

JEWISH FEDERATION OF GREATER ATLANTA, INC.

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

(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, 2023 and 2022, 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, 2023 and 2022, 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

December 11, 2023

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidated Statements of Financial Position

June 30, 2023 and 2022
(in Thousands)

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 238,870	\$ 238,602
Pledges receivable, net of allowance for uncollectible accounts	13,296	11,696
Investments	192,625	182,943
Prepaid expenses and other assets	970	1,393
Land, building, and equipment, net of accumulated depreciation	<u>16,070</u>	<u>16,465</u>
Total assets	<u>\$ 461,831</u>	<u>\$ 451,099</u>
Liabilities and Net Assets		
Liabilities:		
Allocations payable:		
Domestic	\$ 15,029	\$ 14,250
Overseas	2,745	2,822
Donor designated	<u>410</u>	<u>728</u>
Total allocations payable	18,184	17,800
Accounts payable and accrued expenses	1,972	2,562
Obligations to other organizations for assets held in trust	49,894	48,989
Trust obligations	<u>1,469</u>	<u>1,449</u>
Total liabilities	<u>71,519</u>	<u>70,800</u>
Net assets:		
Without donor restrictions	356,694	353,533
With donor restrictions	<u>33,618</u>	<u>26,766</u>
Total net assets	<u>390,312</u>	<u>380,299</u>
Total liabilities and net assets	<u>\$ 461,831</u>	<u>\$ 451,099</u>

See accompanying notes to the consolidated financial statements.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidated Statements of Activities

Year ended June 30, 2023

(in Thousands)

	Year Ended June 30, 2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and other support:				
Pledges to campaigns	\$ 5,315	\$ 4,855	10,170	\$ 10,058
Endowment funds grants to campaigns	279	(279)	-	-
Less provision for uncollectible pledges	(481)	-	(481)	(485)
Net pledges and grants to campaigns	5,113	4,576	9,689	9,573
Contributions of financial assets	30,981	3,501	34,482	134,106
Contributions of non-financial assets	919	-	919	5,150
Net assets released from restrictions	10,025	(10,025)	-	-
Total donor support	47,038	(1,948)	45,090	148,829
Investment income (loss)	16,412	347	16,759	(28,039)
Grants, program fees, and other income	3,318	8,453	11,771	8,086
Total other support (loss)	19,730	8,800	28,530	(19,953)
Total revenues and other support	66,768	6,852	73,620	128,876
Allocations and expenses:				
Allocations:				
Domestic	45,704	-	45,704	50,568
Overseas	2,822	-	2,822	3,054
Programs	6,841	-	6,841	5,771
Support service expense:				
Administration of allocations and programs	336	-	336	312
Fundraising	2,955	-	2,955	2,594
Management and general	3,053	-	3,053	2,879
Total support services	6,344	-	6,344	5,785
Endowment expenses	1,770	-	1,770	1,563
Total allocations and expenses	63,481	-	63,481	66,741
Increase in net assets from operations	3,287	6,852	10,139	62,135
Other increases (decreases) in net assets:				
Pension-related (expense) other than net periodic pension cost	(126)	-	(126)	(664)
Total other non-operating items	(126)	-	(126)	(664)
Net increase in net assets	3,161	6,852	10,013	61,471
Net assets at beginning of year	353,533	26,766	380,299	318,828
Net assets at end of year	\$ 356,694	\$ 33,618	\$ 390,312	\$ 380,299

