Financial Statements Together with
Report of Independent Certified Public Accountants

AMERICAN SOCIETY FOR TECHNION-
ISRAEL INSTITUTE OF TECHNOLOGY, INC.

For the year ended September 30, 2016, with summarized
comparative information for the year ended September 30, 2015

AMERICAN SOCIETY FOR TECHNION-
ISRAEL INSTITUTE OF TECHNOLOGY, INC.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
American Society for Technion-Israel Institute of Technology, Inc.

We have audited the accompanying financial statements of the American Society for Technion-Israel Institute of Technology, Inc. (the "Society"), which comprise the statement of financial position as of September 30, 2016, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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 American Society for Technion-Israel Institute of Technology, Inc. as of September 30, 2016, 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.

Other matters

Report on 2015 summarized comparative information

We have previously audited the Society's 2015 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 3, 2016. In our opinion, the accompanying summarized comparative information as of and for the year ended September 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

New York, New York
February 28, 2017

AMERICAN SOCIETY FOR TECHNION-
ISRAEL INSTITUTE OF TECHNOLOGY, INC.
Statement of Financial Position
As of September 30, 2016, with summarized comparative totals as of September 30, 2015

	2016	2015
ASSETS		
Cash	$ 3,405,829	$ 2,111,392
Investments - pooled (Note 3)	269,857,659	237,016,208
Investments - nonpooled (Note 4)	47,540,582	52,755,332
Contributions receivable, net (Note 7)	85,049,855	88,761,466
Beneficial interests in trusts (Note 8)	28,306,104	28,727,673
Other receivables (Note 9)	592,824	529,376
Cash surrender value of life insurance policies	2,389,412	2,357,217
Prepaid expenses and other assets	3,263,024	3,277,059
Loan receivable (Note 6)	45,043,427	47,925,200
Fixed assets, net (Note 10)	8,073,190	8,413,062
Total assets	$ 493,521,906	$ 471,873,985
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable, accrued expenses and other liabilities (Notes 8 and 14)	$ 4,800,424	$ 7,021,410
Loan payable (Note 12)	11,300,000	11,300,000
Transmissions payable	2,192,090	1,066,531
Annuity obligations (Note 8)	17,377,845	18,473,718
Total liabilities	35,670,359	37,861,659
Commitments and contingencies (Note 15)		
NET ASSETS		
Unrestricted (Note 19)	11,525,732	9,023,449
Temporarily restricted (Note 19)	135,569,378	130,221,913
Permanently restricted (Note 19)	310,756,437	294,766,964
Total net assets	457,851,547	434,012,326
Total liabilities and net assets	$ 493,521,906	$ 471,873,985

The accompanying notes are an integral part of this financial statement.

AMERICAN SOCIETY FOR TECHNION-
ISRAEL INSTITUTE OF TECHNOLOGY, INC.
Statement of Activities
For the year ended September 30, 2016, with summarized comparative totals for the year ended September 30, 2015

	Unrestricted	Temporarily Restricted			Permanently	Total	Total
	General	Special	Capital	Total	Restricted	2016	2015
OPERATING ACTIVITIES							
REVENUES, GAINS, LOSSES, AND OTHER SUPPORT							
Contributions and special events	$ 7,004,693	$ 64,121,026	$ 9,305,988	$ 73,427,014	$ 10,469,833	$ 90,901,540	$ 67,477,550
Less direct costs of special events	(391,824)	-	-	-	-	(391,824)	(41,331)
Legacies and bequests	3,408,588	3,199,100	479,700	3,678,800	5,523,303	12,610,691	12,744,368
Total public support (Note 13)	10,021,457	67,320,126	9,785,688	77,105,814	15,993,136	103,120,407	80,180,587
Investment income (loss) (Note 5)	6,633,597	18,800,479	(161,632)	18,638,847	-	25,272,444	(14,025,823)
Interest on loan receivable and other income	132,386	1,998,880	41,605	2,040,485	-	2,172,871	2,327,646
NET ASSETS RELEASED FROM RESTRICTIONS (Note 19)							
Satisfaction of program restrictions	85,491,737	(82,106,828)	(3,384,909)	(85,491,737)	-	-	-
Satisfaction of time restrictions	5,401,298	(5,401,298)	-	(5,401,298)	-	-	-
Total revenues, gains, losses and other support	107,680,475	611,359	6,280,752	6,892,111	15,993,136	130,565,722	68,482,410
EXPENSES							
Program services:							
Grants to Technicon-Israel Institute of Technology and other beneficiaries	85,519,737	-	-	-	-	85,519,737	72,162,788
Education and other programs	786,855	-	-	-	-	786,855	836,705
Total program services	86,306,592	-	-	-	-	86,306,592	72,999,493
Supporting services	18,871,600	606,302	938,344	1,544,646	3,663	20,419,909	20,256,682
Total operating expenses	105,178,192	606,302	938,344	1,544,646	3,663	106,726,501	93,256,175
NON-OPERATING ACTIVITIES							
Bad debt expense	-	-	-	-	-	-	12,995,780
Total expenses	105,178,192	606,302	938,344	1,544,646	3,663	106,726,501	106,251,955
Change in net assets	2,502,283	5,057	5,342,408	5,347,465	15,989,473	23,839,221	(37,769,545)
Net assets, beginning of year	9,023,449	119,040,816	11,181,097	130,221,913	294,766,964	434,012,326	471,781,871
Net assets, end of year	$ 11,525,732	$ 119,045,873	$ 16,523,505	$ 135,569,378	$ 310,756,437	$ 457,851,547	$ 434,012,326

The accompanying notes are an integral part of this financial statement.

