



Jewish Federation of Greater Dallas

Financial Statements
As of and For the Years Ended
July 31, 2017 and 2016

Jewish Federation of Greater Dallas

Financial Statements
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Jewish Federation of Greater Dallas

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Independent Auditor's Report

The Board of Directors
Jewish Federation of Greater Dallas
Dallas, Texas

We have audited the accompanying financial statements of the Jewish Federation of Greater Dallas (the "Federation") (a nonprofit organization), which comprise the statements of financial position as of July 31, 2017 and 2016 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



Basis for Qualified Opinion

As described in Notes 1 and 8, the Federation has chosen not to combine the financial statements of Northaven Campus Facilities Corporation in its financial statements. This is consistent with the decision of the Federation from all prior years. Under accounting principles generally accepted in the United States of America, a not-for-profit organization that has both an economic interest and control of another not-for-profit entity through a majority voting interest in the other entity's board should combine that entity's activities into its financial statements. However, the accompanying financial statements are not combined due to management's desire to present only the Federation's financial position and activities. Note 8 documents the unaudited financial statement impacts had the accounts of Northaven Campus Facilities Corporation been included in the accompanying financial statements.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Federation as of July 31, 2017 and 2016, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP
January 10, 2018

Financial Statements

Jewish Federation of Greater Dallas

Statements of Financial Position

<i>July 31,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 4,942,150	\$ 4,965,192
Investments	2,802,294	2,536,071
Pledges receivable, net	4,965,089	4,057,723
Other receivables	38,842	34,350
Prepaid expenses	66,023	52,176
Interest in net assets of a foundation	285,389	278,658
Building and equipment, net	911,700	944,386
Total assets	\$ 14,011,487	\$ 12,868,556
Liabilities and Net Assets		
Liabilities:		
Accounts payable and other liabilities	\$ 1,130,674	\$ 1,044,633
Agency liabilities	692,600	204,354
Allocations payable	7,202,084	6,956,480
Due to associated agencies	28,288	32,816
Total liabilities	9,053,646	8,238,283
Commitments and contingencies		
Net Assets:		
Unrestricted:		
Undesignated	2,402,635	2,339,191
Board designated	2,013,462	2,047,648
Total unrestricted	4,416,097	4,386,839
Temporarily restricted	541,744	243,434
Total net assets	4,957,841	4,630,273
Total liabilities and net assets	\$ 14,011,487	\$ 12,868,556

See accompanying notes to financial statements.

Jewish Federation of Greater Dallas

Statements of Activities

For the Years Ended July 31,

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support						
Grants and contributions	\$ 10,582,429	\$ 335,907	\$ 10,918,336	\$ 10,707,100	\$ 45,155	\$ 10,752,255
Special events income, net of donor benefit costs of \$126,516 and \$86,934, respectively	421,182	-	421,182	326,663	-	326,663
Investment income	170,055	-	170,055	41,933	-	41,933
Provision for losses on uncollectible contributions receivable	(269,584)	-	(269,584)	(269,978)	-	(269,978)
Rent income	-	-	-	2,600	-	2,600
Change in value of interest in net assets of a foundation	6,731	-	6,731	(17,815)	-	(17,815)
Net assets released from restrictions	37,597	(37,597)	-	153,639	(153,639)	-
Total revenues and support	10,948,410	298,310	11,246,720	10,944,142	(108,484)	10,835,658
Expenses and Distributions						
Program services:						
Allocations to national, international and local agencies	5,411,169	-	5,411,169	5,324,794	-	5,324,794
Center for Jewish Education	855,902	-	855,902	697,185	-	697,185
Community engagement	805,795	-	805,795	796,867	-	796,867
Israel and Overseas	333,636	-	333,636	280,949	-	280,949
Jewish Community Relations Council	228,445	-	228,445	293,640	-	293,640
Jewish Federations of North America	357,176	-	357,176	345,953	-	345,953
Missions and leadership	71,745	-	71,745	45,619	-	45,619
Planning and allocations	116,996	-	116,996	111,775	-	111,775
Shared and other	179,846	-	179,846	164,930	-	164,930
Other programs	85,921	-	85,921	125,166	-	125,166
Total program services	8,446,631	-	8,446,631	8,186,878	-	8,186,878
Fundraising - One Night	419,920	-	419,920	340,647	-	340,647
Fundraising - other	1,096,906	-	1,096,906	937,696	-	937,696
General and administrative	955,695	-	955,695	877,413	-	877,413
Total expenses and distributions	10,919,152	-	10,919,152	10,342,634	-	10,342,634
Change in net assets	29,258	298,310	327,568	601,508	(108,484)	493,024
Net assets at beginning of year	4,386,839	243,434	4,630,273	3,785,331	351,918	4,137,249
Net assets at end of year	\$ 4,416,097	\$ 541,744	\$ 4,957,841	\$ 4,386,839	\$ 243,434	\$ 4,630,273

