

***JEWISH FEDERATION OF GREATER SEATTLE,
SUBSIDIARY AND SUPPORTING FOUNDATIONS***

Consolidated Financial Statements

For the Years Ended June 30, 2013 and 2012

Table of Contents

	<i>Page</i>
Independent Auditors' Report	1 -2
Financial Statements:	
Consolidated Statements of Financial Position	3 - 4
Consolidated Statements of Activities with Consolidating Information	5 - 7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 25
Supplementary Information:	
Schedule of Functional Expenses	26
Consolidating Statement of Financial Position	27 -28

Independent Auditors' Report

Board of Directors Jewish Federation of Greater Seattle, Subsidiary and Supporting Foundations Seattle, Washington

Certified Public
Accountants
and Consultants

We have audited the accompanying consolidated financial statements of Jewish Federation of Greater Seattle, its subsidiary and supporting foundations (collectively the Federation), which comprise the consolidated statements of financial position as of June 30, 2013 and 2012, and the related consolidated statements of activities with consolidating information, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 consolidated financial statements.

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

CLARK NUBER

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Federation at June 30, 2013 and 2012, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information, schedule of functional expenses and consolidating statement of financial position on pages 5, 6, 7, 26, 27 and 28 are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Certified Public Accountants
November 21, 2013

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Consolidated Statements of Financial Position - Assets
June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 2,635,786	\$ 1,924,725
Receivables (Note 2):		
Pledges	2,271,566	3,783,020
Notes	91,020	147,278
Other	<u>100,170</u>	<u>99,964</u>
	2,462,756	4,030,262
Less allowance for doubtful accounts	<u>(318,840)</u>	<u>(431,853)</u>
Total Receivables	2,143,916	3,598,409
Prepaid expenses	89,612	78,509
Investments (Note 3)	49,106,851	43,772,889
Beneficial interest in charitable lead annuity trust (Note 5)	4,969,718	4,848,505
Land, Building and Equipment:		
Land	128,000	128,000
Building	2,807,393	2,810,310
Equipment	479,714	471,819
Donated artwork (nondepreciable)	<u>201,170</u>	<u>201,170</u>
	3,616,277	3,611,299
Less accumulated depreciation	<u>(1,443,649)</u>	<u>(1,335,876)</u>
Total Land, Building and Equipment	2,172,628	2,275,423
Total Assets	<u>\$ 61,118,511</u>	<u>\$ 56,498,460</u>

See accompanying notes.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Consolidated Statements of Financial Position - Liabilities and Net Assets
June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 276,562	\$ 319,787
Deferred subscription revenue	57,105	65,423
Allocations and grants payable (Note 4)	2,299,297	2,408,945
Liabilities under split interest agreements (Note 5)	1,437,829	1,372,889
Funds held on behalf of community organizations (Note 6)	3,700,562	2,903,259
Deferred revenue (Note 12)	100,000	
Capital lease payable (Note 7)	24,031	33,379
	<u>7,895,386</u>	<u>7,103,682</u>
Total Liabilities		
Net Assets (Note 9):		
Unrestricted-		
Undesignated	11,061,483	9,371,991
Designated by Board of Directors	8,937,757	8,638,621
Memorial and other funds	2,402,364	2,132,561
Donor advised funds	13,194,485	12,286,871
	<u>35,596,089</u>	<u>32,430,044</u>
Total unrestricted		
Restricted-		
Temporarily restricted	17,304,501	16,642,199
Permanently restricted	322,535	322,535
	<u>17,627,036</u>	<u>16,964,734</u>
Total restricted		
	<u>53,223,125</u>	<u>49,394,778</u>
Total Net Assets		
	<u>\$ 61,118,511</u>	<u>\$ 56,498,460</u>
Total Liabilities and Net Assets		

See accompanying notes.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Consolidated Statements of Activities with Consolidating Information
For the Years Ended June 30, 2013 and 2012**

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>	<i>JTNews</i>	<i>Supporting Foundations</i>	<i>Consolidating Entries</i>	<i>2013 Total</i>	<i>2012 Total</i>
Change in Unrestricted Net Assets:							
Public support and revenue-							
Public support:							
Contributions - annual campaign	\$ 3,220,504	\$ -	\$ -	\$ -	\$ (743,868)	\$ 2,476,636	\$ 2,681,360
Contributions - other	621,651	906,929		1,500,000	(134,900)	2,893,680	2,005,490
Less provision for uncollectible amounts	(90,570)				100,000	9,430	(144,923)
Total public support	3,751,585	906,929		1,500,000	(778,768)	5,379,746	4,541,927
Revenue-							
<i>JTNews</i> income			604,816		(34,485)	570,331	555,410
Investment income, net of fees of \$79,776 (2012 - \$69,798)	7,252	603,172		133,940		744,364	1,240,242
Net realized/unrealized gains (losses) on investments	675	2,465,465		492,682		2,958,822	(282,020)
Special events	84,177					84,177	138,852
Other	479,481		122,699	156	(506,882)	95,454	141,738
Total revenue	571,585	3,068,637	727,515	626,778	(541,367)	4,453,148	1,794,222
Net asset reclassifications and releases from restrictions-							
Reclass to cover endowments with deficiencies		2,882				2,882	(916)
Net assets released from restriction	1,503,555	534,294				2,037,849	2,179,420
Total net asset reclassifications and releases from restrictions	1,503,555	537,176				2,040,731	2,178,504
Total Public Support and Revenue	5,826,725	4,512,742	727,515	2,126,778	(1,320,135)	11,873,625	8,514,653

