
***JEWISH FEDERATION
OF GREATER KANSAS CITY
FINANCIAL STATEMENTS
SEPTEMBER 30, 2015***

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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, 2015 and 2014, 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, 2015 and 2014, 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 11, 2016

JEWISH FEDERATION OF GREATER KANSAS CITY

STATEMENT OF FINANCIAL POSITION**Assets**

	September 30,	
	2015	2014
Current Assets		
Cash	\$ 1,526,396	\$ 1,204,992
Promises to give, net of allowance	2,163,929	1,410,910
Accounts and notes receivable, net of allowance of \$24,674 in 2015 and \$20,417 in 2014	78,917	114,266
Other receivables	—	124,042
Prepaid expenses and other assets	38,335	106,078
Total Current Assets	3,807,577	2,960,288
Property And Equipment, Net	109,873	34,000
Other Assets		
Investments	19,114,262	20,594,689
Accounts and notes receivable, less current portion	42,330	51,352
Total Other Assets	19,156,592	20,646,041
Total Assets	\$ 23,074,042	\$ 23,640,329

Liabilities And Net Assets

Current Liabilities		
Agency allocations	\$ 2,196,622	\$ 1,725,636
Accounts payable	266,700	225,709
Deferred revenue	23,250	34,286
Total Current Liabilities	2,486,572	1,985,631
Net Assets		
Unrestricted:		
Undesignated	—	74,870
Board-designated	2,532,209	2,073,731
	2,532,209	2,148,601
Temporarily restricted	4,706,165	4,909,222
Permanently restricted	13,349,096	14,596,875
Total Net Assets	20,587,470	21,654,698
Total Liabilities And Net Assets	\$ 23,074,042	\$ 23,640,329

JEWISH FEDERATION OF GREATER KANSAS CITY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For The Year Ended September 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains And Other Support				
Annual campaign	\$ 5,018,638	\$ —	\$ —	\$ 5,018,638
Special events	368,085	—	—	368,085
Contributions	273,481	365,178	417,183	1,055,842
Grants	199,706	54,017	—	253,723
Program service fees	104,487	—	—	104,487
Administrative fee revenue	172,470	—	—	172,470
Investment income (loss)	631,884	(295,947)	(1,664,962)	(1,329,025)
Net assets released from program restrictions	326,305	(326,305)	—	—
Total Revenues, Gains And Other Support	7,095,056	(203,057)	(1,247,779)	5,644,220
Expenses				
Grants and allocations:				
To agencies by the Jewish Federation Board:				
Jewish Federations of North America	1,584,988	—	—	1,584,988
Local Jewish organizations	1,744,250	—	—	1,744,250
National Jewish organizations	52,386	—	—	52,386
Other grants and allocations	431,501	—	—	431,501
Total grants and allocations	3,813,125	—	—	3,813,125
Program services:				
Community relations	485,516	—	—	485,516
Leadership development and community programs	1,186,051	—	—	1,186,051
Total program services	1,671,567	—	—	1,671,567
Supporting services:				
Management and general	630,895	—	—	630,895
Fundraising	595,861	—	—	595,861
Total supporting services	1,226,756	—	—	1,226,756
Total program and supporting services	2,898,323	—	—	2,898,323
Total Expenses	6,711,448	—	—	6,711,448
Change In Net Assets	383,608	(203,057)	(1,247,779)	(1,067,228)
Net Assets - Beginning Of Year	2,148,601	4,909,222	14,596,875	21,654,698
Net Assets - End Of Year	\$ 2,532,209	\$ 4,706,165	\$ 13,349,096	\$ 20,587,470

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 FUNCTIONAL EXPENSES For The Year Ended September 30, 2015

	JCRB/AJC Community Relations	Leadership Development And Community Programs	Total Program Expenses	Management And General	Fundraising	Total Expenses
Salaries and wages	\$ 203,688	\$ 581,603	\$ 785,291	\$ 340,434	\$ 323,264	\$ 1,448,989
Employee benefits and taxes	40,754	87,639	128,393	68,560	57,960	254,913
Total salaries and related expenses	244,442	669,242	913,684	408,994	381,224	1,703,902
Depreciation	1,575	4,724	6,299	14,171	11,022	31,492
Dues and subscriptions	3,279	30,142	33,421	542	538	34,501
Occupancy expenses and insurance	23,770	64,679	88,449	41,369	39,111	168,929
Maintenance and technology expense	4,976	5,619	10,595	76,054	5,226	91,875
Meetings	164,358	60,217	224,575	9,385	49,916	283,876
Miscellaneous	4,538	15,686	20,224	2,718	2,170	25,112
Missions	—	124,710	124,710	—	12,962	137,672
Postage and deliveries	8,173	4,132	12,305	1,296	5,600	19,201
Printing and marketing	4,868	8,268	13,136	462	8,776	22,374
Professional fees	7,963	149,383	157,346	64,753	41,847	263,946
Supplies	8,089	30,901	38,990	2,228	10,787	52,005
Telephone	3,253	9,656	12,909	4,254	3,655	20,818
Training and conferences	6,232	8,692	14,924	4,669	23,027	42,620
	241,074	516,809	757,883	221,901	214,637	1,194,421
Total Expenses	\$ 485,516	\$ 1,186,051	\$ 1,671,567	\$ 630,895	\$ 595,861	\$ 2,898,323

See the accompanying notes to financial statements.

