

**JEWISH FEDERATION OF NASHVILLE
AND MIDDLE TENNESSEE**

FINANCIAL STATEMENTS

August 31, 2012

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Jewish Federation of Nashville and Middle Tennessee
Nashville, Tennessee

We have audited the accompanying statement of financial position of the Jewish Federation of Nashville and Middle Tennessee (the "Federation") as of August 31, 2012, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Federation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Federation of Nashville and Middle Tennessee as of August 31, 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 12, the Federation restated its net assets effective August 31, 2011 to properly report funds held for Akiva School and to properly report allocations payable to Jewish Federation of North America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The divisional statements of financial position and activities on pages 16 and 17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Frasier, Dean & Howard, PLLC

Nashville, Tennessee
January 18, 2013

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
STATEMENT OF FINANCIAL POSITION
August 31, 2012

Assets

Cash and cash equivalents	\$ 819,392
Investments	25,323,199
Pledges receivable, less allowance for uncollectible pledges of \$37,230	1,133,065
Other receivables	46,853
Furniture and equipment, net of accumulated depreciation of \$262,502	<u>10,757</u>
Total assets	<u><u>\$ 27,333,266</u></u>

Liabilities and Net Assets

Liabilities:

Checks written in excess of bank balance	\$ 39,020
Accounts payable and accrued expenses	28,803
Allocations payable	319,882
Funds held for others	<u>365,218</u>
Total liabilities	<u>752,923</u>

Net assets:

Unrestricted:

Designated by governing board:

Endowment program	20,979,908
Other	643,353
Net investment in furniture and equipment	<u>10,757</u>

Total unrestricted	21,634,018
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Temporarily restricted	<u>4,946,325</u>
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Total net assets	<u>26,580,343</u>
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Total liabilities and net assets	<u><u>\$ 27,333,266</u></u>
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See accompanying notes.

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Public support received directly	\$ 268,534	\$ 2,570,169	\$ 2,838,703
Net gain on investments	911,238	119,977	1,031,215
Interest and dividends	460,193	66,896	527,089
Observer publication	130,282	-	130,282
Other	9,010	-	9,010
Net assets released from restrictions:			
Annual campaign	1,812,210	(1,812,210)	-
Other	181,046	(181,046)	-
	<u>3,772,513</u>	<u>763,786</u>	<u>4,536,299</u>
Total support and revenue			
Expenses:			
Program services	2,630,910	-	2,630,910
Supporting services:			
Fund raising	384,719	-	384,719
Management and general	432,720	-	432,720
	<u>3,448,349</u>	<u>-</u>	<u>3,448,349</u>
Total expenses			
Change in net assets	324,164	763,786	1,087,950
Net assets - beginning of year, as restated	<u>21,309,854</u>	<u>4,182,539</u>	<u>25,492,393</u>
Net assets - end of year	<u>\$ 21,634,018</u>	<u>\$ 4,946,325</u>	<u>\$ 26,580,343</u>

See accompanying notes.

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2012

Cash flows from operating activities:	
Change in net assets	\$ 1,087,950
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	3,499
Net gain on investments	(1,031,215)
Changes in operating assets and liabilities:	
Pledges receivable	(154,721)
Other receivables	(2,248)
Checks written in excess of bank balance	(13,187)
Accounts payable and accrued expenses	(42,056)
Allocations payable	(138,423)
Funds held for others	(103,365)
	<hr/>
Net cash used in operating activities	(393,766)
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Cash flows from investing activities:	
Purchases of furniture and equipment	(11,723)
Purchases of investments	(26,359,296)
Proceeds from sale or redemption of investments	25,991,465
	<hr/>
Net cash used in investing activities	(379,554)
	<hr/>
Net decrease in cash and cash equivalents	(773,320)
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Cash and cash equivalents - beginning of year	1,592,712
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Cash and cash equivalents - end of year	\$ 819,392
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See accompanying notes.

