
***JEWISH FEDERATION
OF GREATER KANSAS CITY
FINANCIAL STATEMENTS
SEPTEMBER 30, 2014***

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Independent Auditors' Report

Board of Directors
Jewish Federation of Greater
Kansas City
Overland Park, Kansas

Report On The Financial Statements

We have audited the accompanying financial statements of the Jewish Federation of Greater Kansas City, which comprise the statement of financial position as of September 30, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses 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 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 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 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 financial statements.

Board of Directors
Jewish Federation of
Greater Kansas City

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 financial statements referred to above present fairly, in all material respects, the financial position of the Jewish Federation of Greater Kansas City, as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

RubinBrown LLP

February 5, 2015

JEWISH FEDERATION OF GREATER KANSAS CITY

STATEMENT OF FINANCIAL POSITION

Assets

	September 30,	
	2014	2013
Current Assets		
Cash	\$ 1,204,992	\$ 769,090
Promises to give, net of allowance	1,410,910	1,361,168
Accounts and notes receivable, net of allowance of \$20,417 in 2014 and \$4,824 in 2013	114,266	102,293
Other receivables	124,042	—
Prepaid expenses and other assets	106,078	76,123
Total Current Assets	2,960,288	2,308,674
Property And Equipment, Net	34,000	44,608
Other Assets		
Investments	20,594,689	19,723,948
Accounts and notes receivable, less current portion	51,352	59,690
Total Other Assets	20,646,041	19,783,638
Total Assets	\$ 23,640,329	\$ 22,136,920

Liabilities And Net Assets

Current Liabilities		
Agency allocations	\$ 1,725,636	\$ 1,859,332
Accounts payable	225,709	167,878
Deferred revenue	34,286	33,246
Total Current Liabilities	1,985,631	2,060,456
Net Assets		
Unrestricted:		
Undesignated	74,870	(258,439)
Board-designated	2,073,731	1,614,645
	2,148,601	1,356,206
Temporarily restricted	4,909,222	4,534,399
Permanently restricted	14,596,875	14,185,859
Total Net Assets	21,654,698	20,076,464
Total Liabilities And Net Assets	\$ 23,640,329	\$ 22,136,920

JEWISH FEDERATION OF GREATER KANSAS CITY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For The Year Ended September 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains And Other Support				
Annual campaign	\$ 4,672,652	\$ —	\$ —	\$ 4,672,652
Special events	375,991	—	—	375,991
Contributions	703,384	245,061	305,858	1,254,303
Grants	262,732	226,999	—	489,731
Program service fees	133,237	—	—	133,237
Administrative fee revenue	186,061	—	—	186,061
Investment income	784,525	242,412	105,158	1,132,095
Net assets released from program restrictions	339,649	(339,649)	—	—
Total Revenues, Gains And Other Support	7,458,231	374,823	411,016	8,244,070
Expenses				
Grants and allocations:				
To agencies by the Jewish Federation Board:				
Jewish Federations of North America	1,467,079	—	—	1,467,079
Local Jewish organizations	1,607,534	—	—	1,607,534
National Jewish organizations	52,386	—	—	52,386
Other grants and allocations	691,893	—	—	691,893
Total grants and allocations	3,818,892	—	—	3,818,892
Program services:				
Adult education	298,809	—	—	298,809
Community relations	474,082	—	—	474,082
Leadership development and community programs	912,619	—	—	912,619
Total program services	1,685,510	—	—	1,685,510
Supporting services:				
Management and general	561,965	—	—	561,965
Fundraising	599,469	—	—	599,469
Total supporting services	1,161,434	—	—	1,161,434
Total program and supporting services	2,846,944	—	—	2,846,944
Total Expenses	6,665,836	—	—	6,665,836
Change In Net Assets	792,395	374,823	411,016	1,578,234
Net Assets - Beginning Of Year	1,356,206	4,534,399	14,185,859	20,076,464
Net Assets - End Of Year	\$ 2,148,601	\$ 4,909,222	\$ 14,596,875	\$ 21,654,698

