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ILLINOIS CHARITABLE ORGANIZATION ANNUAL REPORT

Attorney General LISA MADIGAN State of Illinois

Charitable Trust Bureau, 100 West Randolph

3rd Floor, Chicago, Illinois 60601

CO # 01-030,023

Form AG990-IL

Revised 1/03

Report for the Fiscal Period:

Beginning 1 / 1 / 2003

& Ending 12 / 31 / 2003

MO DAY YR

Make Checks
Payable to
the Illinois
Charity
Bureau Fund

Check all items attached:

- ☒ Copy of IRS Return
☒ Audited Financial Statements
☐ Copy of Form IFC
☒ \$15.00 Annual Report Filing Fee
☒ \$100.00 Late Report Filing Fee

Federal ID # 52-1238142

Are contributions to the organization tax deductible? ☒ Yes ☐ No

Date Organization was created: 11 / 3 / 1981

LEGAL NAME	The Jerusalem Fund For Education & Community Development	Year-end amounts	
MAIL ADDRESS	2435 Virginia Ave., NW	A) ASSETS	A) \$ 6,738,292
CITY, STATE	Washington DC	B) LIABILITIES	B) \$ 46,055
ZIP CODE	20037	C) NET ASSETS	C) \$ 6,692,237

I. SUMMARY OF ALL REVENUE ITEMS DURING THE YEAR:		PERCENTAGE	AMOUNT
D) PUBLIC SUPPORT, CONTRIBUTIONS & PROGRAM SERVICE REV. (GROSS AMTS.)		68 %	D) \$ 213,046
E) GOVERNMENT GRANTS & MEMBERSHIP DUES		0 %	E) \$ 0
F) OTHER REVENUES		32 %	F) \$ 102,150
G) TOTAL REVENUE, INCOME AND CONTRIBUTIONS RECEIVED (ADD D, E, & F)		100 %	G) \$ 315,196

II. SUMMARY OF ALL EXPENDITURES DURING THE YEAR:		PERCENTAGE	AMOUNT
H) OPERATING CHARITABLE PROGRAM EXPENSE		21 %	H) \$ 212,548
I) EDUCATION PROGRAM SERVICE EXPENSE		52 %	I) \$ 519,735
J) TOTAL CHARITABLE PROGRAM SERVICE EXPENSE (ADD H & I)		73 %	J) \$ 732,283
J1) JOINT COSTS ALLOCATED TO PROGRAM SERVICES (INCLUDED IN J):	\$ 0		
K) GRANTS TO OTHER CHARITABLE ORGANIZATIONS		0 %	K) \$ 2,537
L) TOTAL CHARITABLE PROGRAM SERVICE EXPENDITURE (ADD J & K)		73 %	L) \$ 734,820
M) MANAGEMENT AND GENERAL EXPENSE		14 %	M) \$ 137,513
N) FUNDRAISING EXPENSE		13 %	N) \$ 129,632
O) TOTAL EXPENDITURES THIS PERIOD (ADD L, M, & N)		100 %	O) \$ 1,001,965

III. SUMMARY OF ALL PAID FUNDRAISER AND CONSULTANT ACTIVITIES:		PERCENTAGE	AMOUNT
(Attach Attorney General Report of Individual Fundraising Campaign- Form IFC. One for each PFI.)			
PROFESSIONAL FUNDRAISERS:			
P) TOTAL AMOUNT RAISED BY PAID PROFESSIONAL FUNDRAISERS		100 %	P) \$ 0
Q) TOTAL FUNDRAISERS FEES AND EXPENSES		0 %	Q) \$ 0
R) NET RECEIVED BY THE CHARITY (P MINUS Q=R)		0 %	R) \$ 0
PROFESSIONAL FUNDRAISING CONSULTANTS:			
S) TOTAL AMOUNT PAID TO PROFESSIONAL FUNDRAISING CONSULTANTS			S) \$ 0

IV. COMPENSATION TO THE (3) HIGHEST PAID PERSONS DURING THE YEAR:		AMOUNT
T) NAME, TITLE: Dr. Hisham Sharabi Chairman		T) \$ 0
U) NAME, TITLE: Mukhlis Saah Treasurer		U) \$ 0
V) NAME, TITLE: Samih Farsoun Secretary		V) \$ 0

V. CHARITABLE PROGRAM DESCRIPTION: CHARITABLE PROGRAM (3 MINIMUM BY \$ EXPENDED) CODE CATEGORIES		AMOUNT
W) DESCRIPTION: Educational Grants		W) \$ 200
X) DESCRIPTION: Emergency Relief		X) \$ 116
Y) DESCRIPTION: Educational/Cultural Projects		Y) \$ 011

RECEIVED

OCT 08 2004

ATTORNEY GENERAL
CHARITABLE TRUST

IF THE ANSWER TO ANY OF THE FOLLOWING IS YES, ATTACH A DETAILED EXPLANATION:

