

THE JEWISH FEDERATION OF
GREATER NEW HAVEN, INC.

FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

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March 4, 2016

INDEPENDENT AUDITORS' REPORT

Board of Directors of
The Jewish Federation of Greater New Haven, Inc.
360 Amity Road
Woodbridge, CT 06525

We have audited the accompanying financial statements of The Jewish Federation of Greater New Haven, Inc. (a nonprofit organization), which comprise the statements of financial position as of July 31, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 New Haven, Inc. as of July 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Teplitzky & Company, P.C.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENTS OF FINANCIAL POSITION

JULY 31, 2015 AND 2014

ASSETS

	2015	2014
Assets		
Cash and Cash Equivalents	\$ 124,115	\$ 188,757
Unconditional Promises to Give, Net of Allowances for Unredeemed Promises of \$50,000	1,385,676	1,562,556
Other Receivables, Net	120,616	197,837
Prepaid Expenses	55,557	50,514
Inventory	37,647	38,425
Investments	4,861,607	4,840,589
Deposits	1,545	1,720
Property and Equipment, Net	10,056,340	10,182,876
Total Assets	\$ 16,643,103	\$ 17,063,274

LIABILITIES AND NET ASSETS

	2015	2014
Liabilities		
Accounts Payable and Allocations	\$ 1,933,208	\$ 1,664,240
Accrued Liabilities	223,166	175,710
Notes Payable - Demand	240,256	261,126
Notes Payable	3,112,403	3,228,064
Interest Rate Swap Agreements	79,707	129,801
Leases Payable	54,979	42,154
Deferred Compensation	88,968	94,280
Deferred Revenue	333,003	389,099
Total Liabilities	6,065,690	5,984,474
Net Assets:		
Unrestricted	10,381,485	10,877,803
Temporarily Restricted	-	-
Permanently Restricted	195,928	200,997
Total Net Assets	10,577,413	11,078,800
Total Liabilities and Net Assets	\$ 16,643,103	\$ 17,063,274

See accompanying notes and independent auditors' report.

Exhibit: A - Page 3

Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Contributions	\$ 3,408,526	\$ -	\$ -	\$ 3,408,526
Program Service Fees	2,583,189	-	-	2,583,189
Investment Return	41,034	-	(5,069)	35,965
Memberships	1,371,792	-	-	1,371,792
Rental Income	61,700	-	-	61,700
Other Grants and Contributions	3,754	-	-	3,754
Net Assets Released from Restrictions	-	-	-	-
Total Revenue and Support	7,469,995	-	(5,069)	7,464,926
Expenses				
Program Services - Federation				
Grants and Allocations				
Israel & Overseas Programs	254,958	-	-	254,958
Community Support	426,295	-	-	426,295
Regional Agencies	34,800	-	-	34,800
Shoreline Initiative	29,167	-	-	29,167
National Agencies	19,300	-	-	19,300
Synagogue Initiative	683	-	-	683
Program Expenses	91	-	-	91
Marketing	5,397	-	-	5,397
Professional Fees	219	-	-	219
Bad Debt Expense	86,149	-	-	86,149
Total Grants and Allocations	857,059	-	-	857,059
Eder Leadership Institute				
Wages Taxes & Fringes	2,849	-	-	2,849
Program Expenses	1	-	-	1
Utilities	574	-	-	574
Repairs, Maintenance & Equipment	321	-	-	321
Bank Fees, Payroll & C/Card Processing	19	-	-	19
Commercial Insurance	238	-	-	238
Total Eder Leadership Institute	4,002	-	-	4,002

See accompanying notes and independent auditors' report.

Exhibit: B - Page 4

Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Acculturation and Refugee Resettlement				
Wages Taxes & Fringes	21,735	-	-	21,735
Program Expenses	272	-	-	272
Utilities	2,276	-	-	2,276
Repairs, Maintenance & Equipment	1,273	-	-	1,273
Bank Fees, Payroll & C/Card Processing	74	-	-	74
Marketing	273	-	-	273
Commercial Insurance	942	-	-	942
Meals, Travel & Lodging	36	-	-	36
	<u>26,881</u>	<u>-</u>	<u>-</u>	<u>26,881</u>
Total Acculturation and Refugee Resettlement				
Jewish Communities Relationship Council (JCRC)				
Wages Taxes & Fringes	20,774	-	-	20,774
Program Expenses	2,150	-	-	2,150
Utilities	2,644	-	-	2,644
Repairs, Maintenance & Equipment	1,479	-	-	1,479
Bank Fees, Payroll, C/Card Processing	86	-	-	86
Marketing	51	-	-	51
Commercial Insurance	1,095	-	-	1,095
Professional Fees	3,600	-	-	3,600
	<u>31,879</u>	<u>-</u>	<u>-</u>	<u>31,879</u>
Total Jewish Communities Relationship Council (JCRC)				
Holocaust Education Prejudice Reduction Program (HEPRP)				
Community Support	1,200	-	-	1,200
Program Expenses	5,566	-	-	5,566
Professional Fees	1,500	-	-	1,500
	<u>8,266</u>	<u>-</u>	<u>-</u>	<u>8,266</u>
Total Holocaust Education Prejudice Reduction Program (HEPRP)				

See accompanying notes and independent auditors' report.

