The Jewish Community Center of Greater Columbus

Financial Report
June 30, 2019

Contents

RSM US LLP

Independent Auditor's Report

To the Board of Trustees
The Jewish Community
Center of Greater Columbus

Report on the Financial Statements

We have audited the accompanying financial statements of The Jewish Community Center of Greater Columbus (the Center), which comprise the statement of financial position as of June 30, 2019, the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jewish Community Center of Greater Columbus as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Summarized Comparative Information
We have previously audited The Jewish Community Center of Greater Columbus' 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 16, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

Columbus, Ohio
January 13, 2020

The Jewish Community Center of Greater Columbus

Statement of Financial Position
June 30, 2019
(With Comparative Totals at June 30, 2018)

Assets	**2019**	2018
Current assets:		
Cash and cash equivalents	**$ 1,535,453**	$ 1,458,909
Accounts receivable, net	**313,805**	262,776
Contributions receivable, net:		
Columbus Jewish Federation	**534,074**	532,168
Pledges receivable	**72,741**	2,000
Prepaid expenses and deposits	**203,044**	277,846
Inventories and other assets	**23,120**	39,282
Total current assets	**2,682,237**	2,572,981
Other assets:		
Pledges receivable, net	**100,000**	-
Israel bonds	**25,000**	25,000
Investments held with Columbus Jewish Foundation	**3,943,264**	3,830,401
Beneficial interest in assets held by Columbus Jewish Foundation	**1,075,578**	1,071,030
Total other assets	**5,143,842**	4,926,431
Right to use asset - State of Ohio	**566,375**	566,375
Accumulated amortization	**(254,870)**	(226,551)
Total right to use asset - State of Ohio	**311,505**	339,824
Property held for lease	**152,532**	152,532
Accumulated depreciation	**(134,685)**	(130,301)
Total property held for lease	**17,847**	22,231
Property and equipment:		
Building, leasehold and ground improvements	**10,823,221**	10,537,355
Furniture, fixtures and equipment	**2,704,940**	2,544,809
Accumulated depreciation	**(6,695,355)**	(6,262,916)
Total property and equipment	**6,832,806**	6,819,248
Total assets	**$ 14,988,237**	$ 14,680,715

See notes to financial statements.

Liabilities and Net Assets		**2019**		2018
Current liabilities:				
Accounts payable and other accrued expenses	**$**	**547,756**	$	425,267
Accrued payroll and related liabilities		**689,195**		598,575
Deferred revenue		**1,028,800**		963,542
Advances from State of Ohio - right to use		**28,319**		28,319
Total current liabilities		**2,294,070**		2,015,703
Noncurrent liabilities:				
Advances from State of Ohio - right to use		**283,186**		311,505
Total liabilities		**2,577,256**		2,327,208
Net assets:				
Without donor restrictions		**6,488,110**		6,657,947
With donor restrictions		**5,922,871**		5,695,560
Total net assets		**12,410,981**		12,353,507
Total liabilities and net assets	**$**	**14,988,237**	$	14,680,715

See notes to financial statements.

The Jewish Community Center of Greater Columbus

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	**2019 Totals**	2018 Totals
Public support revenue:				
Contributions from Columbus Jewish Federation	$ 44	$ 454,500	**$ 454,544**	$ 532,168
Contributions from United Way	8,226	-	**8,226**	18,052
Grant income	204,730	-	**204,730**	216,364
Other contributions	646,713	362,149	**1,008,862**	633,252
Total public support revenue	859,713	816,649	**1,676,362**	1,399,836
Membership and other supporting revenue:				
Membership dues	1,962,630	-	**1,962,630**	1,850,023
Program services	7,379,681	-	**7,379,681**	6,841,236
Total membership and program service revenue	9,342,311	-	**9,342,311**	8,691,259
Other revenue:				
Rentals, events and other revenue	917,941	-	**917,941**	759,892
Third-party payments	91,910	-	**91,910**	85,244
Sales of merchandise	145,106	-	**145,106**	130,754
Total other revenue	1,154,957	-	**1,154,957**	975,890
Total revenue	11,356,981	816,649	**12,173,630**	11,066,985
Net assets released from restrictions	710,341	(710,341)	**-**	-
Total revenue net of releases	12,067,322	106,308	**12,173,630**	11,066,985
Expenses:				
Salaries and benefits	7,754,736	-	**7,754,736**	7,016,355
Program expenses	2,068,933	-	**2,068,933**	1,772,021
Operating expenses	865,991	-	**865,991**	810,203
Occupancy expenses	1,006,600	-	**1,006,600**	1,076,691
Depreciation and amortization expense	543,729	-	**543,729**	533,892
Total expenses	12,239,989	-	**12,239,989**	11,209,162
Change in net assets before other income	(172,667)	106,308	**(66,359)**	(142,177)
Other income:				
Interest and dividends income	12,778	185,134	**197,912**	229,730
Unrealized (loss) gain on investments	(1,013)	(28,110)	**(29,123)**	18,624
Change in fair value of beneficial interests	-	(36,021)	**(36,021)**	26,883
Loss on disposal of fixed assets, net	(8,935)	-	**(8,935)**	(22,015)
Total other income	2,830	121,003	**123,833**	253,222
Change in net assets	(169,837)	227,311	**57,474**	111,045
Net assets - beginning of year	6,657,947	5,695,560	**12,353,507**	12,242,462
Net assets - end of year	$ 6,488,110	$ 5,922,871	**$ 12,410,981**	$ 12,353,507