JEWISH FEDERATION OF GREATER KANSAS CITY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For The Year Ended September 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains And Other Support				
Annual campaign	\$ 3,689,021	\$ —	\$ —	\$ 3,689,021
Special events	363,485	—	—	363,485
Contributions	293,076	201,129	105,000	599,205
Grants	268,843	197,656	—	466,499
Program service fees	101,177	—	—	101,177
Administrative fee revenue	172,831	—	—	172,831
Investment income	741,983	348,334	652,537	1,742,854
Net assets released from program restrictions	468,025	(468,025)	—	—
Total Revenues, Gains And Other Support	6,098,441	279,094	757,537	7,135,072
Expenses				
Grants and allocations:				
To agencies by the Jewish Federation Board:				
Jewish Federations of North America	1,521,738	—	—	1,521,738
Local Jewish organizations	1,609,213	—	—	1,609,213
National Jewish organizations	51,253	—	—	51,253
Other grants and allocations	625,643	—	—	625,643
Total grants and allocations	3,807,847	—	—	3,807,847
Program services:				
Adult education	389,317	—	—	389,317
Community relations	465,778	—	—	465,778
Leadership development and community programs	728,352	—	—	728,352
Total program services	1,583,447	—	—	1,583,447
Supporting services:				
Management and general	518,903	—	—	518,903
Fundraising	659,661	—	—	659,661
Total supporting services	1,178,564	—	—	1,178,564
Total program and supporting services	2,762,011	—	—	2,762,011
Total Expenses	6,569,858	—	—	6,569,858
Change In Net Assets	(471,417)	279,094	757,537	565,214
Reclassification Of Prior Year Balances	60,718	(240,794)	180,076	—
Net Assets - Beginning Of Year	1,766,905	4,496,099	13,248,246	19,511,250
Net Assets - End Of Year	\$ 1,356,206	\$ 4,534,399	\$ 14,185,859	\$ 20,076,464

JEWISH FEDERATION OF GREATER KANSAS CITY

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended September 30, 2014

	CAJE Adult Education	JCRB/AJC Community Relations	Leadership Development And Community Programs	Total Program Expenses	Management And General	Fundraising	Total Expenses
Salaries and wages	\$ 170,619	\$ 211,232	\$ 409,669	\$ 791,520	\$ 328,717	\$ 354,175	\$ 1,474,412
Employee benefits and taxes	24,346	40,916	73,186	138,448	73,337	62,121	273,906
Total salaries and related expenses	194,965	252,148	482,855	929,968	402,054	416,296	1,748,318
Depreciation	2,458	1,229	3,687	7,374	11,063	6,145	24,582
Dues and subscriptions	24,178	2,891	1,483	28,552	656	2,399	31,607
Occupancy expenses and insurance	12,176	23,981	45,790	81,947	30,032	31,378	143,357
Maintenance and technology expense	3,651	7,005	2,249	12,905	57,171	1,939	72,015
Meetings	9,786	151,395	59,450	220,631	7,428	48,454	276,513
Miscellaneous	18	3,683	15,004	18,705	923	8,757	28,385
Missions	42,692	—	167,193	209,885	791	22,672	233,348
Postage and deliveries	878	7,535	2,518	10,931	1,608	6,623	19,162
Printing and marketing	38	7,108	8,000	15,146	82	5,724	20,952
Professional fees	2,015	2,332	84,894	89,241	33,571	24,176	146,988
Supplies	3,391	7,636	17,525	28,552	1,945	10,609	41,106
Telephone	2,013	2,728	6,484	11,225	3,715	4,563	19,503
Training and conferences	550	4,411	15,487	20,448	10,926	9,734	41,108
	103,844	221,934	429,764	755,542	159,911	183,173	1,098,626
Total Expenses	\$ 298,809	\$ 474,082	\$ 912,619	\$ 1,685,510	\$ 561,965	\$ 599,469	\$ 2,846,944

See the accompanying notes to financial statements.

JEWISH FEDERATION OF GREATER KANSAS CITY

STATEMENT OF FUNCTIONAL EXPENSES For The Year Ended September 30, 2013

	CAJE Adult Education	JCRB/AJC Community Relations	Leadership Development And Community Programs	Total Program Expenses	Management And General	Fundraising	Total Expenses
Salaries and wages	\$ 202,510	\$ 212,369	\$ 362,904	\$ 777,783	\$ 299,978	\$ 399,907	\$ 1,477,668
Employee benefits and taxes	26,970	39,857	72,290	139,117	71,774	70,926	281,817
Total salaries and related expenses	229,480	252,226	435,194	916,900	371,752	470,833	1,759,485
Depreciation	2,877	1,438	4,316	8,631	12,947	7,192	28,770
Dues and subscriptions	25,888	2,237	2,218	30,343	539	2,017	32,899
Occupancy expenses and insurance	16,705	25,816	46,136	88,657	31,491	33,554	153,702
Maintenance and technology expense	6,483	4,744	8,151	19,378	49,748	785	69,911
Meetings	23,168	142,911	51,965	218,044	3,820	44,468	266,332
Miscellaneous	36	2,417	1,867	4,320	623	1,840	6,783
Missions	57,554	—	33,521	91,075	1,142	14,977	107,194
Postage and deliveries	1,257	7,820	4,428	13,505	1,442	7,474	22,421
Printing and marketing	565	11,532	6,420	18,517	419	6,668	25,604
Professional fees	13,440	2,291	105,988	121,719	33,830	53,583	209,132
Supplies	8,323	7,666	16,354	32,343	3,252	8,514	44,109
Telephone	2,112	2,896	4,936	9,944	4,449	3,752	18,145
Training and conferences	1,429	1,784	6,858	10,071	3,449	4,004	17,524
	159,837	213,552	293,158	666,547	147,151	188,828	1,002,526
Total Expenses	\$ 389,317	\$ 465,778	\$ 728,352	\$ 1,583,447	\$ 518,903	\$ 659,661	\$ 2,762,011

