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CONTENTS



	Page
Independent Auditor's Report	3
Financial Statements:	
Statements of Financial Position	5
Statements of Activities and Changes in Net Assets	6
Statements of Cash Flows	7
Notes to Financial Statements	8



To the Board of Trustees
The Jewish Federation of Columbus
Columbus, Ohio

Independent Auditor's Report

We have audited the accompanying financial statements of The Jewish Federation of Columbus, which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal controls 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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.

To the Board of Trustees
The Jewish Federation of Columbus
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jewish Federation of Columbus as of June 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

GBQ Partners LLC

Columbus, Ohio
September 20, 2016

THE JEWISH FEDERATION OF COLUMBUS

Statements of Financial Position

June 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 2,355,078	\$ 3,921,591
Pledges receivable, net	7,691,923	11,514,111
Pledges receivable - pledged use of land	1,603,510	1,673,230
Accounts receivable - affiliates, net	5,460	10,983
Investments - marketable securities	4,267,010	4,028,846
Certificates of deposit	241,349	484,682
Notes receivable, net	216,869	24,096
Prepaid expenses and other assets	73,331	62,406
Property and equipment, net	4,355,998	4,639,174
TOTAL ASSETS	\$ 20,810,528	\$ 26,359,119
LIABILITIES AND NET ASSETS		
Allocations payable - Jewish Federation of North America	\$ 727,883	\$ 1,082,965
Allocations payable - local Jewish agencies	2,099,054	2,398,971
Allocations payable - other	684,224	605,434
Accounts payable	150,662	117,443
Accrued payroll and related liabilities	103,674	94,595
Deferred compensation	-	27,617
Accrued pension related costs	-	1,429,259
Accrued post-retirement benefits	16,669	25,700
Agency liabilities	3,388,063	3,972,316
Other designated grant liabilities	52,932	57,689
Total liabilities	7,223,161	9,811,989
Net Assets		
Unrestricted	9,867,777	10,393,460
Temporarily restricted	3,719,590	6,153,670
Total net assets	13,587,367	16,547,130
TOTAL LIABILITIES AND NET ASSETS	\$ 20,810,528	\$ 26,359,119

The accompanying notes are an integral part of the financial statements.

THE JEWISH FEDERATION OF COLUMBUS

Statements of Activities and Changes in Net Assets

For the Years Ended June 30, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue:						
Contributions:						
Annual campaign	\$ 3,633,077	\$ 31,155	\$ 3,664,232	\$ 5,821,919	\$ 4,039,850	\$ 9,861,769
Other	-	659,247	659,247	-	914,255	914,255
Investment income and other income	65,160	-	65,160	90,809	-	90,809
Total revenue	3,698,237	690,402	4,388,639	5,912,728	4,954,105	10,866,833
Expenses:						
Program services:						
Jewish Federation of North America	1,048,500	-	1,048,500	1,060,500	-	1,060,500
Local Jewish agencies	2,321,647	-	2,321,647	1,773,638	-	1,773,638
Total program services	3,370,147	-	3,370,147	2,834,138	-	2,834,138
Supporting services:						
General and administrative	475,463	-	475,463	549,835	-	549,835
Development	994,563	-	994,563	733,005	-	733,005
Engagement	349,573	-	349,573	431,333	-	431,333
Jewish Community Relations Committee	402,939	-	402,939	157,627	-	157,627
Planning and allocation	163,552	-	163,552	199,707	-	199,707
Total supporting services	2,386,090	-	2,386,090	2,071,507	-	2,071,507
Uncollectible pledges	246,630	220,595	467,225	168,457	155,425	323,882
Depreciation	290,653	-	290,653	300,456	-	300,456
In-kind land use	69,719	-	69,719	69,719	-	69,719
Total expenses	6,363,239	220,595	6,583,834	5,444,277	155,425	5,599,702
Changes in Operating Net Assets Before Releases and Distributions	(2,665,002)	469,807	(2,195,195)	468,451	4,798,680	5,267,131
Net Assets Released from Restrictions	2,903,887	(2,903,887)	-	712,436	(712,436)	-
Donor Directed Distributions	(764,568)	-	(764,568)	(642,779)	-	(642,779)
Changes in Operating Net Assets	(525,683)	(2,434,080)	(2,959,763)	538,108	4,086,244	4,624,352
Pension Changes other than Net Periodic Costs	-	-	-	364,480	-	364,480
Changes in Net Assets	(525,683)	(2,434,080)	(2,959,763)	902,588	4,086,244	4,988,832
Net Assets - Beginning of Year	10,393,460	6,153,670	16,547,130	9,490,872	2,067,426	11,558,298
Net Assets - End of Year	\$ 9,867,777	\$ 3,719,590	\$ 13,587,367	\$ 10,393,460	\$ 6,153,670	\$ 16,547,130

