JEWISH COMMUNITY CENTERS OF CHICAGO

FINANCIAL STATEMENTS

JUNE 30, 2017

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Warady & Davis LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Jewish Community Centers of Chicago
Chicago, Illinois

We have audited the accompanying financial statements of JEWISH COMMUNITY CENTERS OF CHICAGO ("JCC Chicago" or "Agency") (an Illinois Not-for-Profit Corporation), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JEWISH COMMUNITY CENTERS OF CHICAGO as of June 30, 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.

Warady + Davis LLP

December 14, 2017

STATEMENTS OF FINANCIAL POSITION

As of June 30	**2017**	2016
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 2,625,889**	$ 3,375,960
Restricted Cash and Cash Equivalents	**713,867**	677,161
Receivables, net of Allowances of $30,000	**435,287**	379,392
Current Portion of Pledges Receivable	**769,646**	671,266
Due from Jewish Federation of Metropolitan Chicago	**497,536**	868,923
Prepaid Expenses	**2,261,945**	2,287,629
Short-Term Investments, at Market	**1,000**	1,000
Total Current Assets	**7,305,170**	8,261,331
NONCURRENT ASSETS		
Cash Surrender Value of Life Insurance Policies	**156,442**	139,698
Long-Term Pledges Receivable, net of Discount	**878,752**	1,180,904
Prepaid Rent	**460,000**	520,000
Long-Term Investments, at Market	**9,469,441**	9,636,127
Beneficial Interest in Jewish Community Centers Endowment Foundation	**5,597,749**	4,319,991
Other Assets	**395,381**	381,377
Property and Equipment, net of Accumulated Depreciation and Amortization	**12,442,396**	12,664,063
Intangible Assets	**138,439**	143,545
Total Noncurrent Assets	**29,538,600**	28,985,705
	$ 36,843,770	$ 37,247,036
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Bonds and Notes Payable	**$ 165,000**	$ 160,000
Current Portion of Capital Lease Obligation	**174,608**	155,372
Accounts Payable	**1,094,330**	900,373
Accrued Expenses	**1,101,380**	1,664,416
Deferred Revenue	**12,645,995**	12,287,833
Current Portion of Deferred Rent Credits	**1,326**	1,326
Other Liabilities	**208,383**	185,953
Total Current Liabilities	**15,391,022**	15,355,273
LONG-TERM LIABILITIES		
Bonds and Notes Payable	**2,535,000**	2,700,000
Deferred Rent Credits	**6,631**	7,957
Capital Lease Obligations	**510,803**	106,258
Accrued Expenses	**122,889**	139,719
Total Long-Term Liabilities	**3,175,323**	2,953,934
Total Liabilities	**18,566,345**	18,309,207
NET ASSETS		
UNRESTRICTED		
Accumulated Operating Deficit	**(5,992,871)**	(4,981,487)
Board-Designated for Special Purposes	**5,372,538**	5,354,063
Invested in Property and Equipment	**4,868,150**	5,327,593
Board-Designated Endowment	**38,761**	26,315
Total Unrestricted	**4,286,578**	5,726,484
TEMPORARILY RESTRICTED		
Beneficial Interest in JCC Endowment Foundation	**5,497,749**	4,219,991
Undistributed Income of Permanently Restricted Endowment Funds	**719,683**	706,188
Specific Purpose Funds	**3,338,182**	3,860,708
Total Temporarily Restricted	**9,555,614**	8,786,887
PERMANENTLY RESTRICTED		
Beneficial Interest in JCC Endowment Foundation	**100,000**	100,000
Endowment	**4,335,233**	4,324,458
Total Permanently Restricted	**4,435,233**	4,424,458
Total Net Assets	**18,277,425**	18,937,829
	$ 36,843,770	$ 37,247,036

See accompanying notes.

STATEMENTS OF ACTIVITIES

For the Years Ended June 30

	2017				2016			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT, REVENUE AND GAINS								
Direct Public Support								
Contributions	**$ 761,564**	**$ 219,085**	**$ 6,000**	**$ 986,649**	$ 688,427	$ 145,063	$	$ 833,490
Grants from Private Foundations	**367,585**	**433,202**		**800,787**	747,716	971,153		1,718,869
Special Event								
Gross Event Revenues	**275,644**			**275,644**	256,195	6,614		262,809
Less: Direct Expenses	**(111,789)**			**(111,789)**	(117,578)			(117,578)
Net Special Events	**163,855**			**163,855**	138,617	6,614		145,231
Total Direct Public Support	**1,293,004**	**652,287**	**6,000**	**1,951,291**	1,574,760	1,122,830		2,697,590
Indirect Public Support								
Distribution from Jewish Community Centers Endowment Foundation	**274,468**			**274,468**	245,870	27,932		273,802
Support from Jewish Federation of Metropolitan Chicago -								
Allocations	**6,494,469**			**6,494,469**	6,494,461			6,494,461
Other	**2,401,378**	**27,250**		**2,428,628**	2,194,724	3,155		2,197,879
Grant from JFMC Facilities Corporation	**394,519**			**394,519**	406,907			406,907
Total Indirect Public Support	**9,564,834**	**27,250**		**9,592,084**	9,341,962	31,087		9,373,049
Program Service Revenue								
Fees and Grants from Government Agencies	**28,656**			**28,656**	61,799			61,799
Revenue Directly Related to Program Services								
Program Service Fees	**27,627,686**			**27,627,686**	26,357,410			26,357,410
Membership Dues - Individuals	**366,629**			**366,629**	177,968			177,968
Services to Other Organizations	**52,078**			**52,078**	31,622			31,622
Inventory Sales	**148,497**			**148,497**	136,855			136,855
Cost of Inventory Sold	**(68,183)**			**(68,183)**	(74,305)			(74,305)
Total Program Service Revenue	**28,155,363**			**28,155,363**	26,691,349			26,691,349
Other Revenue								
Investment Income	**300**	**706**		**1,006**	111,990	103,229		215,219
Net Realized Gains (Losses) on Sales of Investments	**157**			**157**	(24,205)	94,319		70,114
Net Unrealized Gains (Losses) on Investments	**379,335**	**445,650**		**824,985**	(516,421)	(597,869)		(1,114,290)
Net Unrealized Gains (Losses) on Other Assets	**31,563**	**(56,824)**		**(25,261)**	(13,136)	(150,845)		(163,981)
Change in Beneficial Interest in Jewish Community Centers Endowment Foundation		**1,277,758**		**1,277,758**		(467,806)		(467,806)
Change in Cash Surrender Value of Life Insurance Policies		**11,969**	**4,775**	**16,744**		(2,408)	1,248	(1,160)
Revenue from Other Sources	**543,656**			**543,656**	647,370			647,370
Total Other Revenue	**955,011**	**1,679,259**	**4,775**	**2,639,045**	205,598	(1,021,380)	1,248	(814,534)
Total Support, Revenue and Gains	**39,968,212**	**2,358,796**	**10,775**	**42,337,783**	37,813,669	132,537	1,248	37,947,454
NET ASSETS RELEASED FROM RESTRICTION								
Satisfaction of Restrictions	**1,590,069**	**(1,590,069)**		**—**	1,079,208	(1,079,208)		—
EXPENSES								
Program Services								
Early Childhood Services	**11,025,879**			**11,025,879**	10,781,016			10,781,016
Day Camping	**9,137,847**			**9,137,847**	8,726,563			8,726,563
Resident Camping	**4,826,838**			**4,826,838**	4,647,097			4,647,097
Community Engagement	**725,549**			**725,549**	714,761			714,761
After School Recreation	**3,848,130**			**3,848,130**	3,326,404			3,326,404
Recreation and Wellness	**3,893,870**			**3,893,870**	3,383,842			3,383,842
Adult Services	**1,459,732**			**1,459,732**	1,277,327			1,277,327
At Risk Individuals and Families	**1,646,888**			**1,646,888**	1,611,225			1,611,225
Other Services	**1,137,940**			**1,137,940**	1,180,121			1,180,121
Total Program Service Expenses	**37,702,673**			**37,702,673**	35,648,356			35,648,356
Supporting Services								
Management and General	**4,675,693**			**4,675,693**	4,049,494			4,049,494
Fundraising	**619,821**			**619,821**	733,304			733,304
Total Supporting Service Expenses	**5,295,514**			**5,295,514**	4,782,798			4,782,798
Total Expenses	**42,998,187**			**42,998,187**	40,431,154			40,431,154
CHANGE IN NET ASSETS	**(1,439,906)**	**768,727**	**10,775**	**(660,404)**	(1,538,277)	(946,671)	1,248	(2,483,700)
Net Assets, Beginning	**5,726,484**	**8,786,887**	**4,424,458**	**18,937,829**	7,264,761	9,733,558	4,423,210	21,421,529
NET ASSETS, ENDING	**$ 4,286,578**	**$ 9,555,614**	**$ 4,435,233**	**$ 18,277,425**	$ 5,726,484	$ 8,786,887	$ 4,424,458	$ 18,937,829

