

**The Leo Yassenoff Jewish Community  
Center of Greater Columbus**

Financial Statements  
June 30, 2010

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### Independent Auditor's Report

To the Board of Trustees  
The Leo Yassenoff Jewish Community  
Center of Greater Columbus  
Columbus, Ohio

We have audited the accompanying statement of financial position of The Leo Yassenoff Jewish Community Center of Greater Columbus (the Center) as of June 30, 2010, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the 2009 financial statements which were audited by other auditors. Their report dated February 15, 2010, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2010 financial statements referred to above present fairly, in all material respects, the financial position of The Leo Yassenoff Jewish Community Center of Greater Columbus as of June 30, 2010, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*McGladrey & Pullen, LLP*

Columbus, Ohio  
January 25, 2011

**The Leo Yassenoff Jewish Community  
Center of Greater Columbus**

Statement of Financial Position  
June 30, 2010 (With Comparative Totals at June 30, 2009)

	2010			Total	2009 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 421,405	\$ 222,062	\$ -	\$ 643,467	\$ 629,469
Accounts receivable, net	380,591	-	-	380,591	476,993
Contributions receivable, Columbus Jewish Federation	27,000	681,050	-	708,050	718,773
Contributions receivable, United Way	-	21,793	-	21,793	158,935
Prepaid expenses and deposits	108,247	-	-	108,247	89,476
Inventories	33,962	-	-	33,962	23,178
Capital campaign pledges receivable, net	200,000	-	-	200,000	188,076
Due from the Columbus Jewish Federation - NAP construction	4,139	-	-	4,139	199,719
Due from the Columbus Jewish Day School - NAP construction	-	-	-	-	25,906
<b>Total current assets</b>	<b>1,175,344</b>	<b>924,905</b>	<b>-</b>	<b>2,100,249</b>	<b>2,510,525</b>
Israel bonds	-	32,745	-	32,745	30,734
Investments held with Columbus Jewish Foundation	(233,223)	40,000	2,549,133	2,355,910	2,186,181
Beneficial interest in assets held by Columbus Jewish Foundation	-	428,617	389,937	818,554	682,283
Capital campaign pledges receivable, net	170,132	-	-	170,132	354,174
Property held for lease	137,000	-	-	137,000	137,000
Accumulated depreciation	(96,003)	-	-	(96,003)	(92,515)
	40,997	-	-	40,997	44,485
<b>Property and Equipment</b>					
Building, leasehold and ground improvements	8,041,766	-	-	8,041,766	7,901,462
Right to use	566,375	-	-	566,375	-
Furniture, fixtures and equipment	2,350,731	-	-	2,350,731	2,260,156
Construction in progress	-	-	-	-	57,287
Accumulated depreciation	(4,263,062)	-	-	(4,263,062)	(3,959,280)
<b>Total property and equipment</b>	<b>6,695,810</b>	<b>-</b>	<b>-</b>	<b>6,695,810</b>	<b>6,259,625</b>
	<b>\$ 7,849,060</b>	<b>\$ 1,426,267</b>	<b>\$ 2,939,070</b>	<b>\$ 12,214,397</b>	<b>\$ 12,068,007</b>

**The Leo Yassenoff Jewish Community  
Center of Greater Columbus**

Statement of Financial Position (Continued)  
June 30, 2010 (With Comparative Totals at June 30, 2009)

	2010			Total	2009 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Current Liabilities					
Note payable	\$ 286,149	\$ -	\$ -	\$ 286,149	\$ 125,000
Accounts payable and other accrued expenses	320,324	-	-	320,324	852,470
Accrued payroll and related liabilities	539,917	-	-	539,917	443,640
Deferred revenue, dues and fees	993,547	-	-	993,547	1,164,350
Advances from State of Ohio	28,318	-	-	28,318	-
<b>Total current liabilities</b>	<b>2,168,255</b>	<b>-</b>	<b>-</b>	<b>2,168,255</b>	<b>2,585,460</b>
Noncurrent Liabilities					
Advances from State of Ohio	538,057	-	-	538,057	-
Note payable	-	-	-	-	303,744
<b>Total liabilities</b>	<b>2,706,312</b>	<b>-</b>	<b>-</b>	<b>2,706,312</b>	<b>2,889,204</b>
Net Assets	5,142,748	1,426,267	2,939,070	9,508,085	9,178,803
	<b>\$ 7,849,060</b>	<b>\$ 1,426,267</b>	<b>\$ 2,939,070</b>	<b>\$ 12,214,397</b>	<b>\$ 12,068,007</b>

See Notes to Financial Statements.

