Combined	
Advances to constituent agencies	\$ 576,332	\$ 3,744,631	\$ 4,320,963	\$ 4,617,809
Other receivables	339,208	1,070	340,278	389,364
Total gross accounts receivable	915,540	3,745,701	4,661,241	5,007,173
Allowance for uncollectible amounts	(89,952)	(854,450)	(944,402)	(1,099,529)
Net accounts receivable	<u>\$ 825,588</u>	<u>\$ 2,891,251</u>	<u>\$ 3,716,839</u>	<u>\$ 3,907,644</u>

NOTE 6 – Pledges Receivable

	2012			2011
	JFMD	UJF	Combined	Net Receivables
Gross pledges receivable	\$ 27,339,170	\$ 6,415,415	\$ 33,754,585	\$ 38,141,766
Allowance for uncollectible amounts	(5,513,765)	(2,592,779)	(8,106,544)	(7,875,711)
Unamortized discount	-	(90,084)	(90,084)	(321,306)
Net pledges receivable	<u>\$ 21,825,405</u>	<u>\$ 3,732,552</u>	<u>\$ 25,557,957</u>	<u>\$ 29,944,749</u>

Payments on pledges receivable at May 31, 2012 are expected to be received as follows:

	JFMD	UJF	Combined
Within one year	\$ 27,339,170	\$ 3,337,276	\$ 30,676,446
Between one and five years	-	1,622,865	1,622,865
More than five years	-	1,455,274	1,455,274
Total	<u>\$ 27,339,170</u>	<u>\$ 6,415,415</u>	<u>\$ 33,754,585</u>

Pledges receivable were discounted at rates ranging from 0.18% to 3.05% at May 31, 2012 and 2011.

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

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:

	2012	2011
Millennium campaign		
Jewish Life Fund	\$ 1,565,000	\$ 1,925,000
Jewish Community Center	1,263,638	1,364,638
Berman Center for the Performing Arts	711,497	820,416
Jewish Women's Foundation	637,368	692,090
Jewish Foundation for the Elderly	550,000	830,000
Jean and Samuel Frankel Jewish Academy of Metropolitan Detroit	348,286	693,071
BBYO Student Conference Center	208,550	229,250
Jewish Education Trust	200,000	350,000
Charach Sheruth Village	200,000	-
Jewish Senior Life	137,169	145,169
Jewish Community Center Teen Center	120,000	160,000
JVS	103,712	357,424
Legacy Fund	90,561	80,786
Nancy & James Grosfeld Social Impact Fund	75,000	200,000
Jewish Family Service	62,000	122,500
Becker YAD All Star Mission	60,000	60,000
Jewish Community Center	40,950	51,150
Alan & Sue Kaufman Family Sports Program	25,000	30,000
University of Michigan Hillel	6,300	11,300
Alliance for Jewish Education	6,000	16,000
Fresh Air Society	4,334	14,333
Akiva Hebrew Day School	50	2,250
Blumberg Fund Youth in Travel	-	30,000
Friends of BBYO	-	2,000
Community Level Jewish Life Fund	-	1,000
	\$ 6,415,415	\$ 8,188,377
Total Pledges Receivable		

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

NOTE 7 – Notes Receivable

Notes receivable consist of the following at May 31:

	2012	2011
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	\$ 8,155,963	\$ 12,170,134
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	2,124,640	1,455,014
Gross notes receivable	18,280,603	21,625,148
Allowance for uncollectible amounts	(348,440)	(349,446)
Notes receivable, net - UJF	17,932,163	21,275,702
JFMD - Other notes receivable	68,619	98,537
Notes receivable, net - Combined	\$ 18,000,782	\$ 21,374,239

NOTE 8 – Property and Equipment – JFMD and UJF

Property and equipment consist of the following at May 31:

	2012	2011
Land	\$ 7,133,726	\$ 7,293,372
Buildings	117,259,369	110,487,658
Furniture and equipment	4,114,244	3,996,989
Construction in progress	8,385	6,418,139
Total	128,515,724	128,196,158
Accumulated depreciation	(58,143,808)	(54,478,685)
Net Property and Equipment	\$ 70,371,916	\$ 73,717,473

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

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, 2012:

	Land	Buildings	Total
United Jewish Foundation			
Max M. Fisher Federation Building	\$ 900,000	\$ 7,230,179	\$ 8,130,179
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	52,218,923	54,631,078
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	-	7,805,628	7,805,628
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	-	1,402,812	1,402,812
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	-	3,266,175	3,266,175
Michigan State University Hillel	65,555	2,216,438	2,281,993
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
6866 W. Maple, West Bloomfield	175,760	-	175,760
14450 Ten Mile Road, Oak Park	555,000	-	555,000
	<u>7,133,726</u>	<u>117,259,369</u>	<u>124,393,095</u>
Accumulated depreciation	-	(55,191,368)	(55,191,368)
Total Land and Buildings	<u>\$ 7,133,726</u>	<u>\$ 62,068,001</u>	<u>\$ 69,201,727</u>

**JEWISH FEDERATION OF METROPOLITAN DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
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NOTE 9 – Financing Arrangements

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

At May 31, 2012 and 2011, UJF has an unsecured note payable outstanding of \$330,555 and \$897,222, 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 2.49% as of May 31, 2012.

At May 31, 2011, UJF also had an unsecured note payable outstanding of \$24,415 related to the HVAC system at the Max M. Fisher Federation Building. The note was payable to a bank and bore interest at 6.91% per annum with monthly principal and interest payments of \$6,476. The loan was paid in full during 2012.

At May 31, 2012 and 2011, UJF also has an unsecured note payable outstanding of \$275,000 and \$300,000, 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, 2012 and 2011, UJF also has bonds payable outstanding of \$1,735,984 and \$1,852,335, 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, 2012 and 2011. This agreement expires November 30, 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, 2012 and 2011

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, 2012, UJF has outstanding balances for the following organizations:

	2012	2011
Jean and Samuel Frankel		
Jewish Academy of Metropolitan Detroit	\$ 350,000	\$ 850,000
Jewish Community Center	800,000	814,583
Jewish Senior Life	-	-
B'nai B'rith Youth Organization	-	-
Yeshiva Darchei Torah	-	-
Total	\$ 1,150,000	\$ 1,664,583

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

May 31, 2013	\$ 478,093
May 31, 2014	153,104
May 31, 2015	158,922
May 31, 2016	165,005
May 31, 2017	171,364
Thereafter	1,215,051
Total Bonds and Notes Payable	2,341,539
Amounts owed to banks on behalf of constituent agencies (per above)	1,150,000
Total Bonds, Notes and Other Payables	\$ 3,491,539

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

NOTE 10 – Pension Costs

The organizations participate with certain constituent agencies in a qualified multi-employer defined benefit pension plan 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 \$559,199 and \$538,722 for the years ended May 31, 2012 and 2011, respectively.

Accumulated plan benefits and net assets for the pension plan for the organizations and participating constituent agencies, as determined by the actuaries, as of January 1, 2012, the most recent valuation date, are as follows:

Actuarial Present Value of Accumulated Plan Benefits	
Vested	\$ 23,347,566
Non-vested	632,715
Total	<u>\$ 23,980,281</u>
 Net Assets Available for Plan Benefits	 <u>\$ 20,106,513</u>

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

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, 2012 and 2011.

Grants received from The Jewish Fund by the Federation were \$1,123,941 and \$899,369 and indirect grant expenses paid to other affiliated entities were approximately \$26.2 million and \$40.0 million for the fiscal years ended May 31, 2012 and 2011, respectively.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

NOTE 11 – Transactions with Affiliates (continued)

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

	2012	2011
Appropriations payable	\$ 14,706,922	\$ 14,468,432
Constituent agency deposits	9,874,934	10,468,048
Total	<u>\$ 24,581,856</u>	<u>\$ 24,936,480</u>

NOTE 12 – Endowment Funds

UJF's endowment consists of 961 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, 2012 and 2011

NOTE 12 – Endowment Funds (continued)

Endowment net asset composition as of May 31, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted	\$ (15,073,419)	\$ 16,821,260	\$ 147,656,539	\$ 149,404,380

Endowment net asset composition as of May 31, 2011:

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

Changes in endowment net assets for the year ended May 31, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ (9,037,118)	\$ 21,312,919	\$ 145,349,112	\$ 157,624,913
Income from investments	-	(1,112,350)	-	(1,112,350)
Contributions	-	114,871	2,778,549	2,893,420
Appropriation of endowment assets for expenditures	-	(8,544,493)	-	(8,544,493)
Other income	-	19,000	(1,029,666)	(1,010,666)
Transfers of net assets	-	(1,004,988)	558,544	(446,444)
Reclassification of income	(6,036,301)	6,036,301	-	-
Endowment net assets, end of year	<u>\$ (15,073,419)</u>	<u>\$ 16,821,260</u>	<u>\$ 147,656,539</u>	<u>\$ 149,404,380</u>