AMERICAN SOCIETY FOR TECHNION-
ISRAEL INSTITUTE OF TECHNOLOGY, INC.
Statement of Functional Expenses
For the year ended September 30, 2016, with summarized comparative totals for the year ended September 30, 2015

	Program Services			Supporting Services				
	Grants	Education and Other Programs	Total	Management and General	Fund Raising	Total	Total 2016	Total 2015
Grants to Technion-Israel Institute of Technology and other beneficiaries	$ 85,519,737	$ -	$ 85,519,737	$ -	$ -	$ -	$ 85,519,737	$ 72,162,788
Personnel costs:								
Payroll	-	484,531	484,531	3,129,431	5,843,172	8,972,603	9,457,134	10,253,401
Employee benefits	-	196,041	196,041	1,182,525	2,414,691	3,597,216	3,793,257	3,881,655
Total personnel costs	-	680,572	680,572	4,311,956	8,257,863	12,569,819	13,250,391	14,135,056
Other expenses:								
Occupancy (includes interest expense of $161,663)	-	14,001	14,001	315,094	688,346	1,003,440	1,017,441	992,295
Travel	-	-	-	192,499	571,263	763,762	763,762	868,189
Travel - Israeli speakers	-	91,838	91,838	-	49,093	49,093	140,931	281,568
Public relations, printing, awards and plaques	-	-	-	64,012	507,292	571,304	571,304	577,627
Telephone	-	-	-	60,953	180,510	241,463	241,463	236,295
Conference and meetings	-	-	-	29,165	264,001	293,166	293,166	288,476
Postage and shipping	-	444	444	18,587	109,328	127,915	128,359	125,610
Supplies (includes dues and subscriptions)	-	-	-	32,492	78,275	110,767	110,767	118,411
Equipment rental and maintenance	-	-	-	100,402	-	100,402	100,402	116,980
Professional fees	-	-	-	887,896	337,604	1,225,500	1,225,500	859,090
Insurance	-	-	-	226,219	-	226,219	226,219	227,901
Campaign events (includes fundraising costs for the gala of $462,096 in fiscal year 2016)	-	-	-	-	1,118,376	1,118,376	1,118,376	223,756
Bad debt expense	-	-	-	1,561,425	-	1,561,425	1,561,425	1,604,221
Other	-	-	-	11,038	11,237	22,275	22,275	24,402
Total personnel costs and other expenses before depreciation and amortization	-	786,855	786,855	7,811,738	12,173,188	19,984,926	20,771,781	20,679,877
Depreciation and amortization	-	-	-	214,341	220,642	434,983	434,983	413,510
Total personnel costs and other expenses	-	786,855	786,855	8,026,079	12,393,830	20,419,909	21,206,764	21,093,387
Total operating expenses	$ 85,519,737	$ 786,855	$ 86,306,592	$ 8,026,079	$ 12,393,830	$ 20,419,909	$ 106,726,501	$ 93,256,175

The accompanying notes are an integral part of this financial statement.

AMERICAN SOCIETY FOR TECHNION-ISRAEL INSTITUTE OF TECHNOLOGY, INC.

Statement of Cash Flows

For the year ended September 30, 2016, with summarized comparative totals for the year ended September 30, 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 23,839,221	$ (37,769,545)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	434,983	413,510
Unrealized/realized (gain) loss on investments	(19,896,271)	22,035,176
Actuarial (gain) loss on annuity obligations	(1,046,207)	589,919
Permanently restricted contributions	(15,993,136)	(6,779,869)
Contributions restricted for annuity agreements	(938,238)	(619,134)
Contributions restricted for beneficial interest in remainder trusts	(959,161)	(1,612,386)
Proceeds from beneficial interest in remainder trusts	2,520,632	666,602
Change in value of beneficial interest in remainder trusts	(1,139,902)	(16,871)
Decrease (increase) in assets:		
Contributions receivable	3,711,611	14,996,435
Other receivables	(63,448)	20,822
Cash surrender value of life insurance policies	(32,195)	(312,751)
Prepaid expenses and other assets	14,035	(543,730)
Loan receivable	2,881,773	1,200,899
Increase (decrease) in liabilities		
Accounts payable, accrued expenses and other liabilities	(2,220,986)	(127,575)
Transmissions payable	1,125,559	(1,992,429)
Net cash used in operating activities	(7,761,730)	(9,850,927)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed asset acquisitions	(95,111)	(149,325)
Purchase of investments	(72,717,848)	(149,885,993)
Proceeds from sale of investments	64,987,418	148,541,473
Net cash provided by investing activities	(7,825,541)	(1,493,845)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from permanently restricted contributions	15,993,136	6,779,869
Proceeds from contributions restricted for investment subject to annuity agreements	2,257,088	1,316,072
Payment of annuity obligations	(3,147,679)	(3,811,623)
Investment income subject to annuity agreements	1,779,163	(436,457)
Net cash provided by financing activities	16,881,708	3,847,861
Net change in cash	1,294,437	(7,496,911)
Cash, beginning of year	2,111,392	9,608,303
Cash, end of year	$ 3,405,829	$ 2,111,392
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 160,688	$ 134,068
Noncash items:		
Interest on loan receivable	$ 1,832,302	$ 1,932,212
Grants to Technion-Israel Institute of Technology, Inc.	$ (1,832,302)	$ (1,932,212)

The accompanying notes are an integral part of this financial statement.

1. NATURE OF ORGANIZATION

The purpose as stated in the bylaws of American Society for Technion-Israel Institute of Technology, Inc. (the "Society") is to promote, encourage, aid and advance technological, scientific and industrial higher and secondary education, research and training in Israel and elsewhere. Its goal is to enable Technion-Israel Institute of Technology ("Technion") to be among the world's leading institutions and improve the well-being of Israel and all humanity through leadership in science and technology. The Society also provides other assistance to Technion.

