

JEWISH FEDERATION OF GREATER ATLANTA, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

June 30, 2013 and 2012

(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.
Atlanta, Georgia

We have audited the accompanying consolidated statements of the **Jewish Federation of Greater Atlanta, Inc.** (the "Federation"), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States. This includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Federation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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, 2013 and 2012, 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.

December 5, 2013

Windham Brannon, P.C.
Certified Public Accountants

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidated Statements of Financial Position

June 30, 2013 and 2012
(in Thousands)

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 20,863	\$ 19,104
Pledges receivable, net of allowances for uncollectible accounts (note 2)	10,357	11,184
Investments (notes 3 and 12)	107,232	96,407
Prepaid expenses and other receivables	664	346
Notes receivable (note 4)	242	452
Lease receivable (note 5)	516	560
Beneficiary interest in trust funds held by others (note 6)	833	734
Real estate and limited partnership interests (note 7)	8,626	6,631
Land, building, and equipment, net of accumulated depreciation (note 8)	<u>6,302</u>	<u>6,479</u>
 Total assets	 <u>\$ 155,635</u>	 <u>\$ 141,897</u>
Liabilities and Net Assets		
Liabilities:		
Allocations payable:		
Local and national	\$ 10,615	\$ 9,816
Overseas	3,334	3,217
Donor designated	529	472
Total allocations payable	<u>14,478</u>	<u>13,505</u>
Accounts payable and accrued expenses	1,993	4,092
Bonds payable (note 10)	400	500
Obligations to other organizations for assets held in trust (note 3)	32,235	28,923
Trust obligations (note 12)	<u>2,442</u>	<u>2,696</u>
Total liabilities	<u>51,548</u>	<u>49,716</u>
Net assets:		
Unrestricted	7,863	7,316
Board designated (note 13)	79,846	71,112
Temporarily restricted (note 13)	11,924	9,299
Permanently restricted (note 13)	<u>4,454</u>	<u>4,454</u>
Total net assets	<u>104,087</u>	<u>92,181</u>
 Total liabilities and net assets	 <u>\$ 155,635</u>	 <u>\$ 141,897</u>

See accompanying notes to financial statements.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidated Statement of Activities

Year ended June 30, 2013

(in Thousands)

	<u>Unrestricted</u>	<u>Board designated</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total 2013</u>
Revenues and other support:					
Campaign and other current pledges	\$ 14,766	\$ -	\$ -	\$ -	\$ 14,766
Less pledges paid from prior contributions	-	(5,145)	(188)	-	(5,333)
Less provision for uncollectible accounts	(517)	-	-	-	(517)
Net campaign and other current pledges	<u>14,249</u>	<u>(5,145)</u>	<u>(188)</u>	<u>-</u>	<u>8,916</u>
Non-campaign contributions	140	23,778	4,213	-	28,131
Net assets released from restrictions (note 14)	21,053	(17,386)	(3,667)	-	-
Total donor support	<u>35,442</u>	<u>1,247</u>	<u>358</u>	<u>-</u>	<u>37,047</u>
Investment Income	33	6,280	1,244	-	7,557
Program fees and other income	83	1,207	1,023	-	2,313
Total other support	<u>116</u>	<u>7,487</u>	<u>2,267</u>	<u>-</u>	<u>9,870</u>
Total revenues and other support	<u>35,558</u>	<u>8,734</u>	<u>2,625</u>	<u>-</u>	<u>46,917</u>
Allocations and Expenses:					
Allocations:					
Local/national	25,141	-	-	-	25,141
Overseas	3,523	-	-	-	3,523
Programs:					
Community Engagement	533	-	-	-	533
PJ Library	192	-	-	-	192
Israel Experience	46	-	-	-	46
NORC	158	-	-	-	158
JFNA	563	-	-	-	563
Internal Outreach Programs	649	-	-	-	649
Total programs	<u>2,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,141</u>
Support Services:					
Administration of allocations & programs	523	-	-	-	523
Fund-raising	2,448	-	-	-	2,448
Management and general	2,158	-	-	-	2,158
Total support services expenses	<u>5,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,129</u>
Endowment transaction expenses	66	-	-	-	66
Total allocations, programs and expenses	<u>36,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,000</u>
Pension-related charges (credits) other than net periodic pension cost (note 9)	(989)	-	-	-	(989)
Increase(decrease) in net assets	<u>547</u>	<u>8,734</u>	<u>2,625</u>	<u>-</u>	<u>11,906</u>
Net assets at beginning of year	<u>7,316</u>	<u>71,112</u>	<u>9,299</u>	<u>4,454</u>	<u>92,181</u>
Net assets at end of year	<u>\$ 7,863</u>	<u>\$ 79,846</u>	<u>\$ 11,924</u>	<u>\$ 4,454</u>	<u>\$ 104,087</u>

