

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

Bloomfield Hills, Michigan

May 31, 2013 and 2012

COMBINED FINANCIAL STATEMENTS

Including Independent Auditor's Report

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

TABLE OF CONTENTS

Independent Auditor's Report	1 - 2
Financial Statements	
Combined Statement of Financial Position	3
Combined Statement of Activities and Changes in Net Assets	4
Combined Statement of Functional Expenses	5
Combined Statement of Cash Flows	6
Notes to Combined Financial Statements	7 - 31
Supplemental Information	
Independent Auditor's Report on Supplemental Information	32
Jewish Federation of Metropolitan Detroit	
Combining Statement of Financial Position	33
Combining Statement of Activities and Changes in Net Assets	34
United Jewish Foundation	
Combining Statement of Financial Position	35
Combining Statement of Activities and Changes in Net Assets	36

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 financial statements of the Jewish Federation of Metropolitan Detroit and the United Jewish Foundation (the "Organizations"), which comprise the combined statement of financial position as of May 31, 2013 and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. 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 combined financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2013 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 as of May 31, 2013, and the combined changes in net assets, functional expenses, and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

The prior year summarized comparative information has been derived from the Organizations' 2012 combined financial statements and, in our report dated October 12, 2012, we expressed an unqualified opinion on those financial statements.

Plante & Moran, PLLC

October 16, 2013

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF FINANCIAL POSITION
 May 31, 2013
 (With Comparative Combined Totals as of May 31, 2012)

	ASSETS			
	Jewish Federation of Metropolitan Detroit	United Jewish Foundation	2013 Combined	2012 Combined
ASSETS				
Cash and cash equivalents	\$ 600	\$ 491,234	\$ 491,834	\$ 489,841
Investments (Note 3)	13,433,669	350,066,953	363,500,622	316,411,781
Accounts receivable, net (Note 5)	423,185	3,172,138	3,595,323	3,716,839
Pledges receivable, net (Note 6)	18,652,127	4,215,747	22,867,874	25,557,957
Notes receivable, net (Note 7)	47,913	14,958,560	15,006,473	18,000,782
Interorganization (payable) receivable	(2,354,188)	2,354,188	-	-
Donated real estate and other interest held for investment	-	8,804,076	8,804,076	6,355,230
Advances and other assets	424,947	2,165,556	2,590,503	2,634,583
Property and equipment, net (Note 8)	544,545	66,855,636	67,400,181	70,371,916
TOTAL ASSETS	\$ 31,172,798	\$ 453,084,088	\$ 484,256,886	\$ 443,538,929
 LIABILITIES AND NET ASSETS				
LIABILITIES				
Appropriations payable				
General	\$ 15,921,645	\$ 3,259,668	\$ 19,181,313	\$ 17,200,674
Jewish Federations of North America and overseas	8,873,462	-	8,873,462	9,389,462
Trade accounts and other payables	1,928,034	369,439	2,297,473	2,939,199
Constituent agencies and other deposits	-	15,400,533	15,400,533	12,652,201
Bonds, notes and other payables (Note 9)	-	2,164,349	2,164,349	3,491,539
Charitable trust annuities payable	-	12,623,682	12,623,682	12,790,825
Other organizations payable	-	2,067,842	2,067,842	1,978,141
Contributions designated for future periods	-	2,273,190	2,273,190	1,927,596
Total Liabilities	26,723,141	38,158,703	64,881,844	62,369,637
NET ASSETS				
Unrestricted	4,449,657	218,541,093	222,990,750	202,880,434
Temporarily restricted (Note 13)	-	38,985,510	38,985,510	30,632,319
Permanently restricted (Note 13)	-	157,398,782	157,398,782	147,656,539
Total Net Assets	4,449,657	414,925,385	419,375,042	381,169,292
TOTAL LIABILITIES AND NET ASSETS	\$ 31,172,798	\$ 453,084,088	\$ 484,256,886	\$ 443,538,929

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2013
(With Comparative Combined Totals for the Year Ended May 31, 2012)