See accompanying notes.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Consolidated Statements of Activities with Consolidating Information (Continued)
For the Years Ended June 30, 2013 and 2012**

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>	<i>JTNews</i>	<i>Supporting Foundations</i>	<i>Consolidating Entries</i>	<i>2013 Total</i>	<i>2012 Total</i>
Allocations, Programs and Expenses:							
Allocations to beneficiary agencies-							
Annual campaign allocations	2,789,529				(22,800)	2,766,729	2,316,575
Endowment allocations		2,574,122			(805,492)	1,768,630	1,562,722
Supporting foundation allocations				348,661	(75,000)	273,661	391,229
Total allocations to beneficiary agencies	2,789,529	2,574,122		348,661	(903,292)	4,809,020	4,270,526
Programs and expenses-							
Community programs	1,518,919	384,248			(313,825)	1,589,342	1,625,970
Fundraising	925,111					925,111	1,012,883
Management and general	851,975			53,725	(80,346)	825,354	881,605
JTNews			599,052		(22,672)	576,380	619,411
Total programs and expenses	3,296,005	384,248	599,052	53,725	(416,843)	3,916,187	4,139,869
Total Allocations, Programs and Expenses	6,085,534	2,958,370	599,052	402,386	(1,320,135)	8,725,207	8,410,395
Change in Unrestricted Net Assets Before Transfers	(258,809)	1,554,372	128,463	1,724,392		3,148,418	104,258
Transfers (Note 9)	100,714	(83,087)				17,627	3,917
Change in Unrestricted Net Assets	(158,095)	1,471,285	128,463	1,724,392		3,166,045	108,175

See accompanying notes.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Consolidated Statements of Activities with Consolidating Information (Continued)
For the Years Ended June 30, 2013 and 2012**

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>	<i>JTNews</i>	<i>Supporting Foundations</i>	<i>Consolidating Entries</i>	<i>2013 Total</i>	<i>2012 Total</i>
Change in Unrestricted Net Assets	(158,095)	1,471,285	128,463	1,724,392		3,166,045	108,175
Change in Temporarily Restricted Net Assets:							
Contributions	1,312,359	143,956				1,456,315	6,548,457
Investment income of \$23,967 (2012 - \$19,036)		343,679				343,679	303,893
Net realized/unrealized gains (losses) on investments		1,087,517				1,087,517	(147,857)
Change in value of split-interest agreements, net of payments to beneficiaries		(166,851)				(166,851)	(138,953)
Transfers (Note 9)	(17,627)					(17,627)	(3,917)
Reclass to cover endowments with deficiencies		(2,882)				(2,882)	916
Net assets released from restrictions	(1,503,555)	(534,294)				(2,037,849)	(2,179,420)
Change in Temporarily Restricted Net Assets	(208,823)	871,125				662,302	4,383,119
Change in Net Assets	(366,918)	2,342,410	128,463	1,724,392		3,828,347	4,491,294
Net Assets, Beginning of Year:							
Unrestricted	6,009,609	21,822,481	(165,523)	4,763,477		32,430,044	32,562,663
Temporarily restricted	753,054	15,889,145				16,642,199	12,018,286
Permanently restricted		322,535				322,535	322,535
Total Net Assets, Beginning of Year	6,762,663	38,034,161	(165,523)	4,763,477		49,394,778	44,903,484
Net Assets, End of Year:							
Unrestricted	5,851,514	23,293,766	(37,060)	6,487,869		35,596,089	32,430,044
Temporarily restricted	544,231	16,760,270				17,304,501	16,642,199
Permanently restricted		322,535				322,535	322,535
Total Net Assets, End of Year	\$ 6,395,745	\$ 40,376,571	\$ (37,060)	\$ 6,487,869	\$ -	\$ 53,223,125	\$ 49,394,778

See accompanying notes.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Consolidated Statements of Cash Flows
For the Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Operating Activities:		
Change in net assets	\$ 3,828,347	\$ 4,491,294
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation	141,862	167,492
Loss on disposal of equipment	4,912	10,089
Net realized/unrealized (gains) losses on investments	(3,841,765)	934,535
Cash changes in operating assets and liabilities:		
Pledges receivable	1,398,441	294,222
Other receivables	(206)	(11,580)
Prepaid expenses	(11,103)	(26,427)
Beneficial interest in charitable lead annuity trust	(121,213)	(4,848,505)
Accounts payable and accrued expenses	(43,225)	(27,443)
Deferred subscription revenue	(8,318)	1,425
Allocations and grants payable	(109,648)	(303,780)
Liabilities under split interest agreements	64,940	50,006
Funds held on behalf of community organizations	797,303	322,892
Deferred revenue	100,000	
Net Cash Provided by Operating Activities	2,200,327	1,054,220
Investing Activities:		
Proceeds from sales of investments, net	3,834,837	3,311,327
Purchase of investments, net	(5,327,034)	(4,255,057)
Purchase of building and equipment	(43,979)	(82,222)
Principal payments received on notes and other receivables	56,258	91,524
Net Cash Used by Investing Activities	(1,479,918)	(934,428)
Financing Activities:		
Payments on capital lease payable	(9,348)	(9,662)
Net Cash Used by Financing Activities	(9,348)	(9,662)
Net Change in Cash and Cash Equivalents	711,061	110,130
Cash and Cash Equivalents:		
Beginning of year	1,924,725	1,814,595
End of Year	\$ 2,635,786	\$ 1,924,725
Supplementary Cash Flow Information:		
Donated stock	\$ 778,677	\$ 749,949
Note receivable from sale of land	\$ -	\$ 214,000

See accompanying notes.

JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY AND SUPPORTING FOUNDATIONS

Notes to Consolidated Financial Statements For the Years Ended June 30, 2013 and 2012

Note 1 - Summary of Significant Accounting Policies

Mission - The Jewish Federation of Greater Seattle (the Federation) works to ensure a vibrant Jewish community that is connected locally, in Israel and worldwide.

The Jewish Federation connects people to Jewish opportunities and Jewish giving; brings the community together to celebrate strengths and plan for the future, and raises funds for a wide array of vital needs in the Jewish community.

Programs - The Federation makes grants to partner organizations serves four Impact Areas: 1) Helping Our Local Community in Need, 2) Strengthening Global Jewry, 3) Experiencing Judaism: Birth to Grade 12, and 4) Building Jewish Community: Post Grade 12. Federation grants strengthen and enrich Jewish life by supporting: local human services programs; assistance to Israeli and overseas Jewish communities with basic necessities and development services; Jewish education and Jewish camping from early childhood to high school; Israel experiences for teens and young adults; and programs fostering Jewish engagement, including community holiday celebrations and cultural events.

In addition, the Federation provides a range of services that benefit the Jewish community broadly, including:

1) Government relations, advocating in Olympia and Washington, DC, for human services funding, capital investments and public policies benefiting the Jewish community, 2) SAFE Washington, a communications network keeping our community secure from natural and human-caused dangers, 3) Education Services, fostering excellence in Jewish education through professional development; 4) The PJ Library, engaging young families through children's literature and events, 5) Teen Philanthropy, developing the next generation of community leaders. The JTNews (the Seattle Jewish Transcript), a newspaper which provides news and commentary of interest to the local and global Jewish communities, is a wholly owned subsidiary of the Federation.

General - Campaigns are conducted annually to raise funds for allocation to agencies in the subsequent fiscal year. Allocations to agencies for the subsequent year are shown as allocations payable to beneficiary agencies. Allocations for internal operations, community programs, and Jewish Education Center operations for the subsequent year are shown as unrestricted net assets designated by the Board of Directors.

Principles of Consolidation - The consolidated financial statements include the accounts of the Federation's wholly owned subsidiary, Seattle Jewish Transcript (*JTNews*), a corporation which publishes the *JTNews* newspaper for the Federation. The consolidated financial statements also include the Federation's supporting foundations, which include: David & Cathy Habib Foundation, Samuel Israel Foundation, and Jewish Day School Foundation. All inter-entity transactions and balances have been eliminated.

Revenue Recognition - Pledges and contributions are recognized as revenue in the campaign year in which the donor makes the pledge. Allowances are provided for amounts estimated to be uncollectible. Donations of equity securities are recognized at the date of contribution and are measured at their estimated fair value. Equity securities donated to the Federation are sold as soon as it is practical. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges and contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or permanently restricted support. However, if a restriction is fulfilled - that is, when a stipulated time restriction ends or purpose restriction is accomplished - in the same time period in which the contribution is received, the Federation reports the support as unrestricted. Otherwise, when a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities with consolidating information as net assets released from restrictions.

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS***

***Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012***

Note 1 - Continued

JTNews recognizes subscription revenue over the period of the related subscriptions. Deferred subscription revenue at June 30, 2013, will be recognized in fiscal years 2014 and 2015.

Unrestricted Net Assets Designated by the Board of Directors - The Board of Directors has designated certain net assets to be used for the purposes described in Note 9.

Restricted Net Assets - The Federation reports unconditional promises to give cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets.

Permanently restricted net assets consist of endowment restricted funds, where the donor established a fund in perpetuity for the benefit of a specific beneficiary, whereby the principal is to remain intact and the income is temporarily restricted.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are also reported as temporarily restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Federation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Tax Status - The Internal Revenue Service (IRS) has determined that the Federation and its supporting foundations are nonprofit organizations exempt from federal taxes on income as entities described in Internal Revenue Code Section 501(c)(3). Accordingly, the Federation is subject to income taxes only on income determined to be unrelated business taxable income. The Federation accrued \$1,976 and \$6,586 of federal income taxes payable related to endowment fund investments at June 30, 2013 and 2012, respectively. The Federation files income tax returns with the U.S. and various state and local governments. The Federation is subject to income tax examinations by the tax authorities of these governments for the current year and certain prior years based on the applicable laws and regulations of each jurisdiction.

The Seattle Jewish Transcript is not an exempt entity for federal income tax purposes and, accordingly, is subject to federal income taxes. No amounts were payable at June 30, 2013 and 2012.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash in banks and highly liquid short-term investments with original maturities of three months or less.

Investments - Investments in debt and equity securities are valued by the custodians at fair value based on published quotations for publicly traded securities or lower of cost or fair value for nonpublicly traded securities and other assets. Realized and unrealized gains and losses on investments are reported in the consolidated statements of activities.

Funds Held on Behalf of Community Organizations - Generally accepted accounting principles (GAAP) require that if a not-for-profit organization establishes a designated fund at a federated fundraising organization with its own funds and specifies itself or its affiliate as the beneficiary of that designated fund, the federated fundraising organization must account for the transfer of such assets as if it is holding the funds as an agent of the donor. Accordingly, the transfer is included in the Federation's assets and an offsetting liability is created in an amount equal to the present value of future payments expected to be made to the designated beneficiary.