**The Leo Yassenoff Jewish Community  
Center of Greater Columbus**

Statement of Activities and Changes in Net Assets  
Year Ended June 30, 2010 (With Comparative Totals for June 30, 2009)

	2010			Total	2009 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Public Support Revenue					
Contributions from Columbus Jewish Federation	\$ 150,638	\$ 681,050	\$ -	\$ 831,688	\$ 728,857
Contributions from United Way	24,650	21,793	-	46,443	158,935
Other contributions	405,923	65,341	108,543	579,807	560,548
<b>Total public support revenue</b>	<b>581,211</b>	<b>768,184</b>	<b>108,543</b>	<b>1,457,938</b>	1,448,340
Membership and Other Supporting Revenue					
Membership dues	1,433,092	-	-	1,433,092	1,325,155
Grant income	283,527	-	-	283,527	222,588
Rentals, events and other revenue	417,152	1,451	-	418,603	310,851
Third-party payments	75,092	-	-	75,092	73,175
Sales of merchandise	58,173	-	-	58,173	76,064
<b>Total membership and other supporting revenue</b>	<b>2,267,036</b>	<b>1,451</b>	<b>-</b>	<b>2,268,487</b>	2,007,833
Program Services Revenue					
Early Childhood Services Division	3,207,884	-	-	3,207,884	2,829,718
Children, Camping and Youth Division	908,656	-	-	908,656	890,604
Recreation and Wellness Division	402,139	2,298	-	404,437	383,318
Adult, Arts and Education Division	107,261	-	-	107,261	87,168
Building Support and Administration	-	-	-	-	29,065
<b>Total program services revenue</b>	<b>4,625,940</b>	<b>2,298</b>	<b>-</b>	<b>4,628,238</b>	4,219,873
<b>Total revenue</b>	<b>7,474,187</b>	<b>771,933</b>	<b>108,543</b>	<b>8,354,663</b>	7,676,046
Net Assets Released from Restrictions and Transfers	1,028,705	(931,483)	(97,222)	-	-
<b>Total Revenue net of releases and transfers</b>	<b>8,502,892</b>	<b>(159,550)</b>	<b>11,321</b>	<b>8,354,663</b>	7,676,046

**The Leo Yassenoff Jewish Community  
Center of Greater Columbus**

Statement of Activities and Changes in Net Assets (Continued)  
Year Ended June 30, 2010 (With Comparative Totals for June 30, 2009)

	2010			Total	2009 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Expenses					
Program services:					
Early Childhood Services Division	\$ 3,820,518	\$ -	\$ -	\$ 3,820,518	\$ 3,570,252
Children, Camping and Youth Division	1,170,941	-	-	1,170,941	1,238,251
Recreation and Wellness Division	1,861,575	-	-	1,861,575	1,974,308
Adult, Arts and Education Division	535,733	-	-	535,733	612,159
Community Funded Programs Division	103,371	-	-	103,371	176,897
Endowment and Board Designated Division	28,432	-	-	28,432	30,811
<b>Total program services</b>	<b>7,520,570</b>	<b>-</b>	<b>-</b>	<b>7,520,570</b>	<b>7,602,678</b>
Supporting services:					
Support and administration	511,424	-	-	511,424	332,851
Fundraising and special events	161,718	-	-	161,718	155,240
<b>Total supporting services</b>	<b>673,142</b>	<b>-</b>	<b>-</b>	<b>673,142</b>	<b>488,091</b>
<b>Total expenses</b>	<b>8,193,712</b>	<b>-</b>	<b>-</b>	<b>8,193,712</b>	<b>8,090,769</b>
Change in Net Assets before Other Income (Loss)	309,180	(159,550)	11,321	160,951	(414,723)
Other Income (Loss)					
Interest and dividends income	84,731	8,753	704	94,188	108,480
Unrealized gain (loss) on investments held with Columbus Jewish Foundation	83,220	-	-	83,220	(581,628)
Change in fair value of beneficial interests in assets held by Columbus Jewish Foundation	-	8,368	(2,466)	5,902	(134,589)
Loss on disposal of fixed assets	(14,979)	-	-	(14,979)	(7,932)
<b>Total other income (loss)</b>	<b>152,972</b>	<b>17,121</b>	<b>(1,762)</b>	<b>168,331</b>	<b>(615,669)</b>
Change in Net Assets	462,152	(142,429)	9,559	329,282	(1,030,392)
Net Assets - beginning of year	4,680,596	1,568,696	2,929,511	9,178,803	10,209,195
Net Assets - end of year	\$ 5,142,748	\$ 1,426,267	\$ 2,939,070	\$ 9,508,085	\$ 9,178,803

See Notes to Financial Statements.