See the accompanying notes to financial statements.

JEWISH FEDERATION OF GREATER KANSAS CITY

STATEMENT OF CASH FLOWS

	September 30,	
	2014	2013
Cash Flows From Operating Activities		
Increase in net assets	\$ 1,578,234	\$ 565,214
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation	24,582	28,770
Net unrealized and realized gains on investment transactions	(229,102)	(338,721)
Beneficial interest in future earnings of perpetual trust	(105,158)	(652,537)
Distributions from beneficial interest in perpetual trust	(725,601)	(671,887)
Contributions restricted for long-term endowment	(305,858)	(105,000)
Changes in assets and liabilities		
Increase in accounts and notes receivable	(3,635)	(56,045)
Increase in other receivables	(124,042)	—
Decrease (increase) in promises to give	(49,742)	725,849
Increase in prepaid expenses and other assets	(29,955)	(9,773)
Increase in accounts payable	57,831	34
Decrease in agency allocations payable	(133,696)	(144,000)
Increase in deferred revenue	1,040	30,038
Net Cash Used In Operating Activities	(45,102)	(628,058)
Cash Flows From Investing Activities		
Purchase of property and equipment	(13,974)	(14,216)
Purchases of investments	(785,013)	(447,267)
Proceeds from sale of investments	248,532	548,272
Net Cash Provided By (Used In) Investing Activities	(550,455)	86,789
Cash Flows From Financing Activities		
Contributions restricted for long-term endowment	305,858	105,000
Distributions from beneficial interest in perpetual trust	725,601	671,887
Net Cash Provided By Financing Activities	1,031,459	776,887
Net Increase In Cash	435,902	235,618
Cash - Beginning Of Year	769,090	533,472
Cash - End Of Year	\$ 1,204,992	\$ 769,090

JEWISH FEDERATION OF GREATER KANSAS CITY

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 And 2013

1. Nature Of Organization

The Jewish Federation of Greater Kansas City (the Federation) was established in 1933 to serve as the central fund raising and planning body of the Kansas City area Jewish community. Funds are raised from the public, primarily through an annual giving campaign, and are distributed to Jewish Agencies to sustain and enhance Jewish life at home and around the world. The activities of the Jewish Community Relations Bureau/American Jewish Committee and CAJE are included herein.

2. Significant Accounting Policies

Basis of Accounting

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

Basis Of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board for Not-for-Profit Organizations by presenting assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity and financial flexibility. As a result, the Federation is required to report information regarding its financial position and activities according to the following three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Estimates And Assumptions

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements *(Continued)*

Cash

The Federation considers all bank balances as cash. Cash and cash equivalents held with investment managers are considered investments for reporting purposes. The Federation maintains cash balances at banks in excess of federally insured limits at various times during the year. The Federation has not experienced any losses in such accounts.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment return includes dividends, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value and realized gains and losses on other investments.

Investment return that is restricted by donor stipulation and for which the restrictions will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

The Jewish Community Foundation of Greater Kansas City (the Foundation) maintains pooled investments for the Federation's endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

The Federation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements (Continued)

Accounts And Notes Receivable

Accounts receivable are stated at the amounts that management expects to collect from balances outstanding at year end. The Federation provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information, existing economic conditions and management's assessment of collectability. Delinquent receivables are written off based on credit evaluation and specific circumstances of the agency or customer.

Promises To Give

Unconditional promises to give are recognized as support in the period the promises are received. Promises to give relate to the annual campaign, are expected to be collected within one year and are recorded at their net realizable value.

The allowance for uncollectible promises to give is computed using varying rates applied to outstanding balances, based on the age of the respective promises to give, as follows:

	<u>Allowance Percentage</u>
Unpaid promises to give recorded in the current year	2%
Unpaid promises to give from prior year	50%
Unpaid promises to give from two years prior and earlier	100%

The annual provision represents the amount required to adjust the ending allowance for uncollectible pledges to the balance computed using these percentages which represent management's estimate of uncollectible accounts based on all available facts and circumstances. Differences between the actual amount of uncollectible pledges and the estimate provided by management are charged or credited to operations during the year in which such differences become known.