	YES	NO
1. WAS THE ORGANIZATION THE SUBJECT OF ANY COURT ACTION, FINE, PENALTY OR JUDGMENT?		X
2. HAS THE ORGANIZATION OR A CURRENT DIRECTOR, TRUSTEE, OFFICER OR EMPLOYEE THEREOF, EVER BEEN CONVICTED BY ANY COURT OF ANY MISDEMEANOR INVOLVING THE MISUSE OR MISAPPROPRIATION OF FUNDS OR ANY FELONY?		X
3. DID THE ORGANIZATION MAKE A GRANT AWARD OR CONTRIBUTION TO ANY ORGANIZATION IN WHICH ANY OF ITS OFFICERS, DIRECTORS OR TRUSTEES OWNS AN INTEREST; OR WAS IT A PARTY TO ANY TRANSACTION IN WHICH ANY OF ITS OFFICERS, DIRECTORS OR TRUSTEES HAS A MATERIAL FINANCIAL INTEREST; OR DID ANY OFFICER, DIRECTOR OR TRUSTEE RECEIVE ANYTHING OF VALUE NOT REPORTED AS COMPENSATION?		X
4. HAS THE ORGANIZATION INVESTED IN ANY CORPORATE STOCK IN WHICH ANY OFFICER, DIRECTOR OR TRUSTEE OWNS MORE THAN 10% OF THE OUTSTANDING SHARES?		X
5. IS ANY PROPERTY OF THE ORGANIZATION HELD IN THE NAME OF OR COMMINGLED WITH THE PROPERTY OF ANY OTHER PERSON OR ORGANIZATION?		X
6. DID THE ORGANIZATION USE THE SERVICES OF A PROFESSIONAL FUNDRAISER? (ATTACH FORM IFC)		X
7a. DID THE ORGANIZATION ALLOCATE THE COST OF ANY SOLICITATION, MAILING, ADVERTISEMENT OR LITERATURE COSTS BETWEEN PROGRAM SERVICE AND FUNDRAISING EXPENSES?		X
7b. IF "YES", ENTER (i) THE AGGREGATE AMOUNT OF THESE JOINT COSTS \$ <u>0</u> ; (ii) THE AMOUNT ALLOCATED TO PROGRAM SERVICES \$ <u>0</u> ; (iii) THE AMOUNT ALLOCATED TO MANAGEMENT AND GENERAL \$ <u>0</u> ; AND (iv) THE AMOUNT ALLOCATED TO FUNDRAISING \$ <u>0</u>		
8. DID THE ORGANIZATION EXPEND ITS RESTRICTED FUNDS FOR PURPOSES OTHER THAN RESTRICTED PURPOSES?		X
9. HAS THE ORGANIZATION EVER BEEN REFUSED REGISTRATION OR HAD ITS REGISTRATION OR TAX EXEMPTION SUSPENDED OR REVOKED BY ANY GOVERNMENTAL AGENCY?		X
10. WAS THERE OR DO YOU HAVE ANY KNOWLEDGE OF ANY KICKBACK, BRIBE, OR ANY THEFT, DEFALCATION MISAPPROPRIATION, COMMINGLING OR MISUSE OF ORGANIZATIONAL FUNDS?		X
11. LIST THE NAME, ADDRESS AND THE ACCOUNT # OF THE FINANCIAL INSTITUTIONS WHERE THE ORGANIZATION MAINTAINS ITS THREE LARGEST ACCOUNTS: <u>Riggs National Bank, Watergate Branch, PO Box 96212, Washington, DC 20090 301-887-6007</u>		
12. NAME AND TELEPHONE NUMBER OF CONTACT PERSON: <u>Nadia Hijab 202-338-1958</u>		

ALL ATTACHMENTS MUST ACCOMPANY THIS REPORT - SEE INSTRUCTIONS

UNDER PENALTY OF PERJURY, I (WE) THE UNDERSIGNED DECLARE AND CERTIFY THAT I (WE) HAVE EXAMINED THIS ANNUAL REPORT AND THE ATTACHED DOCUMENTS, INCLUDING ALL THE SCHEDULES AND STATEMENTS AND THE FACTS THEREIN STATED ARE TRUE AND COMPLETE AND FILED WITH THE ILLINOIS ATTORNEY GENERAL FOR THE PURPOSE OF HAVING THE PEOPLE OF THE STATE OF ILLINOIS RELY THEREUPON. I HEREBY FURTHER AUTHORIZE AND AGREE TO SUBMIT MYSELF AND THE REGISTRANT HEREBY TO THE JURISDICTION OF THE STATE OF ILLINOIS.

BE SURE TO INCLUDE ALL FEES DUE:

- 1.) REPORTS ARE DUE WITHIN SIX MONTHS OF YOUR FISCAL YEAR END.
- 2.) FOR FEES DUE SEE INSTRUCTIONS.
- 3.) REPORTS THAT ARE LATE OR INCOMPLETE ARE SUBJECT TO A \$100.00 PENALTY.

Ms. Nadia Hijab
PRESIDENT or TRUSTEE

Ms. Lama Abu Odeh
TREASURER or TRUSTEE

Linda Raden, RSM M

PREPARER (PRINT NAME)

SIGNATURE

DATE

E
E
J4

The Jerusalem Fund For Education & Community Development
2435 Virginia Ave., NW
Washington, DC 20037
202-338-1958
FAX 202-333-7742

ORGANIZATION

International Educational Foundation of Washington was incorporated on November 4, 1981 under the District of Columbia Non-profit Corporation Act. On January 2, 1985, the organization changed its name to The Jerusalem Fund For Education & Community Development.

The Jerusalem Fund For Education & Community Development received an exemption from income taxes under §501(c)(3) of the Internal Revenue Code in a letter dated February 17, 1982.

PURPOSE OF THE ORGANIZATION

The Jerusalem Fund For Education & Community Development was organized for the purpose of enhancing the understanding of Middle Eastern cultures, focusing on the relationship with the U.S., Palestinian issues, and the Arab-Israeli conflict.

GENERAL PURPOSE FOR WHICH CONTRIBUTIONS WILL BE USED

— Contributions will be used for grants, scholarship assistance, sponsoring and conducting educational and cultural activities, and emergency relief to assist charities active on the West Bank and in Gaza.