See notes to financial statements.

The Jewish Community Center of Greater Columbus

Statement of Functional Expenses
Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Early Childhood Services Division	Children Camping and Youth Division	Recreation and Wellness Division	Adult, Arts and Education Division	Endowment Division	Total Program Expenses	Support and Adminis-tration	Fundraising and Special Events	Rentals	**2019 Total Expenses**	2018 Total Expenses
Salaries	$ 3,638,594	$ 698,620	$ 1,412,100	$ 268,510	$ 25,000	$ 6,042,824	$ 360,991	$ 101,322	$ -	**$ 6,505,137**	$ 5,873,850
Payroll taxes	312,190	57,662	122,398	23,058	-	515,308	29,547	8,519	-	**553,374**	512,195
Employees' benefits	408,974	78,468	101,480	20,078	-	609,000	79,459	7,766	-	**696,225**	630,310
Contract services	239,351	94,157	231,405	85,504	15,996	666,413	101,332	13,300	-	**781,045**	626,366
Supplies	79,798	51,047	95,074	35,224	24,131	285,274	4,333	4,606	-	**294,213**	249,481
Merchandise for resale	-	-	1,113	9,813	12,389	23,315	20,987	2,856	-	**47,158**	33,736
Food services	337,623	62,632	39,792	95,019	830	535,896	216,890	6,089	-	**758,875**	689,875
Postage	96	51	54	3,111	-	3,312	4,955	1,087	-	**9,354**	9,210
Vehicle and mileage	10,578	77,441	2,786	17,443	788	109,036	11,787	-	-	**120,823**	107,477
Printing and publicity	9,470	3,761	12,677	21,166	360	47,434	2,162	7,869	-	**57,465**	55,876
Professional services	-	-	-	-	-	-	28,270	-	-	**28,270**	27,325
Computer support	39,041	10,559	28,583	5,177	-	83,360	5,392	2,264	-	**91,016**	79,122
Equipment rental	18,276	6,838	45,548	6,729	77,489	154,880	18,942	2,182	-	**176,004**	155,551
Equipment repair and maintenance	146	2,522	3,886	960	-	7,514	9,358	-	-	**16,872**	18,257
Recruitment	5,776	2,662	1,273	93	-	9,804	30,468	-	-	**40,272**	11,717
Travel and training	271	9,601	1,604	4,518	10,882	26,876	6,466	-	-	**33,342**	44,594
Dues/licenses/permits	49,691	35,860	47,675	20,632	-	153,858	17,247	2,612	4,597	**178,314**	141,415
Scholarships	124,880	69,379	2,998	5,997	15,097	218,351	-	-	-	**218,351**	250,959
Allocation to JCCA	-	-	-	-	-	-	83,550	-	-	**83,550**	79,572
Telephone	10,846	6,645	8,503	491	-	26,485	3,486	392	-	**30,363**	25,507
Utilities	154,809	42,238	174,665	15,720	-	387,432	21,201	17,467	365	**426,465**	469,693
Insurance	21,497	21,144	17,114	8,635	-	68,390	5,934	1,138	281	**75,743**	66,695
Building/grounds repair and maintenance	72,952	49,238	162,932	37,702	2,208	325,032	58,984	-	4,451	**388,467**	448,126
Facilities rental	59,493	-	1,745	5,788	-	67,026	5,179	-	-	**72,205**	68,711
Interest	-	-	-	-	-	-	-	-	-	**-**	1,691
Bad debt expense (recovery)	-	-	-	-	-	-	9,020	2,000	-	**11,020**	(8,466)
Miscellaneous	406	132	-	45	-	583	554	-	1,200	**2,337**	6,425
Total expenses before depreciation and amortization	5,594,758	1,380,657	2,515,405	691,413	185,170	10,367,403	1,136,494	181,469	10,894	**11,696,260**	10,675,270
Depreciation and amortization	123,063	76,790	160,717	55,353	-	415,923	95,103	28,319	4,384	**543,729**	533,892
Total expenses	$ 5,717,821	$ 1,457,447	$ 2,676,122	$ 746,766	$ 185,170	$ 10,783,326	$ 1,231,597	$ 209,788	$ 15,278	**$ 12,239,989**	$ 11,209,162

See notes to financial statements.