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2012

	Program Services	Fund Raising	Management and General	Total
Salaries	\$ -	\$ 266,473	\$ 269,062	\$ 535,535
Employee insurance	-	14,815	28,698	43,513
Payroll taxes	-	19,784	19,619	39,403
Retirement plan expense	-	8,565	7,827	16,392
Employee benefits	-	334	915	1,249
Total salaries and employee benefits	-	309,971	326,121	636,092
Grants	1,752,868	-	-	1,752,868
Allocations	757,660	-	-	757,660
Observer publication	120,382	-	-	120,382
Campaign programs	-	46,286	-	46,286
Legal and professional	-	5,968	25,445	31,413
Bad debts	-	-	26,702	26,702
Equipment contract	-	7,770	12,210	19,980
Printing and publications	-	-	11,044	11,044
Telephone	-	3,910	6,164	10,074
Staff development	-	4,552	3,171	7,723
Insurance	-	-	6,605	6,605
Postage	-	2,287	4,171	6,458
Supplies	-	1,297	2,461	3,758
Depreciation and amortization	-	-	3,499	3,499
Other	-	2,678	571	3,249
Annual meeting	-	-	2,474	2,474
Conferences	-	-	2,082	2,082
Total expenses	<u>\$ 2,630,910</u>	<u>\$ 384,719</u>	<u>\$ 432,720</u>	<u>\$ 3,448,349</u>

See accompanying notes.

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2012

NOTE 1 – NATURE OF OPERATIONS

Jewish Federation of Nashville and Middle Tennessee (the "Federation") is a Tennessee not-for-profit corporation. Its purposes are to develop and strengthen Jewish community life, to carry on and support such activities as are in the community interest, to provide a common ground for the discussion of all matters pertaining to the general welfare of the Jewish community and for action thereupon where indicated, and to administer and staff a unified Jewish community fundraising campaign and allocation process to support a wide variety of local, national and international needs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Federation are presented on the accrual basis. The significant accounting policies followed are described below.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Federation and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

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.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Federation. Generally, the donors of these assets permit the Federation to use all or part of the income earned on any related investments for general or specific purposes. At August 31, 2012, the Federation had no permanently restricted net assets.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Federation reports the support as unrestricted.

The Federation is comprised of two divisions, the Federation and the Foundation. The Federation division presents campaign, certain program, fundraising, and general and administrative functions.

The Foundation division is comprised of the following:

General Foundation – The board of directors is responsible for approving distributions of income and principal as permitted, solely for those charitable purposes established by the Federation.

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
August 31, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Philanthropic – The donor (or his designee) has the privilege of making recommendations relating to distributions of principal and income. Such recommendations are advisory only and are not binding on the board of directors.

Field of Interest – The donor may designate a functional area or field of interest, within which specific projects or beneficiaries are selected by the board of directors.

Designated – The beneficiaries and schedule of distributions are established at the time of gift and approved by the board of directors.

Cash Equivalents

The Federation considers all highly-liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are shown at their fair values in the statement of financial position. Investment income shown in the statement of activities includes interest, dividends, and realized and unrealized gains and losses, net of investment expenses. Investment income is reported in the period earned as an increase in unrestricted net assets unless the use of the assets received is limited by donor-imposed restrictions. Investment income that is restricted by the donor is reported as an increase in unrestricted net assets if the restrictions are met or expire in the year in which the income is recognized. All other donor-restricted investment income is reported as an increase in temporarily restricted net assets depending on the nature of the restrictions.

Furniture and Equipment

Furniture and equipment are stated at cost. Donated assets are recorded at their estimated market value at the date of the gift. Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
August 31, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Federation is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is included in the financial statements.

Under accounting principles generally accepted in the United States of America, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Federation has no uncertain tax positions that qualify for recognition or other disclosure in the financial statements. As of August 31, 2012, the Federation has accrued no interest and no penalties related to uncertain tax positions. It is the Federation's policy to recognize interest and/or penalties related to income tax matters in income tax expense. The Federation files a U.S. federal information return. The Federation is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ending after August 31, 2008.