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Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Other Federation Programs				
Israel & Overseas Programs	1,042	-	-	1,042
Community Support	49,531	-	-	49,531
Shoreline Initiative	20,833	-	-	20,833
Wages Taxes & Fringes	204,417	-	-	204,417
Program Expenses	68,245	-	-	68,245
Utilities	24,448	-	-	24,448
Repairs, Maintenance & Equipment	12,609	-	-	12,609
Bank Fees, Payroll & C/Card Processing	729	-	-	729
Marketing	10,521	-	-	10,521
Commercial Insurance	9,319	-	-	9,319
Meals, Travel & Lodging	61,024	-	-	61,024
Professional Fees	8,077	-	-	8,077
Miscellaneous	1	-	-	1
Total Other Federation Programs	470,796	-	-	470,796
Total Program Services - Federation	1,398,883	-	-	1,398,883
Program Services - JCC				
Pre-School				
Wages Taxes & Fringes	818,254	-	-	818,254
Program Expenses	66,063	-	-	66,063
Utilities	79,289	-	-	79,289
Repairs, Maintenance & Equipment	44,775	-	-	44,775
Bank Fees, Payroll & C/Card Processing	2,567	-	-	2,567
Marketing	3,502	-	-	3,502
Commercial Insurance	32,829	-	-	32,829
Meals, Travel & Lodging	39	-	-	39
Professional Fees	888	-	-	888
Total Pre-School	1,048,206	-	-	1,048,206
Day Camp				
Wages Taxes & Fringes	202,512	-	-	202,512
Program Expenses	164,660	-	-	164,660
Utilities	20,068	-	-	20,068

See accompanying notes and independent auditors' report.

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Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Repairs, Maintenance & Equipment	19,024	-	-	19,024
Bank Fees, Payroll & C/Card Processing	630	-	-	630
Marketing	6,526	-	-	6,526
Commercial Insurance	9,637	-	-	9,637
Meals, Travel & Lodging	74	-	-	74
Total Day Camp	423,131	-	-	423,131
Physical Education				
Wages Taxes & Fringes	811,173	-	-	811,173
Program Expenses	86,452	-	-	86,452
Utilities	82,391	-	-	82,391
Repairs, Maintenance & Equipment	62,466	-	-	62,466
Bank Fees, Payroll & C/Card Processing	3,896	-	-	3,896
Marketing	3,121	-	-	3,121
Commercial Insurance	34,112	-	-	34,112
Meals, Travel & Lodging	260	-	-	260
Miscellaneous	80	-	-	80
Total Physical Education	1,083,951	-	-	1,083,951
Youth Services				
Wages Taxes & Fringes	210,928	-	-	210,928
Program Expenses	55,997	-	-	55,997
Utilities	22,228	-	-	22,228
Repairs, Maintenance & Equipment	16,009	-	-	16,009
Bank Fees, Payroll & C/Card Processing	711	-	-	711
Marketing	499	-	-	499
Commercial Insurance	9,091	-	-	9,091
Meals, Travel & Lodging	91	-	-	91
Total Youth Services	315,554	-	-	315,554
Group Services				
Wages Taxes & Fringes	197,435	-	-	197,435
Program Expenses	118,137	-	-	118,137
Utilities	17,505	-	-	17,505
Repairs, Maintenance & Equipment	9,791	-	-	9,791

See accompanying notes and independent auditors' report.

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Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Bank Fees, Payroll & C/Card Processing	53,835	-	-	53,835
Marketing	6,852	-	-	6,852
Commercial Insurance	7,247	-	-	7,247
Meals, Travel & Lodging	258	-	-	258
Bad Debt Expense	2,500	-	-	2,500
Total Group Services	413,560	-	-	413,560
Other Member Services				
Wages Taxes & Fringes	664,816	-	-	664,816
Program Expenses	24,084	-	-	24,084
Utilities	65,992	-	-	65,992
Repairs, Maintenance & Equipment	44,065	-	-	44,065
Bank Fees, Payroll & C/Card Processing	2,079	-	-	2,079
Marketing	22,355	-	-	22,355
Commercial Insurance	26,586	-	-	26,586
Meals, Travel & Lodging	1,863	-	-	1,863
Miscellaneous	95	-	-	95
Total Other Member Services	851,935	-	-	851,935
Adult Education				
Wages Taxes & Fringes	38,295	-	-	38,295
Program Expenses	37,143	-	-	37,143
Utilities	5,200	-	-	5,200
Repairs, Maintenance & Equipment	3,611	-	-	3,611
Bank Fees, Payroll & C/Card Processing	168	-	-	168
Marketing	5,812	-	-	5,812
Commercial Insurance	2,153	-	-	2,153
Meals, Travel & Lodging	2,612	-	-	2,612
Miscellaneous	2	-	-	2
Total Adult Education	94,996	-	-	94,996

See accompanying notes and independent auditors' report.

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Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Other Programs				
Wages Taxes & Fringes	22,132	-	-	22,132
Program Expenses	14,938	-	-	14,938
Utilities	3,926	-	-	3,926
Repairs, Maintenance & Equipment	10,123	-	-	10,123
Bank Fees, Payroll & C/Card Processing	78	-	-	78
Marketing	2,313	-	-	2,313
Commercial Insurance	999	-	-	999
Meals, Travel & Lodging	1,398	-	-	1,398
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Programs	55,907	-	-	55,907
	<hr/>	<hr/>	<hr/>	<hr/>
Total Program Services - JCC	4,287,242	-	-	4,287,242
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Management and General				
Wages Taxes & Fringes	791,527	-	-	791,527
Program Expenses	126,812	-	-	126,812
Utilities	87,819	-	-	87,819
Repairs, Maintenance & Equipment	93,161	-	-	93,161
Bank Fees, Payroll & C/Card Processing	47,727	-	-	47,727
Marketing	19,447	-	-	19,447
Commercial Insurance	30,199	-	-	30,199
Meals, Travel & Lodging	10,766	-	-	10,766
Professional Fees	75,384	-	-	75,384
Miscellaneous	669	-	-	669
Depreciation	458,582	-	-	458,582
Interest	162,335	-	-	162,335
Bad Debt Expense	4,860	-	-	4,860
	<hr/>	<hr/>	<hr/>	<hr/>
Total Management and General	1,909,288	-	-	1,909,288
	<hr/>	<hr/>	<hr/>	<hr/>
Fundraising				
Wages Taxes & Fringes	287,788	-	-	287,788
Program Expenses	45,425	-	-	45,425
Utilities	29,177	-	-	29,177
Repairs, Maintenance & Equipment	25,921	-	-	25,921
Bank Fees, Payroll & C/Card Processing	6,575	-	-	6,575

See accompanying notes and independent auditors' report.