The accompanying notes are an integral part of the financial statements.

THE JEWISH FEDERATION OF COLUMBUS

Statements of Cash Flows

For the Years Ended June 30, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities:		
Changes in net assets	\$(2,959,763)	\$ 4,988,832
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by operating activities:		
Uncollectible pledges	355,023	233,686
Depreciation	290,653	300,456
Pension changes other than net periodic costs	-	(364,480)
Net amortization of pledged use of land	69,719	69,719
Decrease (increase) in assets:		
Annual campaign and designated pledges receivable	3,467,166	(4,435,655)
Accounts receivable - affiliates	5,523	146,950
Prepaid expenses and other assets	(10,925)	(14,740)
(Decrease) increase in liabilities:		
Allocations payable	(576,209)	(1,016,927)
Accounts payable	33,219	65,412
Accrued payroll and related liabilities	9,079	20,345
Deferred compensation	(27,617)	(901)
Accrued pension related costs	(1,429,259)	(26,488)
Accrued post-retirement benefits	(9,031)	(9,030)
Agency liabilities	(584,253)	1,937,240
Other designated grant liabilities	(4,757)	(93,402)
Total adjustments	1,588,331	(3,187,815)
Net cash and cash equivalents (used in) provided by operating activities	(1,371,432)	1,801,017
Cash Flows from Investing Activities:		
Purchases of marketable securities	(1,099,068)	(1,983,049)
Proceeds from sale of marketable securities	1,104,237	1,947,914
Payments received on notes receivable	8,483	18,374
Advances made on notes receivable	(201,256)	(1,976)
Purchases of property and equipment	(7,477)	(27,982)
Net cash and cash equivalents used in investing activities	(195,081)	(46,719)
Net (decrease) increase in cash and cash equivalents	(1,566,513)	1,754,298
Cash and Cash Equivalents – Beginning of Year	3,921,591	2,167,293
Cash and Cash Equivalents – End of Year	\$ 2,355,078	\$ 3,921,591

The accompanying notes are an integral part of the financial statements.

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Nature and Scope of Business

The Jewish Federation of Columbus (the Federation) is a non-profit organization formed to raise, receive and disburse funds for various Jewish cultural, philanthropic and educational enterprises. The Federation is dedicated to the vision of a pluralistic, vibrant Jewish community that nurtures, assists and encourages members to find joy, meaning, relevancy and fulfillment in Jewish values, traditions, beliefs and a Jewish way of living.

Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Accordingly, actual results could differ from these estimates.

Financial Statement Presentation

The Federation reports information regarding its financial position and activities according to three classes of net assets as follows:

- Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions and are available for use in the Federation's ongoing operations.
- Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that expire by passage of time, can be fulfilled and removed by action of the Federation pursuant to those restrictions and/or upon receipt of funding.
- Permanently Restricted Net Assets – Net assets subject to donor-imposed restrictions that the principal be maintained permanently by the Federation and generally allow the use of investment earnings. The Federation had no permanently restricted net assets as of June 30, 2016 and 2015.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits, money market accounts and all highly liquid investments with original maturities of three months or less and do not include those cash equivalents held within marketable securities portfolios.