The Society's primary source of revenue is contributions. The Society is based in New York City and operates a network of regional offices and chapters throughout the United States of America (U.S.).

The Society is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Society is subject to unrelated business income taxes as a result of certain investments in limited partnerships.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting, in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") applicable to not-for-profit entities.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments are recorded at fair value based upon market value. Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. As required by U.S. GAAP for fair value measurement, the Society uses a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 - Securities that have little to no observable pricing. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Society. The Society considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Society's perceived risk of that instrument.

Investments in marketable securities are stated at fair value based on quoted market prices. Refer to Notes 3 and 4 for marketable securities classified within the fair value hierarchy. State of Israel Bonds are generally stated at cost, which approximates fair value.

Alternative investments include investments in limited partnership funds (hedge funds and private equity of nonregistered funds). Alternative investment interests are stated at fair value based on financial statements and other information received from the funds. Fair value is the estimated net realizable value of holdings priced at quoted market value (where market quotations are available), historical cost or other estimates including appraisals. The Society believes that the stated value of its alternative investments was a reasonable estimate of their fair value as of September 30, 2016. However, alternative investments are not readily marketable and many alternative investments have underlying investments which do not have quoted market values. The estimated value is subject to uncertainty and could differ had a ready market existed. Such differences could be material to the valuation of some of the Society's alternative investments. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements. See Notes 3 and 4 for table which sets forth by level, within the fair value hierarchy, the assets at fair value.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Society's financial statements.

In May 2015, FASB issued ASU 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). ASU 2015-07 exempts investments measured using the net asset value ("NAV") practical expedient in ASC 820, Fair Value Measurement, from categorization within the fair value hierarchy and related disclosures. Instead, entities are required to separately disclose the information required under ASC 820 for assets measured using the NAV practical expedient. Entities are also required to show the carrying amount of investments measured using the NAV practical expedient as a reconciling item between the total amount of investments categorized within the fair value hierarchy and total investments measured at fair value on the face of the consolidated financial statements. The guidance is effective for fiscal years beginning after October 1, 2017. Management elected to early adopt the provisions of this new standard. The amendments within this update must be applied retrospectively to all periods presented. As such, the Society has adopted this guidance for the years ended September 30, 2016 and 2015. This new guidance only amended disclosure requirements and did not have any impact on the Society's statements of financial position or statements of activities for the years presented.

Split-interest Agreements

The Society's investments include funds subject to split-interest agreements. Contribution revenues for split-interest agreements are recognized at the date the agreement is established, net of the liability recorded for the present value of the future payments to be made to the respective donors and/or other beneficiaries. The present values of payments to beneficiaries of split-interest agreements are calculated using discount rates of 1.45% to 6%. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the respective net asset class in the statement of activities.

Other Receivables

Other receivables consist mainly of a note receivable, which is discussed in Note 9.

Allowance for Doubtful Accounts

The Society determines whether an allowance for doubtful accounts should be provided for contributions receivable, other receivables, and loan receivable. Such estimates are based on management's assessment of the aged basis of its contributions and other sources, current economic conditions, subsequent receipts and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables.

Fixed Assets

Fixed assets are reported at cost and depreciated on the straight-line method over their estimated useful lives. The Society's policy is to capitalize items with a cost of $500 or greater, and a useful life of greater than one year.

Transmissions Payable and Grants

Grants to Technion-Israel Institute of Technology and other beneficiary organizations are made pursuant to authorization of the Board of Directors of the Society.

Unrestricted, Temporarily Restricted, and Permanently Restricted Net Assets

Unrestricted net assets are those whose use by the Society has not been restricted by donors or time. Temporarily restricted net assets are those whose use by the Society has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Society in perpetuity.

Contributions

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily restricted or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recorded as receivables and revenues and are recognized when the promises are made at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value which is measured at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates. Conditional promises to give are not included as support until the conditions are substantially met.

Investment Income

Investment income is reflected net of investment management fees and unrelated business income tax.

Functional Allocation of Expenses

The costs of providing the Society's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services.

Measure of Operations

The statement of activities distinguishes between operating and non-operating activities. Operating activities include resources used for the general support of the Organization's operations. Non-operating activities include items considered to be of an unusual or of a non-recurring nature.

Income Taxes

The Society follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This standard provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Society is exempt from federal income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Society has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The tax years ended September 30, 2013, 2014, 2015 and 2016 are still open to audit for both federal and state purposes. The Society has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Cash

The Society classifies deposits in banks and money market accounts with original maturities of three months or less as cash equivalents, excluding cash and cash equivalents available for long-term investment, which are included within investments in the accompanying statements of financial position.

New Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities." This ASU simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in its financial statements and notes about its liquidity, financial performance, and cash flows. This update is effective for the fiscal year beginning October 1, 2018, with early adoption permitted. The Society is currently assessing the effect that adoption of the new standard will have on its financial statements.

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, "Leases". This ASU will require lessees to recognize almost all leases on the balance sheet as a right-of-use asset and a lease liability. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as finance leases or operating leases. This update is effective for the fiscal year beginning October 1, 2020, with early adoption permitted. The Society is currently assessing the effect that adoption of the new standard will have on its financial statements.

3. POOLED INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the pooled investments at fair value at September 30, 2016 and 2015. See Note 2 for a full description of the various levels. Included in the total pooled investment balance of $269,857,659 and $237,016,208 as of September 30, 2016 and 2015, respectively, are amounts due from fund managers totaling $51,478 and $549,553, respectively, for the proceeds from the liquidation of certain investment accounts, and funds held for investment of $8,000,000, representing cash disbursed to an investment fund not yet credited to the Society's account in the fund as of September 30, 2015.