Conditional contributions, which depend upon specified future and uncertain events, are not included as support until such time as the conditions are substantially met.

Restricted And Unrestricted Support

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and nature of any donor restrictions.

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements (*Continued*)

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Property And Equipment

Property and equipment are recorded at cost if acquired by purchase or at the estimated fair value at the date of receipt if acquired by donation. Depreciation of property and equipment is provided over the following estimated useful lives on a straight-line basis:

Office equipment	3 to 10 years
Furniture and fixtures	5 to 10 years
Vehicles	5 years

Grants And Allocations

The Federation awards grants and allocations annually to Jewish organizations locally, nationally and throughout the world. Grants and allocations are primarily funded by the annual giving campaign and are expensed during the year in which they are approved by the Board of Directors.

Revenue Recognition

The Federation recognizes campaign, special event and other contribution revenue in the year in which it is promised by donors or the year in which a special event occurs. Administrative fee revenues are recognized in the year in which services were provided to other agencies. Program fee revenues are recognized over the period of the underlying programs and are primarily short-term in nature.

Income Taxes

The Federation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) as a not-for-profit organization.

The Federation's federal tax returns for tax years 2010 and later remain subject to examination by taxing authorities.

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements *(Continued)*

Functional Expenses

Expenses have been classified by specific functions where ascertainable. Those expenses which cannot be specifically identified by function type have been allocated to functions based upon management's best estimate of usage.

Subsequent Events

Subsequent events have been evaluated through February 5, 2015, which is the date the financial statements were available to be issued.

3. Promises To Give

Promises to give by campaign year are as follows as of September 30:

	<u>2014</u>	<u>2013</u>
Campaign year:		
2015	\$ 13,200	\$ —
2014	1,360,206	33,848
2013	153,758	1,276,477
2012 and prior	177,556	304,124
	<u>1,704,720</u>	<u>1,614,449</u>
Less: Allowance for doubtful promises to give	<u>(293,810)</u>	<u>(253,281)</u>
	<u>\$ 1,410,910</u>	<u>\$ 1,361,168</u>

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements *(Continued)***4. Investments**

Investment securities and unrealized appreciation (depreciation) are as follows at September 30:

	2014		
	Cost	Fair Value	Unrealized Appreciation
Money market funds	\$ 10,621	\$ 10,621	\$ —
Mutual funds - fixed income	144,062	144,756	694
Mutual funds - equities	308,782	369,605	60,823
Israel bonds	100,000	100,000	—
Pooled investments:			
Investments held in custody	2,899,445	3,177,032	277,587
Beneficial interest in assets	15,125,682	16,792,675	1,666,993
	<u>\$ 18,588,592</u>	<u>\$ 20,594,689</u>	<u>\$ 2,006,097</u>

	2013		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market funds	\$ 12,916	\$ 12,916	\$ —
Mutual funds - fixed income	145,027	143,887	(1,140)
Mutual funds - equities	304,466	357,477	53,011
Israel bonds	100,000	100,000	—
Pooled investments:			
Investments held in custody	2,648,857	2,955,143	306,286
Beneficial interest in assets	14,459,519	16,154,525	1,695,006
	<u>\$ 17,670,785</u>	<u>\$ 19,723,948</u>	<u>\$ 2,053,163</u>

Pooled investments consist of holdings in certain collective investment funds maintained by the Foundation (Note 5). These collective investment funds invest in a portfolio of underlying managed funds that are facilitated by the Foundation's investment manager and consist of U.S. government securities and foreign and domestic corporate equity and debt securities.

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements (Continued)

Investment income (loss) is summarized as follows:

	2014	2013
Distributions from beneficial interest in perpetual trust	\$ 725,601	\$ 671,887
Beneficial interest in future earnings of perpetual trust	105,158	652,537
Interest and dividend income	133,112	139,759
Realized gain	276,168	253,068
Unrealized gain (loss)	(47,066)	85,653
Investment expenses	(60,878)	(60,050)
	<u>\$ 1,132,095</u>	<u>\$ 1,742,854</u>

5. Fair Value Measurements

The Federation follows an established framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Money Market Funds And Mutual Funds

Valued at the daily closing price as reported by the fund. Mutual funds and money market funds held by the Federation are open-end investment funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds and money market funds held by the Federation are deemed to be actively traded.