The Jerusalem Fund For Education & Community Development

2435 Virginia Ave., NW

Washington, DC 20037

202-338-1958

FAX 202-333-7742

Other States Registered:

State	Registration Number
Alabama	AL-98-103
Alaska	
Arizona	
Arkansas	
California	
Connecticut	7257
Florida	CH07086
Illinois	01-030,023
Kansas	243-651-7
Kentucky	
Maine	CO-2233
Maryland	1412
Massachusetts	28230
Michigan	MICS19912
Minnesota	
Mississippi	C-0909
New Hampshire	5952
New Jersey	0896200
New Mexico	
New York	59770
North Carolina	SL00645
North Dakota	11,455,800
Ohio	10-1137
Oklahoma	
Oregon	22957
Pennsylvania	14549
Rhode Island	
South Carolina	1998
Tennessee	3178
Utah	C1698
Virginia	
Washington	2366
West Virginia	
Wisconsin	6854

The Jerusalem Fund For Education & Community Development

2435 Virginia Ave., NW
Washington, DC 20037
202-338-1958
FAX 202-333-7742

Officers

NAME, ADDRESS

Dr. Subhi Ali
806 E. Main Street
Waverly, TN 37185
931-296-7832

Vice Chairman

Ms. Nadia Hijab
1915 Kalorama Road, NW, #304
Washington, DC 20009
202-338-1958

Executive Director

Dr. Eid Mustafa
1201 Brook Avenue
Wichita Falls, TX 76301
940-332-1122

Treasurer

Ms. Lama Abu Odeh
1725 17th Street, NW
Washington, DC 20009
202-662-9183

Secretary

Dr. Hisham Sharabi
c/o Suleiman Bakhti
Allied Bank, Makdisi Street
Beirut, Lebanon
202-338-1958

Chairman

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2003Open to Public
Inspection

For the 2003 calendar year, or tax year beginning

and ending

B Check if
applicable:

- ☐ Address
change
- ☐ Name
change
- ☐ Initial
return
- ☐ Final
return
- ☐ Amended
return
- ☐ Application
pending

Please
use IRS
label or
print or
type. See
Specific
Instruc-
tions.

C Name of organization

**THE JERUSALEM FUND FOR EDUCATION
& COMMUNITY DEVELOPMENT**

Number and street (or P.O. box if mail is not delivered to street address)

2435 VIRGINIA AVENUE, NW

City or town, state or country, and ZIP +4

WASHINGTON, DC 20037

D Employer identification number

52-1238142

E Telephone number

(202)-338-1958

F Accounting method

☐ Cash☒ AccrualTurner
(specify) ▶• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts
must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? ☐ Yes ☒ No
(If "No," attach a list.)H(d) Is this a separate return filed by an or-
ganization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number ▶

M Check ☒ if the organization is not required to attach
Sch. B (Form 990, 990-EZ, or 990-PF).G Website: **WWW.PALESTINECENTER.ORG**J Organization type (check only one) ☒ 501(c)(3) (insert no.) ☐ 4947(a)(1) or ☐ 527K Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The
organization need not file a return with the IRS; but if the organization received a Form 990 Package
in the mail, it should file a return without financial data. Some states require a complete return.L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **2,303,096.****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

1 Contributions, gifts, grants, and similar amounts received:					
a	Direct public support	1a		183,114.	
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ 183,114. noncash \$)	1d		183,114.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		29,932.	
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4			
5	Dividends and interest from securities	5		169,040.	
6a	Gross rents	6a			
6b	Less: rental expenses	6b			
6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe ▶)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	1,921,010.	
8b	Less: cost or other basis and sales expenses	(B) Other	8b	1,987,900.	
8c	Gain or (loss) (attach schedule)	8c		<66,890.>	
8d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		STMT 1	<66,890.>
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
9a	Gross revenue (not including \$ of contributions reported on line 1a)	9a			
9b	Less: direct expenses other than fundraising expenses	9b			
9c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a	Gross sales of inventory, less returns and allowances	10a			
10b	Less: cost of goods sold	10b			
10c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		315,196.	
13	Program services (from line 44, column (B))	13		734,820.	
14	Management and general (from line 44, column (C))	14		137,513.	
15	Fundraising (from line 44, column (D))	15		129,632.	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17		1,001,965.	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		<686,769.>	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		6,764,113.	
20	Other changes in net assets or fund balances (attach explanation)	20		614,893.	SEE STATEMENT 2
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		6,692,237.	

323001
12-17-03

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2003)

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Page 2

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ 2,537. noncash \$	2,537.	2,537.	STATEMENT 5	
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	0.	0.	0.	0.
26	Other salaries and wages	170,169.	114,177.	18,629.	37,363.
27	Pension plan contributions				
28	Other employee benefits	28,258.	18,960.	3,093.	6,205.
29	Payroll taxes	12,460.	8,360.	1,364.	2,736.
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees				
33	Supplies				
34	Telephone	11,253.	7,540.	1,238.	2,475.
35	Postage and shipping	26,586.	21,496.	355.	4,735.
36	Occupancy	99,881.	66,922.	10,988.	21,971.
37	Equipment rental and maintenance	14,662.	9,824.	1,613.	3,225.
38	Printing and publications	10,848.	5,971.	107.	4,770.
39	Travel	44,161.	43,699.		462.
40	Conferences, conventions, and meetings	40,127.	28,073.	12,054.	
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	54,888.	36,776.	6,038.	12,074.
43	Other expenses not covered above (itemize):				
a					
b					
c					
d					
e	SEE STATEMENT 3	486,135.	370,485.	82,034.	33,616.
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	1,001,965.	734,820.	137,513.	129,632.

