Jewish Federation®
OF GREATER METROWEST NJ

AND AFFILIATES

Consolidated Financial Statements

June 30, 2017 and 2016

With Independent Auditors' Report

withum

AUDIT TAX ADVISORY

Jewish Federation of Greater MetroWest NJ and Affiliates
June 30, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,
Jewish Federation of Greater MetroWest
NJ and Affiliates:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Jewish Federation of Greater MetroWest NJ and Affiliates which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Federation of Greater MetroWest NJ and Affiliates as of June 30, 2017 and 2016, 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.

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Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Withum Smith+Brown, PC

December 13, 2017

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Financial Position
June 30, 2017 and 2016

	2017	2016
Assets		
Current assets		
Cash and cash equivalents	$ 10,914,117	$ 9,006,366
Restricted cash held in Investment pool	33,944,002	18,215,839
Pledges receivable, net	13,936,004	14,729,274
Accounts receivable, net of allowance for doubtful accounts of $25,000 and $175,000 as of June 30, 2017 and 2016, respectively	1,904	63,108
Due from beneficiary agencies	372,577	370,750
Loans receivable, current portion	364,087	469,986
Agency pension loan receivable, current portion	267,783	--
Other receivables, net of allowance for doubtful accounts of $-0- and $5,366,831 as of June 30, 2017 and 2016, respectively	1,542,833	1,292,092
Notes receivable	--	966,500
Other current assets	890,080	732,254
Total current assets	62,233,387	45,846,169
Property and equipment, net	6,621,501	7,329,887
Long-term investments	346,108,242	321,510,815
Due from beneficiary agencies, net of current portion	480,810	876,893
Loans receivable, net of current portion	2,517,287	2,657,658
Agency pension loan receivable, net of current portion	9,833,370	--
Pledges receivable, net of current portion	203,152	240,562
Notes receivable, net of current portion	2,916,000	2,916,000
Cash surrender value of life insurance, net	6,563,235	6,414,452
Property and equipment held for rental, net	1,476,119	1,814,688
Property held for sale	--	79,035
	370,098,215	336,510,103
Total assets	$ 438,953,103	$ 389,686,159

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Financial Position
June 30, 2017 and 2016

	2017	2016
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 4,739,242	$ 4,222,870
Bonds payable	550,000	750,250
Grants payable	5,803,367	10,850,831
Split interest agreements payable	244,358	242,281
Post retirement health benefits	73,700	75,200
Pension loan payable	434,787	--
Pension payable	--	5,627,903
Due to beneficiary agencies	9,956	262
Deferred revenue	290,910	180,704
Capital lease payable	81,308	57,745
Total current liabilities	12,227,628	22,008,046
Long-term liabilities		
Bonds payable, net of current portion	15,015,000	15,563,950
Deferred revenue, net of current portion	1,325,657	1,338,579
Due to beneficiary agencies, net of current portion	26,164,185	26,982,046
Due to other organizations	26,757,323	23,424,924
Post retirement health benefits, net of current portion	786,278	863,638
Split interest agreements payable, net of current portion	1,055,115	1,112,894
Security deposits	160,848	144,899
Capital lease payable, net of current portion	148,433	191,445
Pension loan payable	16,886,886	--
Grants payable, net of current portion and discount	21,477,553	11,843,414
Total long term liabilities	109,777,278	81,465,789
Total liabilities	122,004,906	103,473,835
Net assets		
Unrestricted	229,981,961	209,537,171
Temporarily restricted	59,182,846	50,220,175
Permanently restricted	27,783,390	26,454,978
Total net assets	316,948,197	286,212,324
Total liabilities and net assets	$ 438,953,103	$ 389,686,159

The Notes to Consolidated Financial Statements are an integral part of these statements.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenues				
Contributions	$ 45,298,457	$ 6,590,297	$ 1,328,412	$ 53,217,166
Less donor designations	(1,067,928)	--	--	(1,067,928)
Net contributions	44,230,529	6,590,297	1,328,412	52,149,238
Valuation allowance	37,000	(35,129)	--	1,871
Bequests	6,000	--	--	6,000
Rental income	3,189,041	--	--	3,189,041
Grants and contract revenue	192,890	--	--	192,890
Program and service fees	1,450,693	--	--	1,450,693
Investment income	36,060,274	9,765,678	--	45,825,952
Administrative fee revenue	646,791	--	--	646,791
Allocation of investment gain to funds held for others	(6,185,608)	--	--	(6,185,608)
Advertising and subscription sales	292,402	--	--	292,402
Gain on sale of property	1,555,996	--	--	1,555,996
Miscellaneous income	333,912	--	--	333,912
	81,809,920	16,320,846	1,328,412	99,459,178
Net assets released due to satisfaction of purpose restrictions	7,358,175	(7,358,175)	--	--
	89,168,095	8,962,671	1,328,412	99,459,178
Expenses				
Program services	61,779,485	--	--	61,779,485
Supporting services	13,979,705	--	--	13,979,705
	75,759,190	--	--	75,759,190
Changes in net assets before adjustment for defined benefit plans	13,408,905	8,962,671	1,328,412	23,699,988
Adjustment for defined benefit plans	7,035,885	--	--	7,035,885
Changes in net assets	20,444,790	8,962,671	1,328,412	30,735,873
Net assets - beginning of year	209,537,171	50,220,175	26,454,978	286,212,324
Net assets - end of year	$229,981,961	$ 59,182,846	$ 27,783,390	$316,948,197

The Notes to Consolidated Financial Statements are an integral part of this statement.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenues				
Contributions	$ 33,359,819	$ 4,650,436	$ 1,828,213	$ 39,838,468
Less donor designations	(1,475,242)	--	--	(1,475,242)
Net contributions	31,884,577	4,650,436	1,828,213	38,363,226
Valuation allowance	52,000	152,626	--	204,626
Bequests	125,000	--	--	125,000
Rental income	3,682,914	--	--	3,682,914
Grants and contract revenue	79,014	--	--	79,014
Program and service fees	1,402,018	--	--	1,402,018
Investment loss	(7,584,362)	(1,914,376)	--	(9,498,738)
Administrative fee revenue	308,608	--	--	308,608
Allocation of investment loss to funds held for others	3,932,145	--	--	3,932,145
Advertising and subscription sales	1,917,305	--	--	1,917,305
Miscellaneous income	142,251	--	--	142,251
	35,941,470	2,888,686	1,828,213	40,658,369
Net assets released due to satisfaction of purpose restrictions	8,360,085	(8,360,085)	--	--
	44,301,555	(5,471,399)	1,828,213	40,658,369
Expenses				
Program services	63,889,741	--	--	63,889,741
Supporting services	10,879,664	--	--	10,879,664
	74,769,405	--	--	74,769,405
Changes in net assets before adjustment for defined benefit plans	(30,467,850)	(5,471,399)	1,828,213	(34,111,036)
Adjustment for defined benefit plans	160,287	--	--	160,287
Changes in net assets	(30,307,563)	(5,471,399)	1,828,213	(33,950,749)
Net assets - beginning of year	239,844,734	55,691,574	24,626,765	320,163,073
Net assets - end of year	$ 209,537,171	$ 50,220,175	$ 26,454,978	$ 286,212,324

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Changes in net assets	$ 23,699,988	$ (34,111,036)
Adjustments to reconcile changes in net assets to net cash used by operating activities		
Depreciation and amortization	1,112,858	1,250,251
Change in cash surrender value of life insurance	(148,783)	(226,363)
Change in value of split interest agreements	169,798	73,737
Loss on disposal of assets	--	43,062
Gain on sale of property	(1,555,996)	
Bad debt expense	1,713,938	1,656,678
Provisions for collections on losses on receivable	(5,366,302)	--
Realized and unrealized (gains) losses on investments	(39,314,340)	16,483,579
Present value adjustments	(497,201)	(2,271,520)
Permanently restricted contributions	(1,328,412)	(1,828,213)
Changes in assets and liabilities		
Pledges receivable	(37,545)	433,829
Accounts receivable	236,204	71,980
Other receivables	4,096,188	(968,245)
Other assets	(157,826)	39,734
Accounts payable and accrued expenses	516,372	(1,052,494)
Grants payable	5,082,536	16,152,611
Split interest agreements payable	(225,500)	(202,600)
Security deposits payable	15,949	(1)
Deferred revenue	97,284	166,407
Pension payable	1,407,982	(38,865)
Post retirement health benefits	(78,860)	(112,815)
Net cash used by operating activities	(10,561,668)	(4,440,284)
Cash flows from investing activities		
Purchase of building improvements and equipment	(63,475)	(94,904)
Payments received on loan receivable	246,270	94,437
Issuance of loan receivable	--	(360,000)
Issuance of agency pension loan receivable	(10,190,391)	--
Payments received on agency pension loan receivable	89,238	--
Payments received on note receivable	966,500	30,161
Proceeds from sale of property	1,632,603	
Purchase of investments	(132,860,820)	(64,751,334)
Sale of investments	147,577,733	92,628,222
Net cash provided by investing activities	7,397,658	27,546,582

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from financing activities		
Transactions with beneficiary agencies	$ (413,911)	$ (2,107,545)
Permanently restricted contributions	1,328,412	1,828,213
Due to other organizations	3,332,399	(1,393,709)
Proceeds from pension loan payable	17,500,000	
Payments on pension loan payable	(178,327)	
Payments on bonds payable	(749,200)	(750,800)
Payments under capital leases	(19,449)	(49,824)
Net cash provided (used) by financing activities	20,799,924	(2,473,665)
Net change in cash and cash equivalents	17,635,914	20,632,633
Cash and cash equivalents		
Beginning of year	27,222,205	6,589,572
End of year	$ 44,858,119	$ 27,222,205
Supplemental disclosure of cash flow information		
Interest paid	$ 444,499	$ 216,971
Taxes paid	$ 109,540	$ 95,084

The Notes to Consolidated Financial Statements are an integral part of these statements.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Functional Expenses
Year Ended June 30, 2017

	Program Services				Supporting Services				
	Allocations and Grants	Program Services	The Jewish Times	Total	Management and General	Building Services	Fundraising Expenses	Total	Total
Salaries	$ --	$ 4,292,447	$ 493,347	$ 4,785,794	$ 1,390,435	$ 444,831	$ 2,095,679	$ 3,930,945	$ 8,716,739
Payroll taxes and fringe benefits	--	855,376	133,433	988,809	277,888	89,380	415,470	782,738	1,771,547
Termination of pension	--	3,771,114	1,335,642	5,106,756	1,309,437	470,739	1,608,383	3,388,559	8,495,315
Grants to agencies	38,623,447	629,735	--	39,253,182	--	--	--	--	39,253,182
Allocations to affiliates	4,761,044	--	--	4,761,044	--	--	--	--	4,761,044
Purchased services	--	570,692	--	570,692	82,678	22,440	299,020	404,138	974,830
Office expense	--	349,409	13,570	362,979	502,753	5,416	283,808	791,977	1,154,956
Consultants	--	896,623	15,686	912,309	225,992	--	677,062	903,054	1,815,363
Commissions and outside sales	--	--	7,935	7,935	--	--	--	--	7,935
Dues, subscriptions and subsidies	37,544	11,813	--	49,357	3,572	--	300	3,872	53,229
Telephone	--	19,835	795	20,630	10,833	5,747	7,517	24,097	44,727
Occupancy, maintenance, housing	--	41,088	--	41,088	22,106	625,409	48,124	695,639	736,727
Program expenses	--	1,480,281	--	1,480,281	98,444	6,920	106,221	211,585	1,691,866
Publicity and promotion	--	635,814	6,210	642,024	81,958	--	127,158	209,116	851,140
Travel and related expenses	--	258,194	4,556	262,750	54,957	1,855	45,629	102,441	365,191
Insurance	--	54,737	11,042	65,779	14,116	65,942	13,851	93,909	159,688
Postage	--	29,500	73,814	103,314	14,260	--	22,669	36,929	140,243
Interest expense	--	356,423	28,666	385,089	22,958	8,253	28,199	59,410	444,499
Magazine, editorial, and production	--	--	67,193	67,193	--	--	--	--	67,193
Bad debt expense	--	649,020	--	649,020	--	913,635	151,283	1,064,918	1,713,938
Depreciation and amortization	--	959,087	1,700	960,787	79,066	--	73,005	152,071	1,112,858
Real estate taxes	--	--	--	--	--	117,850	--	117,850	117,850
Miscellaneous	--	575,652	28,970	604,622	254,098	1,170	449,220	704,488	1,309,110
	$ 43,422,035	$ 16,436,840	$ 2,222,559	$ 62,081,434	$ 4,445,551	$ 2,779,587	$ 6,452,598	$ 13,677,736	$ 75,759,170

