JEWISHcolorado

Financial Statements
and
Independent Auditors' Report
June 30, 2017

EKS&H

JEWISHcolorado

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
JEWISHcolorado
Denver, Colorado

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of JEWISHcolorado, which are comprised of the balance sheet as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JEWISHcolorado as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

REPORT ON SUMMARIZED COMPARATIVE INFORMATION

We have previously audited JEWISHcolorado's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 9, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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February 26, 2018
Denver, Colorado

JEWISHcolorado

Balance Sheet
June 30, 2017
(With Summarized Comparative Information as of June 30, 2016)

	2017	2016
Assets		
Assets		
Cash and cash equivalents	$ 308,597	$ 746,946
Assets limited as to use by trustee under bond agreement	-	6,660
Pledges receivable, net	3,584,422	4,750,484
Investments	57,083,697	52,123,433
Other assets	453,800	135,152
Property and equipment, net	438,743	3,695,079
Split-interest gifts	1,448,701	1,624,307
Total assets	$ 63,317,960	$ 63,082,061
Liabilities and Net Assets		
Liabilities		
Line-of-credit	$ 1,700,000	$ 1,800,000
Accounts payable and accrued liabilities	602,689	934,632
Bonds payable	-	3,462,766
Funds held on behalf of others	15,855,949	14,993,403
Due to other agencies	4,070,061	4,400,766
Obligations on split-interest gifts	1,195,334	1,363,609
Total liabilities	23,424,033	26,955,176
Net assets		
Unrestricted	27,818,750	26,123,185
Temporarily restricted	3,085,784	2,927,042
Permanently restricted	8,989,393	7,076,658
Total net assets	39,893,927	36,126,885
Total liabilities and net assets	$ 63,317,960	$ 63,082,061

See notes to financial statements.

JEWISHcolorado

Statement of Activities
For the Year Ended June 30, 2017
(With Summarized Comparative Information for the Year Ended June 30, 2016)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total	2016 Total
Revenues, gains, and other support					
Contributions	$ 6,684,075	$ 411,491	$ 1,052,994	$ 8,148,560	$ 8,261,589
Philanthropic fund contributions	4,074,829	-	-	4,074,829	7,956,998
Less donor-designated contributions	(2,050,245)	-	-	(2,050,245)	(2,569,596)
Contributions, net	8,708,659	411,491	1,052,994	10,173,144	13,648,991
Income for JEWISHcolorado programs	1,421,495	634,753	-	2,056,248	659,861
Fees	274,303	-	-	274,303	313,237
Investment income	593,994	-	-	593,994	755,701
Other income	153,727	-	-	153,727	100,751
Net realized and unrealized (losses) gains from investments	1,818,136	459,087	440,291	2,717,514	(918,623)
Loss on impairment of investment	(452,500)	-	-	(452,500)	-
Change in value of split-interest gifts	-	(762)	-	(762)	(50,851)
	12,517,814	1,504,569	1,493,285	15,515,668	14,509,067
Net assets released from restrictions	1,795,120	(1,322,432)	(472,688)	-	-
Total revenues, gains, and other support	14,312,934	182,137	1,020,597	15,515,668	14,509,067
Expenses					
Program services					
Grants	4,097,008	-	-	4,097,008	4,451,511
Distributions	3,117,267	-	-	3,117,267	3,181,996
JEWISHcolorado programs and services	4,274,547	-	-	4,274,547	3,263,666
Less donor-designated contributions	(2,050,245)	-	-	(2,050,245)	(2,569,596)
Total program services	9,438,577	-	-	9,438,577	8,327,577
Supporting services					
Management and general	1,022,555	-	-	1,022,555	785,539
Fundraising	1,381,202	-	-	1,381,202	927,104
Total supporting services	2,403,757	-	-	2,403,757	1,712,643
Total expenses	11,842,334	-	-	11,842,334	10,040,220
Change in net assets from operations	2,470,600	182,137	1,020,597	3,673,334	4,468,847
Donor reclassifications	(868,743)	(23,395)	892,138	-	-
Bad debt recovery (expense)	93,708	-	-	93,708	(110,321)
Change in net assets	1,695,565	158,742	1,912,735	3,767,042	4,358,526
Net assets - beginning of year	26,123,185	2,927,042	7,076,658	36,126,885	31,768,359
Net assets - end of year	$ 27,818,750	$ 3,085,784	$ 8,989,393	$ 39,893,927	$ 36,126,885

See notes to financial statements.

