



The Jewish Federation of Greater Orlando, Inc.

Financial Statements
Years Ended August 31, 2015 and 2014

The Jewish Federation of Greater Orlando, Inc.

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The Jewish Federation of Greater Orlando, Inc.

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Independent Auditor's Report

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

We have audited the accompanying financial statements of The Jewish Federation of Greater Orlando, Inc., which comprise the statement of financial position as of August 31, 2015, and the related statements of activities, cash flows and functional expenses for the year 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 control 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 audit. 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 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 control 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.

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, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The 2014 financial statements of The Jewish Federation of Greater Orlando, Inc. were audited by Cross, Fernandez & Riley, LLP. ("CFR") whose partners and professional staff joined BDO USA, LLP as of August 1, 2015, and has subsequently ceased operations. CFR's report dated December 12, 2014, expressed an unmodified opinion on those statements.

BDO USA, LLP
BDO USA, LLP
March 16, 2016

Financial Statements

The Jewish Federation of Greater Orlando, Inc.

Statements of Financial Position

<i>August 31,</i>	2015	2014
Assets:		
Cash and cash equivalents	\$ 396,234	\$ 354,733
Accounts receivable, primarily from local agencies	111,372	250,958
Contributions receivable, net (Note 4)	731,162	697,230
Other assets	7,582	6,675
Assets held by T.O.P. Foundation (Note 5)	950,591	924,394
Interest in net assets of T.O.P. Foundation (Note 5)	902,232	958,023
Loan costs, net of accumulated amortization of \$14,901 and \$7,451 (Note 8)	59,605	67,055
Property and equipment, net (Notes 6, 8 and 11)	9,040,837	14,442,981
	\$12,199,615	\$ 17,702,049
Liabilities:		
Accounts payable and accrued expenses	\$ 52,021	\$ 44,281
Grants and allocations payable to affiliates (Note 9)	122,174	172,831
Long-term payable (Note 7)	-	323,053
Long-term debt (Note 8)	4,759,431	5,498,469
Total Liabilities	4,933,626	6,038,634
Net Assets:		
Unrestricted	2,671,533	2,373,012
Unrestricted - designated for property and equipment	4,341,011	9,011,567
Unrestricted - board designated (Note 5)	156,495	167,113
Temporarily restricted (Note 10)	96,950	111,723
Total Net Assets	7,265,989	11,663,415
	\$12,199,615	\$ 17,702,049

See accompanying notes to financial statements.

The Jewish Federation of Greater Orlando, Inc.

Statements of Activities

<i>Years ended August 31,</i>	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and Support:						
Contributions	\$ 803,727	\$ -	\$ 803,727	\$ 761,174	\$ -	\$ 761,174
Contribution - forgiveness of debt (Note 7)	323,053	-	323,053	-	-	-
Tuition income	-	-	-	10,460	-	10,460
Program fees and sponsorships	76,970	31,648	108,618	154,250	73,223	227,473
Rental income - local agencies (Note 2)	907,019	-	907,019	903,511	-	903,511
Investment income (Note 3)	115,135	-	115,135	200,792	-	200,792
Miscellaneous income	3,419	-	3,419	34,699	-	34,699
Net assets released from restrictions (Note 10)	46,421	(46,421)	-	10,000	(10,000)	-
Total Revenues and Support	2,275,744	(14,773)	2,260,971	2,074,886	63,223	2,138,109
Expenses:						
Grants and allocations to affiliated organizations	245,950	-	245,950	91,002	-	91,002
Functional Expenses:						
Program services	234,496	-	234,496	170,693	-	170,693
Facility	1,090,191	-	1,090,191	1,210,593	-	1,210,593
Management and general	333,018	-	333,018	329,171	-	329,171
Fundraising	239,410	-	239,410	404,704	-	404,704
Total Expenses	2,143,065	-	2,143,065	2,206,163	-	2,206,163
Change in Interest in Net Assets of T.O.P. Foundation (Note 5)	(18,701)	-	(18,701)	312,258	-	312,258
Grant to Harris Rosen Foundation (Note 11)	(4,496,631)	-	(4,496,631)	-	-	-
Change in Net Assets	(4,382,653)	(14,773)	(4,397,426)	180,981	63,223	244,204
Net Assets, beginning of year	11,551,692	111,723	11,663,415	11,370,711	48,500	11,419,211
Net Assets, end of year	\$ 7,169,039	\$ 96,950	\$ 7,265,989	\$ 11,551,692	\$ 111,723	\$ 11,663,415

See accompanying notes to financial statements.

