

**JEWISH FEDERATION OF GREATER ATLANTA, INC.**

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022 and 2021

(With Independent Auditor's Report Thereon)

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Jewish Federation of Greater Atlanta, Inc.

### **Opinion**

We have audited the accompanying consolidated financial statements of the Jewish Federation of Greater Atlanta, Inc. (the Federation), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Jewish Federation of Greater Atlanta, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Federation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Federation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are

considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Federation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Federation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Windham Brannon, LLC*

January 6, 2023

**JEWISH FEDERATION OF GREATER ATLANTA, INC.**

Consolidated Statements of Financial Position

June 30, 2022 and 2021  
(in Thousands)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 238,602	\$ 174,563
Pledges receivable, net of allowance for uncollectible accounts	11,696	10,675
Investments	182,943	201,691
Prepaid expenses and other assets	1,393	220
Land, building, and equipment, net of accumulated depreciation	<u>16,465</u>	<u>13,319</u>
Total assets	<u>\$ 451,099</u>	<u>\$ 400,468</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Allocations payable:		
Domestic	\$ 14,250	\$ 13,186
Overseas	2,822	2,816
Donor designated	<u>728</u>	<u>1,329</u>
Total allocations payable	17,800	17,331
Accounts payable and accrued expenses	2,562	2,264
Obligations to other organizations for assets held in trust	48,989	60,130
Trust obligations	<u>1,449</u>	<u>1,915</u>
Total liabilities	<u>70,800</u>	<u>81,640</u>
Net assets:		
Without donor restrictions	353,533	292,145
With donor restrictions	<u>26,766</u>	<u>26,683</u>
Total net assets	<u>380,299</u>	<u>318,828</u>
Total liabilities and net assets	<u>\$ 451,099</u>	<u>\$ 400,468</u>

See accompanying notes to the consolidated financial statements.

**JEWISH FEDERATION OF GREATER ATLANTA, INC.**

Consolidated Statement of Activities

Year ended June 30, 2022

(in Thousands)

	Year Ended June 30, 2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenues and other support:				
Pledges to campaigns	\$ 6,532	\$ 3,526	\$ 10,058	\$ 8,882
Endowment funds grants to campaigns	296	(296)	-	-
Less provision for uncollectible pledges	(469)	(16)	(485)	(581)
Net pledges and grants to campaigns	6,359	3,214	9,573	8,301
Contributions of cash and other financial assets	127,180	6,926	134,106	33,643
Contributions of non-financial assets	5,150	-	5,150	-
Net assets released from restrictions	13,304	(13,304)	-	-
Total donor support	151,993	(3,164)	148,829	41,944
Investment income (loss)	(27,276)	(763)	(28,039)	28,668
Grants, program fees, and other income	4,076	4,010	8,086	5,830
Total other support (loss)	(23,200)	3,247	(19,953)	34,498
Total revenues and other support	128,793	83	128,876	76,442
Allocations and expenses:				
Allocations:				
Domestic	50,568	-	50,568	43,314
Overseas	3,054	-	3,054	2,816
Programs	5,771	-	5,771	4,607
Support service expense:				
Administration of allocations and programs	312	-	312	515
Fund raising	2,594	-	2,594	2,244
Management and general	2,879	-	2,879	2,305
Total support services	5,785	-	5,785	5,064
Endowment expenses	1,563	-	1,563	1,176
Total allocations and expenses	66,741	-	66,741	56,977
Increase in net assets from operations	62,052	83	62,135	19,465
Other increases (decreases) in net assets:				
Pension-related income/(expense) other than net periodic pension cost	(664)	-	(664)	717
Total other non-operating items	(664)	-	(664)	717
Net increase in net assets	61,388	83	61,471	20,182
Net assets at beginning of year	292,145	26,683	318,828	298,646
Net assets at end of year	\$ 353,533	\$ 26,766	\$ 380,299	\$ 318,828

See accompanying notes to the consolidated financial statements.

**JEWISH FEDERATION OF GREATER ATLANTA, INC.**

Consolidated Statement of Activities

Year ended June 30, 2021

(in Thousands)

