

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

Consolidated Financial Statements

For the Years Ended June 30, 2014 and 2013

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***Independent Auditor's Report******Board of Directors******Jewish Federation of Greater Seattle, Subsidiary and Supporting Foundations  
Seattle, Washington***

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, 2014 and 2013, 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 auditor's 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 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.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Federation at June 30, 2014 and 2013, 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.

# CLARK NUBER

## *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, 24, 25 and 26 are presented for purposes of additional analysis and are 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  
December 3, 2014

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

**Consolidated Statements of Financial Position - Assets  
June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,743,783	\$ 2,635,786
<b>Receivables (Note 2):</b>		
Pledges	2,348,798	2,271,566
Donor Advised Funds pledges	583,592	
Bequests	70,000	
Notes	122,833	91,020
Other	<u>100,080</u>	<u>100,170</u>
	3,225,303	2,462,756
Less allowance for doubtful accounts	<u>(367,609)</u>	<u>(318,840)</u>
<b>Total Receivables</b>	<b>2,857,694</b>	<b>2,143,916</b>
Prepaid expenses	43,830	89,612
Investments (Note 3)	54,156,645	49,106,851
Beneficial interest in charitable lead annuity trust (Note 5)	5,093,960	4,969,718
<b>Land, Building and Equipment:</b>		
Land	128,000	128,000
Building	2,807,393	2,807,393
Equipment	496,180	479,714
Donated artwork (nondepreciable)	<u>201,170</u>	<u>201,170</u>
	3,632,743	3,616,277
Less accumulated depreciation	<u>(1,571,084)</u>	<u>(1,443,649)</u>
<b>Total Land, Building and Equipment</b>	<b>2,061,659</b>	<b>2,172,628</b>
<b>Total Assets</b>	<b><u>\$ 66,957,571</u></b>	<b><u>\$ 61,118,511</u></b>

See accompanying notes.

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

**Consolidated Statements of Financial Position - Liabilities and Net Assets  
June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 372,021	\$ 276,562
Deferred subscription revenue	62,549	57,105
Allocations and grants payable (Note 4)	2,459,146	2,299,297
Liabilities under split interest agreements (Note 5)	1,442,578	1,437,829
Funds held on behalf of community organizations (Note 6)	4,482,626	3,700,562
Deferred revenue		100,000
Capital lease payable (Note 7)	12,209	24,031
	<u>8,831,129</u>	<u>7,895,386</u>
<b>Total Liabilities</b>		
<b>Net Assets (Note 9):</b>		
Unrestricted-		
Undesignated	11,805,533	11,061,483
Designated by Board of Directors	9,830,809	8,937,757
Memorial and other funds	2,802,742	2,402,364
Donor Advised Funds	14,587,017	13,194,485
	<u>39,026,101</u>	<u>35,596,089</u>
Total unrestricted	39,026,101	35,596,089
Restricted-		
Temporarily restricted	18,777,806	17,304,501
Permanently restricted	322,535	322,535
	<u>19,100,341</u>	<u>17,627,036</u>
Total restricted	19,100,341	17,627,036
	<u>58,126,442</u>	<u>53,223,125</u>
<b>Total Net Assets</b>	<b>58,126,442</b>	<b>53,223,125</b>
	<u>\$ 66,957,571</u>	<u>\$ 61,118,511</u>
<b>Total Liabilities and Net Assets</b>	<b>\$ 66,957,571</b>	<b>\$ 61,118,511</b>

