

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORT  
YEARS ENDED AUGUST 31, 2008 AND 2007

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
YEARS ENDED AUGUST 31, 2008 AND 2007

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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, 2008 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 2007 financial statements and, in our report dated September 15, 2008, 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, 2008 and the results of its activities and 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, 2007, from which the summarized information was derived.

*Geller, Ragans, James, Oppenheimer & Creel*

April 21, 2009

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THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
STATEMENTS OF FINANCIAL POSITION  
AUGUST 31, 2008 AND 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2008	Total 2007
<b>ASSETS</b>					
Cash (Note 2)	\$ 1,791,666	\$ 220,655		\$ 2,012,321	\$ 1,578,354
Investments held by T.O.P. Foundation (Note 9)	5,899,361		\$ 241,036	6,140,397	5,519,735
Accounts receivable, primarily from local agencies	216,435			216,435	752,850
Contributions receivable (Notes 3 and 6)	1,234,861	3,215,469		4,450,330	4,354,806
Other assets	18,490			18,490	18,177
Bond issue costs (net of accumulated amortization of \$58,357 for 2008 and and \$45,430 for 2007)	251,116			251,116	263,035
Land, buildings and equipment (Notes 4, 5 and 6)	13,104,595			13,104,595	13,229,361
Total assets	<u>\$ 22,516,524</u>	<u>\$ 3,436,124</u>	<u>\$ 241,036</u>	<u>\$ 26,193,684</u>	<u>\$ 25,716,318</u>
<b>LIABILITIES</b>					
Notes payable (Notes 5 and 6)	133,317			133,317	183,317
Bonds payable (Note 6)	5,915,000			5,915,000	6,155,250
Accounts payable	227,012			227,012	139,480
Accrued expenses	10,293			10,293	4,136
Allocations payable (Note 7)	1,179,445			1,179,445	1,459,955
Total liabilities	<u>7,465,067</u>			<u>7,465,067</u>	<u>7,942,138</u>
<b>NET ASSETS</b>					
Unrestricted	15,051,457			15,051,457	14,050,531
Temporarily restricted:		3,436,124		3,436,124	3,469,670
Facility support and expansion			241,036	241,036	253,979
Permanently restricted					
Total net assets	<u>15,051,457</u>	<u>3,436,124</u>	<u>241,036</u>	<u>18,728,617</u>	<u>17,774,180</u>
Total liabilities and net assets	<u>\$ 22,516,524</u>	<u>\$ 3,436,124</u>	<u>\$ 241,036</u>	<u>\$ 26,193,684</u>	<u>\$ 25,716,318</u>

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED AUGUST 31, 2008 AND 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2008	Total 2007
Revenue and other support:					
Contributions	\$ 2,774,432	\$ 93,974		\$ 2,868,406	\$ 2,640,661
Donations received through T.O.P. (Note 9)	2,269,532		\$ 5,795	2,275,327	465,600
Investment income	124,454			124,454	181,211
Investment income (loss) - T.O.P. (Note 9)	(471,320)	(9,703)	(4,803)	(485,826)	591,193
Tuition income	68,587			68,587	77,264
Program fee and sponsorship revenue	347,690			347,690	815,408
Rental income - local agencies	751,622			751,622	748,703
Miscellaneous income	5,839			5,839	48,522
	<u>5,870,836</u>	<u>84,271</u>	<u>992</u>	<u>5,956,099</u>	<u>5,568,562</u>
Net assets released from restrictions (Note 8):					
Satisfaction of program restrictions	131,752	(117,817)	(13,935)		
	<u>6,002,588</u>	<u>(33,546)</u>	<u>(12,943)</u>	<u>5,956,099</u>	<u>5,568,562</u>
Total revenue and other support					
	<u>425,480</u>			425,480	581,667
Expenses:					
Allocations to affiliated organizations:					
United Jewish Appeal and overseas					
Local community services and regional agencies	707,416			707,416	744,585
Grants paid through T.O.P. (Note 9)	1,168,840			1,168,840	850,652
Program services	767,672			767,672	865,388
Management and general	857,038			857,038	1,016,724
Facility	762,371			762,371	754,972
Fundraising	312,845			312,845	389,090
	<u>5,001,662</u>			<u>5,001,662</u>	<u>5,203,078</u>
Total expenses					
	<u>\$ 1,000,926</u>	<u>\$ (33,546)</u>	<u>\$ (12,943)</u>	<u>\$ 954,437</u>	<u>\$ 365,484</u>
Change in net assets					