**The Leo Yassenoff Jewish Community  
Center of Greater Columbus**

Statement of Functional Expenses  
Year Ended June 30, 2010 (With Comparative Totals for June 30, 2009)

	Early Childhood Services Division	Children Camping and Youth Division	Recreation and Wellness Division	Adult, Arts and Education Division	Community Funded Programs Division	Endowment Division	Total Program Expenses	Support and Adminis- tration	Fundraising and Special Events	2010 Total Expenses	2009 Total Expenses
Salaries	\$ 2,442,750	\$ 656,856	\$ 982,295	\$ 291,095	\$ 60,475	\$ 1,905	\$ 4,435,376	\$ 131,291	\$ 44,340	\$ 4,611,007	\$ 4,447,861
Payroll taxes	209,278	55,482	87,814	24,722	5,103	283	382,682	12,127	3,819	398,628	387,283
Employees' insurance	112,303	6,738	56,152	11,230	4,492	-	190,915	33,691	-	224,606	244,032
Retirement	-	-	-	-	-	-	-	-	-	-	6,900
Contract services	80,384	48,892	122,673	61,916	3,750	4,147	321,762	13,268	34,753	369,783	480,806
Supplies	82,188	53,329	75,400	20,838	2,430	6,669	240,854	4,220	18,204	263,278	225,956
Merchandise for resale	-	-	7,113	(22)	11,262	1,180	19,533	2,292	3,291	25,116	26,826
Food services	217,339	50,155	32,501	56,922	2,214	252	359,383	10,363	9,180	378,926	413,294
Postage	533	790	305	1,340	835	167	3,970	7,686	1,617	13,273	14,219
Vehicle and mileage	6,533	69,257	1,920	4,507	202	238	82,657	14,906	-	97,563	116,322
Printing and publicity	6,235	4,747	6,429	6,349	1,521	146	25,427	-	3,573	29,000	53,243
Professional services	-	-	-	-	-	-	-	25,597	-	25,597	27,816
Computer support	10,655	1,103	11,224	641	221	-	23,844	441	-	24,285	24,076
Equipment rental	13,688	6,390	15,997	5,474	291	206	42,046	2,355	2,844	47,245	41,201
Equipment repair and maintenance	19	-	7,040	-	-	-	7,059	10,773	-	17,832	8,873
Recruitment	4,481	3,917	1,065	-	-	-	9,463	822	-	10,285	19,515
Human resource development	858	637	2,861	4,041	3,380	13,229	25,006	2,304	1,284	28,594	28,757
Dues/licenses/permits	35,539	10,183	39,076	16,543	1,316	-	102,657	5,013	230	107,900	102,196
Scholarships	187,453	71,877	7,296	939	80	-	267,645	-	-	267,645	190,529
Allocation to JCCA	-	-	-	-	-	-	-	51,480	-	51,480	49,158
Telephone	12,280	3,511	10,195	733	217	-	26,936	6,372	-	33,308	31,712
Utilities	179,104	16,792	167,923	3,358	3,358	-	370,535	42,680	-	413,215	361,758
Insurance	25,693	5,239	28,510	2,376	570	-	62,388	1,140	896	64,424	66,905
Building/grounds repair and maintenance	58,223	16,886	96,859	8,695	1,654	-	182,317	31,427	-	213,744	207,981
Facilities rental	30,550	1,200	-	560	-	-	32,310	-	-	32,310	80,142
Interest	-	-	-	-	-	-	-	2,104	10,011	12,115	34,386
Miscellaneous	4,426	12,579	5,634	40	-	10	22,689	9,909	27,676	60,274	43,222
<b>Total expenses before depreciation</b>	<b>3,720,512</b>	<b>1,096,560</b>	<b>1,766,282</b>	<b>522,297</b>	<b>103,371</b>	<b>28,432</b>	<b>7,237,454</b>	<b>422,261</b>	<b>161,718</b>	<b>7,821,433</b>	<b>7,734,969</b>
Depreciation	100,006	74,381	95,293	13,436	-	-	283,116	89,163	-	372,279	355,800
<b>Total expenses</b>	<b>\$ 3,820,518</b>	<b>\$ 1,170,941</b>	<b>\$ 1,861,575</b>	<b>\$ 535,733</b>	<b>\$ 103,371</b>	<b>\$ 28,432</b>	<b>\$ 7,520,570</b>	<b>\$ 511,424</b>	<b>\$ 161,718</b>	<b>\$ 8,193,712</b>	<b>\$ 8,090,769</b>

See Notes to Financial Statements.