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements (Continued)

Bonds

Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Pooled Investments

Valued at the NAV of units of the pooled investment fund held by the Federation. The NAV, as provided by the Foundation, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments, which have observable inputs, held by the fund, less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

The classification of beneficial interest in assets held in permanent endowment funds as Level 3 measurements is based on the ownership and permanently restricted status of these endowment funds, and not based on the underlying quality or integrity of the investments that make up the balances. Classification as Level 3 results because such assets are held in perpetual trusts and the Federation does not have access to liquidate the investments and re-invest in assets of the Federation's choosing. The funds are invested in both the Common Pool and Long-Term Pool at the Foundation, and control of the investment is retained by the Foundation, in accordance with the instructions of the donor.

The following table sets forth by level, within the fair value hierarchy, the Federation's assets at fair value as of September 30, 2014:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 10,621	\$ —	\$ —	\$ 10,621
Mutual funds				
Fixed income	144,756	—	—	144,756
Equities	369,605	—	—	369,605
Israel bonds	—	100,000	—	100,000
Pooled investments				
Foundation - common pool	—	2,322,977	—	2,322,977
Foundation - long-term pool	—	854,055	—	854,055
Beneficial interest in assets reported in temporarily restricted net assets	—	2,447,300	—	2,447,300
Beneficial interest in assets reported in permanent endowment net assets	—	—	14,345,375	14,345,375
	\$ 524,982	\$ 5,724,332	\$ 14,345,375	\$ 20,594,689

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Federation's assets at fair value as of September 30, 2013:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 12,916	\$ —	\$ —	\$ 12,916
Mutual funds				
Fixed income	143,887	—	—	143,887
Equities	357,477	—	—	357,477
Israel bonds	—	100,000	—	100,000
Pooled investments				
Foundation - common pool	—	2,183,580	—	2,183,580
Foundation - long-term pool	—	771,563	—	771,563
Beneficial interest in assets reported in temporarily restricted net assets	—	2,220,166	—	2,220,166
Beneficial interest in assets reported in permanent endowment net assets	—	—	13,934,359	13,934,359
	\$ 514,280	\$ 5,275,309	\$ 13,934,359	\$ 19,723,948

Included within pooled investments are investments held at the Foundation in the Foundation's "Common Pool" and the "Long-Term Pool". The Federation's investments in either pool may typically be redeemed within one to three business days. However, the Foundation maintains the right to disburse funds according to the following policy: if the withdrawn funds are less than \$250,000, then 80% of the funds would be disbursed immediately and the remaining 20% will be disbursed once monthly allocations of earnings/losses can be made. If the withdrawn funds are more than \$250,000 then 50% of the requested funds would be disbursed immediately, and 80% of the remaining amount requested would be disbursed after 30 days. The final requested portion would be disbursed once final income and expense allocations can be made to the remaining balance.

The Foundation has a stated investment objective of seeking long-term growth while seeking to minimize principal fluctuations and meet ongoing spending policy objectives. At September 30, 2013, the target asset allocation policy for the Common Pool had been established as 40% equities and 60% fixed income, and the target asset allocation of the Long-Term Pool was 60% equities and 40% fixed income. As of September 30, 2014, the Common Pool target asset allocation policy has been changed to 41% equities and 59% fixed income and the Long-Term Pool target asset allocation policy has been changed to 72% equities and 28% fixed income.

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements (Continued)

Level 3 Measurements

The tables below present information about recurring fair value measurements of Level 3 investments:

	<u>Beneficial Interest In Assets Held In Permanent Endowment Funds</u>
Balance - October 1, 2012	\$ —
Transfers in	13,176,822
Distributions	(671,887)
Total gains for the period	1,324,424
Contributions	105,000
Balance - October 1, 2013	13,934,359
Distributions	(725,601)
Total gains for the period	830,759
Contributions	305,858
Balance - September 30, 2014	<u>\$ 14,345,375</u>

Distributions relate to annual distributions in the amount of 5% of the asset value of beneficial interest in assets in accordance with the related donor agreements.

Gains and losses included in the change in net assets for the year ended September 30, 2014 are presented in the statement of activities as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Gains and losses for the period included in investment return	\$ 725,601	\$ —	\$ 105,158	\$ 830,759

Gains and losses included in the change in net assets for the year ended September 30, 2013 are presented in the statement of activities as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Gains and losses for the period included in investment return	\$ 671,887	\$ —	\$ 652,537	\$ 1,324,424

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements (Continued)**6. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes at September 30:

	2014	2013
Annual campaign	\$ 1,698,275	\$ 1,669,737
Community development	530,684	314,637
Youth development	1,247,872	1,074,129
Support for seniors and others in need	177,779	205,476
Adult education	33,150	189,687
Community relations	1,221,462	1,079,780
Other	—	953
	<u>\$ 4,909,222</u>	<u>\$ 4,534,399</u>

7. Permanently Restricted Net Assets

As of September 30, 2014 and 2013, permanently restricted net assets of \$14,596,875 and \$14,185,859, respectively, are restricted for investment in perpetuity. The income from these net assets is to be used for the support of the annual campaign or for specific programs and may be temporarily restricted or unrestricted.