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Summary of Significant Accounting Policies (continued)

Pledges Receivable

Pledges receivable are promises to give from various donors that are considered unconditional promises to give. Pledges receivable primarily consist of pledges made during annual giving campaign appeals, as well as other designated gifts for special purposes and initiatives.

Pledges receivable are considered past due when the pledge payment period has passed. An allowance is recorded for each campaign year based on management's evaluation of outstanding pledges. This estimation takes into consideration current economic factors applied to the gross campaign, historical trends and past history with specific funding sources. Actual results could vary from the estimate. Once the likelihood of collecting receivables is determined to be remote, management writes off the specific account balance and relieves any related allowance.

Pledges relating to the annual campaign are expected to be collected within 18 months and are recorded at their net realizable value. No discount was recorded for any pledges receivable anticipated to be collected beyond one year after year-end as management estimates that this amount would be insignificant.

Investments – Marketable Securities

Investments in marketable securities consist of money market accounts, corporate bonds, fixed income and equity securities recorded at their fair value as further described herein. Unrealized and realized gains and losses are included in investment income in the accompanying statements of activities and changes in net assets.

Marketable securities are exposed to various risks such as interest rate, market and credit risks. Accordingly, it is at least reasonably possible that changes in the fair value of marketable securities may occur in the near term, which could be material.

Notes Receivable

Notes receivable are considered delinquent if required payments are not made; however, loans are not charged any incremental interest or penalty fees and foreclosure of property asset collateral does not occur. Based on this practice, despite loans made to organizations and individuals closely-related to the Federation, there is a certain level of credit risk that may become significant related to these financing receivables. Management assesses the collectability of notes receivable at year-end. Based on collection activity, historical losses and known financial status of the loan recipients, an allowance may be recorded for each individual note receivable. If notes receivable are determined to be uncollectible based on similar assessment criteria, amounts are written off.

The allowance for doubtful accounts related to these financing receivables was approximately \$160,000 as of June 30, 2016 and 2015. Notes receivable for the unsecured Jewish Agency notes receivable are evaluated individually for impairment. The secured individual notes receivable are evaluated collectively for impairment.

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives ranging from 3 to 40 years. Major acquisitions and improvements are capitalized and depreciated. Maintenance and repairs, which do not improve or extend the useful lives of the respective assets, are recorded to expense as incurred. Assets purchased, but not placed in service, are capitalized and depreciation is not computed until the asset is placed in service. The carrying amounts of assets sold, retired or otherwise disposed, and the related accumulated depreciation, are eliminated from the accounts and any resulting gain or loss is included in the statements of activities.

The carrying value of long-lived assets is reviewed for impairment whenever events or changes in circumstances indicate the amount of the assets may not be recoverable. When an indication of impairment is present, an impairment loss will be recorded based on the difference between the carrying amount of the assets and their estimated fair value.

Donated property and equipment is recorded at the fair value on the date of donation. The Federation recorded the value of the initial real property projects located on Federation-owned land as a capital contribution from supported agencies.

Allocations

Allocations payable to beneficiary agencies are recognized during the period that the Federation obligates itself to disburse such funds. Allocations payable represent allocations approved by the Board and are generally disbursed in the next fiscal year. Any adjustments to allocations payable are recognized in the most current fiscal year.

Contributions

Unconditional contributions are recognized as revenue in the month the commitment or payment is first received. Conditional contributions are not recognized until the conditions are substantially met, the pledge or grant can be considered legally enforceable or the likelihood of the condition not occurring is remote. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted revenue depending on the existence, nature or term of use of any donor restrictions. Unless the annual campaign pledges specify a specific purpose or a future annual campaign, the Federation records the pledge as unrestricted contributions since the payment is due when the pledge is received. When a restriction expires or is fulfilled, temporarily restricted contributions are released from temporarily restricted net assets and recorded to unrestricted net assets on the statements of activities. Contributions with restrictions that are not fulfilled in the same year are recorded as temporarily restricted until either the required use or passage of time restrictions are fulfilled, upon which such contributions are then released from restrictions and recorded as unrestricted net assets.