**The Leo Yassenoff Jewish Community  
Center of Greater Columbus**

Statement of Cash Flows

For the Year Ended June 30, 2010 (With Comparative Totals for June 30, 2009)

	2010	2009
Cash Flows from Operating Activities		
Change in net assets	\$ 329,282	\$ (1,030,392)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	372,279	355,800
Loss on disposal of assets	14,979	7,932
Uncollectible provision (recovery) for accounts and pledges receivable	(4,793)	21,779
Unrealized (gain) loss on investments held with Columbus Jewish Foundation	(83,220)	581,628
Change in fair value of beneficial interest in assets held by others	(5,902)	134,589
Net unrealized gain on Israel bonds	(2,011)	(1,880)
Contributions restricted for long-term investment	(180,453)	(177,154)
(Increase) decrease in assets:		
Accounts, contributions and pledges receivable, net	421,178	546,412
Prepaid expenses, deposits and inventories	(29,555)	9,547
Increase (decrease) in liabilities:		
Accounts payable, accrued payroll and other accrued expenses	(435,869)	(228,978)
Deferred revenue, dues and fees	(170,803)	(61,337)
<b>Net cash provided by operating activities</b>	<b>225,112</b>	<b>157,946</b>
Cash Flows from Investing Activities		
(Increase) decrease in investments held with Columbus Jewish Foundation	(130,369)	44,416
Increase in beneficial interest in assets held by others	(86,509)	(19,783)
Purchases of property and equipment	(253,580)	(326,231)
<b>Net cash used in investing activities</b>	<b>(470,458)</b>	<b>(301,598)</b>
Cash Flows from Financing Activities		
Proceeds from contributions restricted for:		
Investment in endowments	8,335	44,934
Capital campaign	172,118	132,220
Funds received from the Columbus Jewish Federation to reimburse construction costs	195,580	439,147
Construction costs paid prior to funds reimbursed from the Columbus Jewish Day School	-	(25,906)
Funds received from the Columbus Jewish Day School to reimburse construction costs	25,906	-
Payments on note payable	(142,595)	(214,450)
<b>Net cash provided by financing activities</b>	<b>259,344</b>	<b>375,945</b>
Net change in cash and cash equivalents	13,998	232,293

(Continued)

**The Leo Yassenoff Jewish Community  
Center of Greater Columbus**

Statement of Cash Flows (Continued)

For the Year Ended June 30, 2010 (With Comparative Totals for June 30, 2009)

	<b>2010</b>	2009
Cash and Cash Equivalents - Beginning of year	<u><b>629,469</b></u>	397,176
Cash and Cash Equivalents - End of year	<u><b>\$ 643,467</b></u>	<u>\$ 629,469</u>
 Supplemental Disclosures of Cash Flow Information		
Interest paid	<u><b>\$ 12,115</b></u>	<u>\$ 34,386</u>
 Supplemental Disclosures of Non-cash Operating and Investing Activities		
Accounts payable for construction costs	<u><b>\$ -</b></u>	<u>\$ 528,557</u>
Transfer of construction costs reported in construction in progress as of June 30, 2008 to the Columbus Jewish Federation	<u><b>\$ -</b></u>	<u>\$ 110,308</u>

See Notes to Financial Statements.

**The Leo Yassenoff Jewish Community  
Center of Greater Columbus**

**Notes to Financial Statements**

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**Note 1. Nature and Scope of Organization**

The Leo Yassenoff Jewish Community Center of Greater Columbus (the Center) is a nonprofit human service agency committed to enhancing the quality of family life and promoting the physical, intellectual and spiritual wellness of the individual. The Center provides health-related activities, cultural and educational programs that reflect the Jewish heritage, as well as many services to the community at large, including populations at risk.

**Note 2. Summary of Significant Accounting Policies**

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

**Financial statement presentation:** The Center reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions and are available for use in the Center’s ongoing operations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by action of the Center pursuant to those restrictions, and/or upon receipt of funding or passage of date upon which funds were due.

Permanently Restricted Net Assets – Net assets subject to donor-imposed restrictions that the principal be maintained permanently by the Center and generally allow the use of investment earnings.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center’s financial statements for the year ended June 30, 2009, from which the summarized information was derived.

**Cash and cash equivalents:** The Center considers cash and cash equivalents to include cash on hand, demand deposits, money market accounts and all highly liquid investments with original maturities of three months or less. The Center maintains its cash and cash equivalents in ten accounts with four financial institutions. The Center periodically maintains cash deposits in excess of federally insured limits.

**Investments:** Investments consist of marketable securities recorded at their fair value. Interest, dividends, gains and losses on investments are included in the accompanying statement of activities.

Marketable securities are exposed to various risks such as interest rate, market and credit risks. Accordingly, it is at least reasonably possible that changes in the values of marketable securities may occur in the near term, which could be material.

**The Leo Yassenoff Jewish Community  
Center of Greater Columbus**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Accounts receivable, deferred revenue and revenues:** The primary operating revenue categories are as follows:

Membership Dues – Dues are assessed at various times during the year based on when the memberships are initially registered and renewed and a form of payment is received. If the member elects to pay in full, the dues are recorded as deferred revenue initially in the first month of the membership and then recognized as revenue on a pro-rata basis each month. Otherwise, revenue is recorded when payment is collected in the same month that the membership is used.