	2016		
	Level 1	Level 2	Total
Cash, money market mutual funds, and CDs	$ 19,099,013	$ -	$ 19,099,013
Stocks:			
Commodities and materials, industrial	1,160,527	-	1,160,527
Consumer staples/discretionary	8,593,337	-	8,593,337
Financial	8,917,153	-	8,917,153
Technology	6,712,704	-	6,712,704
Energy	938,605	-	938,605
Healthcare	1,976,547	-	1,976,547
Fixed income:			
High yield bonds	-	5,189,157	5,189,157
Exchange traded and index funds:			
U.S. and foreign equities	67,425,861	-	67,425,861
Commodities and natural resources	8,902,689	-	8,902,689
Bond market index fund	14,396,878	-	14,396,878
Mutual funds:			
Fixed income	14,516,554	-	14,516,554
Total pooled investments, at fair value	$ 152,639,868	$ 5,189,157	157,829,025
Due from fund managers (proceeds from recent account liquidations)			51,478
Time deposits, Israeli bonds and notes			15,843,326
Alternative investments measured at net asset value			96,133,830
Total pooled investments			$ 269,857,659

	2015					
	Level 1		Level 2		Total	
Cash, money market mutual funds, and CDs	$	3,298,449	$	-	$	3,298,449
Stocks:						
Commodities and materials, industrial		1,945,811		-		1,945,811
Consumer staples/discretionary		7,118,295		-		7,118,295
Financial		7,595,068		-		7,595,068
Technology		6,533,746		-		6,533,746
Energy		669,026		-		669,026
Healthcare		2,358,672		-		2,358,672
Fixed income:						
High yield bonds		-		4,666,605		4,666,605
Other bonds		-		53,933		53,933
Exchange traded and index funds:						
U.S. and foreign equities		42,353,685		-		42,353,685
Commodities and natural resources		9,408,982		-		9,408,982
Bond market index fund		13,669,451		-		13,669,451
Mutual funds:						
U.S. and foreign equities		15,891,674		-		15,891,674
Fixed income		13,723,752		-		13,723,752
Municipal bonds		-		169,689		169,689
Pooled investments, at fair value	$	124,566,611	$	4,890,227		129,456,838
Due from fund managers (proceeds from recent account liquidations)						549,553
Funds held for investment						8,000,000
Time deposits, Israeli bonds and notes						15,637,319
Alternative investments measured at net asset value						83,372,498
Total pooled investments					$	237,016,208

The Society has invested a total of $59 million as of September 30, 2016 and $55 million as of September 30, 2015 with eight limited partnerships administered offshore. Of this amount, six limited partnership investments totaling $54 million and $51 million as of September 30, 2016 and 2015, respectively, are managed in the United States.

The following table presents the alternative investments as of September 30, 2016 and 2015:

	2016			
	Fair Value	**Number of Funds**	**Redemption Frequency**	**Redemption Notice Period**
Alternative investments:				
International developed equity [a]	$ 29,140,117	2	Monthly	6-10 days
Flexible capital [b]	50,751,548	4	Annual/Quarterly	45-90 days
Emerging market equity [c]	4,101,236	1	Monthly	15 days
Private equity and venture capital partnerships [d]	12,140,929	9	Illiquid	N/A
	$ 96,133,830			

	2015			
	Fair Value	**Number of Funds**	**Redemption Frequency**	**Redemption Notice Period**
Alternative investments:				
International developed equity [a]	$ 19,244,415	1	Monthly	6 days
Flexible capital [b]	49,000,620	4	Annual/Quarterly	45-90 days
Emerging market equity [c]	3,634,735	1	Monthly	15 days
Private equity and venture capital partnerships [d]	11,492,728	9	Illiquid	N/A
	$ 83,372,498			

(a) International developed equity: Investments in a value oriented hedge fund that seeks to outperform the MSCI EAFE Index. The fair value has been estimated using the NAV per share of the investments as reported by the fund manager.

(b) Flexible capital: Investments in multi-strategy hedge funds that invest in equities, fixed income, credit opportunities, special situations, merger arbitrage, etc., where value can be realized through a number of methods including restructuring and price corrections. Included in this strategy is an investment in a hedge fund that allows for quarterly redemptions with 90 days' notice and a maximum redeemable amount equivalent to 25% of the investment value. The fair value has been estimated using the NAV per share of the investments as reported by the fund managers.

(c) Emerging market equity: Investment in an international equity manager that invests in both developed and emerging market equities. The fair value has been estimated using the NAV per share of the investments as reported by the fund manager.

(d) Private equity and venture capital partnerships: These are various private equity funds and venture capital partnerships which include Israeli energy and environmental sector focused investments, as well as various fund of funds investments. These are non-marketable and illiquid investments in closed-end private investment funds that have terms over ten years. The manager, or general partners of these investment funds, have full discretion to call capital from and distribute profits to the Society. These investments can never be redeemed within the funds and distributions are received when underlying assets of the funds are liquidated. The fair values of the investments in this class have been estimated using the NAV of the Society's ownership interest in partners' capital.

The Society has subscription agreement commitments totaling $30.4 million and $25.4 million in various hedge funds as of September 30, 2016 and 2015, respectively. In the event of nonpayment, the Society will be subject to penalties in the form of a reduction in its partnership interest or payment of interest. As of September 30, 2016 and 2015, the Society has paid a total of $24 million toward these commitments.

4. NONPOOLED INVESTMENTS

Nonpooled investments consist of investments held for charitable remainder trusts, charitable gift annuities and other specifically designated funds.