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 CASH FLOWS

	September 30,	
	2015	2014
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (1,067,228)	\$ 1,578,234
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation	31,492	24,582
Net unrealized and realized (gains) and losses on investment transactions	445,293	(229,102)
Beneficial interest in future earnings of perpetual trust	1,664,962	(105,158)
Distributions from beneficial interest in perpetual trust	(699,199)	(725,601)
Contributions restricted for long-term endowment	(417,183)	(305,858)
Changes in assets and liabilities		
Decrease (increase) in accounts and notes receivable	44,371	(3,635)
Decrease (increase) in other receivables	124,042	(124,042)
Increase in promises to give	(753,019)	(49,742)
Decrease (increase) in prepaid expenses and other assets	67,743	(29,955)
Increase in accounts payable	40,991	57,831
Increase (decrease) in agency allocations payable	470,986	(133,696)
Increase (decrease) in deferred revenue	(11,036)	1,040
Net Cash Used In Operating Activities	(57,785)	(45,102)
Cash Flows From Investing Activities		
Purchase of property and equipment	(107,365)	(13,974)
Purchases of investments	(943,463)	(785,013)
Proceeds from sale of investments	313,635	248,532
Net Cash Used In Investing Activities	(737,193)	(550,455)
Cash Flows From Financing Activities		
Contributions restricted for long-term endowment	417,183	305,858
Distributions from beneficial interest in perpetual trust	699,199	725,601
Net Cash Provided By Financing Activities	1,116,382	1,031,459
Net Increase In Cash	321,404	435,902
Cash - Beginning Of Year	1,204,992	769,090
Cash - End Of Year	\$ 1,526,396	\$ 1,204,992

JEWISH FEDERATION OF GREATER KANSAS CITY

NOTES TO FINANCIAL STATEMENTS

September 30, 2015 And 2014

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 those 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 and notes 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>Ending 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 2011 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 11, 2016, 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:

	2015	2014
Campaign year:		
2016	\$ 182,940	\$ —
2015	1,974,078	13,200
2014	204,921	1,360,206
2013 and prior	141,212	331,314
	<u>2,503,151</u>	<u>1,704,720</u>
Less: Allowance for doubtful promises to give	(339,222)	(293,810)
	<u>\$ 2,163,929</u>	<u>\$ 1,410,910</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:

	2015		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market funds	\$ 12,243	\$ 12,243	\$ —
Mutual funds - fixed income	124,701	121,602	(3,099)
Mutual funds - equities	336,660	346,532	9,872
Israel bonds	100,000	100,000	—
Pooled investments:			
Investments held in custody	3,219,910	3,161,946	(57,964)
Beneficial interest in assets	14,020,466	15,371,939	1,351,473
	<u>\$ 17,813,980</u>	<u>\$ 19,114,262</u>	<u>\$ 1,300,282</u>

	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>

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:

	2015	2014
Distributions from beneficial interest in perpetual trust	\$ 699,199	\$ 725,601
Beneficial interest in future earnings of perpetual trust	(1,664,962)	105,158
Interest and dividend income	133,783	133,112
Realized gain	260,522	276,168
Unrealized loss	(705,815)	(47,066)
Investment expenses	(51,752)	(60,878)
	<u>\$ (1,329,025)</u>	<u>\$ 1,132,095</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.

There have been no changes in the methodologies used at September 30, 2015 or 2014.

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, 2015:

	Level 1		Level 2		Level 3		Total
Money market funds	\$	12,243	\$	—	\$	—	\$ 12,243
Mutual funds							
Fixed income		121,602		—		—	121,602
Equities		346,532		—		—	346,532
Israel bonds		—		100,000		—	100,000
Pooled investments							
Foundation - common pool		—		2,250,564		—	2,250,564
Foundation - long-term pool		—		911,382		—	911,382
Beneficial interest in assets reported in temporarily restricted net assets		—		2,274,343		—	2,274,343
Beneficial interest in assets reported in permanent endowment net assets		—		—		13,097,596	13,097,596
	\$	480,377	\$	5,536,289	\$	13,097,596	\$ 19,114,262

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, 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