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS***

***Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012***

Note 1 - Continued

The liability shown on the consolidated statements of financial position has been established at the fair value of the funds. Activities related to these funds do not affect the change in net assets on the consolidated statements of activities with consolidating information.

In-Kind Contributions - The Federation received donated catering, advertising, printing, legal, consulting, travel, event audio/visual, event decorations and software. For the years ended June 30, 2013 and 2012, in-kind contributions were \$35,658 and \$33,129, respectively. For the year ended June 30, 2013 \$21,640 was capitalized for in-kind software and is included in equipment on the consolidated statements of financial position.

Concentration of Credit Risk - Management anticipates no material effect to the Federation's financial position as a result of cash, mutual funds, and investments held in banks in excess of the available federally insured amounts.

Contributions are received from donors primarily in the Greater Seattle area.

Contributions from one donor to a supporting foundation represented 22% of contributions for the year ended June 30, 2013. The beneficial interest in charitable lead annuity trust accounted for approximately 60% of contributions for the year ended June 30, 2012.

Capitalization and Depreciation - Purchased fixed assets are recorded at cost and donated fixed assets are recorded at fair value on the date received. The Federation capitalizes fixed assets greater than \$1,000. Depreciation is recorded on a straight-line basis over the estimated useful lives of the related assets (building and improvements 10 - 40 years and equipment 3 - 5 years) using a half-year convention for additions.

Use of Estimates - The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Reclassifications - Certain reclassifications of 2012 amounts have been made to conform to the presentation in the 2013 financial statements. Such reclassifications had no effect on the change in total net assets or total net asset balances as previously reported.

Subsequent Events - The Federation has evaluated subsequent events through November 21, 2013, the date on which the consolidated financial statements were available to be issued.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012**

Note 2 - Receivables

Pledges Receivable - Pledges receivable are as follows at June 30:

	<u>2013</u>	<u>2012</u>
Receivables to be collected in less than one year	\$ 2,082,624	\$ 3,544,220
Receivables to be collected in one to five years	97,560	145,420
Thereafter	<u>150,000</u>	<u>157,500</u>
	2,330,184	3,847,140
Less present value discount	<u>(58,618)</u>	<u>(64,120)</u>
	<u>\$ 2,271,566</u>	<u>\$ 3,783,020</u>

The present value discount rates range from 0.5% to 3.0% for receivables to be collected in five or fewer years and 3.0% for receivables to be collected in more than five years. The present value discount rate is established annually by the Federation and does not change the discount rate of receivables pledged in prior year.

Notes Receivable - The Federation has one note receivable from a beneficiary agency of \$12,434 and \$17,385 at June 30, 2013 and 2012, respectively, with an interest rate of 2.25% and a final maturity of November 2015.

During the year ended June 30, 2012, a supporting foundation received a note receivable for the sale of land with a maturity date of September 9, 2016, with an original balance of \$214,000, interest of 6.5%, and an outstanding balance of \$78,586 and \$129,893 at June 30, 2013 and 2012, respectively.

There are no past due balances on notes receivable at June 30, 2013. Additionally, there were no allowances for doubtful accounts, provisions for losses or no loans written off related to the above loans for the years ended June 30, 2013 or 2012.

Other Receivables - This balance includes advertising receivables for *JTNews*, Jewish Federations of North America, pooled investment receivable and other miscellaneous receivables.

Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS***

***Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012***

Note 3 - Investments and Fair Value Measurements

GAAP defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. To increase consistency and comparability in fair value measurements, GAAP uses a fair value hierarchy that prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

Valuation Techniques - Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs are primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Federation at year-end.

Marketable Equity Securities and Debt Securities - Valued at the closing price reported on the active market on which the securities are traded.

Although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012**

Note 3 - Continued

Fair Values Measured on a Recurring Basis - Fair values of investments measured on a recurring basis are as follows at June 30, 2013:

	<i>Fair Value Measurements as of June 30, 2013</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Equity securities-				
US large growth	\$ 825,549	\$ -	\$ -	\$ 825,549
US large value	29,703			29,703
US large core	3,347,327			3,347,327
US mid growth	220,582			220,582
US mid cap value	129,084			129,084
US mid core	113,555			113,555
US small growth	55,084			55,084
US small value	35,448			35,448
US small core	57,333			57,333
International	583,754			583,754
Emerging markets	386,347			386,347
Other	38,010			38,010
Total equity securities	5,821,776			5,821,776
Mutual funds-				
Equity	17,029,176			17,029,176
Fixed income	12,188,482			12,188,482
US large value	439,665			439,665
International bond	1,755,179			1,755,179
International equity	7,326,616			7,326,616
Total mutual funds	38,739,118			38,739,118
Debt securities-				
Municipal bonds		123,504		123,504
Mortgage-backed		108,945		108,945
Total debt securities		232,449		232,449
Total Investments at Fair Value	\$ 44,560,894	\$ 232,449	\$ -	\$ 44,793,343

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012**

Note 3 - Continued

Fair Values Measured on a Recurring Basis - Fair values of investments measured on a recurring basis are as follows at June 30, 2012:

	<i>Fair Value Measurements as of June 30, 2012</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Equity securities-				
US large growth	\$ 394,252	\$ -	\$ -	\$ 394,252
US large value	143,812			143,812
US large core	2,824,488			2,824,488
US mid growth	366,069			366,069
US mid cap value	230,691			230,691
US small growth	156,495			156,495
US small value	29,088			29,088
US small core	24,937			24,937
International	518,808			518,808
Emerging markets	374,667			374,667
Other	15,851			15,851
Total equity securities	5,079,158			5,079,158
Mutual funds-				
Equity	13,100,769			13,100,769
Fixed income	12,521,242			12,521,242
US large value	379,760			379,760
International bond	1,595,040			1,595,040
International equity	6,120,606			6,120,606
Total mutual funds	33,717,417			33,717,417
Debt securities-				
Municipal bonds		205,867		205,867
Mortgage-backed		128,565		128,565
Total debt securities		334,432		334,432
Total Investments at Fair Value	\$ 38,796,575	\$ 334,432	\$ -	\$ 39,131,007

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012**

Note 3 - Continued

Total investments at June 30:

	<u>2013</u>	<u>2012</u>
Investments at fair value	\$ 44,793,343	\$ 39,131,007
Investments in S-Corporation and life insurance policies valued using lower of cost or fair value	1,577,941	1,578,190
Cash, cash equivalents and CDs	<u>2,735,567</u>	<u>3,063,692</u>
Total Investments	<u>\$ 49,106,851</u>	<u>\$ 43,772,889</u>

Note 4 - Allocations and Grants Payable

Allocations payable consisted of the following allocations unpaid but expected to be expended as authorized by the Board of Directors at June 30:

	<u>2013 Total</u>	<u>2012 Total</u>
Jewish Federation:		
Building Jewish Community	\$ 293,438	\$ 288,360
Experiencing Judaism	555,000	575,830
Helping our Local Community in Need	384,460	290,645
Jewish Federations of North America	879,100	919,189
Strengthening Global Jewry	<u>80,962</u>	<u>51,500</u>
	2,192,960	2,125,524
Endowment Fund:		
Building Jewish Community		54,795
Experiencing Judaism		11,900
Helping our Local Community in Need	1,500	42,500
Simple Agency Sustainability	28,000	10,600
Strengthening Global Jewry	<u>4,000</u>	
	33,500	119,795
Supporting Foundations:		
Experiencing Judaism		2,500
Helping our Local Community in Need	<u>72,837</u>	<u>161,126</u>
	<u>72,837</u>	<u>163,626</u>
Total Unpaid Allocations	<u>\$ 2,299,297</u>	<u>\$ 2,408,945</u>

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012**

Note 4 - Continued

Unpaid allocations are as follows at June 30, 2013:

Allocations payable in less than one year	\$ 2,263,710
Allocations payable in one to five years	<u>36,250</u>
	2,299,960
Less present value discount at .5% - 3%	<u>(663)</u>
	<u><u>\$ 2,299,297</u></u>

Note 5 - Split Interest Agreements

Beneficial Interest in Charitable Lead Annuity Trust - During the year ended June 30, 2012, the Federation's beneficial interest in a testamentary charitable lead annuity trust was funded. The Federation's Endowment Fund will receive quarterly distributions from the trust, the first payment of \$84,425 is due December 31, 2017, followed by quarterly payments of \$92,102 and a final payment of \$73,681 being due on March 14, 2036. The Federation's beneficial interest in this charitable lead annuity trust is recorded at the net present value (discounted at 2.5%) of the distributions on the consolidated statements of financial position and consolidating information and as an increase in temporarily restricted net assets on the consolidated statements of activities.

Charitable Remainder Trusts - The Federation is the beneficiary of two charitable remainder trusts administered by the Federation and held at a financial institution. The trusts provide for periodic distributions to designated beneficiaries. The trusts' fair value at June 30, 2013 and 2012, was \$1,457,642 and \$1,364,401, respectively, with an estimated annuity liability of \$1,238,147 and \$1,175,309, respectively. The Federation's interest in the trusts is recorded at net present value using the applicable federal discount rate at the date of the gift and shown on the consolidated statements of financial position as an investment, a liability and temporarily restricted net assets. The Federation's interest in gains or losses in the trusts' value is recognized in the consolidated statements of activities and consolidating information as temporarily restricted activities.

Charitable Gift Annuities - The Federation has entered into several Charitable Gift Annuities (CGAs) whereby the donor contributes assets in exchange for distributions for a specified period of time to the donor or other beneficiaries. Assets received are recorded at fair value on the date the gift is funded, and a liability equal to the present value of the future distributions is recorded. The difference between the fair value of the assets received and the liability to the donor or other beneficiaries is recognized as contribution revenue. Upon the death of the last/only annuitant, the remaining assets, if any, are disbursed according to the contract governing the CGA. Assets and liabilities under charitable gift annuities are general assets and liabilities of the Federation. CGA assets at June 30, 2013 and 2012 were \$296,009 and \$279,232, respectively with estimated liabilities of \$199,682 and \$197,580, respectively.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012**

Note 6 - Funds Held on Behalf of Community Organizations

Funds held on behalf of community organizations at June 30:

	<u>2013</u>	<u>2012</u>
Jewish Day School	\$ 1,921,255	\$ 1,706,920
Hillel Foundation for Jewish Life at the U.W.	1,425,579	923,117
Congregation Ezra Bessaroth	160,648	140,747
Congregation Beth Shalom	122,625	17,084
Washington State Jewish Historical Society	60,050	53,599
Charitable Gift Annuities	10,405	6,966
Seattle Hebrew Academy		54,826
	<u>\$ 3,700,562</u>	<u>\$ 2,903,259</u>

Note 7 - Capital Lease

The Federation has a noncancelable capital lease for office equipment expiring in April 2015 with monthly payments of \$1,357. The asset is recorded at its fair value at the inception of the lease and the liability is recorded at the present value of the minimum lease payments. The asset is amortized over its estimated productive life. Amortization of the asset under the capital lease is included in depreciation expense. The total recorded cost of the asset under the capital lease is \$47,465 and related accumulated amortization is \$30,060 and \$20,569 at June 30, 2013 and 2012, respectively.

