

• Financial Statements

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•  
• **The Jewish  
• Federation of Columbus**

• June 30, 2018 and 2017



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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, 2018 and 2017, 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  
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*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, 2018 and 2017, 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  
October 25, 2018

# THE JEWISH FEDERATION OF COLUMBUS

## Statements of Financial Position June 30, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,413,165	\$ 3,295,226
Pledges receivable, net	3,489,643	3,168,718
Pledges receivable - pledged use of land	1,464,072	1,533,791
Investments - marketable securities	4,811,028	4,612,545
Notes receivable, net	400,000	273,114
Prepaid expenses and other assets	82,032	58,257
Property and equipment, net	3,807,793	4,087,753
<b>TOTAL ASSETS</b>	<b>\$ 17,467,733</b>	<b>\$ 17,029,404</b>
<b>LIABILITIES AND NET ASSETS</b>		
Allocations payable - Jewish Federation of North America	\$ 455,382	\$ 436,955
Allocations payable - local Jewish agencies	2,071,289	1,854,142
Allocations payable - other	768,034	691,982
Accounts payable	76,313	36,167
Accrued payroll and related liabilities	68,081	124,366
Agency liabilities	1,228,163	1,286,414
Total liabilities	4,667,262	4,430,026
<b>Net Assets</b>		
Unrestricted	10,010,828	10,028,522
Temporarily restricted	2,789,643	2,570,856
Total net assets	12,800,471	12,599,378
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 17,467,733</b>	<b>\$ 17,029,404</b>

*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, 2018 and 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenue:</b>						
Contributions:						
Annual campaign	\$ 5,452,527	\$ -	\$ 5,452,527	\$ 3,442,594	\$ -	\$ 3,442,594
Grants	-	96,389	96,389	-	141,963	141,963
Other	-	779,402	779,402	-	1,666,864	1,666,864
Investment income and other income	273,598	-	273,598	422,819	-	422,819
Total revenue	<u>5,726,125</u>	<u>875,791</u>	<u>6,601,916</u>	<u>3,865,413</u>	<u>1,808,827</u>	<u>5,674,240</u>
<b>Expenses:</b>						
Program services:						
Jewish Federation of North America	916,198	-	916,198	904,761	-	904,761
Local Jewish agencies	2,185,538	-	2,185,538	2,084,719	-	2,084,719
Total program services	<u>3,101,736</u>	<u>-</u>	<u>3,101,736</u>	<u>2,989,480</u>	<u>-</u>	<u>2,989,480</u>
Supporting services:						
General and administrative	487,196	-	487,196	462,908	-	462,908
Development	794,264	-	794,264	793,723	-	793,723
Engagement	255,740	-	255,740	354,609	-	354,609
Jewish Community Relations Committee	191,595	-	191,595	339,261	-	339,261
Planning and allocation	482,975	-	482,975	229,688	-	229,688
Total supporting services	<u>2,211,770</u>	<u>-</u>	<u>2,211,770</u>	<u>2,180,189</u>	<u>-</u>	<u>2,180,189</u>
Uncollectible pledges	177,316	14,033	191,349	298,588	121,966	420,554
Depreciation	282,174	-	282,174	279,338	-	279,338
In-kind land use	69,719	-	69,719	69,719	-	69,719
Total expenses	<u>5,842,715</u>	<u>14,033</u>	<u>5,856,748</u>	<u>5,817,314</u>	<u>121,966</u>	<u>5,939,280</u>
<b>Changes in Operating Net Assets Before Releases and Distributions</b>	<b>( 116,590)</b>	<b>861,758</b>	<b>745,168</b>	<b>( 1,951,901)</b>	<b>1,686,861</b>	<b>( 265,040)</b>
<b>Net Assets Released from Restrictions</b>	<b>642,971</b>	<b>( 642,971)</b>	<b>-</b>	<b>2,835,595</b>	<b>( 2,835,595)</b>	<b>-</b>
<b>Donor Directed Distributions</b>	<b>( 544,075)</b>	<b>-</b>	<b>( 544,075)</b>	<b>( 722,949)</b>	<b>-</b>	<b>( 722,949)</b>
<b>Changes in Net Assets</b>	<b>( 17,694)</b>	<b>218,787</b>	<b>201,093</b>	<b>160,745</b>	<b>( 1,148,734)</b>	<b>( 987,989)</b>
<b>Net Assets - Beginning of Year</b>	<b>10,028,522</b>	<b>2,570,856</b>	<b>12,599,378</b>	<b>9,867,777</b>	<b>3,719,590</b>	<b>13,587,367</b>
<b>Net Assets - End of Year</b>	<b>\$ 10,010,828</b>	<b>\$ 2,789,643</b>	<b>\$ 12,800,471</b>	<b>\$ 10,028,522</b>	<b>\$ 2,570,856</b>	<b>\$ 12,599,378</b>