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
 STATEMENTS OF CHANGES IN NET ASSETS  
 YEARS ENDED AUGUST 31, 2008 AND 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, September 1, 2006	\$ 12,827,035	\$ 4,337,089	\$ 244,572	\$ 17,408,696
Change in net assets	1,223,496	(867,419)	9,407	365,484
Net assets, September 1, 2007	14,050,531	3,469,670	253,979	17,774,180
Change in net assets	1,000,926	(33,546)	(12,943)	954,437
Net assets, August 31, 2008	\$ 15,051,457	\$ 3,436,124	\$ 241,036	\$ 18,728,617

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED AUGUST 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ 954,437	\$ 365,484
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	478,733	483,237
Provision for doubtful accounts	(20,942)	(143,758)
Income from T.O.P. investments	485,826	(591,193)
Payment of grants through T.O.P.	1,168,840	850,652
Contributions invested in T.O.P.	(2,275,327)	(465,600)
(Increase) decrease in:		
Accounts receivable, local agencies	536,415	(627,956)
Contributions receivable	(74,582)	527,050
Other assets	(313)	(7,782)
Increase (decrease) in:		
Accounts payable	87,532	(22,187)
Accrued expenses	6,157	(13,657)
Allocations payable	(280,510)	68,573
Net cash provided by operating activities	<u>1,066,266</u>	<u>422,863</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(341,040)</u>	<u>(329,416)</u>
Net cash used in investing activities	<u>(341,040)</u>	<u>(329,416)</u>
Cash flows from financing activities:		
Payments on bonds payable	(240,250)	(239,750)
Payments on notes payable	(50,000)	(156,856)
Bond issue costs	(1,009)	
Net cash used in financing activities	<u>(291,259)</u>	<u>(396,606)</u>
Net increase (decrease) in cash	433,967	(303,159)
Cash, beginning of year	<u>1,578,354</u>	<u>1,881,513</u>
Cash, end of year	<u>\$2,012,321</u>	<u>\$1,578,354</u>
Cash paid for interest	<u>\$ 237,511</u>	<u>\$ 281,409</u>

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED AUGUST 31, 2008 AND 2007

	Support Services					Total 2007
	Program Services	Management and General	Facility	Fund- raising	Total	
Salaries	\$ 375,772	\$ 124,259	\$ 108,739	\$ 185,060	\$ 418,058	\$ 1,027,803
Employee benefits	34,031	22,435	8,775	16,074	47,284	81,624
Payroll taxes	27,099	6,229	9,198	13,369	28,796	68,725
Total salaries and benefits	436,902	152,923	126,712	214,503	494,138	1,178,152
Programs and events	83,167	549		37,532	38,081	121,248
Conferences	679	173	1,051		1,224	1,903
Advertising and marketing	13,631	13,759		3,945	17,704	31,335
Awards	1,345	858		3,166	4,024	4,934
Occupancy costs	37,080	1,879	1,971		3,850	48,816
Facility administration		6,210	125,962		132,172	127,908
Bad debts		96,744			96,744	155,856
Bank fees	312	129,513		96	129,609	64,017
Consulting	15,706	136,414			136,414	78,606
Food and beverage	6,190	1,316		2,784	4,100	28,485
Insurance		41,198			41,198	11,178
Interest		168,852	65,318		234,170	264,849
Miscellaneous	11,456	16,998	6,529	441	23,968	48,063
Office machines (purchase, rentals and maintenance) and other maintenance	2,375	344			344	13,973
Office supplies	9,815	4,712	3,917	1,882	10,511	36,715
Postage		25,194		952	26,146	14,890
Printing	6,392	2,301		9,399	11,700	24,100
Professional fees		24,878			24,878	17,005
Recruiting		636		825	1,461	8,814
Telephone and internet	3,619	11,835	18,634	10,233	40,702	28,388
Travel	112,002	4,911	221	2,252	7,384	183,768
Total administrative expense before depreciation and amortization	740,671	842,197	351,140	287,185	1,480,522	2,542,937
Depreciation and amortization	27,001	14,841	411,231	25,660	451,732	483,237
	\$ 767,672	\$ 857,038	\$ 762,371	\$ 312,845	\$ 1,932,254	\$ 3,026,174

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2008 AND 2007

1. Summary of significant accounting policies and general matters:

Nature of operations:

The Jewish Federation of Greater Orlando, Inc. 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, 2008 AND 2007

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 projects.