At June 30, 2013, future minimum rental payments under the noncancelable capital lease were as follows:

For the Year Ending June 30,

2014	\$ 16,289
2015	<u>13,574</u>
	29,863
Less amount representing interest	<u>(5,832)</u>
	<u>\$ 24,031</u>

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS***

***Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012***

Note 8 - Retirement Plan

The Federation's employees become eligible to participate in the 401(k) profit sharing plan (the Plan) when they have completed one year of service and have attained the age of 21 years. Participants may contribute compensation up to the maximum amount allowed by law and are immediately vested in these contributions. The Federation may make discretionary contributions to the Plan of 5% of the participant's annual salary up to the wage base, and 10% above the amount of the taxable wage base. Participants vest in the employer contributions over five years. Both employee and employer contributions are subject to applicable IRS limits. The Federation's Board of Directors elected not to contribute the discretionary contribution for the fiscal year ended June 30, 2013. For the year ended June 30, 2012, a 2% discretionary contribution was contributed. Total net discretionary contributions in 2012 were \$7,504, which included \$28,054 in discretionary contributions less forfeited amounts of \$20,550. In addition, the Federation's employees become eligible to participate in the 403(b) retirement plan upon hire. Employee contributions are made in accordance with the provisions of the 403(b) plan. The 403(b) plan does not include employer contributions.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012**

Note 9 - Net Assets

Unrestricted net assets consisted of the following at June 30:

	<u>2013</u>	<u>2012</u>
Undesignated-		
Federation	\$ 845,252	\$ 979,280
Investment in fixed assets - Federation	<u>2,144,796</u>	<u>2,236,555</u>
Total undesignated Jewish Federation fund net assets	2,990,048	3,215,835
Endowment community fund	1,620,626	1,558,202
<i>JTNews</i>	(40,860)	(171,012)
Investment in fixed assets - <i>JTNews</i>	3,800	5,489
Supporting foundations (a)	<u>6,487,869</u>	<u>4,763,477</u>
Total undesignated net assets	11,061,483	9,371,991
Designated by Board of Directors-		
Designation for subsequent year:		
Internal operations	2,045,175	2,246,634
Community programs	565,059	372,610
Other Federation board designations	<u>251,232</u>	<u>174,264</u>
Total designated Jewish Federation fund net assets	2,861,466	2,793,508
Milk & Honey program	232,237	221,734
Board designated endowments	4,378,290	4,249,043
PACE / LOJE funds	1,038,125	972,093
Emergency capital needs fund	<u>427,639</u>	<u>402,243</u>
Total designated by Board of Directors net assets	8,937,757	8,638,621
Memorial and Other Funds	2,402,364	2,132,561
Donor Advised Funds (b)	<u>13,194,485</u>	<u>12,286,871</u>
Total Unrestricted Net Assets	<u>\$ 35,596,089</u>	<u>\$ 32,430,044</u>

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012**

Note 9 - Continued

Restricted net assets consist of the following at June 30:

	<u>2013</u>	<u>2012</u>
Temporarily restricted-		
Federation donor funds restricted for a particular purpose	\$ 544,231	\$ 753,054
Endowment donor funds restricted for a particular purpose	11,485,135	10,776,861
Endowment bequests restricted due to timing of receipt	4,969,718	4,848,505
Charitable gift annuities and charitable remainder trusts	<u>305,417</u>	<u>263,779</u>
Total temporarily restricted net assets	17,304,501	16,642,199
Permanently restricted-		
Endowment funds restricted by donors (c)	<u>322,535</u>	<u>322,535</u>
Total permanently restricted net assets	<u>322,535</u>	<u>322,535</u>
Total Restricted Net Assets	<u>\$ 17,627,036</u>	<u>\$ 16,964,734</u>

- (a) Supporting Foundation funds allow donors to maintain personal involvement in grant making decisions as a minority member of a Supporting Foundation's board of directors. A Supporting Foundation is a separate charitable organization, which, by affiliation with the Federation obtains its tax status as a public charity.
- (b) Donor advised funds are established by donors with unrestricted, irrevocable gifts made for the exclusive purpose of charitable giving. During their lifetime, donors may recommend grants to charitable organizations in accordance with the Federation's policies and procedures for operation of donor advised funds. Donors may choose to have the fund continue beyond their lifetime by naming their family and loved ones as successor advisors. Donors may also choose to have the fund convert to a memorial or PACE/LOJE fund, making gifts in their honor in perpetuity.
- (c) Permanently restricted net assets consist of endowment restricted funds where the donor has established a fund which restricts the corpus in perpetuity. The income from these funds is restricted by the donors for educational and community purposes.