Program Services – Program service fees include a variety of offerings and are recorded on the accrual basis. Participants are generally billed in advance, and revenues are recognized in the month the programs and services are rendered. If participants pay in advance of the program or service, funding is recorded as deferred revenue and then recognized in the month the program or service is rendered.

All receivables are considered past due 30 days after any invoice is rendered. The Center does not charge interest on any overdue accounts.

The Center utilizes the allowance method to recognize potentially uncollectible amounts based on management's estimation of the amount that may not be collected. The estimation takes into consideration overall historical trends as well as past history with specific members and participants. Actual results could vary from the estimates. Accounts are charged against the allowance when management deems them to be uncollectible.

**Inventories:** Inventories, which consist primarily of food and maintenance supplies, are all finished products and are carried at the lower of cost or market, determined on a first-in, first-out (FIFO) basis.

**Property and equipment:** Property and equipment are carried at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives ranging from three to forty years. Major acquisitions and improvements are capitalized and depreciated. Maintenance and repairs, which do not improve or extend the useful lives of the respective assets, are recorded to expense as incurred. The carrying amounts of assets sold, retired or otherwise disposed and the related accumulated depreciation is eliminated from the accounts and any resulting gain or loss is included in the statement of activities.

The carrying value of long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the amount of the assets may not be recoverable. When an indication of impairment is present and the undiscounted cash flows estimated to be generated by the related assets are less than the assets' carrying amount, an impairment loss will be recorded based on the difference between the carrying amount of the assets and their estimated fair value. Management determined that no impairment existed at June 30, 2010.

**Beneficial interest in assets held by others:** The Center follows Financial Accounting Standards Board (FASB) guidance related to transfers of assets to a not-for-profit organization or charitable trust that raises or holds contributions for others. This guidance establishes standards for transactions between the Center, as beneficiary, and the Columbus Jewish Foundation (the Foundation), as the recipient organization. In the statement of financial position, the Center reports these transactions with the Foundation as beneficial interest in assets held by others.

**The Leo Yassenoff Jewish Community  
Center of Greater Columbus**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Contributions and public support:** Public support funding is classified as contributions revenue. Unconditional contributions are recognized as revenue in the month the commitment or payment is first received. Conditional contributions are not recognized until the conditions are substantially met, the pledge or grant can be considered legally enforceable, or the likelihood of the condition not occurring is remote. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted revenue depending on the existence, nature or term of use of any donor restrictions. When a restriction expires or is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as satisfaction of donor restrictions. Restricted contributions for which the restriction is fulfilled in the same year the contribution is received are recorded directly to unrestricted contributions on the statement of activities and changes in net assets. Contributions with restrictions that are not fulfilled in the same year remain as temporarily restricted until either the required use or passage of time restrictions are fulfilled. Accordingly, such contributions are then released from restrictions and recorded as unrestricted net assets.

Contributions of property, equipment, investments, or any other types of assets are recorded at fair value at the date of donation.

**Contributed goods and services:** Donated services are recognized as contributions only if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. During 2010, a substantial number of unpaid volunteers, including members of the Board of Trustees, made significant contributions of time to promote and administer the activities at the Center. The value of this contributed time is not reflected in the financial statements since the aforementioned criteria were not met.

In addition, the Columbus Jewish Federation (the Federation), owns the main building from which the Center operates. The Federation does not require rent payments from the Center; however, the Center is required to pay all building operating costs. Capital improvements are funded either through an allocation from the Federation or from the Center's operating funds.

**Income taxes:** The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, except taxes pertaining to unrelated business income, if any. The Center is also partially exempt from real estate taxes.

The Center follows FASB guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Center may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Center and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. At June 30, 2010, there were no unrecognized tax benefits identified or recorded as liabilities.

The Center files forms 990 and 990T in the U.S. federal jurisdiction and the state of Ohio. With few exceptions, the Center is no longer subject to examination by the Internal Revenue Service for years before 2006.

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Rent Expense:** Rental expense for leases that contain a predetermined fixed escalation of the minimum rent is recognized on a straight-line basis over the lease term. The difference between the recognized rental expense and the amounts payable under the lease (if any) is recorded as deferred rent on the accompanying statement of financial position.

**Reclassifications:** Certain prior year amounts have been reclassified to conform with the current year presentation.

**Subsequent events:** The Center evaluated subsequent events for potential recognition and/or disclosure through January 25, 2011, the date the financial statements were available to be issued.