The Notes to Consolidated Financial Statements are an integral part of this statement.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Functional Expenses
Year Ended June 30, 2016

	Program Services				Supporting Services				
	Allocations and Grants	Program Services	The Jewish Times	Total	Management and General	Building Services	Fundraising Expenses	Total	Total
Salaries	$ --	$3,755,622	$1,248,252	$ 5,003,874	$1,519,691	$447,138	$2,039,530	$ 4,006,359	$ 9,010,233
Payroll taxes and fringe benefits	--	853,738	376,767	1,230,505	392,242	113,057	491,815	997,114	2,227,619
Grants to agencies	44,596,960	--	--	45,188,860	--	--	--	--	45,188,860
Allocations to affiliates	5,061,911	--	--	5,061,911	--	--	--	--	5,061,911
Purchased services	--	553,642	--	553,642	149,826	22,084	160,961	332,871	886,513
Office expense	--	265,120	59,542	324,662	486,508	4,362	330,404	821,274	1,145,936
Consultants	--	823,256	59,447	882,703	208,599	--	569,670	778,269	1,660,972
Commissions and outside sales	--	--	72,600	72,600	--	--	--	--	72,600
Dues, subscriptions and subsidies	--	124,479	--	124,479	2,047	206	570	2,823	127,302
Telephone	--	19,945	4,062	24,007	22,905	7,149	6,410	36,464	60,471
Occupancy, maintenance, housing	--	815	--	815	162,186	629,132	197,380	988,698	989,513
Program expenses	--	2,034,451	--	2,034,451	129,064	4,392	130,877	264,333	2,298,784
Publicity and promotion	--	211,458	92,676	304,134	62,520	--	106,942	169,462	473,596
Travel and related expenses	--	201,301	16,993	218,294	48,871	1,797	48,105	98,773	317,067
Insurance	--	65,496	10,860	76,356	22,557	58,793	17,762	99,112	175,468
Postage	--	34,147	268,164	302,311	25,496	--	23,760	49,256	351,567
Interest expense	--	197,343	3,913	201,256	15,112	--	603	15,715	216,971
Magazine, editorial, and production	--	--	310,863	310,863	--	--	--	--	310,863
Bad debt expense	--	218,025	150,000	368,025	173,229	878,247	237,177	1,288,653	1,656,678
Depreciation and amortization	--	1,017,014	11,091	1,028,105	120,810	--	101,336	222,146	1,250,251
Real estate taxes	--	--	--	--	--	112,132	--	112,132	112,132
Miscellaneous	--	572,229	5,659	577,888	143,674	1,240	451,296	596,210	1,174,098
	$ 49,658,871	$ 10,948,081	$ 2,690,889	$ 63,889,741	$ 3,685,337	$ 2,279,729	$ 4,914,598	$ 10,879,664	$ 74,769,405

The Notes to Consolidated Financial Statements are an integral part of this statement.

1. NATURE OF ACTIVITY

Jewish Federation of Greater MetroWest NJ ("JFED") is a New Jersey not-for-profit organization incorporated in 1924. Federation's primary functions include budgeting and social planning for the support and improvement of Jewish communal services; the identification of needed services; the raising and allocating of funds for operating purposes for local, national and overseas agencies and the coordination of agency services with one another in relation to the total needs of the Jewish community.

Jewish Community Foundation of Greater MetroWest NJ, Inc. (the "Foundation"), a wholly owned subsidiary of JFED, was incorporated in 1949 as a New Jersey not-for-profit corporation. The Foundation's primary function is to receive, administer and allocate funds and property for JFED and its beneficiary agencies. The Foundation operates a bequest and endowment program which conducts educational and promotional activities for the development of funds for capital purposes and special projects, and a philanthropic fund which promotes the philanthropic interests and activities of Federation through the grant making process. The Foundation is comprised of approximately 702 individual funds. In addition, the Foundation holds and invests funds for the benefit of other affiliated and non-affiliated organizations. Investments by affiliated and non-affiliated organizations in certain funds administered by the Foundation are subject to significant withdrawal restrictions. The Foundation and JFED are related organizations, affiliated by means of overlapping Boards of Trustees and management. A substantial portion of the Foundation's revenue is derived from contributions and investment earnings. There are twelve supporting foundations of the Foundation at June 30, 2017 and 2016, established to support the charitable activities of the Foundation. These supporting foundations are included in the accompanying consolidated financial statements and are included in unrestricted net assets.

The Jewish Times is a New Jersey not-for-profit corporation established in 1954, which has not filed for Federal tax exemption. The Jewish Times is a wholly owned subsidiary of Jewish Federation of Greater MetroWest NJ. The Jewish Times operates *The New Jersey Jewish News*, a northern New Jersey newspaper, whose aim is to provide an educational medium carrying news and information about Jewish events and activities all over the world. The current circulation in the New Jersey area is MetroWest, Monmouth, Middlesex, Princeton and Central Jersey. As of September 13, 2016, Federation elected to discontinue The Jewish Times' publishing operation and contracted these activities to a third party vendor in order to continue to service the Jewish population in the MetroWest area. The Jewish Times is dependent upon Federation to provide it with operating capital. Federation has indicated its willingness to continue supporting the operations of The Jewish Times at least through June 2017 as it recognizes the need for the donors of the JFED and the Jewish community to have access to a local Jewish newspaper. As part of the discontinued operations, the Jewish Times has incurred subsequent expenses for severance and other related costs. In September 2016, Federation ceased publication of The Jewish News. At that time, JFED entered into a publishing agreement with JWMW, Inc. in which JFED agreed to purchase subscriptions to the New Jersey Jewish News Greater MetroWest Edition for donors who contribute a minimum of $52/year to the UJA Annual Campaign.

The Partnership for Jewish Learning and Life, Inc. (the "Partnership"), incorporated in July 2006 as a wholly owned subsidiary of JFED, is a nonprofit agency organized under the laws of the State of New Jersey. As a beneficiary agency of JFED, the Partnership is the community's designated organization for Jewish identity development and related educational activities. On behalf of the community it provides consultative and programmatic resources to the volunteer and professional leadership of synagogues, day schools, early childhood programs, secondary education institutions, and community agencies. The Partnership also provides direct benefits to community members through camperships. It also supports teaching and learning conferences, curriculum development, placement services, professional licensure, the March of Living, and other special projects. Among its direct services are outreach programs that focus on Jewish family life education and community service. Effective July 1, 2016, Federation elected to terminate the Partnership's corporation status and absorb the Partnership's activities as programs within JFED.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation
The consolidated financial statements include the Jewish Federation of Greater MetroWest NJ, The Jewish Times, Jewish Community Foundation of MetroWest New Jersey, Inc. and The Partnership for Jewish Learning and Life, Inc. (in 2016) all of which are affiliated by means of overlapping Boards of Trustees control and management. Collectively, the four organizations are hereafter referred to in this report as "Federation". All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation
Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. For the years ended June 30, 2017 and 2016, Federation had accounting transactions in the unrestricted net asset category, which represents net assets that are not subject to donor imposed restrictions, the temporarily restricted net asset category which represents net assets that are subject to donor imposed time or purpose restrictions and the permanently restricted net asset category which represents net assets subject to donor imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise resolved by actions of Federation.

Revenue and Support Recognition
Federation recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Bequests are accrued as an asset when the respective will has been declared valid. Donated securities, equipment and works of art are recorded at fair value on the date of donation.

Federation accounts for those contract revenues which have been determined to be exchange transactions in the consolidated statements of activities and changes in net assets to the extent that expenses have been incurred for the purpose specified by the grantor during the period. Program revenues received in advance of their usage are classified as liabilities in the consolidated statements of financial position. In applying this concept the legal and contractual requirements of each individual contract are used as guidance.

Other unrestricted revenues are obtained from rental income, program and service fees, advertising and subscription sales, and investment income, which are recorded when earned. These revenues are used to offset program expenses as well as the cost of property and equipment acquisition and to fund management and general expenses.

Federation receives donated services from volunteers, officers and directors and donated materials to support fundraising, management and general and program efforts. The value of all donated services and materials is not included in these consolidated financial statements as they do not meet the criteria for recognition.

Cash Equivalents
Federation considers all highly liquid debt instruments purchased with a maturity of three months or less at the time of acquisition to be cash equivalents. Such instruments consist of certificates of deposit and money market funds which are recorded at cost which approximates fair value.

Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statement of financial position that sum to the total of the same such amounts shown in the consolidated statement of cash flows.

	2017	2016
Cash and cash equivalents	$ 10,914,117	$ 9,006,366
Restricted cash held in investment pool	33,944,002	18,215,839
Total cash, cash equivalents and restricted cash shown in statement of cash flows	$ 44,858,119	$ 27,222,205

Fair Value of Financial Instruments

The carrying amount of financial instruments including pledges receivable, accounts receivable, due from beneficiary agencies, other receivables, accounts payable and accrued expenses and grants payable approximate their fair values because of the relatively short maturity of these instruments.

The value of pledges receivable approximates fair value due to their relatively short maturity. The fair value on notes receivable is estimated to be approximately $2,916,000 and $3,693,000 if the fair value option had been elected for the years ended June 30, 2017 and 2016, respectively. Due to affiliated organizations and due to other organizations approximate fair value as they are adjusted regularly to reflect the change in fair value of the associated investments. The carrying amounts of bonds payable approximate fair value as the interest rate on the bonds fluctuates monthly based on a market rate of interest. Split interest agreements payable approximate fair value as they are adjusted regularly to reflect the fair value of the associated investment less estimated future distributions. Grants payable approximate fair value as the long term grants payables were discounted using a market rate of interest.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. The allowance for uncollected pledges receivable (Note 5) is based upon historical analysis of Federation's experience with collection of pledges. However, it is reasonably possible the actual uncollected pledges will change in the near term. The loans receivable (Note 6) include loans to affiliated agencies with variable repayment terms and are subject to the possibility that the loans may not be repaid. The present value of split interest agreements (Note 11) is calculated using a discount rate and applicable mortality tables. It is reasonably possible that when the actual distributions are made the amounts could differ from the obligations calculated.

Income Taxes

Federation, the Foundation and the Partnership are exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and from state and local taxes under comparable laws. Accordingly, no provision for income taxes has been recorded in the consolidated statements of activities and changes in net assets, other than for unrelated business income tax as required. There are no uncertain tax positions at any of the organizations. In addition, there are no income tax related penalties or interest for the periods reported in these consolidated financial statements.

For Federal income tax purposes, The Jewish Times is taxed as a corporate entity. As of June 30, 2017, The Jewish Times has net operating loss carry forwards ("NOL") of approximately $2,413,000 expiring through June 30, 2026. No benefit for these NOL carry forwards has been recorded in the consolidated financial statements as there is no assurance that The Jewish Times will be able to utilize them. Accordingly The Jewish Times has recorded a deferred tax asset for federal income tax purposes of approximately $820,000 with an offsetting valuation allowance in the same amount.

Investments

Investments in equity securities with readily determinable values and all investments in debt securities are measured at fair value in the consolidated statements of financial position. Investments in limited partnerships are comprised substantially of real estate limited partnerships and hedge funds. These investments are stated at fair value as determined by the individual fund managers. Hedge fund fair value is based on contributions to the various funds and the allocated share of investment earnings including realized and unrealized gains and losses. The investment managers of these real estate limited partnerships and hedge funds may make adjustments to values so determined, if in their experience, such methodology does not accurately reflect the underlying value of the investment.

Fair value for real estate limited partnerships is determined using performance multiples or the market capitalization rate methodology applied to net income. Multiples are determined using market based conditions of quoted companies or are derived from recent mergers and acquisition transactions. Donated investments are recorded at the fair value at the date of receipt. Investments are shown as long term in the consolidated statements of financial position except for money market funds within the fixed pool which are shown as short term.

