THE JEWISH FOUNDATION FOR THE RIGHTEOUS, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

THE JEWISH FOUNDATION FOR THE RIGHTEOUS, INC.
FOR THE YEAR ENDED DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Jewish Foundation for the Righteous, Inc.

We have audited the accompanying financial statements of The Jewish Foundation for the Righteous, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Foundation for the Righteous, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
June 2, 2015

THE JEWISH FOUNDATION FOR THE RIGHTEOUS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

ASSETS

Current assets:	
Cash and cash equivalents	$ 2,028,635
Investments, at fair value	6,438,438
Grants and other receivable	490,778
Prepaid expenses	19,806
Total current assets	8,977,657
Property and equipment, net	26,219
Security deposit	16,650
TOTAL ASSETS	$ 9,020,526

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	$ 69,656
Commitments (Note 7)	
Net assets:	
Unrestricted	8,341,481
Temporarily restricted	222,237
Permanently restricted	387,152
Total net assets	8,950,870
TOTAL LIABILITIES AND NET ASSETS	$ 9,020,526

See accompanying notes to financial statements.

THE JEWISH FOUNDATION FOR THE RIGHTEOUS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support:					
Donor contributions		$ 1,313,796	$ -	$ 19,111	$ 1,332,907
Grants		-	529,770	-	529,770
Special events:					
Proceeds from special events	$ 1,151,653	-	-	-	-
Less: direct costs	424,923	726,730	-	-	726,730
Interest and dividends		238,988			238,988
Unrealized and realized gains on investments, net of investment expenses amounting to $65,699		26,930	-	-	26,930
Exhibit fees and sale of educational materials		26,366	-	-	26,366
Other		62,198	-	-	62,198
Net assets released from restrictions		528,920	(528,920)	-	-
Total revenues, gains and other support		2,923,928	850	19,111	2,943,889
Expenses:					
Program		2,527,704	-	-	2,527,704
Management and general		114,669	-	-	114,669
Fundraising		523,497	-	-	523,497
Total expenses		3,165,870	-	-	3,165,870
Change in net assets		(241,942)	850	19,111	(221,981)
Net assets - beginning		8,583,423	221,387	368,041	9,172,851
NET ASSETS - ENDING		$ 8,341,481	$ 222,237	$ 387,152	$ 8,950,870

See accompanying notes to financial statements.

THE JEWISH FOUNDATION FOR THE RIGHTEOUS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program	Management and General	Fundraising	Total
Rescuer grants and allocations	$ 1,641,445	$ -	$ -	$ 1,641,445
Education	323,176	-	-	323,176
Payroll expenses and personnel services	357,935	44,734	190,093	592,762
Computer expense	11,365	811	4,059	16,235
Depreciation	12,756	1,594	6,775	21,125
Direct mail	-	-	265,040	265,040
Office expense	45,504	3,250	16,252	65,006
Postage, printing and graphic design	12,174	2,387	9,309	23,870
Professional fees	32,810	50,127	8,203	91,140
Rent	73,800	8,435	23,194	105,429
Telephone	10,301	572	572	11,445
Travel	6,438	2,759	-	9,197
TOTAL EXPENSES	$ 2,527,704	$ 114,669	$ 523,497	$ 3,165,870

See accompanying notes to financial statements.

THE JEWISH FOUNDATION FOR THE RIGHTEOUS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

Cash flows from operating activities:	
Change in net assets	$ (221,981)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	21,125
Unrealized and realized gains on investments	(92,629)
Changes in assets and liabilities:	
Grants and other receivable	(70,771)
Prepaid expenses	-
Accounts payable and accrued expenses	4,614
Net cash used in operating activities	(359,642)
Cash flows from investing activities:	
Purchase of property and equipment	(8,965)
Proceeds from sale of investments	1,599,743
Purchase of investments	(3,076,994)
Net cash used in investing activities	(1,486,216)
Net decrease in cash and cash equivalents	(1,845,858)
Cash and cash equivalents - beginning	3,874,493
CASH AND CASH EQUIVALENTS - ENDING	$ 2,028,635

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

The Jewish Foundation for the Righteous, Inc. ("JFR") is a Section 501(c)(3) not-for-profit corporation whose purpose is to identify, honor and support righteous gentiles who risked their lives to save Jews during the Holocaust and to provide for Holocaust education. Currently, JFR provides monthly financial assistance to approximately 600 aged and needy non-Jewish rescuers in approximately 21 countries throughout the world. JFR educates teachers and students about the history of the Holocaust and the significance of the righteous as moral and ethical exemplars.