See accompanying notes.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2017

	Program Services										Supporting Services		
	Early Childhood Services	Day Camping	Resident Camping	Community Engagement	After School Recreation	Recreation and Wellness	Adult Services	At Risk Individuals and Families	Other Services	Total	Management and General	Fundraising	Grand Total
Assistance to At Risk Individuals and Families	$	$	$	$	$	$	$	$ 180,015	$	$ 180,015	$	$	$ 180,015
Salaries and Wages	5,638,030	3,478,152	1,490,194	310,373	2,309,142	1,206,643	356,229	607,579	360,308	15,756,650	2,282,599	274,184	18,313,433
Pension Plan Expenses	225,355	60,525	40,214	14,361	61,189	33,976	15,484	32,269	9,235	492,608	170,659	13,580	676,847
Fringe Benefits	717,589	240,160	142,453	42,618	179,449	120,104	48,074	95,879	33,509	1,619,835	350,743	40,968	2,011,546
Payroll Taxes	533,910	320,540	198,243	29,131	220,078	119,630	35,163	57,310	49,440	1,563,445	174,449	26,046	1,763,940
Professional and Contract Services	61,760	107,960	267,879	8,685	17,292	90,037	21,885	36,977	41,696	654,171	392,338	21,057	1,067,566
Marketing											532,873		532,873
Office Expenses	43,345	54,258	52,703	1,623	32,310	18,033	11,750	8,123	4,415	226,560	7,443	24,711	258,714
Information Technology	158,288	155,480	104,417	7,120	42,099	49,945	19,865	47,937	11,495	596,646	212,154	28,606	837,406
Occupancy	2,208,995	2,291,762	894,199	191,293	142,153	1,172,838	45,048	390,951	287,573	7,624,812	227,962	33,569	7,886,343
Staff Transportation	9,616	10,594	20,499	5,200	25,885	8,133	9,163	764	2,155	92,009	13,090	1,835	106,934
Conferences and Meetings	57,195	36,523	21,251	3,994	8,933	6,039	2,692	2,058	2,797	141,482	64,415	8,917	214,814
Financing Expenses	32,640	34,356	15,117	2,085	6,221	25,066	1,633		4,096	121,214	4,423	598	126,235
National Association Dues	25,909	28,208	15,454	204	12,098	1,889	2,664		3,024	89,450		740	90,190
Depreciation and Amortization	439,647	421,444	269,892	30,549	59,865	252,176	25,020		59,406	1,557,999	148,790	16,281	1,723,070
Insurance	46,927	36,196	34,079	3,198	23,235	20,190	8,105	10,429	4,192	186,551	57,881	5,812	250,244
Program Food and Supplies	580,057	586,290	569,958	44,036	71,470	163,084	191,001	142,832	173,894	2,522,622	70	851	2,523,543
Outsourced Services	28,957	302,815	167,062	11,847	419,247	358,652	83,497	25,599	19,655	1,417,331			1,417,331
Trips and Outside Facility Fees	1,307	106,938	105,210	2,025	25,814	115,456	478,514		22,388	857,652	201	36	857,889
Transportation	228	609,518	222,707		32,173	10,280	68,097	395	29,265	972,663			972,663
Staff Expenses	3,573	13,534	1,199	57	10,513	1,397	1,423	388	228	32,312	1,581	258	34,151
Security	20,277	20,771	36,283	13,555	27,414	51,832	26,237		369	196,738			196,738
Employee Recruiting	25,790	34,044	17,855	2,039	7,042	16,347	2,310	3,862	2,155	111,444	21,137	1,752	134,333
Equipment and Vehicles	22,657	27,687	46,021	764	1,458	9,008	634	2,496	1,890	112,615	564	76	113,255
Licenses and Dues	6,166	3,402	7,482	12	686	933	184	1,025	436	20,326	227		20,553
Banking and Merchant Services Fees	100,200	150,673	71,692	268	85,570	38,149	3,912		1,819	452,283		9,979	462,262
Bad Debt Expense (Recoveries)	15,870	210	2,878	2	20,008	14	20		23	39,025	(136)	90,798	129,687
Sales Taxes			9,236						1,660	10,896	(64)		10,832
Life Insurance Policy Premiums											2,000		2,000
Other Operating Expenses	21,591	5,807	2,661	510	6,786	4,019	1,128		10,817	53,319	10,294	19,167	82,780
	$ 11,025,879	$ 9,137,847	$ 4,826,838	$ 725,549	$ 3,848,130	$ 3,893,870	$ 1,459,732	$ 1,646,888	$ 1,137,940	$ 37,702,673	$ 4,675,693	$ 619,821	$ 42,998,187

See accompanying notes.

STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

For the Year Ended June 30, 2016

	Program Services										Supporting Services		
	Early Childhood Services	Day Camping	Resident Camping	Community Engagement	After School Recreation	Recreation and Wellness	Adult Services	At Risk Individuals and Families	Other Services	Total	Management and General	Fundraising	Grand Total
Awards/Grants	$	$	$	$	$	$	$	$	$ 100,000	$ 100,000	$	$	$ 100,000
Assistance to At Risk Individuals and Families								184,814		184,814			184,814
Salaries and Wages	5,623,863	3,451,818	1,508,610	341,978	1,951,194	1,300,898	314,711	566,457	352,231	15,411,760	1,999,302	446,062	17,857,124
Pension Plan Expenses	219,731	59,138	34,944	13,211	57,358	36,246	9,437	29,336	8,788	468,189	205,464	20,800	694,453
Fringe Benefits	721,335	260,170	147,110	44,300	172,763	138,996	36,431	84,491	35,390	1,640,986	272,813	67,639	1,981,438
Payroll Taxes	500,241	305,273	144,794	29,134	175,204	117,814	26,409	50,815	41,244	1,390,928	140,811	33,599	1,565,338
Professional and Contract Services	44,250	52,094	207,768	11,793	26,609	52,079	28,495	37,176	41,768	502,032	277,407	9,099	788,538
Marketing	1,236	1,329	705	9	450	157	131		121	4,138	460,646		464,784
Office Expenses	40,769	52,057	42,541	1,910	43,828	7,744	5,399	9,508	4,574	208,330	7,970	36,877	253,177
Information Technology	75,598	105,059	69,773	6,709	33,449	41,596	10,426	48,915	10,739	402,264	97,850	33,239	533,353
Occupancy	2,099,802	2,148,170	834,766	178,152	126,493	1,093,933	34,118	390,942	274,964	7,181,340	174,759	31,353	7,387,452
Staff Transportation	13,122	11,375	19,776	3,117	12,709	6,073	5,414	1,119	2,408	75,113	15,332	4,735	95,180
Conferences and Meetings	30,984	39,021	20,867	708	9,956	9,405	2,791	3,824	3,823	121,379	15,761	8,546	145,686
Financing Expenses	32,641	33,931	14,991	1,943	5,640	15,955	1,644		4,012	110,757	6,293	648	117,698
National Association Dues	27,179	28,521	15,118	197	9,660	3,495	2,802		2,605	89,577			89,577
Depreciation and Amortization	421,420	407,651	252,772	28,087	50,332	191,425	15,985		56,720	1,424,392	128,894	12,070	1,565,356
Insurance	60,536	39,848	40,152	2,948	17,187	12,622	11,411	12,192	4,220	201,116	76,332	414	277,862
Program Food and Supplies	610,420	524,339	550,552	29,713	72,884	181,966	190,701	146,315	153,008	2,459,898	—	5,790	2,465,688
Contractual Labor	56,923	258,343	167,969	17,861	395,185	35,908	38,593	25,844	24,424	1,021,050	153		1,021,203
Trips and Outside Facility Fees	1,769	97,212	210,555	1,220	29,973	64,297	478,323		10,972	894,321			894,321
Transportation	886	597,453	147,535		48,398		42,165	1,628	8,004	846,069			846,069
Staff Expenses	3,643	14,404	2,882	112	8,764	1,842	1,651	361	377	34,036	24,390	1,736	60,162
Security	11,365	13,281	51,860	3,298	6,917	14,391	7,795	9,080	10,201	128,188	67,756	2,222	198,166
Employee Recruiting	24,378	17,593	9,614	618	7,976	12,559	751	5,058	1,485	80,032	61,427	2,232	143,691
Equipment and Vehicles	20,419	28,398	44,572	1,097	1,485	5,739	1,315	2,240	2,504	107,769	2,154	70	109,993
Licenses and Dues	8,110	3,330	11,596	641	2,477	964	153	1,075	5,013	33,359			33,359
Banking and Merchant Services Fees	116,393	155,131	75,948	649	39,647	31,348	7,418	35	8,162	434,731	135	3,857	438,723
Bad Debt Expense (Recoveries)	(7,034)	944	1,486	(4,796)	11,624	1,399	153		143	3,919			3,919
Sales Taxes			7,142							7,142			7,142
Life Insurance Policy Premiums											2,000		2,000
Other Operating Expenses	21,037	20,680	10,699	152	8,242	4,991	2,705		12,221	80,727	11,845	12,316	104,888
	$ 10,781,016	$ 8,726,563	$ 4,647,097	$ 714,761	$ 3,326,404	$ 3,383,842	$ 1,277,327	$ 1,611,225	$ 1,180,121	$ 35,648,356	$ 4,049,494	$ 733,304	$ 40,431,154