Investment Income

Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in unrestricted net assets unless the income or loss is restricted by donor or law. Except for those funds which have specifically identified investments associated with them, the majority of the investments are held in pooled funds at the Foundation. Each fund is assigned a certain unit value and its ownership interest is based on the allocation of the fair value of the fund's units to the total fair value of the investment pool. The pool is revalued monthly and income and gains or losses are allocated to each fund based on number of units.

Notes and Loans Receivable

Federation carries its notes and loans receivable at amortized cost. Federation evaluated the notes and loans receivable and determined no loss allowance is required as of June 30, 2017 and 2016.

Property, Equipment and Depreciation

Property and equipment purchases are recorded at cost, except for donated items which are recorded at fair value on the date of donation. When donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renewals are charged to operations as incurred.

Depreciable years for each major asset category are as follows:

Description	Estimated Life (Years)
Buildings	40
Building improvements and renovations	15-30
Furniture and equipment	5-10
Vehicles	5
Computer equipment	5

Valuation of Long-Lived Assets

In accordance with the provisions of the accounting pronouncement on accounting for the impairment of long-lived assets, Federation reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that there were no impairments for the periods presented in these consolidated financial statements.

Grants and Allocations
Grants and allocations are recorded when approved by the Board of Trustees. From time to time Federation approves grants with certain conditions; however, the probability that the grantees will not meet these conditions is considered remote, and such grants are recorded as grants payable when approved.

Functional Allocation of Expenses
The costs of providing program services have been summarized on a functional basis based on a direct costing method for charging expenses to each program or function consistent with the benefit derived by each program. The cost of providing support services has been summarized on a functional basis based on a time study used for charging expenses to each support service or function.

Expense Classification
All expenses which were not directly associated with the below service categories, primarily management, building services and fundraising expenses, are categorized as management and general expenses or fundraising expense. The expenses of Federation are presented in the consolidated statements of functional expenses under the following classifications which describe Federation's program activities:

Allocations and grants - Federation distributes funds from unrestricted allocations, donor recommendations and fund agreements to MetroWest beneficiary agencies, other local, national and international Jewish organizations as well as local, national and international secular organizations.

Program services - Federation provides certain services directly when they cannot be more efficiently delivered by other organizations, including budgeting and social planning for Federation and MetroWest agencies, Jewish education and leadership development, Israel programs, Holocaust education, and Eldercare services; Federation also provides the vehicle through which the Jewish community relates to politicians, government authorities, other faith communities and a wide array of Jewish communal institutions, regionally and nationally.

The Jewish Times – The NJ Jewish News newspaper’s aim is to provide an educational medium carrying news and information about Jewish events and activities locally and all over the world.

Reclassification
Certain amounts in the prior year consolidated financial statements have been reclassified to conform with the presentation in the current year consolidated financial statements. The reclassifications had no effect on the changes in net assets.

3. NEW ACCOUNTING PRONOUNCEMENTS

In August 2016 the FASB issued ASU 2016-14 – *Not-for-profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-profit Entities*. ASU 2016-14, which is effective for fiscal years beginning after December 15, 2017 with early adoption permitted, will require a change to two areas of not-for-profit accounting and significant new financial statement presentation and disclosure requirements.

Under ASU 2016-14 (the “ASU”) underwater funds will be accounted for within net assets with donor restrictions and not within net assets without donor restrictions as is the current practice. In addition, the ASU eliminates the accounting policy election to release donor imposed restrictions over the useful life of donated property and equipment when the donor does not explicitly specify the period of time the property must be used. Instead, entities will be required to relieve the donor’s restrictions at the time the asset is placed in service. In addition to the above disclosures the ASU changes the presentation and disclosure requirements of not-for-profit entities in the following areas: expense disclosures, display of net asset classes, cash flow presentation, quantitative and qualitative liquidity disclosures and presentation of investment returns. Federation is currently evaluating the impact these changes will have on its future consolidated financial statements.

In February 2016 the FASB issued ASU 2016-02 – Leases which is effective for fiscal years beginning after December 15, 2020 with early adoption permitted concurrent with the adoption of the new revenue standard. In addition to expanded disclosure requirements regarding leasing activities, the new standard significantly changes current lessee accounting for operating leases. Under the new standard all lessees will be required to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases of property and equipment, except for certain leases classified as short-term leases. Federation has not adopted the new standard in these financial statements and is presently evaluating the effect adoption will have on prospective financial statements. However, based on Federation's present leasing activities management expects that adoption of the new standard will require the recognition of a significant, long-term right-of-use asset and a lease liability which will increase both current and non-current debt.

4. PLEDGES RECEIVABLE

At June 30, pledges receivable consist of the following:

	2017	2016
Total receivables	$ 17,190,460	$ 17,846,951
Discount to present value	(5,948)	(7,288)
Allowance for uncollectible amounts	(3,045,356)	(2,869,827)
Pledges receivable, net	14,139,156	14,969,836
Current portion	13,936,004	14,729,274
Pledge receivable, long term	$ 203,152	$ 240,562

Pledges receivable, net are due as follows: 2018 - $13,936,004; and 2019 - $203,152.

5. FAIR VALUE MEASUREMENTS

Federation has provided fair value disclosure information for relevant assets and liabilities in these consolidated financial statements. For applicable assets and liabilities subject to this pronouncement, Federation will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible. To the extent that such market prices are not available, Federation will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors. In the event that quoted market prices in active markets and other observable measurement criteria are not available, Federation will develop measurement criteria based on the best information available.

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 consolidated financial statements. Investments by affiliated and non-affiliated organizations in certain funds administered by Federation are subject to significant withdrawal restrictions.

The following table summarizes assets which have been accounted for at fair value on a recurring basis as of June 30, 2017, along with the basis for the determination of fair value:

	2017			
	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Cash & cash equivalents	$ 33,944,002	$ 33,944,002	$ --	$ --
Equities				
Materials	641,374	641,374	--	--
Industrials	6,804,208	6,804,208	--	--
Telecommunications services	1,622,180	1,622,180	--	--
Consumer discretionary	9,613,086	9,613,086	--	--
Consumer staples	1,668,666	1,668,666	--	--
Energy	2,928,294	2,928,294	--	--
Financial	15,353,618	15,353,618	--	--
Healthcare	6,649,505	6,649,505	--	--
Information technology	11,702,152	11,702,152	--	--
Utilities	998,333	998,333	--	--
Common stock	4,245	4,245	--	--
Mutual funds				
Domestic equity mutual funds	35,404,923	--	35,404,923	--
International equity mutal funds	28,768,333	28,768,333	--	--
Global fund	2,073,079	2,073,079	--	--
Bank loan funds (a)	14,599,409	--	14,599,409	--
International fixed income	9,603,348	9,603,348	--	--
US Treasury obligations	30,294,993	30,294,993	--	--
US government agencies	2,403,427	2,403,427	--	--
Corporate bonds				
AAA - A ratings	10,291,106	10,291,106	--	--
BBB - B ratings	3,223,813	3,223,813	--	--
CCC - C- ratings	581,275	581,275	--	--
All other ratings or non-rated	3,871,852	--	3,871,852	--
State of Israel bonds (b)	183,860	183,860	--	--
Alternative investments				
Multi-strategy (c)	8,762,260	--	--	8,762,260
Private equity (d)	8,898,999	--	--	8,898,999
Real estate (e)	13,049,380	--	--	13,049,380
Natural resources (f)	3,814,307	--	--	3,814,307
Other (g)	2,268,217	--	--	2,268,217
	270,022,244	$ 179,352,897	$ 53,876,184	$ 36,793,163
Investments at NAV (1)	110,030,000			
	$ 380,052,244			

The following table summarizes assets which have been accounted for at fair value on a recurring basis as of June 30, 2016, along with the basis for the determination of fair value:

	2016			
	Total	**Quoted Prices in Active Markets (Level 1)**	**Observable Measurement Criteria (Level 2)**	**Unobservable Measurement Criteria (Level 3)**
Cash & cash equivalents	$ 22,353,368	$ 22,353,368	$ --	$ --
Equities				
Materials	1,666,789	1,666,789	--	--
Industrials	9,204,647	9,204,647	--	--
Telecommunications services	1,808,186	1,808,186	--	--
Consumer discretionary	14,982,166	14,982,166	--	--
Consumer staples	3,580,893	3,580,893	--	--
Energy	3,417,339	3,417,339	--	--
Financial	18,457,578	18,457,578	--	--
Healthcare	11,800,154	11,800,154	--	--
Information technology	21,231,375	21,231,375	--	--
Utilities	2,249,720	2,249,720	--	--
Common stock	3,247	3,247	--	--
Mutual funds				
Domestic equity mutual funds	4,714,287	4,714,287	--	--
International equity mutal funds	22,042,041	22,042,041	--	--
Global fund	1,008,886	1,008,886	--	--
Taxable fixed income	--	--	--	--
Bank loan funds (a)	14,554,116	--	14,554,116	--
Intl fixed income mutual fund	8,681,836	8,681,836	--	--
US treasury obligations	21,025,165	21,025,165	--	--
US government agencies	2,445,930	2,445,930	--	--
Corporate bonds				
AAA - A ratings	11,042,098	11,042,098	--	--
BBB - B ratings	446,392	446,392	--	--
CCC - C- ratings	1,529,337	1,529,337	--	--
All other ratings or non-rated	550,529	550,529	--	--
State of Israel bonds (b)	4,177,404	--	4,177,404	--
Alternative investments				
Multi-strategy (c)	7,148,366	--	--	7,148,366
Private equity (d)	11,264,956	--	--	11,264,956
Real estate (e)	12,977,385	--	--	12,977,385
Natural resources (f)	2,584,747	--	--	2,584,747
Other (g)	2,274,513	--	--	2,274,513
	239,223,450	$ 184,241,963	$ 18,731,520	$ 36,249,967
Investments at NAV (1)	100,503,204			
	$ 339,726,654			

(1) In accordance with FASB ASC 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The following table lists the investments by class and investment strategy at June 30, 2017:

Strategies	# of Funds	Valuation	Unfunded Commitment	Redemption Commitment	Redemption Notice Period
Multi-asset strategy (h)	1	$ 38,881,281	--	N/A	Daily
Multi-strategy (c)	5	32,352,943	--	N/A	65 - 105 days
Private equity (d)	2	634,157	20,000	N/A	None
Natural resources (f)	1	2,088,019	1,380,000	N/A	None
Private equity - long (i)	1	22,444,571	--	N/A	None
Private equity (j)	1	5,537,738	--	N/A	None
Private equity - long (k)	1	8,091,291	--	N/A	None
		$ 110,030,000			

a) Bank loan funds seek to provide a high level of current income by investing in floating rate loans and debt securities, primarily senior loans, which are below investment grade quality.

b) State of Israel bonds are backed by a 60 year record of dependability and Israel has never defaulted on the payment of principal and interest. The bonds all have maturity dates through December 2020. Federation intends to hold the bonds until maturity.

c) The multi-strategy funds are fund of funds and directly held funds which in aggregate represent a number of underlying funds covering a wide array of investment strategies. Approaches include public and private equity, long/short equity and debt strategies, credit arbitrage and active fixed income investing. Of this category, 58 percent is redeemable semi-annually with a notice of 95 days, 33 percent is redeemable annually with a notice of 90 to 105 days and 9 percent is redeemable quarterly with a notice of 65 days.

d) Private equity assets invest in various companies and some debt securities, both domestic and international. The partnerships have a remaining legal life span of 1 to 8 years with no redemption rights for the Limited Partners. Liquidity is expected in the form of distributions from the funds when the underlying assets are sold. It is estimated that the underlying assets will be redeemed over this time period and that the Foundation will make new investments in other Private equity strategies. The majority of the capital calls are expected within 2 to 4 years and return of capital is anticipated in one to ten years.

e) Real assets are investments in private real asset funds which invest in office, hotel, commercial, residential and industrial real estate. The funds have a remaining legal life span of 2 to 8 years with no redemption rights for Limited Partners. The majority of the capital calls are expected within two to four years and return of capital is anticipated in one to ten years.

f) Natural resources assets are investments in oil and natural gas and other natural resources-related industries. The funds have a remaining legal life span of 2 to 9 years with no redemption rights for Limited Partners. The majority of the capital calls are expected within 1 to 4 years and return of capital is anticipated in 2 to 6 years.

g) Other assets are investments in limited partnerships holding real estate assets. There is currently no market for the underlying assets and sales are not expected in the near future.

h) Multi-asset strategy fund seeks to achieve a total return that over a majority of market cycles exceeds inflation plus 5 percent per annum. Underlying investments include global equities. The investment is redeemable daily with a NAV calculated on a daily basis.

i) All cap fund with long strategy focused on international markets. The investment is redeemable monthly at a NAV calculated on a monthly basis.

j) Open ended fund with an objective to achieve long-term total return through investments in equity securities of emerging-market companies that are undervalued at time of purchase. The investment is redeemable monthly at a NAV calculated on a monthly basis

k) International small cap fund focused on long term absolute returns. The investment is redeemable monthly with a NAV calculated on a monthly basis.