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, 2015 and 2014, the target asset allocation policy for the Common Pool had been established as 41% equities and 59% fixed income, and the target asset allocation of the Long-Term Pool was 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:

	Beneficial Interest In Assets Held In Permanent Endowment Funds
Balance - October 1, 2013	\$ 13,934,359
Distributions	(725,601)
Total gains for the period	830,759
Contributions	305,858
Balance - September 30, 2014	14,345,375
Distributions	(699,199)
Total losses for the period	(965,763)
Contributions	417,183
Balance - September 30, 2015	\$ 13,097,596

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, 2015 are presented in the statement of activities and changes in net assets as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Gains and losses for the period included in investment return	\$ 699,199	\$ —	\$ (1,664,962)	\$ (965,763)

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

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

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:

	2015	2014
Annual campaign	\$ 1,745,879	\$ 1,698,275
Community development	397,948	530,684
Youth development	1,266,536	1,247,872
Support for seniors and others in need	179,728	177,779
Adult education	21,804	33,150
Community relations	1,094,270	1,221,462
	<u>\$ 4,706,165</u>	<u>\$ 4,909,222</u>

7. Permanently Restricted Net Assets

As of September 30, 2015 and 2014, permanently restricted net assets of \$13,349,096 and \$14,596,875, 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, 2015 and 2014, net assets of \$326,305 and \$339,649, 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 and changes in net assets.

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

	<u>2015</u>	<u>2014</u>
Assets held in permanent endowment funds	\$ 13,097,596	\$ 14,345,375
Assets held in temporarily restricted funds	2,274,343	2,447,300
	<u>\$ 15,371,939</u>	<u>\$ 16,792,675</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, 2015 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance - October 1, 2014	\$ —	\$ 273,482	\$ 14,596,875	\$ 14,870,357
Investment return				
Investment income	699,199	6,425	—	705,624
Net depreciation	—	(21,030)	(1,664,962)	(1,685,992)
Total investment return	699,199	(14,605)	(1,664,962)	(980,368)
Contributions	—	—	417,183	417,183
Amounts appropriated for spending	(699,199)	(30,000)	—	(729,199)
Balance - September 30, 2015	\$ —	\$ 228,877	\$ 13,349,096	\$ 13,577,973

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
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

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.

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.



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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, 2015 and 2014, and our report thereon dated February 11, 2016 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 11, 2016

JEWISH FEDERATION OF GREATER KANSAS CITY

SCHEDULE OF NET ASSETS BY FUND

September 30, 2015 And 2014

Page 1 Of 3

		2015	2014
Unrestricted Funds			
	Funds available for general activities, held by the Federation	\$ —	\$ 74,870
	Board designated funds held by the Federation	1,217,052	642,218
	Board designated funds held at the Jewish Community Foundation of Greater Kansas City		
C	CAJE Fund for Jewish Education	50,372	80,764
	Federation Reserve Fund	1,094,864	1,167,986
	Friends of the Federation Fund	8,524	8,947
J	JCRB/AJC Endowment Fund	161,397	173,816
		1,315,157	1,431,513
	Total Unrestricted Funds	2,532,209	2,148,601
Restricted Funds			
	Temporarily restricted funds		
J	Bert Berkley Advocate Fund	997,589	1,118,291 *
	Daniel L. Brenner Youth Leadership Fund	79,167	87,331 *
	LH & Betty Brickman Memorial Fund	109,819	124,472
	Maria Devinki Lion of Judah Endowment Fund	98,715	111,758 *
C	CAJE Passport to Israel Fund	558,148	586,016
	Dan Fingersh Young Leadership Award	5,539	9,517
	Pella Fingersh Israel Fund	56,189	58,998
	Dora Fox Lion of Judah Endowment Fund	114,006	113,098 *
	Bari Freiden Lion of Judah Endowment Fund	88,438	100,236 *
	A. Robert Gast Fed/PC Endowment Fund	38,825	41,776
	Frances Wang Gershon Lion of Judah Endowment Fund	91,959	104,078 *
	Gloria Polsky Gershun Lion of Judah	121,431	137,476 *
	Noreen E. Gilmore Memorial Fund	16,520	18,724
	Solomon Goldberg Memorial Fund for Jewish Education	—	11,346 *
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, 2015 And 2014