See accompanying notes to financial statements.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidated Statement of Activities

Year ended June 30, 2012

(in Thousands)

	<u>Unrestricted</u>	<u>Board designated</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total 2012</u>
Revenues and other support:					
Campaign and other current pledges	\$ 15,422	\$ -	\$ -	\$ -	\$ 15,422
Less pledges paid from prior contributions		(3,902)	(105)	-	(4,007)
Less provision for uncollectible accounts	(522)	-	-	-	(522)
Net campaign and other current pledges	<u>14,900</u>	<u>(3,902)</u>	<u>(105)</u>	<u>-</u>	<u>10,893</u>
Non-campaign contributions	1,566	17,434	2,263		21,263
Net assets released from restrictions (note 14)	18,313	(14,944)	(3,369)	-	-
Total donor support	<u>34,779</u>	<u>(1,412)</u>	<u>(1,211)</u>	<u>-</u>	<u>32,156</u>
Investment Income/(loss)	(271)	158	100		(13)
Program fees and other income	858	426	344	-	1,628
Government grants	26	-	-	-	26
Total other support	<u>613</u>	<u>584</u>	<u>444</u>	<u>-</u>	<u>1,641</u>
Total revenues and other support	<u>35,392</u>	<u>(828)</u>	<u>(767)</u>	<u>-</u>	<u>33,797</u>
Allocations and Expenses:					
Allocations:					
Local/national	22,772	-	-	-	22,772
Overseas	3,421	-	-	-	3,421
Programs:					
Community Engagement	247	-	-	-	247
PJ Library	194	-	-	-	194
Israel Experience	60	-	-	-	60
NORC	108	-	-	-	108
JFNA	634	-	-	-	634
Internal Outreach Programs	476	-	-	-	476
Total programs	<u>1,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,719</u>
Support Services:					
Administration of allocations & programs	452	-	-	-	452
Fund-raising	2,522	-	-	-	2,522
Management and general	2,241	-	-	-	2,241
Total support services expenses	<u>5,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,215</u>
Endowment transaction expenses	431	-	-	-	431
Total allocations, programs and expenses	<u>33,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,558</u>
Pension-related charges (credits) other than net periodic pension cost (note 9)	997	-	-	-	997
Increase(decrease) in net assets	837	(828)	(767)	-	(758)
Net assets at beginning of year	<u>6,479</u>	<u>71,940</u>	<u>10,066</u>	<u>4,454</u>	<u>92,939</u>
Net assets at end of year	<u>\$ 7,316</u>	<u>\$ 71,112</u>	<u>\$ 9,299</u>	<u>\$ 4,454</u>	<u>\$ 92,181</u>

See accompanying notes to financial statements.

JEWISH FEDERATION OF GREATER ATLANTA, INC

Consolidated Statement of Functional Expenses

Year ended June 30, 2013

(in Thousands)

	Allocations	Programs	Allocations and Program Administration	Fund Raising	Management and General	Endowment Transaction Expenses	Total Expenses
Allocations							
Local/national	\$ 25,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,141
Overseas	3,523	-	-	-	-	-	3,523
Total Allocations	28,664	-	-	-	-	-	28,664
Expenses							
Personnel:							
Salaries	-	446	358	1,327	1,018	-	3,149
Payroll taxes and benefits	-	129	95	363	305	-	892
Professional services	-	253	11	57	281	-	602
Total personnel	-	828	464	1,747	1,604	-	4,643
Travel, conferences and missions:		112	8	43	30	-	193
General office:							
Telephone and communications	-	2	-	-	57	-	59
Postage and shipping	-	2	-	4	31	-	37
Supplies	-	2	-	3	27	-	32
Total General office	-	6	-	7	115	-	128
Occupancy							
Equipment maintenance & rent	-	8	-	6	148	-	162
Utilities	-	-	-	-	152	-	152
Total occupancy	-	8	-	6	300	-	314
Other operating expense:							
Casualty and liability insurance	-	1	-	-	33	-	34
Legal & accounting	-	-	-	24	81	13	118
Miscellaneous	-	28	30	133	(115)	-	76
	-	29	30	157	(1)	13	228
Programs & events	-	1,146	3	401	25	53	1,628
Total expenses before depreciation	-	2,129	505	2,361	2,073	66	7,134
Depreciation	-	12	18	87	85	-	202
Total Allocation and expense	\$ 28,664	\$ 2,141	\$ 523	\$ 2,448	\$ 2,158	\$ 66	\$ 36,000