See accompanying notes to financial statements.

Jewish Federation of Greater Dallas

Statement of Functional Expenses For the Year Ended July 31, 2017

	Allocations to National, International and Local Agencies	Center for Jewish Education	Community Engagement	Israel and Overseas	Jewish Community Relations Council	Jewish Federations of North America	Missions and Leadership	Planning and Allocations	Shared and Other	Other Programs	Total Program Services	Fundraising One Night	Fundraising Other	General and Administrative	Total
Salaries	\$ -	\$ 351,700	\$ 547,889	\$ 49,095	\$ 138,483	\$ -	\$ 603	\$ 88,895	\$ 89,041	\$ 31,131	\$ 1,296,837	\$ -	\$ 626,235	\$ 533,245	\$ 2,456,317
Employee benefits	-	32,992	47,048	7,446	1,587	-	-	7,709	10,101	188	107,071	-	54,979	47,000	209,050
Payroll taxes and related	-	25,384	36,389	3,843	10,786	-	46	6,582	6,283	2,381	91,694	-	42,098	31,148	164,940
Total payroll expenses	-	410,076	631,326	60,384	150,856	-	649	103,186	105,425	33,700	1,495,602	-	723,312	611,393	2,830,307
Allocations	5,411,169	4,000	-	160,500	-	-	-	-	-	-	5,575,669	-	-	10,000	5,585,669
Bank fees and credit card discount fees	-	-	-	-	-	-	-	-	-	-	-	-	-	102,519	102,519
Cell phone reimbursement	-	1,200	1,935	340	600	-	-	600	60	120	4,855	-	1,927	998	7,780
Contract services	-	79,902	38,342	81,606	16,710	-	13	107	32,747	6,065	255,492	219,171	99,167	12,091	585,921
Dues and subscriptions	-	76,547	1,298	-	7,723	357,176	-	-	-	-	442,744	-	1,057	2,446	446,247
Equipment and maintenance	-	1,201	1,789	214	709	-	-	134	994	-	5,041	-	2,713	2,686	10,440
Insurance	-	-	3,494	397	1,397	-	-	256	641	-	6,185	10,671	3,995	13,550	34,401
Meetings and conferences	-	16,075	17,004	6,526	16,563	-	158	4,610	3,467	3,873	68,276	1,552	18,714	26,813	115,355
Missions	-	115,854	-	4,271	-	-	70,587	-	-	-	190,712	-	17,247	-	207,959
Occupancy	-	58,965	35,190	4,031	13,687	-	-	3,063	6,451	-	121,387	-	40,234	28,706	190,327
Office supplies and materials	-	2,011	1,377	37	773	-	-	25	428	-	4,651	1,054	1,957	24,780	32,442
Other	-	29,258	470	606	903	-	-	-	5,287	41,977	78,501	600	17,721	15,208	112,030
Postage and shipping	-	5,280	6,491	4	140	-	-	83	270	-	12,268	3,774	24,577	1,975	42,594
Printing and related	-	16,242	16,266	-	5,496	-	338	-	5,045	-	43,387	22,730	47,355	9,487	122,959
Professional services	-	-	-	-	-	-	-	-	-	-	-	-	-	47,600	47,600
Rentals, facilities and decorations for events	-	14,619	18,696	11,168	690	-	-	-	4,294	-	49,467	160,234	51,897	1,431	263,029
Software and licenses	-	864	8,520	-	76	-	-	-	9,831	80	19,371	-	17,646	21,063	58,080
Travel	-	801	741	35	1,576	-	-	8	70	106	3,337	134	753	1,338	5,562
Total expense before depreciation	5,411,169	832,895	782,939	330,119	217,899	357,176	71,745	112,072	175,010	85,921	8,376,945	419,920	1,070,272	934,084	10,801,221
Depreciation of building and equipment	-	23,007	22,856	3,517	10,546	-	-	4,924	4,836	-	69,686	-	26,634	21,611	117,931
Total expenses	\$ 5,411,169	\$ 855,902	\$ 805,795	\$ 333,636	\$ 228,445	\$ 357,176	\$ 71,745	\$ 116,996	\$ 179,846	\$ 85,921	\$ 8,446,631	\$ 419,920	\$ 1,096,906	\$ 955,695	\$ 10,919,152

