

THE JEWISH FUND

Bloomfield Hills, Michigan

May 31, 2017 and 2016

FINANCIAL STATEMENTS

Including Independent Auditor's Report

THE JEWISH FUND

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Independent Auditor's Report

To the Board of Directors
The Jewish Fund

We have audited the accompanying financial statements of The Jewish Fund, which comprise the statements of financial position as of May 31, 2017 and 2016 and the related statements of activities and changes in net assets 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 audits 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jewish Fund as of May 31, 2017 and 2016 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

September 18, 2017

THE JEWISH FUND

STATEMENTS OF FINANCIAL POSITION
May 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 486,324	\$ 234,942
Contributions receivable	100,000	150,420
Investments	<u>60,964,382</u>	<u>57,741,662</u>
Total assets	<u>\$ 61,550,706</u>	<u>\$ 58,127,024</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 41,409	\$ 35,050
Grants payable	627,539	803,605
Deferred revenue	<u>2,245</u>	<u>5,535</u>
Total liabilities	671,193	844,190
NET ASSETS		
Unrestricted	52,056,791	49,064,926
Temporarily restricted	6,594,898	5,990,084
Permanently restricted	<u>2,227,824</u>	<u>2,227,824</u>
Total net assets	<u>60,879,513</u>	<u>57,282,834</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 61,550,706</u>	<u>\$ 58,127,024</u>

THE JEWISH FUND

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended May 31, 2017 and 2016

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING REVENUE AND SUPPORT								
Grants and contributions	\$ -	\$ 16,758	\$ -	\$ 16,758	\$ -	\$ 197,620	\$ -	\$ 197,620
Investment income	1,120,611	187,936	-	1,308,547	1,526,237	233,529	-	1,759,766
Net unrealized gains (losses) on investments	4,872,963	786,930	-	5,659,893	(4,188,284)	(614,683)	-	(4,802,967)
Returned grants and other income	55,425	-	-	55,425	82,400	-	-	82,400
Net assets released from restrictions	386,810	(386,810)	-	-	206,168	(206,168)	-	-
Total operating revenue and support	6,435,809	604,814	-	7,040,623	(2,373,479)	(389,702)	-	(2,763,181)
EXPENSES								
Programs:								
Grants	3,016,960	-	-	3,016,960	3,401,624	-	-	3,401,624
Teen foundation board	61,022	-	-	61,022	51,180	-	-	51,180
Administrative and general	365,962	-	-	365,962	321,100	-	-	321,100
Total expenses	3,443,944	-	-	3,443,944	3,773,904	-	-	3,773,904
INCREASE (DECREASE) IN NET ASSETS	2,991,865	604,814	-	3,596,679	(6,147,383)	(389,702)	-	(6,537,085)
NET ASSETS - BEGINNING OF YEAR	49,064,926	5,990,084	2,227,824	57,282,834	55,212,309	6,379,786	2,227,824	63,819,919
NET ASSETS - END OF YEAR	\$ 52,056,791	\$ 6,594,898	\$ 2,227,824	\$ 60,879,513	\$ 49,064,926	\$ 5,990,084	\$ 2,227,824	\$ 57,282,834

THE JEWISH FUND

STATEMENTS OF CASH FLOWS
Years Ended May 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 3,596,679	\$ (6,537,085)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Net unrealized (gain) loss on investments	(5,659,893)	4,802,967
Net realized gain on investments	(447,661)	(605,292)
Changes in operating assets and liabilities which provided (used) cash:		
Contributions receivable	50,420	(116,244)
Accounts payable	6,359	(6,302)
Grants payable	(176,066)	301,975
Deferred revenue	(3,290)	5,535
	(2,633,452)	(2,154,446)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net sale of investments	2,884,834	2,049,622
Net cash flows from investing activities	2,884,834	2,049,622
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	251,382	(104,824)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	234,942	339,766
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 486,324	\$ 234,942

THE JEWISH FUND

NOTES TO FINANCIAL STATEMENTS May 31, 2017 and 2016

NOTE 1 - Organization

The Jewish Fund (the "Fund") was established from the proceeds of the sale of Sinai Hospital to the Detroit Medical Center in December 1996 for charitable, educational, and religious purposes. The Fund supports the overall healthcare and social welfare needs of the Jewish and general communities in the Greater Detroit Metropolitan Area.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Fund are prepared on the accrual basis.

The Fund classifies resources for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three categories is as follows:

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Fund.