The Federation's permanently restricted net assets consist of several funds established for the support of the Federation. The Federation's policy requires the preservation of the fair value as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Federation classifies as permanently restricted net assets the original value of the gifts to the permanent endowment, the fair value of any subsequent gifts to the endowment, and any accumulation required to be made by donor stipulation. Amounts in excess of the stated value of permanently restricted funds are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Federation.

From time to time, the fair value of net assets associated with individual donor-restricted endowment funds may fall below the level the donor required the Federation to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature would be appropriated from unrestricted funds.

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements *(Continued)*

8. Net Assets Released From Restrictions

For the years ended September 30, 2014 and 2013, net assets of \$339,469 and \$468,025, respectively, were released from donor-imposed restrictions by incurring program expenses satisfying the restricted purpose specified by donors.

9. Beneficial Interest In Assets Held By Others

The Federation is the beneficiary of various funds held by the Foundation. Significantly all of these funds provide for annual distributions of income or a portion of income to the Federation for purposes determined by the Board of Directors and in accordance with its mission and by-laws. Other restrictions are for programs of the Federation. Distributions from the beneficial interest in assets held in permanent endowment funds are reported as unrestricted investment income on the statement of activities.

Following is a summary of the fair value of the Federation's beneficial interest in assets held by the Foundation, included in investments:

	2014	2013
Assets held in permanent endowment funds	\$ 14,345,375	\$ 13,934,359
Assets held in temporarily restricted funds	2,447,300	2,220,166
	<u>\$ 16,792,675</u>	<u>\$ 16,154,525</u>

10. Endowment Funds

The Federation's endowment consists of several entirely donor-restricted funds established for the support of the Federation. Assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions and are exclusive of any promises to give to the Federation's endowment funds.

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements (Continued)

The changes in endowment net assets for the year ended September 30, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance - October 1, 2013	\$ —	\$ 259,968	\$ 14,185,859	\$ 14,445,827
Investment return				
Investment income	725,601	8,692	—	734,293
Net appreciation	—	41,315	105,158	146,473
Total investment return	725,601	50,007	105,158	880,766
Contributions	—	—	305,858	305,858
Amounts appropriated for spending	(725,601)	(36,493)	—	(762,094)
Balance - September 30, 2014	\$ —	\$ 273,482	\$ 14,596,875	\$ 14,870,357

The changes in endowment net assets for the year ended September 30, 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance - October 1, 2012	\$ —	\$ 180,076	\$ 13,248,246	\$ 13,428,322
Reclassification of prior year balances	—	80,257	180,076	260,333
Investment return				
Investment income	671,887	10,672	—	682,559
Net appreciation	—	35,963	652,537	688,500
Total investment return	671,887	46,635	652,537	1,371,059
Contributions	—	—	105,000	105,000
Amounts appropriated for spending	(671,887)	(47,000)	—	(718,887)
Balance - September 30, 2013	\$ —	\$ 259,968	\$ 14,185,859	\$ 14,445,827

Endowment investments of the Federation are managed by the Foundation, who maintains investment pools for the Federation, and other agencies in the Kansas City Jewish community. The overall investment objectives of the Federation, and of the Foundation, are as described in Note 5.

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements *(Continued)*

The Federation generally distributes 5% of the fund balance of significantly all individual funds, which are transferred to the Federation for operations and the Annual Giving Campaign. Some special purpose funds allow the spending of the corpus of the fund, which the Federation may do under the policies and purposes defined by each fund. The long-term objective of the Federation is the preservation of principal, as well as long-term growth for funds, which requires prudent investment risk policies, and ongoing performance benchmarking by the Federation and the Foundation.

11. Pension And Retirement Plans

The Federation has a profit sharing plan available to all employees who meet the minimum service requirements. The Plan includes salary deferral features described in Section 401(k) of the IRC. The Federation matches employee contributions up to 3% of employees' salaries. Employer contributions to the Plan totaled \$38,644 and \$41,078 for fiscal 2014 and 2013, respectively.