	<b>Year Ended June 30, 2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues and other support:			
Pledges to campaigns	\$ 7,243	\$ 1,639	\$ 8,882
Endowment funds grants to campaigns	350	(350)	-
Less provision for uncollectible pledges	(581)	-	(581)
Net pledges and grants to campaigns	<u>7,012</u>	<u>1,289</u>	<u>8,301</u>
Contributions of cash and other financial assets	26,679	6,964	33,643
Net assets released from restrictions	12,391	(12,391)	-
Total donor support	<u>46,082</u>	<u>(4,138)</u>	<u>41,944</u>
Investment income	25,319	3,349	28,668
Grants, program fees, and other income	2,423	3,407	5,830
Total other support	<u>27,742</u>	<u>6,756</u>	<u>34,498</u>
Total revenues and other support	<u>73,824</u>	<u>2,618</u>	<u>76,442</u>
Allocations and expenses:			
Allocations:			
Domestic	43,314	-	43,314
Overseas	2,816	-	2,816
Programs	4,607	-	4,607
Support service expense:			
Administration of allocations and programs	515	-	515
Fund raising	2,244	-	2,244
Management and general	2,305	-	2,305
Total support services	<u>5,064</u>	<u>-</u>	<u>5,064</u>
Endowment expenses	1,176	-	1,176
Total allocations and expenses	<u>56,977</u>	<u>-</u>	<u>56,977</u>
Increase in net assets from operations	<u>16,847</u>	<u>2,618</u>	<u>19,465</u>
Other increases in net assets:			
Pension-related income/(expense) other than net periodic pension cost	<u>717</u>	<u>-</u>	<u>717</u>
Total other non-operating items	<u>717</u>	<u>-</u>	<u>717</u>
Net increase in net assets	17,564	2,618	20,182
Net assets at beginning of year	<u>274,581</u>	<u>24,065</u>	<u>298,646</u>
Net assets at end of year	<u>\$ 292,145</u>	<u>\$ 26,683</u>	<u>\$ 318,828</u>

See accompanying notes to the consolidated financial statements.

**JEWISH FEDERATION OF GREATER ATLANTA, INC.**

Consolidated Statement of Functional Expenses

Year ended June 30, 2022

(in Thousands)

	<b>Allocations</b>	<b>Programs</b>	<b>Allocations and Program Administration</b>	<b>Fund Raising</b>	<b>Management and General</b>	<b>Endowment Expenses</b>	<b>Total Expenses</b>
Allocations							
Domestic	\$ 50,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,568
Overseas	3,054	-	-	-	-	-	3,054
Total Allocations	53,622	-	-	-	-	-	53,622
Expenses							
Personnel:							
Salaries and benefits	-	2,262	306	1,631	1,685	68	5,952
Contracted services	-	1,161	-	313	764	119	2,357
Total personnel	-	3,423	306	1,944	2,449	187	8,309
Travel, conferences and missions	-	59	3	67	14	-	143
General office	-	43	-	23	28	-	94
Occupancy	-	377	-	177	5	306	865
Other operating expenses	-	80	-	56	192	589	917
Programs and events	-	1,660	3	254	100	251	2,268
Depreciation	-	129	-	73	91	230	523
Total allocations and expenses	\$ 53,622	\$ 5,771	\$ 312	\$ 2,594	\$ 2,879	\$ 1,563	\$ 66,741

See accompanying notes to the consolidated financial statements.



**JEWISH FEDERATION OF GREATER ATLANTA, INC.**

Consolidated Statement of Functional Expenses

Year ended June 30, 2021

(in Thousands)

	Allocations	Programs	Allocations and Program Administration	Fund Raising	Management and General	Endowment Expenses	Total Expenses
Allocations							
Domestic	\$ 43,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,314
Overseas	2,816	-	-	-	-	-	2,816
Total Allocations	46,130	-	-	-	-	-	46,130
Expenses							
Personnel:							
Salaries and benefits	-	2,197	515	1,606	1,637	-	5,955
Contracted services	-	605	-	176	243	119	1,143
Total personnel	-	2,802	515	1,782	1,880	119	7,098
Travel, conferences and missions	-	-	-	7	5	-	12
General office	-	32	-	17	19	-	68
Occupancy	-	154	-	148	122	373	797
Other operating expenses	-	59	-	34	96	210	399
Programs and events	-	1,443	-	190	101	244	1,978
Depreciation	-	117	-	66	82	230	495
Total allocations and expenses	\$ 46,130	\$ 4,607	\$ 515	\$ 2,244	\$ 2,305	\$ 1,176	\$ 56,977

See accompanying notes to the consolidated financial statements.