Joint Costs. Check ☒ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$: (ii) the amount allocated to Program services \$:

(iii) the amount allocated to Management and general \$; and (iv) the amount allocated to Fundraising \$

Part III Statement of Program Service AccomplishmentsWhat is the organization's primary exempt purpose? **SEE STATEMENT 4**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a	EDUCATIONAL GRANTS: ASSISTANCE TO QUALIFIED DEGREE-SEEKING APPLICANTS IN GENERAL AREAS OF VOCATIONAL TRAINING, UNDERGRADUATE OR GRADUATE STUDY. (Grants and allocations \$ 2,537.)	84,226.
b	EMERGENCY MEDICAL, HOUSING, FOOD RELIEF: AID PROVIDED TO ESTABLISHED CHARITABLE INSTITUTIONS ASSISTING IN WEST BANK AND IN GAZA. (Grants and allocations \$)	215,085.
c	EDUCATIONAL/CULTURAL EVENTS/PROJECTS: TO ASSIST AND FOSTER EDUCATIONAL AND CULTURAL EVENTS AND ACTIVITIES WHICH WILL ENHANCE UNDERSTANDING IN U.S. OF MIDDLE EAST CULTURE. (Grants and allocations \$)	59,443.
d	CENTER FOR POLICY ANALYSIS ON PALESTINE: PRESENT FORUMS AND SEMINARS TO STUDY THE RELATIONSHIP BETWEEN U.S. AND MIDDLE EAST FOCUSING ON PALESTINIAN ISSUES AND ARABIC-ISRAELI CONFLICT. (Grants and allocations \$)	376,066.
e	Other program services (attach schedule) (Grants and allocations \$)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)	734,820.

323011
12-17-03

Form 990 (2003)

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing	14,752.	237,360.
	46 Savings and temporary cash investments	422,866.	27,247.
	47 a Accounts receivable	21,196.	
	b Less: allowance for doubtful accounts		
		23,810.	21,196.
	48 a Pledges receivable		
	b Less: allowance for doubtful accounts		
		150,000.	
	49 Grants receivable		
	50 Receivables from officers, directors, trustees, and key employees		
	51 a Other notes and loans receivable		
	b Less: allowance for doubtful accounts		
	52 Inventories for sale or use		
	53 Prepaid expenses and deferred charges		
54 Investments - securities STMT 6 STMT 7 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	5,041,139.	5,336,341.	
55 a Investments - land, buildings, and equipment: basis			
b Less: accumulated depreciation			
56 Investments - other			
57 a Land, buildings, and equipment: basis	1,521,781.		
b Less: accumulated depreciation STMT 8	424,825.		
58 Other assets (describe ► ACCRUED INTEREST)	29,599.	19,192.	
59 Total assets (add lines 45 through 58) (must equal line 74)	6,826,418.	6,738,292.	
Liabilities	60 Accounts payable and accrued expenses	27,505.	27,680.
	61 Grants payable	7,300.	4,800.
	62 Deferred revenue	27,500.	13,575.
	63 Loans from officers, directors, trustees, and key employees		
	64 a Tax-exempt bond liabilities		
	b Mortgages and other notes payable		
	65 Other liabilities (describe ►)		
66 Total liabilities (add lines 60 through 65)	62,305.	46,055.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	6,754,113.	6,499,323.
	68 Temporarily restricted	10,000.	192,914.
	69 Permanently restricted		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	6,764,113.	6,692,237.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	6,826,418.	6,738,292.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

**THE JERUSALEM FUND FOR EDUCATION
& COMMUNITY DEVELOPMENT**

Form 990 (2003)

52-1238142 Page 4

**Part IV A Reconciliation of Revenue per Audited
Financial Statements with Revenue per
Return**

a	Total revenue, gains, and other support per audited financial statements	a	908,849.
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$ 614,893.		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify): \$		
	Add amounts on lines (1) through (4)	b	614,893.
c	Line a minus line b	c	293,956.
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$ 21,240.		
(2)	Other (specify): \$		
	Add amounts on lines (1) and (2)	d	21,240.
e	Total revenue per line 12, Form 990 (line c plus line d)	e	315,196.

**Part IV B Reconciliation of Expenses per Audited
Financial Statements with Expenses per
Return**

a	Total expenses and losses per audited financial statements	a	980,725.
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify): \$		
	Add amounts on lines (1) through (4)	b	0.
c	Line a minus line b	c	980,725.
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$ 21,240.		
(2)	Other (specify): \$		
	Add amounts on lines (1) and (2)	d	21,240.
e	Total expenses per line 17, Form 990 (line c plus line d)	e	1,001,965.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
DR. HISHAM SHARABI WASHINGTON, DC 20037	CHAIRMAN 4	0.	0.	0.
MUKHLIS SAAH WASHINGTON, DC 20037	TREASURER 4	0.	0.	0.
SAMIH FARSOON WASHINGTON, DC 20037	SECRETARY 4	0.	0.	0.
GEORGE HISHMEH WASHINGTON, DC 20037	DIRECTOR 2	0.	0.	0.
GEORGE T. ABED WASHINGTON, DC 20037	DIRECTOR 1	0.	0.	0.
SUBHI ALI WASHINGTON, DC 20037	DIRECTOR 1	0.	0.	0.
FOUZI EL-ASMAR WASHINGTON, DC 20037	DIRECTOR 1	0.	0.	0.
DR. ZIAD DEEB WASHINGTON, DC 20037	DIRECTOR 1	0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule. ☐ Yes ☒ No

**THE JERUSALEM FUND FOR EDUCATION
& COMMUNITY DEVELOPMENT**

Form 990 (2003)

52-1238142

Page 5

Part VI Other Information

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a Enter direct or indirect political expenditures. See line 81 Instructions 81a 0.	81a	
b Did the organization file Form 1120-POL for this year?	81b	X
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b N/A	82b	
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A	85a	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b	
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c Dues, assessments, and similar amounts from members 85c N/A	85c	
d Section 162(e) lobbying and political expenditures 85d N/A	85d	
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A	85e	
f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A	85f	
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g	
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h	
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A	86a	
b Gross receipts, included on line 12, for public use of club facilities 86b N/A	86b	
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a N/A	87a	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A	87b	
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0; section 4912 0; section 4955 0.		
b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a List the states with which a copy of this return is filed SEE STATEMENT 9		
b Number of employees employed in the pay period that includes March 12, 2003 90b 6	90b	6
91 The books are in care of THE JERUSALEM FUND Telephone no. 301-338-1958		