Page 2 Of 3

	2015	2014
Restricted Funds (Continued)		
Sydney Greenberg Memorial Fund of the Jewish Federation of Greater Kansas City	\$ 10,420	\$ 11,811
Rabbi Gershon Hadas Memorial Lecture Fund	12,152	13,076
Rabbi Gershon Hadas Guardian Society First Time Campers Fund	16,547	17,374
Amanda Hecht Palan Lion of Judah Endowment	2,870	2,177
JDC Foundation Fund	44,193	50,090 *
Jewish Federation Community PACE Fund	20,671	20,275
Jewish Loan Fund of the Jewish Federation of Greater Kansas City	31,424	33,812 *
Marvin Katz PACE Fund	9,931	11,257
Shirley and Alfred Kohlman PACE Fund	18,610	21,093
Judith U. and Martin Levy PACE Fund	9,082	10,294
Floriene Lieberman LOJE Fund	92,376	104,473 *
Myra Rosenberg Litman LOJE Fund	183,371	197,309 *
Beth K. Smith Lion of Judah Endowment	100,096	113,321 *
J Sidney Lawrence Fund	48,970	52,692
J Milford Loeb II Memorial Fund	3,632	3,907
C Oppenstein Brothers UMKC Judaic Studies Fund	123,536	132,926
C Sasone Children with Special Needs Fund	454,842	402,892
Patricia Werthan Uhlmann Lion of Judah Endowment Fund	25,846	26,084 *
J Kip Weiner AIDS Educational Fund	30,501	32,313
Jacob Baraban PACE Fund	21,710	24,607
Stanley H. Durwood Scholarship Fund	122,414	151,500
JCRB/AJC Rabbi Cohen Interfaith Fund	13,579	14,258 *
Richard P. Atlas & Barbara Atlas PACE Fund	9,523	20,155
Ann R. Jacobson Lion of Judah Endowment Fund	89,983	102,006
Michele Kaplan Loin of Judah Endowment Fund	89,415	—
Polly and Kramer Lion of Judah Endowment Fund	363	—
William L.Lee PACE fund	147,653	—
Temporarily restricted funds	4,110,054	4,192,819
Temporarily restricted funds held by the Federation	596,111	716,403
Total temporarily restricted funds	4,706,165	4,909,222

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, 2015 And 2014

Page 3 Of 3

	2015	2014
Restricted Funds (Continued)		
Permanently restricted funds		
Joseph Cohen and Margaret Pollock Cohen Fund	\$ 11,448,750	\$ 12,923,127 *
Covenant Presbyterian Church PACE Fund	5,044	5,893 *
Danciger Fund B	121,634	137,862 *
Harry Feingold PACE Fund	148,956	168,829 *
Milton W. Feld Endowment Fund	146,121	165,617 *
Donna Gould Cohen Lion of Judah Endowment Fund	94,993	107,605 *
Sam and Lucy Gould Gesher Fund	151,390	159,108 *
Margaret and Clarence Kivett Fund	19,337	21,916 *
Babe Mallin Lion of Judah Endowment	114,355	129,433 *
Bernard A. Margolis Perpetual Fund	23,743	26,911 *
Sally & Donald Tranin PACE Fund	84,591	95,739 *
Dr. Mark J Brodkey PACE Fund	92,701	104,951 *
Allen Abend Scholarship Fund	36,515	41,032 *
Bernard & Esther Abend Glickstein Scholarship Fund	13,138	14,742 *
Frances O. Brown Lion of Judah Endowment Fund	86,334	97,316 *
Rose Karbank Lion of Judah Endowment Fund	128,390	145,294 *
Vera Isenberg PACE Fund	198,449	—
Judith Marder Wasserman Fund for Sas	183,155	—
Permanently restricted funds	13,097,596	14,345,375
Permanently restricted portion of Polsky Endowment Fund	251,500	251,500
Total permanently restricted funds	13,349,096	14,596,875
Total Net Assets	\$ 20,587,470	\$ 21,654,698

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

For The Year Ended September 30, 2015

	Investments Held At The Foundation	Polsky Endowment Investments	Israel Bonds	Total Investments
Balance, October 1, 2014	\$ 19,969,707	\$ 524,982	\$ 100,000	\$ 20,594,689
Contributions	703,136	—	—	703,136
Investment income (loss)	(1,318,051)	(14,605)	3,631	(1,329,025)
Grants	(931,081)	(30,000)	—	(961,081)
Other transfers and income distribution	110,174	—	(3,631)	106,543
Balance, September 30, 2015	\$ 18,533,885	\$ 480,377	\$ 100,000	\$ 19,114,262
Investment income summary				
Distributions from beneficial interest in perpetual trust	\$ 699,199	\$ —	\$ —	\$ 699,199
Beneficial interest in future earnings of perpetual trust	(1,664,962)	—	—	(1,664,962)
Interest, dividends and other	121,094	9,058	3,631	133,783
Realized gains	226,227	34,295	—	260,522
Unrealized losses	(650,430)	(55,385)	—	(705,815)
Investment expenses	(49,179)	(2,573)	—	(51,752)
	\$ (1,318,051)	\$ (14,605)	\$ 3,631	\$ (1,329,025)

See the accompanying independent auditors' report on supplementary information.