*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, 2018 and 2017

	2018	2017
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 201,093	\$( 987,989)
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by operating activities:		
Uncollectible pledges	133,579	360,827
Depreciation	282,174	279,338
Net amortization of pledged use of land	69,719	69,719
Net realized and unrealized gain on investments in marketable securities	( 67,791)	( 275,554)
(Increase) decrease in assets:		
Annual campaign and designated pledges receivable	( 454,504)	4,162,378
Prepaid expenses and other assets	( 23,775)	20,534
Increase (decrease) in liabilities:		
Allocations payable	311,626	( 581,014)
Accounts payable	40,146	( 114,495)
Accrued payroll and related liabilities	( 56,285)	20,692
Accrued post-retirement benefits	-	( 16,669)
Agency liabilities	( 58,251)	( 2,101,649)
Total adjustments	176,638	1,824,107
Net cash and cash equivalents provided by operating activities	377,731	836,118
<b>Cash Flows from Investing Activities:</b>		
Purchases of marketable securities	( 1,445,034)	( 153,881)
Proceeds from sale of marketable securities	1,314,342	325,249
Payments received on notes receivable	399,371	245,012
Advances made on notes receivable	( 526,257)	( 301,257)
Purchases of property and equipment	( 2,214)	( 11,093)
Net cash and cash equivalents (used in) provided by investing activities	( 259,792)	104,030
Net increase in cash and cash equivalents	117,939	940,148
<b>Cash and Cash Equivalents – Beginning of Year</b>	<b>3,295,226</b>	<b>2,355,078</b>
<b>Cash and Cash Equivalents – End of Year</b>	<b>\$ 3,413,165</b>	<b>\$ 3,295,226</b>

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

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017



### 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, 2018 and 2017.

#### 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. Cash and cash equivalents do not include those cash equivalents held within marketable securities portfolios.



# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017

### 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, 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 consists of notes to Jewish agencies and individuals, as described in a following footnote. 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 \$172,000 and \$151,000 as of June 30, 2018 and 2017, respectively. 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, 2018 and 2017

### 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 pledges as unrestricted contributions since the payment is due when the pledges are 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 net assets 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.

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017



### Summary of Significant Accounting Policies (continued)

#### Contributions (continued)

Contributions in which the donor may designate the funds to third-party agencies are recorded as agency liabilities. The donor may later choose that all or a portion of the funds be contributed to Federation initiatives and programs, at which time revenue is recognized for the contribution.

Revenues that are identified as exchange transactions, contributions with no restrictions, or restricted contributions where the restriction is met in the same fiscal year 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.

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017

### Summary of Significant Accounting Policies (continued)

#### 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, 2018 and 2017, 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.

#### 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.

#### Recent Accounting Pronouncements

The Financial Accounting Standards Board (FASB) recently issued Accounting Standards Update (ASU) 2016-14 to improve the presentation of financial statements of not-for-profit entities. It takes effect in fiscal year 2019 and addresses the following key qualitative and quantitative matters:

- Net assets classes
- Investment returns
- Expenses
- Liquidity and availability of resources
- Presentation of operating cash flows

It is expected, in most cases, that ASU 2016-14 will affect disclosures in the financial statements, and should not have material effect on the accounting underlying the financial statements. Management has not yet determined the effect of the pronouncement on the financial statements, or the footnotes to the financial statements.