Contributions in which the donor may designate the funds to third-party agencies are recorded as agency liabilities until the donor determines the amount to stay with the Federation, at which time revenue is recognized for the contribution.

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Summary of Significant Accounting Policies (continued)

Contributions (continued)

Revenues that are identified as exchange transactions or contributions with no restrictions are reported as increases in unrestricted net assets in the year that service is provided or the promise to give is received and/or receipt of funding occurred, respectively.

Contributions of property, equipment, investments or any other types of assets are recorded at fair value at the date of donation.

Fair Value Measurements

GAAP established a fair value hierarchy that prioritizes the inputs to measure the fair value of the assets or liabilities being measured. Fair value is defined as the exchange value that would be received on the measurement date to sell an asset or to value the amount paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. The three levels of the fair value hierarchy are as follows:

Level 1	Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that the Federation has the ability to access at the measurement date. Level 1 inputs provide the most reliable measure of fair value as of the measurement date.
Level 2	Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
Level 3	Inputs are significant unobservable inputs for the asset or liability.

The level of the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Contributed Goods and Services

Donated services are recognized as contributions only if the services create or enhance non-financial assets or require specialized skills, are performed by people with those skills and would otherwise be purchased by the Federation. During the years ended June 30, 2016 and 2015, a substantial number of unpaid volunteers, including members of the Board of Trustees, made significant contributions of time to promote and administer the activities at the Federation. The value of this contributed time is not reflected in the financial statements since the aforementioned criteria were not met.

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Summary of Significant Accounting Policies (continued)

Income Taxes

The Federation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

In accordance with GAAP, management performs an annual assessment for any uncertainty in income tax positions that includes an analysis of whether there are any tax positions the Federation takes with regard to unrelated business income, related deductions applied or other activities that may jeopardize their tax exempt status and thus would meet the definition of an uncertain tax position. No tax liability accrual was recorded relating to material uncertain positions taken as management of the Federation believes there are none.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Cash and Cash Equivalents

Cash and cash equivalents are primarily maintained at financial institutions and, at times, balances may exceed federally insured limits.

Included in cash and cash equivalents were certain money market accounts of approximately \$2,151,477 and \$3,407,806 as of June 30, 2016 and 2015, respectively. Other money market funds are held within investments.

Pledges Receivable

Pledges receivable consisted of the following at June 30:

	2016	2015
Pledges receivable – annual campaign:		
Due in the next year	\$ 5,135,525	\$ 5,849,683
Less allowance for uncollectible pledges	(628,432)	(766,622)
	<u>4,507,093</u>	<u>5,083,061</u>
Pledges receivable – designated gifts:		
Designated for future annual campaigns	<u>2,043,288</u>	<u>4,099,600</u>
Designated for other purposes	1,518,562	2,486,917
Less allowance for uncollectible pledges	(377,020)	(155,425)
	<u>1,141,542</u>	<u>2,331,492</u>
Total	<u>\$ 7,691,923</u>	<u>\$11,514,153</u>
Pledges receivable – pledged use of land	<u>\$ 1,603,510</u>	<u>\$ 1,673,230</u>

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Pledges Receivable (continued)

The Federation recognized the donated use of land from a major donor during the year ended June 30, 2009. The temporarily restricted contribution was measured and recorded at the fair value of the land in accordance with GAAP and was considered level 2 within the fair value hierarchy described herein. The restriction and pledges receivable for the use of the land are reduced ratably over the initial lease period of 30.5 years.

Uncollectible pledges receivable activity for the years ended June 30 was as follows:

	2016	2015
Uncollectible accounts	\$ 467,225	\$ 323,882
Less recoveries	<u>(112,202)</u>	<u>(90,196)</u>
Uncollectible pledges	<u>\$ 355,023</u>	<u>\$ 233,686</u>

Included above are uncollectible accounts related to restricted pledges receivable totaling \$20,595 and \$155,425 as of June 30, 2016 and 2015, respectively.