The following is a summary of activity for the years ended June 30, 2017 and 2016 for assets measured at fair value based on unobservable measurement criteria:

	Total Investments	Multi - Strategy	Private Equity	Real Estate	Natural Resources	Other
Balance, July 1, 2015	$41,295,928	$ 8,467,137	$ 15,892,972	$ 11,547,794	$ 3,024,302	$ 2,363,723
Realized and unrealized (losses) gains included in income	(1,123,437)	102,118	(2,128,732)	1,399,903	(427,811)	(68,915)
Purchases	3,025,816	195,001	2,191	2,801,037	27,587	--
Sales	(6,948,340)	(1,615,890)	(2,501,475)	(2,771,349)	(39,331)	(20,295)
Balance, July 1, 2016	36,249,967	7,148,366	11,264,956	12,977,385	2,584,747	2,274,513
Realized and unrealized (losses) gains included in income	(252,917)	566,104	(766,947)	(44,554)	(4,224)	(3,296)
Purchases	5,253,313	1,252,934	180,000	2,586,595	1,233,784	--
Sales	(4,457,200)	(205,144)	(1,779,010)	(2,470,046)	--	(3,000)
Balance, June 30, 2017	$36,793,163	$ 8,762,260	$ 8,898,999	$13,049,380	$ 3,814,307	$ 2,268,217

Investment income (loss) consisted of the following at June 30:

	2017	2016
Interest and dividend income	$ 6,319,200	$ 6,740,042
Realized gains	20,483,938	5,223,823
Unrealized gains (losses)	18,830,402	(21,707,402)
Interest - notes receivable	192,412	244,799
	$ 45,825,952	$ (9,498,738)

6. LOANS RECEIVABLE

At June 30, loans receivable consist of the following:

	2017	2016
Jewish Family Services Agency of Central NJ, 12 year loan of $560,000 commenced on October 10, 2013, interest at the US five year Treasury rate plus 2 percent, adjusted quarterly, rate at June 30, 2017 was 2.18 percent. There are monthly principal and interest payments of $4,500. The loan is secured by property.	$ 437,217	$ 475,630
Jewish Education Center, unsecured, non-interest bearing loan with payments tied to cash flows.	160,000	180,000
Jewish Family Services of MetroWest, maturing December 2036, interest at the US five year Treasury rate plus two percent, adjusted quarterly, rate at June 30, 2017 was 2.18 percent. There are monthly principal and interest payments of $9,746. The loan is secured by property.	1,454,993	1,498,023
Jewish Community Centers of MetroWest, unsecured, non-interest bearing loan. Payments are to be made on the cash flows of underlying pledges received by the Jewish Community Centers of MetroWest.	235,000	360,000

	2017	2016
Library project Raanana, Israel, unsecured, non-interest bearing construction advance, repayment to be made from the William Lester Foundation shown at net present value using a 4 percent discount rate, maturing 2040.	594,164	613,991
	2,881,374	3,127,644
Amounts due within one year	364,087	469,986
Long term portion	$ 2,517,287	$ 2,657,658

Maturities of loans receivable are as follows: 2018 - $364,087; 2019 - $209,550; 2020 - $163,686; 2021 - $122,976; 2022 - $132,021 and thereafter - $1,889,054.

7. NOTES RECEIVABLE

Notes receivable are recorded at amortized cost and are comprised of the following at June 30:

	2017	2016
Note receivable bearing interest at 5.75 percent, maturing December 2018. No principal payments are due under the note until maturity. Note is secured by a partnership interest.	$ 2,916,000	$ 2,916,000
Note receivable bearing interest at 8.00 percent, payable in monthly installments of $9,704 and a balloon payment in 2015. Note is secured by real estate. The property was sold in October 2016, and the outstanding note was paid off.	--	966,500
	2,916,000	3,882,500
Short term portion	--	966,500
Long term portion	$ 2,916,000	$ 2,916,000

Maturities of note receivable: 2018 - $-0-; 2019 - $2,916,000.

Federation evaluated the loans based on the past payment history and credit worthiness of the borrowers and determined no loan loss allowance is required as of June 30, 2017 and 2016 as the receivable is considered fully collectible. The recorded investment is based on Federation's best estimate of the present value of future cash flows, discounted at the loan contractual interest rate of 5.75 percent to 7.15 percent. Interest is accrued monthly and paid semiannually.

Information on these loans is as follows:

	Note 1		Note 2	
	2017	2016	2017	2016
Recorded investment	$ 2,916,000	$ 2,916,000	$ --	$ 966,500
Unpaid principal and accrued interest balance	$ 2,999,835	$ 2,999,835	$ 44,475	$ 1,010,975
Related allowance	$ --	$ --	$ --	$ --
Average recorded investment	$ 2,999,835	$ 2,999,835	$ 527,241	$ 1,010,491
Interest income recognized	$ 167,670	$ 167,670	$ 24,742	$ 77,129

8. PROPERTY AND EQUIPMENT

Operating Property and Equipment
Property and equipment, shown net of accumulated depreciation at June 30, consists of the following:

	2017	2016
Land	$ 2,953,206	$ 2,953,206
Buildings and improvements	18,196,964	18,246,639
Furniture and equipment	2,693,243	2,975,803
Computer equipment	1,381,904	1,091,925
Transportation equipment	16,192	16,192
Library	119,322	155,137
Works of art	111,808	390,993
	25,472,639	25,829,895
Less: Accumulated depreciation	18,851,138	18,500,008
	$ 6,621,501	$ 7,329,887

Depreciation expense on these assets totaled $771,858 and $938,782 for the years ended June 30, 2017 and 2016, respectively.

Property and Equipment Held for Rental
The Foundation owns several rental properties which are rented to affiliated entities. Depreciation on these assets totaled $341,000 and $311,469 for the years ended June 30, 2017 and 2016, respectively. This property and equipment, shown net of accumulated depreciation for the years ended June 30, consists of the following:

	2017	2016
Land	$ 283,454	$ 283,454
Buildings and improvements	20,432,193	20,432,193
Furniture and equipment	1,002,472	1,002,472
	21,718,119	21,718,119
Less: Accumulated depreciation	20,242,000	19,903,431
	$ 1,476,119	$ 1,814,688

The Foundation entered into an agreement with DB Holdings, LLC for the sale of the land and building occupied by Jewish Vocational Service of MetroWest ("JVS") at 111 Prospect St. in East Orange. The net proceeds from the sale totaled $1,632,603. The Foundation agreed to reimburse JVS up to $1,200,000 for moving expenses to two new offices located in East Orange and Livingston. At June, 30, 2017, the Foundation had reimbursed JVS $1,002,633.

9. BONDS PAYABLE

Bonds payable at June 30 were as follows:

	2017	2016
New Jersey Economic Development Authority bond	$ 5,400,000	$ 5,400,000
Essex County Improvement Authority bond	10,165,000	10,914,200
	15,565,000	16,314,200
Amounts due within one year	550,000	750,250
	$ 15,015,000	$ 15,563,950

The future scheduled maturities of the bonds payable are as follows: 2018 - $550,000; 2019 - $5,950,000; 2020 - $550,000; 2021 - $550,000; 2022 and thereafter $7,965,000.

New Jersey Economic Development Authority Bond

On December 1, 1998 Federation entered into a loan agreement (the “loan”) with the New Jersey Economic Development Authority (“NJEDA”) in the amount of $5,400,000 to refinance an earlier bond issued in December 1990. The Series 1998 adjustable rate bonds are interest only payable monthly at a fluctuating rate tied to the BMI municipal rate which fluctuated between 0.37 percent and 1.05 percent for the year ended June 30, 2017, and 0.16 percent and 0.55 percent for the year ended June 30, 2016, principal due December 2018.

Interest on these obligations amounted to $98,723 and $70,277 for the years ended June 30, 2017 and 2016, respectively. The loan is secured by the Alex Aidekman Family Jewish Community Campus located in Whippany. The NJEDA has transferred and assigned to the bond Trustee all rights, title and interest in the loan to secure the 1998 bonds and provide a source of repayment. Interest and principal repayment of the loan corresponds to the same terms and conditions of the bonds. The loan requires maintenance of certain financial ratios and other covenants, which have been met as of June 30, 2017 and 2016.

Essex County Improvement Authority Bond

In July 2005, the Essex County Improvement Authority (the “Issuer”) issued $12,425,000 of Series 2005 tax-exempt variable rate demand revenue bonds. The proceeds of the bonds were loaned by the issuer to Jewish Community Center of MetroWest, Inc. (“JCC”) pursuant to a Loan Agreement dated July 1, 2005 and were used to finance the construction of an early childhood center, a fitness center, a four-story parking deck, a winter garden, multi-purpose meeting areas, offices and other renovations to the existing building located in West Orange. The proceeds of the bonds were supplemented by funds raised during a capital campaign conducted by JCC.

On June 30, 2014 JCC, Federation and the bond trustee entered into an Assignment and Assumption Agreement, whereby Federation assumed the bond liability. At the time of the transfer the bond liability was $12,025,000. JCC transferred $11,665,000 of bond debt to Federation and made the $360,000 bond payment due on July 1, 2014. JCC agreed to transfer certain cash accounts held for bond payments and pledges receivable restricted for debt service to Federation. JCC is no longer considered the primary obligor of the bonds payable. However, the leasehold improvements financed by the bonds payable remain as collateral. As a result of this transaction, Federation recorded as a grant to JCC of $10,625,945, which is the value of the debt assumed less assets transferred under the agreement.

Interest on the bonds is payable monthly at variable rates pegged to market as determined by the remarketing agent on a weekly basis. As of each of the years ended June 30, 2017 and 2016 the interest rate was 0.90 and 0.40 percent, respectively, per annum. There is an annual principal payment in July every year.

Letter of Credit

In accordance with the NJEDA agreement the bonds are secured by an irrevocable letter of credit with a commercial bank in the amount of $5,497,000 which expires in December 2018. The letter of credit is secured by a first mortgage lien on the Alex Aidekman Family Jewish Community Campus located in Whippany. No amounts have been drawn down under this letter of credit for the years ended June 30, 2017 and 2016.

10. GRANTS PAYABLE

Federation has made grant commitments to certain affiliated and non-affiliated not-for-profit organizations as of June 30, as follows:

	2017	2016
Total grant commitments	$ 30,097,367	$ 25,014,831
Less discount to present value	2,816,447	2,320,586
	27,280,920	22,694,245
Amounts payable in subsequent fiscal year	5,803,367	10,850,831
Amounts payable in future fiscal years	$ 21,477,553	$ 11,843,414

Future payments are as follows: 2018 - $5,803,367; 2019 - $4,725,472; 2020 - $5,268,868; 2021 - $4,672,481; 2022 - $4,408,001 and thereafter - $2,402,731.

11. CAPITAL LEASES

Federation leases office equipment under long-term leases and has the option to purchase the equipment at the termination of the lease. Equipment leased under capital leases and included in property and equipment in the consolidated statements of activities and changes in net assets at June 30, is as follows:

	2017	2016
Equipment	$ 264,443	$ 341,249
Less: Accumulated depreciation	81,427	112,185
	$ 183,016	$ 229,064

Future minimum payments for capitalized leases were as follows at June 30, 2017:

Years	Amount
2018	$ 81,308
2019	81,308
2020	78,863
2021	40,333
2022	17,893
2023	2,086
Total minimum lease payments	301,791
Less amount representing interest	72,050
Less amount representing copy charge	--
Total present value amount	229,741
Less current portion	81,308
Non-current portion	$ 148,433

Maturities of capital leases: 2018 - $81,308; 2019 - $81,308, 2020 - $78,863 and 2021 - $40,333; 2022 - $17,893; and thereafter - $2,086.