**JEWISH FEDERATION OF GREATER ATLANTA, INC.**

Consolidated Statements of Cash Flows

Years ended June 30, 2022 and 2021  
(in Thousands)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Increase in net assets	\$ 61,471	\$ 20,182
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Non-cash contributions	(86,118)	-
Depreciation	523	495
Provision for uncollectible pledges	485	581
(Gain)/loss on investments	28,439	(19,527)
(Increase)/decrease in assets:		
Pledges receivable	(1,506)	(403)
Prepaid expenses and other assets	(1,173)	81
Increase/(decrease) in liabilities:		
Allocations payable	469	372
Accounts payable and accrued expenses	298	174
Trust obligations	(466)	279
Net cash provided by operating activities	<u>2,422</u>	<u>2,234</u>
Cash flows from investing activities:		
Purchase of property and equipment	(122)	(179)
Proceeds from sale of property and equipment	1,603	-
Proceeds from sale and maturities of investments	174,702	132,942
Purchase of investments	(114,566)	(133,822)
Net cash provided by (used in) investing activities	<u>61,617</u>	<u>(1,059)</u>
Net increase in cash and cash equivalents	64,039	1,175
Cash and cash equivalents at beginning of year	<u>174,563</u>	<u>173,388</u>
Cash and cash equivalents at end of year	<u>\$ 238,602</u>	<u>\$ 174,563</u>

See accompanying notes to the consolidated financial statements.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

## (1) Summary of Significant Accounting Policies

### (a) *Nature of Business*

The Jewish Federation of Greater Atlanta, Inc. (“Federation”) is a not-for-profit organization which operates exclusively for charitable and educational purposes. Such purposes include meeting the needs of the Atlanta Jewish community and Jewish communities abroad. Federation conducts various campaigns to raise funds and maintains investments held for the benefit of the community. Federation is an organization described in Internal Revenue Code (IRC) Section 501(c)(3) and, as such, is exempt from income taxation under IRC Section 501(a).

Federation meets the needs of the Atlanta community by working in partnership with and providing funding to many Atlanta Jewish organizations that deliver specific services. Those organizations that are formally associated with Federation by virtue of working agreements are referred to in these statements and notes as Affiliated Agencies.

### (b) *Basis of Presentation*

The consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States which establishes standards for general-purpose external financial statements issued by not-for-profit organizations. The accounting principles require that net assets and related revenue, expenses, gains and losses be classified into two classes of net assets – without donor restrictions and with donor restrictions, based upon the existence or absence of donor-imposed restrictions. A definition and description of each net asset class follows:

*Net assets without donor restrictions* – Net assets not subject to donor-imposed stipulations. Certain net assets without donor restrictions are not subject to donor-imposed stipulations but are subject to purpose and time restrictions by virtue of being subject to board approval, making them board designated net assets without donor restrictions.

*Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that may or will be met by actions of Federation and/or the passage of time or that require the donated assets be maintained permanently by Federation. Generally, the donors of permanent net assets permit Federation to use all or part of the income earned on related investments for specific purposes.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

## (1) Summary of Significant Accounting Policies (continued)

### (c) *Principles of Consolidation*

The accompanying consolidated financial statements combine the accounts of (i) Federation (which includes all of its donor advised funds), (ii) various supporting foundations and (iii) ALEF Fund, Inc. (ALEF). Federation, the supporting foundations, and ALEF are each separate 501(c)(3) organizations. ALEF provides students with scholarships to attend private pre-k to grade 12 schools in Georgia.

### (d) *Cash and Cash Equivalents*

Cash and cash equivalents consist of demand accounts at banks and broker/dealers. Federation maintains cash balances at several financial institutions, which at times may exceed the federally insured limits. Cash equivalents are maintained at high-quality financial institutions and broker/dealers and credit exposure to any one institution is limited. Uninsured cash balances as of June 30, 2022 and 2021 aggregated \$235,973 and \$171,087, respectively.

### (e) *Investments*

Equity securities and funds traded on an exchange are reported at fair value based upon the last reported sales price. Corporate bonds and U.S. agency and government backed obligations are generally fair valued based on yields currently available on comparable securities of issuers with similar credit ratings. Investments in proprietary funds of Russell Investments trade at the net asset value (NAV) per share practical expedient of each fund and are carried at NAV. Purchases and sales of securities are recorded on a trade-date basis. Interest, dividends (which are recorded on the ex-dividend date), as well as realized and unrealized gains and losses are included in the Consolidated Statements of Activities within investment income (loss).

Interests in certain limited partnerships and limited liability companies that are not involved in real estate activities are initially recorded at fair value based principally on third party appraisals. Declines in the value of such interests and subsequent recoveries are recognized subject to the limitation that the carrying amount of such interests cannot exceed their initial value.

Interests in limited partnerships, limited liability companies, and corporations that are involved in real estate activities are initially recorded at fair value based typically on third party appraisals and are then accounted for on the equity method.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

## (1) Summary of Significant Accounting Policies (continued)

Investments also include life insurance policies gifted to Federation. Federation records these policies at their cash surrender value. The change in cash surrender value is included in investment income (loss) on the Consolidated Statements of Activities.

