

THE JERUSALEM FUND INC.

FINANCIAL REPORT

DECEMBER 31, 2016

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INDEPENDENT AUDITORS' REPORT

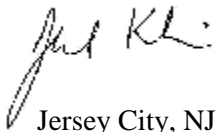
To the Trustees
The Jerusalem Fund Inc.
New York, NY 10012

Gentlemen:

We have audited the accompanying statements of financial position of The Jerusalem Fund Inc. (a nonprofit organization) as of December 31, 2016 and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards in the U.S. 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 The Jerusalem Fund Inc as of December 31, 2016 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Jersey City, NJ
July 31, 2017

**THE JERUSALEM FUND INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31 ,2016**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 258,521
Prepaid expenses & other receivabls	3,980

TOTAL CURRENT ASSETS 262,501

LONG TERM ASSETS

Goodwill	2,339,227
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TOTAL LONG TERM ASSETS 2,339,227

TOTAL ASSETS \$ 2,601,728

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 102,483
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TOTAL CURRENT LIABILITIES 102,483

LONG TERM LIABILITIES

Loans payable	2,323,593
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TOTAL LONG TERM LIABILITIES 2,323,593

NET ASSETS

Unrestricted net assets	175,652
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TOTAL NET ASSETS 175,652

TOTAL LIABILITIES AND NET ASSETS \$ 2,601,728

The Notes to the Financial Statements are an integral part of this report

**THE JERUSALEM FUND INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
REVENUES			
Contributions income	\$ 6,987,546	\$ -	\$ 6,987,546
Other Income	124,509		124,509
TOTAL REVENUES	<u>7,112,055</u>	<u>-</u>	<u>7,112,055</u>
EXPENSES			
Program expenses	6,748,767	-	6,748,767
Fundraising	77,337	-	77,337
General and administrative	416,887	-	416,887
TOTAL EXPENSES	<u>7,242,991</u>	<u>-</u>	<u>7,242,991</u>
CHANGE IN NET ASSETS	(130,936)	-	(130,936)
NET ASSETS BEGINNING	<u>306,588</u>	<u>-</u>	<u>306,588</u>
NET ASSETS ENDING	<u>\$ 175,652</u>	<u>\$ -</u>	<u>\$ 175,652</u>

The Notes to the Financial Statements are an integral part of this report

THE JERUSALEM FUND INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<i>Program Expenses</i>	<i>Fundraising Expenses</i>	<i>General & Administrative Expenses</i>	<i>Total Expenses</i>
EXPENSES				
Grants	\$ 5,508,710	\$ -	\$ -	\$ 5,508,710
Salaries and related expenses	-	19,503	-	19,503
Professional fees	333,188	-	215,130	548,318
Office and supplies	-	-	27,844	27,844
Travel - lectures, seminars	104,630	-	-	104,630
Insurance	-	-	4,849	4,849
Jewish outreach	802,239	-	-	802,239
Communications	-	-	126,923	126,923
Bank and credit card charges	-	57,834	11,661	69,495
Interest	-	-	2,512	2,512
Accounting fees	-	-	6,400	6,400
Postage and shipping	-	-	20,073	20,073
Filing fees	-	-	1,495	1,495
TOTAL EXPENSES	\$ 6,748,767	\$ 77,337	\$ 416,887	\$ 7,242,991

The Notes to the Financial Statements are an integral part of this report

**THE JERUSALEM FUND INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets		\$	(130,936)
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Changes in operating assets and liabilities:			
Loans receivable	\$	68,650	
Prepaid expenses & other receivables		(3,100)	
Accounts payable		(7,668)	
Loans payable		(747,488)	
Total adjustments			<u>(689,606)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES (820,542)

NET CASH PROVIDED BY INVESTING ACTIVITIES -

NET DECREASE IN CASH (820,542)

CASH, BEGINNING 1,079,063

CASH, ENDING \$ 258,521

The Notes to the Financial Statements are an integral part of this report

THE JERUSALEM FUND INC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Jerusalem Fund Inc. (“the Organization”) is a U.S. non-profit organization that was formed in Delaware in 2003 and commenced activities during 2011. The mission and purpose of the organization is to spread Judaism and Jewish identity by conducting and supporting Jewish outreach in the US and abroad.

Income Tax Status

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred.

Basis of presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and cash equivalents

For the purpose of reporting cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Goodwill – loans payable

The organization assumed the debts of American Friends of (“AFO”) Yeshivat Aish Hatorah, a related entity and is making current payments on this debit. This organization supports the activities of Yeshivat Aish Hatorah in Jerusalem. The AFO Yeshivat Aish Hatorah had borrowed funds from donors of Yeshivat Aish Hatorah to assist in financing the activities of Yeshivat Aish Hatorah. The AFO Yeshivat Aish Hatorah has ceased operations and the organization has accepted responsibility of these debts to maintain the good name and reputation of Yeshivat Aish Hatorah.

THE JERUSALEM FUND INC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 2 PROGRAM SERVICES

Grants were issued to religious educational institutions involved in religious study and Jewish outreach as well as institutions involved in assisting needy families.