The following table sets forth by level, within the fair value hierarchy, the nonpooled investments at fair value at September 30, 2016 and 2015. See Note 2 for a full description of the various levels.

	2016		
	Level 1	**Level 2**	**Total**
Cash, money market mutual funds, and CDs	$ 1,378,064	$ -	$ 1,378,064
Stocks:			
Consumer growth/staples/cyclical	4,804,675	-	4,804,675
Financial	2,949,150	-	2,949,150
Technology	3,070,489	-	3,070,489
Energy	992,627	-	992,627
Capital equipment	884,657	-	884,657
Industrial commodities	164,175	-	164,175
Utilities	823,833	-	823,833
Healthcare	117,253	-	117,253
Services	155,354	-	155,354
Fixed income:			
High yield bonds	-	926,526	926,526
Investment grade corporate bonds	2,071,984	-	2,071,984
Other fixed income	-	1,953,497	1,953,497
Mutual funds:			
Fixed income	4,949,978	-	4,949,978
Equities:			
International value	4,011,508	-	4,011,508
U.S. and foreign equities	3,826,025	-	3,826,025
U.S. agency notes and bonds			
U.S. Government obligations	2,484,062	-	2,484,062
Municipal bonds	-	212,596	212,596
Total Non-Pooled Investments, at fair value	$ 32,683,834	$ 3,092,619	35,776,453
Alternative investments measured at NAV			4,957,611
Time deposits, Israeli bonds and notes			6,806,518
Total Non-Pooled Investments			$ 47,540,582

	2015		
	Level 1	**Level 2**	**Total**
Cash, money market mutual funds, and CDs	$ 154,925	$ -	$ 154,925
Stocks:			
Consumer growth/staples/cyclical	4,498,193	-	4,498,193
Financial	3,816,652	-	3,816,652
Technology	2,583,295	-	2,583,295
Energy	974,659	-	974,659
Capital equipment	961,370	-	961,370
Industrial commodities	625,684	-	625,684
Utilities	669,392	-	669,392
Home building	654	-	654
Healthcare	118,052	-	118,052
Services	458,679	-	458,679
Fixed income:			
High yield bonds	-	833,224	833,224
Investment grade corporate bonds	1,999,786	-	1,999,786
Other fixed income	-	2,248,665	2,248,665
Mutual funds:			
Fixed income	7,653,230	-	7,653,230
Equities:			
International value	2,545,350	-	2,545,350
U.S. and foreign equities	5,048,785	-	5,048,785
Global REITS	263,101	-	263,101
U.S. agency notes and bonds			
U.S. Government obligations	5,761,469	-	5,761,469
Municipal bonds	-	312,631	312,631
Total Non-Pooled Investments, at fair value	$ 38,133,276	$ 3,394,520	41,527,796
Alternative investments measured at NAV			4,186,017
Time deposits, Israeli bonds and notes			7,041,519
Total Non-Pooled Investments			$ 52,755,332

The following tables present alternative investments as of September 30, 2016 and 2015:

	2016			
	Fair Value	Number of Funds	Redemption Frequency	Redemption Notice Period
Alternative investments:				
International developed equity [a]	$ 1,487,239	1	Monthly	6 days
Flexible capital [b]	2,438,006	1	Quarterly	90 days
Limited partnership [c]	1,032,366	1	Illiquid	N/A
	$ 4,957,611			

	2015			
	Fair Value	Number of Funds	Redemption Frequency	Redemption Notice Period
Alternative investments:				
International developed equity [a]	$ 1,376,207	1	Monthly	6 days
Flexible capital [b]	2,809,810	1	Quarterly	90 days
	$ 4,186,017			

[a] *International developed equity*: Investment in a value oriented hedge fund that seeks to outperform the MSCI EAFE Index. The fair value has been estimated using the net asset value per share of the investments as reported by the fund manager.

[b] *Flexible capital*: Investment in a credit oriented multi-strategy hedge fund that focuses on situations where value can be realized through a number of methods, including restructuring and price corrections. The investment can be redeemed quarterly with 90 days' notice and a maximum redemption equivalent to 25% of the investment value. The fair value has been estimated using the net asset value per share of the investments as reported by the fund managers.

[c] *Limited partnership:* Investment in a limited partnership that invests solely in a real estate property. The fair values of the investment in this class has been estimated based on the Society's ownership interest in the investment.

5. INVESTMENT INCOME (LOSS)

	2016	2015
Interest and dividends	$ 6,742,329	$ 8,030,362
Realized and unrealized gains (losses) on investments	19,444,517	(21,122,570)
Investment income (loss)	26,186,846	(13,092,208)
Investment management fees	(914,402)	(933,615)
Total investment income (loss), net	$ 25,272,444	$ (14,025,823)

6. LOAN RECEIVABLE

Effective September 30, 2010, the advances to Technion were converted to a 30-year loan receivable bearing an interest rate of 4% per annum. The interest is used to provide grants to Technion. The loan is collateralized by investments held at Technion. The principal is payable as a lump-sum payment on September 30, 2040, but prepayments are permitted. The loan may be renewed on or before September 30, 2040 upon the mutual consent of both the Society and Technion.

The loan was reduced by $2,881,773 and $1,200,899 from the amounts recovered from the Trustee for the Liquidation of Bernard Madoff Investments Securities LLC in 2016 and 2015, respectively, as described in Note 11.