Temporarily Restricted Net Assets - Net assets whose use by the Fund is subject to donor-imposed stipulations that can be fulfilled by actions of the Fund pursuant to those stipulations or that expire by the passage of time.

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the board of directors or may otherwise be limited by contractual agreements with outside parties. Investment income, including gains and losses, is reported as unrestricted revenue unless specifically restricted by the donor or law.

Revenue and other support are reported as an increase in unrestricted net assets unless the donation is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one category of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Contributions and endowment income with donor-imposed restrictions that are met in the same year as received or earned are reported as unrestricted revenue. Contributions and endowment income with donor-imposed restrictions that are not met in the same year as received or earned are reported as temporarily restricted revenue and are reclassified to unrestricted net assets when an expense is incurred that satisfies the donor-imposed restriction or the specified events have occurred.

Grants payable represent awards to certain community organizations as of the reporting date with payments made generally throughout the next year. Grant expense is recorded when the awards are approved by the board of directors of the Fund. Any awards granted in a previous year and released from payment are reflected within other income on the statements of activities and changes in net assets.

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NOTES TO FINANCIAL STATEMENTS May 31, 2017 and 2016

NOTE 2 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Fund defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

The Fund maintains an account with the bank which at times may exceed federally insured limits. The Fund has not experienced any losses in such accounts.

Investments

The United Jewish Foundation (UJF) manages the Fund's investment portfolio. The investment portfolio is comprised of equity securities, debt securities, hedge funds, and private equity investments. The Fund records all investments in equity and debt securities with readily determinable fair values, based on published quotations at fair value in accordance with generally accepted accounting principles.

The Fund makes various investments with a group of investment managers who manage investment partnerships, managed accounts, commodity funds, hedge funds, and private equity funds, which employ diversified styles and strategies. The goal of these investments is to generate a long-term return with less risk than the equity market. The net asset value of these investments is calculated by the investment manager based on prices and valuations supplied to it by the underlying investment or money manager, or a similar financial data provider. Fair values as of May 31, 2017 and 2016 are based on monthly valuations provided by the managers of the Fund. Management, in coordination with the Fund's investment consultant and the UJF investment committee, obtains and considers the audited financial statements issued by nationally recognized accounting firms of such investments when evaluating the overall reasonableness of carrying value. Because of the inherent uncertainty of valuations, values recorded may differ materially from values had a ready market existed.

The investments may utilize a variety of financial instruments in their trading strategies, including equity and debt securities of U.S. and foreign issuers, as well as a variety of derivative instruments. Several of these financial instruments contain varying degrees of off-balance-sheet risk whereby changes in market value of the securities underlying the financial instruments may be in excess of the amounts recorded on the investments' balance sheet. However, due to the nature of the Fund's limited interest in these investments, the Fund's risk with respect to such transactions is limited to its capital balance in each investment.

Net realized and unrealized gains and losses on investment transactions for the year are included in the statements of activities and changes in net assets.

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NOTES TO FINANCIAL STATEMENTS May 31, 2017 and 2016

NOTE 2 - Summary of Significant Accounting Policies (continued)

Contributions Receivable

Contributions receivable are comprised of grants from funding agencies for use in the Fund's activities. Contributions receivable at May 31, 2017 are expected to be collected within one to three years. The amount due in less than one year totals \$50,000 and the amount due in one to three years totals \$50,000. The Fund has not recorded a provision for doubtful accounts since it is the opinion of management that those receivables are collectible in full.

Grant Revenue

Grant revenue received for grants determined to be exchange transactions is recognized as services are provided. Grant money received in excess of that earned is recorded as deferred revenue.

Tax-Exempt Status

The Fund is a Michigan not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Fund and recognize a tax liability if the Fund has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. The Fund's management believes that the Fund continues to operate in a manner that preserves its tax-exempt status.

Risks and Uncertainties

The Fund holds various investments in any combination of stocks, bonds, fixed-income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Given the level of risk associated with certain investment securities and the level of uncertainty related to the changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could affect investment balances and the amounts reported in the statements of financial position and the statements of activities and changes in net assets.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Fund has evaluated subsequent events occurring through September 18, 2017, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the Fund's financial statements.

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NOTES TO FINANCIAL STATEMENTS May 31, 2017 and 2016

NOTE 3 - Fair Value of Financial Instruments

As defined in the accounting standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Fund uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, the Fund attempts to utilize valuation methods that maximize the use of observable inputs. Based on the observability of the inputs used in the valuation methods, the Fund is required to provide the following information according to the fair value hierarchy. The Fund's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during the years ended May 31, 2017 and 2016.