JEWISHcolorado

Statement of Cash Flows
For the Year Ended June 30, 2017
(With Summarized Comparative Information for the Year Ended June 30, 2016)

	2017	2016
Cash flows from operating activities		
Change in net assets	$ 3,767,042	$ 4,358,526
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Endowment contributions	(1,052,994)	(126,771)
Depreciation	96,145	105,662
Bad debt (recovery) expense	(93,708)	110,321
Net realized and unrealized (gains) losses from investments	(2,717,514)	918,623
Impairment loss on real estate	452,500	-
Acquisition contribution	(603,898)	-
Change in value of split-interest gifts	7,331	50,851
Amortization and write-off of bond issuance costs	-	56,108
Changes in assets and liabilities		
Pledges receivable	1,259,770	(457,711)
Other assets	(303,776)	(38,359)
Accounts payable and accrued liabilities	(374,794)	(466,629)
Due to other agencies	(330,705)	(434,231)
	(3,661,643)	(282,136)
Net cash provided by operating activities	105,399	4,076,390
Cash flows from investing activities		
Net cash flows from purchases and sales of investments	(2,252,983)	(4,933,265)
Property and equipment purchases	(179,280)	(96,406)
Assets limited as to use by trustee under bond agreement	6,660	13,312
Funds held on behalf of others	862,546	680,616
Cash acquired	166,315	-
Net cash used in investing activities	(1,396,742)	(4,335,743)
Cash flows from financing activities		
Endowment contributions	1,052,994	126,771
Payments to beneficiaries of split-interest gifts	-	(78,557)
Proceeds from line-of-credit	-	650,979
Payments on line-of-credit	(100,000)	(50,979)
Proceeds from bonds payable issuance	-	70,000
Payments on bond payable	(100,000)	(117,018)
Net cash provided by financing activities	852,994	601,196
Net (decrease) increase in cash and cash equivalents	(438,349)	341,843
Cash and cash equivalents - beginning of year	746,946	405,103
Cash and cash equivalents - end of year	$ 308,597	$ 746,946

(Continued on the following page)

See notes to financial statements.

Statement of Cash Flows
For the Year Ended June 30, 2017
(With Summarized Comparative Information for the Year Ended June 30, 2016)

(Continued from the previous page)

Supplemental disclosure of cash flow information:

Cash paid for interest was $14,150 for the year ended June 30, 2017.

During the year, $3,362,766 of rights in Flying J Ranch, LLC were transferred to a third party, in exchange for repayment of the bonds payable balance.

During the year ended June 30, 2017, JEWISHcolorado acquired Colorado Agency for Jewish Education (Note 2). The following table summarizes the transaction:

Assets acquired		
Cash and cash equivalents	$	166,315
Investments		442,267
Other assets		14,872
Property and equipment, net		23,295
Total assets acquired		646,749
Liabilities assumed		
Accounts payable and accrued liabilities		42,851
Total liabilities assumed		42,851
Contribution on acquisition	$	603,898

See notes to financial statements.

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies

Organization

JEWISHcolorado ("Jco") is a not-for-profit corporation whose mission is to secure, steward, and share philanthropic and human resources in support of vibrant Jewish life in Colorado, Israel, and around the world. Jco will also mobilize the Jewish community in time of need. Jco is the result of an October 2013 merger between the Allied Jewish Federation of Colorado and the Jewish Community Foundation of Colorado.

Through a strategic grant-making process, awards are made to organizations and programs that fall within one of three focus areas:

1) Engaging the next generation in being Jewish.
2) Caring for the vulnerable.
3) Advocating for Israel and the Jewish world.

Jco is also the center of long-term philanthropy for the Jewish community in Colorado. It educates the community about the benefits of planned giving and long-term sustained philanthropy guided by Jewish values. The endowments of many Jewish organizations and other restricted funds are housed at Jco.

Flying J Ranch LLC is a single-member limited liability company of which Jco was the sole member through May 30, 2017. Flying J Ranch LLC's purpose is to own and maintain a ranch property leased to Ramah in the Rockies ("Ramah"), a Jewish summer adventure camp. On May 30, 2017, 100% of this ownership interest was assigned to Ramah in exchange for full repayment of the outstanding bonds payable for the property.