12. Related Party Transactions

The Federation charges an administrative fee for the use of its equipment and for accounting services to various not-for-profit entities with common Board representation. These fees are included in administrative fee revenue in the statements of activities. Following are fees charged to those entities with common Board representation for the years ended September 30:

	2014	2013
Jewish Community Foundation of Greater Kansas City	\$ 16,693	\$ 15,495
Jewish Community Campus of Greater Kansas City	76,869	73,986
Jewish Community Center of Greater Kansas City	77,124	66,389
	<u>\$ 170,686</u>	<u>\$ 155,870</u>

The Federation pays a reimbursement of operating expenses for use of office space to the Jewish Community Campus of Greater Kansas City, Inc. (the Campus). Reimbursement of operating expense was \$117,708 and \$129,598 for 2014 and 2013, respectively.

JEWISH FEDERATION OF GREATER KANSAS CITY

Notes To Financial Statements *(Continued)*

13. Other Grants And Allocations

Other grants and allocations comprise the following for the years ended September 30:

	2014	2013
Local emergency individual support	\$ 140,172	\$ 259,171
Jewish camp scholarships	28,150	41,400
Special needs children grants	155,304	163,954
Jewish programs funded by the Kansas City Jewish community	70,220	74,783
Educational experiences in Israel	49,330	1,093
Disaster relief	248,717	85,242
	<u>\$ 691,893</u>	<u>\$ 625,643</u>



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Independent Auditors' Report On Supplementary Information

Board of Directors
Jewish Federation of Greater
Kansas City
Overland Park, Kansas

We have audited the financial statements of the Jewish Federation of Greater Kansas City as of and for the years ended September 30, 2014 and 2013, and our report thereon dated February 5, 2015 which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of net assets by fund and investment activity, which are the responsibility of management, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

RubinBrown LLP

February 5, 2015

JEWISH FEDERATION OF GREATER KANSAS CITY

SCHEDULE OF NET ASSETS BY FUND

September 30, 2014 And 2013

Page 1 Of 3

		2014	2013
Unrestricted Funds			
	Funds available for general activities, held by the Federation	\$ 74,870	\$ (258,439)
	Board designated funds held by the Federation	642,218	326,971
	Board designated funds held at the Jewish Community Foundation of Greater Kansas City		
C	CAJE Fund for Jewish Education	80,764	84,194
	Federation Reserve Fund	1,167,986	1,025,750
	Friends of the Federation Fund	8,947	12,780
J	JCRB/AJC Endowment Fund	173,816	164,950
		1,431,513	1,287,674
	Total Unrestricted Funds	2,148,601	1,356,206
Restricted Funds			
	Temporarily restricted funds		
J	Bert Berkley Advocate Fund	1,118,291	982,279 *
	Daniel L. Brenner Youth Leadership Fund	87,331	82,971 *
	LH & Betty Brickman Memorial Fund	124,472	124,132
	Maria Devinki Lion of Judah Endowment Fund	111,758	110,899 *
C	CAJE Passport to Israel Fund	586,016	592,964
	Dan Fingersh Young Leadership Award	9,517	9,021
	Pella Fingersh Israel Fund	58,998	56,701
	Dora Fox Lion of Judah Endowment Fund	113,098	86,021 *
	Bari Freiden Lion of Judah Endowment Fund	100,236	100,088 *
	A. Robert Gast Fed/PC Endowment Fund	41,776	42,059
	Frances Wang Gershon Lion of Judah Endowment Fund	104,078	103,409 *
	Gloria Polsky Gershun Lion of Judah	137,476	136,420 *
	Noreen E. Gilmore Memorial Fund	18,724	18,673
	Solomon Goldberg Memorial Fund for Jewish Education	11,346	29,882 *
C	CAJE		
J	Jewish Community Relations Bureau/American Jewish Committee		
*	These funds are owned by the Foundation and the Federation is considered to have a beneficial interest in them. All other funds are owned by the Federation.		

JEWISH FEDERATION OF GREATER KANSAS CITY

SCHEDULE OF NET ASSETS BY FUND (Continued)