See accompanying notes to financial statements.

Jewish Federation of Greater Dallas

Statement of Functional Expenses For the Year Ended July 31, 2016

	Allocations to National, International and Local Agencies	Center for Jewish Education	Community Engagement	Israel and Overseas	Jewish Community Relations Council	Jewish Federations of North America	Missions and Leadership	Planning and Allocations	Shared and Other	Other Programs	Total Program Services	Fundraising One Night	Fundraising Other	General and Administrative	Total
Salaries	\$ -	\$ 352,834	\$ 527,600	\$ 57,459	\$ 179,630	\$ -	\$ -	\$ 86,818	\$ 84,599	\$ 15,317	\$ 1,304,257	\$ -	\$ 603,464	\$ 455,750	\$ 2,363,471
Employee benefits	-	32,529	44,967	6,630	12,179	-	-	6,518	8,951	-	111,774	-	51,602	41,429	204,805
Payroll taxes and related	-	25,177	33,871	4,172	13,501	-	-	5,914	6,030	1,196	89,861	-	39,358	29,727	158,946
Total payroll expenses	-	410,540	606,438	68,261	205,310	-	-	99,250	99,580	16,513	1,505,892	-	694,424	526,906	2,727,222
Allocations	5,324,794	25,053	-	95,000	-	-	-	-	-	30,053	5,474,900	-	-	30,964	5,505,864
Bank fees and credit card discount fees	-	-	-	-	-	-	-	-	-	-	-	-	-	95,815	95,815
Cell phone reimbursement	-	960	2,055	408	960	-	-	612	60	-	5,055	-	2,039	1,046	8,140
Contract services	-	29,863	39,567	80,133	7,282	-	43	179	27,468	5,983	190,518	111,822	61,495	12,659	376,494
Dues and subscriptions	-	79,323	1,128	360	9,704	345,953	-	-	76	-	436,544	-	986	39	437,569
Equipment and maintenance	-	2,609	2,300	317	952	-	-	190	1,179	-	7,547	-	3,384	3,091	14,022
Insurance	-	-	3,408	470	1,410	-	-	282	646	-	6,216	5,194	3,913	14,011	29,334
Meetings and conferences	-	16,896	13,596	7,313	18,247	-	3,135	3,166	2,282	6,582	71,217	1,907	16,843	27,155	117,122
Missions	-	23,000	-	15,515	-	-	41,055	-	-	64,056	143,626	-	20	-	143,646
Occupancy	-	52,280	36,643	5,040	15,158	-	-	3,009	6,949	-	119,079	-	42,076	27,578	188,733
Office supplies and materials	-	3,435	1,645	-	341	-	-	48	557	323	6,349	524	1,983	21,452	30,308
Other	-	217	794	244	874	-	772	-	4,175	1,000	8,076	1,229	5,360	14,222	28,887
Postage and shipping	-	3,933	6,289	1	277	-	7	108	616	23	11,254	4,172	15,100	2,467	32,993
Printing and related	-	11,818	26,970	175	6,000	-	155	-	3,617	-	48,735	26,888	27,365	10,692	113,680
Professional services	-	-	-	-	-	-	-	-	-	-	-	-	-	45,875	45,875
Rentals, facilities and decorations for events	-	12,494	24,490	4,156	12,753	-	-	-	4,162	602	58,657	188,547	19,649	1,387	268,240
Software and licenses	-	1,653	8,156	-	33	-	450	-	8,598	-	18,890	-	16,000	18,834	53,724
Travel	-	180	607	51	3,828	-	2	24	145	31	4,868	364	513	1,679	7,424
Total expense before depreciation	5,324,794	674,254	774,086	277,444	283,129	345,953	45,619	106,868	160,110	125,166	8,117,423	340,647	911,150	855,872	10,225,092
Depreciation of building and equipment	-	22,931	22,781	3,505	10,511	-	-	4,907	4,820	-	69,455	-	26,546	21,541	117,542
Total expenses	\$ 5,324,794	\$ 697,185	\$ 796,867	\$ 280,949	\$ 293,640	\$ 345,953	\$ 45,619	\$ 111,775	\$ 164,930	\$ 125,166	\$ 8,186,878	\$ 340,647	\$ 937,696	\$ 877,413	\$ 10,342,634