Located at 2435 VIRGINIA AVE, NW WASHINGTON, DC

ZIP +4 20037

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
33 Program service revenue:					
a PALESTINE CENTER					14,304.
b EVENTS					15,628.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	169,040.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	<66,890.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		102,150.	29,932.
105 Total (add line 104, columns (B), (D), and (E))					132,082.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No. Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

SEE STATEMENT 10

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here	Under per correct, a	Date JUL 27 2004	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN P00446580
	Sic			
Paid preparer's Use Only	Firm's, yours if self-employed, address, and ZIP + 4	Type or print name and title. NADIA H JAB, EXECUTIVE DIRECTOR		
323161 12-17-03	6701 DEMOCRACY BLVD, SUITE 600 BETHESDA, MD 20817	EIN Phone no. (301) 897-3200		

Application for Extension of Time To File an
Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box ☒ **X**
- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)Note: Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print	Name of Exempt Organization THE JERUSALEM FUND FOR EDUCATION & COMMUNITY DEVELOPMENT	Employer identification number 52-1238142
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2435 VIRGINIA AVENUE, NW	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WASHINGTON, DC 20037	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until AUGUST 16, 2004 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ▶ ☒ calendar year 2003 or
- ▶ ☐ tax year beginning _____, and ending _____

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

- c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ _____ N/A

Signature and Verification

Under penalty of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is correct.

Sign
LHA

▶ CPA

Date ▶

5/7/04

Form 8868 (12-2000)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(a), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions.)

▶ **MUST** be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No. 1545-0047

2003

Name of the organization **THE JERUSALEM FUND FOR EDUCATION
& COMMUNITY DEVELOPMENT**

Employer identification number
52 1238142

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000	0			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services	0	

THE JERUSALEM FUND FOR EDUCATION

Schedule A (Form 990 or 990-EZ) 2003 & COMMUNITY DEVELOPMENT

52-1238142 Page 2

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	2d	X
e Transfer of any part of its income or assets?	2e	X
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) SEE STATEMENT 11	3a	X
b Do you have a section 403(b) annuity plan for your employees?	3b	X
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4	X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **▶** _____
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Schedule A (Form 990 or 990-EZ) 2003

THE JERUSALEM FUND FOR EDUCATION

Schedule A (Form 990 or 990-EZ) 2003 & COMMUNITY DEVELOPMENT

52-1238142 Page 3

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	437,413.	137,045.	314,151.	236,253.	1,124,862.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	19,477.	16,094.			35,571.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	195,870.	227,110.	268,931.	236,317.	928,228.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets			SEE STATEMENT 12		
			21,448.	35,257.	56,705.
23 Total of lines 15 through 22	652,760.	380,249.	604,530.	507,827.	2,145,366.
24 Line 23 minus line 17	633,283.	364,155.	604,530.	507,827.	2,109,795.
25 Enter 1% of line 23	6,528.	3,802.	6,045.	5,078.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					42,196.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					2,109,795.
d Add: Amounts from column (e) for lines: 18 928,228. 19					
22 56,705. 26b					984,933.
e Public support (line 26c minus line 26d total)					1,124,862.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					53.3162%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2002) (2001) (2000) (1999)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2002) (2001) (2000) (1999)					
c Add: Amounts from column (e) for lines: 15 16					
17 20 21					N/A
d Add: Line 27a total and line 27b total					N/A
e Public support (line 27c total minus line 27d total)					N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)			N/A		
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

THE JERUSALEM FUND FOR EDUCATION

Schedule A (Form 990 or 990-EZ) 2003 & **COMMUNITY DEVELOPMENT**

52-1238142 Page 4

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31	
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34 a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended?	34b	
If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Schedule A (Form 990 or 990-EZ) 2003

THE JERUSALEM FUND FOR EDUCATION

Schedule A (Form 990 or 990-EZ) 2003 & **COMMUNITY DEVELOPMENT**

52-1238142 Page 5

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

N/A

(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check ☐ a ☐ if the organization belongs to an affiliated group. Check ☐ b ☐ if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
	N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table -		
If the amount on line 40 is - The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

	Lobbying Expenditures During 4-Year Averaging Period				N/A
Calendar year (or fiscal year beginning in) ▶	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Exempt Organizations (See page 12 of the instructions.)

N/A

[illegible]

☐ Yes ☒ No

N/A

[illegible]

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 1

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
SALE OF INVESTMENTS	1,921,010.	1,987,900.	0.	<66,890.>
TOTAL TO FORM 990, PART I, LINE 8	1,921,010.	1,987,900.	0.	<66,890.>

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 2

DESCRIPTION	AMOUNT
UNREALIZED GAINS ON INVESTMENTS	614,893.
TOTAL TO FORM 990, PART I, LINE 20	614,893.