Public Support and Revenue

Fund-raising campaigns are conducted each fall through the following spring to fund allocations for the subsequent year beginning September 1. Annual campaign pledges (unconditional promises to give) are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Contributions receivable in future periods are recorded at their estimated net realizable value. The majority of the promises to give to the annual campaign are received from Nashville and Middle Tennessee contributors. Pledges receivable are reported net of a provision for uncollectible pledges, which is estimated based on past experience with collections and management's evaluation of current outstanding pledges.

Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted and reported in the statement of activities as net assets released from restrictions.

Allocations and Grants

Allocations and grants (unconditional promises to give to others) are recorded when authorized by the board of directors.

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
August 31, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Federation has evaluated events and transactions that occurred between August 31, 2012 and January 18, 2013, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3 – CREDIT RISK AND OTHER CONCENTRATIONS

Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation or the Security Investors Protection Corporation ("SIPC") up to \$250,000. The Federation generally maintains accounts at financial institutions in excess of insured amounts. The Federation has not experienced any losses in such accounts and management believes the organization is not exposed to any significant credit risk related to these accounts.

The Federation utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is 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 financial statements.

NOTE 4 – INVESTMENTS

A summary of investments is as follows at August 31:

Money market funds	\$ 216,809
Mutual funds:	
Domestic equity	8,072,258
Fixed income	7,802,303

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
August 31, 2012

NOTE 4 – INVESTMENTS (Continued)

Mutual funds: (Continued)	
International equity	3,124,248
Israel and fixed income bonds	996,658
Alternative investments funds	<u>5,110,923</u>
 Total investments	 <u>\$ 25,323,199</u>

During the year ended August 31, 2012, the Federation transferred approximately \$350,000 of amounts held in cash and cash equivalent accounts to the Foundation. The transferred amounts were used by the Foundation to purchase investments on the Federation's behalf, as the Federation desired to earn a greater investment return than that earned by the previously held cash and cash equivalent accounts. The value of such investments (including amounts transferred in previous years) was approximately \$950,000 at August 31, 2012.

NOTE 5 – FAIR VALUE MEASUREMENTS

The Organization has adopted the provisions of the Fair Value Measurement Topic of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC"). This guidance establishes a framework for measuring fair value for financial assets and financial liabilities. 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 (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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.

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 the 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.

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
August 31, 2012

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

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

The following is a description of the valuation methodologies used for asset measurement at fair value. There have been no changes in the methodologies used during the year ended August 31, 2012.

- *Money market and mutual funds:* Valued at the net asset value of shares held by the Federation at year-end.
- *Israel and fixed income bonds:* Valued using observable inputs including benchmark yields, reported trades, broker/dealer quotes or alternative pricing sources with reasonable levels of price transparency.
- *Alternative investment funds:* Valued by applicable fund administrator based on reported values of underlying funds.

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

The following table sets forth the Organization's major categories of assets measured at fair value on a recurring basis, by level within the fair value hierarchy, as of August 31, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 216,809	\$ -	\$ -	\$ 216,809
Mutual funds:				
Domestic equity	8,072,258	-	-	8,072,258
Fixed income	7,802,303	-	-	7,802,303
International equity	3,124,248	-	-	3,124,248
Israel and fixed income bonds	-	996,658	-	996,658
Alternative investment funds	<u>-</u>	<u>-</u>	<u>5,110,923</u>	<u>5,110,923</u>
Total	<u>\$ 19,215,618</u>	<u>\$ 996,658</u>	<u>\$ 5,110,923</u>	<u>\$ 25,323,199</u>

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
August 31, 2012

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth a summary of changes in the fair value of the Federation's Level 3 assets for the year ended August 31, 2012:

	<u>Alternative Investment Funds</u>
Balance at August 31, 2011	\$ 2,294,614
Unrealized gain	586,693
Transfer from Level 1	<u>2,229,616</u>
Balance at August 31, 2012	<u><u>\$ 5,110,923</u></u>

Management reevaluated its alternative investments at August 31, 2012 and determined that certain investments previously presented as Level 1 are more appropriately presented as Level 3.

