

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
YEARS ENDED AUGUST 31, 2007 AND 2006



THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
YEARS ENDED AUGUST 31, 2007 AND 2006

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Geller, Ragans, James, Oppenheimer & Creel

A Partnership Including Professional Associations
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS

*American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Jewish Federation of Greater Orlando, Inc.
Maitland, Florida

We have audited the accompanying statement of financial position of The Jewish Federation of Greater Orlando, Inc. (the "Federation") as of August 31, 2007 and the related statements of activities, changes in net assets, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Federation'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 Federation's 2006 financial statements and, in our report dated May 31, 2007, 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 Jewish Federation of Greater Orlando, Inc. as of August 31, 2007 and the results of its activities and changes in cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Federation's financial statements for the year ended August 31, 2006, from which the summarized information was derived.

Geller, Ragans, James, Oppenheimer & Creel
September 15, 2008

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2007 AND 2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2007	Total 2006
ASSETS					
Cash (Note 2)	\$ 1,354,803	\$ 223,551		\$ 1,578,354	\$ 1,881,513
Investments held by T.O.P. Foundation (Note 9)	5,265,756		\$ 253,979	5,519,735	5,313,594
Accounts receivable, primarily from local agencies	752,850			752,850	124,894
Contributions receivable (Notes 3 and 6)	1,108,687	3,246,119		4,354,806	4,738,098
Other assets	18,177			18,177	10,395
Bond issue costs (net of accumulated amortization of \$45,430 for 2007 and \$33,090 for 2006)	263,035			263,035	275,374
Land, buildings and equipment (Notes 4, 5 and 6)	13,229,361			13,229,361	13,370,843
Total assets	<u>\$ 21,992,669</u>	<u>\$ 3,469,670</u>	<u>\$ 253,979</u>	<u>\$ 25,716,318</u>	<u>\$ 25,714,711</u>
LIABILITIES					
Notes payable (Notes 5 and 6)	183,317			183,317	340,173
Bonds payable (Note 6)	6,155,250			6,155,250	6,395,000
Accounts payable	139,480			139,480	161,667
Accrued expenses	4,136			4,136	17,793
Allocations payable (Note 7)	1,459,955			1,459,955	1,391,382
Total liabilities	<u>7,942,138</u>			<u>7,942,138</u>	<u>8,306,015</u>
NET ASSETS					
Unrestricted	14,050,531			14,050,531	12,827,035
Temporarily restricted:		3,469,670		3,469,670	4,337,089
Facility support and expansion			253,979	253,979	244,572
Permanently restricted			253,979	17,774,180	17,408,696
Total net assets	<u>14,050,531</u>	<u>3,469,670</u>	<u>253,979</u>	<u>\$ 25,716,318</u>	<u>\$ 25,714,711</u>
Total liabilities and net assets	<u>\$ 21,992,669</u>	<u>\$ 3,469,670</u>	<u>\$ 253,979</u>	<u>\$ 25,716,318</u>	<u>\$ 25,714,711</u>

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED AUGUST 31, 2007 AND 2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2007	Total 2006
Revenue and other support:					
Contributions	\$ 2,433,432	\$ 207,229		\$ 2,640,661	\$ 3,243,111
Donations received through T.O.P. (Note 9)	460,395		\$ 5,205	465,600	413,786
Investment income	163,253	17,958		181,211	144,759
Investment income - T.O.P. (Note 9)	576,995	4,281		591,193	433,530
Tuition income	77,264			77,264	56,359
Program fee and sponsorship revenue	815,408			815,408	260,646
Rental income - local agencies	748,703			748,703	699,607
Miscellaneous income	48,522			48,522	27,393
	<u>5,323,972</u>	<u>229,468</u>	<u>15,122</u>	<u>5,568,562</u>	<u>5,279,191</u>
Net assets released from restrictions (Note 8):					
Satisfaction of program restrictions	1,102,602	(1,096,887)	(5,715)	(867,419)	(867,419)
	<u>6,426,574</u>	<u>(867,419)</u>	<u>9,407</u>	<u>5,568,562</u>	<u>5,279,191</u>
Total revenue and other support					
	581,667			581,667	565,200
Expenses:					
Allocations to affiliated organizations:					
United Jewish Appeal and overseas regional agencies	744,585			744,585	834,126
Grants paid through T.O.P. (Note 9)	850,652			850,652	918,345
Program services	865,388			865,388	524,624
Management and general Facility	1,016,724			1,016,724	1,238,448
Fundraising	754,972			754,972	725,274
	<u>389,090</u>			<u>389,090</u>	<u>434,092</u>
Total expenses	5,203,078			5,203,078	5,240,109
Change in net assets	\$ 1,223,496	\$ (867,419)	\$ 9,407	\$ 365,484	\$ 39,082