	Jewish Federation of Metropolitan Detroit		United Jewish Foundation		Eliminating Adjustments	2013 Combined	2012 Combined	
	Unrestricted	Unrestricted	Temporarily Restricted	Permanently Restricted				Total UJF
OPERATING REVENUE AND SUPPORT								
Public support from contributions	\$ 35,865,716	\$ 26,728,038	\$ 1,547,441	\$ 4,575,601	\$ 32,851,080	\$ (10,380,523)	\$ 58,336,273	\$ 49,787,401
Revenues								
Investment income (including unrealized gains and losses)	10,558	27,497,565	17,367,496	-	44,865,061	-	44,875,619	(11,566,698)
(Loss) Gain on disposition of assets	-	(88,860)	-	-	(88,860)	-	(88,860)	989,437
Interorganization appropriations	9,869,144	5,932,519	599,189	-	6,531,708	(16,400,852)	-	-
Miscellaneous fees and other	4,169,296	4,078,856	156,340	865,295	5,100,491	(235,000)	9,034,787	6,457,894
Net assets released from restrictions	-	12,008,503	(11,922,835)	(85,668)	-	-	-	-
Total Revenues	14,048,998	49,428,583	6,200,190	779,627	56,408,400	(16,635,852)	53,821,546	(4,119,367)
Total Operating Revenue and Support	49,914,714	76,156,621	7,747,631	5,355,228	89,259,480	(27,016,375)	112,157,819	45,668,034
OPERATING EXPENSES								
Program Services								
Distributions								
Federation's annual campaign	-	10,380,523	-	-	10,380,523	(10,380,523)	-	-
Jewish Federations of North America and overseas	10,024,239	359,700	-	-	359,700	-	10,383,939	9,740,126
Local agencies	25,666,699	19,727,221	-	-	19,727,221	(16,400,852)	28,993,068	26,199,264
Other charitable organizations	879,723	13,000,252	-	-	13,000,252	-	13,879,975	22,899,638
Other	8,130,099	4,683,844	-	-	4,683,844	-	12,813,943	12,410,108
Total Program Services	44,700,760	48,151,540	-	-	48,151,540	(26,781,375)	66,070,925	71,249,136
Support Services								
Administrative	4,250,463	471,472	-	-	471,472	(235,000)	4,486,935	3,997,167
Financial resource development	2,569,930	-	-	-	-	-	2,569,930	2,758,009
Bad debt expense (recovery)	693,769	(8,817)	-	-	(8,817)	-	684,952	1,429,776
Other	122,270	17,057	-	-	17,057	-	139,327	138,035
Total Support Services	7,636,432	479,712	-	-	479,712	(235,000)	7,881,144	8,322,987
Total Operating Expenses	52,337,192	48,631,252	-	-	48,631,252	(27,016,375)	73,952,069	79,572,123
(Decrease) Increase in Net Assets from Operations	(2,422,478)	27,525,369	7,747,631	5,355,228	40,628,228	-	38,205,750	(33,904,089)
Transfer of funds	-	(4,992,575)	605,560	4,387,015	-	-	-	-
(DECREASE) INCREASE IN NET ASSETS	(2,422,478)	22,532,794	8,353,191	9,742,243	40,628,228	-	38,205,750	(33,904,089)
NET ASSETS - Beginning of Year	6,872,135	196,008,299	30,632,319	147,656,539	374,297,157	-	381,169,292	415,073,381
NET ASSETS - END OF YEAR	\$ 4,449,657	\$ 218,541,093	\$ 38,985,510	\$ 157,398,782	\$ 414,925,385	\$ -	\$ 419,375,042	\$ 381,169,292

See accompanying notes to combined financial statements.

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended May 31, 2013
(With Comparative Combined Totals for the Year Ended May 31, 2012)

	Jewish Federation of Metropolitan Detroit			United Jewish Foundation			2013 Combined	2012 Combined
	Direct Programs	Administrative Services	Financial Resource Development	Direct Programs	Administrative Services	Eliminating Adjustments		
DISTRIBUTIONS								
Federation's annual campaign	\$ -	\$ -	\$ -	\$ 10,380,523	\$ -	\$ (10,380,523)	\$ -	\$ -
Jewish Federations of North America and overseas	10,024,239	-	-	359,700	-	-	10,383,939	9,740,126
Local agencies	25,666,699	-	-	19,727,221	-	(16,400,852)	28,993,068	26,199,264
Other charitable organizations	879,723	-	-	13,000,252	-	-	13,879,975	22,899,638
Total Distributions	36,570,661	-	-	43,467,696	-	(26,781,375)	53,256,982	58,839,028
OTHER EXPENSES								
Other program services	491,789	-	-	165,954	-	-	657,743	1,439,947
Salaries and wages	3,172,162	2,618,728	1,666,439	-	-	-	7,457,329	6,837,946
Employee benefits	573,582	675,075	315,412	-	-	-	1,564,069	1,464,564
Other personnel	271,555	229,816	107,561	-	-	-	608,932	544,645
Rent and building costs	95,613	106,095	33,292	535,860	21,493	(235,000)	557,353	631,624
Professional services	475,833	120,615	-	-	136,792	-	733,240	947,201
Meetings and events	1,170,918	37,747	99,417	-	-	-	1,308,082	773,374
Missions	1,369,343	-	-	-	-	-	1,369,343	859,293
Marketing	122,321	57,792	53,540	-	-	-	233,653	233,389
Professional development and donor cultivation	82,177	55,419	33,070	-	-	-	170,666	126,910
Interest and bank fees	-	-	106,954	91,797	101,982	-	300,733	335,767
Postage	23,744	41,902	19,611	-	-	-	85,257	83,435
Office expense	22,897	53,288	26,871	-	-	-	103,056	134,072
Property expenses	-	-	-	185,193	30,590	-	215,783	191,372
Equipment repairs and maintenance	49,166	60,975	28,538	-	-	-	138,679	160,005
Information technology support	75,087	143,109	63,991	-	-	-	282,187	145,333
Telephone	25,344	32,550	15,234	-	-	-	73,128	77,051
Insurance	100	17,352	-	170	64,489	-	82,111	214,025
Other	-	-	-	-	111,252	-	111,252	86,570
Total Other Expenses Before Depreciation, Bad Debt and Taxes	8,021,631	4,250,463	2,569,930	978,974	466,598	(235,000)	16,052,596	15,286,523
Depreciation	108,468	83,282	38,988	3,704,870	17,057	-	3,952,665	4,012,176
Bad debt expense (recovery)	-	-	693,769	-	(8,817)	-	684,952	1,429,776
Unrelated business income tax	-	-	-	-	4,874	-	4,874	4,620
TOTAL EXPENSES	\$ 44,700,760	\$ 4,333,745	\$ 3,302,687	\$ 48,151,540	\$ 479,712	\$ (27,016,375)	\$ 73,952,069	\$ 79,572,123

See accompanying notes to combined financial statements.