During the year ended June 30, 2015, Jco entered into a five-year memorandum of understanding ("MOU") with United Jewish Appeal, Aspen Valley ("Aspen"). Under this MOU, Jco operates Aspen's organization and campaign on behalf of its board. During the year ended June 30, 2017, Aspen raised approximately $573,000. Of this amount, approximately $179,000 was distributed to the Jewish Federations of North America for Israel and other overseas operations, and approximately another $147,000 was used or distributed for Jewish events and organizations in the Roaring Fork Valley. The only amount included in Jco's financial statements is the approximately $45,000 in fees Jco earned from managing the campaign, which is included in other income on the statement of activities.

Effective July 1, 2016, Jco acquired Colorado Agency for Jewish Education ("CAJE"), a beneficiary agency of Jco (Note 2).

Basis of Presentation

The financial statements of Jco include the financial information of Flying J Ranch LLC (through May 30, 2017) and CAJE and are presented as a single entity. Information regarding the financial position and activities is reported according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

The net assets are reported separately by class:

> Unrestricted amounts are available at the discretion of the Board of Directors (the "Board") for use in Jco's operations and include resources invested in property and equipment. These amounts can also be used for building improvements and general reserves and for the support of any emergencies within the Jewish community.
>
> Temporarily restricted amounts are contributions restricted by donors specifically for certain time periods, purposes, or programs.
>
> Permanently restricted amounts are monies that cannot be spent at the discretion of Jco but must be maintained permanently as required by the donors.

Credit Risk

Financial instruments that potentially subject Jco to concentrations of credit risk consist primarily of cash and cash equivalents, investments, pledges receivable, and notes receivable. Jco limits its exposure to credit risk by placing its cash and cash equivalents and short-term investments in securities backed by the United States government and in instruments issued by quality financial institutions. Amounts are invested in several institutions to minimize risk. At various times throughout the year and at year-end, Jco's balances exceeded the federally insured limits.

Jco reduces its credit risk related to notes receivable and investments through its involvement and limited oversight of the third-party investors and borrowers.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Jco considers all cash and short-term instruments with a maturity of three months or less when purchased to be cash equivalents, with the exception of cash and cash equivalents included in the balance sheet as part of the investment portfolio.

Pledges Receivable

Pledges relating to the annual campaign are expected to be collected within 18 months, or at the completion of a campaign, and are recorded at their net realizable values. No discount has been recorded as these amounts would have been insignificant. An allowance for uncollectible pledges has been established by Jco's management based on past collection experience and current economic conditions.

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment

Depreciation of property and equipment is computed over the following estimated useful lives using the straight-line and accelerated methods:

	Estimated Useful Lives
Building and improvements	5-39 years
Furniture and equipment	3-10 years

Property and equipment are capitalized at purchased cost or fair value at the date of donation. Jco follows the practice of capitalizing all expenditures and donations for buildings, improvements, furniture, and equipment over $1,000. Expenditures for lesser amounts are charged to operations.

Long-Lived Assets

Jco reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. Jco looks primarily to the undiscounted future cash flows in its assessment of whether long-lived assets have been impaired. For the year ended June 30, 2017, a real estate investment was impaired by $452,500.

Split-Interest Gifts

Certain donors have entered into trust or annuity arrangements whereby Jco receives benefits that are shared with other beneficiaries. There are interests in charitable remainder and lead trusts, a perpetual trust, and charitable gift annuities. Amortization of discounts and revaluations of expected future payments based on changes in life expectancy are recorded in the statement of activities as change in value of split-interest gifts.

Investments and Investment Valuation

Cash equivalents, equities, mutual funds, and exchange-traded funds ("ETFs") with readily determinable fair values are reported at their fair values based on current market quotations.

Bonds are reported at fair value based on purchases and sales of the bonds within a publicly observable marketplace.

Limited partnership investments held by Jco consist primarily of an interest in a private equity fund. The fair value of the fund is determined by the underlying assets of the fund.

Loan participation agreements are reported at the value of Jco's participation percentage in the original loan value. Interest is earned on the loan participation agreements in accordance with the third-party loan agreement. In general, the loan participation agreements are secured by a first deed of trust as part of the third-party loan agreement.

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

Investments and Investment Valuation (continued)

Notes receivable are recorded at amortized cost, net of any discounts or premiums, if applicable. Interest is earned on the notes receivable in accordance with the note agreements. An allowance for uncollectible notes receivable has been established by Jco's management based on past collection experience and current economic conditions.