See accompanying notes.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (660,404)	$ (2,483,700)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	1,723,070	1,565,356
Donated Securities	(5,033)	—
Proceeds from Sales of Donated Securities	4,969	—
Net Realized Gains on Sales of Investments	(157)	(70,114)
Net Unrealized Losses (Gains) on Investments	(824,985)	1,114,290
Net Unrealized (Gain) Loss on Replacement Reserve Funds (Other Assets)	(31,563)	13,136
Decrease in Value of Pledge Receivable (Other Assets)	56,824	150,845
Forgiveness of Officer Loan	24,305	25,056
Accrued Interest Income on Officer Loan	(1,194)	(1,945)
Loss on Disposal of Fixed Assets	14,467	—
(Increase) Decrease in Beneficial Interest in Jewish Community Centers Endowment Foundation	(1,277,758)	467,806
Permanently Restricted Endowment Contribution	(6,000)	—
Change in Operating Assets and Liabilities		
Receivables	(55,895)	(126,113)
Grants Receivable	—	9,363
Pledges Receivable	146,948	(386,316)
Prepaid Expenses and Rent	85,684	(333,625)
Due from Jewish Federation of Metropolitan Chicago	371,387	(2,657)
Accounts Payable, Accrued Expenses and Other Liabilities	(420,785)	130,850
Deferred Revenue	358,162	377,827
Deferred Rent Credits	(1,326)	(1,326)
Total Adjustments	161,120	2,932,433
Net Cash Provided (Used) by Operating Activities	(499,284)	448,733
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in Restricted Cash and Cash Equivalents	(36,706)	(36,671)
Proceeds from Sales of Property and Equipment	9,750	—
Additions to Property and Equipment	(821,538)	(1,118,567)
Purchases of Intangible Assets	(3,274)	(35,622)
Increase (Decrease) in Cash Surrender Value of Life Insurance Policies	(16,744)	1,160
Increase in Replacement Reserve Funds (Other Assets)	(5,552)	(12,045)
Proceeds from Sales and Maturities of Investments	1,264,892	11,673,920
Purchases of Investments	(273,000)	(9,657,681)
Reinvested Dividends and Interest	—	(223,899)
Net Cash Provided by Investing Activities	117,828	590,595
CASH FLOWS FROM FINANCING ACTIVITIES		
Permanently Restricted Endowment Contribution	6,000	—
Proceeds from Line of Credit	4,500,000	4,900,000
Repayment of Line of Credit	(4,500,000)	(4,900,000)
Repayment of First Midwest Construction Loan	(100,000)	(100,000)
Repayment of JP Morgan Chase Bank Loans	—	(6,667)
Repayment of Vehicle Loan	—	(3,954)
Repayment of Colorado Educational and Cultural Facilities Authority G3 Bonds	(60,000)	(70,000)
Repayment of Capital Lease Obligations	(214,615)	(124,131)
Net Cash Used by Financing Activities	(368,615)	(304,752)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(750,071)	734,576
Cash and Cash Equivalents, Beginning	3,375,960	2,641,384
CASH AND CASH EQUIVALENTS, ENDING	$ 2,625,889	$ 3,375,960
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
Cash payments for interest	$ 102,727	$ 94,658
Noncash Activities:		
Equipment Acquired under Capital Lease	$ 638,396	$ 123,859
Property and Equipment Additions Included in Accounts Payable	$ 21,297	$ 18,192
Intangible Purchases Included in Accounts Payable	$ 36,009	$ 9,225

See accompanying notes.

NATURE OF ORGANIZATION

Jewish Community Centers of Chicago ("JCC Chicago" or "Agency") is an Illinois not-for-profit corporation dedicated to ensuring a vibrant and thriving Chicago community through meaningful and impactful programs inspired by Jewish values. In 1903, JCC Chicago was founded to serve the needs of Chicago's burgeoning Jewish immigrant population. Over a century later, JCC continues to make an impact through its programs and services throughout the Chicago Metropolitan Area, from Lake Zurich on the north to Hyde Park and Flossmoor on the south. JCC Chicago is proud to welcome people of all ages, faiths, and backgrounds providing educational, recreational and cultural programming and activities designed to strengthen communities, meet the needs of everyone from infants to seniors, and enrich the lives of all those connected to the Agency. The primary sources of revenue are program service fees, grants, contributions and an allocation and support from an affiliated agency (Note 3).

JCC Chicago provides a wide spectrum of life-enriching programs and services, including:

Early Childhood Services – The agency founded and operates the JCC Chicago Early Childhood program in seven sites throughout metropolitan Chicago providing an excellent educational foundation for over 700 children ages six weeks to five years. The Early Childhood program is accredited by NAEYC (National Association for the Education of Young Children) and DCFS (Illinois Department of Children and Family Services), ensuring the highest level of quality, accountability and care. The Early Childhood program offers full-day infant/toddler programming, half-day and full-day preschool, junior kindergarten and kindergarten, extended day care, enrichment classes, adult/child classes, and parenting and family events. A structured social services team is incorporated into the program providing early intervention and enabling JCC Chicago to best meet the needs of every student and family. JCC Chicago offers need-based scholarships to support families and individuals who would otherwise not be able to participate in Early Childhood programming.

Day Camping – JCC Chicago Day Camp programming is offered at nine locations throughout Chicagoland, serving over 4,000 children from ages three through thirteen years old. JCC Chicago offers traditional day camp, as well as specialty camps for sports and performing arts, Adventure Camp, and counselor-in-training programs for teens. Day Camp provides an opportunity for children to be in a safe environment, to build friendships, and to discover and expand their interests through activities such as art, sports, swimming, drama, and more. Since 1999, JCC Chicago has partnered with Keshet, an organization providing services and programs to children, teens and young adults with varying and multiple developmental disabilities. Children of all ages with special needs attend JCC Chicago summer camps in a fully integrated program, sharing meals and participating in activities with their typically-developing peers. JCC Chicago offers need-based scholarships to support families and individuals who would otherwise not be able to participate in Day Camp programming.

Resident Camping – JCC Chicago's Residential Camp, Camp Chi, spans over 600 acres on Lake Blass near the Wisconsin Dells, and provides a complete overnight camping experience for 1,500 boys and girls, ages nine to sixteen. Camp Chi offers endless opportunities to campers to explore new interests and build upon individual skills through activities such as sports, arts and crafts, theatre, horseback riding, music, woodworking and more. Campers also explore their Jewish heritage through Shabbat celebrations and Israel education programs. Camp Chi is also an inclusive camp with teens and adults with special needs attending and working at camp.

NATURE OF ORGANIZATION (Continued)

A second resident camp, Chavayah Orthodox Camp for Girls, is offered for traditional Orthodox Jewish girls during the summer months. Chavayah offers a traditional resident camp experience with activities such as swimming, sports, arts, theatre and more, along with leadership development and Jewish learning.

JCC Chicago offers need-based scholarships to support families and individuals who would otherwise not be able to participate in Residential Camp programming.

Adult Services – JCC Chicago provides recreational, educational, cultural and health and wellness activities for adults of all ages at select JCC locations as well as at partner venues year-round. Programs include the Chicago Jewish Film Festival, a city-wide film festival that engaged over 5,500 people last year; Community Wednesdays and Shalom Over 50, weekly educational lectures and discussion groups for older adults; excursions to theatre and special events throughout the year, as well as domestic and international travel opportunities, to further build community among this population. Additional programs such as Dance lessons, a Hebrew Book Fair, and Hebrew language classes are offered. Volunteer opportunities are also available for individuals looking to make a meaningful impact with their time.