Investments – Marketable Securities

Investments in marketable securities available for current operational use as of June 30 consisted of the following:

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Money market	\$ 1,575	\$ 1,575	\$ 102,179	\$ 102,179

Investments held at the Columbus Jewish Foundation (the Foundation) as of June 30 consisted of the following:

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 67,535	\$ 67,535	\$ 55,731	\$ 55,731
Fixed income securities	2,411,341	2,385,511	2,152,121	2,121,540
Domestic equities	1,372,365	1,222,306	1,203,801	1,181,510
International equities	<u>653,132</u>	<u>590,083</u>	<u>581,739</u>	<u>567,886</u>
	<u>\$ 4,504,373</u>	<u>\$ 4,265,435</u>	<u>\$ 3,993,392</u>	<u>\$ 3,926,667</u>

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Investments – Marketable Securities (continued)

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) length of time and the extent to which the fair market value has been less than cost, (2) the financial condition and near-term prospects of the issuer and (3) the intent and ability of the Federation to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Based on the Federation's evaluation and the intent and ability to hold these investments for a reasonable period of time, sufficient for a forecasted recovery of fair value, the Federation does not consider these investments to be other-than-temporarily impaired at June 30, 2016 or 2015.

Investment income consisted of the following for the years ended June 30:

	2016	2015
Interest and dividend income	\$ 241,414	\$ 220,576
Net realized and unrealized loss on investments held at the Foundation	(173,827)	(121,804)
Net realized and unrealized loss on marketable securities	<u>(2,427)</u>	<u>(7,963)</u>
Total investment income	<u>\$ 65,160</u>	<u>\$ 90,809</u>

Fair Value Measurements

The following table sets forth a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

	Inputs	Technique
Money market	Level 1	Cost, approximates fair value
Corporate bonds	Level 2	Amortized cost, based on similar securities in active markets
Fixed income securities	Level 1	Quoted active market prices on a pro-rata share of funds held by the Foundation at year-end
Equity securities: international and domestic	Level 1	Quoted active market prices

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Fair Value Measurements (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Federation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy level, the Federation's disaggregated assets at fair value as of June 30, 2016 and 2015.

Assets at fair value as of June 30, 2016:

	Level 1	Level 2	Level 3	Total
Money market	\$ 1,575	\$ -	\$ -	\$ 1,575
Equity securities:				
Mid-cap blend	252,980	-	-	252,980
Large blend	969,326	-	-	969,326
Total equity securities	1,222,306	-	-	1,222,306
International equities	590,083	-	-	590,083
Fixed income:				
Intermediate-term bond	-	928,612	-	928,612
High yield bond	-	167,909	-	167,909
Short government	-	434,870	-	434,870
Emerging markets bond	-	127,698	-	127,698
World bond	-	435,772	-	435,772
Multialternative	-	290,650	-	290,650
Total fixed income	-	2,385,511	-	2,385,511
Cash & cash equivalents	67,535	-	-	67,535
Total investments	\$ 1,881,499	\$ 2,385,511	\$ -	\$ 4,267,010

Assets at fair value as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Money market	\$ 102,179	\$ -	\$ -	\$ 102,179
Equity securities:				
Mid-cap blend	255,532	-	-	255,532
Large blend	925,978	-	-	925,978
Total equity securities	1,181,510	-	-	1,181,510
International equities	567,886	-	-	567,886
Fixed income:				
Intermediate-term bond	-	827,271	-	827,271
High yield bond	-	152,091	-	152,091
Short government	-	384,976	-	384,976
Emerging markets bond	-	108,308	-	108,308
World bond	-	388,966	-	388,966
Multialternative	-	259,928	-	259,928
Total fixed income	-	2,121,540	-	2,121,540
Cash & cash equivalents	55,731	-	-	55,731
Total investments	\$ 1,907,306	\$ 2,121,540	\$ -	\$ 4,028,846

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Certificates of Deposit

The Federation has certificates of deposit with initial maturities greater than three months. These investments are readily convertible to cash, but may be subject to a penalty upon conversion. The certificates bear interest at rates ranging from 1.15% to 1.30% with maturity dates through 2016. Certificates of deposit are valued at amortized cost plus accrued interest.