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
 STATEMENTS OF CHANGES IN NET ASSETS
 YEARS ENDED AUGUST 31, 2007 AND 2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, September 1, 2005	\$ 12,174,639	\$ 4,955,382	\$ 239,593	\$ 17,369,614
Change in net assets	<u>652,396</u>	<u>(618,293)</u>	<u>4,979</u>	<u>39,082</u>
Net assets, September 1, 2006	12,827,035	4,337,089	244,572	17,408,696
Change in net assets	<u>1,223,496</u>	<u>(867,419)</u>	<u>9,407</u>	<u>365,484</u>
Net assets, August 31, 2007	<u>\$ 14,050,531</u>	<u>\$ 3,469,670</u>	<u>\$ 253,979</u>	<u>\$ 17,774,180</u>

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Change in net assets	\$ 365,484	\$ 39,082
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	483,237	477,967
Loss on disposal of property and equipment		4,978
Provision for doubtful accounts	(143,758)	137,452
Income from T.O.P. investments	(591,193)	(433,530)
Payment of grants through T.O.P.	850,652	918,345
Contributions invested in T.O.P.	(465,600)	(413,786)
(Increase) decrease in:		
Accounts receivable, local agencies	(627,956)	(29,175)
Contributions receivable	527,050	(251,897)
Other assets	(7,782)	58,618
Increase (decrease) in:		
Accounts payable	(22,187)	(9,095)
Accrued expenses	(13,657)	1,129
Allocations payable	68,573	13,615
Net cash provided by operating activities	<u>422,863</u>	<u>513,703</u>
Cash flows from investing activities:		
Payments received on notes receivable		1,600,000
Purchase of property and equipment	(329,416)	(111,859)
Net cash (used in) provided by investing activities	<u>(329,416)</u>	<u>1,488,141</u>
Cash flows from financing activities:		
Payments on bonds payable	(239,750)	(730,000)
Payments on notes payable	(156,856)	(1,759,827)
Bond issue costs		(200)
Net cash used in financing activities	<u>(396,606)</u>	<u>(2,490,027)</u>
Net decrease in cash	(303,159)	(488,183)
Cash, beginning of year	<u>1,881,513</u>	<u>2,369,696</u>
Cash, end of year	<u>\$1,578,354</u>	<u>\$1,881,513</u>
Cash paid for interest	<u>\$ 281,409</u>	<u>\$ 257,351</u>

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED AUGUST 31, 2007 AND 2006

	Support Services					Total 2006
	Program Services	Management and General	Facility	Fund- raising	Total	
Salaries	\$ 373,985	\$ 199,236	\$ 170,115	\$ 284,467	\$ 653,818	\$ 855,472
Employee benefits	33,118	16,065	8,334	24,107	48,506	67,268
Payroll taxes	25,926	10,804	12,686	19,309	42,799	58,335
Total salaries and benefits	433,029	226,105	191,135	327,883	745,123	981,075
Programs and events	108,467	8,267		5,964	14,231	104,986
Conferences	785	2,225			2,225	3,010
Advertising and marketing	46,683	27,831		4,198	32,029	43,053
Awards	3,080	1,552		302	1,854	14,331
Occupancy costs	2,043	46,051	347	375	46,773	24,801
Facility administration			127,908		127,908	140,056
Bad debts		155,856			155,856	406,052
Bank fees	1,357	62,660			62,660	74,349
Consulting	17,977	58,150		2,479	60,629	30,206
Food and beverage	18,896	4,083		5,506	9,589	67,337
Insurance		11,178			11,178	47,069
Interest		262,171	2,678		264,849	257,351
Miscellaneous	10,347	37,026	358	332	37,716	64,814
Office machines (purchase, rentals and maintenance) and other maintenance	140	13,833			13,833	13,944
Office supplies	8,866	25,664	1,648	537	27,849	35,499
Postage	785	10,972		3,133	14,105	17,971
Printing	9,198	6,765		8,137	14,902	29,175
Professional fees		17,005			17,005	27,824
Recruiting		8,814			8,814	
Telephone and internet	964	8,696	15,283	3,445	27,424	19,078
Travel	175,516	6,840	514	898	8,252	39,781
Total administrative expense before depreciation and amortization	838,133	1,001,744	339,871	363,189	1,704,804	2,444,471
Depreciation and amortization	27,255	14,980	415,101	25,901	455,982	477,967
	\$ 865,388	\$ 1,016,724	\$ 754,972	\$ 389,090	\$ 2,160,786	\$ 2,922,438

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2007 AND 2006

1. Summary of significant accounting policies and general matters:

Nature of operations:

The Jewish Federation of Greater Orlando, Inc. (the "Federation") is a not-for-profit organization formed to provide social, financial, and human resource services to the Central Florida Jewish community. The Federation's primary mission is to foster and enhance the Jewish Community's relationship with the State of Israel while promoting both the welfare and education of Jews in Central Florida.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments:

Investments held by the Tampa-Orlando-Pinellas Jewish Foundation (T.O.P.) are maintained by T.O.P. in pooled or segregated investment funds. These funds are reported by T.O.P. and recorded by the Federation at their fair market value.