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Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Marketing	5,608	-	-	5,608
Commercial Insurance	11,827	-	-	11,827
Meals, Travel & Lodging	464	-	-	464
Professional Fees	5,344	-	-	5,344
Miscellaneous	1,650	-	-	1,650
Bad Debt Expense	1,215	-	-	1,215
Total Fundraising	<u>420,994</u>	<u>-</u>	<u>-</u>	<u>420,994</u>
Total Expenses	<u>8,016,407</u>	<u>-</u>	<u>-</u>	<u>8,016,407</u>
Change in Net Assets From Operations	(546,412)	-	(5,069)	(551,481)
Unrealized Gain on Interest Rate Swaps	50,094	-	-	50,094
Change in Net Assets	(496,318)	-	(5,069)	(501,387)
Net Assets - Beginning of Year	<u>10,877,803</u>	<u>-</u>	<u>200,997</u>	<u>11,078,800</u>
Net Assets - End of Year	<u>\$10,381,485</u>	<u>\$ -</u>	<u>\$ 195,928</u>	<u>\$10,577,413</u>

See accompanying notes and independent auditors' report.

Exhibit: B - Page 10

Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and Support				
Contributions	\$ 3,682,741	\$ -	\$ -	\$ 3,682,741
Program Service Fees	2,719,491	-	-	2,719,491
Investment Return	112,693	-	-	112,693
Memberships	1,435,235	-	-	1,435,235
Rental Income	98,727	-	-	98,727
Other Grants and Contributions	130,503	-	-	130,503
Net Assets Released from Restrictions	-	-	-	-
Total Revenue and Support	8,179,390	-	-	8,179,390
Expenses				
Program Services - Federation		-	-	-
Grants and Allocations				
Israel & Overseas Programs	293,000	-	-	293,000
Community Support	452,300	-	-	452,300
Regional Agencies	29,196	-	-	29,196
Shoreline Initiative	29,169	-	-	29,169
National Agencies	20,000	-	-	20,000
Synagogue Initiative	610	-	-	610
Marketing	244	-	-	244
Professional Fees	241	-	-	241
Miscellaneous	601	-	-	601
Bad Debt Expense	208,726	-	-	208,726
Total Grants and Allocations	1,034,087	-	-	1,034,087
Jewish Foundation				
Wages Taxes & Fringes	86,277	-	-	86,277.00
Program Expenses	5,919	-	-	5,919.00
Utilities	7,508	-	-	7,508.00
Repairs, Maintenance & Equipment	3,874	-	-	3,874.00
Bank Fees, Payroll & C/Card Processing	267	-	-	267.00
Marketing	1,478	-	-	1,478.00
Commercial Insurance	3,022	-	-	3,022.00
Meals, Travel & Lodging	1,462	-	-	1,462.00

See accompanying notes and independent auditors' report.

Exhibit: B - Page 11

Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Professional Fees	6,690	-	-	6,690.00
Miscellaneous	342	-	-	342.00
Total Jewish Foundation	116,839	-	-	116,839
Eder Leadership Institute				
Wages Taxes & Fringes	5,333	-	-	5,333
Program Expenses	1,071	-	-	1,071
Utilities	2,789	-	-	2,789
Repairs, Maintenance & Equipment	1,439	-	-	1,439
Bank Fees, Payroll & C/Card Processing	99	-	-	99
Commercial Insurance	1,123	-	-	1,123
Total Eder Leadership Institute	11,853	-	-	11,853
Acculturation and Refugee Resettlement				
Wages Taxes & Fringes	21,358	-	-	21,358
Program Expenses	411	-	-	411
Utilities	2,188	-	-	2,188
Repairs, Maintenance & Equipment	1,129	-	-	1,129
Bank Fees, Payroll & C/Card Processing	78	-	-	78
Marketing	293	-	-	293
Commercial Insurance	881	-	-	881
Meals, Travel & Lodging	9	-	-	9
Total Acculturation and Refugee Resettlement	26,346	-	-	26,346
Jewish Communities Relationship Council (JCRC)				
Wages Taxes & Fringes	26,717	-	-	26,717
Program Expenses	371	-	-	371
Utilities	2,789	-	-	2,789
Repairs, Maintenance & Equipment	1,439	-	-	1,439
Bank Fees, Payroll, C/Card Processing	99	-	-	99
Commercial Insurance	1,123	-	-	1,123
Meals, Travel & Lodging	835	-	-	835
Total Jewish Communities Relationship Council (JCRC)	33,372	-	-	33,372

See accompanying notes and independent auditors' report.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Holocaust Education Prejudice Reduction Program (HEPRP)				
Wages Taxes & Fringes	5,166	-	-	5,166
Program Expenses	501	-	-	501
Utilities	901	-	-	901
Repairs, Maintenance & Equipment	465	-	-	465
Bank Fees, Payroll & C/Card Processing	32	-	-	32
Commercial Insurance	363	-	-	363
Total Holocaust Education Prejudice Reduction Program (HEPRP)	<u>7,428</u>	<u>-</u>	<u>-</u>	<u>7,428</u>
Other Federation Programs				
Israel & Overseas Programs	500	-	-	500
Community Support	8,051	-	-	8,051
Regional Agencies	4,162	-	-	4,162
Shoreline Initiative	20,831	-	-	20,831
Synagogue Initiative	8,390	-	-	8,390
Wages Taxes & Fringes	236,089	-	-	236,089
Program Expenses	47,235	-	-	47,235
Utilities	23,625	-	-	23,625
Repairs, Maintenance & Equipment	12,819	-	-	12,819
Bank Fees, Payroll & C/Card Processing	797	-	-	797
Marketing	9,406	-	-	9,406
Commercial Insurance	8,809	-	-	8,809
Meals, Travel & Lodging	75,356	-	-	75,356
Professional Fees	7,300	-	-	7,300
Miscellaneous	4	-	-	4
Total Other Federation Programs	<u>463,375</u>	<u>-</u>	<u>-</u>	<u>463,375</u>
Total Program Services - Federation	<u>1,693,299</u>	<u>-</u>	<u>-</u>	<u>1,693,299</u>
Program Services - JCC				
Pre-School				
Wages Taxes & Fringes	788,887	-	-	788,887
Program Expenses	66,789	-	-	66,789
Utilities	70,663	-	-	70,663
Repairs, Maintenance & Equipment	37,599	-	-	37,599

See accompanying notes and independent auditors' report.