FORM 990 OTHER EXPENSES STATEMENT 3

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
PROFESSIONAL FEES	45,896.		45,896.	
WEBSITE EXPENSE	7,674.	7,674.		
FILING FEES AND FOREIGN TAXES	11,654.			11,654.
CONSULTANTS	7,881.	7,881.		
LIBRARY -	18,729.	18,729.		
PROSPECTING COSTS	8,853.			8,853.
HONORARIA	13,100.	13,100.		
OFFICE EXPENSE	40,339.	27,026.	4,437.	8,876.
BANK FEES	3,460.		2,823.	637.
OTHER	12,712.	1,478.	7,638.	3,596.
INVESTMENT/MGMT FEES	21,240.		21,240.	
EMERGENCY RELIEF AND MEDICAL AID	294,597.	294,597.		
TOTAL TO FM 990, LN 43	486,135.	370,485.	82,034.	33,616.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 4
PART III

EXPLANATION

THE FUND SEEKS TO IMPROVE AND EXPAND THE EDUCATIONAL, CULTURAL, AND HEALTH INSTITUTIONS OF THE PALESTINE COMMUNITY THROUGH SCHOLARSHIPS AND GRANTS TO ELIGIBLE INDIVIDUALS AND NOT-FOR-PROFIT ORGANIZATIONS, AND TO PROMOTE AND ENHANCE AWARENESS AND UNDERSTANDING OF THE MIDDLE EAST THROUGH SPONSORSHIP OF EDUCATIONAL AND CULTURAL ACTIVITIES.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 5

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
SCHOLARSHIPS & GRANTS	INDIVIDUALS	VARIOUS	NONE	2,537.

TOTAL INCLUDED ON FORM 990, PART II, LINE 22 2,537.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 6

SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
EQUITY INVESTMENTS	3,485,989.				3,485,989.
CORPORATE BONDS		1,478,664.			1,478,664.
TO 990, LN 54 COL B	3,485,989.	1,478,664.			4,964,653.

FORM 990 GOVERNMENT SECURITIES STATEMENT 7

DESCRIPTION	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
TREASURY NOTES	371,688.		371,688.
TOTAL TO FORM 990, LINE 54, COL B	371,688.		371,688.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 8

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
BUILDING AND IMPROVEMENTS	1,089,377.	268,308.	821,069.
LAND	222,557.	0.	222,557.
FURNITURE AND EQUIPMENT	209,847.	156,517.	53,330.
TOTAL TO FORM 990, PART IV, LN 57	1,521,781.	424,825.	1,096,956.

FORM 990 LIST OF STATES RECEIVING COPY OF RETURN STATEMENT 9
PART VI, LINE 90

STATES

AL, AK, AR, CN, FL, IL, KS, KY, ME, MD, MI, MN, NH, NJ, NM, ND, OR, PA, SC

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 10
ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	PRESENT FORUMS AND SEMINARS TO STUDY THE RELATIONSHIP BETWEEN THE U.S. AND THE MIDDLE EAST FOCUSING ON PALESTINIAN ISSUES AND THE ARAB-ISRAELI CONFLICT.
93B	ASSIST AND FOSTER EDUCATIONAL AND CULTURAL EVENTS AND ACTIVITIES WHICH WILL ENHANCE UNDERSTANDING IN THE U.S. OF MIDDLE EASTERN CULTURE.

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 11
PART III, LINE 3

THE PROCEDURE EMPLOYED BY THE FOUNDATION IN AWARDING GRANTS TO INDIVIDUALS IS A SELECTION PROCESS. SELECTION OF GRANTEEES IS MADE BY THE FOUNDATION ON THE BASIS OF CRITERIA REASONABLY RELATED TO THE PURPOSES OF THE GRANT INCLUDING THE MERITS OF THE STUDY OR PROPOSAL, CREDENTIALS OF THE POTENTIAL GRANTEE, THE RELATIONSHIP OF THE STUDY OR PROPOSAL TO THE FOUNDATION'S PROGRAM ACTIVITIES, PROJECTS OR AREAS OF FOUNDATION CONCERN AND ITS PRIORITY IN RELATION TO OTHER DEMANDS ON FOUNDATION FUNDS. ON THE BASIS OF CRITERIA RELATING TO THE PARTICULAR GRANT PROGRAM INVOLVED, AN INDIVIDUAL GRANTEE MAY BE SELECTED (1) FROM A GROUP OF QUALIFIED CANDIDATES, (2) WITHOUT REFERENCE TO A GROUP OF CANDIDATES BECAUSE HE/SHE IS EXCEPTIONALLY QUALIFIED TO CARRY OUT THE EXEMPT PURPOSE OF THE GRANT OR (3) BECAUSE IT IS OTHERWISE EVIDENT THAT THE SELECTION IS PARTICULARLY CALCULATED TO EFFECTUATE THE EXEMPT PURPOSE OF THE GRANT RATHER THAN TO BENEFIT A PARTICULAR PERSON. THE GROUP OF PERSONS WHO SELECT RECIPIENTS ARE NOT IN A POSITION TO DERIVE A PRIVATE

BENEFIT, DIRECTLY OR INDIRECTLY, IF CERTAIN POTENTIAL GRANTEES ARE SELECTED OVER OTHERS.

SCHEDULE A

OTHER INCOME

STATEMENT

DESCRIPTION	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT	1999 AMOUNT
OTHER	0.	0.	21,448.	35,25
TOTAL TO SCHEDULE A, LINE 22	0.	0.	21,448.	35,25

The Jerusalem Fund For Education & Community Development

Financial Report
December 31, 2003

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
The Jerusalem Fund for Education
& Community Development
Washington, D.C.

We have audited the accompanying balance sheet of The Jerusalem Fund for Education & Community Development (The Fund) as of December 31, 2003, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of The Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the 2002 financial statements and, in our report dated April 3, 2003, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jerusalem Fund for Education & Community Development as of December 31, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Bethesda, Maryland
April 1, 2004

The Jerusalem Fund For Education & Community Development

Balance Sheet

December 31, 2003

(With Comparative Totals For 2002)

Assets	2003	2002
Cash	\$ 237,360	\$ 14,752
Investments	5,363,588	5,464,005
Accounts Receivable	21,196	173,810
Accrued Interest Receivable	19,192	29,599
Property and Equipment, net	1,096,956	1,144,252
	<u>\$ 6,738,292</u>	<u>\$ 6,826,418</u>

Liabilities And Net Assets

Liabilities		
Accounts payable	\$ 16,901	\$ 3,640
Accrued expenses	10,779	23,865
Deferred revenue	13,575	27,500
Grants payable	4,800	7,300
	<u>46,055</u>	<u>62,305</u>

Net Assets:

Unrestricted	6,499,323	6,754,113
Temporarily restricted	192,914	10,000
	<u>6,692,237</u>	<u>6,764,113</u>
	<u>\$ 6,738,292</u>	<u>\$ 6,826,418</u>

See Notes to Financial Statements.