Real estate is reported at the lower of fair value at the date of gift or current fair value based on appraisals. Real estate is not measured at fair value on a recurring basis.

Net realized and unrealized gains and losses on investments are included in change in net assets from operations in the accompanying statement of activities.

Fair Value Accounting

Jco follows an established framework for measuring the fair value of assets and liabilities. Fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value framework requires enhanced disclosures about fair value measurements for assets valued on a recurring basis. The enhanced disclosures require Jco to establish a hierarchy for assets and liabilities valued on a recurring basis, which is based on significant inputs.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement. These classifications (Levels 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of liquidity. See Note 8 for discussion of fair value measurements for assets valued on a recurring basis. Jco does not have any liabilities valued at fair value on a recurring basis.

Bond Issuance Costs

Costs incurred in issuing the bonds were being amortized over the life of the related bonds of 10 years on a method approximating the effective interest method. In connection with the full repayment of the bonds payable on May 30, 2017, approximately $107,000 of unamortized bond issuance costs were transferred to Ramah.

Contributions and Allocations

Jco conducts an annual fundraising campaign to raise support for grants to agencies in the subsequent year. Each year, based on the results of the campaign, the Board, on the recommendation of the Grants Committee, awards funds to organizations whose programs fit specific impact areas. Grants are recorded on an accrual basis when amounts are reasonably determinable.

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

Contributions and Allocations (continued)

Jco allows donors to designate their contributions to any Jewish organization with Section 501(c)(3) status as determined by the IRS. Jco receives resources in certain transactions in which it is acting as an intermediary for the resource providers.

Donor-designated pledges are recorded as liabilities rather than revenue for the organization receiving the pledges. Gross designations and distributions are presented in the statement of activities.

Jco recognizes cash donations as income when received. Grant revenue is earned as services are performed or specific grant criteria are met. Unconditional promises to give are recognized as income in the year the promise is received. Conditional promises to give are not included as support until such time as the conditions are substantially met.

All support is considered available for unrestricted use unless specifically restricted by the donor. A donor restriction expires when a stipulated time restriction ends or a purpose restriction is accomplished. Temporarily restricted net assets are then reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Distributions are approved and made by Jco from its donor-advised funds based on the recommendations of donors.

Income Taxes

Jco is a not-for-profit entity exempt from income taxes under Internal Revenue Code ("IRC") Section 501(c)(3) and as a public charity under IRC Section 509. Accordingly, no provision for income taxes is made in these financial statements. Income from activities not directly related to Jco's tax-exempt purpose is subject to taxation as unrelated business taxable income. There was no significant unrelated business taxable income for the year ended June 30, 2017.

Jco applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of June 30, 2017.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed as management and general expenses. No interest or penalties have been assessed as of June 30, 2017.

Donated Services

Jco receives a significant amount of donated services from unpaid volunteers who assist in fundraising, program activities, and special events. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

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 may differ from those estimates.

Advertising

Advertising costs are expensed in the year incurred. The total advertising costs for Jco were $57,000 for the year ended June 30, 2017.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program, management and general, and fundraising categories for services benefited.

Prior Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Jco's financial statements for fiscal year 2016, from which the summarized information was derived.

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards update ("ASU") No. 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendment applies to all not-for-profit entities. The amendment reduces the classes of net assets to *net assets with donor restrictions* and *net assets without donor restrictions*; removes the reconciliation of cash flows to the indirect method if using the direct method; requires the reporting of investment returns, net of expenses, with no disclosure of netted expenses required; requires the use, in the absence of explicit donor stipulations, of the placed-in-service approach for reporting expirations of restrictions on cash or other asset donations; and requires disclosure of expenses by both their natural and functional classification on the face of the statements of activities, as a separate statement or in the notes to the financial statements. In addition, the amendment provides enhanced disclosures on amounts and purposes of board designations and appropriations, composition of net assets with donor restrictions, discussion of liquidity for the year following year-end, discussion of liquidity of financial assets at year-end, methodology used to allocate costs between program and support functions, and underwater endowment funds. The amendment is effective for all fiscal years beginning after December 15, 2017 with early adoption allowed. Entities should apply the amendment in this update retrospectively to all periods presented. Management of Jco is evaluating the impact that this ASU will have on the financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes current revenue recognition requirements and industry-specific guidance. The codification was amended through additional ASUs and, as amended, requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services. Jco is required to adopt the new standard in the year ending June 30, 2019 and may adopt either retrospectively to each prior reporting period presented or as a cumulative-effect adjustment as of the date of adoption using one of two retrospective application methods. Jco is continuing to evaluate the provisions of this new guidance and has not determined the impact this standard may have on its financial condition, change in net assets, cash flows, and related disclosures or decided upon the method of adoption.