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS***

***Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012***

Note 9 - Continued

Net asset transfers for the year ended June 30, 2013, were as follows:

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>
	<u> </u>	<u> </u>
Transfer of reimbursed operations costs to Federation Fund	\$ 103,087	\$ (103,087)
Transfer of board approved reserves to Emergency Capital Needs Fund	<u>(20,000)</u>	<u>20,000</u>
	<u>\$ 83,087</u>	<u>\$ (83,087)</u>

Net asset transfers for the year ended June 30, 2012, were as follows:

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>
	<u> </u>	<u> </u>
Transfer of reimbursed operations costs to Federation Fund	\$ 50,175	\$ (50,175)
Transfer of Youth Mitzvah balances to Federation Fund	25,921	(25,921)
Transfer of board approved funds from Special Initiatives Fund for PAC Allocations	18,400	(18,400)
Transfer of board approved reserves to Emergency Capital Needs Fund	<u>(20,000)</u>	<u>20,000</u>
	<u>\$ 74,496</u>	<u>\$ (74,496)</u>

Note 10 - Related Party Transactions

The Federation has normal business relationships with several organizations that are owned by Federation board members. The relationships were entered into in the ordinary course of business.

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS***

***Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012***

Note 11 - Permanently Restricted Endowments

The Federation's permanently restricted endowment consists of donor-restricted funds established for a variety of purposes. As required by GAAP, net assets associated with permanently restricted endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Federation has interpreted the Washington State Prudent Management of Institutional Funds Act (PMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Federation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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

- The duration and preservation of the fund;
- The purposes of the Federation and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Federation; and
- The investment policies of the Federation.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012**

Note 11 - Continued

Changes to donor restricted endowment net assets, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2011	\$ (2,456)	\$ 53,043	\$ 322,535	\$ 373,122
Endowment investment return- Interest and dividends		8,759		8,759
Realized and unrealized losses		(6,545)		(6,545)
Total endowment investment return		2,214		2,214
Transfers for funds with deficiencies in current year	(916)	916		
Appropriation of endowment for expenditure		(10,864)		(10,864)
Endowment Net Assets, June 30, 2012	<u>(3,372)</u>	<u>45,309</u>	<u>322,535</u>	<u>364,472</u>
Endowment investment return- Interest and dividends		9,293		9,293
Realized and unrealized gains		25,338		25,338
Total endowment investment return		34,631		34,631
Transfers for funds with deficiencies in prior years	2,882	(2,882)		
Appropriation of endowment for expenditure		(10,405)		(10,405)
Endowment Net Assets, June 30, 2013	<u>\$ (490)</u>	<u>\$ 66,653</u>	<u>\$ 322,535</u>	<u>\$ 388,698</u>

The unrestricted and temporarily restricted amounts above represent cumulative earnings on permanently restricted endowment funds.

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or PMIFA requires the Federation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$490 and \$3,372 at June 30, 2013 and 2012, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred and continued appropriation for certain programs that was deemed prudent by the Board of Directors, or was required by agreement with the donor.

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS***

***Notes to Consolidated Financial Statements
For the Years Ended June 30, 2013 and 2012***

Note 11 - Continued

Return Objectives and Risk Parameters - The return objectives of the permanently restricted endowments (the Fund) reflect the trade-off between the risk and expected return considered the most appropriate for the total Fund as differentiated from the individual objectives of any one fund. The overall portfolio objective is sufficient growth of capital to maintain or improve the purchasing power of the Fund over time while allowing distributions to fund desired gifting programs in accordance with the desires of contributors to the Fund. In addition to preserving and enhancing the value of the Fund, the Fund is administered and managed in such a manner as to be responsible to the needs of the donors and of the Jewish community and to maintain the highest standards of professionalism and responsibility.

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

Spending Policy and How the Investment Objectives Relate to Spending Policy - Each permanently restricted fund has its own spending policy built into the contract that established the fund. Some of these funds spend a flat rate each year while others spend no more than their net income for the year. Finally, some spend a certain percentage of their value on a specified date - currently 5%. In choosing 5%, the Federation considered the long-term expected return on its endowment. During 2012, the Federation reviewed its spending policy and reduced the spending policy to 4.75% in fiscal year 2014 and 4.50% thereafter. This is consistent with the Federation's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

Note 12 - Commitments and Contingencies

During the year ended June 30, 2013, the Federation entered into a real estate purchase and sales agreement with a third party. Under the terms of the agreement, the Federation will receive earnest money payments during the contingency period. At June 30, 2013, the Federation received \$100,000, which is included in cash and deferred revenue on the consolidated statements of financial position. Subsequent to year end, the third party terminated the purchase and sales agreement. Upon termination, the Federation recognized earnest money payments received totaling \$150,000 through the date of termination as revenue for the year ending June 30, 2014.

Note 13 - Subsequent Events

Effective August 19, 2013, the Federation entered into an employment agreement with a new CEO. The agreement expires on June 30, 2016, at which time it shall automatically be renewed for successive one year periods. In the event the Federation terminates his employment, the agreement provides for severance payments. The CEO also signed a promissory note to the Federation that provides for annual forgiveness of interest and a portion of the principal.