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, 2014 and 2013**

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>	<i>JTNews</i>	<i>Supporting Foundations</i>	<i>Consolidating Entries</i>	<i>2014 Total</i>	<i>2013 Total</i>
<b>Change in Unrestricted Net Assets:</b>							
Public support and revenue-							
Public support:							
Contributions - annual campaign	\$ 3,429,462	\$ -	\$ -	\$ -	\$ (737,531)	\$ 2,691,931	\$ 2,476,636
Contributions - other	475,773	1,087,352		340,000	(90,000)	1,813,125	2,893,680
Less provision for uncollectible amounts	(68,883)					(68,883)	9,430
Total public support	3,836,352	1,087,352		340,000	(827,531)	4,436,173	5,379,746
Revenue:							
JTNews income			588,003		(39,787)	548,216	570,331
Investment income, net of fees of \$82,758 (2013 - \$79,776)	8,241	1,009,632		245,701		1,263,574	744,364
Net realized/unrealized gains (losses) on investments	(6,507)	2,799,276		934,773		3,727,542	2,958,822
Special events	105,470					105,470	84,177
Other	644,283		3,193	147	(414,876)	232,747	95,454
Total revenue	751,487	3,808,908	591,196	1,180,621	(454,663)	5,877,549	4,453,148
Net asset reclassifications and releases from restrictions-							
Reclass to cover endowments with deficiencies		490				490	2,882
Net assets released from restrictions	1,122,851	567,534				1,690,385	2,037,849
Total net asset reclassifications and releases from restrictions	1,122,851	568,024				1,690,875	2,040,731
<b>Total Public Support and Revenue</b>	<b>5,710,690</b>	<b>5,464,284</b>	<b>591,196</b>	<b>1,520,621</b>	<b>(1,282,194)</b>	<b>12,004,597</b>	<b>11,873,625</b>

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, 2014 and 2013**

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>	<i>JTNews</i>	<i>Supporting Foundations</i>	<i>Consolidating Entries</i>	<i>2014 Total</i>	<i>2013 Total</i>
<b>Allocations, Programs and Expenses:</b>							
Allocations to partner organizations-							
Annual campaign allocations	2,376,999				(1,264)	2,375,735	2,766,729
Endowment allocations		2,191,377			(716,992)	1,474,385	1,768,630
Supporting foundation allocations				952,460	(115,000)	837,460	273,661
Total allocations to partner organizations	2,376,999	2,191,377		952,460	(833,256)	4,687,580	4,809,020
Programs and expenses-							
Community programs	1,692,300	418,079			(336,199)	1,774,180	1,589,342
Fundraising	693,237					693,237	925,111
Management and general	788,180			88,122	(97,739)	778,563	825,354
JTNews			604,952		(15,000)	589,952	576,380
Total programs and expenses	3,173,717	418,079	604,952	88,122	(448,938)	3,835,932	3,916,187
<b>Total Allocations, Programs and Expenses</b>	<b>5,550,716</b>	<b>2,609,456</b>	<b>604,952</b>	<b>1,040,582</b>	<b>(1,282,194)</b>	<b>8,523,512</b>	<b>8,725,207</b>
<b>Change in Unrestricted Net Assets Before Transfers</b>	<b>159,974</b>	<b>2,854,828</b>	<b>(13,756)</b>	<b>480,039</b>		<b>3,481,085</b>	<b>3,148,418</b>
<b>Transfers (Note 9)</b>	<b>43,160</b>	<b>(94,233)</b>				<b>(51,073)</b>	<b>17,627</b>
<b>Change in Unrestricted Net Assets</b>	<b>203,134</b>	<b>2,760,595</b>	<b>(13,756)</b>	<b>480,039</b>		<b>3,430,012</b>	<b>3,166,045</b>

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, 2014 and 2013**

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>	<i>JTNews</i>	<i>Supporting Foundations</i>	<i>Consolidating Entries</i>	<i>2014 Total</i>	<i>2013 Total</i>
<b>Change in Unrestricted Net Assets</b>	<b>203,134</b>	<b>2,760,595</b>	<b>(13,756)</b>	<b>480,039</b>		<b>3,430,012</b>	<b>3,166,045</b>
<b>Change in Temporarily Restricted Net Assets:</b>							
Contributions	1,027,476	196,044				1,223,520	1,456,315
Investment income, net of fees of \$24,120 (2013 - \$23,967)		590,463				590,463	343,679
Net realized/unrealized gains on investments		1,400,583				1,400,583	1,087,517
Change in value of split-interest agreements, net of payments to beneficiaries		(101,459)				(101,459)	(166,851)
Transfers (Note 9)	51,073					51,073	(17,627)
Reclass to cover endowments with deficiencies		(490)				(490)	(2,882)
Net assets released from restrictions	(1,122,851)	(567,534)				(1,690,385)	(2,037,849)
<b>Change in Temporarily Restricted Net Assets</b>	<b>(44,302)</b>	<b>1,517,607</b>				<b>1,473,305</b>	<b>662,302</b>
<b>Change in Net Assets</b>	<b>158,832</b>	<b>4,278,202</b>	<b>(13,756)</b>	<b>480,039</b>		<b>4,903,317</b>	<b>3,828,347</b>
<b>Net Assets, Beginning of Year:</b>							
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
<b>Total Net Assets, Beginning of Year</b>	<b>6,395,745</b>	<b>40,376,571</b>	<b>(37,060)</b>	<b>6,487,869</b>		<b>53,223,125</b>	<b>49,394,778</b>
<b>Net Assets, End of Year:</b>							
Unrestricted	6,054,648	26,054,361	(50,816)	6,967,908		39,026,101	35,596,089
Temporarily restricted	499,929	18,277,877				18,777,806	17,304,501
Permanently restricted		322,535				322,535	322,535
<b>Total Net Assets, End of Year</b>	<b>\$ 6,554,577</b>	<b>\$ 44,654,773</b>	<b>\$ (50,816)</b>	<b>\$ 6,967,908</b>	<b>\$ -</b>	<b>\$ 58,126,442</b>	<b>\$ 53,223,125</b>