The Fund holds Level 1 investments in various equity and fixed-income investments that are publicly traded securities. Fair values are based on quoted market prices in active markets for identical assets or liabilities. The Fund also holds investments where fair value is measured using net asset value per share (or its equivalent) as a practical expedient. The Fund's investments valued at Net Asset Value (NAV) are not included in the fair value hierarchy.

The following provides information about the attributes of certain alternative investments:

Investment Type	Investment Objective	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Mutual Funds	Equity mutual funds valued at NAV include investments in closed funds which can be redeemed daily based on net asset values (NAV) provided by the fund managers. The organization has no unfunded commitments for these funds as of May 31, 2017 and 2016, and there are no liquidity restrictions placed on these funds.	None	N/A	N/A
Debt Mutual Funds	Debt mutual funds valued at NAV include investments in closed funds which can be redeemed daily based on net asset values (NAV) provided by the fund managers. The organization has no unfunded commitments for these funds as of May 31, 2017 and 2016, and there are no liquidity restrictions placed on these funds.	None	N/A	N/A
Direct Hedge Funds	Invest directly in debt, equity, and derivative securities to produce equity-like returns, but with reduced volatility. Strategies employed include long/short equity, multi-strategy, arbitrage, relative value, and event drive. Beta exposure to markets will vary based on the degree of hedging utilized by the managers. Approximately 50 percent of the funds within this category are subject to an investor gate which allows for only 25 percent redemption during any three-month period.	None	Monthly – Biennially	30-120 days
Private Equity	Invest directly in securities of companies that are generally not actively traded at the time of investment, securities that are perceived to be trading at distressed levels (many of which are illiquid), or a basket of private equity funds that invest in said securities. Additionally, make acquisitions of private equity limited partnership interests and direct investment portfolios with a focus of acquiring these interests at a significant discount. Investments may be in U.S. or foreign markets, and returns are expected to be higher than those that can be achieved in equity markets, albeit with higher expected volatility. Funds within this category are not redeemable.	\$1,129,570	N/A	N/A
Liquid Limited Partnerships	Invest directly in publicly traded securities through a commingled vehicle. Though the underlying securities have daily liquidity, funds within this category may offer liquidity ranging from daily to monthly.	None	N/A	N/A

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NOTES TO FINANCIAL STATEMENTS May 31, 2017 and 2016

NOTE 3 - Fair Value of Financial Instruments (continued)

The tables below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	May 31, 2017		
	Total	Level 1	Valued at NAV
Investments:			
Money market fund	\$ 1,120,835	\$ 1,120,835	\$ -
Mutual funds:			
Equity	23,430,071	18,853,974	4,576,097
Debt	7,647,998	1,680,036	5,967,962
Multi-strategy	84,967	84,967	-
Real assets	2,973,579	2,973,579	-
Liquid Limited Partnerships -			
Equity	1,118,327	-	1,118,327
Alternative investments:			
Direct hedge fund	19,913,235	-	19,913,235
Private equity	4,675,370	-	4,675,370
Total investments	<u>\$ 60,964,382</u>	<u>\$ 24,713,391</u>	<u>\$ 36,250,991</u>
Money market fund	\$ 285,889	\$ 285,889	\$ -
Mutual funds:			
Equity	20,853,754	17,101,854	3,751,900
Debt	3,700,609	2,639,888	1,060,721
Multi-strategy	6,836,724	6,836,724	-
Real assets	2,698,017	2,698,017	-
Liquid Limited Partnerships -			
Equity	1,350,594	-	1,350,594
Alternative investments:			
Direct hedge fund	18,136,296	-	18,136,296
Private equity	3,879,779	-	3,879,779
Total investments	<u>\$ 57,741,662</u>	<u>\$ 29,562,372</u>	<u>\$ 28,179,290</u>

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NOTES TO FINANCIAL STATEMENTS May 31, 2017 and 2016

NOTE 4 - Investments

Investment income includes the following:

	2017	2016
Dividends and interest	\$ 944,826	\$ 1,249,073
Realized gains	447,660	605,292
Management fees	(83,939)	(94,599)
Total	<u>\$ 1,308,547</u>	<u>\$ 1,759,766</u>

NOTE 5 - Transactions with Affiliates

The Jewish Fund and the Jewish Federation of Metropolitan Detroit (the "Federation") have entered into a management agreement whereby the Federation provides administrative support to the Fund for an agreed-upon fee. Such fees were \$300,000 and \$250,000 for the fiscal years ended May 31, 2017 and 2016, respectively.