**Note 3. Accounts Receivable**

Accounts receivable consisted of the following as of June 30, 2010:

Member receivables	\$	273,374
Grants		37,837
Other		78,264
		<u>389,475</u>
Allowance for uncollectible accounts		(8,884)
	\$	<u>380,591</u>

**Note 4. Investments Held with the Columbus Jewish Foundation**

The Center's investments are held in pooled investment funds managed by the Foundation. The pooled investment funds are comprised of fixed income and equity investments for which the Center is credited pro rata shares of investment returns based upon units of ownership interest. The Center invested certain available funds that were directly received from donors. The corpus of the donations were either temporarily or permanently restricted, with interest earned classified as temporarily restricted income. Therefore, the temporarily restricted investments are reported as either current or non-current as applicable on the statement of financial position. Investment income and the change in fair value resulting from holding the investments are allocated to the classes of net assets based on specific identity.

Investments consisted of the following as of June 30, 2010:

	<u>Cost</u>	<u>Fair Value</u>
Fixed income and equity investments	<u>\$ 2,856,100</u>	<u>\$ 2,355,910</u>

**The Leo Yassenoff Jewish Community  
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**Note 5. Fair Value Measurements**

The Center follows the FASB guidance regarding fair value measurements. The guidance applies to all financial instruments that are being measured and reported at fair value and establishes a three level hierarchy for disclosure to show the extent and the level of judgment used to estimate fair value measurements. The three categories are defined as follows:

Level 1 — Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 — Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 — Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the fiscal year ended June 30, 2010, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Pooled funds: The Center participates in a pooled fund held and managed by the Columbus Jewish Foundation. The fair value of the pooled funds held by the Center is based on the net asset value (NAV) of units held at year end. Pooled investments were transferred out of levels 1 and 3 due to clarifying guidance issued during fiscal year 2010. As a result of the interpretation, it was determined that these investments qualified as Level 2. While the Center believes their valuation method is appropriate, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Beneficial interest in assets held by others: The fair value of the beneficial interest in assets held by others was estimated by the Center based on the present value of the future distributions expected to be received by the Center.

The following table sets forth by level within the fair value hierarchy the Center's financial assets that were accounted for at a fair value on a recurring basis as of June 30, 2010. The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Center's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels. The table does not include cash on hand or other assets and liabilities that are measured at historical cost or any basis other than fair value.

	Level 1	Level 2	Level 3	Total
Financial Assets:				
Pooled funds - The Columbus Jewish Foundation	\$ -	\$ 2,355,910	\$ -	\$ 2,355,910
Beneficial interest in assets held by others	-	-	818,554	818,554
Total assets at fair value	\$ -	\$ 2,355,910	\$ 818,554	\$ 3,174,464

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**Note 5. Fair Value Measurements (Continued)**

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the Center's Level 3 assets for the year ended June 30, 2010:

	Pooled funds	Beneficial interest in assets held by others
Balance, beginning of year	\$ 36,361	\$ 682,283
Contributions	-	130,369
Change in fair value of beneficial interests in assets held by the Foundation	-	5,902
Transferred to level 2	(36,361)	-
	<u>\$ -</u>	<u>\$ 818,554</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 818,554</u>

**Note 6. Pledges Receivable**

In 1999, the Board of Trustees approved a resolution for a capital campaign for various capital projects with a goal of \$5 million for capital improvements and \$1 million endowment fund to support the Center's facilities. The capital campaign generated approximately \$7,656,000 of promises to give as of June 30, 2010, of which approximately \$7,129,000 was received as of June 30, 2010. Approximately \$127,000 of pledges receivable were written off as uncollectible since the start of the capital campaign, with approximately \$30,000 of pledges receivable written off in 2010. The unpaid pledges are reflected at the present value of estimated cash flows using a discount rate of 5%. These receivables are pledged to be received in the next one to three years as follows at June 30, 2010:

Unconditional promises

Due in less than one year	\$ 200,000
Due in one to three years	200,000
	<u>400,000</u>
Discount for present value	(27,468)
Allowance for uncollectible pledges	<u>(2,400)</u>
Pledges receivable, net	<u>\$ 370,132</u>

**Note 7. Beneficial Interest in Assets Held by the Columbus Jewish Foundation**

Certain donors created permanent and temporary endowment funds at the Foundation to benefit the Center. The Foundation owns and manages the funds; however, the Center is the beneficiary of the proceeds of these funds. Accordingly, the Center recorded the beneficial interest of these funds on the statement of financial position. The present value of the future distributions to be received at June 30, 2010 was approximately \$742,000, and is included in the statement of financial position as beneficial interest in assets held by the Columbus Jewish Foundation.

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**Note 7. Beneficial Interest in Assets Held by the Columbus Jewish Foundation (Continued)**

In addition, certain donors have transferred investment instruments to the Foundation to benefit the Center. The donors made irrevocable deferred gifts that, upon the donor's death, the remaining corpus will generate interest and dividend earnings that will be available for use by the Center as the named beneficiary. The corpus will continue to be held by the Foundation. The funds' balance at June 30, 2010 was approximately \$77,000, and is included in the statement of financial position as beneficial interest in assets held by the Foundation.