Exhibit: B - Page 13 **Teplitzky & Company, P.C. - Certified Public Accountants**

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Bank Fees, Payroll & C/Card Processing	2,515	-	-	2,515
Marketing	1,831	-	-	1,831
Commercial Insurance	28,446	-	-	28,446
Miscellaneous	12	-	-	12
Total Pre-School	996,742	-	-	996,742
Day Camp				
Wages Taxes & Fringes	193,252	-	-	193,252
Program Expenses	167,701	-	-	167,701
Utilities	21,278	-	-	21,278
Repairs, Maintenance & Equipment	16,781	-	-	16,781
Bank Fees, Payroll & C/Card Processing	738	-	-	738
Marketing	7,601	-	-	7,601
Commercial Insurance	10,160	-	-	10,160
Meals, Travel & Lodging	196	-	-	196
Miscellaneous	4	-	-	4
Total Day Camp	417,711	-	-	417,711
Physical Education				
Wages Taxes & Fringes	821,740	-	-	821,740
Program Expenses	75,942	-	-	75,942
Utilities	76,796	-	-	76,796
Repairs, Maintenance & Equipment	55,922	-	-	55,922
Bank Fees, Payroll & C/Card Processing	4,157	-	-	4,157
Marketing	2,293	-	-	2,293
Commercial Insurance	30,916	-	-	30,916
Miscellaneous	198	-	-	198
Total Physical Education	1,067,964	-	-	1,067,964
Youth Services				
Wages Taxes & Fringes	205,732	-	-	205,732
Program Expenses	69,777	-	-	69,777
Utilities	26,442	-	-	26,442
Repairs, Maintenance & Equipment	16,323	-	-	16,323
Bank Fees, Payroll & C/Card Processing	927	-	-	927

See accompanying notes and independent auditors' report.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Marketing	401	-	-	401
Commercial Insurance	10,484	-	-	10,484
Miscellaneous	403	-	-	403
Total Youth Services	330,489	-	-	330,489
Group Services				
Wages Taxes & Fringes	193,880	-	-	193,880
Program Expenses	109,781	-	-	109,781
Utilities	16,861	-	-	16,861
Repairs, Maintenance & Equipment	10,710	-	-	10,710
Bank Fees, Payroll & C/Card Processing	54,711	-	-	54,711
Marketing	8,519	-	-	8,519
Commercial Insurance	6,788	-	-	6,788
Meals, Travel & Lodging	391	-	-	391
Miscellaneous	15	-	-	15
Total Group Services	401,656	-	-	401,656
Other Member Services				
Wages Taxes & Fringes	674,369	-	-	674,369
Program Expenses	11,900	-	-	11,900
Utilities	65,721	-	-	65,721
Repairs, Maintenance & Equipment	37,598	-	-	37,598
Bank Fees, Payroll & C/Card Processing	2,265	-	-	2,265
Marketing	27,684	-	-	27,684
Commercial Insurance	25,614	-	-	25,614
Meals, Travel & Lodging	1,047	-	-	1,047
Miscellaneous	66	-	-	66
Total Other Member Services	846,264	-	-	846,264
Makom				
Wages Taxes & Fringes	9,848	-	-	9,848
Program Expenses	2,001	-	-	2,001
Utilities	1,287	-	-	1,287
Repairs, Maintenance & Equipment	664	-	-	664
Bank Fees, Payroll & C/Card Processing	46	-	-	46
Commercial Insurance	518	-	-	518
Total Makom	14,364	-	-	14,364

See accompanying notes and independent auditors' report.

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Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
March of Living				
Wages Taxes & Fringes	1,797	-	-	1,797
Program Expenses	13,963	-	-	13,963
Utilities	515	-	-	515
Repairs, Maintenance & Equipment	266	-	-	266
Bank Fees, Payroll & C/Card Processing	18	-	-	18
Marketing	109	-	-	109
Commercial Insurance	207	-	-	207
Meals, Travel & Lodging	798	-	-	798
	<u>17,673</u>	<u>-</u>	<u>-</u>	<u>17,673</u>
Total March of Living				
	<u>17,673</u>	<u>-</u>	<u>-</u>	<u>17,673</u>
Adult Education				
Wages Taxes & Fringes	52,456	-	-	52,456
Program Expenses	40,561	-	-	40,561
Utilities	5,063	-	-	5,063
Repairs, Maintenance & Equipment	4,249	-	-	4,249
Bank Fees, Payroll & C/Card Processing	192	-	-	192
Marketing	11,407	-	-	11,407
Commercial Insurance	2,038	-	-	2,038
Meals, Travel & Lodging	5,084	-	-	5,084
Professional Fees	1,158	-	-	1,158
Miscellaneous	1	-	-	1
	<u>122,209</u>	<u>-</u>	<u>-</u>	<u>122,209</u>
Total Adult Education				
	<u>122,209</u>	<u>-</u>	<u>-</u>	<u>122,209</u>
Other Programs				
Wages Taxes & Fringes	24,397	-	-	24,397
Program Expenses	13,894	-	-	13,894
Utilities	4,250	-	-	4,250
Repairs, Maintenance & Equipment	11,524	-	-	11,524
Bank Fees, Payroll & C/Card Processing	82	-	-	82
Marketing	569	-	-	569
Commercial Insurance	933	-	-	933
	<u>55,649</u>	<u>-</u>	<u>-</u>	<u>55,649</u>
Total Other Programs				
	<u>55,649</u>	<u>-</u>	<u>-</u>	<u>55,649</u>
Total Program Services - JCC				
	<u>4,270,721</u>	<u>-</u>	<u>-</u>	<u>4,270,721</u>

See accompanying notes and independent auditors' report.