NOTE 6 – FUNDS HELD FOR OTHERS

The funds held for the Gordon Jewish Community Center ("GJCC") and Akiva School are agency funds that earn investment income and losses through the pooled fund instruments. Unlike regular philanthropic funds, the Federation does not own them, but rather they are the property of the GJCC and Akiva School. The Federation only administers the changes in these funds.

NOTE 7 – RESTRICTED NET ASSETS

Temporarily restricted net assets as of August 31, 2012 are available for the following purposes:

Contributions received to fund the following year's allocations	\$ 2,089,081
Unallocated contributions in the current period for donor restricted gifts to special campaigns	26,461
Various other funds established by donors for the Foundation program with contributions restricted for specific fields of interest	<u>2,830,783</u>
	<u><u>\$ 4,946,325</u></u>

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
August 31, 2012

NOTE 8 – ENDOWMENTS

The Federation's endowments were established to further the charitable purposes established by the Federation and include funds designated by the board of directors to function as endowments. Contributions received for the various funds are invested in money market funds, mutual funds, Israel and fixed income bonds, and alternative investment funds in accordance with the investment policy statement maintained by the Federation, which states that the primary purpose of the investment activities is to provide a regular and reliable source of income to meet the needs and services of the Federation. In order to provide the means by which to support the policy objectives, the Federation will continue to maintain a diversified portfolio of investments intended to achieve a long-term return on assets that is approximately 6% greater than the rate of inflation as measured by the Consumer Price Index. Distributions from the endowments are made as determined by the board of directors to satisfy program objectives described in Note 2.

Endowment Net Asset Composition by Type of Fund

Unrestricted:	
Board-designated endowments	\$ <u>20,979,908</u>

Changes in Endowment Net Assets for the Year Ended August 31, 2012:

Balance at August 31, 2011	\$ 20,660,286
Support, revenue and transfers	1,965,225
Allocations, grants, expenses and transfers	<u>(1,645,603)</u>
Balance at August 31, 2012	\$ <u>20,979,908</u>

NOTE 9 – RETIREMENT PLAN

The Federation sponsors a retirement plan covering substantially all employees. Participants must contribute a minimum of 1% of their compensation and may contribute up to a maximum of 20% each year. The Federation makes matching contributions of up to 3% of compensation for employees who have at least one year of service. The Federation made contributions of \$16,392 to the plan in 2012. Additionally, the Federation has established a deferred compensation plan for the benefit of one employee. The Federation will contribute 2% of the employee's compensation beginning October 2012.

NOTE 10 – DONATED SERVICES AND FACILITIES

The value of services donated by individuals in annual fund raising campaigns is not reflected in the financial statements because of the lack of an objective basis by which to measure such value. In addition, the Federation does not recognize the value (approximately \$70,000 annually) of the use of facilities furnished by the Gordon Jewish Community Center. In management's opinion, such reporting does not materially affect the financial statements.

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
August 31, 2012

NOTE 11 – RELATED PARTY TRANSACTIONS

In 2010, the spouse of a board member was appointed as the executive director of a related organization to which allocations of funds are provided each year by the Federation. In 2011, the spouse of a Federation employee was elected to serve as a Federation board member.

The Federation had pledges receivable from board members and employees amounting to approximately \$102,000 at August 31, 2012.

NOTE 12 – RESTATEMENT

The Federation allocates a percentage of its annual campaign contributions to the Jewish Federation of North America (“JFNA”). The Federation also pays an annual amount assessed by JFNA. The Federation determined that \$373,237 relating to the 2010 annual campaign and \$85,068 relating to the 2011 annual assessment should have been recorded as a liability as of August 31, 2011.

The Federation maintains funds that were donated to the Federation for the purpose of supporting Akiva School. The Federation determined that such funds should be recorded in the accompanying financial statements in accordance with FASB ASC guidance as a liability. Accordingly, the Federation has reduced its August 31, 2011 net assets by \$63,909, the balance of Akiva School funds.