Notes Receivable

Notes receivable at June 30 consisted of the following:

	2016	2015
Non-interest bearing line of credit due from Jewish Family Services (JFS) for purpose of floating expenses that have been submitted for reimbursement by grant funds from the German government. Quarterly payments by JFS are required to maintain a maximum balance of \$150,000 at quarter-end, though this has been waived as of June 30, 2016 per written request from JFS.	\$ 200,000	\$ -
Non-interest bearing note receivable due from Columbus Torah Academy, monthly payments of \$1,667 commencing July 2007 through June 2011, followed by monthly payments of \$1,250 through June 2013. As of June 30, 2016 and 2015, no payments have been made and the balance has been fully reserved.	95,000	95,000
Non-interest bearing mortgage note receivable due from Temple Beth Shalom, monthly payments of \$1,000 through December 2010, followed by monthly payments of \$333 through December 2025.	34,150	38,150
Various notes receivable (Berwick loans) for real estate with monthly payments ranging from \$27 to \$76, including interest at 3%, through April 2019. These notes are collateralized by a second mortgage on real estate.	44,967	48,193
Other miscellaneous notes receivable	<u>3,000</u>	<u>3,000</u>
	377,117	184,343
Less allowance for doubtful accounts	<u>(160,248)</u>	<u>(160,247)</u>
Notes receivable, net	<u>\$ 216,869</u>	<u>\$ 24,096</u>

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Notes Receivable (continued)

All notes receivable are considered to have current agings with the exception of the miscellaneous notes receivable totaling \$3,000 and the note receivable due from the Columbus Torah Academy. The remaining notes receivable balances had payments applied during the year ended June 30, 2016, with additional financing provided when applicable.

Notes receivable and the related allowance for doubtful accounts by type of financing receivable consisted of the following at June 30, 2016:

	Receivable	Allowance	Total
Jewish agencies (unsecured)	\$ 329,150	\$ (133,150)	\$ 196,000
Individuals (secured)	<u>47,967</u>	<u>(27,098)</u>	<u>20,869</u>
Total notes receivable	<u>\$ 377,117</u>	<u>\$ (160,248)</u>	<u>\$ 216,869</u>

Notes receivable and the related allowance for doubtful accounts by type of financing receivable consisted of the following at June 30, 2015:

	Receivable	Allowance	Total
Jewish agencies (unsecured)	\$ 133,150	\$ (133,150)	\$ -
Individuals (secured)	<u>51,193</u>	<u>(27,097)</u>	<u>24,096</u>
Total notes receivable	<u>\$ 184,343</u>	<u>\$ (160,247)</u>	<u>\$ 24,096</u>

Property and Equipment

Property and equipment consisted of the following at June 30:

	2016	2015
Land	\$ 1,076,929	\$ 1,076,929
Buildings and improvements	12,609,560	12,609,560
Furniture and equipment	85,022	79,933
Jewish Center Bridge	<u>25,000</u>	<u>25,000</u>
Total	13,796,511	13,791,422
Accumulated depreciation	<u>(9,440,513)</u>	<u>(9,152,248)</u>
Net book value	<u>\$ 4,355,998</u>	<u>\$ 4,639,174</u>

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Property and Equipment (continued)

A substantial portion of the Federation's land, buildings and improvements are used by affiliated Jewish agencies. A summary of use as of June 30, 2016 is as follows:

	The Columbus Jewish Federation	Jewish Community Center	Wexner Heritage Village	Total
Land	\$ 303,021	\$ 733,064	\$ 40,844	\$ 1,076,929
Buildings and improvements	502,277	10,638,302	1,468,981	12,609,560
Furniture and equipment	85,022	-	-	85,022
Jewish Center Bridge	-	25,000	-	25,000
Total	890,320	11,396,366	1,509,825	13,796,511
Accumulated depreciation	(433,320)	(7,555,319)	(1,451,874)	(9,440,513)
Net book value	<u>\$ 457,000</u>	<u>\$ 3,841,047</u>	<u>\$ 57,951</u>	<u>\$ 4,355,998</u>