See accompanying notes.

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

**Consolidated Statements of Cash Flows  
For the Years Ended June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Operating Activities:</b>		
Change in net assets	\$ 4,903,317	\$ 3,828,347
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation	138,179	141,862
Loss on disposal of equipment		4,912
Net realized/unrealized gains on investments	(5,128,125)	(3,841,765)
Cash changes in operating assets and liabilities:		
Pledges receivable	(28,463)	1,398,441
Donor Advised Funds pledges receivable	(583,592)	
Bequests receivable	(70,000)	
Other receivables	90	(206)
Prepaid expenses	45,782	(11,103)
Beneficial interest in charitable lead annuity trust	(124,242)	(121,213)
Accounts payable and accrued expenses	95,459	(43,225)
Deferred subscription revenue	5,444	(8,318)
Allocations and grants payable	159,849	(109,648)
Liabilities under split interest agreements	4,749	64,940
Funds held on behalf of community organizations	782,064	797,303
Deferred revenue	(100,000)	100,000
<b>Net Cash Provided by Operating Activities</b>	<b>100,511</b>	<b>2,200,327</b>
<b>Investing Activities:</b>		
Proceeds from sales of investments, net	3,769,494	3,834,837
Purchase of investments, net	(3,691,163)	(5,327,034)
Purchase of building and equipment	(27,210)	(43,979)
Issuance of a note receivable	(100,000)	
Payments received from notes receivable	68,187	56,258
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>19,308</b>	<b>(1,479,918)</b>
<b>Financing Activities:</b>		
Payments on capital lease payable	(11,822)	(9,348)
<b>Net Cash Used by Financing Activities</b>	<b>(11,822)</b>	<b>(9,348)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>107,997</b>	<b>711,061</b>
Cash and cash equivalents, beginning of year	2,635,786	1,924,725
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,743,783</b>	<b>\$ 2,635,786</b>
<b>Supplementary Cash Flow Information:</b>		
Donated securities	\$ 664,446	\$ 778,677

See accompanying notes.

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

***Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013***

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***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 role of the Federation is to support and stimulate innovative and impactful programs that address community needs and drive collaboration among a diverse set of stakeholders, resulting in a dynamic community offering vibrant expressions of Jewish life.

**Programs** - The Federation makes grants to partner organizations that serve four Impact Areas:

- Helping Our Local Community in Need
- Strengthening Global Jewry
- Experiencing Judaism: Birth to Grade 12
- Building Jewish Community: Post Grade 12

The 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. The Federation also makes Special Initiatives Fund grants, including:

- Ignition Grants for new, one-time or pilot projects;
- Small Agency Sustainability Grants, providing operational support for small Jewish agencies; and
- Women's Endowment Fund grants, supporting programs empowering and improving the lives of women and girls locally and in Israel.

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

- Government Relations, advocating in Olympia and Washington, DC for human services funding, capital investments and public policies benefiting the Jewish community;
- SAFE Washington, a communications network for keeping our community secure from natural and human-caused dangers;
- Education Services, fostering excellence in Jewish education through professional development;
- The PJ Library, engaging young families through Jewish children's literature and events;
- Leadership development, expanding and strengthening our community's leadership pool.