See accompanying notes to financial statements.

Jewish Federation of Greater Dallas

Statements of Cash Flows

<i>For the years ended July 31,</i>	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ 327,568	\$ 493,024
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	117,931	117,542
Provision for losses on uncollectible contributions receivable	269,584	269,978
Realized and unrealized gains on investments, net	(131,546)	(13,199)
(Increase) decrease in operating assets		
Pledges receivable	(1,176,950)	(676,330)
Due from associated agencies	(4,528)	(660)
Interest and other receivables	(4,492)	(30,350)
Prepaid expenses	(13,847)	14,280
Increase (decrease) in operating liabilities		
Accounts payable and other liabilities	86,041	74,884
Allocations payable	245,604	284,562
Agency liabilities	488,246	44,609
Net cash provided by operating activities	203,611	578,340
Cash Flows from Investing Activities		
Purchases of investments	(134,677)	(41,637)
Proceeds from sales and maturities of investments	-	36,261
Change in interest in net assets of a foundation	(6,731)	17,815
Purchases of fixed assets	(85,245)	(35,811)
Net cash used in investing activities	(226,653)	(23,372)
Cash Flows from Financing Activities		
	-	-
Net (decrease) increase in cash and cash equivalents	(23,042)	554,968
Cash and cash equivalents at beginning of year	4,965,192	4,410,224
Cash and cash equivalents at end of year	\$ 4,942,150	\$ 4,965,192

See accompanying notes to financial statements.

Jewish Federation of Greater Dallas

Notes to Financial Statements

1. Significant Accounting Policies

Nature of Operations

The Jewish Federation of Greater Dallas (the Federation) coordinates and implements fund-raising, planning, leadership development, education, and community relations for the Jewish community. Substantially all of the Federation's revenues are raised from individuals and organizations in the Dallas/Fort Worth area. The Federation is qualified as an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

The Federation's primary programs include:

Allocations to national, international and local agencies: Allocations to national, international and local agencies are gifts and grants made by the Federation to various agencies and organizations in fulfillment of the Federation's mission.