Grants paid directly to the Federation were \$405,500 and \$901,061 and indirect grant expenses paid to other affiliated entities were \$1,215,379 and \$840,049 for the fiscal years ended May 31, 2017 and 2016, respectively. The Fund has grants payable to the Federation of \$73,250 and \$116,934 and to other affiliated entities of \$242,489 and \$335,305 as of May 31, 2017 and 2016, respectively.

NOTE 6 - Endowment Funds

The Fund has adopted accounting standards which provide a framework for classifying net assets with donor-restricted endowment funds held by organizations that are subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). A key component of the framework is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. Another key component is a requirement for expanded disclosures about all endowment funds.

The Fund's endowment consists of 30 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Fund's board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The Fund classified as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment.

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NOTES TO FINANCIAL STATEMENTS May 31, 2017 and 2016

NOTE 6 - Endowment Funds (continued)

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Fund in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Endowment net asset composition by type of fund as of May 31, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	\$ -	\$ 6,594,898	\$ 2,227,824	\$ 8,822,722
Board-designated	52,056,791	-	-	52,056,791
Total funds	\$ 52,056,791	\$ 6,594,898	\$ 2,227,824	\$ 60,879,513

Endowment net asset composition by type of fund as of May 31, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	\$ -	\$ 5,990,084	\$ 2,227,824	\$ 8,217,908
Board-designated	49,064,926	-	-	49,064,926
Total funds	\$ 49,064,926	\$ 5,990,084	\$ 2,227,824	\$ 57,282,834

Changes in endowment net assets for the year ended May 31, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, May 31, 2016	\$ 49,064,926	\$ 5,990,084	\$ 2,227,824	\$ 57,282,834
Grants and contributions	-	16,758	-	16,758
Net investment income	5,993,574	974,866	-	6,968,440
Other income	55,425	-	-	55,425
Appropriation of endowment assets for expenditure	(3,057,134)	(386,810)	-	(3,443,944)
Endowment net assets, May 31, 2017	\$ 52,056,791	\$ 6,594,898	\$ 2,227,824	\$ 60,879,513

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NOTES TO FINANCIAL STATEMENTS May 31, 2017 and 2016

NOTE 6 - Endowment Funds (continued)

Changes in endowment net assets for the year ended May 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, May 31, 2015	\$ 55,212,309	\$6,379,786	\$ 2,227,824	\$63,819,919
Grants and contributions	23	197,620	-	197,643
Net investment loss	(2,662,047)	(381,154)	-	(3,043,201)
Other income	82,377	-	-	82,377
Appropriation of endowment assets for expenditure	<u>(3,567,736)</u>	<u>(206,168)</u>	<u>-</u>	<u>(3,773,904)</u>
Endowment net assets, May 31, 2016	<u>\$ 49,064,926</u>	<u>\$ 5,990,084</u>	<u>\$ 2,227,824</u>	<u>\$ 57,282,834</u>

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Fund to retain as a fund of perpetual duration. There were no such deficiencies in the endowment funds as of May 31, 2017 and 2016.

Return Objectives and Risk Parameters - The Fund has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the Fund's programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Fund must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce results that exceed 5% annually while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Fund targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Fund has a policy of appropriating for distribution each year 5% of the endowment base. The endowment base is defined as the three-year moving average of the fair value of the total endowment portfolio (calculated as of the last day of each of the previous 12 quarters). In establishing this policy, the Fund considered the long-term expected return on its endowment. Accordingly, over the long term, the Fund expects the current spending policy to allow its endowment to grow at an average of approximately 2½% annually. This is consistent with the Fund's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through investment return.

NOTE 7 - Subsequent Event

As of June 1, 2017, the Fund has committed to providing grants of approximately \$2,100,000.

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NOTES TO FINANCIAL STATEMENTS May 31, 2017 and 2016

NOTE 8 - Upcoming Accounting Pronouncement - NFP Financial Reporting Model

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*, in August 2016. ASU No. 2016-14 requires significant changes to the financial reporting model of organizations that follow FASB not-for-profit rules, including changing from three classes of net assets to two classes: net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported, including required disclosures about the liquidity and availability of resources. The new standard is effective for the Funds' year ending May 31, 2019 and thereafter and must be applied on a retrospective basis. The Fund has determined that its net asset classifications will change in accordance with the standard and there will be additional disclosures regarding liquidity as required by the standard.