Note 2 - Acquisition

In 2017, Jco entered into an agreement effective July 1, 2016 whereby CAJE would be combined with Jco, with Jco being the surviving entity. The organizations had worked together as strategic partners for several years and the acquisition was accomplished to create efficiencies for both organizations and the community. The amounts recognized as of the acquisition date are as follows:

Assets acquired	
Cash and cash equivalents	$ 166,315
Investments	442,267
Other assets	14,872
Property and equipment, net	23,295
Total assets acquired	646,749
Liabilities assumed	
Accounts payable and accrued liabilities	42,851
Total liabilities assumed	42,851
Contribution on acquisition	$ 603,898

Note 3 - Pledges Receivable

Pledges receivable consist of the following at June 30, 2017:

Annual campaign pledges receivable	
Current year campaign	$ 3,032,818
Prior year campaign	519,228
Two years prior campaign	433,937
Total annual campaign pledges receivable	3,985,983
Allowance for uncollectible pledges	
Current year campaign	(76,681)
Prior year campaign	(96,113)
Two years prior campaign	(227,475)
Total allowance for uncollectible pledges	(400,269)
Annual campaign pledges receivable, net	3,585,714
Other pledges receivable and unapplied payments	(1,292)
Total pledges receivable	$ 3,584,422

Pledges receivable on the accompanying balance sheet include approximately $397,000 due from various members of the Board at June 30, 2017.

Note 4 - Property and Equipment

Property and equipment consist of the following at June 30, 2017:

Land, building, and improvements	$ 1,208,509
Furniture and equipment	1,135,479
Capital work in progress	82,012
	2,426,000
Less accumulated depreciation	(1,987,257)
	$ 438,743

Note 5 - Split-Interest Gifts

Jco holds split-interest gifts that comprise the following at June 30, 2017:

	Fair Value	Obligation
Remainder interests in two trusts with investments recorded at fair value. Jco is obligated to make various payments of trust assets annually to the beneficiaries either over their lifetimes or for a period of 20 years. The obligations have been discounted to present value using a discount rate of 9.0% and actuarial life expectancy tables.	$ 1,301,865	$ 1,135,452
Jco has an irrevocable 5.0% interest in a perpetual trust.	146,836	-
	$ 1,448,701	$ 1,135,452

Jco is the recipient of charitable gift annuities that require future payments to the donor or the named beneficiary. Jco has recorded a liability at June 30, 2017 of $59,882 that represents the present value of the future annuity obligations. These obligations are included in obligations on split-interest gifts on the accompanying balance sheet.

Note 6 - Anticipated Bequests

Jco has been notified in writing that it either has been named in the wills of individuals or that it is the intent of certain individuals to name Jco in their wills. These bequests are for amounts totaling approximately $19,231,000 as of June 30, 2017. Because these bequest pledges do not yet meet existing revenue recognition criteria, they have not been recognized in the accompanying financial statements.

Note 7 - Investments

Investments by type include the following at June 30, 2017:

Mutual funds/ETFs	$ 46,827,645
Money market fund	2,257,488
Notes receivable	1,575,027
Equities	4,190,724
Limited partnerships	298,250
Real estate	312,500
Bonds	526,780
Loan participation agreements	809,444
Cash surrender value of life insurance policies	285,839
	$ 57,083,697

A note receivable with Denver Jewish Day School in Denver valued at approximately $1,375,000 at June 30, 2017 is included in the above notes receivable balance and is due in full in June 2018.