JEWISH FEDERATION OF METROPOLITAN DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF CASH FLOWS
Years Ended May 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ 38,205,750	\$ (33,904,089)
Adjustments to reconcile increase (decrease) in net assets to net cash flows from operating activities		
Depreciation	3,952,665	4,012,176
Bad debt expense	684,952	1,429,776
Bond amortization cost	-	5,534
Change in value of liability for charitable trust annuities	1,776,848	903,649
Net unrealized (gain) loss on investments	(26,829,315)	20,500,688
Net realized gain on investments	(16,115,805)	(1,702,185)
Loss (gain) on disposals of donated real estate and other interests and property and equipment	88,860	(989,437)
Partnership and other investment income	226,154	138,000
Contributions restricted for permanent investment	(4,575,601)	(2,778,549)
Contribution of donated real estate and other interests held for investment	(2,675,000)	-
Increase (decrease) in assets and liabilities		
Accounts receivable	121,876	185,090
Pledges receivable	4,412,329	3,151,724
Advances and other assets	44,080	99,794
Appropriations payable, trade accounts, and other payables	822,913	110,269
Constituent agencies and other deposits	2,748,332	(554,915)
Other organizations payable	89,701	(425,100)
Contributions designated for future periods and charitable trust annuities payable	345,594	(138,989)
Net Cash Flows from Operating Activities	<u>3,324,333</u>	<u>(9,956,564)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net uses from purchases of donated real estate and other interests held for investment	-	(82,127)
Net (uses) proceeds from (purchases) sales of investments	(4,143,721)	7,089,905
Purchases of property and equipment	(1,069,790)	(877,182)
Proceeds from sale of property	-	450,000
Issuance of notes receivable	(614)	(210,000)
Proceeds from collection of notes receivable	2,995,365	4,334,463
Net Cash Flows from Investing Activities	<u>(2,218,760)</u>	<u>10,705,059</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions and investment income restricted for permanent investment	2,167,601	2,588,549
Proceeds from bonds and notes payable	-	2,894,500
Payments on charitable trust annuities	(1,943,991)	(1,991,473)
Payments on bonds and notes payable	(1,327,190)	(4,341,516)
Net Cash Flows from Financing Activities	<u>(1,103,580)</u>	<u>(849,940)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,993	(101,445)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>489,841</u>	<u>591,286</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 491,834</u>	<u>\$ 489,841</u>
Supplemental cash flow disclosures		
Cash paid for interest	\$ 94,039	\$ 164,952
Cash paid for income taxes	\$ 4,874	\$ 31,537
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, 2013 and 2012

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 follows:

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, 2013 and 2012

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 or upon expiration of donor-imposed time 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 \$75,800,000 and \$73,000,000 as of May 31, 2013 and 2012, respectively. Philanthropic funds have total assets of approximately \$67,000,000 and \$56,000,000 at May 31, 2013 and 2012, 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 \$1,547,795 and (\$166,508) for the years ended May 31, 2013 and 2012, 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, 2013 and 2012

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.

JFMD and UJF invest in various investment funds (the "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, 2013 and 2012 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, 2013 and 2012

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 organizations consider a financing loan receivable to be impaired when, based upon current information and events, it believes it is probable that the organizations will be unable to collect all amounts due according to the contractual terms of the loan agreement. The organizations had \$347,998 and \$348,440 in loans 90 days or more past due and considered to be impaired or uncollectible as of May 31, 2013 and 2012, respectively. The full balance of these loans has been recorded as an allowance for uncollectible loans.

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 \$3,827,000 and \$2,631,000 as of May 31, 2013 and 2012, respectively, and donated interests in partnerships and trusts carried at approximately \$750,000 and \$606,000 as of May 31, 2013 and 2012, 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
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

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 \$4,227,000 and \$3,118,000 as of May 31, 2013 and 2012, 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 \$2,048,212 and \$1,974,288 as of May 31, 2013 and 2012, 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 include 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, 2013 and 2012

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 made 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 agreed 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 were used to express the volume of these transactions, but the cash requirements and amounts subject to credit risk were substantially less. Amounts receivable or payable under swap agreements were accounted for as adjustments to interest expense on the related debt. Trade accounts and other liabilities include \$0 and \$7,224 related to the interest rate swap agreement as of May 31, 2013 and 2012, 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, 2013 and 2012, 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 \$253,111 and \$(1,582,669), respectively, and investment income included in investment income/(loss) of \$2,375,552 and \$(818,008), respectively. Net assets of these trusts amounted to \$4,051,412 and \$3,571,332 at May 31, 2013 and 2012, respectively. Assets held in split-interest agreements, which are included in investments, totaled \$15,535,358 and \$14,700,354 as of May 31, 2013 and 2012, 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.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

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.

The fair value of the financial instruments above are determined using Level 2 inputs as described in Note 3.

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.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

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.

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 years prior to the 2009 tax year (fiscal year ended May 31, 2010).

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, 2012, from which the summarized information was derived.