See accompanying notes to financial statements.

JEWISH FEDERATION OF GREATER ATLANTA, INC

Consolidated Statement of Functional Expenses

Year ended June 30, 2012

(in Thousands)

	Allocations	Programs	Allocations and Program Administration	Fund Raising	Management and General	Endowment Transaction Expenses	Total Expenses
Allocations							
Local/national	\$ 22,772	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,772
Overseas	3,421	-	-	-	-	-	3,421
Total Allocations	26,193	-	-	-	-	-	26,193
Expenses							
Personnel:							
Salaries	-	330	280	1,262	1,137	-	3,009
Payroll taxes and benefits	-	79	59	293	310	-	741
Professional services	-	175	40	109	343	-	667
Total personnel	-	584	379	1,664	1,790	-	4,417
Travel, conferences and missions:		27	14	193	25	-	259
General office:							
Telephone and communications	-	3	-	-	64	-	67
Postage and shipping	-	7	-	7	21	-	35
Supplies	-	2	-	4	23	-	29
Total General office	-	12	-	11	108	-	131
Occupancy							
Equipment maintenance & rent	-	4	-	16	173	-	193
Utilities	-	-	-	-	124	-	124
Total occupancy	-	4	-	16	297	-	317
Other operating expense:							
Casualty and liability insurance	-	-	-	-	28	-	28
Legal & accounting	-	10	-	26	80	15	131
Miscellaneous	-	63	38	172	(162)	-	111
	-	73	38	198	(54)	15	270
Programs & events	-	1,008	5	363	-	416	1,792
Total expenses before depreciation	-	1,708	436	2,445	2,166	431	7,186
Depreciation	-	11	16	77	75	-	179
Total Allocation and expense	\$ 26,193	\$ 1,719	\$ 452	\$ 2,522	\$ 2,241	\$ 431	\$ 33,558

See accompanying notes to financial statements.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidated Statements of Cash Flows

Years ended June 30, 2013 and 2012
(in Thousands)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 11,906	\$ (758)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	202	179
(Increase) decrease in unrealized gain/loss	(5,173)	487
(Increase) decrease in prepaid expenses and other receivables	(318)	505
(Increase) decrease in pledges receivable	827	(400)
Decrease in notes and lease receivables	254	55
Increase in beneficiary interests in trust funds held by others	(99)	(27)
(Increase) decrease in real estate and limited partnership interests	(1,995)	630
(Decrease) increase in accounts payable and accrued expenses	(2,099)	1,470
Increase in allocations payable	973	1,838
Decrease in trust obligations	<u>(254)</u>	<u>(147)</u>
Net cash provided by operating activities	<u>4,224</u>	<u>3,832</u>
Cash flows from investing activities:		
Purchase of property and equipment	(25)	(146)
Proceeds from sale and maturities of investments	37,035	35,728
Purchase of investments	(42,687)	(35,566)
Increase in payable to other organizations	3,312	1,593
Net cash (used in) provided by investing activities	<u>(2,365)</u>	<u>1,609</u>
Cash flows from financing activities:		
Redemption of bonds payable	<u>(100)</u>	<u>(100)</u>
Net cash used in financing activities	<u>(100)</u>	<u>(100)</u>
Net increase in cash and cash equivalents	1,759	5,341
Cash and cash equivalents at beginning of year	<u>19,104</u>	<u>13,763</u>
Cash and cash equivalents at end of year	<u>\$ 20,863</u>	<u>\$ 19,104</u>

SUPPLEMENTAL CASH FLOW DISCLOSURES

Cash paid for interest	<u>\$ 1</u>	<u>\$ 1</u>
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See accompanying notes to financial statements.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(1) Summary of Significant Accounting Policies

(a) *Nature of Business*

The Jewish Federation of Greater Atlanta, Inc. (the “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. The Federation conducts various campaigns to raise funds and retains custody of property and investments held for the benefit of the community. The 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).