The Jerusalem Fund For Education & Community Development

Statement Of Activities

Year Ended December 31, 2003

(With Comparative Totals For 2002)

	2003			2002 Total
	Unrestricted	Temporarily Restricted	Total	
Support and Revenue:				
Investment income (loss)	\$ 695,803	\$ -	\$ 695,803	\$ (496,064)
Contributions	123,700	59,414	183,114	577,224
Events	15,628	-	15,628	2,706
Palestine Center	14,304	-	14,304	16,771
Assets released from restrictions	26,500	(26,500)	-	-
Total support and revenue	875,935	32,914	908,849	100,637
Expenses:				
Program services				
Palestine Center	376,066	-	376,066	392,317
Events and activities	59,443	-	59,443	80,789
Emergency relief	215,085	-	215,085	316,282
Educational grants	84,226	-	84,226	32,744
Supporting services				
Management and general	116,273	-	116,273	97,050
Fund-raising	129,632	-	129,632	162,955
Total expenses	980,725	-	980,725	1,082,137
Change in net assets	(104,790)	32,914	(71,876)	(981,500)
Net Assets:				
Beginning, as restated (Note 4)	6,604,113	160,000	6,764,113	7,745,613
Ending	\$ 6,499,323	\$ 192,914	\$ 6,692,237	\$ 6,764,113

See Notes to Financial Statements.

The Jerusalem Fund For Education & Community Development

Statement Of Functional Expenses

Year Ended December 31, 2003

(With Comparative Totals For 2002)

2003																			
Program Services										Supporting Services									
Events					Total					Management and General					Total				
Palestine Center	Activities	Emergency Relief	Educational Grants	Program Services						Fund-Raising	Supporting Services								
	\$ 24,703	\$ 1,772	\$ 689	\$ 141,497	\$ 23,086	\$ 46,303	\$ 69,389	\$ 210,886	\$										
Salaries and benefits	11,987	719	280	66,922	10,988	21,971	32,959	99,881											
Occupancy	-	211,692	82,805	294,597	-	-	-	294,597											
Emergency relief and medical aid	116	7	3	5,971	107	4,770	4,877	10,848											
Printing and production	6,587	395	154	36,776	6,038	12,074	18,112	54,888											
Depreciation	-	-	-	-	45,896	-	45,896	45,896											
Professional fees	4,840	290	113	27,026	4,437	8,976	13,313	40,339											
Office supplies	-	-	-	7,674	-	-	-	7,674											
Website expense	7,712	-	-	28,073	12,054	-	12,054	40,127											
Conferences and meetings	43,699	-	-	43,699	-	462	462	44,161											
Travel	-	-	-	-	-	-	-	-											
Postage and shipping	388	23	8	21,496	355	4,735	5,090	26,586											
Telephone	1,350	81	32	7,540	1,238	2,476	3,714	11,254											
Filing fees and foreign taxes	-	-	-	-	-	11,654	11,654	11,654											
Equipment	1,760	106	41	9,824	1,613	3,225	4,838	14,662											
Maintenance	7,881	-	-	7,881	-	-	-	7,881											
Consultants	18,729	-	-	18,729	-	-	-	18,729											
Library	-	-	-	-	-	8,853	8,853	8,853											
Prospecting costs	13,100	-	-	13,100	-	-	-	13,100											
Honoraria	-	-	-	-	-	-	-	-											
Scholarships	-	-	-	-	-	-	-	-											
and grants	2,537	-	-	2,537	-	-	-	2,537											
Office expense	-	-	-	-	-	-	-	-											
Bank fees	-	-	-	-	-	637	3,460	3,460											
Other	1,478	-	-	1,478	7,638	3,596	11,234	12,712											
	\$ 59,443	\$ 215,085	\$ 84,276	\$ 734,820	\$ 116,273	\$ 129,632	\$ 245,905	\$ 980,725	\$										

See Notes to Financial Statements.

The Jerusalem Fund For Education & Community Development

Statement Of Cash Flows

Year Ended December 31, 2003

(With Comparative Totals For 2002)

	2003	2002
Cash Flows from Operating Activities		
Change in net assets	\$ (71,876)	\$ (981,500)
Adjustments to reconcile change in net assets to net cash (used in) operating activities		
Depreciation	54,888	54,721
Realized and unrealized (gain) loss on investments	(548,003)	662,130
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	152,614	(139,811)
Accrued interest receivable	10,407	5,364
Increase (decrease) in:		
Accounts payable	13,261	(13,330)
Accrued expenses	(13,086)	3,208
Deferred revenue	(13,925)	27,500
Grants payable	(2,500)	-
Net cash (used in) operating activities	(418,220)	(381,718)
Cash Flows from Investing Activities		
Purchase of property and equipment	(7,592)	(2,986)
Proceeds from sales and maturities of investments	1,921,010	2,121,224
Purchase of investments	(1,272,590)	(1,719,323)
Net cash provided by investing activities	640,828	398,915
Cash Flows from Financing Activities		
(Repayments) in excess of available cash	-	(20,526)
Net cash (used in) financing activities	-	(20,526)
Net increase (decrease) in cash	222,608	(3,329)
Cash:		
Beginning	14,752	18,081
Ending	\$ 237,360	\$ 14,752

See Notes to Financial Statements.