Exhibit: B - Page 16 Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Management and General				
Wages Taxes & Fringes	731,383	-	-	731,383
Program Expenses	97,989	-	-	97,989
Utilities	82,500	-	-	82,500
Repairs, Maintenance & Equipment	89,296	-	-	89,296
Bank Fees, Payroll & C/Card Processing	45,810	-	-	45,810
Marketing	16,475	-	-	16,475
Commercial Insurance	27,396	-	-	27,396
Meals, Travel & Lodging	3,722	-	-	3,722
Professional Fees	43,980	-	-	43,980
Miscellaneous	29,388	-	-	29,388
Depreciation	461,765	-	-	461,765
Interest	172,916	-	-	172,916
Bad Debt Expense	8,445	-	-	8,445
Total Management and General	<u>1,811,066</u>	<u>-</u>	<u>-</u>	<u>1,811,066</u>
Fundraising				
Wages Taxes & Fringes	396,889	-	-	396,889
Program Expenses	35,827	-	-	35,827
Utilities	39,627	-	-	39,627
Repairs, Maintenance & Equipment	30,503	-	-	30,503
Bank Fees, Payroll & C/Card Processing	7,988	-	-	7,988
Marketing	5,761	-	-	5,761
Commercial Insurance	15,714	-	-	15,714
Meals, Travel & Lodging	1,253	-	-	1,253
Professional Fees	4,628	-	-	4,628
Miscellaneous	1,726	-	-	1,726
Bad Debt Expense	2,111	-	-	2,111
Total Fundraising	<u>542,028</u>	<u>-</u>	<u>-</u>	<u>542,028</u>
Total Expenses	<u>8,317,114</u>	<u>-</u>	<u>-</u>	<u>8,317,114</u>
Change in Net Assets From Operations	(137,724)	-	-	(137,724)
Unrealized Gain on Interest Rate Swaps	<u>59,714</u>	<u>-</u>	<u>-</u>	<u>59,714</u>
Change in Net Assets	(78,010)	-	-	(78,010)

See accompanying notes and independent auditors' report.

Exhibit: B - Page 17 Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

JULY 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net Assets - Beginning of Year	22,894,106	824,700	18,148,973	41,867,779
Net Assets Transferred to The Jewish Foundation, Inc.	<u>(11,938,293)</u>	<u>(824,700)</u>	<u>(17,947,976)</u>	<u>(30,710,969)</u>
Net Assets - End of Year	<u>\$10,877,803</u>	<u>\$ -</u>	<u>\$ 200,997</u>	<u>\$11,078,800</u>

See accompanying notes and independent auditors' report.

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Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JULY 31, 2015 AND 2014

	2015	2014
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (501,387)	\$ (78,010)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	458,582	461,765
Net Realized and Unrealized (Gains) Losses on Investments	72,743	17,926
Non-Cash Gifts Received included in Contributions	(93,760)	(62,269)
Unrealized Gain on Interest Rate Swaps	(50,094)	(59,714)
Decrease (Increase) in Assets:		
Unconditional Promises to Give	176,880	55,514
Other Receivables	77,221	52,168
Prepaid Expenses	(5,043)	10,378
Inventory	778	(2,361)
Deposits	175	(175)
Decrease (Increase) in Liabilities:		
Accounts Payable	268,968	196,619
Accrued Liabilities and Allocations	47,456	(375,114)
Deferred Compensation	(5,312)	(1,517)
Deferred Revenue	(56,096)	(83,602)
Net Cash Provided by Operating Activities	<u>391,111</u>	<u>131,608</u>
Cash Flows from Investing Activities:		
Purchases of Property and Equipment	<u>(332,046)</u>	<u>(265,203)</u>
Net Cash Used in Investing Activities	<u>(332,046)</u>	<u>(265,203)</u>
Cash Flows from Financing Activities:		
Net (Payments) Borrowings on Notes Payable - Demand	(20,870)	14,781
Net Borrowings on Notes Payable	20,485	-
Net Payments on Notes Payable	(136,146)	(122,476)
Net Borrowings on Capital Leases	35,940	24,905
Net Payments on Capital Leases	<u>(23,116)</u>	<u>(17,969)</u>
Net Cash Used in Financing Activities	<u>(123,707)</u>	<u>(100,759)</u>
Net Decrease in Cash and Cash Equivalents	(64,642)	(234,354)
Cash and Cash Equivalents - Beginning of Year	<u>188,757</u>	<u>423,111</u>
Cash and Cash Equivalents - End of Year	<u>\$ 124,115</u>	<u>\$ 188,757</u>

See accompanying notes and independent auditors' report.

Exhibit: C - Page 19

Teplitzky & Company, P.C. - Certified Public Accountants

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Jewish Federation of Greater New Haven, Inc. (the Federation) is a nonprofit charitable organization described in Internal Revenue code Section 501(c)(3). The Jewish Community Center is a wholly owned subsidiary of the Federation. The Federation is the central planning, fund-raising and coordinating body of the Jewish community and strives to be the central organization and resource for communal planning, outreach and Jewish education in South Central Connecticut. Located at 360 Amity Road in Woodbridge, Connecticut, the Federation is supported by programming fees and donor contributions from within the county of New Haven, Connecticut.

Basis of Accounting

The Federation prepares its financial statements in accordance with U.S. generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Net Asset Classification

Accounting standards provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The accounting standards also improve disclosures about an organization's endowment funds, both donor restricted endowment funds and board designated endowment funds, whether or not the organization is subject to UPMIFA.

The Federation's net assets and related revenues and support are classified based upon the existence or absence of donor-imposed stipulations, as follows:

Unrestricted Net Assets

Net assets include expendable resources of The Federation that are used for carrying on The Federation's mission.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classification (Continued)

Temporarily Restricted Net Assets

Net assets whose use by The Federation is limited by Donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of The Federation pursuant to these stipulations.

Permanently Restricted Net Assets

Net assets whose use by The Federation is limited by donor-imposed stipulations requiring such resources to be maintained in perpetuity, and the income there from utilized for operating or other donor-restricted purposes.