Accordingly, the Federation has restated its net assets effective August 31, 2011 as follows:

	<u>As Previously Reported</u>	<u>Restated</u>	<u>As Restated</u>
Net assets:			
Unrestricted	\$ 21,832,068	\$ (522,214)	\$ 21,309,854
Temporarily restricted	<u>4,182,539</u>	<u>-</u>	<u>4,182,539</u>
Total net assets	<u>\$ 26,014,607</u>	<u>\$ (522,214)</u>	<u>\$ 25,492,393</u>

SUPPLEMENTARY INFORMATION

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
DIVISIONAL STATEMENT OF FINANCIAL POSITION
August 31, 2012

	<u>Federation</u>	<u>Foundation</u>	<u>Eliminating</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 614,600	\$ 204,792	\$ -	\$ 819,392
Investments	498,006	24,825,193	-	25,323,199
Pledges receivable, net of allowance for uncollectible pledges of \$37,230	1,133,065	-	-	1,133,065
Other receivables	9,004	37,849	-	46,853
Due (to) from other divisions	866,546	(866,546)	-	-
Furniture and equipment, net of accumulated depreciation of \$262,502	10,757	-	-	10,757
Total assets	<u>\$ 3,131,978</u>	<u>\$ 24,201,288</u>	<u>\$ -</u>	<u>\$ 27,333,266</u>
Liabilities and Net Assets				
Liabilities:				
Checks written in excess of bank balance	\$ 13,641	\$ 25,379	\$ -	\$ 39,020
Accounts payable and accrued expenses	28,803	-	-	28,803
Allocations payable	319,882	-	-	319,882
Funds held for others	-	365,218	-	365,218
Total liabilities	<u>362,326</u>	<u>390,597</u>	<u>-</u>	<u>752,923</u>
Net assets:				
Unrestricted:				
Designated by governing board:				
Endowment program	-	20,979,908	-	20,979,908
Other	643,353	-	-	643,353
Net investment in furniture and equipment	10,757	-	-	10,757
Total unrestricted	<u>654,110</u>	<u>20,979,908</u>	<u>-</u>	<u>21,634,018</u>
Temporarily restricted	<u>2,115,542</u>	<u>2,830,783</u>	<u>-</u>	<u>4,946,325</u>
Total net assets	<u>2,769,652</u>	<u>23,810,691</u>	<u>-</u>	<u>26,580,343</u>
Total liabilities and net assets	<u>\$ 3,131,978</u>	<u>\$ 24,201,288</u>	<u>\$ -</u>	<u>\$ 27,333,266</u>

JEWISH FEDERATION OF NASHVILLE AND MIDDLE TENNESSEE
DIVISIONAL STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2012

	<u>Federation</u>	<u>Foundation</u>	<u>Eliminating</u>	<u>Total</u>
Support and revenue:				
Public support received directly	\$ 2,277,816	\$ 814,528	\$ (253,641)	\$ 2,838,703
Net (loss) gain on investments	(14,995)	1,046,210	-	1,031,215
Interest and dividends	21,127	505,962	-	527,089
Observer publication	130,282	-	-	130,282
Other	8,030	980	-	9,010
	<u>2,422,260</u>	<u>2,367,680</u>	<u>(253,641)</u>	<u>4,536,299</u>
Expenses:				
Program services	1,943,950	940,601	(253,641)	2,630,910
Supporting services:				
Fund raising	292,840	91,879	-	384,719
Management and general	267,495	165,225	-	432,720
	<u>2,504,285</u>	<u>1,197,705</u>	<u>(253,641)</u>	<u>3,448,349</u>
Change in net assets	(82,025)	1,169,975	-	1,087,950
Net assets - beginning of year, as restated	<u>2,851,677</u>	<u>22,640,716</u>	<u>-</u>	<u>25,492,393</u>
Net assets - end of year	<u>\$ 2,769,652</u>	<u>\$23,810,691</u>	<u>\$ -</u>	<u>\$26,580,343</u>