Investment returns consist of the following for the year ended June 30, 2017:

Net unrealized gain on investments	$ 1,988,814
Net realized gain on sale of investments	728,700
Dividends and interest	593,994
Loss on impairment of investment	(452,500)
	$ 2,859,008

Note 8 - Fair Value Accounting

Generally accepted accounting principles require disclosure about how fair value is determined and establish 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) and the lowest priority to unobservable inputs (Level 3). 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.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

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

Note 8 - Fair Value Accounting (continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, Jco's assets measured at fair value on a recurring basis as of June 30, 2017:

Description	Level 1	Level 2	Level 3	Total
Mutual funds/ETFs	$ 46,827,645	$ -	$ -	$ 46,827,645
Money market fund	2,257,488	-	-	2,257,488
Equities	4,190,724	-	-	4,190,724
Limited partnerships	-	-	298,250	298,250
Bonds	-	526,780	-	526,780
Loan participation agreements	-	-	809,444	809,444
Cash surrender value of life insurance policies	-	285,839	-	285,839
Total	$ 53,275,857	$ 812,619	$ 1,107,694	$ 55,196,170

In addition to the investments valued on a recurring basis, Jco held real estate and notes receivable valued on a non-recurring basis at a value of $312,500 and $1,575,027 as of June 30, 2017, respectively.

Level 1 assets in Jco are mutual funds/ETFs, the money market fund, and equities. Mutual funds/ETFs, the money market fund, and equities are valued based on quoted daily market values that are directly observable in the marketplace by market participants, and the fair value of the mutual funds/ETFs, the money market fund, and equities is equivalent to the market value at the close of business on the reporting date.

Level 2 assets in Jco are bonds and the cash surrender value of life insurance policies. The bonds can be valued based on trades of the bonds within a publicly observable marketplace. The bond market is based on negotiated contracts between a limited number of parties rather than high-volume exchange transactions. The determination of pricing for bonds can be determined through review of transactions involving the specified bond or a like-kind bond. The cash surrender value of life insurance policies is valued on the cash to be received on life insurance policies upon settlement of the policy due to death or maturity, net of any surrender fees and outstanding loans on the policy.

Level 3 assets in Jco include limited partnerships and loan participation agreements. The valuation technique used to value the limited partnerships is based on Jco's underlying investments determined by the investment advisor using the financial information applicable to the identified assets. The valuation technique used to value the loan participation agreements is Jco's participation percentage interest in the outstanding balance on the underlying loan.

There were no changes to the valuation techniques used during the period.

Note 8 - Fair Value Accounting (continued)

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended June 30, 2017:

	Limited Partnerships	Loan Participation Agreements
Balance at June 30, 2016	$ 469,588	$ 661,798
Net purchases, sales, and issuance	(6,453)	185,000
Investment earnings (losses)	(164,885)	(37,354)
Balance at June 30, 2017	$ 298,250	$ 809,444

Note 9 - Line-of-Credit

In 2016, Jco maintained a $2,500,000 line-of-credit agreement with interest payable monthly at LIBOR plus 2.250% (3.472% at June 30, 2017), whereby the interest rate shall not be less than 3.464% per annum. In June 2017, this line-of-credit was amended with a maturity date of July 2018. The line-of-credit is collateralized by the assets of Jco. As of June 30, 2017, the outstanding balance on the line-of-credit was $1,700,000.

Note 10 - Net Assets

Unrestricted net assets include the following at June 30, 2017:

Unrestricted funds	$ 3,439,509
Donor-advised funds	24,379,241
	$ 27,818,750

Temporarily restricted net assets include the following at June 30, 2017:

Split-interest gifts	$ 13,499
Programs for Israel	85,869
Memorial funds	5,910
School and camp scholarship funds	52,446
Investment income on endowments	212,486
Jco future operations	858,962
Grants	127,832
Future care of vulnerable populations in Denver	865,487
Other	863,293
	$ 3,085,784

Note 10 - Net Assets (continued)

Permanently restricted net assets include investments in split-interest gifts, Israel bonds, and marketable securities. The investments are to be held in perpetuity; however, the income is either unrestricted or temporarily restricted depending on the donor's gift instrument.

Note 11 - Investments in Endowments

Jco's endowments consist of various individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In 2006, the Uniform Law Commission approved the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"), which governs the investment and management of donor-restricted endowment funds by not-for-profit organizations. In 2008, the state of Colorado enacted UPMIFA, and the FASB issued guidance that is now governed under Accounting Standards Codification ("ASC") Topic 958, *Not-for-Profit Entities Section 205*, which provides guidance on the net asset classification of donor-restricted endowment funds that is subject to UPMIFA as well as additional disclosure requirements for both donor-restricted and Board-designated endowments.