Subsequent Events

The organizations have evaluated subsequent events through October 16, 2013, which is the date that the combined financial statements were approved and available to be issued.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

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, 2013 and 2012.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

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, 2013			
	Total	Level 1	Level 2	Level 3
Pooled Income Portfolio				
Money market	\$ 25,282,958	\$ 25,282,958	\$ -	\$ -
Mutual Funds:				
Equity (a)	99,180,897	99,180,897	-	-
Debt (b)	47,785,153	47,785,153	-	-
Multi Strategy	52,574,311	52,574,311	-	-
Liquid Limited Partnerships				
Equity	6,124,571	-	6,124,571	-
Alternative Investments:				
Direct hedge funds	53,404,877	-	12,972,776	40,432,101
Global asset allocation	29,966,565	-	21,431,092	8,535,473
Private equity	13,322,601	-	-	13,322,601
Total Pooled Income Portfolio	<u>327,641,933</u>	<u>224,823,319</u>	<u>40,528,439</u>	<u>62,290,175</u>
Other:				
Money market	2,656,816	2,656,816	-	-
Israel bonds	876,003	-	876,003	-
Certificate of deposit	787,519	787,519	-	-
Common stocks	16,502,077	16,502,077	-	-
U.S. government debt	216,863	16,872	199,991	-
Mutual Funds:				
Equity	6,460,986	6,457,345	-	3,641
Debt	1,202,438	1,202,438	-	-
Multi Strategy	842,423	842,423	-	-
Pooled Investment Fund	4,116,264	-	-	4,116,264
Direct Hedge Fund	2,197,300	-	-	2,197,300
Total Other Investments	<u>35,858,689</u>	<u>28,465,490</u>	<u>1,075,994</u>	<u>6,317,205</u>
Total Investments	<u>\$ 363,500,622</u>	<u>\$ 253,288,809</u>	<u>\$ 41,604,433</u>	<u>\$ 68,607,380</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

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>

(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 \$24,809,781 and \$61,711,440 as of May 31, 2013 and 2012, respectively. The organizations have no unfunded commitments for these funds as of May 31, 2013 and 2012, and there are no liquidity restrictions placed on these funds.

(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 \$17,682,465 and \$25,680,804 as of May 31, 2013 and 2012, respectively. The organizations have no unfunded commitments for these funds as of May 31, 2013 and 2012, and there are no liquidity restrictions placed on these funds.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended May 31, 2013 and 2012

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, 2013					
	Beginning Balance	Purchases	Sales and Settlements	Realized and Unrealized Gains and (Losses)	Ending Balance
Pooled Income Portfolio:					
Hedge fund of funds	\$ 228,257	\$ -	\$ (228,257)	\$ -	\$ -
Direct hedge funds	21,808,644	14,102,084	(102,084)	4,623,457	40,432,101
Global asset allocation	28,957,341	1,589,289	(24,753,882)	2,742,725	8,535,473
Private equity	11,723,134	426,912	(1,759,697)	2,932,252	13,322,601
Bond fund limited partnerships	-	-	-	-	-
Other:					
Equity mutual funds	3,641	-	-	-	3,641
Debt mutual funds	1,313,568	-	(1,318,297)	4,729	-
Direct hedge funds	1,910,208	-	-	287,092	2,197,300
Pooled Investment Fund	2,270,131	1,300,000	-	546,133	4,116,264
Total	\$ 68,214,924	\$ 17,418,285	\$ (28,162,217)	\$ 11,136,388	\$ 68,607,380
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

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.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

NOTE 3 – Fair Value Measurements (continued)

Investment Type	Investment Objective	Percentage	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).	100%	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.	100%	None	Monthly - Quarterly	10-60 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. Approximately 50 percent of the funds within this category are subject to an investor gate which allows for only 10 to 25 percent redemption during any three-month period.	100%	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.	36%	\$ 1,891,073	N/A	N/A
		64%	None	Quarterly	60 days
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.	100%	None	Monthly	30 days

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

NOTE 4 – Investments

Investment income includes realized gains of \$16,115,805 and \$1,702,185, unrealized gains/(losses) of \$26,829,315 and (\$20,500,688), and interest and dividends of \$3,928,018 and \$8,522,824 (net of approximately \$726,000 and \$873,000 in fees), in each case for the years ended May 31, 2013 and 2012, 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.

NOTE 5 – Accounts Receivable

Accounts receivable consists of the following as of May 31:

	2013			2012
	JFMD	UJF	Combined	
Advances to constituent agencies	\$ 89,952	\$ 3,997,699	\$ 4,087,651	\$ 4,320,963
Other receivables	400,697	34,227	434,924	340,278
Total gross accounts receivable	490,649	4,031,926	4,522,575	4,661,241
Allowance for uncollectible amounts	(67,464)	(859,788)	(927,252)	(944,402)
Net accounts receivable	<u>\$ 423,185</u>	<u>\$ 3,172,138</u>	<u>\$ 3,595,323</u>	<u>\$ 3,716,839</u>

NOTE 6 – Pledges Receivable

	2013			2012
	JFMD	UJF	Combined	Net Receivables
Gross pledges receivable	\$ 24,381,279	\$ 6,849,030	\$ 31,230,309	\$ 33,754,585
Allowance for uncollectible amounts	(5,729,152)	(2,561,066)	(8,290,218)	(8,106,544)
Unamortized discount	-	(72,217)	(72,217)	(90,084)
Net pledges receivable	<u>\$ 18,652,127</u>	<u>\$ 4,215,747</u>	<u>\$ 22,867,874</u>	<u>\$ 25,557,957</u>

Payments on pledges receivable at May 31, 2013 are expected to be received as follows:

	JFMD	UJF	Combined
Within one year	\$ 24,381,279	\$ 4,291,679	\$ 28,672,958
Between one and five years	-	2,292,880	2,292,880
More than five years	-	264,471	264,471
Total	<u>\$ 24,381,279</u>	<u>\$ 6,849,030</u>	<u>\$ 31,230,309</u>

Pledges receivable were discounted at rates ranging from 0.14% to 1.05% at May 31, 2013 and 2012.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

NOTE 6 – Pledges Receivable (continued)

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

	2013	2012
Centennial Campaign	\$ 1,861,204	\$ -
Millennium - Jewish Life Fund	1,475,000	1,565,000
Millennium - Jewish Community Center	1,161,638	1,263,638
Jewish Women's Foundation	669,491	637,368
Berman Center for the Performing Arts	339,123	711,497
Jewish Foundation for the Elderly	285,000	550,000
Jewish Education Trust	200,000	200,000
Jean and Samuel Frankel Jewish Academy of Metropolitan Detroit	199,500	348,286
BBYO Student Conference Center	170,050	208,550
JVS	100,000	103,712
Jewish Senior Life	87,503	137,169
Legacy Fund	87,471	90,561
Jewish Community Center Teen Center	80,000	120,000
Jewish Community Center	55,950	40,950
Becker YAD All Star Mission	40,000	60,000
Alan & Sue Kaufman Family Sports Program	25,000	25,000
Alliance for Jewish Education	6,000	6,000
University of Michigan Hillel	4,600	6,300
Jewish Family Service	1,500	62,000
Charach Sheruth Village	-	200,000
Nancy & James Grosfeld Social Impact Fund	-	75,000
Fresh Air Society	-	4,334
Akiva Hebrew Day School	-	50
Total Pledges Receivable	\$ 6,849,030	\$ 6,415,415

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

NOTE 7 – Notes Receivable

Notes receivable consist of the following at May 31:

	2013	2012
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	\$ 6,102,280	\$ 8,155,963
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
Land contract receivable bearing interest at 7.00% annually, due in monthly principal and interest installments of \$10,000 through November 2019	624,723	698,177
Other notes receivable	579,555	1,426,463
Gross notes receivable	15,306,558	18,280,603
Allowance for uncollectible amounts	(347,998)	(348,440)
Notes receivable, net - UJF	14,958,560	17,932,163
JFMD - Other notes receivable	47,913	68,619
Notes receivable, net - Combined	\$ 15,006,473	\$ 18,000,782

NOTE 8 – Property and Equipment – JFMD and UJF

Property and equipment consist of the following at May 31:

	2013	2012
Land	\$ 7,175,208	\$ 7,133,726
Buildings	117,639,003	117,259,369
Furniture and equipment	4,185,285	4,114,244
Construction in progress	371,991	8,385
Total	129,371,487	128,515,724
Accumulated depreciation	(61,971,306)	(58,143,808)
Net Property and Equipment	\$ 67,400,181	\$ 70,371,916

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

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, 2013:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
United Jewish Foundation			
Max M. Fisher Federation Building	\$ 900,000	\$ 7,420,127	\$ 8,320,127
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	52,283,609	54,695,764
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	291,482	4,248,320	4,539,802
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
28770 San Carlos, Southfield	-	125,000	125,000
	<u>7,175,208</u>	<u>117,639,003</u>	<u>124,814,211</u>
Accumulated depreciation	-	(58,790,062)	(58,790,062)
 Total Land and Buildings	 <u>\$ 7,175,208</u>	 <u>\$ 58,848,941</u>	 <u>\$ 66,024,149</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

NOTE 9 – Financing Arrangements

At May 31, 2013 and 2012, UJF had an unsecured note payable outstanding of \$0 and \$330,555, respectively, related to the purchase of the Akiva Hebrew Day School Building. The note was payable to a bank and bore interest at 225 basis points over LIBOR with monthly principal and interest payments due over a term of 36 months. The loan was paid in full during December 2012.

At May 31, 2013 and 2012, UJF also has an unsecured note payable outstanding of \$250,000 and \$275,000, 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, 2013 and 2012, UJF also has bonds payable outstanding of \$1,614,349 and \$1,735,984, 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 had an unsecured line of credit agreement with a bank in the amount of \$10 million. Interest was 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. This agreement expired 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, 2013 and 2012

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, UJF has outstanding balances for the following organizations:

	2013	2012
Jean and Samuel Frankel		
Jewish Academy of Metropolitan Detroit	\$ -	\$ 350,000
Jewish Community Center	300,000	800,000
Total	\$ 300,000	1,150,000

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

May 31, 2014	\$ 152,159
May 31, 2015	157,934
May 31, 2016	163,974
May 31, 2017	176,882
May 31, 2018	183,780
Thereafter	1,029,620
Total Bonds and Notes Payable	1,864,349
Amounts owed to banks on behalf of constituent agencies (per above)	300,000
Total Bonds, Notes, and Other Payables	\$ 2,164,349

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

NOTE 10 – Retirement Plans

JFMD, with certain constituent agencies, participates in the Jewish Federation of Metropolitan Detroit Pension Plan (the "Plan") which covers substantially all of the organization's employees. The Plan is not required to file Form 5500 and does not have a separate Employer Identification Number.