AND UNITED JEWISH FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

NOTE 12 – Endowment Funds (continued)

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
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>

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 \$15,073,419 and \$9,037,118 as of May 31, 2012 and 2011, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new permanently restricted contributions. Subsequent gains that restore the fair value of the assets of endowment funds to the required level will be classified as an increase in unrestricted net assets.

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

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, 2012 and 2011

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:

	2012		
	Temporarily Restricted	Permanently Restricted	Total
Perpetual Annual Campaign Endowment (PACE) funds	\$ 4,817	\$ 62,671,481	\$ 62,676,298
Special-purpose funds	8,690,357	12,730,702	21,421,059
Constituent agency funds	21,937,145	72,254,356	94,191,501
Total Net Assets	\$ 30,632,319	\$ 147,656,539	\$ 178,288,858
	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

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2012 and 2011

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, 2012, \$14,100,000 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.

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, 2012. 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 not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepared the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Plante & Moran, PLLC

October 12, 2012

JEWISH FEDERATION OF METROPOLITAN DETROIT

COMBINING STATEMENT OF FINANCIAL POSITION
May 31, 2012

ASSETS									
	Operating Fund	Federation Annual Campaign	JFMD Programming	Grant Programming	Capital Needs	Overseas Programming	Missions Fund	Jewish Life Fund	Total
ASSETS									
Cash	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600
Investments	156,878	9,781,518	150,259	-	1,360,437	308,609	264,546	(27,733)	11,994,514
Accounts receivable, net	282,955	22,517	7,040	-	463,863	1,555	-	47,658	825,588
Pledges receivable, net	-	21,796,156	29,249	-	-	-	-	-	21,825,405
Notes receivable, net	-	68,619	-	-	-	-	-	-	68,619
Interfund receivables (payables)	4,245,600	(7,435,579)	-	-	1,074,726	84,000	421,790	-	(1,609,463)
Advances and other assets	392,462	-	-	-	-	-	179,009	-	571,471
Property and equipment, net	611,432	-	-	-	-	-	-	-	611,432
TOTAL ASSETS	\$ 5,689,927	\$ 24,233,231	\$ 186,548	\$ -	\$ 2,899,026	\$ 394,164	\$ 865,345	\$ 19,925	\$ 34,288,166
LIABILITIES AND NET ASSETS									
LIABILITIES									
Appropriations payable									
General	\$ -	\$ 14,783,738	\$ 2,394	\$ -	\$ 726,507	\$ -	\$ -	\$ -	\$ 15,512,639
Jewish Federations of North America and overseas	-	9,389,462	-	-	-	-	-	-	9,389,462
Trade accounts and other payables	1,899,989	-	28,000	-	-	-	581,465	4,476	2,513,930
Total Liabilities	1,899,989	24,173,200	30,394	-	726,507	-	581,465	4,476	27,416,031
NET ASSETS									
Unrestricted	3,789,938	60,031	156,154	-	2,172,519	394,164	283,880	15,449	6,872,135
TOTAL LIABILITIES AND NET ASSETS	\$ 5,689,927	\$ 24,233,231	\$ 186,548	\$ -	\$ 2,899,026	\$ 394,164	\$ 865,345	\$ 19,925	\$ 34,288,166