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017

### Cash and Cash Equivalents

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

Included in cash and cash equivalents were certain money market accounts of approximately \$1,995,000 and \$3,184,000 as of June 30, 2018 and 2017, respectively. Other money market funds are held within investments.

### Pledges Receivable

Pledges receivable consisted of the following at June 30:

	2018	2017
Pledges receivable - annual campaign:		
Due in the next year	\$ 3,987,595	\$ 3,770,685
Less allowance for uncollectible pledges	( 951,599)	( 880,364)
	<u>3,035,996</u>	<u>2,890,321</u>
Pledges receivable - designated gifts:		
Designated for future annual campaigns	<u>20,970</u>	38,560
Designated for other purposes	750,802	612,823
Less allowance for uncollectible pledges	( 318,125)	( 372,986)
	<u>432,677</u>	<u>239,837</u>
<b>Total</b>	<b>\$ 3,489,643</b>	<b>\$ 3,168,718</b>
Pledges receivable - pledged use of land	<u>\$ 1,464,072</u>	<u>\$ 1,533,791</u>

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:

	2018	2017
Uncollectible pledges	\$ 191,349	\$ 420,554
Less recoveries	( 57,770)	( 59,727)
<b>Uncollectible pledges</b>	<b>\$ 133,579</b>	<b>\$ 360,827</b>

Included above are uncollectible pledges related to restricted pledges receivable totaling \$51,860 and \$121,966 as of June 30, 2018 and 2017, respectively.

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017

### Investments – Marketable Securities

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

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ -	\$ -	\$ 32,445	\$ 32,445
Fixed income securities	2,628,842	2,533,275	2,464,616	2,414,839
Domestic equities	1,243,279	1,344,115	1,419,768	1,428,514
International equities	796,450	933,638	657,778	736,747
	<b>\$ 4,668,571</b>	<b>\$ 4,811,028</b>	<b>\$ 4,574,607</b>	<b>\$ 4,612,545</b>

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, 2018 or 2017.

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

	2018	2017
Interest and dividend income	\$ 205,807	\$ 147,265
Net realized and unrealized gain on investments held at the Foundation	67,791	275,849
Net realized and unrealized loss on marketable securities	-	( 295)
<b>Total investment income</b>	<b>\$ 273,598</b>	<b>\$ 422,819</b>

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements June 30, 2018 and 2017

### 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, 2018 and 2017.

	Inputs	Technique
Equity securities: international and domestic	Level 1	Quoted active market prices
Fixed income securities	Level 2	Quoted active market prices on a pro-rata share of funds held by the Foundation at year-end

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, 2018 and 2017.

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017

### Fair Value Measurements (continued)

Assets at fair value as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
<b>Equity securities:</b>				
Mid-cap blend	\$ 315,427	\$ -	\$ -	\$ 315,427
Large blend	1,028,688	-	-	1,028,688
Total equity securities	1,344,115	-	-	1,344,115
International equities	933,638	-	-	933,638
<b>Fixed income:</b>				
Intermediate-term bond	-	1,044,642	-	1,044,642
High yield bond	-	196,310	-	196,310
Short-term bond	-	457,793	-	457,793
Emerging markets bond	-	170,245	-	170,245
Multisector bond	-	464,253	-	464,253
Multialternative	-	200,032	-	200,032
Total fixed income	-	2,533,275	-	2,533,275
<b>Total investments</b>	<b>\$ 2,277,753</b>	<b>\$ 2,533,275</b>	<b>\$ -</b>	<b>\$ 4,811,028</b>

Assets at fair value as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
<b>Equity securities:</b>				
Mid-cap blend	\$ 297,800	\$ -	\$ -	\$ 297,800
Large blend	1,130,714	-	-	1,130,714
Total equity securities	1,428,514	-	-	1,428,514
International equities	736,747	-	-	736,747
<b>Fixed income:</b>				
Intermediate-term bond	-	928,565	-	928,565
High yield bond	-	189,724	-	189,724
Short government	-	430,414	-	430,414
Emerging markets bond	-	136,362	-	136,362
World bond	-	452,331	-	452,331
Multialternative	-	277,443	-	277,443
Total fixed income	-	2,414,839	-	2,414,839
Cash & cash equivalents	32,445	-	-	32,445
<b>Total investments</b>	<b>\$ 2,197,706</b>	<b>\$ 2,414,839</b>	<b>\$ -</b>	<b>\$ 4,612,545</b>



# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements June 30, 2018 and 2017

### Notes Receivable

Notes receivable at June 30 consisted of the following:

	2018	2017
Non-interest bearing line of credit due from Jewish Family Services (JFS) for the 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, 2018 per written request from JFS. In the event that the German Government funding levels potentially become at risk, JFS must notify the Federation immediately in order to review the line of credit implications.	\$ 400,000	\$ 250,000
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, 2018 and 2017, no payments were received 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. The balance has been fully reserved based on management's uncertainty surrounding the remaining payments.	26,150	30,150

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017

### Notes Receivable (continued)

	2018	2017
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, though IRS liens have been filed against this property. The Federation reserved \$47,486 and \$23,115 of the notes receivable balance as of June 30, 2018 and 2017, respectively.	47,486	46,229
Other miscellaneous notes receivable, fully reserved	3,000	3,000
	<b>571,636</b>	424,379
Less allowance for doubtful accounts	<b>( 171,636)</b>	<b>( 151,265)</b>
<b>Notes receivable, net</b>	<b>\$ 400,000</b>	<b>\$ 273,114</b>

Notes receivable and the related allowance for doubtful accounts by type of financing receivable consisted of the following at June 30, 2018:

	Receivable	Allowance	Total
Jewish agencies (unsecured)	\$ 521,150	\$( 121,150)	\$ 400,000
Individuals (secured)	50,486	( 50,486)	-
<b>Total notes receivable</b>	<b>\$ 571,636</b>	<b>\$( 171,636)</b>	<b>\$ 400,000</b>

Notes receivable and the related allowance for doubtful accounts by type of financing receivable consisted of the following at June 30, 2017:

	Receivable	Allowance	Total
Jewish agencies (unsecured)	\$ 375,150	\$( 128,150)	\$ 247,000
Individuals (secured)	49,229	( 23,115)	26,114
<b>Total notes receivable</b>	<b>\$ 424,379</b>	<b>\$( 151,265)</b>	<b>\$ 273,114</b>

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017

### Property and Equipment

Property and equipment consisted of the following at June 30:

	2018	2017
Land	\$ 1,076,929	\$ 1,076,929
Building and improvements	12,609,560	12,609,560
Furniture and equipment	98,329	96,115
Jewish Center Bridge	25,000	25,000
Total	13,809,818	13,807,604
Accumulated depreciation	( 10,002,025)	( 9,719,851)
<b>Net book value</b>	<b>\$ 3,807,793</b>	<b>\$ 4,087,753</b>

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, 2018 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	98,329	-	-	98,329
Jewish Center Bridge	-	25,000	-	25,000
Total	903,627	11,396,366	1,509,825	13,809,818
Accumulated depreciation	( 482,067)	( 8,050,977)	( 1,468,981)	( 10,002,025)
<b>Net book value</b>	<b>\$ 421,560</b>	<b>\$ 3,345,389</b>	<b>\$ 40,844</b>	<b>\$ 3,807,793</b>

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017

### Property and Equipment (continued)

A summary of use as of June 30, 2017 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	96,115	-	-	96,115
Jewish Center Bridge	-	25,000	-	25,000
Total	901,413	11,396,366	1,509,825	13,807,604
Accumulated depreciation	( 453,442)	( 7,803,148)	( 1,463,261)	( 9,719,851)
<b>Net book value</b>	<b>\$ 447,971</b>	<b>\$ 3,593,218</b>	<b>\$ 46,564</b>	<b>\$ 4,087,753</b>

### 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:

	2018	2017
2017 Campaign	\$ 18,427	\$ 436,955
2018 Campaign	436,955	-
<b>Allocations payable - Jewish Federation of North America</b>	<b>\$ 455,382</b>	<b>\$ 436,955</b>

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017

### Allocations Payable (continued)

#### Local Jewish Agencies

Local allocations payable consist of the following as of June 30, 2018 and 2017:

- 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.