**Note 8. Endowment Funds**

The Center has several donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Center has interpreted the Ohio Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective in Ohio on June 1, 2009, 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 Center 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 is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Center 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 Center 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 Center
- (7) The investment policies of the Center

**Funds with Deficiencies:** From time to time, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA required the Center to retain as a fund of perpetual duration. Deficiencies of this nature were first applied to unappropriated, temporarily restricted net assets generated from investment income, realized and unrealized gains, if any. If there was any remaining deficiency, it was applied to unrestricted net assets in accordance with GAAP. At June 30, 2010, funds with deficiencies totaled \$226,274. These deficiencies resulted from unfavorable market fluctuations as valued at June 30, 2010.

**Return Objectives and Risk Parameters:** The Center 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. Under this policy, as approved by the Board of Trustees, the endowment assets are invested with community foundations that have investment policies intended to produce results that exceed the price and yield results of the S&P 500 Index while assuming a moderate level of investment risk. The Center expects its endowment funds, over time, to provide an average rate of return of at least 5% annually. Actual returns in any given year may vary from this amount.

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**Note 8. Endowment Funds (Continued)**

**Strategies Employed for Achieving Objectives:** To satisfy its long-term rate-of-return objectives, the Center 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 Center 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:** Absent explicit donor spending stipulation, the Center has a policy of appropriating for distribution each year up to 5% of its endowment fund's average fair value over the prior 12 quarters through the fiscal year-end proceeding the fiscal year in which the distribution is planned. The Foundation represents that the Center has available for each subsequent fiscal year the lesser of earnings or 3% of the fair value of the funds, except for the Weinberg fund, which has available 5% of the average fund principal as stated in the endowment fund agreement. Appropriations and related distributions will only occur if the fair value of the underlying investment portfolio is equal to or greater than the original corpus contributions collected and deposited. In establishing this policy, the Center considered the long-term expected return on its endowment. Accordingly, over the long term, the Center expects the current spending policy to allow its endowment to grow at an average of at least 5% annually. This is consistent with the Center'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.

The following is a summary of the endowment net asset composition by type of fund as of June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (226,274)	\$ -	\$ 2,549,133	\$ 2,322,859

Changes in endowment net assets are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at June 30, 2009	\$ (401,053)	\$ -	\$ 2,553,761	\$ 2,152,708
Investment return:				
Investment income, net of fees	81,202	3,357	704	85,263
Net appreciation	83,220	-	-	83,220
Total investment return	164,422	3,357	704	168,483
Contributions	-	310	8,025	8,335
Reclassification	10,357	3,000	(13,357)	-
Appropriation of endowment assets for expenditures	-	(6,667)	-	(6,667)
Balance at June 30, 2010	\$ (226,274)	\$ -	\$ 2,549,133	\$ 2,322,859

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**Note 8. Endowment Funds (Continued)**

Management excluded the beneficial interest in assets held by the Foundation from the endowment activity above because the donors sent the gift directly to a community foundation and contractually established the Foundation as having variance power including those gifts established by a trust agreement. Endowment activity above includes all Center owned investments for which the donor has restricted the corpus for the purpose of generating income to enable the ongoing operations and programs of the Center. For the endowment activity disclosure above, management considers all investment income temporarily restricted until appropriated for expenditure. On the statement of activities and changes in net assets, this investment income is shown as unrestricted if appropriated for expenditure in the same fiscal year which is consistent with the reporting method used for contributions whose restricted purpose was fulfilled in the same year the contribution was received.

**Note 9. Property Held for Lease**

The Center leases property under a month-to-month lease that is accounted for as an operating lease. Rental income reflected in the statement of activities as other revenue was approximately \$13,000 for the year ended June 30, 2010.

**Note 10. Note Payable**

Effective September 2007, the Center entered into a note payable with a bank for a face amount of \$830,000. The Center paid \$200,000 in February 2008, reducing the principal balance of the loan to \$630,000. In April 2008, this loan agreement was modified to increase the loan balance from \$630,000 to \$690,000 with minimum annual payments of \$125,000 due commencing March 1, 2009 and annually on March 1<sup>st</sup> thereafter. The Center pays additional principal payments as cash is available. Interest payments are accrued and added to the loan balance on a quarterly basis. The remaining principal and interest is due March 1, 2011. The outstanding balance on note was \$286,149 as of June 30, 2010. This loan bears interest at a variable rate of 2.25% plus one month LIBOR (.35% at June 30, 2010).

The Center pledged real property assets and capital campaign pledges receivable as collateral for the note. The note payable has a tangible net worth requirement.

**Note 11. Line of Credit**

The Center has a demand line of credit agreement with a bank. Under the agreement, the Center may borrow up to \$500,000 at a variable interest rate of 2% per annum plus one month LIBOR. This line of credit is secured by all deposit accounts. As of June 30, 2010, the Center had no outstanding balance.