7. CONTRIBUTIONS RECEIVABLE

All unconditional contributions receivable have been recorded at present value. Those receivables that are due in more than one year have been discounted to their present value using discount rates ranging between 1.56% and 6%. The receivables at September 30, 2016 and 2015 were due as follows:

2016	
2017	$ 21,721,450
2018	25,569,796
2019	16,482,990
2020	7,092,620
2021	4,954,113
Thereafter	13,304,880
	89,125,849
Due as of September 30, 2016	9,835,599
	98,961,448
Less discount to present value	(5,226,456)
Present value of contributions receivable	93,734,992
Less allowance for doubtful accounts	(8,685,137)
Present value of contributions receivable - net of allowance for doubtful accounts	$ 85,049,855

2015	
2016	$ 20,784,652
2017	19,476,518
2018	19,068,228
2019	13,905,288
2020	5,277,917
Thereafter	17,230,328
	95,742,931
Due as of September 30, 2015	7,939,871
	103,682,802
Less discount to present value	(7,021,574)
Present value of contributions receivable	96,661,228
Less allowance for doubtful accounts	(7,899,762)
Present value of contributions receivable - net of allowance for doubtful accounts	$ 88,761,466

8. SPLIT-INTEREST AGREEMENTS

The Society is a beneficiary under certain split-interest agreements in which the donor has established a charitable remainder unitrust, annuity trust or charitable gift annuity with specified distributions to be made over the term of the trust to the donor and/or other beneficiaries. The Society manages and invests these assets on behalf of these beneficiaries until the agreement expires and the assets are distributed. Contribution revenue is recognized at the date the trust or annuity contract is established after recording liabilities for the present value of the estimated future payments expected to be made to the donors and/or other beneficiaries. The liabilities are adjusted annually for changes in the life expectancy of the donor or beneficiary, amortization of the discount and other changes in the estimates of future payments. The discount rate used to value new split-interest agreements ranged from 1.45% to 3%. The Society's liabilities under split-interest agreements were classified as Level 3 within the fair value hierarchy as required by U.S. GAAP for fair value measurement (see Note 2). The following table summarizes the changes in the Society's Level 3 liabilities under split-interest agreements for the years ended September 30, 2016 and 2015:

	Annuity Obligations	
	2016	**2015**
Balance, beginning of year	$ 18,473,718	$ 21,434,941
New agreements	2,257,088	1,316,072
Payments to annuitants	(3,147,679)	(3,811,623)
Terminated contracts	(2,020,556)	(1,672,595)
Change in value due to actuarial valuations	1,815,274	1,206,923
Balance, end of year	$ 17,377,845	$ 18,473,718

The Society is a trustee and the beneficiary of a charitable remainder unitrust that also benefits a third party. Included in accounts payable, accrued expenses and other liabilities is $826,827 and $848,804 representing the liability owed to the third party as of September 30, 2016 and 2015, respectively.

The Society is also the beneficiary of various split-interest agreements that are held and administered by others. When the Society is not the trustee, the beneficial interest in the trust is recorded at the fair value of the assets at the statement of financial position date less the present value of estimated future payments expected to be made to donors and/or other beneficiaries.

The Society's assets of trusts and other split-interest agreements held by others are classified as Level 3 within the fair value hierarchy. The following tables summarize the changes in the Society's Level 3 assets of trusts and other split-interest agreements held by others for the years ended September 30, 2016 and 2015:

	Beneficial Interests in Trusts	
	2016	**2015**
Balance, beginning of year	$ 28,727,673	$ 27,765,018
New agreements	959,161	1,612,386
Terminated agreements	(2,520,632)	(666,602)
Change in value of trust assets	1,139,902	16,871
Balance, end of year	$ 28,306,104	$ 28,727,673

The investments in split-interest agreements are included in nonpooled investments in the statement of financial position and are summarized within the fair value hierarchy (see Note 2) included with the nonpooled investments (Note 4). The assets of the split-interest agreements are allocated to the unrestricted, temporarily restricted and permanently restricted net asset classes as follows:

	2016	**2015**
Unrestricted	$ 3,759,876	$ 3,104,205
Temporarily restricted	23,324,128	26,122,217
Permanently restricted	11,325,076	11,351,619
	$ 38,409,080	$ 40,578,041

9. OTHER RECEIVABLES

Included in other receivables is a promissory note that benefits the Society in the original amount of $450,000. The principal and interest of 6.25% is payable monthly in equal installments and the entire unpaid principal is payable on September 20, 2021 with a balloon payment of $292,958 due at that time. The note is collateralized by a mortgage on a property located in Florida. The balance of the promissory note for the years ended September 30, 2016 and 2015 was $384,842 and $399,884, respectively.

10. FIXED ASSETS

	2016				2015			
	Cost	Accumulated Depreciation	Net	Estimated Useful Lives	Cost	Accumulated Depreciation	Net	Estimated Useful Lives
Office condominium	$ 9,801,289	$ 3,869,467	$ 5,931,822	40 years	$ 9,801,289	$ 3,624,435	$ 6,176,854	40 years
Office condominium improvements	3,008,522	1,163,436	1,845,086	35 - 40 years	3,008,522	1,087,219	1,921,303	35 - 40 years
Furniture and equipment	3,865,907	3,569,625	296,282	3 - 7 years	3,770,796	3,455,891	314,905	3 - 7 years
	$ 16,675,718	$ 8,602,528	$ 8,073,190		$ 16,580,607	$ 8,167,545	$ 8,413,062	

The office condominium and related improvements house the national office of the Society located in New York City.

11. RECOVERY OF PREVIOUSLY IMPAIRED ASSET

The United States Bankruptcy Court for the Southern District of New York has granted the motions of the Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC for an Order Approving the Allocation of Property to the Fund of Customer Property and Authorizing Interim Distributions to Customers. The Society received a distribution of $3,004,038 and $1,251,849 during the years ended September 30, 2016 and 2015, respectively. As of September 30, 2016 and 2015, the Society has received partial distributions of $19,218,413 and $16,214,275, respectively, which represents 61.205% and 51.638% of its allowed claim of $31.4 million.