### Agency Liabilities

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

	2018	2017
Pledges receivable	\$ 20,970	\$ 42,960
Investments	1,207,193	1,243,454
	<u>\$ 1,228,163</u>	<u>\$ 1,286,414</u>

### Line of Credit

During fiscal year 2018, the Federation obtained a revolving line of credit with a bank with maximum borrowings of \$1,500,000 which matures in January 2019. Any outstanding borrowings bear interest at the one-month LIBOR plus 1.75%. The line of credit is secured by certain investments maintained by the Federation. There are no outstanding draws as of June 30, 2018.

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017

### Temporarily Restricted Net Assets

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

	2018	2017
Pledged use of land	\$ 1,464,072	\$ 1,533,792
Other internal initiatives	1,325,571	1,037,064
	<u>\$ 2,789,643</u>	<u>\$ 2,570,856</u>

Temporarily restricted net assets are held in cash and cash equivalents, investments and pledges receivable as of June 30, 2018 and 2017.

### 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, 2017, the outstanding principal balance drawn was \$295,000 with interest charged at LIBOR plus 1.5% (approximately 2.73% as of June 30, 2017). The calculated guarantee obligation was considered immaterial as of June 30, 2017. This loan was repaid in full during fiscal year 2018, with all terms and conditions being satisfied and all liens released.

### Certain Transactions with Other Jewish Faith-Based Organizations

The Federation owns property and buildings with a net book value of approximately \$41,000 and \$47,000 as of June 30, 2018 and 2017, respectively, which are 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. In April 2017 and September 2018, WHV completed refinancing with HUD for the debt connected with its Assisted Living and Nursing Home facilities. In the event of default by WHV under new financing terms, HUD would have the right to take over WHV's lease, or purchase the parcel owned by the Federation for a minimal fee. The Federation believes that the risks associated with WHV defaulting are remote and can be mitigated, as the Federation has the opportunity to assume the loan prior to HUD gaining control.

# THE JEWISH FEDERATION OF COLUMBUS

## Notes to Financial Statements

June 30, 2018 and 2017

### Post-Retirement Benefits

#### 401(k) Plan

The Federation is the sponsor of a defined contribution 401(k) 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 \$32,000 and \$34,000 for the years ended June 30, 2018 and 2017, respectively.

#### Other Post-Retirement Benefit Agreements

The Federation had an agreement with a prior employee, which provided post-retirement benefits to his spouse. The last payment relating to this agreement was made in February 2017. This plan was paid from operating activities cash flow.

### Functional Expenses

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

	2018	2017
Direct program services	\$ 4,098,474	\$ 4,541,963
Management and general	769,370	742,246
Fundraising and development	1,532,979	1,378,020
	<u>\$ 6,400,823</u>	<u>\$ 6,662,229</u>

### Concentrations

One donor accounted for approximately 38% of the annual campaign contributions for the year ended June 30, 2018. One donor accounted for approximately 13% and 20% of the other contributions for the years ended June 30, 2018 and 2017.

One donor accounted for approximately 29% and 32% of pledges receivable as of June 30, 2018 and 2017, respectively.

# THE JEWISH FEDERATION OF COLUMBUS

Notes to Financial Statements

June 30, 2018 and 2017



## 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.

The Board of Trustees of the Federation and the Columbus Jewish Foundation (the Foundation), initiated the execution of a plan to establish an integrated organizational and legal structure for the two organizations. The integration resulted in the formation of Jewish Columbus, which will operate exclusively for the benefit of, to perform the functions of, or to carry out the religious, charitable, and educational purposes of both the Federation and the Foundation (the Affiliates). Subsequent to year end, an interim period of operations began, whereby an interim Board will oversee the operations of Jewish Columbus until the completion of the IRS exemption process. It is expected that this process will conclude in the first quarter of 2019, at which time new codes of regulation and governance will go into effect for Jewish Columbus as well as the Affiliates.