JEWISH FEDERATION OF LAS VEGAS

FINANCIAL STATEMENTS

JUNE 30, 2018

ELLSWORTH • STOUT
CPAs and Consultants

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Independent Auditors' Report

To the Board of Directors
Jewish Federation of Las Vegas

We have audited the accompanying financial statements of Jewish Federation of Las Vegas (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows 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 Jewish Federation of Las Vegas as of June 30, 2018, 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.

Ellsworth & Stout, LLC

Las Vegas, Nevada
February 13, 2019

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JEWISH FEDERATION OF LAS VEGAS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS	
Current Assets:	
Cash and cash equivalents	$ 3,120,109
Unconditional promises to give, net	393,201
Related party note receivable, current	20,000
Grants receivable	32,918
Accounts receivable	43,524
Inventory	1,371
Prepaid expenses	19,493
Total current assets	3,630,616
Property and Equipment, net	36,558
Other Assets:	
Investments	9,055,394
Investments, restricted	1,572,248
Related party note receivable, non-current	40,000
Land held for sale	43,249
Real estate held in donor advised funds	6,375,000
Total other assets	17,085,891
Total Assets	$ 20,753,065
LIABILITIES AND NET ASSETS	
Current Liabilities:	
Accounts payable	$ 53,095
Accrued expenses	29,408
Related party payable, net	24,464
Other current liabilities	382,008
Total current liabilities	488,975
Net Assets:	
Unrestricted	18,691,842
Temporarily restricted	1,343,384
Permanently restricted	228,864
Total net assets	20,264,090
Total Liabilities and Net Assets	$ 20,753,065

See accompanying notes to the financial statements.

JEWISH FEDERATION OF LAS VEGAS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Unrestricted Net Assets	
Revenue and other support:	
Contributions	$ 4,118,738
Grant income	102,500
Miscellaneous	5,783
Net assets released from donor restrictions	739,366
	4,966,387
Expenses:	
Program services:	
Teen and College	171,952
Outreach	1,326,050
Israel Overseas	300,687
Family Services	801,544
Education	657,794
Endowment	811,780
	4,069,807
Supporting services:	
Fundraising	385,393
Management and general	115,713
	501,106
	4,570,913
Other income:	
Net realized and unrealized gain on investments	1,434,463
Increase in unrestricted net assets	1,829,937
Temporarily Restricted Net Assets	
Contributions	109,722
Investment and dividend income	51,313
Net realized and unrealized gain on investments	96,213
Net assets released from donor restrictions	(739,366)
Decrease in temporarily restricted net assets	(482,118)
Increase in Net Assets	1,347,819
Net Assets, Beginning of Year	18,916,271
Net Assets, End of Year	$ 20,264,090

See accompanying notes to the financial statements.

JEWISH FEDERATION OF LAS VEGAS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	Program Services									
	Teen and College	Outreach	Israel Overseas	Family Services	Education	Endowment	Total Program	Fund-raising	Manage-ment and General	Total
Allocations	$ 32,893	$ 315,557	$ 130,395	$ 550,352	$ 305,107	$ -	$ 1,334,304	$ -	$ -	$ 1,334,304
Bad debt expense	-	-	-	-	-	-	-	38,366	-	38,366
Building and facility expenses	32,273	14,557	30,482	34,140	10,773	14,515	136,740	20,509	28,531	185,780
Compensation and related expenses	91,277	355,387	101,105	67,871	73,963	16,859	706,462	273,982	57,329	1,037,773
Depreciation	-	-	-	-	-	-	-	-	14,877	14,877
Endowment	-	-	-	-	-	733,446	733,446	-	-	733,446
Events	-	44,449	-	-	19,764	4,686	68,899	22,983	39	91,921
Miscellaneous	-	74	-	-	240	-	314	36	769	1,119
Office expenses	313	4,287	2,590	2,901	5,720	1,668	17,479	8,173	2,063	27,715
Philanthropic distributions	11,578	528,644	27,812	136,980	170,096	-	875,110	-	-	875,110
Professional services	480	6,592	4,000	4,480	66,225	1,817	83,594	2,400	8,345	94,339
Program expenses	259	46,188	2,159	2,418	2,468	3,361	56,853	7,999	2,118	66,970
Stock broker fees	-	-	-	-	-	33,977	33,977	-	-	33,977
Travel and auto expenses	2,879	10,315	2,144	2,402	3,438	1,451	22,629	10,945	1,642	35,216
	$ 171,952	$ 1,326,050	$ 300,687	$ 801,544	$ 657,794	$ 811,780	$ 4,069,807	$ 385,393	$ 115,713	$ 4,570,913

See accompanying notes to the financial statements.