As agreed between the Society and Technion, the Society will reduce the amount of the loan due from Technion equal to the amount recovered from the Trustee of the Liquidation of Bernard L. Madoff Investment Securities LLC, excluding amount allocated to the Sam Neaman Fund (see Note 6).

12. LOAN PAYABLE

The Society obtained an $11.3 million term loan from Citibank N.A. on November 21, 2011 to fund the retirement of its outstanding tax-exempt bonds issued through the Industrial Development Agency of New York ("IDA"). Proceeds from the IDA bond issue were used to finance the acquisition and renovation of its principal office building at 55 East 59th Street, New York, New York.

The Society is required to pay interest only on the loan until the maturity date which was November 30, 2016. There is no penalty for early repayment of the loan. Interest on the loan was based on LIBOR (Daily reset) plus 1%, which was 1.43% at September 30, 2016 and 1.11% at September 30, 2015, and is payable monthly. Interest expense was $161,663 in 2016 and $135,043 in 2015.

The loan is collateralized by certain investments of the Society.

On November 30, 2016, the loan was renewed for three years and will bear interest equivalent to the 30-day LIBOR plus bank service charge of 90 basis points. The loan will mature on November 30, 2019.

13. CAMPAIGN (UNAUDITED)

For purposes of measuring performance against a long-range plan, the Society accounts for its campaign revenues for internal reports without discounting gifts to their present value and without excluding bequest and non-binding receivables (Note 18), which is not in accordance with U.S. GAAP.

The following is a summary of differences between the internal reports and the financial statements (unaudited):

	2016		2015	
Total campaign (for internal purposes)		$ 151,350,736		$ 148,378,207
Direct payments to Technion *		(13,261,369)		(3,942,458)
Discount:				
Recapture of prior years' discount	$ 5,751,673		$ 10,012,721	
Current year's discount	(1,720,780)	4,030,893	(2,456,332)	7,556,389
Bequest receivables and non-binding pledges:				
New bequest receivables and non-binding pledges	(87,547,793)		(89,962,763)	
Payment on bequest receivables and non-binding pledges	50,276,535	(37,271,258)	22,262,687	(67,700,076)
Recognition of cash surrender value of insurance policies		32,195		133,436
Direct costs of special events		(392,274)		-
Special events income, net		-		3,169
Trust portion allocated to public support:				
Investment income	1,779,163	-	(436,457)	-
Payments to annuitants	(3,147,679)	(1,368,516)	(3,811,623)	(4,248,080)
Total public support (Statement of Activities)		$ 103,120,407		$ 80,180,587

* Direct payments to Technion are gifts from U.S. donors that are negotiated by the Society. Expenses incurred by the Society in obtaining these gifts are included in the total supporting services.

14. RETIREMENT PLAN AND POSTRETIREMENT MEDICAL BENEFITS

The Society has a defined contribution retirement plan covering all eligible employees. The plan is managed by TIAA-CREF. Contributions by the Society are determined to be 9% of eligible employees' salaries for the first five years in the plan. The Society increases the contributions as allowed by law by one percentage point for each subsequent year, but not to exceed 12%. The Society has a supplemental defined contribution retirement plan whereby it contributes 4% of certain executive salaries. Covered employees are entitled to the proceeds only upon retirement. The Society also had a deferred compensation arrangement for one of its executives, and $2,054,483 as of September 30, 2015, was kept in a rabbi trust, held within non-pooled investments with a corresponding liability within accounts payable, accrued expenses and other liabilities. The rabbi trust was distributed to the executive upon retirement from the organization on May 13, 2016.

The expense for the year relating to these plans was $1,112,488 in 2016 and $1,116,535 in 2015.

Effective October 1, 2004, the Society adopted a policy to provide postretirement medical benefits (Medigap coverage) to certain qualified employees in addition to the existing policy that benefits an executive employee. The Society also provides additional postretirement benefits to an executive employee in the form of long-term care coverage.

The following table sets forth the plan's funded status and amounts recognized in accounts payable and accrued expenses on the statement of financial position at September 30, 2016 and 2015.

	2016	2015
Projected benefit obligation at September 30	$ (2,214,692)	$ (2,114,692)
Fair value of plan assets	-	-
Funded status	$ (2,214,692)	$ (2,114,692)
Accrued benefit costs recognized in the balance sheet	$ 2,214,692	$ 2,114,692
Weighted average assumptions as of September 30:		
Discount rate	4.32 %	4.32 %
Expected return on plan assets	N/A	N/A
Benefit cost	$ 100,000	$ 123,752

The expense computation assumes future medical cost inflation of 5% per year. The health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate: increasing the assumed health care cost trend by 1% point in each year would increase the accumulated postretirement benefit obligation by $467,156.

15. COMMITMENT AND CONTINGENCIES

The Society leases its regional offices under various operating leases. The rent expense incurred for the years ended September 30, 2016 and 2015 was $413,522 and $390,930, respectively, exclusive of rent tax and rubbish removal. The leases terminate on various dates through December 2020. The Society also has an employment agreement with a key employee that extends through September 2017. The estimated minimum lease and employment commitments are as follows:

2017	$ 857,666
2018	217,304
2019	215,424
2020	48,015
	$ 1,338,409

In the normal course of its operations, the Society is a party to various legal proceedings and complaints. While it is not feasible to predict the ultimate outcomes of such matters, management of the Society is not aware of any claims or contingencies that would have a material adverse effect on the Society's financial position, change in net assets or cash flows.