The Jewish Federation of Greater Orlando, Inc.

Statements of Cash Flows

Years ended August 31,	2015	2014
Cash Flows From Operating Activities:		
Change in net assets	\$ (4,397,426)	\$ 244,204
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	499,382	638,411
Amortization of loan costs	7,450	7,451
Amortization of pledge discount	(10,782)	(7,220)
Provision for doubtful accounts	12,157	14,222
Contribution - forgiveness of debt	(323,053)	-
Grant to Harris Rosen Foundation	4,496,631	-
Grant to affiliated organization - noncash	135,000	-
Investment income from assets held by T.O.P. Foundation	(111,789)	(197,686)
Decrease (Increase) in interest in net assets held by T.O.P. Foundation	18,701	(312,258)
Net distributions from assets held by T.O.P. Foundation	85,592	72,574
Cash provided by (used for):		
Accounts receivable, primarily from local agencies	4,586	(21,459)
Contributions receivable	(35,307)	(46,613)
Other assets	(907)	-
Distributions from interest in net assets of T.O.P. Foundation	37,090	27,535
Accounts payable and accrued expenses	7,740	(57,588)
Grants and allocations payable to affiliates	(50,657)	(49,980)
Net cash provided by operating activities	374,408	311,593
Cash Flows From Investing Activities:		
Proceeds from sale of property and equipment	500,000	-
Purchase of property and equipment	(93,869)	(44,119)
Net cash provided by (used for) investing activities	406,131	(44,119)
Cash Flows From Financing Activities:		
Payments on long-term debt	(739,038)	(219,784)
Net Increase in Cash and Cash Equivalents	41,501	47,690
Cash and Cash Equivalents, beginning of year	354,733	307,043
Cash and Cash Equivalents, end of year	\$ 396,234	\$ 354,733
Supplemental Cash Flow Information:		
Cash paid for interest	\$ 149,844	\$ 170,323

See accompanying notes to financial statements.

The Jewish Federation of Greater Orlando, Inc.