Contributions to the Plan were \$340,600 and \$425,202 for the years ended May 31, 2013 and 2012, respectively. Based on information as of December 31, 2012, the year-end of the Plan, the organization's contributions to the Plan represent more than 5 percent of total contributions received by the Plan. The amount of the organization's contributions to the Plan decreased by approximately 20 percent from 2012 to 2013 primarily as a result of positive investment returns.

In addition, to the extent that the Plan is underfunded, and in the event that other organizations participating in the plan have no assets available to pay their contributions, then the organization's future contributions to the Plan may increase to cover retirement benefits of employees of other organizations participating in the Plan. The following information is based on the financial statements of the Plan as of December 31, 2012.

Total Plan assets	\$ 22,289,981
Actuarial present value of accumulated Plan benefits	24,154,172
Total contributions received by the Plan	1,247,300
Indicated level of funding	At least 80%

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

JFMD also offers a defined contribution 403(b) retirement plan to all employees who meet eligibility requirements. The plan allows for employee contributions with no employer match.

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 years ended May 31, 2013 and 2012.

Grants received from The Jewish Fund by the Federation were \$1,036,446 and \$1,123,941 and indirect grant expenses paid to other affiliated entities were approximately \$29,000,000 and \$26,200,000 for the years ended May 31, 2013 and 2012, respectively.

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

NOTE 11 – Transactions with Affiliates (continued)

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

	2013	2012
Appropriations payable	\$ 15,661,978	\$ 14,706,922
Constituent agency deposits	12,018,839	9,874,934
Total	<u>\$ 27,680,817</u>	<u>\$ 24,581,856</u>

NOTE 12 – Endowment Funds

UJF's endowment consists of 994 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, 2013 and 2012

NOTE 12 – Endowment Funds (continued)

Endowment net asset composition as of May 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted	\$ (9,340,349)	\$ 22,497,591	\$ 157,398,782	\$ 170,556,024

Endowment net asset composition as of May 31, 2012:

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

Changes in endowment net assets for the year ended May 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (15,073,419)	\$ 16,821,260	\$ 147,656,539	\$ 149,404,380
Income from investments	-	20,085,517	-	20,085,517
Contributions	-	159,389	4,575,601	4,734,990
Appropriation of endowment assets for expenditures	-	(8,340,210)	(85,668)	(8,425,878)
Other income	-	8	865,295	865,303
Transfers of net assets	-	(495,303)	4,387,015	3,891,712
Reclassification of income	5,733,070	(5,733,070)	-	-
Endowment net assets, end of year	<u>\$ (9,340,349)</u>	<u>\$ 22,497,591</u>	<u>\$ 157,398,782</u>	<u>\$ 170,556,024</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

NOTE 12 – Endowment Funds (continued)

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
Loss 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>

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 \$9,340,349 and \$15,073,419 as of May 31, 2013 and 2012, 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, 2013 and 2012

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 restricted net assets consist of the following at May 31:

	Temporarily Restricted	
	2013	2012
Unappropriated Endowment Earnings:		
Perpetual Annual Campaign		
Endowment (PACE) funds	\$ 772,241	\$ 194,311
Special-purpose funds	4,405,460	3,673,134
Constituent agency funds	17,319,890	12,953,815
Total Unappropriated Endowment Earnings	22,497,591	16,821,260
Other Time and/or Purpose Restrictions:		
Perpetual Annual Campaign		
Endowment (PACE) funds	1,613,125	(189,494)
Special-purpose funds	5,213,954	5,017,223
Constituent agency funds	9,660,840	8,983,330
Total Other Time and/or Purpose Restrictions	16,487,919	13,811,059
Total Temporarily Restricted Net Assets	\$ 38,985,510	\$ 30,632,319

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

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2013 and 2012

NOTE 13 – Restricted Net Assets (Continued)

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

	<u>Permanently Restricted</u>	
	<u>2013</u>	<u>2012</u>
Perpetual Annual Campaign Endowment (PACE) funds	\$ 63,609,168	\$ 62,671,481
Special-purpose funds	20,499,733	12,730,702
Constituent agency funds	<u>73,289,881</u>	<u>72,254,356</u>
Total Net Assets	<u>\$ 157,398,782</u>	<u>\$ 147,656,539</u>

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, 2013, \$13,400,000 of the bonds were outstanding. Subsequent to year end, on July 10, 2013, UJF was granted a second priority mortgage interest in the underlying property, the Meer Jewish Apartments, to provide collateral support for its guarantee obligation.

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.

SUPPLEMENTAL INFORMATION

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 years ended May 31, 2013 and 2012 and have issued our report thereon dated October 16, 2013, which contained an unqualified opinion on those combined financial statements.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying combining statements of financial position and combining statements of activities and changes in net assets are presented for the purpose of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual entities and are 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 16, 2013