Center for Jewish Education: The Center for Jewish Education (CJE) serves as a resource, facilitator, and conveyor within the community; to enrich existing programs, and serve as a catalyst for new Jewish education initiatives; and to promote Jewish education as the critical link to ensuring Jewish continuity and the increased engagement of all members of the Greater Dallas Jewish community. CJE works with other Federation departments particularly in areas involving educational planning.

Community Engagement: A main component of the mission of the Federation is to build community in addition to raising and allocating funds. Through engagement of hundreds of volunteers across various departments of the Federation, the Federation inspires and connects community members who might otherwise not be actively involved in the organized Jewish community including the Campaign department, Israel and Overseas, Planning and Allocations, Finance, Partnership 2Gether, Young Adult Division and others.

Israel and Overseas: The Israel and Overseas program works to build awareness and momentum in Dallas around the case for Israel and Overseas by maintaining living connections between Dallas and Jewish communities in Israel and around the world. Israel and Overseas initiatives create meaningful program, travel, and engagement opportunities for the Dallas community.

Jewish Community Relations Council: The Jewish Community Relations Council (JCRC) is the central umbrella organization for public affairs that brings together Jewish organizations and religious institutions in the Greater Dallas area. The JCRC seeks to develop organized Jewish community consensus on issues affecting the security and continuity of the Jewish people as well as concerns affecting the local Dallas Jewish community and the community at large.

Jewish Federations of North America: The Jewish Federations of North America is the International umbrella organization for the North American Federations. They provide numerous services to each local Federation including consulting and recruitment, marketing and branding guidelines and tactics, national young adult and women's philanthropy programs, missions and VIP travel support, leadership development, financial resource development consulting and other vital programs and services that ultimately benefit the entire community through the success of the local Federations.

Jewish Federation of Greater Dallas

Notes to Financial Statements

Missions and Leadership: Missions and leadership activities include programs and trips sponsored by the Federation to explore Jewish life in other communities, Israel and other countries, and to address ongoing communal needs by recruiting and educating young men and women to be active and effective participants in the Jewish community in the years to come.

Planning and Allocations: Planning and allocation activities are associated with identifying, selecting, and monitoring programs, agencies, and organizations requesting and receiving allocations as well as allocation of the dollars raised in the annual campaign.

Shared and Other: Occupancy, professional services, and other expenses shared by the major programs listed above and various smaller programmatic functions for which allocation to individual programs is not reasonably determinable or material to the financial statements.

Other Programs: Various activities related to other major programs for which the programs do not share expenses between other functions. Other Programs primarily includes the Community Security Initiative and special allocations.

Northaven Campus Facilities Corporation (NCFC) was established to oversee the maintenance, operation, and development of the property and buildings where the Federation and a separate entity are located. NCFC is a 501(c)(3) organization operating as a supporting agency of the Federation under the meaning of Section 509(a)(3). Under NCFC's articles of incorporation and by-laws, it operates with its own board of directors. Three of the five directors must be either serving members of the Federation board of directors or past chairmen of the Federation.

Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic *Not-for-Profit Entities Consolidation*, for a reporting organization that controls another organization, it is presumed that combined financial statements are more meaningful than separate statements and are usually necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. The accompanying financial statements are not combined due to management's desire to present a separate set of financial statements showing only the Federation's financial position and results of operations. No combined financial statements were prepared for the year ended July 31, 2017 and 2016; however, the combined statements of financial position in summary format for the Federation and NCFC are included in Note 8.

Basis of Presentation

The Federation reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets - Represents resources that are generally not subject to donor imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors. Contributions received with time and/or purpose restrictions which are fully expended in the same period are classified as unrestricted.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Federation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Jewish Federation of Greater Dallas

Notes to Financial Statements

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Federation. The Federation had no permanently restricted net assets as of July 31, 2017 and 2016.

Revenues and support are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Contributions are recognized as support in the period unconditional pledges to give are received. Contributions of assets other than cash are sold immediately and recorded at the amount of cash received, which approximates the fair value of the contributions.