JCC Chicago also focuses on engaging young adults in their 20's and 30's through programs such as Seed613, a social entrepreneur fellowship which provides coaching and mentoring to individuals seeking to develop new social ventures. Additional programming for young adults includes volunteer days, Jewish focused programs such as Shabbat celebrations and Passover meals and social programming.

Teen and Family Engagement – JCC Chicago engages the teen community and families through year-round programs and activities with the goal of building a vibrant and thriving community. Over the course of the year, 3,500 families and individuals participated in ongoing initiatives such as weekly Shabbat and family holiday programming, classes and playgroups for parents with children ages 0-2 years, and ongoing community events. Jewish Student Connection hosts Jewish clubs in public schools around the Chicago area engaging 900 teens each year; JCC Chicago also hosts a year-round youth group for Jewish teens. The agency also offers weekend and weeklong retreats at its Perlstein Retreat Center located in Lake Delton, Wisconsin for families, including special retreats for grandparents and their grandchildren.

J at School – JCC Chicago administers J at School, a high-quality After School, Before School, Enrichment, Recess and Lunch supervision program in twenty-two Chicago Public Schools and five private schools impacting 12,500 school-age children every day filling a significant need for both families and the Chicago Public School system. Additional services include School's Out programming for days when school is not in session but parents need a safe and supervised option for their children during the work day. The J at School Enrichment Program takes place after school hours and provides children a safe and supervised environment, and the opportunity to explore interests outside of the classroom such as performing arts, sports, STEM (Science, Technology, Engineering and Math) offerings, and more. In the summer months, J at School launched a summer camp with registration options by the day, week or session.

NATURE OF ORGANIZATION (Continued)

Fitness and Wellness – JCC Chicago fitness and wellness programs impact children and adults of all ages. The newly opened Marvin Lustbader Center for Health, Wellness and Fitness at the Bernard Weinger JCC, a 13,000 square foot fitness complex, in Northbrook Illinois is a brand new fitness center serving the community. The Lustbader Center integrates seamlessly into the existing fitness offerings including a six-lane indoor pool, full-size gymnasium and studio spaces. In addition, JCC Chicago offers sports classes and leagues to children and teens, the Lenny Krayzelburg Swim Academy, teaching over 800 children to swim including 30 students with autism spectrum disorder and other disabilities, and the Edmond J. Safra Parkinson's Wellness Initiative offering specialized fitness classes and support groups for individuals with Parkinson's Disease and their families. In addition, the JCC Maccabi Games is an annual sporting event for Jewish teens ages 13 to 16 years old from around the world who join together for friendly sport games and competition.

At Risk Individuals and Families – Through the Dina and Eli Field EZRA Multi-Service Center (MSC) and JUF Uptown Café, JCC Chicago provides emergency services to homeless and disadvantaged individuals and families. EZRA is funded by the Jewish Federation of Metropolitan Chicago and is administered by JCC in Chicago's Uptown neighborhood. Services include emergency assistance, food and clothing distribution, eviction prevention, advocacy, job placement, social opportunities and interim housing. The JUF Uptown Café is Chicago's first kosher meal program for the needy. In addition to providing hot meals in a restaurant-style setting, the JUF Uptown Café program brings dignity and hope to people in need. The JUF Uptown Café feeds Jews and non-Jews alike and is open three days a week for dinner and on Sundays for brunch.

Other Services – JCC Chicago offers additional programs and services through the Perlstein Retreat Center and Pritzker Center for Jewish Education (Pritzker Center). The Perlstein Retreat Center located in Lake Delton, Wisconsin, adjacent to JCC Camp Chi, is JCC Chicago's premier destination for families, groups, businesses and individuals throughout the Midwest, providing programming, accommodations and meaningful events for guests.

The Pritzker Center is charged by the JCC Board of Directors to serve the Jewish mission of the Agency by enhancing Jewish life for Jews of all ages and backgrounds through formal and informal learning experiences. The Pritzker Center strengthens and articulates a Jewish vision, develops Jewish educational models and programs, and offers resources for staff and lay leaders.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Agency's financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

BASIS OF PRESENTATION

The Agency maintains its financial accounts in accordance with the principles and practices of fund accounting. For financial reporting purposes, net assets and related activity for the Agency's funds are classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of donor-imposed restrictions.

Unrestricted net assets include the Agency's General Operating Fund, as well as several other funds which have been designated by the Agency's Board of Directors for various specified purposes. Contributions received with temporary restrictions that are met in the same reporting year are reported as unrestricted.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

Temporarily restricted net assets represent assets subject to donor-imposed stipulations of both time and purpose which are to be satisfied by the Agency's actions or by the satisfaction of time restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets when the restrictions have been met. Temporarily restricted assets at June 30, 2017 and 2016 represent amounts classified for specific purposes and substantially all of the beneficial interest in the Jewish Community Centers Endowment Foundation (the Foundation) (Note 13).

Permanently restricted net assets represent funds subject to the restrictions of gift instruments requiring the principal to be maintained permanently intact by the Agency. These assets result from amounts donated and invested for endowment purposes and a portion of the beneficial interest in the Foundation (Note 14). The income from certain endowments is restricted for educational programs and humanitarian efforts. Investment income, including realized and unrealized gains and losses, are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Agency in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

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

CASH EQUIVALENTS

Cash equivalents consist of money market accounts and investments with original maturities of 90 days or less invested with financial institutions.

RECEIVABLES

Receivables consist primarily of program service fees, accrued interest, and other miscellaneous items and are reported at net realizable value, which is the amount management expects to collect from balances outstanding at year-end. An allowance for uncollectible amounts is estimated from historical experience and projection of trends. Amounts deemed uncollectible are recorded as bad debt expense on the statements of functional expenses.

PLEDGES RECEIVABLE

Unconditional promises to give contributions are recorded as revenue when the promises are received. The pledges receivable are discounted to their estimated present value. Management assesses the pledges to be fully collectible, thus no allowance for uncollectible pledges is warranted. Amounts deemed uncollectible are recorded as bad debt loss on the statements of activities.

INVESTMENTS

The Agency follows the provisions of the Financial Accounting Standards Board (FASB) Codification for accounting for investments held by not-for-profit organizations. This standard requires that investments in marketable securities be accounted for at fair value. Fair value is based on quoted market prices. Realized gains and losses are the differences between the proceeds received and the cost of investments sold. Unrealized gains and losses are the differences between the fair value and the cost of investments and are included in earnings.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEFERRED REVENUE AND PREPAID EXPENSES

Revenue from the advance receipt of fees and prepayment of expenses, primarily supplies, relating to summer camps and summer and fall programs at the Agency's community centers and camps have been deferred as of the respective year-end.

PROPERTY AND EQUIPMENT

Property and equipment purchases of $1,500 or more are recorded at cost and depreciated over their estimated useful lives on a straight-line basis, with the exception of leasehold improvements, which are amortized over the terms of the respective leases, which range from three to twenty-four years. It is management's intent to renew the leases that are with the affiliated agency and, as such, the terms of the leases have been extended to coincide with the life of the leasehold improvements.

Major renewals and betterments that extend the useful life of an asset are capitalized while routine maintenance and repairs are expensed as incurred.

The estimated useful lives for determining depreciation and amortization of the various classes of assets are as follows:

Asset Class	Years
Buildings and Building Improvements	30
Infrastructure Improvements	25
Land Improvements	7
Leasehold Improvements	Term of Lease
Equipment and Machinery	3–7
Furniture and Fixtures	7
Information Technology Equipment	3
Software	3–5
Motor Vehicles	5

COLLECTIONS

The Agency's collections are made up of religious, art, and other objects that are held for display, education and other purposes. These collections, which were acquired through purchases and contributions since the Agency's inception, are not recognized as assets on the statements of financial position.

INTANGIBLE ASSETS

Intangible assets with definitive lives are recorded at cost and amortized over three years. The amortization expense is included as depreciation and amortization in the Agency's statements of functional expenses.

RECOGNITION OF SUPPORT AND REVENUE

Contributions and grants from private foundations are recognized as support or revenue when the agency is notified of the contribution or grant or the amounts are received. All contributions and private grants are considered available for unrestricted use unless specifically restricted by the donor or by laws and regulations.

Government grants, including those passed through from an affiliated agency, are recorded as support as related costs are recognized.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DONATED GOODS, PROPERTY AND EQUIPMENT AND SERVICES

Donations of goods, property and equipment or service are reflected as contributions at their estimated fair values at the dates of receipt. There were no significant donated goods in 2017 and 2016. A number of unpaid volunteers and members of the Agency's Board of Directors have made significant contributions of their time to the Agency's activities. The value of these services is not reflected in these financial statements since they do not meet the criteria for recognition under the FASB Codification topic related to accounting for contributions received and made.

FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Expenses are charged directly to programs, management and general or fundraising categories based upon specific identification where possible. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on direct charges or appropriate methods determined by management, primarily on the basis of predetermined ratios.

INCOME TAXES

The Agency is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Agency has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Agency is similarly exempt for state income tax purposes.

The Agency follows the guidance in the FASB Codification topic related to uncertainty in income taxes which prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements uncertain tax positions that the Agency has taken or expects to take in its tax returns. Under the guidance, the Agency may recognize the tax benefit from an uncertain tax position only if it is "more likely than not" that it is sustainable, based on its technical merits. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information. The Agency believes that it has appropriate support for the positions taken on its returns.

The Agency files its forms 990 in the federal jurisdiction and the office of the state's attorney general for the State of Illinois.

NOTE 2—RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents includes amounts contributed to construct and maintain a science park at the Lake County Jewish Community Campus. The donor stipulated that the funds and any interest thereon be segregated from unrestricted Agency bank accounts.

NOTE 3—AFFILIATED AGENCIES

Pursuant to its Principles of Affiliation, Jewish Federation of Metropolitan Chicago (Jewish Federation) substantially subsidizes the operations of the Agency's General Operating Fund, not including any deficits which might be incurred by Camp Chi, which would be funded from other sources. The subsidy was $6,494,469 in 2017 and $6,494,461 in 2016. The Jewish Federation also provided $2,458,628 of other support in 2017 and $2,197,879 of other support in 2016.

NOTE 3—AFFILIATED AGENCIES (Continued)

Amounts owed to the Agency, including those for the operations of the EZRA Multi-Service Center and the net amount of various other items owed by the Jewish Federation, were $210,227 at June 30, 2017 and $160,161 at June 30, 2016.

JFMC Facilities Corporation, a Jewish Federation related entity, provided a $394,519 grant in 2017 and a $406,907 grant in 2016 for funding various costs at the Bernard Weinger Jewish Community Center, a facility leased from JFMC Facilities Corporation.

Amounts owed to the Agency by JFMC Facilities Corporation for grants net of amounts owed by the Agency for rent, utilities and other items was $152,619 as of June 30, 2017 and $537,781 as of June 30, 2016.

Amounts owed to the Agency by the Jewish United Fund (JUF), a Jewish Federation related entity was $134,690 at June 30, 2017 and $170,981 at June 30, 2016.

Affiliated agencies provided 22% of total support, revenue and gains for 2017 and 24% of total support, revenue and gains for 2016.

The affiliated net receivables and payables listed above are reflected in the statements of financial position as due from Jewish Federation of Metropolitan Chicago.

NOTE 4—PLEDGES RECEIVABLE

Pledges at June 30 consist of items receivable in:

	2017	2016
Less Than One Year	$ 769,646	$ 671,266
One to Five Years	386,988	627,989
More Than Five Years	782,848	893,156
	1,939,482	2,192,411
Less: Discount to Net Present Value	(291,084)	(340,241)
Net Pledges Receivable	1,648,398	1,852,170
Less: Current Portion	(769,646)	(671,266)
Long-Term Portion	$ 878,752	$ 1,180,904

The discount rate used in determining the net present value of pledges receivable is 3.825%.

In the year ended June 30, 2009, the “Z” Frank Apachi Supporting Foundation (“Z”FA Foundation) made a 25-year pledge to the Agency. Annual distributions are calculated at 6% of the market value of its invested assets as of September 30 of each fiscal year. The Board of the “Z”FA Foundation has discretion to revisit the distribution policy annually.

NOTE 5—INVESTMENTS

SHORT-TERM INVESTMENTS

	2017	2016
State of Israel – Ministry of Defense – Bond	$ 1,000	$ 1,000

NOTE 5—INVESTMENTS (Continued)

LONG-TERM INVESTMENTS

Investments attributable to the Agency's several funds consisted of the following:

	2017	2016
JFMC Pooled Endowment Portfolio	**$ 9,469,441**	$ 8,371,456
Mutual Funds	**—**	1,264,671
	$ 9,469,441	$ 9,636,127

The interests in the pooled investments of the several funds and the allocation of dividend and interest income (net of expenses) on the investments are computed based on the percentage interests of the participating funds. Investment advisory and custodial expenses were $7,417 for 2017 and $26,029 for 2016. Expenses of the various fund managers were paid from and accordingly reduce the investment earnings of their respective funds. Income from endowment fund investments is transferred to temporarily restricted funds in accordance with the stipulations of the donors of those funds. The Agency's cost basis of these long-term investments was $8,578,445 and $9,185,793 at June 30, 2017 and 2016, respectively.

In 2016, the decision was made to move all long-term investments to the JFMC Pooled Endowment Portfolio (PEP). As of June 30, 2016, certain investments were still in the process of being liquidated and transferred. The transfer was completed during 2017.

NOTE 6—JEWISH COMMUNITY CENTERS ENDOWMENT FOUNDATION

The Agency and the Jewish Federation entered into an agreement to create the Jewish Community Centers Endowment Foundation (Foundation). Pursuant to the agreement, which controls much of the Foundation's activities, all endowment contributions to the Agency will be placed in the Foundation and the Agency will receive an annual distribution from the Foundation in accordance with the Jewish Federation's Controlled Growth Distribution Policy (CGDP). Under this policy, the distribution rate is based on the market performance of the Jewish Federation's investment pool, with certain caps and floors to provide stability during volatile market environments. The CGDP also includes a target growth rate of 2.5% per year. In addition, in the event of dissolution of the Foundation or termination of the affiliation agreement between the Agency and the Jewish Federation, the Foundation's assets will be transferred to the Jewish Federation. The Foundation reported total contributions of $1,190,878 in 2017 and $7,000 in 2016. On the statements of financial position, the Agency has recorded its 100% beneficial interest in the Foundation equal to the net assets of the Foundation.

Fundraising for the Foundation is conducted by the Agency in coordination with the Jewish Federation. Accordingly, these expenses are included in the Agency's financial statements, while the contributions received are included in the Foundation's financial statements.

NOTE 7—FAIR VALUE MEASUREMENTS

The FASB Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. 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 Agency has the ability to access at the measurement date.

Level 2 Inputs to the valuation methodology include:

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

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

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

The asset'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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2017 or 2016.

Level 1 Fair Value Measurements

The fair values of mutual funds, and money market funds are based on quoted market prices, when available.

Level 2 Fair Value Measurements

The replacement reserve funds are held by the Jewish Federation and commingled with its pooled investment funds. The hedge fund of funds may not be actively traded. As such, the Agency has determined that the fair value of these funds should be measured at level 2.

Level 3 Fair Value Measurements

The Beneficial Interest in the Endowment Foundation is not actively traded, and significant observable inputs are not available. Fair value for the beneficial interest in the Foundation, as reflected in the financial statements, represents the net assets value from the Foundation's audited financial statements.

As described above, in 2016, the Agency moved the vast majority of its long-term investments to the JFMC PEP. Since the investment represents an ownership share in the total PEP and the shares are not actively traded, there are no similar actively traded investments, and the PEP portfolio includes Level 3 investments, the entire investment is classified as Level 3.

NOTE 7—FAIR VALUE MEASUREMENTS (Continued)

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 Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at June 30, 2017 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds				
Fixed Income	$ —	$ —	$ —	$ —
Jewish Federation PEP	9,469,441	—	—	9,469,441
Hedge Fund of Funds	—	—	—	—
Money Market Funds	—	—	—	—
Total Mutual Funds	9,469,441	—	—	9,469,441
Beneficial Interest in Foundation	5,597,749	—	—	5,597,749
Replacement Reserve Funds (see Note 8)	372,271	—	372,271	—
Total Assets	$ 15,439,461	$ —	$ 372,271	$15,067,190

Fair values of assets measured on a recurring basis at June 30, 2016 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds				
Fixed Income	$ 3	$ 3	$ —	$ —
Jewish Federation PEP	8,371,456	—	—	8,371,456
Hedge Fund of Funds	1,259,584	—	1,259,584	—
Money Market Funds	5,084	5,084	—	—
Total Mutual Funds	9,636,127	5,087	1,259,584	8,371,456
Beneficial Interest in Foundation	4,319,991	—	—	4,319,991
Replacement Reserve Funds (see Note 8)	335,156	—	335,156	—
Total Assets	$ 14,291,274	$ 5,087	$ 1,594,740	$ 12,691,447

NOTE 7—FAIR VALUE MEASUREMENTS (Continued)

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for the beneficial interest in the Foundation, as reflected in the financial statements, represents the net assets value from the Foundation's audited financial statements. Fair value for the JFMC PEP, as reflected in the financial statements, represents the Agency's proportionate share of the PEP's net asset value per the JFMC Pooled Endowment Portfolio's audited financial statements.