The Federation receives gifts of cash and other assets with donor stipulations that limit the use of the donated assets. For those donor-restricted cash contributions whose restrictions are met in the same fiscal year as the receipts, the contributions are reported as unrestricted contributions. Donor-restricted contributions not met in the same fiscal year are recorded as temporarily restricted. When the donor-restriction expires, that is when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

The board of directors, of the Federation, at its January 4, 2011 board meeting unanimously passed a motion to amend the by-laws to establish the Jewish Foundation of Greater New Haven, Inc., (the Foundation) as a Type 1 supporting Organization. The Foundation's assets were transferred to a separate corporation, for the purpose of asset protection, effective for the fiscal year ending July 31, 2014.

Annual Campaigns

Annual campaigns are conducted during the fall of each year to raise support for allocations to participating agencies in the subsequent calendar year. Campaign support (contributions and pledges received or receivable) for annual campaigns are classified as temporarily restricted revenue until the year of allocation to participating agencies. Generally, all contributions are considered available for unrestricted use by the Federation unless it is determined that contributions are specifically restricted by the donor. Promises to give receivables are reported on the statement of financial position (the balance sheet) and allowances are provided for amounts estimated to be uncollectible.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Tax

The Federation is a not-for-profit organization exempt from taxation under Internal Revenue Code section 501(c)(3) and is not considered a private foundation. The Federation is required to file Federal Form 990 annually.

The Federation believes that it has appropriate support for income tax positions taken. Therefore, management has not identified any uncertain income tax positions. Generally, income tax returns related to the years ended July 31, 2012 through 2015 remain open for examination by taxing authorities.

Inventory

Inventory is valued at cost using the first-in, first-out method or market, whichever is lower.

Promises to Give

Contributions are recognized when a donor makes an unconditional promise to give. Contributions that are restricted by the donor, that are released from restrictions within the fiscal year in which the contributions are recognized, are reported as increases in unrestricted net assets. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, restricted net assets are reclassified to unrestricted net assets.

The allowance method is used to determine uncollectible unconditional promise receivables. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services

A substantial number of volunteers donate their time to the Federation. These services do not meet the criteria for recording as contributions under U.S. generally accepted accounting principles.

During the years ended July 31, 2015 and 2014, the value of contributed services meeting the requirements for recognition in the financial statements is not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Federation. The Federation receives more than 7,850 volunteer hours per year.

Investments

The Jewish Foundation of Greater New Haven, Inc. holds the Federation's investment assets and continues to accept additional contributions for the benefit of the Federation. The Foundation charges a 1% management fee of the total fair value of the investment assets as of July 31st of the previous year. As of July 31, 2015 and 2014, the Foundation held assets of \$4,861,607 and \$4,840,589, respectively for the benefit of the Federation

Functional Allocation of Expenses

Direct expenses are allocated, in total, to their respective programs. Indirect expenses are allocated to programs based on various equitable formula methods.

Deferred Revenue

Deferred revenue consists mostly of the following: tuition deposits; membership fees; personal training; camp and program revenues received in advance. Revenues are recognized when earned.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Federation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and related notes. Actual results could differ from those estimates.

Subsequent Events

The Federation evaluates the impact of subsequent events, which are events that occur after the statement of financial position date but before the financial statements are issued, for potential recognition in the financial statements. As of the statement of financial position date, for the years ended July 31, 2015 and 2014, the Federation evaluated subsequent events through March 4, 2016 which is the date the financial statements were available to be issued.

NOTE 2 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give, net of allowance for unredeemed promises, are summarized as follows at July 31:

Unconditional Promises Expected to be Collected in:	<u>2015</u>	<u>2014</u>
Less Than One Year	\$ 1,375,558	\$ 1,516,081
One to Five Years	60,118	96,475
Less Allowance for Unredeemed Promises	<u>(50,000)</u>	<u>(50,000)</u>
Unconditional Promises to Give, Net	<u>\$ 1,385,676</u>	<u>\$ 1,562,556</u>

NOTE 3 – OTHER RECEIVABLES

Membership, miscellaneous and program receivables are reviewed with management and are determined to be collectible as of July 31, 2015. Management provides an allowance for doubtful accounts for the years ended July 31, 2015 and 2014 of \$10,000.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 4 – LONG-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS

The investments of the Federation consist primarily of cash and cash equivalents, mutual funds, hedge funds, limited partnerships and fixed income securities. In accordance with its approved investment practices and policies, investments held by the Federation are to be conservative and diversified in order to preserve capital, achieve the proper liquidity requirement of the Federation and avoid inappropriate concentration of credit and interest rate risk, while attempting to maximize returns.

The Federation reports its equity and fixed income investments at fair market value. Unrealized gains and losses are included as a component of investment return, net in the accompanying statements of activities.

Cost and market values of investments as of July 31, 2015 and 2014 are summarized as follows:

	<u>2015</u>	
	<u>Cost</u>	<u>Market</u>
Cash and Cash Equivalents	\$ 67,771	\$ 67,771
Mutual Funds	606,181	649,505
Hedge Funds	1,119,630	1,207,708
Limited Partnerships	692,771	659,910
Fixed Income Securities	1,766,518	2,276,713
	<u>\$ 4,252,871</u>	<u>\$ 4,861,607</u>
	<u>2014</u>	
	<u>Cost</u>	<u>Market</u>
Cash and Cash Equivalents	\$ 100,099	\$ 100,099
Mutual Funds	2,166,191	2,774,263
Hedge Funds	1,022,415	1,137,974
Limited Partnerships	152,031	164,786
Fixed Income Securities	577,408	663,467
	<u>\$ 4,018,144</u>	<u>\$ 4,840,589</u>

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 4 – LONG-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS
(CONTINUED)

ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value, which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, and expands disclosures about fair value measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to this measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The Federation follows a valuation hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs. The Federation does not have any level three assets as of July 31, 2015 and 2014.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Federation used valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value.