In addition, the *JTNews* (Seattle Jewish Transcript), a newspaper providing 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 and community programs for the subsequent year are shown as unrestricted net assets designated by the Board of Directors.

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

***Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013***

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***Note 1 - Continued***

**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 the 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.

*JTNews* recognizes subscription revenue over the period of the related subscriptions. Deferred subscription revenue at June 30, 2014, will be recognized in fiscal years 2015 and 2016.

**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, by which 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 \$0 and \$1,976 of federal income taxes payable related to endowment fund investments at June 30, 2014 and 2013, 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, 2014 and 2013.

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

***Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013***

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***Note 1 - Continued***

**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 with consolidating information.

**Funds Held on Behalf of Community Organizations** - Accounting principles generally accepted in the United States of America (U.S. 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.

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, event related giveaways and software. For the years ended June 30, 2014 and 2013, in-kind contributions were \$16,683 and \$35,658, 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 the endowment represented 11% of contributions for the year ended June 30, 2014. Contributions from one donor to a supporting foundation represented 22% of contributions for the year ended June 30, 2013.

**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 U.S. 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.

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

**Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013**

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**Note 1 - Continued**

**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.

**Subsequent Events** - The Federation has evaluated subsequent events through December 3, 2014, the date on which the consolidated financial statements were available to be issued.

**Note 2 - Receivables**

**Pledges, Donor Advised Funds Pledges, and Bequests Receivables** - Pledges, Donor Advised Funds pledges, and bequests receivables are as follows at June 30:

	<u>2014</u>	<u>2013</u>
Receivables to be collected in less than one year	\$ 2,815,125	\$ 2,082,624
Receivables to be collected in one to five years	98,700	97,560
Thereafter	<u>142,500</u>	<u>150,000</u>
	3,056,325	2,330,184
Less present value discount	<u>(53,935)</u>	<u>(58,618)</u>
	<u><b>\$ 3,002,390</b></u>	<u><b>\$ 2,271,566</b></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 years.

**Notes Receivable** - The Federation has a note receivable from a partner organization of \$7,371 and \$12,434 at June 30, 2014 and 2013, respectively, with an interest rate of 2.25% and a final maturity of November 2015.

A supporting foundation has 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 \$29,748 and \$78,586 at June 30, 2014 and 2013, respectively.

During 2014, the Federation received a promissory note from an employee for \$100,000, with an interest rate of 4%. The principal and interest on this note will be forgiven at an equal rate each year over a period of seven years. The balance at June 30, 2014 was \$85,714.

There are no past due balances on notes receivable at June 30, 2014. 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, 2014 and 2013.

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY  
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***Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013***

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***Note 2 - Continued***

**Other Receivables** - This balance includes advertising receivables for *JTNews*, Jewish Federations of North America, 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.

***Note 3 - Investments and Fair Value Measurements***

U.S. 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, U.S. 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  
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**Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013**

**Note 3 - Continued**

**Fair Values Measured on a Recurring Basis** - Fair values of investments measured on a recurring basis are as follows:

	<i>Fair Value Measurements as of June 30, 2014</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Equity securities-				
US large growth	\$ 902,864	\$ -	\$ -	\$ 902,864
US large cap value	12,250			12,250
US large core	3,713,981			3,713,981
US mid growth	200,803			200,803
US mid cap value	179,087			179,087
US mid core	147,799			147,799
US small growth	66,290			66,290
US small cap value	40,842			40,842
US small core	51,051			51,051
International	685,022			685,022
Emerging markets	545,956			545,956
Other	32,031			32,031
Total equity securities	6,577,976			6,577,976
Mutual funds-				
Equity	21,045,969			21,045,969
Fixed income	12,754,163			12,754,163
US large value	425,630			425,630
International bond	1,845,133			1,845,133
International equity	8,818,159			8,818,159
Total mutual funds	44,889,054			44,889,054
Debt securities-				
Municipal bonds		144,113		144,113
Mortgage-backed		69,094		69,094
Total debt securities		213,207		213,207
<b>Total Investments at Fair Value</b>	<b>\$ 51,467,030</b>	<b>\$ 213,207</b>	<b>\$ -</b>	<b>\$ 51,680,237</b>