JFR is supported primarily through contributions from individual donors, grants, and fund-raising activities.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and are presented in accordance with accounting requirements for not-for-profit organizations. JFR classifies net assets, revenues, expenses, and gains and losses based on the existence or absence of donor-imposed restrictions.

The net assets of JFR and charges therein are classified and reported as follows:

- Unrestricted net assets represent net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets are net assets whose use has been limited by donors to a specific time period and/or purpose.
- Permanently restricted net assets are subject to donor-imposed stipulations that the principal corpus be maintained in perpetuity.

Revenue recognition

Pledges are recognized in contribution income when a donor makes a pledge that is, in substance, unconditional. Pledges to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

Contributions and grants received are measured at their fair values and are reported as an increase in net assets. JFR reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit their use, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "Net assets released from restrictions."

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people whose services would otherwise be purchased by JFR.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

A number of unpaid volunteers have made or have agreed to make significant contributions of their time. The value of such contributions is not reflected in the accompanying financial statements since these services do not require specialized skills.

Donated legal services were rendered on behalf of JFR and amounted to $5,163 for the year ended December 31, 2014.

Revenue from the sale of videos and other educational materials is recognized at the point of sale.

Revenue generated from exhibits is recognized upon completion of the event.

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash on deposit and money market accounts that are readily convertible into cash and purchased with original maturities of three months or less.

Grants and other receivable

Grants and other receivable are stated at the amount management expects to collect from outstanding balances. On a periodic basis, management evaluates such receivables and establishes an allowance for doubtful accounts based on a history of write-offs and collections and current economic conditions. At December 31, 2014, management determined that no allowance was required.

Investments

Investments are reported at fair value. 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. See Note 4 for a discussion of fair value measurements.

Investment transactions are recorded on a trade-date basis. Unrealized gains and losses represent the net change in the carrying value of securities owned as of the date of the statement of financial position. Realized gains and losses on investments are determined using the specific-identification method. Earnings from interest and dividends are recognized when earned.

Grants and allocations

As part of its mission, JFR has committed to provide grants and assistance to rescuers. Grants and allocations are recorded as they are approved by JFR's board of trustees.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment are carried at cost. Expenditures for maintenance and repairs are expensed currently, while renewals and betterments that materially extend the life of an asset are capitalized.

Depreciation is provided for using the straight-line method over the estimated useful lives of the assets, which are as follows:

Computers	5 years
Exhibits	5 years

Fair value measurements

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that JFR has the ability to access.

Level 2 inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, 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.

Income taxes

JFR is an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). JFR is subject to unrelated business income taxes ("UBIT"), if applicable. For the year ended December 31, 2014, JFR did not owe any UBIT.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes (continued)

JFR recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, JFR assesses the likelihood, based on its technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

Management evaluated JFR's tax positions and concluded that JFR had taken no uncertain tax positions that require adjustments to the financial statements. JFR files in both U.S. federal and various state taxing jurisdictions. Generally, JFR is no longer subject to income tax examinations by U.S. federal and state taxing authorities for the years before 2011.

Functional allocation of expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain costs have been consistently allocated among the programs and supporting services in reasonable amounts and ratios determined by management.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, JFR has evaluated subsequent events through June 2, 2015, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. CONCENTRATIONS

Financial instruments that potentially subject JFR to concentration of credit risk consist primarily of cash in excess of insured amounts and investments. JFR maintains its cash and investments with major financial institutions.