JEWISH FEDERATION OF LAS VEGAS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018

Cash Flows from Operating Activities	
Increase in net assets	$ 1,347,819
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Bad debt expense	38,366
Depreciation	14,877
Net realized and unrealized gain on investments	(1,530,676)
Real estate contributed to a donor advised fund	(2,000,000)
Changes in operating assets and liabilities:	
(Increase) decrease in unconditional promises to give, net	1,469,470
(Increase) decrease in related party note receivable	(60,000)
(Increase) decrease in grants receivable	19,618
(Increase) decrease in accounts receivable	59,055
(Increase) decrease in prepaid expenses	3,620
Increase (decrease) in accounts payable	(195,674)
Increase (decrease) in accrued expenses	(204)
Increase (decrease) in related party payable, net	24,464
Increase (decrease) in other current liabilities	143,514
Net cash used in operating activities	(665,751)
Cash Flows from Investing Activities	
Purchase of property and equipment	(12,881)
Net purchase of investments	(2,970,661)
Proceeds from sale of real estate held in donor advised funds	5,927,571
Net cash provided by investing activities	2,944,029
Net Increase in Cash and Cash Equivalents	2,278,278
Cash and Cash Equivalents, Beginning of Year	841,831
Cash and Cash Equivalents, End of Year	$ 3,120,109

See accompanying notes to the financial statements.

NOTE 1 – NATURE OF ORGANIZATION

The Jewish Federation of Las Vegas (the Organization) was incorporated on February 25, 1966 as a nonprofit corporation and was formed for the purpose of acquiring, administering and allocating funds for charitable purposes to international, national and local Jewish institutions and associations. During 2017, the Organization filed with appropriate local agencies and are now doing business as (DBA) Jewish Nevada; however, the legal name of the Organization has remained unchanged. The Organization receives most of its funds from the Southern Nevada region.

The Organization seeks to develop the Jewish community through innovative strategic planning and maximizing philanthropy for our collaborative partners, based on the ideals of Tikkun Olam (repairing the world) and Tzedakah (righteousness and social justice), to create a positive identification with Judaism, Israel and the Jewish people at home and worldwide.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Jewish Federation of Las Vegas is presented to assist in understanding the Organization’s financial statements. The financial statements and notes are representations of the Organization’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The accompanying financial statements have been presented in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations, principally Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and changes in financial position according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Estimates

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents. Long-term certificates of deposit are recorded at their fair market value, which approximates the cost of the investments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The Organization capitalizes significant expenditures for property and equipment at cost, generally those that exceed $500. Property and equipment that are contributed to the Organization are recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range between three to seven years.

Investments in Non-Financial Assets

Investments in non-financial assets, such as real estate, are initially recorded at the cost (or fair market value if donated) of the assets, and subsequently recorded at the lower of cost or fair market value.

Contributed Materials and Services

Generally, donated materials, if significant in amount, are recorded at their fair market value, provided the Organization has a clearly measurable and objective basis for determining the value. In the case of materials where such values cannot reasonably be determined, the donation is not recorded. Donated professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Unpaid volunteers have donated their time to the Organization's programs. The value of such services has not been reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition as contributed services.

Revenue Recognition and Receivables

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires by a stipulated time restriction lapsing or by the purpose of the restriction having been accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same period received are reported as unrestricted support.

Revenue and support are recorded when the related amounts are pledged or due, and any donor conditions have been met. The Organization's policy is to charge off uncollectable receivables at the time management determines that such amounts will not be collected. For the year ended June 30, 2018, the Organization had an allowance of approximately $350,849, which has been netted against unconditional promises to give.

The Organization does not anticipate any collection losses with respect to the balances of accounts receivable. As a result, no allowance has been recorded against such balances. If accounts become uncollectible, the balances will be charged to expense when that determination is made.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization has received notification from the Internal Revenue Service that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi). Therefore, no provision for income taxes is made in the accompanying financial statements.

As defined by ASC Topic 740, Income Taxes, no provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements.

At June 30, 2018, the tax years that remain subject to potential examination by taxing authorities begin with 2015.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on management's estimates.

Advertising

Advertising costs are expensed as incurred. Advertising expenses were $24,019 for the year ended June 30, 2018.

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are recorded as receivables and revenue when received. As of June 30, 2018, unconditional promises to give are as follows:

Receivable in less than one year	$	744,050
Less: allowance for uncollectible promises		(350,849)
	$	393,201

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2018:

Furniture and equipment	$	186,538
Leasehold improvements		56,263
		242,801
Less: accumulated depreciation		(206,243)
	$	36,558

Depreciation expense for the year ended June 30, 2018 was $14,877.

NOTE 5 – FAIR VALUE MEASUREMENTS

The following table provides information by level on the fair value of the investments as of June 30, 2018.

		Fair Value Measurments at the End of the Reporting Period Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Recurring fair value measurements:				
Jewish Community Investment Fund	$ 3,605,628	$ -	$ 3,605,628	$ -
Jewish Community Endowment Pool, LLP	3,344,400	-	3,344,400	-
Jewish Federation Pooled Portfolio	3,677,614	-	3,677,614	-
	$ 10,627,642	$ -	$ 10,627,642	$ -

Methods and Assumptions

The Organization invests in professionally managed portfolios which are pooled with other entities through coordination with large-city members of the Organization's national affiliate. These investments include common stock shares and bonds of publicly-traded companies, U.S. Government obligations, mutual funds, private equity funds, hedge funds, limited partnership interests, and money market funds. The fair values of these investments are based on quoted market prices of the underlying investments in their active markets.