**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY  
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**Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013**

**Note 3 - Continued**

	<i>Fair Value Measurements as of June 30, 2013</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities-				
US large growth	\$ 825,549	\$ -	\$ -	\$ 825,549
US large cap 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 cap 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
	<hr/>			<hr/>
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
	<hr/>			<hr/>
Total mutual funds	38,739,118			38,739,118
Debt securities-				
Municipal bonds		123,504		123,504
Mortgage-backed		108,945		108,945
	<hr/>	<hr/>		<hr/>
Total debt securities		232,449		232,449
	<hr/>	<hr/>		<hr/>
<b>Total Investments at Fair Value</b>	<b><u>\$ 44,560,894</u></b>	<b><u>\$ 232,449</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 44,793,343</u></b>

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY  
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**Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013**

**Note 3 - Continued**

Total investments at June 30:

	<u>2014</u>	<u>2013</u>
Investments at fair value	\$ 51,680,237	\$ 44,793,343
Investments in S-Corporation and life insurance policies valued using lower of cost or fair value	15,048	1,577,941
Cash, cash equivalents and CDs	<u>2,461,360</u>	<u>2,735,567</u>
<b>Total Investments</b>	<b><u>\$ 54,156,645</u></b>	<b><u>\$ 49,106,851</u></b>

**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>2014</u>	<u>2013</u>
<b>Jewish Federation:</b>		
Building Jewish Community	\$ 275,500	\$ 293,438
Experiencing Judaism	488,200	555,000
Helping our Local Community in Need	412,000	384,460
Jewish Federations of North America	97,500	879,100
Strengthening Global Jewry	<u>767,887</u>	<u>80,962</u>
	2,041,087	2,192,960
<b>Endowment Fund:</b>		
Building Jewish Community	5,930	
Experiencing Judaism	16,000	
Helping our Local Community in Need	11,100	1,500
Small Agency Sustainability		28,000
Strengthening Global Jewry	5,750	4,000
Sustaining Our Community	<u>19,000</u>	
	57,780	33,500
<b>Supporting Foundations:</b>		
Building Jewish Community	174,279	
Experiencing Judaism	33,750	
Helping our Local Community in Need	<u>152,250</u>	<u>72,837</u>
	<u>360,279</u>	<u>72,837</u>
<b>Total Allocations and Grants Payable</b>	<b><u>\$ 2,459,146</u></b>	<b><u>\$ 2,299,297</u></b>

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

***Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013***

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***Note 4 - Continued***

Unpaid allocations are as follows at June 30, 2014:

Allocations payable in less than one year	\$ 2,339,867
Allocations payable in one to five years	<u>120,000</u>
	2,459,867
Less present value discount at .5% - 3%	<u>(721)</u>
	<u><u>\$ 2,459,146</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 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 with consolidating information, and is included as a component of temporarily restricted net assets.

**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, 2014 and 2013, was \$1,603,607 and \$1,457,642, respectively, with an estimated annuity liability of \$1,295,563 and \$1,238,147, 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 with 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, 2014 and 2013, were \$254,501 and \$296,009, respectively, with estimated liabilities of \$147,015 and \$199,682, respectively.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY  
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**Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013**

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**Note 6 - Funds Held on Behalf of Community Organizations**

Funds held on behalf of community organizations at June 30:

	<u>2014</u>	<u>2013</u>
Jewish Day School	\$ 2,225,906	\$ 1,921,255
Hillel Foundation for Jewish Life at the U.W.	1,814,913	1,425,579
Congregation Ezra Bessaroth	178,929	160,648
Congregation Beth Shalom	177,612	122,625
Washington State Jewish Historical Society	69,555	60,050
Charitable gift annuities	15,711	10,405
	<u><b>\$ 4,482,626</b></u>	<u><b>\$ 3,700,562</b></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 \$39,554 and \$30,060 at June 30, 2014 and 2013, respectively.

At June 30, 2014, future minimum rental payments under the noncancelable capital lease were as follows:

For the Year Ending June 30, 2015	\$ 13,574
Less amount representing interest	<u>(1,365)</u>
	<u><b>\$ 12,209</b></u>

**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. 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. There were no contributions to either the 401(k) or 403(b) plans during the years ended June 30, 2014 and 2013.