JEWISH FEDERATION OF METROPOLITAN DETROIT

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2012

	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	\$ 228,287	\$ 33,758,165	\$ 492,520	\$ -	\$ -	\$ -	\$ -	\$ 118,092	\$ 34,597,064
Revenues									
Investment income (including unrealized gains)	-	19,580	-	-	-	-	-	-	19,580
Gain/(loss) on disposition of assets	-	-	-	-	-	-	-	-	-
Interorganization appropriations	4,491,519	255,622	2,062,207	-	-	10,000	108,027	2,757,006	9,684,381
Miscellaneous fees and other	2,756,082	10,369	56,656	-	18,992	-	403,578	45,430	3,291,107
Total Operating Revenue and Support	7,475,888	34,043,736	2,611,383	-	18,992	10,000	511,605	2,920,528	47,592,132
OPERATING EXPENSES									
Program Services									
Distributions									
Jewish Federations of North America and overseas	-	9,482,837	50,871	-	-	-	-	-	9,533,708
Local agencies	18,313	16,399,851	2,273,200	-	1,052,402	-	-	2,270,562	22,014,328
Other charitable organizations	-	803,942	51,293	-	-	-	211,790	795,701	1,862,726
Other	5,266,822	11,138	849,036	-	-	25,474	835,313	134,968	7,122,751
Total Program Services	5,285,135	26,697,768	3,224,400	-	1,052,402	25,474	1,047,103	3,201,231	40,533,513
Support Services									
Administrative	3,852,855	525	-	-	-	-	-	-	3,853,380
Financial resource development	2,651,601	105,463	945	-	-	-	-	-	2,758,009
Bad debt expense	-	1,244,225	-	-	-	-	-	-	1,244,225
Other	116,640	-	-	-	-	-	-	-	116,640
Total Support Services	6,621,096	1,350,213	945	-	-	-	-	-	7,972,254
Total Operating Expenses	11,906,231	28,047,981	3,225,345	-	1,052,402	25,474	1,047,103	3,201,231	48,505,767
Decrease in Net Assets from Operations	(4,430,343)	5,995,755	(613,962)	-	(1,033,410)	(15,474)	(535,498)	(280,703)	(913,635)
Transfer of funds	4,691,439	(6,033,322)	379,040	-	920,000	(23,741)	327,434	(260,850)	-
INCREASE (DECREASE) IN NET ASSETS	261,096	(37,567)	(234,922)	-	(113,410)	(39,215)	(208,064)	(541,553)	(913,635)
NET ASSETS - Beginning of Year	3,528,842	97,598	391,076	-	2,285,929	433,379	491,944	557,002	7,785,770
NET ASSETS - END OF YEAR	\$ 3,789,938	\$ 60,031	\$ 156,154	\$ -	\$ 2,172,519	\$ 394,164	\$ 283,880	\$ 15,449	\$ 6,872,135

UNITED JEWISH FOUNDATION

COMBINING STATEMENT OF FINANCIAL POSITION
May 31, 2012

ASSETS							
	General Fund	Philanthropic Funds	Support Foundations	Land, Building and Equipment	Other Unrestricted Funds	Restricted Funds	Total
ASSETS							
Cash	\$ 489,241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 489,241
Investments	15,531,678	44,609,809	61,425,730	102,828	14,027,685	168,719,537	304,417,267
Accounts receivable, net	177,847	-	-	1,070	386,636	2,325,698	2,891,251
Pledges receivable, net	-	-	-	-	90,561	3,641,991	3,732,552
Notes receivable, net	58,500	8,000,000	9,165,486	-	698,177	10,000	17,932,163
Interfund receivables (payables)	1,547,664	(97,000)	(671,633)	(79,726)	-	910,158	1,609,463
Donated real estate and other interests held for investment	195,000	3,318,505	2,841,725	-	-	-	6,355,230
Advances and other assets	21,500	-	-	30,241	37,083	1,974,288	2,063,112
Property and equipment, net	-	-	-	69,756,539	-	3,945	69,760,484
TOTAL ASSETS	<u>\$ 18,021,430</u>	<u>\$ 55,831,314</u>	<u>\$ 72,761,308</u>	<u>\$ 69,810,952</u>	<u>\$ 15,240,142</u>	<u>\$ 177,585,617</u>	<u>\$ 409,250,763</u>
LIABILITIES AND NET ASSETS							
LIABILITIES							
Appropriations payable	\$ 115,535	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 72,500	\$ 1,688,035
Trade accounts and other payables	3,650	-	51,000	106,112	223,992	40,515	425,269
Constituent agencies and other deposits	-	-	-	-	12,652,201	-	12,652,201
Bonds, notes and other payables	-	-	-	2,341,539	-	1,150,000	3,491,539
Charitable trust annuities payable	-	-	3,589,399	-	-	9,201,426	12,790,825
Other organizations payable	-	-	-	-	-	1,978,141	1,978,141
Contributions designated for future periods	-	-	-	-	-	1,927,596	1,927,596
Total Liabilities	<u>119,185</u>	<u>1,500,000</u>	<u>3,640,399</u>	<u>2,447,651</u>	<u>12,876,193</u>	<u>14,370,178</u>	<u>34,953,606</u>
NET ASSETS							
Unrestricted	17,902,245	54,331,314	69,120,909	67,363,301	2,363,949	(15,073,419)	196,008,299
Temporarily restricted	-	-	-	-	-	30,632,319	30,632,319
Permanently restricted	-	-	-	-	-	147,656,539	147,656,539
Total Net Assets	<u>17,902,245</u>	<u>54,331,314</u>	<u>69,120,909</u>	<u>67,363,301</u>	<u>2,363,949</u>	<u>163,215,439</u>	<u>374,297,157</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,021,430</u>	<u>\$ 55,831,314</u>	<u>\$ 72,761,308</u>	<u>\$ 69,810,952</u>	<u>\$ 15,240,142</u>	<u>\$ 177,585,617</u>	<u>\$ 409,250,763</u>