The following is a description of the Federation's valuation methodologies for assets measured at fair value. Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 4 – LONG-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS
(CONTINUED)

Investment assets at fair value as of July 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash & Cash Equivalents	\$ 67,771	\$ -	\$ -	\$ 67,771
Mutual Funds	649,505	-	-	649,505
Hedge Funds	-	1,207,708	-	1,207,708
Limited Partnerships	-	659,910	-	659,910
Fixed Income Securities	2,276,713	-	-	2,276,713
Total	\$ 2,993,989	\$ 1,867,618	\$ -	\$ 4,861,607

Investment assets at fair value as of July 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash & Cash Equivalents	\$ 100,099	\$ -	\$ -	\$ 100,099
Mutual Funds	2,774,263	-	-	2,774,263
Hedge Funds	-	1,137,974	-	1,137,974
Limited Partnerships	-	164,786	-	164,786
Fixed Income Securities	663,467	-	-	663,467
Total	\$ 3,537,829	\$ 1,302,760	\$ -	\$ 4,840,589

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. The Federation evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 4 – LONG-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS
(CONTINUED)

Interest and investment income, net is comprised of the following for the year ended July 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Dividend and Interest Income, Net	\$ 59,254	\$ 22,091
Net increase in the fair value of investments	<u>(23,289)</u>	<u>90,062</u>
Total	<u>\$ 35,965</u>	<u>\$ 112,693</u>

Realized gains and losses on investments represent the change in market value from the balance sheet date to the date of sale. Changes in market value for investments are reflected as a net increase or decrease in the fair value of investments, a component of investment return in the accompanying statements of activities.

Net investment revenues are netted against management investment expenses, including custodial fees and investment advisory fees, which amounted to \$18,972 and \$12,612 for the years ended July 31, 2015 and 2014, respectively.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation is being provided by use of the straight-line method over the assets' estimated useful lives as follows:

	<u>Estimated Life in Years</u>	<u>2015</u>	<u>2014</u>
Land and Land Improvements		\$ 1,827,015	\$ 1,827,015
Building	40 Years	13,836,724	13,836,724
Furniture, Fixtures and Equipment	5-10 Years	2,420,983	2,282,230
Building & Leasehold Improvements	39-40 Years	2,486,143	2,292,850
Less Accumulated Depreciation		<u>(10,514,525)</u>	<u>(10,055,943)</u>
Total		<u>\$ 10,056,340</u>	<u>\$ 10,182,876</u>

Depreciation expense for the years ended July 31, 2015 and 2014 was \$458,582 and \$461,765, respectively.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 6 – NOTES PAYABLE – DEMAND

A. Miscellaneous Individual Notes

Consist of individuals who loan money to the Jewish Community Center of Greater New Haven, Inc. (JCC) at 6.00% interest. These notes are all payable upon demand. The combined balance of these notes as of July 31, 2015 and 2014 are \$240,256 and \$261,126, respectively.

B. Line of Credit

The Federation has an available \$450,000 revolving line of credit from TD Banknorth, N.A. that bears interest at Two and Eight Tenths (2.80%) percent per annum in excess of London Inter-Bank Offered Rate LIBOR rate. There are no borrowings outstanding under this line of credit as of July 31, 2015 and 2014.

NOTE 7 – NOTES PAYABLE

	<u>2015</u>	<u>2014</u>
A. TD Banknorth, N.A.		
In April 2009, the mortgage assumed from the JCC was modified and extended until May 2017 with a balloon payment, using an interest rate based on the London Inter-Bank Offered Rate LIBOR rate plus 1.79% (1.975% as of July 31, 2015 and 1.95% as of July 31, 2014). The mortgage is secured by the land and other Federation assets.	\$ 1,296,286	\$ 1,359,628
In June 2010, the existing revolving line of credit of \$2,100,000 was converted into a \$2,100,000 term loan. The term loan is amortized through July 2019 with a balloon payment at a variable interest rate based on the 30-day London Inter-Bank Offered Rate LIBOR rate plus 2.80% (2.985% as of July 31, 2015 and 2.96% as of July 31, 2014). The term loan is secured by substantially all of the Federation's assets.	1,800,720	1,868,436

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 7 – NOTES PAYABLE (CONTINUED)

	<u>2015</u>	<u>2014</u>
B. Lincoln Automotive Financial Services		
Note payable to maturity in February 2020, payable in monthly installments of \$335 including interest at 7.89%. This note is secured by a vehicle.	<u>15,397</u>	<u>-</u>
Total Notes Payable	<u>\$ 3,112,403</u>	<u>\$ 3,228,064</u>

The Federation entered into various interest rate swap agreements on the above debt, which is intended to allow the Federation to minimize the risk of future interest rate fluctuations related to this debt. As the variable interest rate on the debt decreases the interest rate liability increases. The agreements expire on May 18, 2017. The agreement on the mortgage, assumed by the JCC, has a fixed interest rate of 7.22% and the Federation's term loan uses a fixed rate of interest of 6.10%.

The fair value of the interest rate swap agreements is the estimated amount that the swap issuer would receive or pay to terminate the agreements at the reporting date, taking into account current interest rates and the current credit worthiness of the swap counter parties. In particular, the fair value of the interest rate swap agreements is based on an income approach calculation using Level 3 inputs. In the calculation, the swap issuer estimates the fair value of the liability based on the agreements. Management believes the calculations to be a reasonable approximation of the fair value of the liabilities under the interest rate swap agreements. The change, from one year to the next, in the liability under the interest rate swap agreements is recorded as an unrealized gain in the statement of activities.

The fair value of the interest rate swap agreements, which is measured on a recurring basis using Level 3 inputs, consists of the following as of and for the years ended July 31:

	<u>2015</u>	<u>2014</u>
Interest rate swap agreements, beginning	\$ 129,801	\$ 189,515
Unrealized gain on interest rate swaps	<u>(50,094)</u>	<u>(59,714)</u>
Interest rate swap agreements, ending	<u>\$ 79,707</u>	<u>\$ 129,801</u>

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 7 – NOTES PAYABLE (CONTINUED)

The aggregate annual maturities of the notes payable as of July 31, 2015 are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 143,018
2017	1,307,991
2018	85,238
2019	1,573,876
2020	<u>2,280</u>
Total	<u>\$ 3,112,403</u>

Interest expense, for the above notes payable, for the years ended July 31, 2015 and 2014 is \$148,204 and \$171,561, respectively.