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY  
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**Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013**

**Note 9 - Net Assets**

Unrestricted net assets consisted of the following at June 30:

	<u>2014</u>	<u>2013</u>
Undesignated-		
Federation	\$ 1,045,281	\$ 845,252
Investment in fixed assets - Federation	<u>2,030,063</u>	<u>2,144,796</u>
Total undesignated Jewish Federation fund net assets	3,075,344	2,990,048
Endowment community fund	1,813,097	1,620,626
<i>JTNews</i>	(67,502)	(40,860)
Investment in fixed assets - <i>JTNews</i>	16,686	3,800
Supporting foundations <sup>(a)</sup>	<u>6,967,908</u>	<u>6,487,869</u>
Total undesignated net assets	11,805,533	11,061,483
Designated by Board of Directors-		
Designation for subsequent year:		
Internal operations	2,031,220	2,045,175
Community programs	566,612	565,059
Other Federation board designations	<u>381,472</u>	<u>251,232</u>
Total designated Jewish Federation fund net assets	2,979,304	2,861,466
Milk & Honey program	262,652	232,237
Board designated endowments	4,977,937	4,378,290
PACE / LOJE funds	1,167,327	1,038,125
Emergency capital needs fund	<u>443,589</u>	<u>427,639</u>
Total designated by Board of Directors net assets	9,830,809	8,937,757
Memorial and other funds	2,802,742	2,402,364
Donor Advised Funds <sup>(b)</sup>	<u>14,587,017</u>	<u>13,194,485</u>
<b>Total Unrestricted Net Assets</b>	<b><u><u>\$ 39,026,101</u></u></b>	<b><u><u>\$ 35,596,089</u></u></b>

**JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY  
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**Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013**

**Note 9 - Continued**

Restricted net assets consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Temporarily restricted-		
Federation donor funds restricted for a particular purpose	\$ 499,929	\$ 544,231
Endowment donor funds restricted for a particular purpose	12,784,098	11,485,135
Endowment charitable lead annuity trust restricted due to timing of receipt	5,093,960	4,969,718
Endowment charitable gift annuities and charitable remainder trusts	<u>399,819</u>	<u>305,417</u>
Total temporarily restricted net assets	18,777,806	17,304,501
Permanently restricted-		
Endowment funds restricted by donors <sup>(c)</sup>	<u>322,535</u>	<u>322,535</u>
<b>Total Restricted Net Assets</b>	<b><u>\$ 19,100,341</u></b>	<b><u>\$ 17,627,036</u></b>

- (a) Supporting Foundations 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. Donors can also provide a list of grants that will be made upon their death.
- (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.

Net asset transfers for the year ended June 30, 2014, were as follows:

	<u>Jewish Federation Funds</u>	<u>Endowment Fund</u>
Transfer of reimbursed operations costs to Federation Fund	\$ 94,233	\$ (94,233)
	<b><u>\$ 94,233</u></b>	<b><u>\$ (94,233)</u></b>

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

***Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013***

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

***Note 11 - Permanently Restricted Endowments***

The Federation's permanently restricted endowments consist of donor-restricted funds established for a variety of purposes. As required by U.S. 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  
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**Notes to Consolidated Financial Statements  
For the Years Ended June 30, 2014 and 2013**

**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, 2012	\$ (3,372)	\$ 45,309	\$ 322,535	\$ 364,472
Endowment investment return- Interest and dividends		9,292		9,292
Realized and unrealized gains		25,341		25,341
Total endowment investment return		34,633		34,633
Transfers for funds with deficiencies in current year	2,882	(2,882)		
Appropriation of endowment for expenditure		(10,405)		(10,405)
<b>Endowment Net Assets, June 30, 2013</b>	<b>(490)</b>	<b>66,655</b>	<b>322,535</b>	<b>388,700</b>
Endowment investment return- Interest and dividends		15,515		15,515
Realized and unrealized gains		31,959		31,959
Total endowment investment return		47,474		47,474
Transfers for funds with deficiencies in prior years	490	(490)		
Appropriation of endowment for expenditure		(22,638)		(22,638)
<b>Endowment Net Assets, June 30, 2014</b>	<b>\$ -</b>	<b>\$ 91,001</b>	<b>\$ 322,535</b>	<b>\$ 413,536</b>