Statements of Functional Expenses

<i>Years ended August 31,</i>	2015					2014					
	Program Services	Facility	Supporting Services			Total	Program Services	Facility	Supporting Services		Total
			Management and General	Fundraising	Management and General				Fundraising		
Salaries	\$ 129,616	\$ 37,263	\$ 59,696	\$ 90,017	\$ 316,592	\$ 94,352	\$ 36,729	\$ 28,628	\$ 207,581	\$ 367,290	
Employee benefits	9,093	2,868	4,233	7,088	23,282	9,435	4,337	2,215	27,382	43,369	
Payroll taxes	11,496	3,432	5,249	7,316	27,493	8,212	3,108	2,425	17,332	31,077	
Total Salaries And Benefits	150,205	43,563	69,178	104,421	367,367	111,999	44,174	33,268	252,295	441,736	
Professional fees	34,642	126,767	100,623	41,955	303,987	26,817	117,745	141,013	2,930	288,505	
Programs and events	33,493	-	5,888	60,087	99,468	13,079	-	1,426	95,766	110,271	
Conferences	6,831	-	4,824	-	11,655	-	-	3,050	-	3,050	
Advertising and marketing	-	-	665	2,885	3,550	302	-	-	5,260	5,562	
Awards	20	-	4,355	496	4,871	-	-	327	774	1,101	
Occupancy costs	845	629	11,717	1,320	14,511	825	-	11,902	1,320	14,047	
Facility administration	-	272,021	651	-	272,672	-	251,491	-	-	251,491	
Bad debts	-	-	-	12,157	12,157	-	-	-	14,222	14,222	
Bank and T.O.P. management fees	3,202	-	92,527	3,202	98,931	3,219	-	82,654	3,219	89,092	
Insurance	-	-	10,860	-	10,860	-	-	8,234	-	8,234	
Interest	-	156,699	4,018	-	160,717	-	166,065	4,258	-	170,323	
Miscellaneous	500	-	1,501	150	2,151	11,654	-	1,825	-	13,479	
Office machines (purchase, rentals and maintenance) and other maintenance	-	3,068	1,354	-	4,422	-	8,218	6,800	-	15,018	
Office supplies	-	-	3,420	126	3,546	118	-	3,970	2,797	6,885	
Postage	-	-	1,459	388	1,847	149	-	3,521	10,243	13,913	
Printing	1,136	-	1,931	10,683	13,750	910	-	5,463	15,651	22,024	
Recruiting	3,622	-	645	1,540	5,807	1,621	-	607	227	2,455	
Telephone and internet	-	547	4,917	-	5,464	-	449	4,893	-	5,342	
Total Expenses Before Depreciation	234,496	603,294	320,533	239,410	1,397,733	170,693	588,142	313,211	404,704	1,476,750	
Depreciation	-	486,897	12,485	-	499,382	-	622,451	15,960	-	638,411	
	\$ 234,496	\$ 1,090,191	\$ 333,018	\$ 239,410	\$ 1,897,115	\$ 170,693	\$ 1,210,593	\$ 329,171	\$ 404,704	\$ 2,115,161	

See accompanying notes to financial statements.

The Jewish Federation of Greater Orlando, Inc.

Notes to Financial Statements

1. Nature of Activities

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.

2. Summary of Significant Accounting Policies

Liquidity

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and liabilities according to their nearness of their maturity and resulting use of cash.

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.

Cash Equivalents

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

Financial Instruments

The Federation reports its financial assets and liabilities using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 - Valuation based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Valuation based on observable quoted prices for similar assets and liabilities in active markets.

Level 3 - Valuation based on inputs that are unobservable and are supported by little or no market activity, therefore requiring management’s best estimate of what market participants would use as fair value.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Jewish Federation of Greater Orlando, Inc.

Notes to Financial Statements

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximates their fair values due to the short-term nature of these instruments. These financial instruments include cash and cash equivalents, accounts receivable, contributions receivable due in one year or less, accounts payable and accrued expenses and grants and allocations payable to affiliates. The fair value of long-term debt is estimated based on the current rates that would be available for debt of similar terms which is not significantly different from its stated value. The Federation has no Level 1 or Level 3 financial assets or liabilities.

The Federation's Level 2 financial assets include contributions receivable due in more than one year, as shown in Note 4, which are recorded at their net present value using U.S. Treasury rates in effect at the date the contribution was made. Also included are assets held by T.O.P. Foundation and an interest in net assets of T.O.P. Foundation as shown in Note 5. These assets consist of pooled investments in money market, bonds and equity securities maintained and invested by T.O.P. Foundation.

Accounts Receivable

Accounts receivable primarily represent amounts due from local agencies for rental income and is recognized and billed on a monthly basis based on tenant occupancy. The Federation periodically evaluates collections based on historical experience and management determined that all amounts were collectible so no allowance was recorded.

Property and Equipment

Property and equipment are stated at cost except for donated property which is stated at the estimated fair value at the date of the gift. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

Impairment of Long-Lived Assets

The Federation reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the assets.

Loan Costs

Loan costs are amortized using the straight-line method which approximates the effective interest method, over the term of the debt instrument.

The Jewish Federation of Greater Orlando, Inc.

Notes to Financial Statements

Contributions and Donor-Imposed Restrictions

Unconditional promises to give are recognized as contributions in the period received at their fair value. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value on the date received. Contributions to be received beyond one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue.