The table below presents information about the changes in the beneficial interest in the JCC Endowment Foundation, which is measured at fair value on a recurring basis using significant unobservable inputs:

	2017	2016
Balance, Beginning of Year	$ **4,319,991**	$ 4,787,797
Contributions Received	**1,190,878**	7,000
Investment Income	**1,493**	387
Net Realized Gain on Investment	**98,841**	60,807
Net Unrealized Gain (Loss) on Investment	**305,603**	(224,300)
Administrative and Development Expenses	**(44,660)**	(41,700)
Other Income	**71**	—
Other Expenses	**—**	(192)
Distribution Received from the Trust	**(274,468)**	(269,808)
Balance, End of Year	**$ 5,597,749**	$ 4,319,991

The change in value of the beneficial interest in the JCC Endowment Foundation is included in other revenue in the statements of activities and is related to an asset still held at the statements of financial position dates.

The table below presents information about the changes in the JFMC PEP, which is measured at fair value on a recurring basis using significant unobservable inputs:

	2017	2016
Balance, Beginning of Year	$ **8,371,456**	$ —
Purchases of PEP shares	**273,000**	8,305,445
Realized Gains, net	**223,760**	55,090
Reinvested Dividends and Interest	**3,181**	239
Unrealized Gains	**621,468**	15,743
Administrative and Development Expenses	**(23,424)**	(5,061)
Balance, End of Year	**$ 9,469,441**	$ 8,371,456

NOTE 8—OTHER ASSETS

Other assets are made up of funds held by JFMC that have been set aside to cover potential costs associated with repairing and/or replacing building components at the Mayer Kaplan JCC and the Florence G. Heller JCC. The value of the Mayer Kaplan JCC Replacement Reserve was $293,867 and $270,003 at June 30, 2017 and 2016, respectively. The value of the Florence G. Heller JCC Replacement Reserve was $78,404 and $65,153 at June 30, 2017 and 2016, respectively.

NOTE 8—OTHER ASSETS (Continued)

Other Assets also includes a loan to the Agency's General Director to help with the purchase of a new residence as part of his employment. The loan bears interest at 3.25% per year and the principal and accrued interest is forgivable, subject to continuous employment over a 5-year period. The value of the loan and interest was $23,110 at June 30, 2017 and $46,221 at June 30, 2016.

NOTE 9—PROPERTY AND EQUIPMENT

	2017	2016
Land	**$ 957,106**	$ 957,106
Buildings	**6,435,848**	6,435,848
Building Improvements	**8,485,466**	8,370,795
Infrastructure Improvements	**577,173**	490,868
Land Improvements	**325,946**	316,813
Leasehold Improvements	**9,125,129**	8,995,020
Equipment and Furniture	**8,151,895**	7,981,159
Vehicles	**286,562**	318,562
Computer Equipment	**2,599,659**	2,204,063
Program Equipment	**1,088,149**	787,597
Equipment Under Capital Leases	**918,792**	624,522
Software	**505,245**	503,439
Construction in Progress	**190,918**	409,989
	39,647,888	38,395,781
Less Accumulated Depreciation and Amortization	**27,205,492**	25,731,718
	$ 12,442,396	$ 12,664,063

Depreciation and amortization expense was $1,678,681 in 2017 and $1,536,944 in 2016, including capital leased asset amortization of $165,796 in 2017 and $100,487 in 2016.

Accumulated amortization for assets held under capital leases, included above, was $225,124 in 2017 and $392,409 in 2016. During the year certain assets previously included as capital leases were reclassified to their appropriate asset class as the lease was completed.

NOTE 10—INTANGIBLE ASSETS

	2017	2016
Video Production	**$ 70,589**	$ 31,306
Website	**93,173**	93,173
Branding	**47,478**	47,478
	211,240	171,957
Less Accumulated Amortization	**72,801**	28,412
	$ 138,439	$ 143,545

Video Production for the year ended June 30, 2017 includes $39,283 of videos still in production which will not be amortized until put into service. Amortization expense was $44,388 for 2017 and $28,412 for 2016.

NOTE 10—INTANGIBLE ASSETS (Continued)

Estimated amortization expense for the next three years is as follows:

Year Ending June 30	
2018	$ 75,888
2019	41,716
2020	20,835
	$ 138,439

NOTE 11—BONDS AND NOTES PAYABLE

	2017	2016
Bond Payable of $770,000 to Colorado Educational and Cultural Facilities Authority, payable in annual installments with interest payable monthly at a variable rate (1.31% at June 30, 2016) over 12 years, due September 1, 2023.	**$ 460,000**	$ 520,000
Note Payable of $2,500,000 to First Midwest Bank, payable in four equal yearly installments of $100,000 plus 59 monthly interest payments at LIBOR plus 125 basis points, and a balloon payment of $2,040,000 due August 31, 2019. Converted from a Construction Line of Credit on August 31, 2014 under terms described below.	**2,240,000**	2,340,000
	2,700,000	2,860,000
Less Current Portion	**165,000**	160,000
Long-Term Portion	**$ 2,535,000**	$ 2,700,000

The notes payable to JPMorgan Chase Bank are guaranteed by the Jewish Federation.

On June 1, 2012, the Agency, along with the Jewish Federation and certain of its affiliates, repaid the previous debt held by the Colorado Educational and Cultural Facilities and participated in a new bond issuance borrowing. Of the $74,835,000 borrowed, the Agency's $770,000 share is payable annually over 12 years beginning September 1, 2012 until September 1, 2023. Interest is paid monthly at a floating rate, with the initial borrowing rate of 1.16%.

Interest expense on bonds and notes payable was $51,602 in 2017 and $44,477 in 2016. Bond expense was $23,485 in 2017 and $23,067 in 2016.

Future maturities of bonds and notes payable are as follows:

Year Ending June 30	
2018	$ 165,000
2019	165,000
2020	2,105,000
2021	65,000
2022	70,000
Thereafter	130,000
	$ 2,700,000

NOTE 11—BONDS AND NOTES PAYABLE (Continued)

On March 1, 2015 the Agency renewed the $4,000,000 Line of Credit for 360 days. The line bears interest at 30-day LIBOR plus 1.00%. The line is collateralized by the Agency's business assets. On March 1, 2016, the Agency renewed the $4,000,000 Line of Credit for 360 days. On March 2, 2017, the Agency renewed the $4,000,000 Line of Credit for 360 days. Throughout the year, the Agency borrowed a total of $4,500,000 against the line, which was fully repaid by June 30, 2017.

Subsequent to June 30, 2017, the Agency has borrowed a total of $3,250,000 against the line.

Interest expense on the lines of credit was $30,493 in 2017 and $32,059 in 2016.

On November 25, 2013, the Agency entered into a 279-day $2,500,000 construction line of credit with First Midwest Bank related to the build-out of space at the Lake County Community Campus with a due date of August 31, 2014. The line bore interest at 30-day LIBOR plus 1.25%. The line is collateralized by the Agency's business assets. During the year ended June 30, 2015, the Agency borrowed an additional $901,479, bringing the total balance to $2,500,000. On August 31, 2014, the construction line of credit was converted to a note payable. A balloon repayment of $2,040,000 is due August 31, 2019.

NOTE 12—CAPITAL LEASES

In April and June, 2012, the Agency entered into capital lease agreements for equipment with a fair value of $187,342 and $95,604, respectively.

In September, 2012, the Agency entered into capital lease agreements for fitness equipment with a fair value of $40,628. In June, 2013, the Agency entered into a capital lease agreement for telephone equipment with a fair market value of $43,218.

In June, 2014, the Agency entered into a capital lease agreement for telephone equipment with a fair market value of $56,700.

In April, 2015, the Agency entered into a capital lease agreement for fitness equipment with a fair value of $59,307. In May, 2015, the Agency entered into a capital lease agreement for telephone equipment with a fair market value of $17,864.

In July 2015, the Agency entered into a capital lease agreement for firewall networking equipment with a fair value of $11,187. In August 2015, the Agency entered into a capital lease agreement for telephone equipment with a fair market value of $25,453 and for wireless access equipment with a fair market value of $18,720. In February 2016, the Agency entered into a capital lease agreement for computers with a fair market value of $33,722. In June 2016, the Agency entered into a capital lease agreement for networking switch boxes with a fair market value of $34,777. All equipment was placed in service during 2016.

In June, 2016, the Agency signed a five-year agreement to lease fitness equipment for the new fitness center. The equipment with a fair value of $516,861 was delivered and placed in service in 2017 with $9,408 monthly payments commencing upon delivery. The equipment was not recorded in the Agency's financial statements as of June 2016 as it had not yet been received.