The TD Banknorth, N.A. loan agreements include restrictive financial and non-financial covenants such as: a minimum global debt service coverage covenant and a minimum liquidity covenant. The Federation obtained a non-financial covenant waiver for the year ended July 31, 2015.

The Federation was not in compliance with one of the restrictive financial covenants as well as a non-financial covenant, waivers were obtained for the year ended July 31, 2015.

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The Federation is party to capital leases for equipment. The leases are secured by equipment with a cost of \$78,763 and accumulated depreciation of \$13,741.

Future minimum lease payments are as follows:

<u>Year Ending July 31, 2015</u>	
Future Minimum Lease Payments	\$ 63,950
Less amount representing interest computed at 4.3% to 9.1%	<u>(8,295)</u>
Present value of minimum lease payments	55,655
Less current portion	<u>(19,704)</u>
Long-term portion	<u>\$ 35,951</u>

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 9 – RETIREMENT PLAN

The Federation maintains a retirement plan for its full-time, eligible employees. Under the provisions of this plan, in addition to eligible employees electing to defer some of their own compensation, the Federation also has the option to contribute 1% of all eligible employees' salaries. However, The Federation did not contribute any employer contributions to the plan for the years ended July 31, 2015 and 2014.

The Federation has a deferred compensation agreement with the spouse of its former executive vice president. For the years ended July 31, 2015 and 2014, the Federation paid a total of \$17,472 and \$17,281, respectively in deferred compensation. The present value of future payments, based on IRS life expectancy tables and present value interest factors, under this agreement is \$88,968 and \$94,280, as of July 31, 2015 and 2014, respectively.

NOTE 10 – RESTRICTIONS ON NET ASSETS

Permanently restricted net assets are held in perpetuity with the income available in subsequent periods in accordance with the donors' requirements and are comprised of the following funds as follows:

	<u>2015</u>	<u>2014</u>
Stuart Harris Fund for Cultural Arts at the JCC	\$ 9,915	\$ 10,267
Leo Links Fund for the Jewish Community Center	86,122	88,183
Frances Shield Fund for the JCC Healthy Women Healthy Lives Program	22,801	23,389
Frances Shield Fund for the JCC Cultural Arts Program	16,210	16,637
Fredrick A. & Justine Millspaugh Catlin Family Foundation Endowment Fund for the JCC	<u>60,880</u>	<u>62,521</u>
Total	<u>\$ 195,928</u>	<u>\$ 200,997</u>

NOTE 11 – LEASES AND RENT

The Federation rents its classroom facilities on a month-to-month basis. Classroom rent income amounted to \$61,700 and \$98,727 for the years ended July 31, 2015 and 2014, respectively.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 12 - SOLAR POWER PURCHASE AGREEMENT

On September 16, 2014, the Federation entered into a site lease agreement with CEFIA Holdings LLC for a one-time payment of \$1. This agreement permits the lessor to build, maintain, and operate a solar panel power system on Federation property for a term coterminous with a Solar Power Purchase Agreement entered into by the Federation with CEFIA Holdings, LLC on the same day. The Solar Power Purchase Agreement requires the Federation to purchase all power generated by the new solar panel power system for a term of 20 years, at rates established in the contract, and illustrated below.

ENERGY PRICE

<i>Contract Year</i>	<i>Energy Price (\$/kWh)</i>
1	\$0.1020
2	\$0.1035
3	\$0.1051
4	\$0.1067
5	\$0.1083
6	\$0.1099
7	\$0.1115
8	\$0.1132
9	\$0.1149
10	\$0.1166
11	\$0.1184
12	\$0.1202
13	\$0.1220
14	\$0.1238
15	\$0.1256
16	\$0.1275
17	\$0.1294
18	\$0.1314
19	\$0.1333
20	\$0.1353

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 12 - SOLAR POWER PURCHASE AGREEMENT (CONTINUED)

The Solar Power Purchase Agreement also permits the Federation to purchase the solar panel power system in its fifth year of operation at a depreciating cost set forth in the contract, and illustrated below.

MINIMUM SYSTEM PURCHASE PRICE

<i>Contract Year</i>	<i>Minimum System Purchase Price</i>
5	\$1,532,627
6	\$1,393,231
7	\$1,287,629
8	\$1,218,683
9	\$1,143,329
10	\$1,061,014
11	\$971,131
12	\$873,028
13	\$765,993
14	\$649,256
15	\$521,978
16	\$422,659
17	\$353,268
18	\$276,932
19	\$193,053
20	\$100,978

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2015 AND 2014

NOTE 13 – CONCENTRATION OF CREDIT RISK DEBT

Credit Risk

The Federation maintains demand deposits and money market funds at financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. Government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. Therefore, the failure of an institution could result in financial loss. However, the Federation has not experienced any losses on these accounts in the past, and management believes the risk of loss, if any, to be minimal.

Market Risk

The Federation invests in a diverse professionally managed portfolio of investments. Such investments are exposed to potential market volatility. Therefore, the Federation's investments may be subject to significant fluctuations in fair value. Consequently, the investment amounts reported in the accompanying financial statements may not be reflective of the portfolio's fair value during subsequent periods.

Interest Rate Risk

The Federation has two notes payable with variable rates of interest. To minimize the unpredictability of interest payments, the Federation has entered into interest rate swap agreements to convert some interest portion of its obligation from a variable rate to a fixed rate.

NOTE 14 – STATEMENTS OF CASH FLOWS

Supplemental disclosure of cash flow information:

	<u>2015</u>	<u>2014</u>
Cash paid during the year for:		
Interest	\$ 164,276	\$ 172,916
Non Cash Gifts received	\$ 93,760	\$ 62,269