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

(b) *Basis of Presentation*

The 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 nonprofit organizations. It requires that net assets and related revenue, expenses, gains and losses be classified into three classes of net assets – unrestricted, temporarily restricted, and permanently restricted, based upon the existence or absence of donor-imposed restrictions. A definition and description of each net asset class follows:

Unrestricted net assets – Net assets not subject to donor-imposed stipulations. Changes in this category of net assets include the release from restriction of board designated funds, investment income and restricted contributions whose donor-imposed restrictions were met during the fiscal period.

Unrestricted Board designated net assets – Net assets not subject to donor-imposed stipulations but are subject to purpose and time restrictions by virtue of being subject to board approval.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Federation and/or the passage of time.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(Dollars in Thousands)

(1) Summary of Significant Accounting Policies (continued)

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that require the donated assets be maintained permanently by the Federation. Generally, the donors of these assets permit the Federation to use all or part of the income earned on related investments for general or specific purposes.

(c) *Principles of Consolidation*

Net assets of the Federation include various supporting foundations and ALEF Fund, Inc. (ALEF), which are each separate 501(c)(3) organizations. Supporting foundations and ALEF are included in the accompanying financial statements because the Federation manages the operations and has majority control of their boards. These organizations have net assets that aggregate approximately \$37,777 and \$34,600 as of June 30, 2013 and 2012, respectively.

Necessary elimination entries of internal transactions have been made in the accompanying financial statements.

(d) *Accrual Basis*

The financial statements of the Federation have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

(e) *Use of Estimates*

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.

(f) *Contributions*

Contributions are recognized when the donor makes a promise to give to the Federation that is, in substance, unconditional. Contributions received and unconditional promises to give are recorded at their estimated fair values and are reported as an increase in net assets. Conditional promises to give are not included as support until such time as the conditions are substantially met.

The Federation receives contributions of cash or property from sources other than annual campaign contributions. Such donations are received under numerous types of arrangements which specify who manages the funds and who receives the funds upon the passage of time or other donor imposed restrictions.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(1) Summary of Significant Accounting Policies (continued)

Contributions received by the Federation for its general purposes are classified as unrestricted. The Federation reports gifts of cash and other assets 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 a donor restriction expires, that is, when a stipulated time restrictions ends or purpose restriction is accomplished, temporarily 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.

(g) *Cash and Cash Equivalents*

Cash and cash equivalents consist primarily of demand and money market accounts at banks and broker/dealers. Approximately 77% and 90% of the balances were maintained at two firms as of June 30, 2013 and 2012, respectively. For purposes of the statement of cash flows, the Federation considers commercial paper and money-market funds with maturities of three months or less to be cash equivalents.

(h) *Pledges Receivable and Allowance for Uncollectible Pledges*

Pledges, less a provision for estimated uncollectible amounts, are recorded as a receivable and revenue when pledges are made. Provision is made for estimated losses on collection of unpaid subscribers' pledges at the end of each campaign. The provision for uncollectible pledges is based, among other things, on the Federation's past collection experience and the impact of changes in the current economic conditions.

(i) *Investments*

Investments are reported at their fair value. Equity securities and exchange traded funds traded on an exchange are valued at the last reported sales price. Shares of mutual funds are valued at their quoted net asset values. In general, corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Hedge funds are valued at the net asset value of the Federation's interest in the investment partnership, which is based on the fair value of the funds' investments. Alternative investments in limited partnerships are reported at fair value based on an annual valuation. Purchase and sales of securities are recorded on a trade-date basis.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(1) Summary of Significant Accounting Policies (continued)

Investment income gains and losses are reported as increases or decreases in unrestricted net assets, unless restricted by explicit donor stipulation or by law. Dividends are recorded on the ex-dividend date. Dividends as well as realized and unrealized gains and losses are included in the Statement of Activities within Investment Income.

(j) *Trust Assets and Obligations*

The Federation is trustee and remainder beneficiary of charitable remainder trusts. Assets of the trusts are stated at fair market value. Related obligations are computed and measured at fair value using present value discount rates. A contribution is recorded at the time of the gift as the difference between the fair value of the assets received and the liabilities incurred in the exchange portion of the agreement for these irrevocable transfers of assets.