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		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Pledges to campaigns	\$ 6,532	\$ 3,526	\$ 10,058
Endowment funds grants to campaigns	296	(296)	-
Less provision for uncollectible pledges	(469)	(16)	(485)
Net pledges and grants to campaigns	<u>6,359</u>	<u>3,214</u>	<u>9,573</u>
Contributions of cash and other financial assets	127,180	6,926	134,106
Contributions of non-financial assets	5,150	-	5,150
Net assets released from restrictions	13,304	(13,304)	-
Total donor support	<u>151,993</u>	<u>(3,164)</u>	<u>148,829</u>
Investment income (loss)	(27,276)	(763)	(28,039)
Grants, program fees, and other income	4,076	4,010	8,086
Total other support (loss)	<u>(23,200)</u>	<u>3,247</u>	<u>(19,953)</u>
Total revenues and other support	<u>128,793</u>	<u>83</u>	<u>128,876</u>
Allocations and expenses:			
Allocations:			
Domestic	50,568	-	50,568
Overseas	3,054	-	3,054
Programs	5,771	-	5,771
Support service expense:			
Administration of allocations and programs	312	-	312
Fundraising	2,594	-	2,594
Management and general	2,879	-	2,879
Total support services	<u>5,785</u>	<u>-</u>	<u>5,785</u>
Endowment expenses	<u>1,563</u>	<u>-</u>	<u>1,563</u>
Total allocations and expenses	<u>66,741</u>	<u>-</u>	<u>66,741</u>
Increase in net assets from operations	<u>62,052</u>	<u>83</u>	<u>62,135</u>
Other increases (decreases) in net assets:			
Pension-related (expense) other than net periodic pension cost	(664)	-	(664)
Total other non-operating items	<u>(664)</u>	<u>-</u>	<u>(664)</u>
Net increase in net assets	61,388	83	61,471
Net assets at beginning of year	<u>292,145</u>	<u>26,683</u>	<u>318,828</u>
Net assets at end of year	<u>\$ 353,533</u>	<u>\$ 26,766</u>	<u>\$ 380,299</u>

See accompanying notes to the consolidated financial statements.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidated Statement of Functional Expenses

Year ended June 30, 2023

(in Thousands)

	<u>Allocations</u>	<u>Programs</u>	<u>Allocations and Programs Administration</u>	<u>Fund Raising</u>	<u>Management and General</u>	<u>Endowment Expenses</u>	<u>Total Expenses</u>
Allocations							
Domestic	\$ 45,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,704
Overseas	2,822	-	-	-	-	-	2,822
Total Allocations	48,526	-	-	-	-	-	48,526
Expenses							
Personnel:							
Salaries and benefits	-	2,397	324	1,728	1,786	72	6,307
Contracted services	-	1,174	-	317	773	120	2,384
Total personnel	-	3,571	324	2,045	2,559	192	8,691
Travel, conferences, and missions	-	148	8	168	35	-	359
General office	-	39	-	21	26	-	86
Occupancy	-	487	-	229	6	395	1,117
Other operating expenses	-	82	-	57	197	604	940
Programs and events	-	2,392	4	366	144	362	3,268
Depreciation	-	122	-	69	86	217	494
Total allocations and expenses	\$ 48,526	\$ 6,841	\$ 336	\$ 2,955	\$ 3,053	\$ 1,770	\$ 63,481

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)

	Allocations	Programs	Allocations and Programs Administration	Fund Raising	Management and General	Endowment Expenses	Total Expenses
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 Statements of Cash Flows

Years ended June 30, 2023 and 2022

(in Thousands)

	2023	2022
Cash flows from operating activities:		
Increase in net assets	\$ 10,013	\$ 61,471
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Non-cash contributions	(919)	(86,118)
Depreciation	494	523
Provision for uncollectible pledges	(481)	485
(Gain)/loss on investments	(5,198)	28,439
(Increase)/decrease in assets:		
Pledges receivable	(1,119)	(1,506)
Prepaid expenses and other assets	423	(1,173)
Increase/(decrease) in liabilities:		
Allocations payable	384	469
Accounts payable and accrued expenses	(590)	298
Trust obligations	20	(466)
Net cash provided by operating activities	3,027	2,422
Cash flows from investing activities:		
Purchase of property and equipment	(99)	(122)
Proceeds from sale of property and equipment	-	1,603
Proceeds from sale and maturities of investments	104,146	174,702
Purchase of investments	(106,806)	(114,566)
Net cash (used in) provided by investing activities	(2,759)	61,617
Net increase in cash and cash equivalents	268	64,039
Cash and cash equivalents at beginning of year	238,602	174,563
Cash and cash equivalents at end of year	\$ 238,870	\$ 238,602

See accompanying notes to the consolidated financial statements.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022
(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, 2023 and 2022
(Dollars in Thousands)

(1) Summary of Significant Accounting Policies (continued)

(c) *Principles of Consolidation*

The accompanying consolidated financial statements consolidate the accounts of (i) Federation (including 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. All intercompany transactions and account balances have been eliminated.