The Jewish Community Center of Greater Columbus

Statement of Cash Flows
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	2019	2018
Cash flows from operating activities:		
Change in net assets	**$ 57,474**	$ 111,045
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**543,729**	533,892
Loss on disposal of assets	**8,935**	22,015
Unrealized loss (gain) on investments	**29,123**	(18,624)
Change in fair value of beneficial interest	**36,021**	(26,883)
Recognition of forgiveness on advances from State of Ohio	**(28,319)**	(28,319)
Contributions restricted for permanent investment	**(59,964)**	(85,931)
(Increase) decrease in assets:		
Accounts, contributions and pledges receivable, net	**(223,676)**	192,076
Prepaid expenses, deposits and inventories	**90,964**	(105,884)
Increase (decrease) in liabilities:		
Accounts payable, accrued payroll and other accrued expenses	**213,109**	146,185
Deferred revenue	**65,258**	(85,814)
Net cash provided by operating activities	**732,654**	653,758
Cash flows from investing activities:		
Increase in investments held with Columbus Jewish Foundation	**(141,986)**	(487,978)
Proceeds from sale of property and equipment	**-**	350
Purchases of property and equipment	**(533,519)**	(238,945)
Net cash used in investing activities	**(675,505)**	(726,573)
Cash flows from financing activities:		
Contribution restricted for permanent investment	**19,395**	57,798
Payments on mortgage loan	**-**	(295,425)
Net cash provided by (used in) financing activities	**19,395**	(237,627)
Net change in cash and cash equivalents	**76,544**	(310,442)
Cash and cash equivalents:		
Beginning	**1,458,909**	1,769,351
Ending	**$ 1,535,453**	$ 1,458,909
Supplemental schedule of noncash investing and financing activities:		
Contribution of beneficial interest	**$ 40,569**	$ 28,133

See notes to financial statements.

Note 1. Nature and Scope of Organization

The Jewish Community Center of Greater Columbus (the Center) is a nonprofit human service agency offering a varied program that is Jewish in nature. It is committed to enhancing the quality of individual and family life through the promotion of physical, intellectual and spiritual wellness. It provides educational and cultural programs that reflect the Jewish heritage, health related activities and many services to the community at large. Through its wide array of programs, the Center pursues its mission of strengthening the individual, family and community.

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.

Basis of presentation: The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Center is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are net assets that are free of donor imposed restrictions as well as net assets designated by the governing board.

Net assets with donor restrictions include net assets from grants, contributions, investment income or other inflows where the use is limited by donor imposed restrictions that either expire by the passage of time or can be fulfilled by actions of the Center.

Also included in net assets with donor restrictions are net assets subject to donor imposed restrictions to be maintained permanently by the Center, which include gifts and pledges for endowment wherein donors stipulate that the corpus of the gift be held in perpetuity and only the income is utilized. Other permanently restricted items in this net asset category include the Center’s interest in the values of certain perpetual trusts and annuity and life income gifts for which the principal is held in perpetuity and the income may or may not be subject to donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related asset is limited by donor imposed restrictions. When a donor restriction expires, these net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Comparative information: 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, 2018, from which the summarized information was derived.

Functional allocation of expenses: The costs of providing programs and activities have been summarized on a functional basis in the statement of functional expenses. Allocation of functional expenses to program and supportive services is determined by management based upon the nature of the activity. Expenses that can be directly identified with a program are allocated according to their natural classification. Indirect expenses are allocated based on an estimate of time and effort or square footage of the space.

Note 2. Summary of Significant Accounting Policies (Continued)

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. Cash and cash equivalents have been designated by the Center for the following purposes at June 30, 2019:

General operations, including savings	$ 1,025,792
Building repair and maintenance	89,046
Tribute funds	404,466
Rental property expenses	16,149
	$ 1,535,453

Investments held with Columbus Jewish Foundation: Investments consist of a pool of fixed income and equity investments securities recorded at their fair value. Interest, dividends, and 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.