Land, buildings and equipment:

Land, buildings and equipment are stated at cost except for gifted property which is stated at the estimated fair market value at the date of the gift. Depreciation is provided on the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	15 - 40 years
Equipment	5 - 10 years

Amortization:

Amortization of bond issue costs is being provided using the straight-line method over the term of the bonds.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED AUGUST 31, 2007 AND 2006

1. Summary of significant accounting policies and general matters (continued):

Contributions:

Gifts of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or solicited for a restricted purpose.

Net asset classes:

The accompanying financial statements present information regarding the Federation's financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The three classes are differentiated by donor restrictions.

Unrestricted net assets may be designated for specific purposes by the Federation or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets are subject to donor stipulations that expire by the passage of time or can be fulfilled or removed by actions pursuant to the stipulations. Temporarily restricted net assets consist principally of gifts restricted by donors for funding of specific programs.

Permanently restricted net assets are subject to donor stipulations requiring that they be maintained permanently, thereby restricting the use of principal. Usually, donor stipulations allow the income earned to be used currently for a designated purpose. Permanently restricted net assets consist principally of permanent endowment balances.

Income taxes:

The Federation is exempt from payment of federal and state income taxes under Internal Revenue Code Section 501(c)(3).

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED AUGUST 31, 2007 AND 2006

2. Cash:

Cash includes all highly liquid debt instruments purchased with a maturity of three months or less (cash equivalents).

The Federation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Federation has not experienced any losses in such accounts. The Federation believes it is not exposed to any significant credit risk on cash and cash equivalents.

3. Contributions receivable:

At August 31, 2007 and 2006, contributions receivable consisted of the following:

<u>Unrestricted :</u>		
<u>Campaign Year</u>	<u>2007</u>	<u>2006</u>
2007	\$ 949,738	
2006	80,604	\$ 740,839
2005	44,587	61,299
2004	39,966	44,257
2003 and prior	<u>369,263</u>	<u>694,086</u>
	1,484,158	1,540,481
Net present value adjustment	(22,011)	(22,057)
Provision for uncollectible contributions	<u>(353,460)</u>	<u>(395,414)</u>
	<u>\$ 1,108,687</u>	<u>\$ 1,123,010</u>
 <u>Temporarily Restricted:</u>		
Designated Gifts		\$ 77,483
Community Capital Expansion	\$ 4,247,779	4,446,909
Net present value adjustment	(749,582)	(807,500)
Provision for uncollectible contributions	<u>(252,078)</u>	<u>(101,804)</u>
	<u>\$ 3,246,119</u>	<u>\$ 3,615,088</u>

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED AUGUST 31, 2007 AND 2006

3. Contributions receivable (continued):

Substantially all of the Federation's contributions receivable are due from contributors in Central Florida. Approximately fifty-percent (50%) of gross pledges receivable are due from one donor at August 31, 2007 and 2006. Community Capital Expansion contribution receivables are generally due over a five-year period unless otherwise specified by the donor. Unrestricted contributions are due currently.

4. Land, buildings and equipment:

	2007	2006
Land and improvements	\$ 2,094,410	\$ 2,094,410
Building and improvements	15,013,246	14,919,636
Construction in process	635,285	399,479
Equipment	623,457	623,457
	18,336,398	18,036,982
Less accumulated depreciation	5,137,037	4,666,139
	\$ 13,229,361	\$ 13,370,843

5. Notes payable:

The Federation has an available line of credit of \$2,000,000. The line of credit is collateralized by real estate and is due in monthly payments of interest only at prime. The outstanding balance at August 31, 2007 and 2006 was \$133,317 and \$40,173, respectively. The line of credit matures June 2009.

The Federation has an outstanding note payable to The Hebrew Day School of Central Florida that matures on March 31, 2008. The balance at August 31, 2007 and 2006 was \$50,000 and \$300,000, respectively. The note bears no interest and principal is due in quarterly installments of \$50,000 each.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEARS ENDED AUGUST 31, 2007 AND 2006

6. Bonds payable:

The Federation has entered into agreements with the Orange County Industrial Development Authority and banks for the issuance of tax-exempt and taxable bonds. The bonds, collateralized by letters of credit issued by the banks, Capital Expansion pledges, land, building and equipment and leases, call for annual sinking fund deposits and redemptions maturing in 2028. Interest on the bonds is payable monthly and is established at market value by the bond's remarketing agent. At August 31, 2007 interest was set at 4.00% and 5.60% for tax-exempt and taxable bonds, respectively. The agreements set the bond's maximum interest rate at the lower of 12% or the maximum amount allowed by law. Terms of the agreement require the Federation to meet certain financial standards and limit investments and the creation of additional liabilities, as defined in the agreement. Bonds payable at August 31, 2007 included \$4,855,250 of tax-exempt bonds and \$1,300,000 of taxable bonds. Balances at August 31, 2006 were \$4,995,000 for tax-exempt bonds and \$1,400,000 for taxable bonds.