In April 2017, the Agency entered into a capital lease agreement for multi-function printers with a fair value of $121,535.

NOTE 12—CAPITAL LEASES (Continued)

The assets and liabilities acquired under the capital leases are recorded at the fair value of the assets.

The following is a schedule of the present value of future minimum lease payments:

	2017	2016
Total	$ **747,436**	$ 278,416
Amount Representing Interest	**62,025**	16,786
Present Value of Net Minimum Lease Payments	**685,411**	261,630
Less Current Portion	**174,608**	155,372
Long-Term Portion	$ **510,803**	$ 106,258

The following is a schedule of the future minimum lease payments under the capital leases by year:

Year Ending June 30	
2018	$ 199,602
2019	181,423
2020	153,392
2021	140,839
2022	72,180
Amount Representing Interest	(62,025)
Present Value of Net Minimum Lease Payments	$ 685,411

Interest expense on the capital lease obligation was $20,632 and $16,472 for the years ended June 30, 2017 and 2016, respectively.

NOTE 13—TEMPORARILY RESTRICTED NET ASSETS

	2017	2016
"Z" Frank Apachi Supporting Foundation	$ **892,237**	$ 965,273
Bachrach Sukkah Garden	**13,759**	12,603
Beneficial Interest in JCC Endowment Foundation	**5,497,749**	4,219,991
Capital Improvements	**38,144**	252,428
Chi Town Connection/Teen and Family Programming	—	796
Children and Family Services	**105,000**	144,300
Davis Theater	**220,784**	203,109
Day Camping	**150,714**	354,970
Early Childhood Services	**341,755**	129,600
Project Ezra	**218,786**	188,786
Garoon Science Park at Elaine Frank Apachi Camp	**814,010**	777,305
J At School Program	—	3,155
Jewish Film Festival	**135,100**	180,000
Life Insurance Policies	**120,853**	108,884
Mayer Kaplan Library Unappropriated Endowment Earnings	**20,823**	20,312
Mezzuzot Project	**2,089**	2,089
Perlstein	**27,373**	2,800
Resident Camping	**122,661**	201,267
Sidney N Shure Kehilla Program	—	27,932
Scholarship Support Unappropriated Endowment Earnings	**698,064**	685,095
Scholarship Support Other	**4,865**	4,865
Senior Programming Unappropriated Endowment Earnings	**796**	781
Software Systems	**100,000**	200,000
Sports and Leagues	**30,052**	100,546
	$ **9,555,614**	$ 8,786,887

NOTE 14—PERMANENTLY RESTRICTED NET ASSETS

	2017	2016
Bachrach Sukkah Garden	$ **680**	$ 680
Beneficial Interest in JCC Endowment Foundation	**100,000**	100,000
Jewish Education	**2,000,000**	2,000,000
Life Insurance	**35,590**	30,815
Mayer Kaplan Library	**74,000**	74,000
Scholarship Support	**2,223,963**	2,217,963
Senior Programming	**1,000**	1,000
	$ **4,435,233**	$ 4,424,458

NOTE 15—ENDOWMENT FUNDS

The Agency's endowment consists of 20 individual funds established for a variety of purposes. Its endowment includes both donor-restricted 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 Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 15—ENDOWMENT FUNDS (Continued)

The Board of Directors of the Agency has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Agency classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Agency in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 Agency, and (7) the Agency's investment policies.

INVESTMENT RETURN OBJECTIVES, RISK PARAMETERS AND STRATEGIES, AND SPENDING POLICY

The Board of Directors of the Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. The endowment is invested in a diversified portfolio, consisting primarily of common stocks, bonds, cash equivalents, and other investments. The portfolio is allocated among five major asset classes with a target percentage as well as minimum and maximum limits.

The overall rate of return objective of the portfolio is a reasonable "real" rate, consistent with the risk levels established by the Investment Committee of the Board of Directors. The total return objective, measured over a full market cycle (3 years), shall be to outperform, net of fees, a custom index made up of percentages of ten specific indices. The risk parameter established is that the portfolio should experience less risk (volatility and variability of return) than that of the custom index as described above.

The Agency has adopted the Controlled Growth Distribution Policy (CGDP), as developed by the Jewish Federation, for its own spending policy. The CGDP calls for an initial distribution of 6.5% of the market value of the endowment, with a target growth rate of 2.5% per year, subject to certain caps and floors to provide stability during volatile markets.

Endowment net asset composition by type of fund as of June 30, 2017 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
Donor-Restricted Endowment Funds	$ —	$ 719,683	$ 4,435,233	$ 5,154,916
Board-Designated Endowment Funds	38,761	—	—	38,761
Total Endowment Funds	$ 38,761	$ 719,683	$ 4,435,233	$ 5,193,677

NOTE 15—ENDOWMENT FUNDS (Continued)

Changes in endowment net assets for the year ended June 30, 2017 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
Endowment Net Assets, Beginning of Year	$ 26,315	$ 706,188	$ 4,424,458	$ 5,156,961
Contributions	—	—	6,000	6,000
Investment Income	—	—	—	—
Realized Gains	—	—	—	—
Unrealized Gains	14,640	426,648	—	441,288
Change in Cash Surrender Value of Life Insurance	—	—	4,775	4,775
Amounts Appropriated for Expenditure	(2,194)	(413,153)	—	(415,347)
Endowment Net Assets, End of Year	$ 38,761	$ 719,683	$ 4,435,233	$ 5,193,677

Endowment net asset composition by type of fund as of June 30, 2016 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
Donor-Restricted Endowment Funds	$ —	$ 706,188	$ 4,424,458	$ 5,130,646
Board-Designated Endowment Funds	26,315	—	—	26,315
Total Endowment Funds	$ 26,315	$ 706,188	$ 4,424,458	$ 5,156,961

Changes in endowment net assets for the year ended June 30, 2016 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
Endowment Net Assets, Beginning of Year	$ 64,136	$ 1,473,287	$ 4,423,210	$ 5,960,633
Contributions	—	—	—	—
Investment Income	1,097	98,582	—	99,679
Realized Gains	1,008	90,664	—	91,672
Unrealized Losses	(6,392)	(574,698)	—	(581,090)
Change in Cash Surrender Value of Life Insurance	—	—	1,248	1,248
Amounts Appropriated for Expenditure	(33,534)	(381,647)	—	(415,181)
Endowment Net Assets, End of Year	$ 26,315	$ 706,188	$ 4,424,458	$ 5,156,961

NOTE 16—RETIREMENT PLANS

The Agency is an employer participant in two employee retirement plans: Federation Employees Retirement Income Plan of the Jewish Federation of Metropolitan Chicago and Participating Employers (FERIP) and Federation Employees' Retirement Savings Trust Plan of the Jewish Federation of Metropolitan Chicago and Participating Employers (FERST).

FERIP is a self-administered, noncontributory defined benefit trusteed plan, the funding of which is provided on the basis of normal cost as actuarially determined. FERST is a defined contribution trusteed plan, employer contributions to which are computed on the basis of a percentage of salaries. These plans cover substantially all of the Agency's full-time employees.

Annual contributions by the Agency are determined as a percentage of payrolls and are made at the direction of the Jewish Federation's Board of Directors based on recommendations from its Administration Committee. The Agency's contributions for FERST were $88,461 for 2017 and $91,976 for 2016.

The Agency is required to contribute an amount each month to the Local 25 SEIU Welfare Fund on behalf of each regular bargaining unit employee regularly schedule to work 30 or more hours per week on its active payroll.

The Agency also offers voluntary 403(b) defined contribution plans to all employees. The plans are comprised solely of employee contributions with no matching contributions by the Agency.

Multi-Employer Pension Plans

The risks of participating in multiemployer plans are different from single-employer plans as assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers and if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. In addition, if the Agency chooses to stop participating in some of its multiemployer plans it may be required to pay those plans a withdrawal liability based on the underfunded status of the plan.

NOTE 16—RETIREMENT PLANS (Continued)

The financial health of a multiemployer plan is indicated by the zone status, as defined by the Pension Protection Act of 2006 (PPA), which represents the funded status of the plan as certified by the plan's actuary. Plans in the red zone are less than 65% funded; plans in the yellow zone are less than 80% funded; and plans in the green zone are at least 80% funded.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions by the Agency		Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
		2017	2016		**2017**	2016		
FERIP	36-2167034	N/A *	N/A *	N/A	**$578,142**	$572,418	—	N/A
Local 25	36-6486542	Green	Green	N/A	**10,357**	30,059	—	12/31/2019
					$588,499	$602,477	—	

*Plan information for FERIP is not publicly available. FERIP provides fixed, monthly retirement payments on the basis of the credits earned by the participating employees. To the extent that the plan is underfunded, the future contributions to the plan may increase and may be used to fund retirement benefits for employees related to other employers who have ceased operations. The Agency could be assessed a withdrawal liability in the event that it decides to cease participating in the plan. FERIP's actuarial valuation for the years ended December 31, 2016 and 2015 indicate the plan was less than 61% and 62% funded, respectively.