ALEF provides students with scholarships to attend private pre-K to grade 12 schools in Georgia (referred to as a SSO). ALEF had total assets (all in cash) and total liabilities (substantially for obligations to other organizations for assets held in trust) aggregating \$10,253 and \$9,719, respectively, at June 30, 2023. ALEF intends to cease operations during the year ended June 30, 2024. As a result, through September 2023, ALEF transferred \$9,697 of cash and a corresponding liability to other organizations for scholarships to two unaffiliated SSO's with similar missions.

(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, 2023 and 2022 aggregated \$237,095 and \$235,973, 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. 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, 2023 and 2022
(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) in 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, 2023 and 2022, the fair market value of investments held by such trusts and included in Investments was \$2,329 and \$2,364, 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, 2023 and 2022.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022
(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.

Contributions 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 \$5,100 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 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, 2023 and 2022 to be contributions and not exchange transactions.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022
(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, 2023 and 2022, 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.

(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.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022
(Dollars in Thousands)

(1) Summary of Significant Accounting Policies (continued)

(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 programs 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 December 11, 2023, which is the date the consolidated financial statements were available to be issued.

(2) Risks and Uncertainties

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, 2023 and 2022
(Dollars in Thousands)

(3) Liquidity and Availability of Financial Assets

The Federation's financial assets at June 30, 2023 and 2022 (reduced by amounts not available for general use because of contractual, donor-imposed, or internal restrictions) available within one year after these statement of financial position dates to satisfy liabilities at these dates and for future general expenditure are as follows:

	2023 Consolidated Amounts	Not Available Due To			Net Available
		Board Designations	Donor Imposed Restrictions	Obligations to Others	
Cash and cash equivalents	\$ 238,870	\$ 212,222	\$ 10,869	\$ 9,697	\$ 6,082
Pledges receivable, net	13,296	8,441	4,855	-	-
Investments	192,625	118,020	17,894	49,894	6,817
Total	\$ 444,791	\$ 338,683	\$ 33,618	\$ 59,591	\$ 12,899

	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
Total	\$ 433,241	\$ 336,596	\$ 26,766	\$ 58,635	\$ 11,244

Federation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due; such liabilities aggregated \$1,972 and \$2,562 at June 30, 2023 and 2022, 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 maintains 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, 2023 and 2022
(Dollars in Thousands)

(4) Pledges Receivable

Pledges receivable as of June 30, 2023 and 2022 are as follows:

	2023		2022	
	Pledges receivable	Allowance for uncollectible accounts	Pledges receivable	Allowance for uncollectible accounts
General campaign:				
Campaign year:				
2023	\$ 8,779	\$ 441	\$ -	\$ -
2022	580	580	9,019	448
2021	162	162	461	425
2020	222	222	279	279
2019	107	107	136	136
2018	163	163	189	189
2017	-	-	89	89
	10,013	1,675	10,173	1,566
Targeted Priorities	5,131	68	3,515	66
Unapplied receipts	(105)	-	(360)	-
Totals	15,039	\$ 1,743	13,328	\$ 1,632
Less allowance for uncollectible accounts	(1,743)		(1,632)	
Total pledges receivable:	\$ 13,296		\$ 11,696	

(5) Conditional Grants

As of June 30, 2023 and 2022, the Federation had a total of \$2,198 and \$1,535, 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, 2023 and 2022:

Grant Purpose	2023	2022
Annual Campaign	\$ 350	\$ 700
Holocaust Survivors Fund	315	-
Jewish Education Collaborative	-	120
Jumpspark	803	-
Making Jewish Places	-	200
PJ Library	-	190
CSN - Live Secure	500	-
Other	230	325
	\$ 2,198	\$ 1,535

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022
(Dollars in Thousands)

(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.

Investments at June 30, 2023 and 2022 consisted of the following:

	2023	2022
<i>Investments Carried at Fair Value</i>		
<i>Level 1</i>		
Marketable equity securities	\$ 47,493	\$ 43,892
Mutual and exchange traded funds	108,653	94,623
US Treasury, agency and government backed obligations	670	1,413
<i>Total Level 1</i>	156,816	139,928
<i>Level 2</i>		
Corporate bonds	9,312	16,505
Hedge Funds	11,890	13,165
Israel bonds	4,492	4,423
<i>Total Level 2</i>	25,694	34,093
<i>Investments Maintained at Other Than Fair Value</i>		
Limited liability companies (LLCs)	3,767	2,615
Entities engaged in real estate	861	1,115
Life insurance	4,662	4,866
Other interests	825	326
<i>Total Investments Maintained at Other Than Fair Value</i>	10,115	8,922
Total Investments	\$ 192,625	\$ 182,943

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, 2023 and 2022
(Dollars in Thousands)

(6) Investments (continued)

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, 2023 and 2022. 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 \$80,000; 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 Statements of Financial Position. As of June 30, 2023 and 2022, these investments and liabilities totaled \$49,894 and \$48,989, respectively.