A summary of use as of June 30, 2015 is as follows:

	The Columbus Jewish Federation	Jewish Community Center	Wexner Heritage Village	Total
Land	\$ 303,021	\$ 733,064	\$ 40,844	\$ 1,076,929
Buildings and improvements	502,277	10,638,302	1,468,981	12,609,560
Furniture and equipment	79,933	-	-	79,933
Jewish Center Bridge	-	25,000	-	25,000
Total	885,231	11,396,366	1,509,825	13,791,422
Accumulated depreciation	(404,611)	(7,307,490)	(1,440,147)	(9,152,248)
Net book value	<u>\$ 480,620</u>	<u>\$ 4,088,876</u>	<u>\$ 69,678</u>	<u>\$ 4,639,174</u>

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Allocations Payable

Jewish Federation of North America

For each annual campaign, the Board of Trustees determines an allocation amount and communicates a promise to give to the Jewish Federation of North America (JFNA). The use of these funds is directed by the JFNA for initiatives outside of the United States. The following is a summary of allocations by campaign year as of June 30:

	2016	2015
2013 Campaign	\$ -	\$ 267,665
2014 Campaign	-	276,400
2015 Campaign	213,983	538,900
2016 Campaign	<u>513,900</u>	<u>-</u>
Allocations payable – Jewish Federation of North America	<u>\$ 727,883</u>	<u>\$ 1,082,965</u>

Local Jewish Agencies

Local allocations payable consist of the following as of June 30, 2016 and 2015:

- Routine annual allocations – These allocations are to local Jewish agencies and are determined by the Board of Trustees. Management communicates a promise to give to each agency each campaign year.
- Special funding reserves – These are also determined by the Board of Trustees and are allocated funds for special initiatives including facility repair and maintenance. Management communicates a promise to give to the various agencies each year and may not fully utilize these allocation amounts within any fiscal year.

Other

These allocations consist of other initiatives, for which the promise to give is reported to the JFNA but is payable to other non-local Jewish agencies.

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Agency Liabilities

Liabilities held for third-party agencies as of June 30 are included in the following assets on the statements of financial position:

	2016	2015
Pledges receivable	\$ 1,296,202	\$ 1,274,955
Investments	<u>2,091,861</u>	<u>2,697,361</u>
	<u>\$ 3,388,063</u>	<u>\$ 3,972,316</u>

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30:

	2016	2015
Pledged use of land	\$ 1,603,510	\$ 1,673,230
Other internal initiatives	<u>2,316,080</u>	<u>4,480,440</u>
	<u>\$ 3,919,590</u>	<u>\$ 6,153,670</u>

Temporarily restricted net assets are held in cash and cash equivalents, investments and pledges receivable as of June 30, 2016 and 2015.

JCC Capital Campaign

The Federation administered a fundraising campaign with The Leo Yassenoff Jewish Community Center of Columbus (the Center, also referred to as JCC) that was commissioned by both organizations in 2008. Related to this campaign, the Federation began leasing the land for the building in January 2009 from a major donor. The lease term is for an initial period of 30.5 years, renewable at the Federation's option for 13 terms of five years each, with rent of \$1 per year. The pledged use of the land was recognized at the fair value of the land, which was \$2,126,400 as of January 1, 2009 when the lease began. This temporarily restricted net asset is released ratably over the initial use term of the land.

Also related to this campaign, the JCC entered into a loan agreement for the College Avenue campus renovation during the year ended June 30, 2013, with the Federation and the Foundation listed as co-guarantors. As of June 30, 2016 and 2015, the outstanding principal balance drawn was \$407,000 and \$624,000, respectively, with interest being charged at 1.5% plus LIBOR (approximately 1.97% and 1.69% as of June 30, 2016 and 2015, respectively). The calculated guarantee obligation was considered immaterial as of June 30, 2016 and 2015. The Federation paid a portion of the interest on this loan agreement totaling approximately \$10,000 and \$15,000 for the fiscal years ended June 30, 2016 and 2015, respectively.