JEWISH FEDERATION OF METROPOLITAN DETROIT

COMBINING STATEMENT OF FINANCIAL POSITION
May 31, 2013

ASSETS										
	Operating Fund	Federation Annual Campaign	JFMD Programming	Grant Programming	Capital Needs	Overseas Programming	Missions Fund	Jewish Life Fund	Alliance for Jewish Education	Total
ASSETS										
Cash and cash equivalents	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600
Investments	(82,053)	12,927,693	201,644	-	-	340,415	(11,360)	(84,551)	141,881	13,433,669
Accounts receivable, net	274,581	22,488	7,040	-	-	-	-	100,000	19,076	423,185
Pledges receivable, net	-	18,541,211	110,916	-	-	-	-	-	-	18,652,127
Notes receivable, net	-	47,913	-	-	-	-	-	-	-	47,913
Interfund receivables (payables)	3,508,100	(7,228,078)	-	-	-	96,500	321,790	-	947,500	(2,354,188)
Advances and other assets	418,097	-	-	-	-	-	2,000	-	4,850	424,947
Property and equipment, net	544,545	-	-	-	-	-	-	-	-	544,545
TOTAL ASSETS	\$ 4,663,870	\$ 24,311,227	\$ 319,600	\$ -	\$ -	\$ 436,915	\$ 312,430	\$ 15,449	\$ 1,113,307	\$ 31,172,798
LIABILITIES AND NET ASSETS										
LIABILITIES										
Appropriations payable										
General	\$ -	\$ 15,729,773	\$ 191,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162	\$ 15,921,645
Jewish Federations of North America and overseas	-	8,873,462	-	-	-	-	-	-	-	8,873,462
Trade accounts and other payables	1,723,129	-	28,000	-	-	-	11,260	-	165,645	1,928,034
Total Liabilities	1,723,129	24,603,235	219,710	-	-	-	11,260	-	165,807	26,723,141
NET ASSETS										
Unrestricted	2,940,741	(292,008)	99,890	-	-	436,915	301,170	15,449	947,500	4,449,657
TOTAL LIABILITIES AND NET ASSETS	\$ 4,663,870	\$ 24,311,227	\$ 319,600	\$ -	\$ -	\$ 436,915	\$ 312,430	\$ 15,449	\$ 1,113,307	\$ 31,172,798

JEWISH FEDERATION OF METROPOLITAN DETROIT

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2013

	Operating Fund	Federation Annual Campaign	JFMD Programming	Grant Programming	Capital Needs	Overseas Programming	Missions Fund	Jewish Life Fund	Alliance for Jewish Education	Total
OPERATING REVENUE AND SUPPORT										
Public support from contributions	\$ 442,191	\$ 34,924,667	\$ 279,950	\$ -	\$ -	\$ 224	\$ 49,333	\$ 56,983	\$ 112,368	\$ 35,865,716
Revenues										
Investment income (including unrealized gains)	-	10,558	-	-	-	-	-	-	-	10,558
Interorganization appropriations	4,429,833	260,001	2,364,691	-	-	-	73,000	2,104,845	636,774	9,869,144
Miscellaneous fees and other	2,623,845	1,895	46,936	-	-	2,000	1,193,753	(1,741)	302,608	4,169,296
Total Revenue	7,053,678	272,454	2,411,627	-	-	2,000	1,266,753	2,103,104	939,382	14,048,998
Total Operating Revenue and Support	7,495,869	35,197,121	2,691,577	-	-	2,224	1,316,086	2,160,087	1,051,750	49,914,714
OPERATING EXPENSES										
Program Services										
Distributions										
Jewish Federations of North America and overseas	-	9,928,683	95,556	-	-	-	-	-	-	10,024,239
Local agencies	50,000	19,031,626	2,568,291	-	2,172,519	-	-	1,844,263	-	25,666,699
Other charitable organizations	-	509,777	18,750	-	-	-	211,790	117,840	21,566	879,723
Other	5,088,546	-	362,672	-	-	33,460	1,369,343	57,763	1,218,315	8,130,099
Total Program Services	5,138,546	29,470,086	3,045,269	-	2,172,519	33,460	1,581,133	2,019,866	1,239,881	44,700,760
Support Services										
Administrative	4,249,724	739	-	-	-	-	-	-	-	4,250,463
Financial resource development	2,457,780	106,371	583	-	-	13	-	-	5,183	2,569,930
Bad debt expense	-	693,769	-	-	-	-	-	-	-	693,769
Other	122,270	-	-	-	-	-	-	-	-	122,270
Total Support Services	6,829,774	800,879	583	-	-	13	-	-	5,183	7,636,432
Total Operating Expenses	11,968,320	30,270,965	3,045,852	-	2,172,519	33,473	1,581,133	2,019,866	1,245,064	52,337,192
(Decrease) Increase in Net Assets from Operations	(4,472,451)	4,926,156	(354,275)	-	(2,172,519)	(31,249)	(265,047)	140,221	(193,314)	(2,422,478)
Transfer of funds	3,623,254	(5,278,195)	298,011	-	-	74,000	282,337	(140,221)	1,140,814	-
(DECREASE) INCREASE IN NET ASSETS	(849,197)	(352,039)	(56,264)	-	(2,172,519)	42,751	17,290	-	947,500	(2,422,478)
NET ASSETS - Beginning of Year	3,789,938	60,031	156,154	-	2,172,519	394,164	283,880	15,449	-	6,872,135
NET ASSETS - END OF YEAR	\$ 2,940,741	\$ (292,008)	\$ 99,890	\$ -	\$ -	\$ 436,915	\$ 301,170	\$ 15,449	\$ 947,500	\$ 4,449,657