Interest and dividends included in investment income was approximately \$10,478 and \$3,456 for the years ended June 30, 2023 and 2022, respectively.

(7) Land, Building, and Equipment

Land, building, and equipment at June 30, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Building and improvements	\$ 15,315	\$ 15,216
Land	6,875	6,875
Furniture and equipment	<u>1,022</u>	<u>1,022</u>
Total cost or donated value	23,212	23,113
Less accumulated depreciation	<u>(7,142)</u>	<u>(6,648)</u>
	<u>\$ 16,070</u>	<u>\$ 16,465</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$494 and \$523, respectively.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022
(Dollars in Thousands)

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

Land and buildings include properties leased to third parties under non-cancellable operating leases that expire through 2036. Rental income from those facilities aggregated \$1,998 and \$1,728 for the years ended June 30, 2023 and 2022, respectively. Future minimum rents to be received under such leases are as follows:

Year Ending June 30,	Amount
2024	\$ 2,077
2025	1,649
2026	1,330
2027	926
2028	572
Thereafter through 2036	1,566
Total	<u>\$ 8,120</u>

(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 \$112 and \$114 for the years ended June 30, 2023 and 2022, 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.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(Dollars in Thousands)

(8) Employee Benefit Plans (continued)

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

	Year Ended June 30,	
	2023	2022
Changes in projected benefit obligation:		
Beginning of the year	\$ 3,245	\$ 3,473
Service cost	8	8
Interest cost	130	85
Assumption changes	264	(253)
Actuarial loss	-	104
Expense charges	(8)	(8)
Benefits disbursed	(198)	(164)
End of the year	<u>\$ 3,441</u>	<u>\$ 3,245</u>

	Year Ended June 30,	
	2023	2022
Plan Status at end of year:		
Plan assets at fair value	\$ 3,659	\$ 3,520
Projected benefit obligation	3,441	3,245
Overfunded status	<u>\$ 218</u>	<u>\$ 275</u>
Accumulated benefit obligation	<u>\$ 3,441</u>	<u>\$ 3,245</u>

As of June 30, 2023 and 2022, Federation recognized an asset for the above-noted overfunded status of its DB Plan which is included in Prepaid Expenses and Other Assets in the accompanying Consolidated Statements of Financial Position.

	Year Ended June 30,	
	2023	2022
Components of net periodic pension cost :		
Service cost	\$ 8	\$ 8
Interest cost	130	85
Return on plan assets	(245)	(300)
Amortization of actuarial losses	38	-
Net periodic pension benefit or credit	<u>\$ 69</u>	<u>\$ 207</u>
Items not yet recognized as a component of net periodic pension cost:	<u>\$ 932</u>	<u>\$ 803</u>

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022
(Dollars in Thousands)

(8) Employee Benefit Plans (continued)

A roll forward of accrued pension cost is as follows:

	Year Ended June 30,	
	2023	2022
Accrued pension asset at beginning of year	\$ 275	\$ 732
Net periodic pension credit	69	207
Additional pension adjustment for change in plan's funded status	(126)	(664)
Accrued pension asset at end of the year	\$ 218	\$ 275

	June 30,	
	2023	2022
Assumptions used to determine benefit obligations at year end:		
Discount rate	4.87%	4.35%
Rate of compensation increase	0%	0%
Assumptions used to determine net periodic cost for the year:		
Discount rate	4.35%	2.60%
Expected long-term return on assets	7.50%	7.50%
Rate of compensation increase	0%	0%

The DB Plan's asset allocations at June 30, 2023 and 2022 by asset category were as follows:

	2023	2022
Asset Category		
Equity Securities	69.6%	65.6%
Debt Securities	30.0%	15.1%
Other - General Account	0.4%	19.3%
Total	100.0%	100.0%