12. SPLIT INTEREST AGREEMENTS

Federation administers various split interest agreements which provide for the payment of distributions to the grantor or other designated beneficiaries over the agreement's term (usually the designated beneficiary's lifetime). At the end of the agreement's term, the remaining assets are available for Federation's use. The portion of the agreement attributable to the future interest of Federation is recorded in the consolidated statements of activities and changes in net assets as temporarily restricted contributions in the period the trust is established. Assets held in the split interest agreements are recorded at fair value in Federation's consolidated statements of financial position. On an annual basis, Federation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using a discount rate of 6 percent to 8 percent based on the nature of the agreements and applicable mortality tables. The present value of the future obligation for split interest agreements at June 30, 2017 and 2016 was $1,299,473 and $1,355,175, respectively.

Assets, included in long term investments, related to split interest agreements at June 30, 2017 and 2016 total $2,612,291 and $2,224,815, respectively. The valuation allowance recorded to reflect the present value of estimated future payment resulted in a change in value of split interest agreements of $183,912 and $73,737 for the years ended June 30, 2017 and 2016, respectively which is included in the valuation allowance in the consolidated statements of activities and changes in net assets.

13. AFFILIATIONS AND RELATED PARTY TRANSACTIONS

Federation conducts various transactions with and provides assistance to its beneficiary agencies by investing, administering, and allocating funds for various purposes. Federation also provides bookkeeping services, joint cost sharing of certain expenditures and allows its beneficiary agencies to participate in pension and benefit plans administered by Federation.

At June 30, certain unsecured amounts were due from beneficiary agencies as follows:

	2017	2016
Balance of funds advanced to beneficiary agencies to cover cash flow deficits which bear interest at lesser of 5 percent of the prime rate, which approximated 3.25 percent annually of each of the years ended:		
Daughters of Israel	$ 14,319	$ 17,763
Jewish Vocational Service of MetroWest, Inc.	105,025	3,978
Jewish Community Housing Corp.	85,946	118,236
Jewish Service for the Developmentally Disabled	--	95,367
Jewish Historical Society	162,669	129,449
Jewish Family Services of Metrowest	--	5,957
Jewish Family Services of Central NJ	4,618	--
Jewish Community Center of MetroWest, Inc. - net of reserve of $4,132,224 and $3,483,204 at June 30, 2017 and 2016, respectively	480,810	876,893
	853,387	1,247,643
Current portion	372,577	370,750
	$ 480,810	$ 876,893

At June 30, certain amounts were due to affiliates as follows:

	2017	2016
Funds advanced from beneficiary agencies at June 30:		
Jewish Service for the Developmentally Disabled	$ 3,874	$ --
Jewish Family Services of MetroWest, Inc.	6,082	--
Jewish Family Services of Central, NJ	--	262
	$ 9,956	$ 262

Funds invested with the Foundation on behalf of the Federation beneficiary agencies and related earnings due to the following organizations:

	2017	2016
Jewish Vocational Service of MetroWest, Inc.	$ 1,910,482	$ 1,829,537
Jewish Family Services of MetroWest, Inc.	5,520,544	5,232,123
Daughters of Israel	12,648,494	13,476,057
Jewish Community Center of MetroWest, Inc.	3,489,283	3,199,995
Jewish Community Housing Corp.	271,177	1,100,632
Jewish Service for the Developmentally Disabled	636,165	470,883
Jewish Historical Society	540,924	509,549
Coordinated Care of MetroWest, Inc.	1,147,116	1,163,270
	$ 26,164,185	$ 26,982,046

In addition to the leasing transactions disclosed in Note 17, related party revenue and expense transactions were as follows:

Affiliated agencies were charged $14,300 and $13,900 for the years ended June 30, 2017 and 2016, respectively, by Federation for occupancy costs which represented a pro-rata share of maintenance and related expenses attributable to the operation of the Campus in Whippany, New Jersey. In addition, affiliated agencies paid Federation $45,600 and $44,700 for the years ended June 30, 2017 and 2016, respectively, in fees for bookkeeping and accounting services. Affiliated agencies paid Federation $2,368,604 in rent for buildings owned by Federation for each of the years ended June 30, 2017 and 2016.

	2017	2016
Allocations and grants made by Federation to affiliates:		
Daughters of Israel Geriatric Center	$ 2,755,000	$ 2,738,755
Jewish Community Center of MetroWest, Inc.	738,912	930,284
Jewish Family Services of MetroWest, Inc.	475,000	484,178
Jewish Education Center	156,682	151,980
JCC of Central New Jersey	124,993	124,993
YM-YWHA of Union County	160,457	157,457
Jewish Family Services of Central New Jersey	250,000	221,261
Jewish Vocational Service of MetroWest, Inc.	100,000	253,003
	$ 4,761,044	$ 5,061,911

	2017	2016
Interest income earned by Federation on funds advanced to beneficiary agencies:		
Jewish Family Services of MetroWest, Inc.	$ 30,965	$ 41,965
Jewish Vocational Service of MetroWest, Inc.	606	961
Jewish Community Center of MetroWest, Inc.	9,587	13,709
	$ 41,158	$ 56,635

Federation received contributions from its board members totaling $5,260,000 and $6,709,034 for the years ended June 30, 2017 and 2016, respectively.

14. DEFERRED REVENUE

During the year ended June 30, 2000, Federation entered into a land lease agreement of $1,480,000, with Jewish Community Housing Corporation, Inc. (“JCHC”). The lease was for an initial term of 80 years with a renewal option of an additional 100 years. Under the terms of a 2005 amendment to the initial lease, JCHC was required to pay Federation $1,250,000 of the original $1,480,000 immediately. The remaining $230,000 of the original lease payment is to be paid out of the first 25 percent of operating surplus which is defined as the cash flow of Lester Senior Housing Complex after payment of all usual and customary operating expenses, debt service, management fees, annual reserves of $120,000 and capital expenditures, which has been paid as of June 30, 2011. In addition, JCHC agreed to make annual contingent rent payments equal to an additional 50 percent of the cash flow of Lester Senior Housing Complex as defined. At June 30, 2017 and 2016 JCHC had prepaid the ground lease in the amounts of $1,334,059 and $1,342,101, respectively. These amounts are included in deferred revenue and are being charged off to rent income at the rate of $8,222 per annum. For the years ending June 30, 2017 and 2016, $-0- and $180, respectively in contingent rents were paid or accrued, accrued amounts are offset against deferred revenue. Other amounts for deferred advertising and subscription revenues and programs fees of $290,910 and $177,182 are included in deferred revenue at June 30, 2017 and 2016, respectively.

15. BENEFIT PLANS

Pension Plan

Federation administers a multiple-employer defined retirement plan (the “Plan”), which covers substantially all employees of Federation. Benefits payable under the Plan are based on years of service and earning levels. Employees become fully vested after 7 years of service. Employees are eligible for coverage provided they work at least 1,000 hours per year and have attained 21 years of age. The Plan is non-contributory and vesting commences on December 1 following three years of employment as follows: 20 percent in year one, 20 percent each additional year, up to 100 percent. Normal retirement age is 65 with at least 5 years of service. The Plan was frozen as of July 1, 2009 to new participants and for the accumulation of benefits for existing participants.

Termination of the Pension Plans

Federation and participating agencies voted to take the steps necessary to terminate the Jewish Federation of Greater MetroWest NJ Employees’ Pension Plan and the Jewish Federation of Central New Jersey Defined Benefit Pension Plan. During December 2016, annuities totaling $28 million were purchased form Pacific Life, a highly rated insurance company. An agreement was reached with Sturbridge Capital to sell illiquid pension plan assets at 85 percent of net asset value. A loan agreement of $17.5 million (“loan”) with OceanFirst Bank was closed in December 2016 by Federation to fully fund the plan. The Foundation initially provided an $8 million short term loan to fund the Plan while sales of the illiquid assets were completed. As a result of the termination of the Plan, the Federation incurred a settlement loss of approximately $8,495,000. Each participating agency was charged their share of settlement costs. Lump sum payments to plan participants were made on December 16, 2016. During the year ended June 30, 2017 termination documents were filed with the Pension Benefit Guaranty Corporation (PBGC). Responses to documentation requests were provided to the PBGC in October

2017.

The projected benefit obligation is $-0- and $16,043,135 as of the years ending June 30, 2017 and 2016, respectively. The decrease in the projected benefit obligation is due to the termination of the plan. Federation made contributions of $8,495,315 and $415,671 for the years ending June 30, 2017 and 2016, respectively.

The interest rate on the unpaid principal balance of the loan from the date of the note until January 1, 2027 (the "first change date") is 3.75 percent. On the fifth anniversary of the first change date and at each subsequent fifth year anniversary thereafter (each, a "change date"), the interest rate on the unpaid principal balance of the loan is at a per annum rate equal to 180 basis points above the 5-year US Treasury Bond Rate in effect three business days before the first change date, adjusted to a constant maturity of five years. The loan matures on December 31, 2041. There are monthly principal and interest payments of $90,490. This loan is secured by a pledge and security interest granted in a certain account maintained in the name of the Foundation. Federation is required to maintain a ratio of total liabilities to effective tangible net worth of not more that .50 to 1.00. Federation must maintain one or more depository accounts at the Bank with an aggregate balance of not less than $250,000. The pension loan payable balance at June 30, 2017 is $17,321,673.

The future scheduled maturities of the pension loan payable payments are as follows:

2018 - $434,787; 2019 - $451,609; 2020 - $467,386; 2021 - $487,165; 2022 - $506,013; and thereafter - $14,974,713.

On December 15, 2016 Federation provided the following unsecured loans to affiliated agencies to fund the termination of the pension plans. Commencing on the date of the note until the tenth anniversary (the “first change date”) the interest rate will be 3.75 percent. On the first change date, the interest rate will be determined by the 5-year US Treasury Bond Rate in effect three business days before the first change date, adjusted to a constant maturity of five years, plus 180 basis points, subject to a floor of 3.75 percent per year. On the fifth anniversary of the first change date and at each subsequent fifth year anniversary thereafter (each, a "change date"), the interest rate will reset to the then current 5-year US Treasury Bond Rate in effect three business days before the applicable change date, adjusted to a constant maturity of five years, plus 180 basis points, subject to a floor of 3.75 percent per year. Payments of principal and interest shall be paid monthly until the maturity date, based on the then remaining portion of a fully amortizing 25 year loan. Federation shall have the option to demand payment in full of the entire unpaid principal amount together with all accrued but unpaid interest thereon on each change date following the first change date. At June 30, 2017, the agency pension loan receivables are as follows:

	2017
Jewish Vocational Service of MetroWest, Inc. loan of $3,807,616. There are monthly principal and interest payments of $19,689.	$ 3,768,804
Jewish Service for the Developmentally Disabled loan of $441,263. There are monthly principal and interest payments of $2,282.	435,848
Jewish Family Services of MetroWest, Inc. loan of $2,078,163. There are monthly principal and interest payments of $10,746.	2,052,668

		2017
Jewish Family Services of Central New Jersey loan of $550,659. There are monthly principal and interest payments of $2,847.	$	545,050
Jewish Community Center of MetroWest, Inc. loan of $3,312,700. There are monthly principal and interest payments of $17,129.		3,298,783
		10,101,153
Amounts due within one year		267,783
Long term portion	$	9,833,370

Maturities of agency pension loan receivables are as follows: 2018 - $267,783; 2019 - $262,975; 2020 - $272,163; 2021 - $283,680; 2022 - $294,656; and thereafter - $8,719,896.

Pension Plan - Central
Effective July 1, 2012, Federation is the sponsor of a multiple employer, noncontributory defined benefit pension plan covering substantially all employees of the former Federation of Central New Jersey and the Jewish Family Services of Central New Jersey. Federation's portion of the expenses under this defined benefit pension plan was $269,434 and $63,822 as of June 30, 2017 and 2016, respectively. The defined benefit plan was frozen as of September 1, 2009. As noted above, during the year ended June 30, 2016, Federation elected to terminate the plan, which caused the acceleration of the long term pension obligation liability.