### (f) *Trust Assets and Obligations*

Federation is trustee of certain assets under split interest agreements which provide for payments to the donors or their beneficiaries of income earned on related investments or specified annuity amounts. Trust obligations represent such liability to donors or their beneficiaries computed at present value. Contribution revenue related to these split interest agreements is recognized at the date of the agreement after providing for the estimated present value of future payments. At June 30, 2022 and 2021, the fair market value of investments held by such trusts and included in Investments is \$2,364 and \$2,985, respectively.

### (g) *Land, Building, and Equipment*

Land, building, and equipment represents property used in Federation's operations and are stated at cost at date of acquisition or fair value at date of donation in the case of gifts.

Depreciation of building and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. A summary of depreciable lives follows:

Building and land improvements	10 to 40 years
Furniture and equipment	5 to 20 years
Computer equipment and software	3 to 7 years

Federation reviews property for the existence of any indicators of impairment. If indicators of impairment are present, Federation calculates the expected undiscounted future cash flows to be derived from such assets. If the expected undiscounted future cash flows are less than the carrying amount of the asset, the asset is reduced to its then estimated fair value. There was no impairment related to land, building, and equipment during the years ended June 30, 2022 and 2021.

Net rental income received from properties leased to third parties during the years ended June 30, 2022 and 2021 aggregated \$363 and \$170, respectively, and is included in Other Income in the Consolidated Statements of Activities.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

## (1) Summary of Significant Accounting Policies (continued)

### (h) Revenues

Federation conducts an annual campaign and also solicits donations through other campaigns. Contributions are recognized when a donor makes a pledge to give to Federation that is, in substance, unconditional. Conditional promises to give are not included as support until such time as the conditions are substantially met. Provision is made for estimated losses on unpaid pledges. The provision for uncollectible pledges is based, among other things, on Federation's past collection experience and the impact of changes in current economic conditions.

Donations are made under numerous types of arrangements which may specify who receives the funds upon passage of time or other donor-imposed restrictions. Contributions received by Federation for its general purposes are classified as unrestricted. Federation reports gifts as restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods.

When (i) a donor restriction expires or purpose restriction is accomplished, or (ii) a board designation is approved, designated or restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities as Net Assets Released from Restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Contribution of non-cash assets are recorded at the estimated fair value of the donated assets at the time of their receipt. During the year ended June 30, 2022, rental property with an estimated fair value of \$5.1 million based on an independent appraisal was contributed without restrictions to a donor advised fund. This property was not monetized and continues to be utilized as rental property.

Revenues from grants are recognized as conditions stated in the grant agreements are met and are included in non-campaign contributions on the Consolidated Statements of Activities. A contribution is conditional if the agreement includes (i) a barrier that must be overcome and (ii) either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. After the condition in a contribution has been met, the Federation then determines whether the contribution is restricted. The Federation considers all grants awarded during the grant years ended June 30, 2022 and 2021 to be contributions and not exchange transactions.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

## (1) Summary of Significant Accounting Policies (continued)

### (i) *Allocations*

In the course of fulfilling its mission and purpose, each year Federation's Board of Trustees and the boards of the supporting foundations authorize the distribution of certain program funds to other not-for-profit organizations. These distributions are recorded as allocations in Federation's financial statements when they are approved.

### (j) *Income Taxes*

Federation qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (the "Code") as a charitable organization whereby only unrelated business income, if any, as defined by Section 512(a)(1) of the Code, is subject to Federal income tax. Management believes Federation met the requirements to maintain its tax-exempt status; therefore, no provision for income taxes on exempt purposes has been provided in these financial statements.

As of and for the years ended June 30, 2022 and 2021, Federation did not identify any uncertain tax positions that require adjustment to or disclosure in the accompanying financial statements. Federation's income tax returns for the prior three years are subject to examination by tax authorities and may change upon examination.

### (k) *Concentrations of Credit and Market Risk*

Financial instruments which potentially subject Federation to concentrations of credit and market risk consist primarily of cash, cash equivalents, and investments. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio.

Management considers credit risk associated with pledges receivable to be low due to the diversity of the donors and the recurring nature of many donations. Investments are subject to both credit and market risks. Federation utilizes an investment policy and management oversight, which periodically reviews its investment portfolios, to monitor these risks.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

## (1) Summary of Significant Accounting Policies (continued)

### (l) *Fair Value of Financial Instruments Other Than Investments*

The carrying values of cash and cash equivalents; prepaid expenses and other assets; pledges receivable; accounts payable and accrued expenses; and allocations payable; are reflected in the consolidated financial statements at historical cost, which management estimates to approximate fair values because of the terms and relative short-term maturity of such items. Trust obligations and obligations to other organizations are reflected in the consolidated financial statements at fair value.