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.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022
(Dollars in Thousands)

(8) Employee Benefit Plans (continued)

At June 30, 2023, the following annual benefit payments were expected to be paid by the DB Plan:

<u>Fiscal Year</u>	<u>Amount</u>
2024	\$211
2025	239
2026	207
2027	267
2028	205
2029-2033	1,851

Federation expects to terminate the DB Plan by December 2024. During termination, each plan participant would receive either a lump-sum payment or a third party annuity contract for their vested benefit. When terminated, the Federation will be required to make a cash contribution to fully fund this plan should the plan's benefit obligations exceed its assets at that time.

(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, 2023 and 2022, Federation has not drawn any amount on this line of credit and, accordingly, no amounts were owed at June 30, 2023 and 2022. The line of credit expires on March 31, 2024.

(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.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022
(Dollars in Thousands)

(10) Net Assets (continued)

- 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.

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JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022
(Dollars in Thousands)

(10) Net Assets (continued)

A rollforward of endowment funds for the years ended June 30, 2023 and 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment balance, June 30, 2022	\$ 336,453	\$ 18,713	\$ 355,166
Investment income	15,318	358	15,676
Contributions	23,988	3	23,991
Grants	(31,341)	-	(31,341)
Other	(4,627)	2,552	(2,075)
Endowment balance, June 30, 2023	339,791	21,626	361,417
All other funds	16,903	11,992	28,895
Total net assets	<u>\$ 356,694</u>	<u>\$ 33,618</u>	<u>\$ 390,312</u>
Endowment balance, June 30, 2021	\$ 274,719	\$ 20,976	\$ 295,695
Investment expense	(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>

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022
(Dollars in Thousands)

(10) Net Assets (continued)

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

	June 30,	
	2023	2022
Unrestricted:		
Endowment Funds		
Undesignated Endowment	\$ 6,754	\$ 6,523
Other balances	5,943	8,332
Total Endowment	12,697	14,855
All Other Funds		
Property used in operations	5,235	5,393
Accumulated pension loss	(932)	(803)
ALEF	1,066	322
Other balances	(55)	1,355
Total Other Funds	5,314	6,267
Total	\$ 18,011	\$ 21,122
Board Designated:		
Endowment Funds		
Donor Advised Funds (A)	\$ 283,324	\$ 277,562
Supporting Foundations (B)	43,770	44,035
Total Endowment	327,094	321,597
All Other Funds		
Prior Campaign (C)	5,985	5,471
General Fund	4,475	4,260
Community Capital Campaign	55	55
Other balances	1,074	1,028
Total Other Funds	11,589	10,814
Total	\$ 338,683	\$ 332,411
Total Unrestricted & Board Designated	\$ 356,694	\$ 353,533

(A) 528 and 477 individual funds at June 30, 2023 and 2022, respectively

(B) 7 foundations at June 30, 2023 and 2022

(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, 2023 and 2022
(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, 2023 and 2022, except for one Donor Advised Fund which had net assets of approximately \$197,000 and \$195,000 at June 30, 2023 and 2022, respectively; in August 2023, this donor advised fund transferred \$60,000 of assets to an entity not under Federation's control.

Net assets with donor restrictions are restricted for the following purposes at June 30, 2023 and 2022:

	2023	2022
Charitable remainder trusts (A)	\$ 781	\$ 749
Other restricted funds (B)	13,822	13,510
Permanently restricted	7,024	4,454
Pledges and Grants Restricted	11,991	8,053
	\$ 33,618	\$ 26,766

(A) 11 trusts at June 30, 2023 and 2022

(B) 113 and 94 funds at June 30, 2023 and 2022, respectively

Net assets released from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrence of other events specified by donors were \$10,025 and \$13,304 for the years ended June 30, 2023 and 2022, respectively.

(11) Additional Detailed Information

A summary of expenses for Programs in the Consolidated Statements of Activities for the years ended June 30, 2023 and 2022 is as follows:

	Year Ended June 30,	
	2023	2022
Community engagement	\$ 2,357	\$ 1,954
Community services	545	452
Internal outreach programs	2,732	2,264
Jewish Federations of North America	545	552
Leadership development	662	549
	\$ 6,841	\$ 5,771