NOTE 4. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the table below. The valuation techniques are as follows:

(a) *Market approach*: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

(b) *Cost approach*: Amount that would be required to replace the service capacity of an asset (replacement cost); and

(c) *Income approach*: Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes JFR's assets measured at fair value on a recurring basis, categorized by GAAP's valuation hierarchy as of December 31, 2014:

	Level 1	Level 2	Level 3	Total	Valuation Technique
Fixed income securities - treasuries	$ -	$ 458,472	$ -	$ 458,472	(a)
Mutual funds - fixed income	1,970,008	-	-	1,970,008	(a)
Bonds	-	613,697	-	613,697	(a)
Equities - common stock, U.S. large capitalization, diversified emerging markets	3,396,261	-	-	3,396,261	(a)
Total investments	5,366,269	1,072,169	-	6,438,438	
Money market funds included in cash and cash equivalents	563,823	-	-	563,823	(a)
	$ 5,930,092	$1,072,169	$ -	$ 7,002,261	

The fair values of the fixed income securities are based on quoted prices of similar securities and observable market data. The fair value of mutual funds is based on the quoted market price of shares held at year end. The fair value of equity securities is based on the closing price reported in the active market in which the individual security is traded. Money market funds are valued at cost plus accrued interest, which approximates fair value.

During 2014, JFR recovered $62,198 in lost funds from the Madoff scandal.

NOTE 5. GRANTS AND OTHER RECEIVABLE

JFR has grants receivable amounting to $486,000 and an other receivable amounting to $4,778 at December 31, 2014.

Approximately 99% of grants and other receivable is due from The Conference on Jewish Material Claims Against Germany (Claims Conference). The same funder comprises 14% of total revenues, gains and other support for the year ended December 31, 2014.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2014:

Computers	$ 96,198
Furniture and exhibits	84,112
	180,310
Less: accumulated depreciation and amortization	(154,091)
Property and equipment, net	$ 26,219

Depreciation expense was $21,125 for the year ended December 31, 2014.

NOTE 7. COMMITMENTS

Operating lease

During 2013, JFR renewed its noncancelable lease agreement for its office space. The new lease expires in July 2016.

The minimum rental payments under this lease are as follows:

Year ending December 31:	Amount
2015	$ 90,000
2016	53,000
Total	$ 143,000

The lease agreement requires JFR to pay as additional rent its proportionate share of building, maintenance and operating expenses, which include property taxes and utilities. Rent expense was $105,429 for the year ended December 31, 2014.

NOTE 8. NET ASSETS

Temporarily restricted net assets

JFR's temporarily restricted net assets, amounting to $222,237 at December 31, 2014, are available for education programs.

For the year ended December 31, 2014, net assets released from restrictions by satisfying purpose restrictions consisted of the following:

Rescuer grants	$ 426,420
Education	102,500
Total	$ 528,920

Permanently restricted net assets

Permanently restricted net assets consist of two donor contributions, the income from which is to be used for Holocaust educational purposes. One of these contributions consists of distributions from a trust established under a will of an individual whereby less than 1% of the fair market value of the trust's assets are distributed to JFR on an annual basis. Such contributions totaled $19,111 for the year ended December 31, 2014.

NOTE 8. NET ASSETS (CONTINUED)

Permanently restricted net assets (continued)

The activity of these permanently restricted net assets for the year ended December 31, 2014, is as follows:

Balance, beginning	$ 368,041
Donor contributions	19,111
Balance, ending	$ 387,152

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). JFR and its board of trustees have interpreted NYPMIFA as requiring the preservation in perpetuity 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. 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 JFR in a manner consistent with the standard of prudence prescribed by NYPMIFA.

JFR's investment pool includes a diversified portfolio of investments. JFR's investment objective is to earn the highest possible yield consistent with a prudent level of risk. JFR's spending policy consists of fixed expenses based on an annual budget approved by the board of trustees at the beginning of each year and variable expenses to be approved by the board of trustees as deemed necessary.

NOTE 9. EMPLOYEE BENEFIT PLAN

JFR has established a noncontributory defined contribution plan under Section 403(b) of the Code for eligible employees. An officer of JFR serves as trustee of the plan.