September 30, 2014 And 2013

Page 2 Of 3

	2014	2013
Restricted Funds (Continued)		
Sydney Greenberg Memorial Fund of the Jewish Federation of Greater Kansas City	\$ 11,811	\$ 11,779
Rabbi Gershon Hadas Memorial Lecture Fund	13,076	12,395
Rabbi Gershon Hadas Guardian Society First Time Campers Fund	17,374	16,697
Amanda Hecht Palan Lion of Judah Endowment	2,177	986
JDC Foundation Fund	50,090	49,953 *
Jewish Federation Community PACE Fund	20,275	14,924
Jewish Loan Fund of the Jewish Federation of Greater Kansas City	33,812	32,050 *
Marvin Katz PACE Fund	11,257	11,226
Shirley and Alfred Kohlman PACE Fund	21,093	21,036
Judith U. and Martin Levy PACE Fund	10,294	10,265
Floriene Lieberman LOJE Fund	104,473	103,892 *
Myra Rosenberg Litman LOJE Fund	197,309	187,030 *
Jean and Allen Parelman PACE Fund	—	62,808 *
Beth K. Smith Lion of Judah Endowment	113,321	112,451 *
J Sidney Lawrence Fund	52,692	49,947
J Milford Loeb II Memorial Fund	3,907	3,704
C Oppenstein Brothers UMKC Judaic Studies Fund	132,926	126,001
C Sasone Children with Special Needs Fund	402,892	394,494
Patricia Werthan Uhlmann Lion of Judah Endowment Fund	26,084	25,324 *
J Kip Weiner AIDS Educational Fund	32,313	30,146
Jacob Baraban PACE Fund	24,607	24,539
Stanley H. Durwood Scholarship Fund	151,500	96,766
JCRB/AJC Rabbi Cohen Interfaith Fund	14,258	13,703 *
Richard P. Atlas & Barbara Atlas PACE Fund	20,155	—
Ann R. Jacobson Lion of Judah Endowment Fund	102,006	—
Temporarily restricted funds	4,192,819	3,887,635
Temporarily restricted funds held by the Federation	716,403	596,764
Stanley Durwood Foundation Grant receivable	—	50,000
Total temporarily restricted funds	4,909,222	4,534,399

C CAJE

J Jewish Community Relations Bureau/American Jewish Committee

* These funds are owned by the Foundation and the Federation is considered to have a beneficial interest in them. All other funds are owned by the Federation.

JEWISH FEDERATION OF GREATER KANSAS CITY

SCHEDULE OF NET ASSETS BY FUND (Continued)

September 30, 2014 And 2013

Page 3 Of 3

	2014	2013
Restricted Funds (Continued)		
Permanently restricted funds		
Joseph Cohen and Margaret Pollock Cohen Fund	\$ 12,923,127	\$ 12,819,175 *
Covenant Presbyterian Church PACE Fund	5,893	5,997 *
Danciger Fund B	137,862	137,484 *
Harry Feingold PACE Fund	168,829	168,367 *
Milton W. Feld Endowment Fund	165,617	165,164 *
Donna Gould Cohen Lion of Judah Endowment Fund	107,605	107,446 *
Sam and Lucy Gould Geshner Fund	159,108	153,105 *
Margaret and Clarence Kivett Fund	21,916	21,857 *
Babe Mallin Lion of Judah Endowment	129,433	128,806 *
Bernard A. Margolis Perpetual Fund	26,911	26,838 *
Sally & Donald Tranin PACE Fund	95,739	95,123 *
Dr. Mark J Brodkey PACE Fund	104,951	104,997 *
Allen Abend Scholarship Fund	41,032	— *
Bernard & Esther Abend Glickstein Scholarship Fund	14,742	— *
Frances O. Brown Lion of Judah Endowment Fund	97,316	— *
Rose Karbank Lion of Judah Endowment Fund	145,294	— *
Permanently restricted funds	14,345,375	13,934,359
Permanently restricted portion of Polsky Endowment Fund	251,500	251,500
Total permanently restricted funds	14,596,875	14,185,859
Total Net Assets	\$ 21,654,698	\$ 20,076,464

C CAJE

J Jewish Community Relations Bureau/American Jewish Committee

* These funds are owned by the Foundation and the Federation is considered to have a beneficial interest in them. All other funds are owned by the Federation.

JEWISH FEDERATION OF GREATER KANSAS CITY

SCHEDULE OF INVESTMENT ACTIVITY

Year Ended September 30, 2014

	Investments Held At The Foundation	Polsky Endowment Investments	Israel Bonds	Total Investments
Balance, September 30, 2013	\$ 19,109,668	\$ 514,280	\$ 100,000	\$ 19,723,948
Contributions	639,906	—	—	639,906
Investment income	1,078,070	50,007	4,018	1,132,095
Grants	(873,950)	(39,305)	—	(913,255)
Other transfers and income distribution	16,013	—	(4,018)	11,995
Balance, September 30, 2014	\$ 19,969,707	\$ 524,982	\$ 100,000	\$ 20,594,689
Investment income summary				
Distributions from beneficial interest in perpetual trust	\$ 725,601	\$ —	\$ —	\$ 725,601
Beneficial interest in future earnings of perpetual trust	105,158	—	—	105,158
Interest, dividends and other	120,402	8,692	4,018	133,112
Realized gains	242,546	33,622	—	276,168
Unrealized gains	(57,333)	10,267	—	(47,066)
Investment expenses	(58,304)	(2,574)	—	(60,878)
	\$ 1,078,070	\$ 50,007	\$ 4,018	\$ 1,132,095