The Jerusalem Fund For Education & Community Development

Notes To Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The Jerusalem Fund for Education & Community Development (The Fund) is a not-for-profit organization incorporated under the laws of the District of Columbia. The Fund seeks to improve and expand the educational, cultural, and health institutions of the Palestine community through scholarships and grants to eligible individuals and not-for-profit organizations, and to promote and enhance awareness and understanding of the Middle East through sponsorship of educational and cultural activities.

A summary of The Fund's significant programs follows:

Center for Policy Analysis on Palestine: Present forums and seminars to study the relationship between the United States and the Middle East focusing on Palestinian issues and the Arab-Israeli conflict.

Events and Activities: Assist and foster educational and cultural events and activities which will enhance understanding in the United States of Middle Eastern culture.

Emergency Relief: Aid provided to established charitable institutions assisting in the West Bank and in Gaza.

Educational Grants: Provide assistance to qualified degree seeking applicants in general areas of vocational training, under-graduate, or graduate study.

A summary of the significant accounting policies of The Fund follows:

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

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, The Fund is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Fund had no permanently restricted net assets at December 31, 2003.

Financial risk: The Fund maintains cash in bank deposit accounts, which, at times, may exceed Federally insured limits. The Fund has not experienced any losses in such accounts. The Fund believes it is not exposed to any significant financial risk on cash.

The Fund invests in professionally managed portfolios that contain common shares of publicly traded companies, corporate and government bonds, and money market funds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

The Jerusalem Fund for Education & Community Development

Notes To Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Accounts receivables: Accounts receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivables are written off when deemed uncollectible. Based on management's evaluation of the collectibility of accounts receivable, no provision for an allowance for doubtful accounts has been made. Recoveries of accounts receivables previously written off are recorded when received.

Investments: Investments with readily determinable fair values are reflected at fair market value. To adjust the carrying value of these investments, the change in fair market value is recorded as a component of investment income on the statement of activities. The Fund considers all cash and cash equivalents held with their investment advisor to be investments.

Property and equipment: Property and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful lives. The Fund capitalizes all property and equipment purchased with a cost of \$500 or more.

Valuation of long-lived assets: The Partnership accounts for the valuation of long-lived assets under Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. SFAS No. 144 requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Grants payable: Grants payables are recorded when the Board approves for payment the request for grant.

Support and revenue: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted revenue is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or 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. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Sponsorship revenue for research programs is recognized after the research program is completed. Amounts received in advance are recorded as deferred revenue.

Expenses: Direct costs associated with specific programs are recorded as direct program expenses. Fringe benefits, supplies, telephone, depreciation and occupancy are allocated to specific programs based on salaries.

The Jerusalem Fund for Education & Community Development

Notes To Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Income taxes: The Fund is generally exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, The Fund has been determined by the Internal Revenue Service not to be a private foundation. Income, which is not related to exempt purposes, less applicable deductions, is subject to Federal and state corporate income taxes. The Fund had no net unrelated business income for the year ended December 31, 2003.

Estimates: The preparation of financial statements 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.

Prior year information: The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with The Fund's financial statements for the year ended December 31, 2002, from which the summarized information was derived.

Note 2. Investments

Investments at December 31, 2003, consisted of the following:

Equity securities	\$ 3,485,989
Corporate bonds	1,478,664
Treasury notes	371,688
Cash equivalents	27,247
	<u>\$ 5,363,588</u>

Investment income for the year ended December 31, 2003, consisted of the following:

Realized and unrealized gain on investments, net	\$ 548,003
Interest and dividend income	169,040
Investment management fees	(21,240)
	<u>\$ 695,803</u>

The Jerusalem Fund for Education & Community Development

Notes To Financial Statements

Note 3. Property and Equipment

Property and equipment and accumulated depreciation at December 31, 2003, and depreciation expense for the year ended December 31, 2003, are as follows:

	Estimated Useful Lives	Cost	Accumulated Depreciation	Depreciation
Building and improvements	7 - 40 years	\$ 1,089,377	\$ 268,308	\$ 28,626
Land	-	222,557	-	-
Furniture and equipment	5 - 10 years	209,847	156,517	26,262
		<u>\$ 1,521,781</u>	<u>\$ 424,825</u>	<u>\$ 54,888</u>

Note 4. Temporarily Restricted Net Assets

Temporarily restricted net assets include donor restricted and other funds, which are only available for program activities.

Temporarily restricted net assets at December 31, 2003, are available for the following programs:

	Balance December 31, 2002	Additions	Reclassified	Released	Balance December 31, 2003
Children of Palestine	\$ -	\$ 44,414	\$ 150,000	\$ (26,500)	\$ 167,914
Echoing Green	-	15,000	-	-	15,000
Manuscript	10,000	-	-	-	10,000
	<u>\$ 10,000</u>	<u>\$ 59,414</u>	<u>\$ 150,000</u>	<u>\$ (26,500)</u>	<u>\$ 192,914</u>

Contributions of \$150,000 at December 31, 2002, have been reclassified from unrestricted net assets to temporarily restricted net assets due to better understanding of donor's intent related to the contribution. Net assets at December 31, 2002, have been restated by \$150,000. This restatement had no effect on the change in net assets for the years ended December 31, 2003 and 2002. Net assets have been restated as follows:

	Unrestricted	Temporarily Restricted
Net assets:		
Beginning, as previously reported	\$ 6,754,113	\$ 10,000
Reclassification of net assets	(150,000)	150,000
Beginning, as restated	<u>\$ 6,604,113</u>	<u>\$ 160,000</u>

Note 5. Employee Benefits

The Fund has a Section 403(b) tax-deferred annuity plan covering all employees. Plan participants vest immediately. Employees are eligible for employer discretionary contributions after 2 years of service have been completed and the age of 21 has been attained. The Fund made no discretionary contributions to the Plan for the year ended December 31, 2003.