Under ASC Topic 958-205, the portion of an endowment that is perpetual in nature shall be classified as permanently restricted net assets. The remaining portion of accumulations to donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as dictated by the donor or, in absence of donor stipulation, as temporarily restricted net assets until those amounts are appropriated for expenditure by Jco in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Investment Committee and Jco's management are responsible for selecting and managing the asset mix for the endowments of Jco. The target asset allocation is determined on a fund-by-fund basis, depending on the investment objectives of each fund. Each fund has been assigned a model portfolio as the target asset allocation. The model portfolios include a conservative model, a moderate model, a moderate-without-alternative-investments model, and a growth model. Each model designates a target allocation to each of the following areas: (a) U.S. equities (12.5-25%), (b) international equities (12.5-25%), (c) hedged equities (5-15%), (d) alternative investments (0-20%), and (e) cash/fixed income (15-60%).

The spending policy is also determined on a fund-by-fund basis, depending on the spending objectives of each fund. This spending policy is either a percentage basis or flat distribution amount that will allow the endowment investments to grow in periods of strong growth while also allowing for distributions in years when investment values depreciate, which ultimately allows endowment investments to be maintained in perpetuity.

Note 11 - Investments in Endowments (continued)

Invested endowment net assets have the following composition by type of fund as of June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	$ (45,600)	$ 212,486	$ 8,144,963	$ 8,311,849

Changes in invested endowment net assets by type of fund for the fiscal year ended June 30, 2017 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 87,602	$ 6,649,878	$ 6,737,480
Additions	-	143,275	1,390,055	1,533,330
Investment return	(45,600)	13,163	594,879	562,442
Appropriation of endowment assets for expenditure	-	(31,554)	(489,849)	(521,403)
Endowment net assets, end of year	$ (45,600)	$ 212,486	$ 8,144,963	$ 8,311,849

Note 12 - Bonds Payable

In March 2006, Flying J Ranch LLC issued Colorado Educational and Cultural Facilities Authority Series C-2 tax-exempt revenue bonds ("Series C-2 Bonds"). The net proceeds of the Series C-2 Bonds were used to acquire land used for a camp for the Jewish community. The bonds were secured by a letter-of-credit. No balance was outstanding on the letter-of-credit at June 30, 2017. On September 1, 2015, the Series C-2 Bonds were refinanced for $3,570,000 with a maturity date of March 2025. Interest was due monthly and determined at the monthly LIBOR plus 2.5%. Proceeds from the Series C-2 Bonds were used for the same purposes of the March 2006 Series C-2 Bonds and were subject to certain restrictive covenants with which Jco was in compliance.

Assets limited as to use by the trustee under the bond agreement included excess proceeds that were received from the bond financing that are required to be used on Flying J Ranch LLC or otherwise applied toward any redemption of the bonds.

As described in Note 1, on May 30, 2017, these bonds were paid in full by Ramah in exchange for assignment of 100% of the ownership interest in Flying J Ranch LLC.

Note 13 - Due to Other Agencies

Due to other agencies consists of the following at June 30, 2017:

Grants to national and overseas organizations	$	2,390,073
Grants to strategic alliance partners, local agencies, and overseas organizations		830,410
Donor designations to local and national agencies		849,578
	$	4,070,061

Note 14 - Employee Benefit Plans

Jco has a defined contribution plan (the "Plan") available to all full-time employees after three months of employment. Under the Plan, Jco will match 100% of participants' contributions up to a maximum of 4% of their annual compensation. Employer matching and employee contributions are 100% vested upon contribution. In addition, Jco can make a discretionary retirement contribution to eligible participants with approval from the Board. No discretionary contributions were made in 2017. Jco contributed approximately $82,000 to the Plan during the year ended June 30, 2017.

Effective January 1, 2013, Jco adopted a Section 457(b) Deferred Compensation Plan ("DC Plan"). During the year ended June 30, 2017, one executive was eligible for the DC Plan. The DC Plan provides additional benefits that would supplement those provided under the defined contribution plan, which are limited due to limitations on the maximum benefits imposed under IRC Section 415 and the limitation imposed on annual compensation under IRC Section 401(a)(17). The DC Plan also allows salary deferrals for any amount elected by the participant. The DC Plan complies with IRC Sections 457(f) and 409(a). As of June 30, 2017, the total liability for benefits under the DC Plan was $0.

Note 15 - Subsequent Events

Jco has evaluated all subsequent events through the auditors' report date, which is the date the financial statements were available to be issued.