**Note 12. Operating Leases**

The Center leases vehicles and various office equipment under operating lease agreements providing for fixed monthly payments expiring at various dates through 2014. The Center also leases real property under operating lease agreements. Rent expense was approximately \$80,000 in 2010.

The future minimum rental payments required under non-cancelable long-term operating leases are approximately as follows at June 30, 2010:

2011	\$	35,372
2012		9,750
2013		5,184
2014		1,296
	\$	<u>51,602</u>

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**Note 13. Advances from State of Ohio**

During 2010, the Center entered into a joint use agreement with Columbus State Community College (the College). Under the agreement, the College, through a State of Ohio capital appropriation, provided \$566,375 to be used for improvements to the New Albany facility and in return, the Center provides the College use of the multi-purpose room, library, and a conference room at the facility. The term of the agreement is 20 years, and if the agreement is terminated prior to the expiration date, a prorated amount of the original funding would have to be returned, as defined in the agreement. The Center has recorded a liability for this funding as advances from State of Ohio in the accompanying statement of financial position and each year, a prorated portion of the liability will be written off. In addition, the Center has recorded a corresponding right to use asset in the accompanying statement of financial position to reflect the College's right to use the facility over the term of the agreement. This amount will be amortized over the life of the agreement.

The Columbus Jewish Federation owns the New Albany facility and incurred all construction costs. Therefore, the Center transferred the funding to the Columbus Jewish Federation as reimbursement for construction costs.

**Note 14. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes at June 30, 2010:

Cultural arts	\$ 40,000
Adult programs	109,000
Youth programs	880,844
Outreach programs	65,000
Tribute funds	74,693
General	256,730
	<u>\$ 1,426,267</u>

Included in public support are contributions from the Federation of \$681,050, which represents the annual operating allocation from the Federation for fiscal year 2011.

The Center receives public support through contributions from the United Way, which totaled \$46,443 in 2010.

Temporarily restricted net assets released from restrictions to unrestricted were from the Federation, the United Way, Tribute funds and various grants for the year ended June 30, 2010.

**Note 15. Permanently Restricted Net Assets**

Permanently restricted net assets are beneficial interests in assets and endowed contributions, the corpus of which is to be held in perpetuity and the income from which is expendable to support the following purposes at June 30, 2010:

Cultural arts	\$ 219,934
Adult programs	29,447
Youth programs	365,259
Recreation and wellness	2,242,424
General	82,006
	<u>\$ 2,939,070</u>

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**Note 16. Best in Class Campaign**

The Center participated in a fundraising campaign with the Federation that was commissioned by both organizations in 2008. The Federation administered the campaign. The campaign is occurring in various phases, with the first phase being primarily for the construction of the New Albany Preschool building. The building will be occupied by the Center and the Columbus Jewish Day School, who is conducting their own fundraising campaign. The building will be owned by the Federation. The Best in Class Campaign is viewed as a community campaign and the pledges are recognized as revenue by the Federation beginning at the inception of the campaign in July 2008.

The Center was designated to manage the construction project and made payments to the general contractor, as well as made payments for other various construction related expenditures. The Foundation and the Federation advanced the Center funding to pay for the construction costs, which are being repaid from pledges collected by the Federation. As of June 30, 2010, the Center recorded approximately \$4,000 due from the Federation for construction costs incurred prior to year-end which represents the activity payments made to the general contractor and other construction vendors plus any construction-related payables invoiced for service provided as of June 30, 2010, net of funding received from the Columbus Jewish Day School for construction costs paid on that school's behalf for subsequent reimbursement.

As a part of this campaign, the Foundation promised to establish a fund for \$500,000 over the next five years, from which the Center will be able to use earnings for repairs and maintenance at the new facility. The \$500,000 is not a contribution to the Center as the ownership of the funds remains with the Foundation and the Foundation retained the right to discontinue the support.

**Note 17. Retirement Plan**

The Center administers a contributory 403(b) retirement plan for the benefit of essentially all employees. There is no age or service requirement for participation in the Plan. The Center does not contribute to this Plan.

**Note 18. Commitment and Contingencies**

The Center continues to be involved in a matter where a facility operated by the Center, but owned by the Federation, potentially no longer qualifies as property exempt from real estate taxes. The county tax commissioner made a determination in July 2010 that the facility is exempt from real estate taxes; however, the local school district has filed an appeal. The total tax and penalties assessed to date are approximately \$90,000. In the opinion of management, the Center has adequate legal defense for such matters. If an unfavorable appeal occurs, the Center would have to work with the Federation to determine which entity would be responsible for paying the fees, as the Federation owns the building but the Center uses the building. Management believes that such matters will not have a materially adverse impact on the Center's financial position, result of future operations or cash flows.