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Operating Lease

The Federation leases various office equipment, vehicles and buildings under operating leases through fiscal year 2020, requiring monthly payments between \$250 and \$2,100. Lease expense for 2016 and 2015 was approximately \$49,000 and \$46,000, respectively. Approximate future minimum lease payments are required as follows:

2017	\$ 46,000
2018	37,000
2019	12,000
2020	<u>2,000</u>
Total	<u>\$ 97,000</u>

Certain Transactions with Other Jewish Faith-Based Organizations

The Federation owns property and buildings with a net book value of approximately \$57,952 and \$69,678 as of June 30, 2016 and 2015, respectively, which were used by Wexner Heritage Village (WHV) for its operations. The Federation granted WHV the authority to use this property as collateral against long-term debt of WHV. The Federation also leases land to WHV for \$1 per year under a 99-year lease agreement ending September 30, 2093.

The Federation facilitates health insurance coverage for other Jewish agencies in Central Ohio. Accounts receivable-affiliates of \$5,459 and \$10,970 recorded as of June 30, 2016 and 2015, respectively, includes reimbursement due the Federation for health insurance premiums and other costs incurred on behalf of those affiliates.

Post-Retirement Benefits

Pension Plan

The Federation maintained a non-contributory defined benefit pension plan (the Plan) for its eligible employees. The Plan covered substantially all employees of the Federation and the Foundation meeting certain age and service requirements.

During 2006, the Plan was frozen. Therefore, participants no longer accrued benefits under the Plan; however, it remained in existence until the previously accrued benefits were distributed. The Board elected to terminate the Plan as of June 30, 2011. Estimated losses were recognized as of June 30, 2011 as a result of the curtailment of the Plan. Upon reaffirmation from the Board, the assets of the plan were distributed in August 2015.

As of the date of this report, the appropriateness of the Plan curtailment and liquidation was under audit by the Pension Benefit Guaranty Corporation. Any additional liability as a result of the audit is considered remote, and therefore no contingency liability has been recorded on the financial statements.

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015

Post-Retirement Benefits (continued)

401(k) Plan

The Federation is the sponsor of a defined contribution 401(k) plan that was established in 2007 in response to freezing the defined benefit pension plan. Eligible employees may defer a portion of their compensation on a pre-tax basis up to maximum federal limits. The 401(k) plan provides a non-discretionary safe harbor contribution of 3% of eligible employee wages. Employer contributions expense was approximately \$44,000 and \$41,000 for the years ended June 30, 2016 and 2015, respectively.

Other Post-Retirement Benefit Agreements

The Federation has agreements with a prior employee of the Federation, as well as a former employee of the Center, which provide post-retirement benefits to their spouses. The estimated present value of the retirement benefits as of June 30, 2016 and 2015 was approximately \$17,000 and \$26,000, respectively, and was recorded as accrued post-retirement benefits in the accompanying statements of financial position. Annual payments made under the agreement were approximately \$9,000 for 2016 and 2015. Annual payments are made according to the respective agreements, with one individual's payment increasing by a cost of living adjustment each year. This plan is paid from operating activities cash flow.

Functional Expenses

The following is a summary of expenses by functional classification as of June 30:

	2016	2015
Direct program services	\$ 4,821,232	\$ 4,228,009
Management and general	766,116	859,593
Fundraising and development	<u>1,561,054</u>	<u>1,154,879</u>
	<u>\$ 7,148,402</u>	<u>\$ 6,242,481</u>

Concentrations

One donor accounted for approximately 62% of total annual campaign contributions for the year ended June 30, 2015. One donor accounted for approximately 59% and 74% of pledges receivable – annual campaign as of June 30, 2016 and 2015 respectively.

Two donors accounted for approximately 56% and 34% of the other contributions for the years ended June 30, 2016 and 2015, respectively. Three donors and one donor accounted for approximately 89% and 78% of pledges receivable – designated gifts as of June 30, 2016 and 2015, respectively.

THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2016 and 2015



Subsequent Events – Date of Management Evaluation

Management has evaluated subsequent events through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.