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, 2008 AND 2007

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, 2008 and 2007, contributions receivable consisted of the following:

Unrestricted :

<u>Campaign Year</u>	<u>2008</u>	<u>2007</u>
2008	\$ 892,070	
2007	301,519	\$ 949,738
2006	40,914	80,604
2005	23,319	44,587
2004 and prior	<u>323,321</u>	<u>409,229</u>
	1,581,143	1,484,158
Net present value adjustment	(13,764)	(22,011)
Provision for uncollectible contributions	<u>(332,518)</u>	<u>(353,460)</u>
	<u>\$ 1,234,861</u>	<u>\$ 1,108,687</u>

Temporarily Restricted:

Community Capital Expansion (Note 10)	\$ 4,209,130	\$ 4,247,779
Net present value adjustment	(652,213)	(749,582)
Provision for uncollectible contributions	<u>(341,448)</u>	<u>(252,078)</u>
	<u>\$ 3,215,469</u>	<u>\$ 3,246,119</u>

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED AUGUST 31, 2008 AND 2007

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, 2008 and 2007. 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:

	2008	2007
Land and improvements	\$ 2,094,410	\$ 2,094,410
Building and improvements	15,127,289	15,013,246
Construction in process	857,408	635,285
Equipment	628,330	623,457
	18,707,437	18,366,398
Less accumulated depreciation	5,602,842	5,137,037
	\$ 13,104,595	\$ 13,229,361

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, 2008 and 2007 was \$133,317. The line of credit matures June 2009.

The Federation had an outstanding note payable to The Hebrew Day School of Central Florida that matured during the year ending August 31, 2008. The balance at August 31, 2007 was \$50,000. The note was non-interest bearing and principal was due in quarterly installments of \$50,000 each.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEARS ENDED AUGUST 31, 2008 AND 2007

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, 2008 interest was set at 1.90% and 2.55% 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, 2008 included \$4,715,000 of tax-exempt bonds and \$1,200,000 of taxable bonds. Balances at August 31, 2007 were \$4,855,250 for tax-exempt bonds and \$1,300,000 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>
2009	\$ 388,317
2010	265,000
2011	280,000
2012	290,000
2013	305,000

Total interest expense was \$234,170 and \$264,849 in 2008 and 2007, respectively. In addition to this amount, during the year ending August 31, 2008, \$13,633 of interest was capitalized to construction in progress.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED AUGUST 31, 2008 AND 2007

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>2008</u>	<u>2007</u>
Allocations:		
United Jewish Appeal	\$ 477,710	\$ 689,550
Local agencies:		
Central Florida Hillel	31,241	35,000
Jewish Community Center	172,426	205,000
Jewish Family Services	164,385	174,355
Jewish Pavilion	38,650	48,300
Holocaust Center	69,087	74,000
Kinneret	46,224	56,150
Hebrew Day School	147,518	156,500
Regional and national agencies	<u>32,204</u>	<u>21,100</u>
Total local agencies	<u>701,735</u>	<u>770,405</u>
	<u>\$ 1,179,445</u>	<u>\$ 1,459,955</u>

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED AUGUST 31, 2008 AND 2007

8. Assets released from donor restrictions:

Net assets during the years ended August 31, 2008 and 2007 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restrictions accomplished:

	2008	2007
Community Capital Expansion	\$ 117,817	\$ 1,096,887
T.O.P.	13,935	5,715
	\$ 131,752	\$ 1,102,602

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, 2008 AND 2007

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, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Marketable securities	\$ 5,739,603	\$ 5,008,792
Land held for resale	25,000	25,000
Notes and mortgage receivable	523	788
State of Israel bonds	264,123	380,410
Other	<u>111,148</u>	<u>104,745</u>
	<u>\$ 6,140,397</u>	<u>\$ 5,519,735</u>

The following approximates the breakdown of marketable securities at August 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Corporate stocks	31%	34%
Corporate bonds	14%	14%
Mutual funds	<u>55%</u>	<u>52%</u>
	<u>100%</u>	<u>100%</u>

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED AUGUST 31, 2008 AND 2007

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

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

	<u>2008</u>	<u>2007</u>
Gifts of cash	\$ 2,208,443	\$ 397,772
In-kind contributions	<u>66,884</u>	<u>67,828</u>
	<u>2,275,327</u>	<u>465,600</u>
Interest and dividends, net of management fees	65,729	85,486
Realized and unrealized gains	<u>(551,555)</u>	<u>505,707</u>
	<u>(485,826)</u>	<u>591,193</u>
Total increases	1,789,501	1,056,793
Grants paid	<u>1,168,840</u>	<u>850,652</u>
Net change	<u>\$ 620,661</u>	<u>\$ 206,141</u>

10. Subsequent event:

In November 2008 the Federation entered into a contract for the construction of a community facility. The contract is a cost plus fee contract. The construction fee is \$75,028 per the contract.