(k) *Real Estate*

Real estate is carried at the lower of appraised value as of the date of the gift or estimated market value.

(l) *Land, Building, and Equipment*

Land, building, and equipment 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

(m) *Allocations*

In the course of fulfilling its mission and purpose, each year the Federation's Board of Trustees and the boards of the supporting foundations authorize the distribution of certain program funds to other organizations. These authorized distributions are recorded as program expenses in the financial statements of the Federation when the allocations are approved.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(1) Summary of Significant Accounting Policies (continued)

The costs of providing the various programs, fund-raising and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and fund-raising activities benefited.

(n) *Income Taxes*

The 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 the Federation met the requirements to maintain their 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, 2013 and 2012, the Federation did not identify any uncertain tax positions that require adjustment to or disclosure in the accompanying financial statements. The Federation's income tax returns since the year ended June 30, 2009 are subject to examination by tax authorities, and may change upon examination.

(o) *Concentrations of Credit and Market Risk*

Financial instruments which potentially subject the 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.

The 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 credit exposure to any one institution is limited. 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. The 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, 2013 and 2012
(Dollars in Thousands)

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

(p) ***Fair Value of Financial Instruments Other Than Investments***

The carrying value of cash and cash equivalents; prepaid expenses and other receivables; notes and lease receivable; accounts payable; allocations payable; trust obligations; and payables to other organizations are reflected in the financial statements at historical cost, which management estimates to approximate fair value because of the terms and relative short-term maturity of such items.

The carrying amount on bonds payable approximates fair value because these financial instruments bear interest at variable rates which approximate current rates for notes and bonds with similar maturities and credit quality.

(q) ***Pension Plan***

The Federation maintains a pension plan that covers certain employees of the Federation. The plan provides pension benefits that are based on the length of service and the compensation of the employee. The Federation froze the pension plan effective July 1, 2013 and the pension plan is not available to employees hired after June 30, 2013.

(r) ***Subsequent Events***

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 5, 2013, which is the date the financial statements were available to be issued.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(2) Pledges Receivable

Pledges receivable as of June 30, 2013 and 2012 are as follows:

	2013		2012	
	Contributions receivable	Allowance for uncollectible contributions	Contributions receivable	Allowance for uncollectible contributions
General campaign:				
Campaign year:				
2013	\$ 9,778	\$ 511		
2012	1,071	493	\$ 9,948	\$ 520
2011	399	399	1,276	515
2010	365	365	570	537
2009	315	315	453	453
2008	181	181	270	270
2007			429	429
	12,109	2,264	12,946	2,724
Israel Emergency Campaign	249		305	
Other pledges receivable	609		863	
Unapplied receipts	(346)		(206)	
Totals	12,621	\$ 2,264	13,908	\$ 2,724
Less allowance for uncollectible accounts	(2,264)		(2,724)	
Total pledges receivable:	\$ 10,357		\$ 11,184	

(3) Investments

The investments of the Federation are managed by professional advisors under the general direction of two senior volunteer committees of the Board of Trustees: the Planned Giving and Endowment Committee and the Investment Committee. The professional advisors are responsible for actively managing the investments.

The investments of the Federation are recorded at fair value. Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the entity transacts. Investments are classified in one of three categories based on the reliability of 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 active markets, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical investments as of the reporting date.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(3) Investments (continued)

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.

Investments at June 30, 2013 and 2012 consist of the following:

	<u>2013</u>	<u>2012</u>
Level 1		
Exchange traded funds (ETF)	\$ 3,321	\$ 755
Marketable equity securities	10,458	10,997
Mutual funds – equity securities	37,619	30,659
Mutual funds - bonds	23,804	25,757
Mutual funds - international	14,429	13,320
US Treasury, agency and government backed obligations	<u>779</u>	<u>723</u>
Total Level 1	<u>90,410</u>	<u>82,211</u>
Level 2		
Corporate bonds	1,797	2,986
International bonds	43	-
Israel bonds	3,071	3,018
Preferred stock and options	<u>57</u>	<u>133</u>
Total Level 2	<u>4,968</u>	<u>6,137</u>
Level 3		
SEI Offshore Opportunity Hedge Fund	7,059	6,680
SEI Core Property Fund	3,048	-
Other investments	<u>1,747</u>	<u>1,379</u>
Total Level 3	<u>11,854</u>	<u>8,059</u>
Total Investments	<u>\$ 107,232</u>	<u>\$ 96,407</u>