UNITED JEWISH FOUNDATION

COMBINING STATEMENT OF FINANCIAL POSITION
May 31, 2013

ASSETS							
	General Fund	Philanthropic Funds	Support Foundations	Land, Building and Equipment	Other Unrestricted Funds	Restricted Funds	Total
ASSETS							
Cash and cash equivalents	\$ 491,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 491,234
Investments	19,242,478	55,192,298	72,054,163	15,062	17,568,208	185,994,744	350,066,953
Accounts receivable, net	59,457	-	-	428	706,293	2,405,960	3,172,138
Pledges receivable, net	-	-	-	-	87,471	4,128,276	4,215,747
Notes receivable, net	56,114	8,000,000	6,277,723	-	624,723	-	14,958,560
Interfund receivables (payables)	1,172,664	(90,000)	(5,714,463)	(58,295)	1,053,295	5,990,987	2,354,188
Donated real estate and other interests held for investment	1,745,000	3,906,778	3,152,298	-	-	-	8,804,076
Advances and other assets	-	-	-	2,208	115,137	2,048,211	2,165,556
Property and equipment, net	-	-	-	66,488,084	-	367,552	66,855,636
TOTAL ASSETS	\$ 22,766,947	\$ 67,009,076	\$ 75,769,721	\$ 66,447,487	\$ 20,155,127	\$ 200,935,730	\$ 453,084,088
LIABILITIES AND NET ASSETS							
LIABILITIES							
Appropriations payable	\$ 748,268	\$ 1,500,000	\$ -	\$ -	\$ 971,400	\$ 40,000	\$ 3,259,668
Trade accounts and other payables	3,650	-	-	95,622	270,167	-	369,439
Constituent agencies and other deposits	-	-	-	-	15,400,533	-	15,400,533
Bonds, notes and other payables	-	-	-	1,864,349	-	300,000	2,164,349
Charitable trust annuities payable	-	-	3,412,927	-	-	9,210,755	12,623,682
Other organizations payable	-	-	-	-	-	2,067,842	2,067,842
Contributions designated for future periods	-	-	-	-	-	2,273,190	2,273,190
Total Liabilities	751,918	1,500,000	3,412,927	1,959,971	16,642,100	13,891,787	38,158,703
NET ASSETS							
Unrestricted	22,015,029	65,509,076	72,356,794	64,487,516	3,513,027	(9,340,349)	218,541,093
Temporarily restricted	-	-	-	-	-	38,985,510	38,985,510
Permanently restricted	-	-	-	-	-	157,398,782	157,398,782
Total Net Assets	22,015,029	65,509,076	72,356,794	64,487,516	3,513,027	187,043,943	414,925,385
TOTAL LIABILITIES AND NET ASSETS	\$ 22,766,947	\$ 67,009,076	\$ 75,769,721	\$ 66,447,487	\$ 20,155,127	\$ 200,935,730	\$ 453,084,088

UNITED JEWISH FOUNDATION

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2013

	General Fund	Philanthropic Funds	Support Foundations	Land, Building and Equipment	Other Unrestricted Funds	Restricted Funds	Total
OPERATING REVENUE AND SUPPORT							
Public support from contributions	\$ 1,950,154	\$ 15,759,697	\$ 8,821,762	\$ 196,425	\$ -	\$ 6,123,042	\$ 32,851,080
Revenues							
Investment income (including unrealized gains)	3,948,845	7,145,272	10,519,369	-	151,009	23,100,566	44,865,061
Loss on disposition of assets	-	-	-	(88,860)	-	-	(88,860)
Interorganization appropriations	1,105,000	10,000	-	-	4,817,519	599,189	6,531,708
Miscellaneous fees and other	4,119,042	1,992	(587,104)	544,416	510	1,021,635	5,100,491
Total Revenue	9,172,887	7,157,264	9,932,265	455,556	4,969,038	24,721,390	56,408,400
Total Operating Revenue and Support	11,123,041	22,916,961	18,754,027	651,981	4,969,038	30,844,432	89,259,480
OPERATING EXPENSES							
Program Services							
Distributions							
Federation's annual campaign	-	3,872,939	2,278,111	-	-	4,229,473	10,380,523
Jewish Federations of North America and overseas	-	255,250	104,450	-	-	-	359,700
Local agencies	6,859,666	826,131	2,738,451	-	2,712,885	6,590,088	19,727,221
Other charitable organizations	53,930	8,388,423	3,849,690	-	-	708,209	13,000,252
Other	247,529	-	-	4,220,256	16,783	199,276	4,683,844
Total Program Services	7,161,125	13,342,743	8,970,702	4,220,256	2,729,668	11,727,046	48,151,540
Support Services							
Administrative	236,492	23,887	77,295	67,125	13,565	53,108	471,472
Bad debt recovery	-	-	(442)	-	-	(8,375)	(8,817)
Other	-	-	-	17,057	-	-	17,057
Total Support Services	236,492	23,887	76,853	84,182	13,565	44,733	479,712
Total Operating Expenses	7,397,617	13,366,630	9,047,555	4,304,438	2,743,233	11,771,779	48,631,252
Increase (Decrease) in Net Assets from Operations	3,725,424	9,550,331	9,706,472	(3,652,457)	2,225,805	19,072,653	40,628,228
Transfer of funds	387,360	1,627,431	(6,470,587)	776,672	(1,076,727)	4,755,851	-
INCREASE (DECREASE) IN NET ASSETS	4,112,784	11,177,762	3,235,885	(2,875,785)	1,149,078	23,828,504	40,628,228
NET ASSETS - Beginning of Year	17,902,245	54,331,314	69,120,909	67,363,301	2,363,949	163,215,439	374,297,157
NET ASSETS - END OF YEAR	\$ 22,015,029	\$ 65,509,076	\$ 72,356,794	\$ 64,487,516	\$ 3,513,027	\$ 187,043,943	\$ 414,925,385