Revenues and support are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as temporarily or permanently restricted support that increases those net asset classes.

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 are reported in the statements of activities as net assets released from restriction. If a temporary restriction is fulfilled in the same time period in which the contribution is received, the Federation reports the support as unrestricted.

Revenue Recognition

Program fees and sponsorships are recognized as revenue when the related program or event takes place.

Rental Income and Commitments

The Federation acts as a landlord and rents space in its buildings on the Maitland and South Orlando campuses to other Jewish non-profit organizations under lease agreements which mature on various dates from 2025 to 2028. Rent is charged based on square footage occupied, and rates are determined annually by the Facilities Management Committee, which is comprised of representatives of all tenants. Other costs are charged related to debt service on the buildings, major reserves for capital replacement and information technology expenses. Rental income from local agencies consists of the following:

<i>Years ended August 31,</i>	2015	2014
Square footage and overhead	\$ 402,631	\$ 399,123
Debt service costs	278,411	278,411
Major reserves	161,982	161,982
Information technology	63,995	63,995
	\$ 907,019	\$ 903,511

The Jewish Federation of Greater Orlando, Inc.

Notes to Financial Statements

Future debt service costs under the lease agreements due to the Federation are as follows:

<i>Years ending August 31,</i>	Amount
2016	\$ 278,411
2017	278,411
2018	278,411
2019	278,411
2020	278,411
Thereafter	2,064,882
Total	\$ 3,456,937

During fiscal year ended August 31, 2015, the Federation forgave and wrote off \$135,000, representing 50% of an outstanding obligation due from a tenant for major reserves which was included in accounts receivable as of August 31, 2014, and was recorded as grants and allocation to affiliated organizations on the statement of activities. In addition, the Federation agreed to subsidize a future portion of this tenant's rent, as well as an additional future amount not to exceed \$31,000 per year for a period of up to 3 years for other rent obligations, provided the tenant stays current on their rent obligations.

Functional Expenses

Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent relative to each function. All other expenses are allocated based on their relative functional activity.

Income Taxes

The Federation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code.

The Federation identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the statement of financial position. The Federation has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Federation would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Federation's tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

The Jewish Federation of Greater Orlando, Inc.

Notes to Financial Statements

3. Investment Income

Investment income consists of the following:

<i>Years ended August 31,</i>	2015	2014
Investment income from assets held by T.O.P. Foundation:		
Management fee income	\$ 121,004	\$ 117,305
Interest income	13,959	11,043
Realized/unrealized gain (loss)	(23,174)	69,338
Investment income from assets held by T.O.P. Foundation	111,789	197,686
Other interest income	3,346	3,106
Total Investment Income	\$ 115,135	\$ 200,792

4. Contributions Receivable

Contributions receivable are unconditional promises to give and are recorded when the promises to contribute are made. Contributions receivable which are expected to be collected in more than one year are stated at the present value of estimated future receipts. The Federation provides an allowance for uncollectible contributions at the time revenues are recorded and re-evaluates and adjusts the allowance periodically based on historical collection experience. Contributions receivable are due as follows:

<i>August 31,</i>	2015	2014
Less than one year	\$ 425,696	\$ 371,365
One to five years	11,929	20,357
Due beyond five years	401,301	426,500
	838,926	818,222
Less: allowance for doubtful accounts	(5,683)	(6,336)
Less: present value discount at 4% - 27%	(102,081)	(114,656)
	\$ 731,162	\$ 697,230

5. T.O.P. Jewish Foundation, Inc.

T.O.P. Jewish Foundation Inc., (T.O.P. or T.O.P. Foundation) is a financially interrelated organization established by the Jewish Federations of Tampa, Orlando and Pinellas to enhance fund-raising for the three federations. T.O.P. receives gifts, bequests and contributions for the purpose of using, distributing and investing the principal and/or income for charitable, educational and religious purposes within the Jewish community. Each of the three federations is represented on the Board of T.O.P. and appoints trustees to serve on the grant committee.

The Jewish Federation of Greater Orlando, Inc.