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. 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.

Pledges receivable: The pledges receivable consist of $172,741, of which $72,741 is expected to be collected within one year and the remainder is expected to be collected in $50,000 increments per year through December 2021. At June 30, 2019, no allowance for uncollectible pledges or a discount is considered necessary.

Inventories and other assets: Inventories and other assets, 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.

Note 2. Summary of Significant Accounting Policies (Continued)

Beneficial interest in assets held by Columbus Jewish Foundation: 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, these assets are presented as beneficial interest in assets held by the Columbus Jewish Foundation.

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, 2019.

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 with or without donor restricted revenue depending on the existence, nature or term of use of any donor restrictions. Restricted contributions for which the restriction is fulfilled in the same year the contribution is received are recorded directly to contributions without donor restriction on the statement of activities and changes in net assets. Contributions with restrictions that are not fulfilled in the same year remain as with donor restriction until either the required use or passage of time restrictions are fulfilled. Accordingly, such contributions are then released from restrictions and recorded as net assets without donor restriction. Contributions to be received after one year are discounted at a rate commensurate with a risk free rate. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributions. Allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

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

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 2019, 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.

Note 2. Summary of Significant Accounting Policies (Continued)

In addition, the Columbus Jewish 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 or capital campaign 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, 2019, 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 2015.

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, which is included in accounts payable and other accrued expenses on the accompanying statement of financial position. As of June 30, 2019, there was approximately $15,500 of deferred rent expense.

Recently adopted pronouncement: The Center adopted FASB Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Key elements of the ASU include a reduction in the number of net asset categories from three to two, conforming requirements on releases of capital restrictions, several new requirements related to expense presentation and disclosure (including investment expenses), and new required disclosures communicating information useful in assessing liquidity. The ASU has been applied retrospectively to all periods presented and as a result the amounts presented as unrestricted net assets in the prior year are presented as those without donor restriction and temporarily restricted and permanently restricted net assets are presented as those with donor restrictions.

Pending accounting pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. The Center will adopt the new revenue guidance effective July 1, 2019, and is currently evaluating the effect that the standard will have on the financial statements.

Note 2. Summary of Significant Accounting Policies (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842).* The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2020. A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative effect adjustment. The Center is currently evaluating the impact of this pending adoption of the new standard on the financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The objective of this statement is to assist entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange transactions subject to other guidance and determining whether a contribution is conditional. For transactions in which an entity is the resource recipient, the statement is effective for fiscal years beginning after December 15, 2018. The Center is currently evaluating the impact of the new standard on the financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. ASU 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Center is currently evaluating the impact of this new standard on its financial statements.

Subsequent events: The Center evaluated subsequent events for potential recognition and/or disclosure through January 13, 2020, the date the financial statements were available to be issued.

Note 3. Accounts Receivable

Accounts receivable consist of the following as of June 30, 2019:

Member receivables	$	190,054
Grants receivables		8,715
Other		124,589
		323,358
Allowance for uncollectible accounts		(9,553)
	$	313,805

Note 4. Investments Held with the Columbus Jewish Foundation (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 income with donor restriction. Investment income and the change in fair value resulting from holding the investments are allocated to the classes of net assets based on specific identification. Investments of $3,943,264 are comprised of investment pools invested in fixed income and equity investments at June 30, 2019.

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, 2019, 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 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. Therefore, 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 Columbus Jewish Foundation: The fair value of the beneficial interest in assets held by others is based on quoted prices of underlying assets held by trustees. Due to the restrictions on these assets that do not allow the Center redemption rights, fair value is deemed to be based on Level 3 inputs.

Note 5. Fair Value Measurements (Continued)

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, 2019. 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	$ -	$ 3,943,264	$ -	$ 3,943,264
Beneficial interest in assets held by others	-	-	1,075,578	1,075,578
Total assets at fair value	$ -	$ 3,943,264	$ 1,075,578	$ 5,018,842

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, 2019:

	Beneficial Interest in Assets Held by Others
Balance, beginning of year	$ 1,071,030
Contributions	40,569
Change in fair value of beneficial interests in assets held by the Foundation	(36,021)
Balance, end of year	$ 1,075,578

Note 6. 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 irrevocable 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, 2019 was approximately $1,042,000, and is included in the statement of financial position as beneficial interest in assets held by the Foundation.

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, 2019 was approximately $33,000, and is included in the statement of financial position as beneficial interest in assets held by the Foundation.