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 U.S. GAAP, deficiencies of this nature are reported in unrestricted net assets. At June 30, 2014, there were no deficiencies. At June 30, 2013, total deficiencies were \$490. 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, 2014 and 2013***

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***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 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 follow the Federation's spending policy. During 2012, the Federation reviewed its spending policy and reduced the amount taken to 4.75% of the rolling sixteen quarter average in fiscal year 2014 and 4.50% starting in fiscal year 2015. For funds that have been in existence for fewer than sixteen quarters, the percentage is applied to all quarters that the fund has been in existence. In choosing these percentages, the Federation considered the long-term expected return on its endowment. 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 - Subsequent Events***

The Federation entered into a real estate purchase and sales agreement for its land and building with a third party on July 17, 2014, and the sale closed on October 22, 2014. Under terms of the sales agreement, the Federation will lease-back its current facilities free-of-charge for a period of no less than one year.

***SUPPLEMENTARY INFORMATION***

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

***Schedule of Functional Expenses  
For the Year Ended June 30, 2014 (With Comparative Totals for 2013)***

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, 2014:

	<i>Community Programs*</i>	<i>Fundraising</i>	<i>Management and General</i>	<i>JTNews</i>	<i>2014 Total</i>	<i>2013 Total</i>
Salaries and benefits	\$ 1,033,700	\$ 377,392	\$ 582,896	\$ 365,592	\$ 2,359,580	\$ 2,518,081
Endowment administration fees	424,817				424,817	392,195
Events/meetings/conferences	94,530	159,289	9,736	2,601	266,156	243,918
Professional services	150,037	9,050	81,570	12,599	253,256	206,246
Postage and printing	12,472	28,299	12,324	86,190	139,285	152,478
Depreciation	78,163	36,386	20,214	3,416	138,179	141,862
Taxes and licenses	85,906	5,310	3,115	4,179	98,510	88,909
Occupancy	51,580	14,934	8,297	15,000	89,811	116,168
Dues and subscriptions	70,869	1,282	846	525	73,522	53,680
Commissions				51,412	51,412	50,078
Office and telephone	12,719	8,000	17,098	11,626	49,443	56,868
Advertising/PR/marketing	9,598	18,327	16,126		44,051	40,850
Miscellaneous	32,599	3,694	1,377	6,017	43,687	48,693
Computer and technology	26,950	6,282	5,330	4,274	42,836	52,666
Insurance	14,975	6,971	13,415	4,392	39,753	33,491
Editorial content				33,579	33,579	31,938
Professional development/travel	10,863	6,263	11,512		28,638	28,102
In-kind	601	11,758	4,324		16,683	14,018
Sales				2,447	2,447	4,152
Bad debt - JTNews only				1,103	1,103	
Loss on disposal of fixed assets						4,912
	<b><u>\$ 2,110,379</u></b>	<b><u>\$ 693,237</u></b>	<b><u>\$ 788,180</u></b>	<b><u>\$ 604,952</u></b>	<b><u>\$ 4,196,748</u></b>	<b><u>\$ 4,279,305</u></b>

\* The community programs include Jewish Education Services, PJ Library, Teen Philanthropy, Government Relations and Public Affairs, the Seattle Jewish Community Endowment Fund (Endowment Fund), and Young Adults.

See independent auditor's report.

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY  
AND SUPPORTING FOUNDATIONS  
Consolidating Statement of Financial Position  
June 30, 2014  
(With Comparative Totals for 2013)***