Notes to Financial Statements

The three federations share in certain expenses of T.O.P. The Federation recorded \$88,882 and \$77,147 of management fee expense for their share during the years ended August 31, 2015 and 2014, respectively, and is included in bank and T.O.P. management fees in the accompanying statements of functional expenses.

The Federation accounts for assets transferred to T.O.P. and its interest in the net assets of T.O.P. in accordance with FASB Accounting Standards "Transfers of Assets to a Not-for-Profit Entity or Charitable Trust that Raises or Holds Contributions for Others" as follows:

Assets Held by T.O.P. Foundation

The Federation has transferred assets to T.O.P. for which the principal and investment returns are to be used for various operating needs. These are considered managed funds and are recorded as Assets Held by T.O.P. Foundation on the accompanying statements of financial position. The Federation earns management fees and investment income on these managed funds which are recorded as investment income (see Note 3).

Assets held by T.O.P. Foundation include \$156,495 and \$167,113 as of August 31, 2015 and 2014, respectively, designated by the Board of Directors for certain programs.

Interest in Net Assets of T.O.P. Foundation

The Federation's interest in the net assets of T.O.P. Foundation as recorded on the accompanying statements of financial position includes assets received by T.O.P. for which the Federation is specified as the beneficiary and are accounted for under the equity method. These assets include designated or endowment funds from which the Federation receives distributions as specified by the donor. The change in value of these assets was (\$18,701) and \$312,258 for the years ended August 31, 2015 and 2014, respectively, and is recorded as "Change in interest in net assets of T.O.P. Foundation" on the accompanying statements of activities.

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The Jewish Federation of Greater Orlando, Inc.

Notes to Financial Statements

Changes in the Federation's assets held by T.O.P. Foundation and interest in net assets of T.O.P. Foundation are as follows:

<i>August 31,</i>	Assets Held by T.O.P. Foundation	Interest in Net Assets of T.O.P. Foundation
Balance at August 31, 2013	\$ 799,282	\$ 673,300
Contributions	14,472	241,222
Net Realized / Unrealized gains	69,338	67,967
Interest Income	11,043	10,392
Management fee income (expense)	117,305	(7,323)
Distributions	(87,046)	(27,535)
Balance August 31, 2014	924,394	958,023
Contributions	13,451	59
Net Realized / Unrealized losses	(23,174)	(24,317)
Interest Income	13,959	14,071
Management fee income (expense)	121,004	(8,514)
Distributions	(99,043)	(37,090)
Balance August 31, 2015	\$ 950,591	\$ 902,232

Philanthropic Funds of T.O.P. Foundation

The Federation is also specified as the beneficiary in certain philanthropic funds received by T.O.P. However, T.O.P. has variance power over these funds which give them the ability to distribute these funds to beneficiaries other than the Federation. Therefore, the Federation does not record the beneficial interest in these funds in its financial statements until they are distributed to the Federation, at which time they are recorded as contributions.

6. Property and Equipment

Property and equipment are comprised of the following:

<i>August 31,</i>	Useful Life	2015	2014
Land and improvements	15-30 yrs.	\$ 1,754,096	\$ 2,825,276
Buildings and improvements	5-40 yrs.	15,424,323	19,731,939
Furniture and equipment	3-15 yrs.	603,577	1,031,334
		17,781,996	23,588,549
Less accumulated depreciation		(8,741,159)	(9,145,568)
		\$ 9,040,837	\$ 14,442,981

The Jewish Federation of Greater Orlando, Inc.

Notes to Financial Statements

7. Long-Term Payable

The Federation had a long-term payable due to a local Foundation of \$323,053 as of August 31, 2014. There were no set repayment terms and the payable was non-interest bearing. Payments under the long-term payable were due upon receipt of contributions receivable due for the South Orlando Capital Campaign. During the year ended August 31, 2015, the Foundation forgave the entire remaining balance under the note of \$323,053, which is recorded as “contribution - forgiveness of debt” in the accompanying statement of activities.