Principal payments on long-term debt, including bonds and notes payable, of the Federation over the next five fiscal years are as follows:

<u>Year ending August 31,</u>	<u>Amount</u>
2008	\$ 428,317
2009	255,000
2010	265,000
2011	280,000
2012	290,000

Total interest expense was \$264,849 and \$257,351 in 2007 and 2006, respectively.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED AUGUST 31, 2007 AND 2006

7. Allocations payable:

Unrestricted fund allocations are payable to the United Jewish Appeal and to various local, regional, national and international agencies as follows:

	<u>2007</u>	<u>2006</u>
Allocations:		
United Jewish Appeal and overseas partnership	\$ 689,550	\$ 640,200
Local agencies:		
Central Florida Hillel	35,000	22,438
Jewish Community Center	205,000	93,169
Jewish Family Services	174,355	120,225
Jewish Pavilion	48,300	37,500
Holocaust Center	74,000	77,400
Kinneret	56,150	5,000
Hebrew Day School	156,500	120,768
Regional and national agencies	<u>21,100</u>	
Total local agencies	<u>770,405</u>	<u>476,500</u>
Total allocations	<u>1,459,955</u>	<u>1,116,700</u>
Grants:		
Central Florida Hillel		10,522
Jewish Community Center		100,004
Jewish Family Services		56,252
Kinneret		39,000
Hebrew Day School		44,500
Regional and national agencies		23,404
Other		<u>1,000</u>
Total grants		<u>274,682</u>
	<u>\$ 1,459,955</u>	<u>\$ 1,391,382</u>

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEARS ENDED AUGUST 31, 2007 AND 2006

8. Assets released from donor restrictions:

Net assets during the years ended August 31, 2007 and 2006 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restrictions accomplished:

	2007	2006
Community Capital Expansion	\$ 1,096,887	\$ 1,510,631
T.O.P.	5,715	6,754
	\$ 1,102,602	\$ 1,517,385

9. Investments held by T.O.P.:

T.O.P. was established by the Jewish Federations of Tampa, Orlando and Pinellas to enhance fundraising for the Federations. T.O.P. receives gifts, bequests and contributions for the purpose of distributing and investing the principal and/or income for charitable, educational and religious purposes. The Presidents of each of the Federations appoint an equal number of members to the Board of T.O.P., and T.O.P. appoints board members from each of the three communities to serve on each community's grant and distribution committee. In addition, the Federations share in certain income and expenses of T.O.P.

The Federation accounts for its interest in the net assets of T.O.P. in accordance with Financial Accounting Standards Board Statement No. 136, "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others" (FAS 136).

The Federation's interest in assets held by T.O.P. include:

1. Endowment funds from which the Federation receives annual distributions as specified by the donor.
2. Donations that specify the Federation as the ultimate beneficiary.
3. Donations that give the Federation variance power over the disbursement of funds.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEARS ENDED AUGUST 31, 2007 AND 2006

9. Investments held by T.O.P. (continued):

T.O.P. invests funds it holds for the benefit of others in marketable securities and other instruments on a pooled or segregated basis, as appropriate to the fund.

The following summarizes the composition of investments held by T.O.P. at August 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Marketable securities	\$ 5,008,792	\$ 4,872,400
Land held for resale	25,000	25,000
Notes and mortgage receivable	788	788
State of Israel bonds	380,410	317,576
Other	<u>104,745</u>	<u>97,830</u>
	<u>\$ 5,519,735</u>	<u>\$ 5,313,594</u>

The following approximates the breakdown of marketable securities at August 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Corporate stocks	34%	36%
Corporate bonds	14	14
Mutual funds	<u>52</u>	<u>50</u>
	<u>100%</u>	<u>100%</u>

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED AUGUST 31, 2007 AND 2006

9. Investments held by T.O.P. (continued):

The following summarizes the activity of Federation assets held by T.O.P.:

	2007	2006
Gifts of cash	\$ 397,772	\$ 355,439
In-kind contributions	67,828	58,347
	465,600	413,786
Interest and dividends, net of management fees	85,486	28,900
Realized and unrealized gains	505,707	404,630
	591,193	433,530
Total increases	1,056,793	847,316
Grants paid	850,652	918,345
Net change	\$ 206,141	\$ (71,029)

10. Reclassification:

Certain amounts in the 2006 financial statements have been reclassified in 2007 for comparative purposes.