NOTE 17—COMMITMENTS AND CONTINGENCIES

LAKE COUNTY JEWISH COMMUNITY CAMPUS PROJECT

Construction of the JCC Elaine Frank Apachi Day Camp was completed in May, 2008, with operations as a day camp and an early childhood services facility commencing in June and September, 2008, respectively. The property is leased from JFMC Facilities Corporation. The base rent includes the principal, interest and expenses of the landlord related to a borrowing of $20,970,000 for the acquisition of land and construction of facilities on this site. The Agency will receive distributions from both the Jewish Federation's project endowment fund relative to this property and the "Z" Frank Camp Apachi Supporting Foundation to offset the rent expense.

At the conclusion of the 30-year term when all debt is repaid, the Agency will receive its proportionate share of the remaining assets, if any, in the Project Endowment Fund, which was established to account for capital campaign contributions for the construction of the JCC Elaine Frank Apachi Day Camp on this campus.

Fundraising for this Project Endowment Fund was conducted by the Agency in coordination with the Jewish Federation. Accordingly, the expenses were included in the Agency's financial statements, while the contributions received were included in the Jewish Federation's financial statements.

NOTE 17—COMMITMENTS AND CONTINGENCIES (Continued)

OPERATING LEASES AND DEFERRED RENT CREDITS

The Agency leases from JFMC Facilities Corporation office space and program facilities for which it pays basic rentals plus certain other occupancy costs. The leases for the Bernard Weinger JCC, Anita M. Stone Community Center and Bernard Horwich JCC provide for minimum annual rental payments, which include the lessor's debt service and operating costs as base rent through 2038. The lease for the JCC Elaine Frank Apachi Day Camp, which commenced June 1, 2008, provides for minimum annual rental payments which include the lessor's debt service and operating costs as base rent through 2038. The annual rental payment for fiscal year 2017 includes $2,987,718 of operating costs. The annual rental payment for fiscal year 2016 includes $2,889,276 of operating costs. Rental charges based on the lessor's operating costs for the Community Centers are expected to be similar for subsequent years and have been reflected in the future minimum annual rents at this estimated amount.

Future minimum rental payments for premises occupied under these leases are as follows:

Year Ending June 30	
2018	$ 6,473,613
2019	6,223,318
2020	6,152,078
2021	6,157,073
2022	6,052,773
Thereafter	25,924,663
	$ 56,983,518

Total rentals for premises amounted to $6,165,206 in 2017 and $6,100,482 in 2016. Rentals related to leases with JFMC Facilities Corporation were $5,700,438 in 2017 and $5,611,996 in 2016. Additionally, the Agency rents vehicles for camp transportation. In 2017 and 2016, these rentals totaled $72,397 and $53,950, respectively and are included in equipment and vehicles on the statements of functional expenses.

The Bernard Weinger JCC and Anita M. Stone Community Center leases also require monthly payments which include amounts equal to JFMC Facilities Corporation's annual debt service on those properties. In 2004, JFMC Facilities Corporation refinanced its debt on those properties. The savings and timing differences from the refinancing were passed along to the Agency in the form of rent credits or reduced rental payments. Based upon subsequent information provided to the Agency by the Jewish Federation, the rent credit given to the Bernard Weinger JCC was returned to the Jewish Federation in 2005. In accordance with the FASB Codification topic related to accounting for leases, the Agency is amortizing the rent credit for the Anita M. Stone Community Center over the term of the remaining debt service payments on this property, which it will pay to JFMC Facilities Corporation.

The remaining credit is reflected as a reduction in the future minimum rental payment disclosure as follows:

Property	Original Credit Amount	Current Amortization	Unamortized Balance	Years
Anita M. Stone Community Center	$ 26,854	$ 1,326	$ 7,957	20

NOTE 17—COMMITMENTS AND CONTINGENCIES (Continued)

PREPAID RENT AND CONTINGENT LIABILITIES

In accordance with the agreement with the Jewish Federation regarding the construction of the Bernard Weinger JCC, whereby JFMC Facilities Corporation's debt service to finance the project is included in the annual rent charge, the Agency paid $1,265,396 to the Jewish Federation in fiscal 2000 for additional improvement costs. Under the agreement with the Jewish Federation, annual rent charges at Bernard Weinger JCC will be reduced in an amount corresponding to the amortization of this additional payment, which was financed through the issuance of revenue notes. The $1,265,396, plus bond issuance costs of $36,699, was amortized over 25 years. In August, 2008, the bonds were refinanced, with an additional $15,000 being incurred for bond issuance costs. In June 2012, the bonds were refinanced, with an additional $5,000 being incurred for bond issuance costs. In June 2017, the bonds were refinanced, with an additional $3,117 being incurred for bond issuance costs. The amortization will include this additional amount within the original timeframe. The amortization was $60,000 in 2017 and $70,000 in 2016.

At the conclusion of the 25-year term when all related debt is repaid, the Agency will receive its proportionate share of the remaining assets, if any, in the Project Endowment Fund which was established to account for all capital campaign contributions for the construction of the Bernard Weinger JCC.

Similarly, the Agency was contingently liable for approximately $296,203 as of June 30, 2017 and $402,596 as of June 30, 2016 of principal related to the debt repayment and lease agreement with JFMC Facilities Corporation for the Bernard Horwich JCC.

EXPENSE SHARING ARRANGEMENTS

The Agency participates with the Jewish Federation and its affiliated agencies in various expense-sharing arrangements for such items as computer services, natural gas, fringe benefits, insurance, and building services.

LITIGATION

The Agency is a defendant in certain lawsuits arising in the normal course of its activities. Management is of the opinion that any possible adverse results from these matters, in excess of insurance coverage, would be immaterial to the Agency's financial statements.

OTHER COMMITMENTS

The Agency entered into a food services agreement related to the cafeteria at Camp Chi beginning in October, 2013 for the summer camp session in 2014. The contract was extended in November, 2014 for summer camp sessions in 2015 for $140,000, 2016 for $142,800 and 2017 for $145,656. Total deposits of $70,263 in 2017 and $48,560 in 2016 were made towards the agreement, which are included in prepaid expenses in the statements of financial position.

Additionally, the Agency has a liability with respect to a former General Director to pay out accrued earned vacation in 60 equal monthly payments commencing in the month following retirement totaling $131,949. The balance of this liability was $15,516 and $42,024 as of June 30, 2017 and 2016, respectively and is included in accrued expenses on the statements of financial position. There is an additional liability to other former General Directors for retiree health insurance through their dates of death. The balance of this liability was $141,005 and $141,820 as of June 30, 2017 and 2016, respectively and is included in accrued expenses on the statements of financial position.

NOTE 17—COMMITMENTS AND CONTINGENCIES (Continued)

OTHER COMMITMENTS (Continued)

In June, 2016, the Agency entered into an agreement to replace its membership management system. The 6-year agreement calls for payments commencing September 1, 2016 totaling $172,000 in 2017, $175,000 in 2018, and $183,750 for 2019 through 2022.

NOTE 18—CONCENTRATION OF CREDIT RISK

The Agency maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Agency has not experienced any losses in such accounts. The Agency believes it is not exposed to any significant credit risk on cash.

Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near-term, and that such changes could materially affect the Agency and the amounts reported in the statements of activities.

NOTE 19—RELATED PARTY TRANSACTIONS

Board members of the Agency provided $348,935 of contributions in 2017 and $176,791 of contributions in 2016.

In December, 2012, the Agency entered into an agreement to provide a housing loan to the new General Director. The agreement provides for the forgiveness of the debt and accumulated interest over a 5-year period if the General Director remains employed by the Agency over the same time frame. The 5-year term does not commence until after one year of service and the entire housing loan and related interest totaling is included in other assets (see Note 8) on the statements of financial position as of June 30, 2017 and 2016, respectively.

NOTE 20—RECLASSIFICATIONS

Certain 2016 amounts have been reclassified to conform to current year presentation.

NOTE 21—SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 14, 2017, the date which the financial statements were available for issue. Except as disclosed in Note 11 and below, there are no other subsequent events which require disclosure.

As of this date, the Agency entered into a contract for the sale of one of its community centers, the Mayer Kaplan JCC. There are multiple conditions associated with the contract that must be met before the sale is finalized. The expected closing date for the sale is after the Agency's June 30, 2018 fiscal year-end.