8. Long-Term Debt

Notes Payable

In April 2013, the Federation refinanced the principal balances of a tax-exempt bond of \$4,070,000, a taxable bond of \$750,000, an interest rate swap termination fee of \$857,657 and closing costs of \$112,343 into two notes payable (“Term Loan A and Term Loan B”) with a bank (the “Term Loans”). The original principal amounts for Term Loan A and Term Loan B were \$4,070,000 and \$1,720,000, respectively, and accrue interest at rates of 2.45% and at 3.75%, respectively. Principal payments under the term loans are due monthly with a balloon payment of approximately \$3,309,000 due when the Term Loans mature on March 31, 2023. There is no prepayment penalty. The Term Loans are subject to certain financial covenants and are collateralized by property and equipment of the Federation. The Federation was in compliance with these covenants as of and for the year ended August 31, 2015.

As of August 31, 2015 and 2014, Term Loan A and Term Loan B carried principal balances of \$3,692,390 and \$1,067,041 and \$3,857,000 and \$1,641,469, respectively. Principal payments on long-term debt of the Federation over future years are as follows:

<i>Years ended August 31,</i>	Amount
2016	\$ 252,082
2017	259,969
2018	267,681
2019	275,635
2020	283,564
Thereafter	3,420,500
Total	\$ 4,759,431

9. Grants and Allocations Payable to Affiliates

Grants and allocations of \$122,174 and \$172,831, respectively, are payable to the Jewish Federation of North America.

The Jewish Federation of Greater Orlando, Inc.

Notes to Financial Statements

10. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

<i>August 31,</i>	2015	2014
RAISE Program	\$ 68,450	\$ 73,223
Beit Hamadrash Travel Program	18,500	18,500
Annual Campaign pledges to be used in future years	10,000	20,000
	\$ 96,950	\$ 111,723

Net assets were released from restrictions of \$46,421 and \$10,000 during the years ended August 31, 2015 and 2014, respectively, for program expenses and passage of time.

11. South Orlando Campus Sale

On October 8, 2014, The Federation sold assets located at 1184 S. Apopka-Vineland Road in Orlando (“the Jewish Community Center in South Orlando”) to the Harris Rosen Foundation (“the Foundation”) for \$500,000. These assets included land, a building to be operated as a Jewish Community Center in perpetuity and all furniture, fixtures and equipment. At the date of sale, these assets had a net book value of \$4,996,631. The difference between the sales price and the net book value of \$4,496,631 was recorded in fiscal year 2015 as a grant to the Foundation and included in the accompanying statement of activities. The Foundation was the largest and main contributor to the capital campaign that built the Jewish Community Center in South Orlando, donating \$5,108,712. The Center has been named after Harris Rosen’s parents and is known as the “Rosen JCC”.

In connection with the sale, the Foundation and the Federation agreed to the following:

Restriction on future debt

The Federation agrees to not incur any additional capital debt until the existing liability on the Maitland Campus is retired (see Note 8), with the exception of unforeseen events or emergencies as defined by the agreement.

Conditional pledge from the Foundation

The Foundation agrees and promises to contribute \$1,000,000 to the Federation, to be paid on a dollar-for-dollar matching basis if the Federation raises \$1,000,000 in capital funds by the Orlando Jewish Community through the Federation within three years from the public announcement of the start of the capital campaign. As of August 31, 2015, the Federation has not announced the capital campaign.

Right of first refusal

In the event that the Foundation receives an offer to purchase the property that the Foundation is willing to accept, the Federation shall have the right of first refusal to purchase the property at a price equal to \$500,000, plus applicable cost of living increase from the date of closing.

The Jewish Federation of Greater Orlando, Inc.

Notes to Financial Statements

12. Subsequent Events

The Federation has evaluated events and transactions occurring subsequent to August 31, 2015 as of March 16, 2016, which is the date the financial statements were available to be issued. Subsequent events occurring after March 16, 2016 have not been evaluated by management. No material events have occurred since August 31, 2015 that require recognition or disclosure in the financial statements.