### (m) *Use of Estimates and Allocated Expenses*

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

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Federation and have been summarized on a functional basis in the Consolidated Statements of Functional Expenses. Accordingly, certain costs such as salaries, contracted services, and programs and events have been allocated among the programs and supporting services based typically on headcount, space, or usage.

### (n) *Subsequent Events*

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through January 6, 2023, which is the date the consolidated financial statements were available to be issued.

## (2) Risks and Uncertainties

During calendar years 2020 and 2021, a global coronavirus pandemic deeply harmed global economic growth. To assist in operational cash flow during this pandemic, the Federation received a conditional government grant in the amount of \$1,007 as further discussed in Note 5.

While the Federation believes it has the resources to continue its programs, its ability to do so and the extent to which they each continue are heavily dependent on public support. The strength of public support is largely dependent on current and future overall economic conditions.



## JEWISH FEDERATION OF GREATER ATLANTA, INC.

### Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

### (3) Liquidity and Availability of Financial Assets

The Federation's financial assets at June 30, 2022 and June 30, 2021 (reduced by amounts not available for general use because of contractual, donor-imposed, or internal restrictions) available within one year after these balance sheet dates to satisfy liabilities at this date and for future general expenditure are as follows:

	2022 Consolidated Amounts	Not Available Due To			Net Available
		Board Designations	Donor Imposed Restrictions	Obligations to Others	
Cash and cash equivalents	\$ 238,602	\$ 221,567	\$ 2,668	\$ 9,646	\$ 4,721
Pledges receivable, net	11,696	8,247	3,449	-	-
Investments	182,943	106,782	20,649	48,989	6,523
<b>Total</b>	<b>\$ 433,241</b>	<b>\$ 336,596</b>	<b>\$ 26,766</b>	<b>\$ 58,635</b>	<b>\$ 11,244</b>

	2021 Consolidated Amounts	Not Available Due To			Net Available
		Board Designations	Donor Imposed Restrictions	Obligations to Others	
Cash and cash equivalents	\$ 174,563	\$ 155,977	\$ 5,656	\$ 8,521	\$ 4,409
Pledges receivable, net	10,675	7,864	2,811	-	-
Investments	201,691	115,718	18,216	60,130	7,627
<b>Total</b>	<b>\$ 386,929</b>	<b>\$ 279,559</b>	<b>\$ 26,683</b>	<b>\$ 68,651</b>	<b>\$ 12,036</b>

Federation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due; such liabilities aggregated \$2,562 and \$2,264 at June 30, 2022 and 2021, respectively. As part of its liquidity management, Federation invests cash in excess of daily requirements in various short-term investments, including short-term treasury instruments. Furthermore, as described in Note 9, Federation also has maintained a committed line of credit in the amount of \$4 million which it could draw upon in the event of an unanticipated liquidity event.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

## (4) Pledges Receivable

Pledges receivable as of June 30, 2022 and 2021 are as follows:

	2022		2021	
	Pledges receivable	Allowance for uncollectible accounts	Pledges receivable	Allowance for uncollectible accounts
General campaign:				
Campaign year:				
2022	\$ 9,019	\$ 448	\$ -	\$ -
2021	461	425	8,539	485
2020	279	279	550	459
2019	136	136	228	228
2018	189	189	225	225
2017	89	89	106	106
2016	-	-	99	99
	10,173	1,566	9,747	1,602
Targeted priorities	3,515	66	2,860	49
Unapplied receipts	(360)	-	(281)	-
Totals	13,328	\$ 1,632	12,326	\$ 1,651
Less allowance for uncollectible accounts	(1,632)		(1,651)	
Total pledges receivable:	\$ 11,696		\$ 10,675	

## (5) Conditional Grants

### *Paycheck Protection Program*

In April 2020, the Federation received a \$1,007 loan under the Paycheck Protection Program (“PPP”) which was established as part of the U.S. government’s Coronavirus Aid, Relief and Economic Security Act in March 2020. The loan bore interest at 1%, was unsecured, and would be forgiven should Federation use the loan proceeds for eligible purposes.