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>	<i>Jitneys</i>	<i>Supporting Foundations</i>	<i>2014 Total</i>	<i>2013 Total</i>
<b>Assets</b>						
Cash and cash equivalents	\$ 2,740,586	\$ -	\$ 3,197	\$ -	\$ 2,743,783	\$ 2,635,786
<b>Receivables:</b>						
Pledges	2,348,798				2,348,798	2,271,566
Donor Advised Funds pledges		583,592			583,592	
Bequests		70,000			70,000	
Notes	85,714	7,371		29,748	122,833	91,020
Other	8,648	42,950	48,482		100,080	100,170
	<u>2,443,160</u>	<u>703,913</u>	<u>48,482</u>	<u>29,748</u>	<u>3,225,303</u>	<u>2,462,756</u>
Less allowance for doubtful accounts	<u>(358,543)</u>		<u>(9,066)</u>		<u>(367,609)</u>	<u>(318,840)</u>
<b>Total Receivables</b>	<b>2,084,617</b>	<b>703,913</b>	<b>39,416</b>	<b>29,748</b>	<b>2,857,694</b>	<b>2,143,916</b>
Prepaid expenses	40,855		2,975		43,830	89,612
Investments	1,992,353	44,865,853		7,298,439	54,156,645	49,106,851
Beneficial interest in charitable lead annuity trust		5,093,960			5,093,960	4,969,718
<b>Land, Building and Equipment:</b>						
Land	128,000				128,000	128,000
Building	2,807,393				2,807,393	2,807,393
Equipment	467,165		29,015		496,180	479,714
Donated artwork (no depreciable)	201,170				201,170	201,170
	<u>3,603,728</u>		<u>29,015</u>		<u>3,632,743</u>	<u>3,616,277</u>
Less accumulated depreciation	<u>(1,558,755)</u>		<u>(12,329)</u>		<u>(1,571,084)</u>	<u>(1,443,649)</u>
<b>Total Land, Building and Equipment</b>	<b>2,044,973</b>		<b>16,686</b>		<b>2,061,659</b>	<b>2,172,628</b>
<b>Total Assets</b>	<b>\$ 8,903,384</b>	<b>\$ 50,663,726</b>	<b>\$ 62,274</b>	<b>\$ 7,328,187</b>	<b>\$ 66,957,571</b>	<b>\$ 61,118,511</b>

See independent auditor's report.

***JEWISH FEDERATION OF GREATER SEATTLE, SUBSIDIARY  
AND SUPPORTING FOUNDATIONS  
Consolidating Statement of Financial Position  
June 30, 2014  
(With Comparative Totals for 2013)***

	<i>Jewish Federation Funds</i>	<i>Endowment Fund</i>	<i>JTNews</i>	<i>Supporting Foundations</i>	<i>2014 Total</i>	<i>2013 Total</i>
<b><i>Liabilities And Net Assets</i></b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ 317,881	\$ 23,679	\$ 30,461	\$ -	\$ 372,021	\$ 276,562
Deferred subscription revenue			62,549		62,549	57,105
Allocations and grants payable	2,041,087	57,780		360,279	2,459,146	2,299,297
Liabilities under split interest agreements		1,442,578			1,442,578	1,437,829
Funds held on behalf of community organizations		4,482,626			4,482,626	3,700,562
Deferred revenue						100,000
Capital lease payable	12,209				12,209	24,031
Interfund balances	(22,370)	2,290	20,080			
<b>Total Liabilities</b>	<b>2,348,807</b>	<b>6,008,953</b>	<b>113,090</b>	<b>360,279</b>	<b>8,831,129</b>	<b>7,895,386</b>
<b>Net Assets:</b>						
Unrestricted-						
Undesignated	3,075,344	1,813,097	(50,816)	6,967,908	11,805,533	11,061,483
Designated by Board of Directors	2,979,304	6,851,505			9,830,809	8,937,757
Memorial and other funds		2,802,742			2,802,742	2,402,364
Donor Advised Funds		14,587,017			14,587,017	13,194,485
Total unrestricted	6,054,648	26,054,361	(50,816)	6,967,908	39,026,101	35,596,089
Restricted-						
Temporarily restricted	499,929	18,277,877			18,777,806	17,304,501
Permanently restricted		322,535			322,535	322,535
Total restricted	499,929	18,600,412			19,100,341	17,627,036
<b>Total Net Assets</b>	<b>6,554,577</b>	<b>44,654,773</b>	<b>(50,816)</b>	<b>6,967,908</b>	<b>58,126,442</b>	<b>53,223,125</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 8,903,384</b>	<b>\$ 50,663,726</b>	<b>\$ 62,274</b>	<b>\$ 7,328,187</b>	<b>\$ 66,957,571</b>	<b>\$ 61,118,511</b>

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