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(3) Investments (continued)

For the years ended June 30, 2013 and 2012, the Level 3 assets changed as follows:

	2013			Total
	SEI Offshore Opportunity Hedge Fund	SEI Core Property Fund	Other Investments	
Beginning Balance	\$ 6,680	\$ -	\$ 1,379	\$ 8,059
Total gains or losses included in earnings	198	265	(5)	458
Purchases	181	2,783	69	3,033
Sales			(31)	(31)
Change in cash surrender value	-	-	335	335
Ending Balance	\$ 7,059	\$ 3,048	\$ 1,747	\$ 11,854

The amount of total gains or losses for the year ending June 30, 2013 included in earnings attributable to the change in unrealized gain or losses related to assets still held at June 30, 2013

	\$ (4)	\$ (465)	\$ 66	\$ (403)
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	2012		Total
	SEI Offshore Opportunity Hedge Fund	Other Investments	
Beginning Balance	\$ 5,180	\$ 1,557	\$ 6,737
Total gains or losses included in earnings	20	3	23
Purchases	2,295	8	2,303
Sales	(815)	(26)	(841)
Change in cash surrender value	-	(163)	(163)
Ending Balance	\$ 6,680	\$ 1,379	\$ 8,059

The amount of total gains or losses for the year ending June 30, 2012 included in earnings attributable to the change in unrealized gain or losses related to assets still held at June 30, 2012

	\$ 45	\$ 6	\$ 51
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JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(3) Investments (continued)

The SEI Offshore Opportunity Hedge Fund (OHF) invests in private investment funds focusing on four main strategies: equity hedge, tactical/directional, relative value, and event driven. The SEI Core Property Fund, LP (CPF) invests in private investment vehicles that invest in commercial real estate properties. OHF and CPF use a revaluation process where the manager of each underlying fund reports its performance and valuation monthly and quarterly, respectively. The valuation techniques used by the OHF and CPF to measure fair value attempt to maximize the use of observable inputs and minimize the use of unobservable inputs. The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. The units of account that are valued by the OHF and CPF are its interests in the underlying funds and not the underlying holdings of such underlying funds. Thus, the inputs used by the OHF and CPF to value its investments in each of the underlying funds may differ from the inputs used to value the underlying holding of such underlying funds. The redemption terms for OHF and CPF funds are quarterly with 65 days' notice

Investments include certain donations that are restricted by either purpose or time. See Note 13 for information on these asset restrictions.

Investments include funds that are being invested on behalf of agencies with a corresponding liability titled "Obligations to other organizations for assets held in trust". Such investments are reported in the Federation portfolio at fair value on the Statement of Financial Position. 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, 2013 and 2012, these investments and liabilities total \$32,235 and \$28,923, respectively.

Included in "other investments" are certain life insurance policies gifted to the Federation by donors. The Federation records these policies at their cash surrender value.

Interest and dividends included in net investment income (loss) was approximately \$2,385 and \$2,774 for the years ended June 30, 2013 and 2012, respectively.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(4) Notes Receivable

Notes receivable at June 30, 2013 and 2012 were as follows:

Description	June 30, 2013 balance	June 30, 2012 balance	Security	Interest Rate
Yeshiva High School (a)	\$ 142	\$ 160	Real estate	Prime + 1%
Marcus Jewish Community Center (a)	201	201	Real estate	None
Seraphim, LLC (b)	-	200	None	None
Former Federation officer (c)	20	30	None	None
Local synagogues and temples	21	21	None	6.50%
	384	612		
Less allowance for uncollectible note	(142)	(160)		
Total	\$ 242	\$ 452		

- (a) An affiliated agency.
- (b) Federation had a note receivable from Seraphim, LLC which was reflected at its estimated fair value. Federation received a \$200 principal payment on the note during the year ended June 30, 2013.
- (c) Federation has an interest-free note receivable from a former officer which is payable in annual installments of \$10 through 2015.