Cash and Cash Equivalents

For purposes of cash flows, the Federation considers cash, money market accounts, and all highly liquid debt instruments with original maturities of three months or less to be cash and cash equivalents.

Pledges Receivable

Pledges receivable consist of unconditional promises to give and are recognized in the year the unconditional promise is made. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

At July 31, 2017 and 2016, the Federation's pledges receivable consist of amounts which the Federation expects to be substantially collected in one year or less, less an allowance for uncollectible pledges for all current and prior campaigns of \$1,544,285 and \$1,486,553, respectively.

The allowance for doubtful pledges is based on the collection experience of the Federation and analysis of specific promises made.

Because substantially all pledges are due within one year, the effect of discounting future pledges to present value is insignificant. Therefore, no discount has been applied.

Investments and Interest in Net Assets of a Foundation

Investments and Interest in Net Assets of a Foundation on the statements of financial position represents assets of the Federation that are primarily held by the Dallas Jewish Community Foundation (the Foundation). Investments held by the Foundation are diversified and include cash equivalents, mutual funds, debt securities and equity securities.

Building and Equipment

Building and equipment are stated at cost if purchased or at the estimated fair value at the date of donation if donated. The Federation capitalizes property and equipment with a cost or donated value of \$1,000 or more and an estimated life greater than one year.

Jewish Federation of Greater Dallas

Notes to Financial Statements

For furniture and equipment, depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. For leasehold improvements, depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the life of the lease, which range from twenty to thirty-one years.

Impairment of Long-Lived Assets

The Federation periodically reviews the carrying value of its long-lived assets, including building and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. To the extent fair value of a long-lived asset, determined based upon the estimated future cash inflows attributable to the asset, less estimated future cash outflows, are less than the carrying amount, an impairment loss is recognized. No such losses were recognized for the years ended July 31, 2017 and 2016.

Agency Liabilities

Agency liabilities represent assets held for the benefit of other agencies. See Note 4.

Allocations Payable

The Federation makes allocations to constituents within the Jewish community. Allocations are recognized as allocations to other organizations in the statements of activities at the time the Federation's Board of Directors approves specific allocations. Annual allocations are accrued upon approval by the Board of Directors. The meeting to approve allocations is held following the close of the annual campaign and prior to the close of the Federation's fiscal year.

Functional Allocation of Expenses

Certain costs are jointly shared by programs, fundraising, and general and administrative functions and, accordingly, have been allocated among the functions benefited based on management's estimates. Management reviews its functional allocation estimates annually, or more often if changes in circumstances indicate changes to the functional expense allocations may be necessary.

Concentrations of Credit Risk

Concentrations of credit risk consist primarily of cash, pledges, invested assets, and interest in net assets of a foundation. The Federation places its cash with quality financial institutions. At times cash held in banks exceeds insured limits. Pledges receivable are due from individuals and organizations concentrated in the Dallas/Fort Worth area.

Investments and Interest in Net Assets of a Foundation are invested by the Foundation as part of a pooled, diversified investment portfolio.

Donated Materials and Services

Many individuals volunteer their time to assist the Federation with specific assistance programs, campaign solicitations and various committee assignments. The Federation receives thousands of volunteer hours per year; however, these services do not meet the requirements of FASB ASC topic

Jewish Federation of Greater Dallas

Notes to Financial Statements

Not-for-Profit Entities Revenue Recognition and, therefore, are not included in the financial statements. Donated materials and services meeting the requirements of this ASC topic were not material during fiscal years 2017 or 2016.

Use of Estimates

The preparation of 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 could differ from those estimates.

Federal Income Taxes

The Federation is exempt for federal income tax purposes under Internal Revenue Code Section 501(c)(3). Therefore, no tax provision or liability has been reported in the accompanying financial statements.

The Federation follows FASB ASC topic *Accounting for Uncertainty in Income Taxes*. Under this ASC topic, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. This ASC topic had no impact on the financial statements. The Federation does not believe there are any unrecognized tax benefits that should be recorded.