Federation accounted for the PPP loan as a conditional grant. As of June 30, 2020, Federation believed it used the PPP proceeds for eligible purposes and, therefore, the conditions of the grant were met. Accordingly, Federation recognized the proceeds advanced under the PPP as grant revenue in the year ended June 30, 2020. The Federation was notified that the PPP loan was forgiven in full on April 23, 2021.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

### (5) Conditional Grants (continued)

#### *Other Conditional Grants*

As of June 30, 2022 and 2021, the Federation had a total of \$1,535 and \$2,347, respectively, in conditional grants which will be recorded as revenue in the Consolidated Statements of Activities when the conditions of the grants have been substantially met. The purpose of these conditional grants are as follows as of June 30, 2022 and 2021:

Grant Purpose	2022	2021
Annual Campaign	\$ 700	\$ 1,050
Expanded Critical Support	-	190
Jewish Education Collaborative	120	-
Jumpspark	-	132
Making Jewish Places	200	400
PJ Library	190	285
Other	325	290
	<u>\$ 1,535</u>	<u>\$ 2,347</u>

### (6) Investments

The investments of Federation are managed by professional advisors (currently NEPC, LLC) under the general direction of two senior volunteer committees of the Board of Trustees, the Finance and Investment Committee, and the Investment Subcommittee. Certain of Federation's investments are proprietary funds managed by a professional investment manager.

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# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

## (6) Investments (continued)

Investments at June 30, 2022 and 2021 consisted of the following:

	2022	2021
<i>Investments Carried at Fair Value</i>		
<i>Level 1</i>		
Marketable equity securities	\$ 43,892	\$ 31,918
Mutual and exchange traded funds	94,623	148,042
US Treasury, agency, and government backed obligations	1,413	541
<i>Total Level 1</i>	139,928	180,501
<i>Level 2</i>		
Corporate bonds	16,505	3,956
Hedge funds	13,165	-
Israel bonds	4,423	4,432
<i>Total Level 2</i>	34,093	8,388
<i>Investments Carried at Net Asset Value</i>		
Russell Investments proprietary fund	-	5,002
Other funds	-	548
<i>Total Investments Carried at Net Asset Value</i>	-	5,550
<i>Investments Maintained at Other Than Fair Value</i>		
Limited liability companies (LLCs)	2,615	195
Entities engaged in real estate	1,115	1,799
Life insurance	4,866	4,657
Other interests	326	601
<i>Total Investments Maintained at Other Than Fair Value</i>	8,922	7,252
<b>Total Investments</b>	<b>\$ 182,943</b>	<b>\$ 201,691</b>

Investments carried at fair value are classified in one of three categories based on measurement inputs:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Valuations based on other than quoted market prices in inactive markets, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical investments as of the reporting date.

Level 3 – Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstance and may require significant management judgment or estimation.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

### (6) Investments (continued)

The proprietary fund of Russell Investments at June 30, 2021 was not publicly traded and represents a real estate fund which employs a multi-advisor investment approach to real estate located across the United States. This fund accepts purchase and redemption requests on a quarterly basis. The redemption request pre-notification period is 110 calendar days and purchase requests require a 35-calendar day pre-notification.

LLCs represent unit interests of limited liability companies that generally hold an ownership interest in an operating company. Federation's units are generally entitled to various preferences from the sale or change of control (as defined) of the operating company. There were no impairments of these interests during the years ended June 30, 2022 or 2021. During the year ended June 30, 2022, Federation received a contribution to a donor advised fund of an interest in a LLC with a fair value of approximately \$80 million; this interest was subsequently exchanged for shares of a public corporation during that fiscal year.

Investments include certain donations that are restricted by either purpose or time. See Note 10 for information on these asset restrictions.

Investments include funds that are being invested on behalf of Affiliated Agencies with a corresponding liability titled Obligations to Other Organizations for Assets Held in Trust. Changes in the fair value of these investments are reflected as a change in the corresponding liability on the Statement of Financial Position. These transactions are not included in the Statement of Activities. As of June 30, 2022 and 2021, these investments and liabilities total \$48,989 and \$60,130, respectively.

Interest and dividends included in investment income was approximately \$3,456 and \$1,577 for the years ended June 30, 2022 and 2021, respectively.

### (7) Land, Building, and Equipment

Land, building, and equipment at June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Building and improvements	\$ 15,216	\$ 14,614
Land	6,875	4,205
Furniture and equipment	<u>1,022</u>	<u>1,039</u>
Total cost	23,113	19,858
Less accumulated depreciation	<u>(6,648)</u>	<u>(6,539)</u>
	<u>\$ 16,465</u>	<u>\$ 13,319</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$523 and \$495, respectively.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

## (8) Employee Benefit Plans

### *Defined Contribution Plan*

Federation maintains a defined contribution plan (a 403(b) plan) which covers substantially all of its employees. Employees may elect to contribute a portion of their compensation to this plan; Federation currently matches a portion of such employee contributions. Federation's expense for its matching contributions was \$114 and \$104 for the years ended June 30, 2022 and 2021, respectively.