(5) Long-Term Lease Arrangement with an Affiliated Agency

During the year ended June 30, 2001, the Federation entered into a long-term lease agreement with the Jewish Family and Career Services for the lease of property owned by the Federation located on Chamblee-Dunwoody Road. For financial reporting purposes, this leasing transaction was accounted for by the Federation as a sale of the related property. Accordingly, future payments due under this lease (excluding amounts characterized as interest) are reflected as "lease receivables" on the accompanying statement of financial position. Lease payments are due monthly and aggregate (excluding amounts characterized as interest) \$51; \$54; \$57; \$60 and \$64 for fiscal years 2014 through 2018, respectively, and \$230 thereafter through 2021. Amounts characterized as interest are based upon a variable rate.

(6) Beneficiary Interest in Trust Funds Held by Others

The Federation is a 50% beneficiary of one remainder interest trust, the assets of which are not in the possession of the Federation. The Federation has legally enforceable rights or claims to these assets, net of obligations payable to a beneficiary. At June 30, 2013 and 2012, the fair value of the Federation's portion of assets in this trust was approximately \$833 and \$734, respectively.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(7) Real Estate and Limited Partnership Interests

Real estate at June 30, 2013 and 2012 aggregated \$8,475 (24 parcels) and \$6,480 (23 parcels), respectively. Limited partnership interests aggregated \$151 at June 30, 2013 and 2012. Such assets were acquired through contributions and are carried at the lower of appraised value as of the date of the gift or estimated current market value. The limited partnerships invest primarily in real estate. Income received from these properties during the years ended June 30, 2013 and 2012 was \$711 and \$426, respectively.

(8) Land, Building, and Equipment

Land, building, and equipment at June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Building and improvements	\$ 5,556	\$ 5,556
Land	3,200	3,200
Furniture and equipment	802	855
Total cost	<u>9,558</u>	<u>9,611</u>
Less accumulated depreciation	<u>(3,256)</u>	<u>(3,132)</u>
	<u>\$ 6,302</u>	<u>\$ 6,479</u>

Depreciation expense for the years ended June 30, 2013 and 2012 was \$202 and \$179, respectively.

(9) Pension Plan

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

This plan was frozen as of July 1, 2013; as a result of this Plan curtailment, existing Plan participants will no longer accrue benefits for future service and new Federation employees hired on or after that date will no longer be eligible to participate in the Plan. The Plan curtailment had no impact on net periodic pension cost for the year ended June 30, 2013. As noted in the table below, the curtailment decreased the Plan's projected benefit obligations by \$276 at June 30, 2013.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(Dollars in Thousands)

(9) Pension Plan (continued)

Financial and actuarial information regarding the Plan is as follows:

	<u>2013</u>	<u>2012</u>
Plan Status at end of year:		
Plan assets at fair value	\$ 3,442	\$ 2,998
Projected benefit obligation	4,637	4,994
Unfunded status	<u>\$ (1,195)</u>	<u>\$ (1,996)</u>
Accumulated benefit obligation	<u>\$ 4,637</u>	<u>\$ 4,703</u>

The Federation recognized a liability for the unfunded status of its Plan of \$1,195 and \$1,996 at June 30, 2013 and 2012, respectively. Such liability is included in accounts payable and accrued expenses in the accompanying Statements of Financial Position.

Certain information regarding the Plan and its cost is as follows:

Changes in projected benefit obligation:	<u>2013</u>	<u>2012</u>
Beginning of the year	\$ 4,994	\$ 3,827
Service cost	150	155
Interest cost	214	209
Plan amendments	(276)	-
Assumption changes	(258)	711
Actuarial (gain) loss	(108)	160
Expense charges	(23)	(23)
Benefits disbursed	(56)	(45)
End of the year	<u>\$ 4,637</u>	<u>\$ 4,994</u>

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(9) Pension Plan (continued)

Components of net periodic pension cost :	2013	2012
Service cost	\$ 150	\$ 155
Interest cost	214	209
Loss(return) on plan assets	(227)	(225)
Amortization of unrecognized prior service cost (credit)	(5)	(5)
Amortization of net loss	205	94
Net periodic pension cost	\$ 337	\$ 228

Items not yet recognized as a component of net periodic pension cost:		
Prior service cost(credit)	\$ -	\$ (13)
Net loss	998	2,000
	\$ 998	\$ 1,987

(Credits) charges recognized in the Statement of Activities apart from periodic pension cost for the years ended June 30, 2013 and 2012:

Net gain (loss)	\$ (1,002)	\$ 991
Prior service cost (credit)	13	6
	\$ (989)	\$ 997

The prior service cost (credit) and net (gain) loss that are expected to be amortized as components of net periodic pension cost during the year ending June 30, 2014 are \$0 and \$31, respectively.