16. CHARGES TO OFFSET FUND-RAISING COSTS

A charge was placed on cash received from permitted restricted and endowment contributions based upon a percentage agreed to by the donors. The charge is reflected in unrestricted contributions and special events in the statement of activities. The total charges for the year-ended September 30, 2016 and 2015 were $3,300,442 and $2,826,818, respectively.

The Society also received trust and annuity gifts which are not subject to any charges until the contracts are terminated.

17. CONCENTRATIONS

Financial instruments which potentially subject the Society to a concentration of credit risk are cash accounts with financial institutions in excess of FDIC insurance limits.

Total contributions receivable at September 30, 2016 and 2015 include $65,785,637 and $73,369,229, respectively, from twelve and fifteen donors, respectively. The current discounted value of these contributions receivable is $62,454,209 and $63,045,895.

Total contribution revenue for the year ended September 30, 2016 and 2015 include $56,860,000 and $32,000,000, respectively, from five donors.

18. BEQUEST RECEIVABLES

The Society obtains gifts whereby a donor makes a gift agreement with payment to be made from the donor's estate. There are contingencies as to the collectability of the receivables. The total amount receivable from bequests of $241,668,380 (unaudited) is not reflected as an asset on the financial statements. During the years ended September 30, 2016 and 2015, $7,512,225 and $3,801,124, respectively, was collected from bequests and recorded as contributions in the financial statements.

19. NET ASSETS

Interpretation of Relevant Law

The Board of Directors of the Society has adopted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). NYPMIFA moves away from the "historic dollar value" standard, and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. The Society is now governed by the NYPMIFA spending policy, which establishes a maximum spending limit of 7% of the average of its previous five years' balance. As a result of this interpretation, the Society 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 organization in a manner consistent with the standards of prudence prescribed by NYPMIFA.

Return Objectives, Strategies Employed and Spending Policy

The primary objective of the endowment is to preserve the purchasing power of its assets, while providing a continuing and stable funding source to support the current and future mission of the Society. The Society seeks to generate a total return that will exceed its operating expenses and distribution requirements, as well as all expenses associated with managing the Society and the eroding effects of inflation, with the excess above and beyond the amount approved for expenditure or distribution reinvested in the Society.

The Society has a long term investment horizon with relatively moderate liquidity needs and therefore can tolerate short and intermediate term volatility provided that long-term returns meet or exceed its investment objective. A portion of the endowment may be invested in asset classes and investment strategies with a higher risk-return profile, as appropriate.

During fiscal year 2016, the Society is permitted to spend interest and dividend income plus realized and unrealized capital gains from the endowment's investments up to the 7% spending rate. In fiscal year 2015, the 7% endowment spending rate was based on available interest and dividend income plus realized capital gains.

Endowment Net Asset Composition by Type of Fund as of September 30, 2016 and 2015

Permanently restricted net assets are restricted to investments in perpetuity, the income and appreciation from which are expendable to support the following:

	2016	2015
Education	$ 272,793,464	$ 264,068,125
Research	37,962,973	30,698,839
	$ 310,756,437	$ 294,766,964

Changes in endowment net assets for the years ended September 30, 2016 and 2015 are composed of the following:

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (5,810,556)	$ 9,540,958	$ 294,766,964	$ 298,497,366	$ -	$ 23,219,895	$ 284,836,154	$ 308,056,049
Interest and dividends	2,114,738	5,641,253	-	7,755,991	-	6,699,896	-	6,699,896
Unrealized and realized gains	4,889,237	13,042,480	-	17,931,717	(5,810,556)	(13,118,258)	-	(18,928,814)
Contributions	-	-	15,825,555	15,825,555	-	-	6,688,648	6,688,648
Present value discount/appreciation of contributions receivable	-	-	535,705	535,705	-	-	379,368	379,368
Change in value of beneficial interest in remainder trusts	-	-	(368,124)	(368,124)	-	-	(288,147)	(288,147)
Appropriation for expenses/satisfaction of program restrictions and bad debts	(5,099,745)	(9,795,586)	(3,663)	(14,898,994)	-	(7,260,575)	(213,688)	(7,474,263)
Reclassification due to change in donor intent	-	-	-	-	-	-	3,364,629	3,364,629
Endowment net assets, at end of year	$ (3,906,326)	$ 18,429,105	$ 310,756,437	$ 325,279,216	$ (5,810,556)	$ 9,540,958	$ 294,766,964	$ 298,497,366

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Organization to retain as a fund of perpetual duration due to unfavorable market fluctuations. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $3,906,326 and $5,810,556 as of September 30, 2016 and September 30, 2015, respectively.

Unrestricted Net Assets

Unrestricted net assets are composed of the following:

	2016	2015
Available for operations	$ 15,432,058	$ 14,834,005
Underwater endowments	(3,906,326)	(5,810,556)
Total unrestricted, net of funds with deficiencies	$ 11,525,732	$ 9,023,449

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	2016	2015
Education	$ 66,972,771	$ 54,950,764
Research	34,933,735	39,142,461
Capital projects	16,523,505	11,181,096
Time restrictions	17,139,367	24,947,592
	$ 135,569,378	$ 130,221,913

Temporarily and permanently restricted net assets were released from donor restrictions by incurring expenditures satisfying the following temporarily restricted purposes or by occurrence of other events specified by donors.

	2016	2015
Purpose restriction accomplished:		
Education	$ 40,989,694	$ 39,718,570
Research	41,117,134	19,737,416
Capital projects	3,384,909	7,896,721
	$ 85,491,737	$ 67,352,707
Time restrictions	$ 5,401,298	$ 2,325,035

20. SUBSEQUENT EVENTS

The Society evaluated its September 30, 2016 financial statements for subsequent events through February 28, 2017, the date the financial statements were available to be issued, and is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.