### *Frozen Defined Benefit Plan*

Federation also has a noncontributory defined benefit plan (the "DB Plan") that (prior to July 1, 2013) covered substantially all employees. Benefits are based generally on years of service and final average salary. Federation's policy is to contribute amounts based on periodic actuarial valuations and recommendations, but never less than the minimum required contribution. Federation uses a June 30th measurement date for the DB Plan.

The DB Plan was frozen as of July 1, 2013; as a result of this Plan curtailment, then existing DB Plan participants no longer accrue benefits for future service and new Federation employees hired on or after that date are no longer eligible to participate in the DB Plan.

Financial and actuarial information regarding the DB Plan is as follows:

	Year Ended June 30,	
	2022	2021
Changes in projected benefit obligation:		
Beginning of the year	\$ 3,473	\$ 3,448
Service cost	8	8
Interest cost	85	75
Assumption changes	(253)	26
Actuarial loss	104	65
Expense charges	(8)	(8)
Benefits disbursed	(164)	(141)
End of the year	<u>\$ 3,245</u>	<u>\$ 3,473</u>

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

### (8) Employee Benefit Plans (continued)

	Year Ended June 30,	
	2022	2021
Plan Status at end of year:		
Plan assets at fair value	\$ 3,520	\$ 4,205
Projected benefit obligation	3,245	3,473
Overfunded status	\$ 275	\$ 732
Accumulated benefit obligation	\$ 3,245	\$ 3,473

As of June 30, 2022 and 2021, Federation recognized an asset for the above-noted overfunded status of its DB Plan which are included in Prepaid Expenses and Other Assets in the accompanying Consolidated Statements of Financial Position.

	Year Ended June 30,	
	2022	2021
Components of net periodic pension cost:		
Service cost	\$ 8	\$ 8
Interest cost	85	75
Return on plan assets	(300)	(231)
Amortization of actuarial losses	-	39
Net periodic pension cost (credit)	\$ (207)	\$ (109)
Items not yet recognized as a component of net periodic pension cost:	\$ 803	\$ 139

A roll forward of accrued pension cost is as follows:

	Year Ended June 30,	
	2022	2021
Accrued pension (liability)/asset at beginning of year	\$ 732	\$ (94)
Net periodic pension credit	207	109
Additional pension adjustment for change in plan's funded status	(664)	717
Accrued pension asset at end of the year	\$ 275	\$ 732

	June 30,	
	2022	2021
Assumptions used to determine benefit obligations at year end		
Discount rate	4.35%	2.60%
Rate of compensation increase	0%	0%
Assumptions used to determine net periodic cost for the year		
Discount rate	2.60%	2.40%
Expected long-term return on assets	7.50%	7.50%
Rate of compensation increase	0%	0%

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

### (8) Employee Benefit Plans (continued)

The DB Plan's asset allocations at June 30, 2022 and 2021 by asset category were as follows:

Asset Category	<u>2022</u>	<u>2021</u>
Equity Securities	65.6%	67.2%
Debt Securities	15.1%	14.2%
Other - General Account	19.3%	18.6%
Total	<u>100.0%</u>	<u>100.0%</u>

The DB Plan is a prototype plan of the Mutual of America Insurance Company (MOA) and under the agreement with MOA investments are limited to mutual funds in MOA's Pooled Separate Account No. 1 and interest-bearing deposits with MOA. The use of mutual funds allows the DB Plan to achieve investment diversification while minimizing transaction costs.

Performance of the funds is monitored against appropriate market indexes on a quarterly basis. The allocation among asset categories is designed to provide adequate liquidity while obtaining the desired investment returns.

At June 30, 2022, the following annual benefit payments were expected to be paid by the DB Plan:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 561
2024	264
2025	210
2026	236
2027	205
2028-2032	1,816

### (9) Credit Agreement

In October 2010, Federation entered into a \$4 million unsecured line of credit. Advances carry interest at the Prime rate minus 1% per year. As of June 30, 2022, Federation has not drawn any amount on this line of credit and, accordingly, no amounts were owed at June 30, 2022 or 2021. The line of credit expires on January 31, 2023.



# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

## (10) Net Assets

The major portion of Federation's net assets with donor restrictions relates to various kinds of endowment funds as follows:

- Unrestricted endowment funds include funds designated by donors for certain purposes.
- Donor Advised Funds are board designated funds that are contributed by the donor who may recommend grants to qualified organizations; the Federation board reviews all recommendations and makes the final decision.
- Supporting Foundations (SF) are board designated funds which receive proposals for grants. Each SF board reviews the proposals and chooses qualifying organizations who will receive grants.
- Permanently restricted funds are included in net assets with donor restrictions on the Consolidated Statements of Financial Position. Permanently restricted funds are contributions from donors which Federation considers to be subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as adopted by the State of Georgia. Federation 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.

Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund.
- b. The purposes of Federation and the donor-restricted endowment fund.
- c. General economic conditions.
- d. The possible effect of inflation and deflation.
- e. The expected total return from income and the appreciation of investments.
- f. Other resources of Federation.
- g. The investment policies of Federation.

Federation's Investment Policy is designed to achieve an average return of 8% per year while minimizing risk. The typical endowment fund has a spending policy of 5% per year.

## JEWISH FEDERATION OF GREATER ATLANTA, INC.

### Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

#### (10) Net Assets (continued)

A rollforward of endowment funds for the years ended June 30, 2022 and 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment balance, June 30, 2021	\$ 274,719	\$ 20,976	\$ 295,695
Investment loss	(27,276)	(763)	(28,039)
Contributions	132,188	911	133,099
Grants	(43,643)	(881)	(44,524)
Other	465	(1,530)	(1,065)
Endowment balance, June 30, 2022	336,453	18,713	355,166
All other funds	17,080	8,053	25,133
Total net assets	<u>\$ 353,533</u>	<u>\$ 26,766</u>	<u>\$ 380,299</u>
Endowment balance, June 30, 2020	\$ 259,576	\$ 16,257	\$ 275,833
Investment income	25,319	3,349	28,668
Contributions	26,675	1,570	28,245
Grants	(35,372)	(674)	(36,046)
Other	(1,479)	474	(1,005)
Endowment balance, June 30, 2021	274,719	20,976	295,695
All other funds	17,426	5,707	23,133
Total net assets	<u>\$ 292,145</u>	<u>\$ 26,683</u>	<u>\$ 318,828</u>

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

### (10) Net Assets (continued)

A detail of the unrestricted and board designated net assets by type of fund is as follows:

	<b>June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Unrestricted:</b>		
Endowment Funds		
Undesignated Endowment	\$ 6,523	\$ 7,544
Other balances	8,333	6,663
Total Endowment	14,856	14,207
All Other Funds		
Property used in operations	5,393	5,557
Accumulated pension loss	(803)	(139)
ALEF	322	400
Other balances	1,354	823
Total Other Funds	6,266	6,641
Total	\$ 21,122	\$ 20,848
<b>Board Designated:</b>		
Endowment Funds		
Donor Advised Funds (A)	\$ 277,562	\$ 217,465
Supporting Foundations (B)	44,035	43,047
Total Endowment	321,597	260,512
All Other Funds		
Prior Campaign (C)	5,471	5,665
General Fund	4,260	4,004
Community Capital Campaign	55	55
Other balances	1,028	1,061
Total Other Funds	10,814	10,785
Total	\$ 332,411	\$ 271,297
Total Unrestricted & Board Designated	\$ 353,533	\$ 292,145

(A) 477 and 458 individual funds at June 30, 2022 and 2021, respectively

(B) 7 foundations at June 30, 2022 and 2021

(C) Funds raised during campaign of each respective year and designated for Federation operations in the succeeding year

## JEWISH FEDERATION OF GREATER ATLANTA, INC.

### Notes to Consolidated Financial Statements

June 30, 2022 and 2021  
(Dollars in Thousands)

#### (10) Net Assets (continued)

No Donor Advised Fund or Supporting Foundation represented more than 10% of Federation's total net assets at June 30, 2022 or 2021, except for one Donor Advised Fund which had net assets of approximately \$195,000 and \$138,000 at June 30, 2022 and 2021, respectively.

Net assets with donor restrictions are restricted for the following purposes at June 30, 2022 and 2021:

	2022	2021
Charitable remainder trusts (A)	\$ 749	\$ 856
ALEF Fund, Inc. (B)	-	7
Other restricted funds (C)	13,510	15,666
Permanently restricted	4,454	4,454
Pledges and Grants Restricted	8,053	5,700
	\$ 26,766	\$ 26,683

(A) 11 trusts at June 30, 2022 and 2021

(B) 21 schools at June 30, 2022 and 2021

(C) 94 and 99 funds at June 30, 2022 and 2021, respectively

Net assets released from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrence of other events specified by donors were \$13,304 and \$12,391 for the years ended June 30, 2022 and 2021, respectively.

#### (11) Additional Detailed Information

A summary of expenses for Programs in the Consolidated Statements of Activities for the years ended June 30, 2022 and 2021 is as follows:

	Year Ended June 30,	
	2022	2021
Community engagement	\$ 1,954	\$ 1,660
Community services	452	485
Internal outreach programs	2,264	1,468
Jewish Federations of North America	552	559
Leadership development	549	435
	\$ 5,771	\$ 4,607