UNITED JEWISH FOUNDATION

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2012

	General Fund	Philanthropic Funds	Support Foundations	Land, Building and Equipment	Other Unrestricted Funds	Restricted Funds	Total
OPERATING REVENUE AND SUPPORT							
Public support from contributions	\$ 310,023	\$ 15,695,280	\$ 4,671,432	\$ 196,425	\$ -	\$ 3,731,319	\$ 24,604,479
Revenues							
Investment income (including unrealized gains)	(3,150,873)	(1,161,519)	(2,080,410)		2,772	(5,196,248)	(11,586,278)
Gain/(loss) on disposition of assets	-	-	-	989,437	-	-	989,437
Interorganization appropriations	1,480,000	1,000	-	83,500	-	273,502	1,838,002
Miscellaneous fees and other	4,185,676	100	(535,286)	629,047	25,392	(847,142)	3,457,787
Total Operating Revenue and Support	<u>2,824,826</u>	<u>14,534,861</u>	<u>2,055,736</u>	<u>1,898,409</u>	<u>28,164</u>	<u>(2,038,569)</u>	<u>19,303,427</u>
OPERATING EXPENSES							
Program Services							
Distributions							
Federation's annual campaign	2	3,006,401	2,286,767	-	-	4,120,972	9,414,142
Jewish Federations of North America and overseas	181,418	-	25,000	-	-	-	206,418
Local agencies	5,880,539	1,002,626	2,035,505	-	352,956	6,435,693	15,707,319
Other charitable organizations	39,933	9,781,920	10,493,956	-	-	721,103	21,036,912
Other	243,415	-	93,146	4,374,672	206,796	369,328	5,287,357
Total Program Services	<u>6,345,307</u>	<u>13,790,947</u>	<u>14,934,374</u>	<u>4,374,672</u>	<u>559,752</u>	<u>11,647,096</u>	<u>51,652,148</u>
Support Services							
Administrative	207,136	26,893	81,750	89,997	85	28,926	434,787
Bad debt expense	-	-	-	-	-	185,551	185,551
Other	-	-	-	21,395	-	-	21,395
Total Support Services	<u>207,136</u>	<u>26,893</u>	<u>81,750</u>	<u>111,392</u>	<u>85</u>	<u>214,477</u>	<u>641,733</u>
Total Operating Expenses	<u>6,552,443</u>	<u>13,817,840</u>	<u>15,016,124</u>	<u>4,486,064</u>	<u>559,837</u>	<u>11,861,573</u>	<u>52,293,881</u>
(Decrease) Increase in Net Assets from Operations	(3,727,617)	717,021	(12,960,388)	(2,587,655)	(531,673)	(13,900,142)	(32,990,454)
Transfer of funds	(1,937,665)	(1,477,457)	(1,612,436)	6,336,544	2,145,415	(3,454,401)	-
(DECREASE) INCREASE IN NET ASSETS	<u>(5,665,282)</u>	<u>(760,436)</u>	<u>(14,572,824)</u>	<u>3,748,889</u>	<u>1,613,742</u>	<u>(17,354,543)</u>	<u>(32,990,454)</u>
NET ASSETS - Beginning 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>
NET ASSETS - END OF YEAR	<u>\$ 17,902,245</u>	<u>\$ 54,331,314</u>	<u>\$ 69,120,909</u>	<u>\$ 67,363,301</u>	<u>\$ 2,363,949</u>	<u>\$ 163,215,439</u>	<u>\$ 374,297,157</u>