SUPPLEMENTARY INFORMATION

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS***

***Schedule of Functional Expenses
For the Year Ended June 30, 2013 (With Comparative Totals for 2012)***

Total expenses of the Federation, excluding Supporting Foundation expenses and prior to eliminations, are allocated based on its functional activities as follows for the year ended June 30, 2013:

	<i>Community Programs*</i>	<i>Fundraising</i>	<i>Management and General</i>	<i>JTNews</i>	<i>2013 Total</i>	<i>2012 Total</i>
Salaries and benefits	\$ 930,599	\$ 571,398	\$ 655,740	\$ 360,344	\$ 2,518,081	\$ 2,588,024
Professional services	121,235	16,050	62,932	6,029	206,246	252,993
Endowment administration fees	392,195				392,195	359,427
Professional development/travel	19,056	5,189	3,857		28,102	34,993
Supplies and telephone	14,301	7,955	19,319	15,293	56,868	59,543
Events/meetings/conferences	48,519	177,849	17,113	437	243,918	243,756
Computer and technology	33,461	7,014	12,191		52,666	51,232
Postage and printing	13,835	44,789	7,287	86,567	152,478	174,847
Advertising/PR/marketing	4,331	23,767	12,752		40,850	51,679
Insurance	10,218	4,716	14,235	4,322	33,491	28,962
Taxes and licenses	75,570	4,484	4,649	4,206	88,909	85,755
Occupancy	78,126	17,810	(2,440)	22,672	116,168	101,019
Depreciation	72,890	33,642	33,642	1,688	141,862	167,492
Loss on disposal of fixed assets	2,554	1,179	1,179		4,912	10,089
In-kind	35	6,833	7,150		14,018	33,129
Miscellaneous	33,384	2,079	1,904	11,326	48,693	55,358
Dues and subscriptions	52,858	357	465		53,680	70,233
Commissions				50,078	50,078	64,325
Editorial content				31,938	31,938	29,199
Sales				4,152	4,152	7,454
	<u>\$ 1,903,167</u>	<u>\$ 925,111</u>	<u>\$ 851,975</u>	<u>\$ 599,052</u>	<u>\$ 4,279,305</u>	<u>\$ 4,469,509</u>

*The community programs included Jewish Education Center, PJ Library, Teen Philanthropy, Government Relations and Public Affairs, the Seattle Jewish Community Endowment Fund (Endowment Fund), and Young Adult Division.

See independent auditors' report.

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS
Consolidating Statement of Financial Position
June 30, 2013
(With Comparative Totals for 2012)***

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>	<i>JTNews</i>	<i>Supporting Foundations</i>	<i>2013 Total</i>	<i>2012 Total</i>
Assets						
Cash and cash equivalents	\$ 2,628,985	\$ -	\$ 6,801	\$ -	\$ 2,635,786	\$ 1,924,725
Receivables:						
Pledges	2,271,566				2,271,566	3,783,020
Notes		12,434		78,586	91,020	147,278
Other	18,019	40,025	42,126		100,170	99,964
	2,289,585	52,459	42,126	78,586	2,462,756	4,030,262
Less allowance for doubtful accounts	(310,517)		(8,323)		(318,840)	(431,853)
Total Receivables	1,979,068	52,459	33,803	78,586	2,143,916	3,598,409
Prepaid expenses	87,045		2,567		89,612	78,509
Investments	2,003,688	40,614,870		6,488,293	49,106,851	43,772,889
Beneficial interest in charitable lead annuity trust		4,969,718			4,969,718	4,848,505
Land, Building and Equipment:						
Land	128,000				128,000	128,000
Building	2,807,393				2,807,393	2,810,310
Equipment	461,430		18,284		479,714	471,819
Donated artwork (nondepreciable)	201,170				201,170	201,170
	3,597,993		18,284		3,616,277	3,611,299
Less accumulated depreciation	(1,429,166)		(14,483)		(1,443,649)	(1,335,876)
Total Land, Building and Equipment	2,168,827		3,801		2,172,628	2,275,423
Total Assets	\$ 8,867,613	\$ 45,637,047	\$ 46,972	\$ 6,566,879	\$ 61,118,511	\$ 56,498,460

See independent auditors' report.

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY
AND SUPPORTING FOUNDATIONS
Consolidating Statement of Financial Position
June 30, 2013
(With Comparative Totals for 2012)***

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>	<i>JTNews</i>	<i>Supporting Foundations</i>	<i>2013 Total</i>	<i>2012 Total</i>
<i>Liabilities And Net Assets</i>						
Liabilities:						
Accounts payable and accrued expenses	\$ 223,519	\$ 20,334	\$ 32,709	\$ -	\$ 276,562	\$ 319,787
Deferred subscription revenue			57,105		57,105	65,423
Allocations and grants payable	2,192,960	33,500		72,837	2,299,297	2,408,945
Liabilities under split interest agreements		1,437,829			1,437,829	1,372,889
Funds held on behalf of community organizations		3,700,562			3,700,562	2,903,259
Deferred revenue	100,000				100,000	
Capital lease payable	24,031				24,031	33,379
Interfund balances	(68,642)	68,251	(5,782)	6,173		
Total Liabilities	2,471,868	5,260,476	84,032	79,010	7,895,386	7,103,682
Net Assets:						
Unrestricted-						
Undesignated	2,990,048	1,620,626	(37,060)	6,487,869	11,061,483	9,371,991
Designated by Board of Directors	2,861,466	6,076,291			8,937,757	8,638,621
Memorial funds		2,402,364			2,402,364	2,132,561
Donor advised funds		13,194,485			13,194,485	12,286,871
Total unrestricted	5,851,514	23,293,766	(37,060)	6,487,869	35,596,089	32,430,044
Restricted-						
Temporarily restricted	544,231	16,760,270			17,304,501	16,642,199
Permanently restricted		322,535			322,535	322,535
Total restricted	544,231	17,082,805			17,627,036	16,964,734
Total Net Assets	6,395,745	40,376,571	(37,060)	6,487,869	53,223,125	49,394,778
Total Liabilities and Net Assets	\$ 8,867,613	\$ 45,637,047	\$ 46,972	\$ 6,566,879	\$ 61,118,511	\$ 56,498,460

See independent auditors' report.