The Board of Directors reviews and approves the Organization’s fair value measurement policies and procedures annually. At least annually, the finance committee and the Board determine if the valuation techniques used in fair value measurements are still appropriate.

NOTE 6 – RISKS AND UNCERTAINTIES

The Organization’s investments in financial securities and pooled investment funds are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances.

Market risk arises primarily from changes in market value of financial instruments. Theoretically, the Organization's exposure is equal to the value of the investments purchased. Exposure to market risk is influenced by a number of factors, including the relationship between financial instruments, and the volatility and liquidity in the markets in which the financial instruments are traded.

NOTE 7 – REAL ESTATE HELD IN DONOR ADVISED FUNDS

Real estate held in donor advised funds consists of five luxury condominium properties donated to the Organization, which have a fair market value totaling $6,375,000. The properties are leased and managed by a third party property management company, with the net proceeds at the end of each fiscal year being transferred into the Organization's investment accounts.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are held for the following purposes at June 30, 2018:

Programs in Israel	$ 1,264,702
Other programs	78,682
	$ 1,343,384

Temporarily restricted net assets consisted of investments as of the fiscal year end.

NOTE 9 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of several endowment funds established for the long-term financial security of the Organization, which are held in investment accounts. The income from the assets can be used to support the Organization's various programs as determined by the donor(s) of the endowment funds. The balance as of June 30, 2018, was $228,864.

NOTE 10 – ENDOWMENT

The Organization's endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America (U.S. GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in accordance with the standard of prudence prescribed by SPMIFA.

NOTE 10 – ENDOWMENT (Continued)

Interpretation of Relevant Law (Continued)

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results while assuming a low level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with U.S. GAAP, there were no deficiencies of this nature reported in unrestricted net assets as of June 30, 2018.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each quarter 3 percent of its endowment fund's average fair value over the prior 4 quarters preceding the quarter in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long-term, the Organization expects the current spending policy to allow its endowment to grow at an average of 5 percent annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 10 – ENDOWMENT (Continued)

The Organization's disclosure of its endowment net asset composition by type as of June 30, 2018, follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	$ -	$ 78,683	$ 228,864	$ 307,547
Board-designated	3,816,814	-	-	3,816,814
	$ 3,816,814	$ 78,683	$ 228,864	$4,124,361

The Organization's disclosure of changes in endowment net assets for the fiscal year ended June 30, 2018, follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 3,693,053	$ 67,818	$ 228,864	$3,989,735
Gain on investments	269,853	21,679	-	291,532
Contributions	-	-	-	-
Appropriation of endowment assets for expenditure	(146,092)	(10,814)	-	(156,906)
Endowment net assets, end of year	$ 3,816,814	$ 78,683	$ 228,864	$4,124,361

NOTE 11 – LEASE AGREEMENTS

The Organization entered into operating lease agreements for office space and office equipment. The monthly base rent for office space ranges from $14,181 to $15,049, expiring in November 2019. The quarterly rent for the office equipment ranges from $657 to $845, expiring from February 2018 through May 2019.

At June 30, 2018, future minimum payments under operating lease agreements are as follows:

2019	$ 181,651

NOTE 12 – RETIREMENT PLANS

The Organization offers retirement benefits covering all employees who have completed at least 12 months of service. At the discretion of the Board of Directors, the Organization makes contributions which are allocated to individual participants' accounts in a defined contribution profit sharing plan. For the year ended June 30, 2018, the Organization incurred $38,528 in expenses for contributions to this plan.

Employees of the Organization may also participate in an IRS Code Section 403(b) defined contribution retirement savings plan. This plan is funded solely by employee contributions to the plan, pursuant to a salary reduction arrangement.

NOTE 13 – RELATED-PARTY TRANSACTIONS

Common board members are shared by the Organization and two other non-profit entities, which meet the definition of a related party. The Organization provides grants to both of these organizations and shares certain resources with one of them. For the year ended June 30, 2018, the Organization awarded $713,562 in grants to these parties, and made in-kind contributions of shared resources valued at $112,116.

In October 2017, the Organization entered into an agreement with a related party to loan them $60,000. As of June 30, 2018, the Organization had an outstanding note receivable in the amount of $60,000. This loan balance is due in equal payments of $20,000 on July 1st for the next three years and bears no interest.

In the ordinary course of business, the Organization has had miscellaneous related party receivables and payables. In the opinion of management, these transactions were made on substantially the same terms as comparable transactions with other persons and did not involve more than a normal risk of collectability or present any other unfavorable features to the Organization. As of June 30, 2018, these transactions netted to related party payable of $24,464.

NOTE 14 – CONCENTRATION OF CREDIT RISK

The Organization has concentrated its credit risk for cash by maintaining deposits in financial institutions, which at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 13, 2019, which is the date the financial statements were available to be issued.