Benefits payable under the Plan are based on years of service and earning levels. Employees become fully vested after 7 years of service. Employees are eligible for coverage provided they work at least 1 year and have attained 21 years of age. The Plan is non-contributory and vesting commences on January 1 following two years of employment as follows: 20 percent in year one, 20 percent each additional year, up to 100 percent. Normal retirement age is 65 with at least 5 years of service. Federation's funding policy is to contribute annually at least the minimum amounts required under the Employee Retirement Income Security Act of 1974. Federation has a pension liability of $-0-, and $421,461 as of June 30, 2017 and 2016, respectively, as shown in the accompanying consolidated statements of financial position. The projected benefit obligation is $-0-and $841,797 at June 30, 2017 and 2016, respectively.

Post Retirement Medical Plan
Federation also administers a multiple employer post-retirement medical benefits plan (the "Medical Plan"). The Medical Plan provides subsidized medical and pharmaceutical benefits for full-time employees and affiliated agency employees and pro rata benefits for part-time employees who retire after age 55 having completed 20 years of service by December 31, 2006 or employees who have completed 10 years of service and are age 62 before April 1, 2004 and retire before December 31, 2006. Federation's contribution to the Medical Plan amounted to $77,493 and $75,826 for the years ended June 30, 2017 and 2016, respectively.

Other Changes in Post Retirement Benefits

For the years ended June 30, 2017 and 2016, Federation recorded an increase in unrestricted net assets of $46,628 and $101,424, respectively, due to post retirement benefits amounts not yet reflected in net periodic post retirement benefits cost.

Information on the pension and post retirement medical plans as of June 30,:

	Pension Plan		Post Retirement Medical Plan		Pension Plan - Central	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Change in benefit obligation						
Benefit obligation, beginning of year	$ 16,043,134	$ 16,793,168	$ 938,838	$ 1,051,653	$ 841,797	$ 759,416
Service cost	--	--	--	--	--	--
Interest cost	299,133	694,680	27,863	39,425	13,159	29,819
Actuarial loss (gain)	934,939	(657,090)	(29,230)	(76,414)	(4,632)	79,929
Plan participant contributions	--	--	38,282	35,091	--	--
Administrative expenses	--	--	--	--	--	--
Benefits paid	(17,277,206)	(787,624)	(115,775)	(110,917)	(850,324)	(27,367)
Benefit obligation, end of year	$ --	$ 16,043,134	$ 859,978	$ 938,838	$ --	$ 841,797

	Pension Plan		Post Retirement Medical Plan		Pension Plan - Central	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Change in plan assets						
Fair value of plan assets, beginning of year	$ 10,836,692	$ 11,317,060	$ --	$ --	$ 420,336	$ 408,469
Investment (loss) income	(381,163)	49,155	--	--	8,147	(766)
Employer contributions	6,874,350	415,671	77,493	75,826	295,920	40,000
Plan participant contributions	--	--	38,282	35,091	--	--
Administrative expenses	(52,673)	(157,570)	--	--	(8,601)	--
Benefits paid	(17,277,206)	(787,624)	(115,775)	(110,917)	(715,802)	(27,367)
Fair value of plan assets, end of year	$ --	$ 10,836,692	$ --	$ --	$ --	$ 420,336
Funded status, end of year	$ --	$ (5,206,442)	$ (859,978)	$ (938,838)	$ --	$ (421,461)
Accumulated benefit obligation	$ --	$ 16,043,134	$ --	$ --	$ --	$ 841,797

Amounts recognized in non-operating expense

	Pension Plan		Post Retirement Medical Plan		Pension Plan - Central	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Actuarial loss (gain)	$ 934,939	$ (499,519)	$ (29,230)	$ (76,414)	$ (259,322)	$ 79,929
Amortization of prior service cost	--	--	(12,997)	(12,997)	(79,406)	(47,828)
Amortization of net loss	(232,568)	(452,752)	(4,401)	(12,013)	(17,867)	--
Actual return on plan assets	381,163	(49,155)	--	--	--	766
Expected return on plan assets	507,769	888,970	--	--	--	20,726
	$ 1,591,303	$ (112,456)	$ (46,628)	$ (101,424)	$ (356,595)	$ 53,593

Amounts recognized in operating expense

	Pension Plan		Post Retirement Medical Plan		Pension Plan - Central	
	2017	2016	2017	2016	2017	2016
Net Periodic Benefit Cost						
Service cost	$ --	$ --	$ --	$ --	$ --	$ --
Interest cost	299,133	694,680	27,863	39,425	13,159	29,819
Expected return on plan assets	(455,096)	(888,970)	--	--	(10,653)	(20,726)
Amortization of unrecognized transition obligation	--	--	--	--	--	35,733
Amortization of prior service cost	--	--	12,997	12,997	17,867	18,996
Amortization of loss	232,568	--	--	--	--	--
Recognized net loss	--	452,751	4,401	12,013	18,019	
Recognized settlement loss	8,185,581	--	--	--	231,042	--
Net periodic benefit cost	$ 8,262,186	$ 258,461	$ 45,261	$ 64,435	$ 269,434	$ 63,822

Assumptions - benefit obligation

	Pension Plan		Post Retirement Medical Plan		Pension Plan - Central	
	2017	2016	2017	2016	2017	2016
Discount rate	N/A	3.50%	3.40%	3.10%	0.00%	3.18%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A
Expected return on plan assets	N/A	N/A	N/A	N/A	N/A	N/A

Assumptions - net periodic benefit cost

Weighted-average assumptions used to determine net periodic benefit cost for the years ended June 30:

	Pension Plan		Post Retirement Medical Plan		Pension Plan - Central	
	2017	2016	2017	2016	2017	2016
Discount rate	N/A	4.25%	3.10%	3.90%	0.00%	4.00%
Rate of compensation increase	N/A	N/A	N/A	N/A	N/A	N/A
Expected return on plan assets	0.00%	8.00%	N/A	N/A	0.00%	5.00%

Amounts included in the financial statements at June 30

	Pension Plan		Post Retirement Medical Plan		Pension Plan - Central	
	2017	2016	2017	2016	2017	2016
Current liability	$ --	$ 5,206,442	$ 76,700	$ 75,200	$ --	$ 421,461
Non-current liability	--	--	783,278	863,638	--	--
	$ --	$ 5,206,442	$ 859,978	$ 938,838	$ 421,461	$ 421,461

The following table provides information related to expected benefit payments for each of the 5 years following the measurement date and cumulatively for the subsequent five year period:

Year Ending June 30,	Post Retirement Medical Plan
2018	$ 73,700
2019	71,700
2020	69,700
2021	6,800
2022	66,000
2023-2027	290,900

Relating to the post-retirement medical plan:

	2017	2016
Assumed Pre-65 medical trend		
Health care cost rate assumed for next fiscal year	6%	5.60%
Rate to which the cost trend rate is assumed to decline	3.90%	3.90%
Fiscal year rate reaches ultimate trend rate	2087	2087
Assumed prescription drug trend rates		
Health care cost rate assumed for next fiscal year	5.60%	5.60%
Rate to which the cost trend rate is assumed to decline	3.90%	3.90%
Fiscal year rate reaches ultimate trend rate	2087	2087

	1 Percentage Point	
	Increase	Decrease
Effect on total of service and interest cost components	$ 2,434	$ 2,151
Effect on acccumulated postretirement benefit obligation	$ 71,607	$ 63,254

Other

Federation offers a pre-tax cafeteria payroll withholding plan to all full-time and part-time employees and affiliated agency employees who work a minimum of 20 hours per week, on a pro rata basis. These withholdings are allowed to cover health care expenses not covered under the medical plans, the employee's share of medical premiums, and dependent care expenses. All monies withheld and not utilized under the plan are forfeited.

Federation also administers a 403-B tax deferred annuity plan for its employees and affiliated agency employees which permits employees to contribute on a deferred tax basis up to 9 percent of their salary, to a maximum annual contribution as permitted by law. Additionally Federation administers a 401(k) plan for employees of The Jewish Times which permits employees to contribute on a deferred tax basis up to a maximum annual contribution as permitted by law to the plan. This plan is also being liquidated with all funds being returned to employees.

16. DUE TO OTHER ORGANIZATIONS

Amounts due to other organizations totaling $26,757,323 and $23,424,924 at June 30, 2017 and 2016, respectively represent funds provided to Federation by unrelated, non-beneficiary agencies to be invested. The investment earnings allocable to these funds are recorded as a liability in the consolidated statements of financial position.

These funds are invested in the various pools offered by Federation based on instructions received from the investors pursuant to written agreements. Certain investment pools allow the investors to withdraw funds with relatively short notice (on demand) while other investment pools place significant restrictions on an investor's ability to withdraw funds (over several years). All investments related to the funds provided by these investors, as well as the related liabilities, are reflected as non-current in the consolidated statements of financial position.

17. LEASES

Federation leases commercial property to the Daughters of Israel Geriatric Center, an affiliated agency under an operating lease which expires in June 2020. Rental income was $2,368,604 for each of the years ended June 30, 2017 and 2016, under this lease. Future minimum rentals under this lease through June 30, 2020 are as follows: 2018 - $2,368,604; 2019 - $2,368,604 and 2020 - $2,368,604.

Federation leases commercial property under a lease which expires June 2017 with a 3 year extension. Rental income for the years ended June 30, 2017 and 2016 was $509,700 and $228,451, respectively. On October 23, 2017, Federation entered into a settlement agreement with PZ 13 LLC under which PZ 13 LLC would vacate the premises in exchange for $75,000 to be paid monthly in $5,000 installments beginning on February 10, 2018. All other amounts owed were written off as of June 30, 2017. Federation has entered into lease negotiations with Swimquest LLC.

Federation leases land under a 180 year land lease to Jewish Community Housing Corporation Lester Senior Housing Complex. Annual lease payments are $8,222 through 2179.

Certain other rental arrangements are on a month-to-month or year-to-year basis with unconsolidated affiliated agencies of Federation.

18. ADVERTISING

Federation uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. Advertising expense was $91,256 and $87,485 for the years ended June 30, 2017 and 2016, respectively.

19. NET ASSETS

Components of unrestricted net assets at June 30 were as follows:

	2017	2016
Available for general operations	$ 16,452,657	$ 13,877,215
Board designated for special projects or to maintain affiliated agency programs in the event that an unanticipated reduction in available funds occurs	8,959,859	8,794,506
Board designated building funds	1,890,078	913,421
Foundation assets maintained in the Philanthropic Fund subject to variance power	205,092,049	188,133,478
Net deficit - The Jewish Times	(2,412,682)	(2,181,449)
	$ 229,981,961	$ 209,537,171

Components of temporarily restricted net assets at June 30 were as follows:

	2017	2016
Purpose restriction		
Restricted by donors for various philathropic uses including scholarships, youth programs and the support of affiliated and unaffiliated agencies	$ 55,171,827	$ 46,260,104
Time restriction		
Restricted by donor in accordance with charitable remainder unitrust agreements and charitable remainder annuity agreements	2,551,740	2,625,023
Pledges receivable	1,459,279	1,335,048
	$ 59,182,846	$ 50,220,175

Permanently restricted net assets at June 30, were as follows:

	2017	2016
Permanently restricted donor endowed principal	$ 27,783,390	$ 26,454,978

Endowment Funds

Federation's endowment consists of approximately 32 individual donor-restricted endowment funds established for a variety of purposes.

Interpretation of Relevant Law

The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") provides guidance on the maintenance and spending of endowment funds when the intent of the donors is not clear, by providing new guidelines for the expenditure of a permanently or temporarily donor restricted endowment fund, absent explicit donor stipulations. UPMIFA permanent endowments no longer need to be maintained at historic dollar value amounts and instead not-for-profits are permitted to adopt prudent spending policies which can allow for the temporary invasion of corpus. Management has determined that certain components of the temporarily restricted net assets of Federation are not endowment funds, specifically related to pledges receivable and charitable gift annuities. Furthermore, the permanent endowments of Federation are subject to written instruments in which the donor's intent as to purpose and spending policies are explicitly indicated.

The Board of Trustees of Federation has interpreted state law as requiring the preservation of the value of the endowment fund with primary consideration given to the donor intent expressed in the gift instrument. For those donations subject to UPMIFA, Federation has followed the donor instruments in classifying as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Federation in a manner consistent with the standard of prudence prescribed by state law.

Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of Federation and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) The investment policies of Federation

Return Objectives and Risk Parameters

Federation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under the policy approved by the Board of Trustees, the endowment assets which are held in the managed pool, and are invested to produce results that that are superior to a balanced stock and bond portfolio at a lower volatility over an entire market cycle. Federation expects its endowment funds, over time, to provide an average rate of return of approximately 8 percent annually. Actual returns in any given year may vary from this amount.

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 requires Federation to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were $453,490 and $833,653 as of June 30, 2017 and 2016, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred during the current year. The following table provides information regarding the change in endowment net assets for the year ended 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, July 1, 2015	$ (562,267)	$ 4,467,285	$ 24,626,765	$ 28,531,783
Income	16,031	262,673	--	278,704
Realized and unrealized loss	(198,765)	(700,495)	--	(899,260)
	(745,001)	4,029,463	24,626,765	27,911,227
Contributions received	--	973,137	1,821,863	2,795,000
Appropriated for expenditure	(88,652)	(2,363,506)	6,350	(2,445,808)
Endowment net assets, July 1, 2016	(833,653)	2,639,094	26,454,978	28,260,419
Income	1,034	256,655	1,323,312	1,581,001
Realized and unrealized gains	384,276	3,565,492	--	3,949,768
	(448,343)	6,461,241	27,778,290	33,791,188
Contributions received	--	--	5,100	5,100
Appropriated for expenditure	(5,147)	(1,606,763)	--	(1,611,910)
Endowment net assets, June 30, 2017	$ (453,490)	$ 4,854,478	$ 27,783,390	$ 32,184,378
Permanently restricted net assets required to be maintained in perpetuity			$ 27,783,390	

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, 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). Federation targets a diversified asset allocation that places a greater 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

Federation has a policy of appropriating for distribution each year 4 percent of its endowment fund's average fair value over the prior 13 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, Federation considered the long-term expected return on its endowment. Accordingly, over the long term, Federation expects the current spending policy to allow its endowment to grow at an average of 4 percent annually. This is consistent with Federation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

20. CONCENTRATIONS AND CREDIT RISK

A substantial portion of revenues are obtained from contributions and bequests, investment earnings and advertising sales.

Federation's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash, cash equivalents, investments, pledges receivable, loans receivable and amounts due from other organizations. Federation's financial instruments are placed with a wide array of institutions that have high credit ratings. Cash equivalents and investments are in high-quality securities. Although subject to market fluctuations, this investment policy somewhat limits Federation's exposure to concentrations of credit risk. Federation has a long-standing history of collecting its pledges and contributions receivable which are from various individuals, corporations and foundations. An allowance for uncollectibles is recorded in the consolidated financial statements for amounts considered noncollectible. Loans receivable and amounts due from unconsolidated affiliates are primarily with Federation's affiliated agencies or with organizations which are closely tied to Federation's mission.

Federation maintains cash balances in financial institutions which may exceed federally insured limits. Historically, Federation has not experienced any credit related losses and deposits are held in high quality institutions to lessen the amount of the uninsured exposure.

21. COMMITMENTS

Guarantees

Federation has guaranteed debt and performance provisions of Daughters of Israel, Inc. ("DOI"). There are no collateral or indemnification agreements between Federation and DOI in the event Federation has to perform under the guarantee. Performance would be required in the event of default of the loan agreement.

Federation is a guarantor of a $10,000,000 line of credit associated with bond indenture agreement issued for DOI under which the Colorado Facilities Authority issued bonds in the amount of $10,000,000 to finance renovations. Bonds payable are $8,550,000 and $8,820,000 as of June 30, 2017 and 2016, respectively. The line of credit is secured by facilities at Daughters of Israel, Inc.

As a result of the guarantee provided to DOI, Federation has recorded the value of the guarantee as a liability totaling $291,000 and $328,000 in the consolidated statements of financial position for the years ended June 30, 2017 and 2016, respectively.

22. SUBSEQUENT EVENTS

Federation has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of December 13, 2017, which is the date the consolidated financial statements were available for release. Based upon this evaluation, Federation has determined that no subsequent events have occurred, which require disclosure in or adjustment to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2017

	Jewish Federation of Greater MetroWest NJ, Inc.	Jewish Community Foundation of Greater MetroWest, NJ	The Jewish Times	The Partnership for Jewish Learning and Life	Subtotal	Eliminations	Total
Assets							
Current assets							
Cash and cash equivalents	$ 4,687,193	$ 6,037,909	$ 189,015	$ --	$ 10,914,117	$ --	$ 10,914,117
Restricted cash held in investment pool	568,715	33,375,287	--	--	33,944,002	--	33,944,002
Pledges receivable, net	13,835,183	100,821	--	--	13,936,004	--	13,936,004
Accounts receivable, net of allowance for doubtful accounts of $25,000	--	--	1,904	--	1,904	--	1,904
Due from beneficary agencies	2,087,546	--	--	--	2,087,546	(1,714,969)	372,577
Loan receivables	269,087	95,000	--	--	364,087	--	364,087
Agency pension loan receivables	300,726	--			300,726	(32,943)	267,783
Other receivables, net of allowance for doubtful accounts of $-0-	1,719,127	87,706	--	--	1,806,833	(264,000)	1,542,833
Note receivable	--	--	--	--	--	--	--
Investment in subsidiary	608,763	--	--	--	608,763	(608,763)	--
Other current assets	352,967	333,379	203,734	--	890,080	--	890,080
Total current assets	24,429,307	40,030,102	394,653	--	64,854,062	(2,620,675)	62,233,387
Net property and equipment	686,506	5,934,995	--	--	6,621,501	--	6,621,501
Long-term investments	57,967,014	345,920,137	--	--	403,887,151	(57,778,909)	346,108,242
Due from beneficiary agencies, net of current portion	480,810	--	--	--	480,810	--	480,810
Loans receivable, net of current portion	2,377,287	140,000	--	--	2,517,287	--	2,517,287
Agency pension loan receivables, net of current portion	11,112,781	--			11,112,781	(1,279,411)	9,833,370
Pledges receivable, net of current portion	122,100	81,052	--	--	203,152	--	203,152
Note receivable, net of current portion	--	2,916,000	--	--	2,916,000	--	2,916,000
Cash surrender value of life insurance, net	--	6,563,235	--	--	6,563,235	--	6,563,235
Property and equipment held for rental, net	--	1,476,119	--	--	1,476,119	--	1,476,119
	72,059,992	357,096,543	--	--	429,156,535	(59,058,320)	370,098,215
Total assets	$ 97,175,805	$ 403,061,640	$ 394,653	$ --	$ 500,632,098	$ (61,678,995)	$ 438,953,103

See Independent Auditors’ Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2017

	Jewish Federation of Greater MetroWest NJ, Inc.	Jewish Community Foundation of Greater MetroWest, NJ	The Jewish Times	The Partnership for Jewish Learning and Life	Subtotal	Eliminations	Total
Liabilities and Net Assets							
Current liabilities							
Accounts payable and accrued expenses	$ 4,233,839	$ 507,019	$ 1,380	$ --	$ 4,742,238	$ (2,996)	$ 4,739,242
Bonds payable	550,000	--	--	--	550,000	--	550,000
Grants payable	--	6,067,367	--	--	6,067,367	(264,000)	5,803,367
Split interest agreements payable	--	244,358	--	--	244,358	--	244,358
Post retirement health benefits payable	73,700	--	--	--	73,700	--	73,700
Pension loan payable	434,787	--	32,943	--	467,730	(32,943)	434,787
Due to beneficiary agencies	9,956	218,372	--	--	228,328	(218,372)	9,956
Deferred revenue	282,688	8,222	--	--	290,910	--	290,910
Capital lease payable	81,308	--	--	--	81,308	--	81,308
Total current liabilities	5,666,278	7,045,338	34,323	--	12,745,939	(518,311)	12,227,628
Long-term liabilities							
Bonds payable, net of current portion	9,615,000	5,400,000	--	--	15,015,000	--	15,015,000
Deferred revenue, net of current portion	--	1,325,657	--	--	1,325,657	--	1,325,657
Due to beneficiary agencies, net of current portion	--	83,943,094	1,493,601	--	85,436,695	(59,272,510)	26,164,185
Due to other organizations	--	26,757,323	--	--	26,757,323	--	26,757,323
Post retirement health benefits, net of current portion	786,278	--	--	--	786,278	--	786,278
Split interest agreements payable, net of current portion	--	1,055,115	--	--	1,055,115	--	1,055,115
Security deposits	160,848	--	--	--	160,848	--	160,848
Capital lease payable net of current portion	148,433	--	--	--	148,433	--	148,433
Pension loan payable	16,886,886		1,279,411		18,166,297	(1,279,411)	16,886,886
Grants payable, net of current portion and discount	--	21,477,553	--	--	21,477,553	--	21,477,553
Total long-term liabilities	27,597,445	139,958,742	2,773,012	--	170,329,199	(60,551,921)	109,777,278
Total liabilities	33,263,723	147,004,080	2,807,335	--	183,075,138	(61,070,232)	122,004,906
Net assets							
Unrestricted	24,874,032	208,129,374	(2,412,682)	--	230,590,724	(608,763)	229,981,961
Temporarily restricted	15,628,275	43,554,571	--	--	59,182,846	--	59,182,846
Permanently restricted	23,409,775	4,373,615	--	--	27,783,390	--	27,783,390
Total net assets	63,912,082	256,057,560	(2,412,682)	--	317,556,960	(608,763)	316,948,197
Total liabilities and net assets	$ 97,175,805	$ 403,061,640	$ 394,653	$ -	$ 500,632,098	$ (61,678,995)	$ 438,953,103

See Independent Auditors' Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2016

	Jewish Federation of Greater MetroWest NJ, Inc.	Jewish Community Foundation of Greater MetroWest, NJ	The Jewish Times	The Partnership for Jewish Learning and Life	Subtotal	Eliminations	Total
Assets							
Current assets							
Cash and cash equivalents	$ 5,093,714	$ 3,348,509	$ 269,508	$ 107,164	$ 8,818,895	$ 187,471	$ 9,006,366
Restricted cash held in investment pool	--	21,268,768	--	207,531	21,476,299	(3,260,460)	18,215,839
Pledges receivable, net	14,570,677	92,720	--	438,377	15,101,774	(372,500)	14,729,274
Accounts receivable, net of allowance for doubtful accounts of $175,000	--	--	62,168	940	63,108	--	63,108
Due from beneficary agencies	1,766,194	--	--	--	1,766,194	(1,395,444)	370,750
Loan receivables	281,653	188,333	--	--	469,986	--	469,986
Other receivables, net of allowance for doubtful accounts of $5,366,831	1,079,513	132,181	85,494	--	1,297,188	--	1,297,188
Note receivable	--	966,500	--	--	966,500	--	966,500
Investment in subsidiary	608,763	--	--	--	608,763	(608,763)	--
Other current assets	347,032	299,467	80,659	--	727,158	--	727,158
Total current assets	23,747,546	26,296,478	497,829	754,012	51,295,865	(5,449,696)	45,846,169
Net property and equipment	786,834	6,463,728	26,578	52,747	7,329,887	--	7,329,887
Long-term investments	49,908,490	317,122,677	--	1,112,921	368,144,088	(46,633,273)	321,510,815
Due from beneficiary agencies, net of current portion	876,893	--	--	--	876,893	--	876,893
Loans receivable, net of current portion	2,485,991	171,667	--	--	2,657,658	--	2,657,658
Pledges receivable, net of current portion	159,600	80,962	--	--	240,562	--	240,562
Note receivable, net of current portion	--	2,916,000	--	--	2,916,000	--	2,916,000
Cash surrender value of life insurance, net	--	6,414,452	--	--	6,414,452	--	6,414,452
Property and equipment held for rental, net	--	1,814,688	--	--	1,814,688	--	1,814,688
Property held for sale	--	79,035	--	--	79,035	--	79,035
	53,430,974	328,599,481	--	1,112,921	383,143,376	(46,633,273)	336,510,103
Total assets	$ 77,965,354	$ 361,359,687	$ 524,407	$ 1,919,680	$ 441,769,128	$ (52,082,969)	$ 389,686,159