For the years ended July 31, 2017 and 2016, there were no interest or penalties recorded or included in the statements of activities related to taxes. The Federation is not under examination for tax purposes by any jurisdiction. Tax filings for fiscal year 2014 through present are subject to examination.

Fair Value of Financial Instruments

FASB ASC topic *Financial Instruments* requires disclosure of an estimate of fair value of certain financial instruments. The Federation's significant financial instruments are cash, investments, pledges receivable, and other short-term assets and liabilities, which are all stated at their approximate fair values in the Federations financial statements. Note 2 provides further details regarding fair value.

2. Fair Value Measurements

FASB ASC topic *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this topic are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Federation has the ability to access.

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Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Assets measured at fair value on a recurring basis include investments and interest in net assets of a foundation.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at July 31, 2017 and 2016.

Investments and interest in net assets of a foundation are carried at fair market value as reported by the Foundation and are classified in level 2 of the fair value hierarchy because all material inputs into the investment pools are observable.

Assets measured at fair value on a recurring basis were as following for the years ended July 31, 2017 and 2016:

Description	Fair Value at July 31, 2017			
	Level 1	Level 2	Level 3	Total
Investments	\$ -	\$ 2,802,294	\$ -	\$ 2,802,294
Interest in net assets of a foundation	-	285,389	-	285,389
	\$ -	\$ 3,087,683	\$ -	\$ 3,087,683

Description	Fair Value at July 31, 2016			
	Level 1	Level 2	Level 3	Total
Investments	\$ -	\$ 2,536,071	\$ -	\$ 2,536,071
Interest in net assets of a foundation	-	278,658	-	278,658
	\$ -	\$ 2,814,729	\$ -	\$ 2,814,729

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The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Federation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measure at the reporting date.

Investment income for the years ended July 31 consists of:

	2017	2016
Interest and dividend income	\$ 38,509	\$ 28,734
Realized and unrealized gain, net	131,546	13,199
	\$ 170,055	\$ 41,933

3. Building and Equipment

Building and equipment consists of the following at July 31,

	2017	2016
Leasehold improvements	\$ 1,557,260	\$ 1,499,272
Furniture and equipment:		
Computers	390,491	369,148
Telephone system	59,694	58,564
Office furniture and equipment	246,961	242,177
	2,254,406	2,169,161
Less accumulated depreciation	1,342,706	1,224,775
	\$ 911,700	\$ 944,386

4. Agency Liabilities and Transfers

The Federation follows the provisions of FASB ASC topic *Not-for-Profit Entities Revenue Recognition*. This topic specifically requires that if the Federation accepts assets from a resource provider which are designated for the benefit of another not-profit-organization or individual, and the recipient organization does not maintain variance power over such transfers, the Federation must account for the transfer of such assets as a liability. Accordingly, \$692,600 and \$204,354 of such donations are reflected as agency liabilities as of July 31, 2017 and 2016, respectively. These amounts are due to national, international and local agencies supported by the Federation. For the years ended July 31, 2017 and 2016, the total amount of agency transactions paid out by the Federation was \$1,126,791 and \$1,214,272, respectively.

5. Related Parties

Organizations owned or managed by members of the board of directors provide insurance brokerage services for the Federation.

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6. Restrictions and Board Designations on Net Assets

Temporarily restricted net assets of the Federation were available for the following purposes at July 31,

	2017	2016
Campaign Rothschild Funds	\$ 13,287	\$ 13,287
Center for Jewish Education - Partnership for Excellence in Jewish Education Program	10,616	26,116
Center for Jewish Education Tribute Event	177,350	83,608
Community Security Initiative	171,186	-
Jewish Community Relations Council Community Missions	24,500	24,500
Jewish Community Relations Council Public Education Initiative / BDS Program	52,932	34,779
Insurance premiums	19,192	-
PJ Library	27,945	-
Tycher Library	41,541	39,047
YAD Special Events	-	17,480
Other	3,195	4,617
	\$ 541,744	\$ 243,434