Note 7. 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 with donor restriction 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 is classified as with donor restriction 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 are first applied to unappropriated, net assets with donor restrictions generated from investment income, realized and unrealized gains, if any. If there is any remaining deficiency, it is applied to net assets without donor restrictions in accordance with GAAP. At June 30, 2019, three funds with corpus value of $87,698 and total market value of $80,213 resulted in deficiencies totaling $7,485. These deficiencies resulted from unfavorable market fluctuations as valued at June 30, 2019.

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 the Foundation which has investment policies intended to produce positive results 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 4% annually. Actual returns in any given year may vary from this amount.

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.

Note 7. Endowment Funds (Continued)

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 4% 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 4% 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 4% 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, 2019:

Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at June 30, 2018	$ 186,719	$ 3,576,678	$ 3,763,397
Investment income	9,066	178,266	187,332
Net depreciation	(1,013)	(26,701)	(27,714)
Total investment return	8,053	151,565	159,618
Contributions	50,000	39,395	89,395
Appropriation of endowment assets for expenditures	-	(126,056)	(126,056)
Release from restriction	11,871	(11,871)	-
Balance at June 30, 2019	$ 256,643	$ 3,629,711	$ 3,886,354
Investments by type of fund:			
Donor-restricted endowment funds:			
Historical gift value	$ -	$ 2,708,288	$ 2,708,288
Appreciation	-	921,423	921,423
Board-designated endowment funds:	256,643	-	256,643
Total	$ 256,643	$ 3,629,711	$ 3,886,354

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. The beneficial interest in assets held by the Foundation that are with donor restrictions are $1,075,578 as of June 30, 2019. 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 Center to conduct ongoing operations and programs. For the endowment activity disclosure above, management considers all investment income with donor restriction until appropriated for expenditure. On the statement of activities and changes in net assets, this investment income is shown as with donor restriction until appropriated for expenditure. Consistent with the reporting method used for contributions, with donor restriction investment income, whose restricted purpose was fulfilled in the same year the income was received, is recorded as without donor restriction investment income.

Note 8. Property Held for Lease

The Center leases property to a tenant 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 $12,000 for the year ended June 30, 2019.

Note 9. Line of Credit

The Center has a line of credit agreement with a bank that matures in June 2020. The line of credit allows for borrowings up to $500,000 and bears interest at a rate of one month LIBOR plus 2.00%. At June 30, 2019, the LIBOR rate was 2.398%. Interest is payable monthly with the principal balance due on demand. This line of credit is secured by all deposit accounts. There was no amount outstanding on the line of credit at June 30, 2019.

Note 10. Operating Leases

The Center leases various office equipment under operating lease agreements which requires fixed monthly payments expiring at various dates through December 2024. The Center also leases real property under operating lease agreements. Rent expense was approximately $248,000 in 2019.

The future minimum rental payments required under non-cancelable long-term operating leases are as follows at June 30, 2019:

2020	$ 144,741
2021	137,100
2022	137,203
2023	66,692
2024	67,113
Thereafter	34,213
	$ 587,062

Note 11. 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. 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. During 2019, the Center recognized other income and amortization expense of $28,319 and the unamortized balance was $311,505 at June 30, 2019. 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 12. Net Assets With Donor Restrictions

Net asset balances with donor restrictions are as follows:

Subject to expenditure for the following specified purposes:	
Recreation and wellness	$ 998,133
Youth programs	845,211
General	203,483
Tribute funds	276,863
Cultural Arts	141,157
Adult programs	73,309
Outreach programs	37,860
	2,576,016
Endowments, to be held in perpetuity, the income from which is expendable for the following purposes:	
Recreation and wellness	2,371,184
Youth programs	386,470
Cultural Arts	356,040
General	170,751
Adult programs	62,410
	3,346,855
Total net assets with donor restrictions	$ 5,922,871

Note 13. Retirement Plan

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

Note 14. Liquidity and Availability

The table below represents financial assets available for general expenditures within one year of June 30, 2019:

Financial assets at year end:	
Cash and cash equivalents	$ 1,535,453
Accounts receivable, net	313,805
Contributions receivable, net	706,815
Investments	3,943,264
Total financial assets	6,499,337
Less amounts not available to be used within one year:	
Donor restricted endowments	(3,886,354)
Board designated endowments	(256,643)
Assets held for specific purposes	(679,296)
Financial assets not available to be used within one year	(4,822,293)
Financial assets available to meet general expenditures within one year	$ 1,677,044

The Center regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations.

The Center has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and a line of credit. See Note 9 for information about the Center's line of credit.