See Independent Auditors' Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2016

	Jewish Federation of Greater MetroWest NJ, Inc.	Jewish Community Foundation of Greater MetroWest, NJ	The Jewish Times	The Partnership for Jewish Learning and Life	Subtotal	Eliminations	Total
Liabilities and Net Assets							
Current liabilities							
Accounts payable and accrued expenses	$ 3,763,327	$ 386,561	$ 110,708	$ 97,802	$ 4,358,398	$ (135,528)	$ 4,222,870
Bonds payable	750,250	--	--	--	750,250	--	750,250
Grants payable	--	11,223,331	--	--	11,223,331	(372,500)	10,850,831
Split interest agreements payable	--	242,281	--	--	242,281	--	242,281
Post retirement health benefits	67,400	--	3,800	4,000	75,200	--	75,200
Pension payable	4,313,774	--	838,751	475,378	5,627,903	--	5,627,903
Due to beneficiary agencies	262	--	1,239,136	34,797	1,274,195	(1,273,933)	262
Deferred revenue	161,558	8,222	10,924	--	180,704	--	180,704
Capital lease payable	47,332	--	6,847	3,566	57,745	--	57,745
Total current liabilities	9,103,903	11,860,395	2,210,166	615,543	23,790,007	(1,781,961)	22,008,046
Long-term liabilities							
Bonds payable, net of current portion	10,163,950	5,400,000	--	--	15,563,950	--	15,563,950
Deferred revenue, net of current portion	4,700	1,333,879	--	--	1,338,579	--	1,338,579
Due to beneficiary agencies, net of current portion	--	76,674,291	--	--	76,674,291	(49,692,245)	26,982,046
Due to other organizations	--	23,424,924	--	--	23,424,924	--	23,424,924
Post retirement health benefits, net of current portion	778,047	--	21,038	64,553	863,638	--	863,638
Split interest agreements payable, net of current portion	--	1,112,894	--	--	1,112,894	--	1,112,894
Security deposits	144,899	--	--	--	144,899	--	144,899
Capital lease payable, net of current portion	122,355	--	15,889	53,201	191,445	--	191,445
Grants payable, net of current portion and discount	--	11,843,414	--	--	11,843,414	--	11,843,414
Total long-term liabilities	11,213,951	119,789,402	36,927	117,754	131,158,034	(49,692,245)	81,465,789
Total liabilities	20,317,854	131,649,797	2,247,093	733,297	154,948,041	(51,474,206)	103,473,835
Net assets							
Unrestricted	22,160,539	189,406,899	(1,722,686)	301,182	210,145,934	(608,763)	209,537,171
Temporarily restricted	13,400,498	35,934,476	--	885,201	50,220,175	--	50,220,175
Permanently restricted	22,086,463	4,368,515	--	--	26,454,978	--	26,454,978
Total net assets	57,647,500	229,709,890	(1,722,686)	1,186,383	286,821,087	(608,763)	286,212,324
Total liabilities and net assets	$ 77,965,354	$ 361,359,687	$ 524,407	$ 1,919,680	$ 441,769,128	$ (52,082,969)	$ 389,686,159

See Independent Auditors' Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Activities and Changes in Net Assets
Year Ended June 30, 2017

	Jewish Federation of Greater MetroWest NJ, Inc.				Jewish Community Foundation of Greater MetroWest, NJ				The Jewish Times	The Partnership For Jewish Learning and Life				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Unrestricted	Temporarily Restricted	Total	Eliminations	Total
Support and revenues														
Contributions	$ 22,063,563	$ 655,681	$ 1,323,312	$ 24,042,556	$ 28,581,186	$ 5,934,616	$ 5,100	$ 34,520,902	$ 104,781	$ --	$ --	$ --	$ (5,451,073)	$ 53,217,166
Less donor designations	(1,067,928)	--	--	(1,067,928)	--	--	--	--	--	--	--	--	--	(1,067,928)
Net contributions	20,995,635	655,681	1,323,312	22,974,628	28,581,186	5,934,616	5,100	34,520,902	104,781	--	--	--	(5,451,073)	52,149,238
Valuation allowance	--	--	--	--	37,000	(35,129)	--	1,871	--	--	--	--	--	1,871
Bequests	--	--	--	--	6,000	--	--	6,000	--	--	--	--	--	6,000
Rental income	3,972,871	--	--	3,972,871	2,376,826	--	--	2,376,826	--	--	--	--	(3,160,656)	3,189,041
Grants and contract revenue	192,890	--	--	192,890	--	--	--	--	--	--	--	--	--	192,890
Program and service fees	1,450,693	--	--	1,450,693	--	--	--	--	--	--	--	--	--	1,450,693
Investment income	2,876,380	4,497,121	--	7,373,501	40,476,326	5,268,557	--	45,744,883	--	--	--	--	(7,292,432)	45,825,952
Administrative fee revenue	--	--	--	--	646,791	--	--	646,791	--	--	--	--	--	646,791
Allocation of investment loss for funds held for others	--	--	--	--	(13,478,040)	--	--	(13,478,040)	--	--	--	--	7,292,432	(6,185,608)
Advertising and subscription sales	--	--	--	--	--	--	--	--	383,658	--	--	--	(91,256)	292,402
Gain on sale of property	--	--	--	--	1,555,996	--	--	1,555,996	--	--	--	--	--	1,555,996
Miscellaneous income	266,664	--	--	266,664	--	--	--	--	120,756	--	--	--	(53,508)	333,912
	29,755,133	5,152,802	1,323,312	36,231,247	60,202,085	11,168,044	5,100	71,375,229	609,195	--	--	--	(8,756,493)	99,459,178
Net assets released due to satisfaction of purpose restrictions	3,810,226	(3,810,226)	--	--	3,547,949	(3,547,949)	--	--	--	--	--	--	--	--
	33,565,359	1,342,576	1,323,312	36,231,247	63,750,034	7,620,095	5,100	71,375,229	609,195	--	--	--	(8,756,493)	99,459,178
Expenses														
Program services	25,889,267	--	--	25,889,267	42,363,162	--	--	42,363,162	2,241,309	--	--	--	(8,714,253)	61,779,485
Supporting services	11,357,548	--	--	11,357,548	2,664,397	--	--	2,664,397	--	--	--	--	(42,240)	13,979,705
	37,246,815	--	--	37,246,815	45,027,559	--	--	45,027,559	2,241,309	--	--	--	(8,756,493)	75,759,190
Changes in net assets before adjustments	(3,681,456)	1,342,576	1,323,312	(1,015,568)	18,722,475	7,620,095	5,100	26,347,670	(1,632,114)	--	--	--	--	23,699,988
Transfer of net assets	301,182	885,201	--	1,186,383	--	--	--	--	--	(301,182)	(885,201)	(1,186,383)	--	--
Adjustment for defined benefit plans	6,093,767	--	--	6,093,767	--	--	--	--	942,118	--	--	--	--	7,035,885
	2,713,493	2,227,777	1,323,312	6,264,582	18,722,475	7,620,095	5,100	26,347,670	(689,996)	(301,182)	(885,201)	(1,186,383)	--	30,735,873
Net assets - beginning of year	22,160,539	13,400,498	22,086,463	57,647,500	189,406,899	35,934,476	4,368,515	229,709,890	(1,722,686)	301,182	885,201	1,186,383	(608,763)	286,212,324
Net assets - end of year	$ 24,874,032	$ 15,628,275	$ 23,409,775	$ 63,912,082	$ 208,129,374	$ 43,554,571	$ 4,373,615	$ 256,057,560	$ (2,412,682)	$ --	$ --	$ --	$ (608,763)	$ 316,948,197

See Independent Auditors' Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Activities and Changes in Net Assets
Year Ended June 30, 2016

	Jewish Federation of Greater MetroWest NJ, Inc.				Jewish Community Foundation of Greater MetroWest NJ				The Jewish Times	The Partnership For Jewish Learning and Life				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Unrestricted	Temporarily Restricted	Total	Eliminations	Total
Support and revenues														
Contributions	$ 21,359,786	$ 1,269,186	$ 1,821,863	$ 24,450,835	$ 16,245,027	$ 2,415,020	$ 6,350	$ 18,666,397	$ --	$ 828,843	$ 966,230	$ 1,795,073	$ (5,073,837)	$ 39,838,468
Less donor designations	(1,475,242)	--	--	(1,475,242)	--	--	--	--	--	--	--	--	--	(1,475,242)
Net contributions	19,884,544	1,269,186	1,821,863	22,975,593	16,245,027	2,415,020	6,350	18,666,397	--	828,843	966,230	1,795,073	(5,073,837)	38,363,226
Valuation allowance	--	--	--	--	52,000	152,626	--	204,626	--	--	--	--	--	204,626
Bequests	--	--	--	--	125,000	--	--	125,000	--	--	--	--	--	125,000
Rental income	4,328,680	--	--	4,328,680	2,576,826	--	--	2,576,826	--	--	--	--	(3,222,592)	3,682,914
Grants and contract revenue	149,014	--	--	149,014	--	--	--	--	--	--	--	--	(70,000)	79,014
Program and service fees	1,297,612	--	--	1,297,612	--	--	--	--	--	117,906	--	117,906	(13,500)	1,402,018
Investment loss	(109,229)	(660,785)	--	(770,014)	(5,912,584)	(1,253,591)	--	(7,166,175)	--	(27,885)	--	(27,885)	(1,534,664)	(9,498,738)
Administrative fee revenue	--	--	--	--	667,954	--	--	667,954	--	--	--	--	(359,346)	308,608
Allocation of investment loss for funds held for others	--	--	--	--	2,397,481	--	--	2,397,481	--	--	--	--	1,534,664	3,932,145
Advertising and subscription sales	--	--	--	--	--	--	--	--	2,364,159	--	--	--	(446,854)	1,917,305
Miscellaneous income	201,548	--	--	201,548	--	--	--	--	20,252	5,855	--	5,855	(85,404)	142,251
	25,752,169	608,401	1,821,863	28,182,433	16,151,704	1,314,055	6,350	17,472,109	2,384,411	924,719	966,230	1,890,949	(9,271,533)	40,658,369
Net assets released due to satisfaction of purpose restrictions	4,172,726	(4,172,726)	--	--	3,037,386	(3,037,386)	--	--	--	1,149,973	(1,149,973)	--	--	--
	29,924,895	(3,564,325)	1,821,863	28,182,433	19,189,090	(1,723,331)	6,350	17,472,109	2,384,411	2,074,692	(183,743)	1,890,949	(9,271,533)	40,658,369
Expenses														
Program services	20,621,071	--	--	20,621,071	47,642,837	--	--	47,642,837	2,808,789	1,836,548	--	1,836,548	(9,019,504)	63,889,741
Supporting services	8,170,228	--	--	8,170,228	2,558,507	--	--	2,558,507	--	402,958	--	402,958	(252,029)	10,879,664
	28,791,299	--	--	28,791,299	50,201,344	--	--	50,201,344	2,808,789	2,239,506	--	2,239,506	(9,271,533)	74,769,405
Changes in net assets before adjustments	1,133,596	(3,564,325)	1,821,863	(608,866)	(31,012,254)	(1,723,331)	6,350	(32,729,235)	(424,378)	(164,814)	(183,743)	(348,557)	--	(34,111,036)
Adjustment for defined benefit plans	(5,639)	--	--	(5,639)	--	--	--	--	184,760	(18,834)	--	(18,834)	--	160,287
	1,127,957	(3,564,325)	1,821,863	(614,505)	(31,012,254)	(1,723,331)	6,350	(32,729,235)	(239,618)	(183,648)	(183,743)	(367,391)	--	(33,950,749)
Net assets, beginning of year	21,032,582	16,964,823	20,264,600	58,262,005	220,419,153	37,657,807	4,362,165	262,439,125	(1,483,068)	484,830	1,068,944	1,553,774	(608,763)	320,163,073
Net assets - end of year	$ 22,160,539	$ 13,400,498	$ 22,086,463	$ 57,647,500	$ 189,406,899	$ 35,934,476	$ 4,368,515	$ 229,709,890	$ (1,722,686)	$ 301,182	$ 885,201	$ 1,186,383	$ (608,763)	$ 286,212,324

See Independent Auditors' Report.