Board designated net assets of the Federation were available for the following purposes established by the Board of Directors of the Federation as of July 31,

	2017	2016
Center for Jewish Education "What If?" fund	\$ 21,440	\$ 19,748
Israel and Overseas	70,000	70,000
Israel Independence Day	25,000	25,000
Jewish Community Relations Council	25,000	20,000
Jewish Education	17,011	13,435
Jewish Identity Initiative	40,000	-
Marx Fund	285,389	278,658
Partnership 2gether	618,932	580,883
Stabilization Fund	910,690	910,213
Feldman Building Capital Reserve	-	29,225
Community Security Initiative	-	30,000
One Night Major Campaign Event	-	70,486
	\$ 2,013,462	\$ 2,047,648

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7. Retirement Plan

An Internal Revenue Code Section 403(b) retirement plan was implemented on October 1, 1995. This plan authorizes the employees to make pre-tax contributions to the plan. Effective May 20, 2009, the plan was amended to revise the Federation matching contribution to a discretionary contribution. The Federation's discretionary contributions in 2017 and 2016 were \$55,589 and \$51,190, respectively.

8. NCFC Combined Financial Information

As further discussed in Note 1, NCFC is a supporting organization of the Federation at July 31, 2017 and 2016. NCFC and the Federation have shared control at the board level. Had the assets, liabilities, and net assets of NCFC and the Federation been combined at July 31, 2017 and 2016, the statements of financial position (in summary format) would have been as follows:

2017	Federation	(Unaudited) NCFC	Total
Assets	\$ 14,011,487	\$ 19,150,113	\$ 33,161,600
Liabilities	9,053,646	-	9,053,646
Net Assets	4,957,841	19,150,113	24,107,954
Total Liabilities and Net Assets	\$ 14,011,487	\$ 19,150,113	\$ 33,161,600

2016	Federation	(Unaudited) NCFC	Total
Assets	\$ 12,868,556	\$ 19,498,722	\$ 32,367,278
Liabilities	8,238,283	-	8,238,283
Net Assets	4,630,273	19,498,722	24,128,995
Total Liabilities and Net Assets	\$ 12,868,556	\$ 19,498,722	\$ 32,367,278

The assets of NCFC at July 31, 2017 and 2016 are primarily land, building and building improvements.

The Federation leases office space from NCFC under a 50-year lease, at substantially no cost to the Federation. Management estimates the value of this donated rent for 2017 and 2016 to be approximately \$165,000 per year; however, in kind income and expense for this donated facility use is excluded from the financial statements due to the nature of the relationship between NCFC and the Federation. Similarly, NCFC leases space to the Jewish Community Center of Dallas, Inc. under a 50-year lease commencing April 2004 at substantially no cost. This lease commitment, estimated at \$1,870,000 per year, is not reflected in the NCFC liabilities or net assets above.

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9. Intentions to Give

The Federation receives indications from donors of their intention to make recommendations to provide funding to the Federation through independent philanthropic funds. The Federation has not recognized these intentions to give in the accompanying financial statements since they are not unconditional pledges. The total of these intentions to give excluded from the financial statements were \$1,662,417 and \$1,402,193 for 2017 and 2016, respectively.

10. Joint Cost Allocation

The Federation operates an annual campaign. Costs associated with operating the campaign were allocated approximately equally between fundraising and program expense in the statements of functional expenses. Similarly, the Federation operates various events throughout the year which have joint program and fundraising functions. For 2017, total expense related to joint activities was approximately \$1.7 million of which approximately \$900,000 was allocated to fundraising. For 2016, total expense related to joint activities was approximately \$1.9 million of which approximately \$1 million was allocated to fundraising. The amounts not allocated to fundraising were primarily allocated to program functions.

11. Subsequent Events

The date to which events occurring after July 31, 2017, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is January 10, 2018, which is the date on which the financial statements were available to be issued.