	2013	2012
Assumptions used to determine benefit obligations at year end		
Discount rate	4.60%	4.20%
Rate of compensation increase	0%	4.50%
Assumptions used to determine net periodic cost for the year		
Discount rate	4.20%	5.25%
Expected long-term return on assets	8.00%	8.00%
Rate of compensation increase	4.50%	4.50%

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(9) Pension Plan (continued)

Plan Assets

The Plan's asset allocations at June 30, 2013 and 2012 by asset category were as follows:

Asset Category	<u>2013</u>	<u>2012</u>
Equity Securities	67.5%	64.2%
Debt Securities	16.9%	18.5%
Other	15.6%	17.3%
Total	<u>100.0%</u>	<u>100.0%</u>

The 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 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.

Contributions and benefit payments

The Federation expects to contribute a minimum of \$158 to the Plan during the year ending June 30, 2014.

The following benefit payments are expected to be paid:

Plan Year Ending <u>December 31:</u>	<u>Amount</u>
2013	\$ 870
2014	206
2015	835
2016	103
2017	266
2018-2022	1,248

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(10) Bonds Payable

In 1996, the Federation obtained a tax-exempt bond financing of \$2,200 consisting of Development Authority of DeKalb County tax-exempt adjustable mode revenue bonds having interest rates that are reset weekly (payable quarterly), principal payable annually, and final maturity in August 2021. The proceeds of these bonds were utilized to purchase and renovate the Federation's Chamblee-Dunwoody Road facility. The provisions of the bond agreement include covenants covering the Chamblee-Dunwoody property which, in the event of default, would provide the bond issuer a security interest in these properties. As a result of excess principal payments, the bonds will be fully paid in August 2016.

Required principal payments for the remaining DeKalb County bonds at June 30, 2013 are as follows:

Year ending June 30,

2014	\$ 100
2015	100
2016	100
2017	<u>100</u>
	\$ <u>400</u>

At June 30, 2013 and 2012, the variable interest rate on these bonds was 0.16% and 0.28%, respectively.

(11) Line of Credit

In October 2010, the Federation entered into a \$4,000,000 unsecured line of credit. Advances carry interest at LIBOR plus 1.75% per annum with a minimum rate of 2.5%. As of June 30, 2013, the Federation has not drawn any amount on this line of credit and, accordingly, no amounts were owed at June 30, 2013 or 2012. The line of credit was to expire on August 29, 2013 but was renewed until August 28, 2014.

(12) Trust Obligations

The 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. Assets held under these agreements are included in investments. 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, 2013 and 2012, the fair market value of investments held by such trusts and included in investments is \$3,350 and \$3,224 respectively.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(13) Net Assets

The major portion of the Federation's restricted net assets is related to various kinds of endowment funds as follows:

- Donor restricted endowment funds are the result of an agreement between the donor and the Federation; the agreement specifies the purpose and the annual amount to be granted.
- 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 Organizations (SO) are board designated funds which receive proposals for grants. Each SO board reviews the proposals and chooses qualifying organizations who will receive grants.
- Permanently restricted funds are contributions from donors which the Federation considers to be subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as adopted by the State of Georgia. The 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. The remaining portion of a donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Federation in a manner consistent with the standard of prudence prescribed by UPMIFA.

The 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 the 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 the Federation
- g. The investment policies of the Federation.

The Federation's Investment Policy (FIP) 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. The FIP accounts for the spending policy, inflation and expenses. The funds are diversified among various equity and fixed income classes and alternative investments.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(13) Net Assets (continued)

A roll forward of endowment funds for the years ended June 30, 2013 and 2012 is as follows:

	<u>Unrestricted</u>	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment balance, June 30, 2012	\$ 2,375	\$ 64,580	\$ 8,951	\$ 4,454	\$ 80,360
Investment income	1	2,079	282	-	2,362
Net appreciation	4	4,213	955	-	5,172
Contributions	140	18,236	1,265	-	19,641
Grants	(178)	(15,995)	(671)	-	(16,844)
Other	(277)	290	678	-	691
Endowment balance, June 30, 2013	2,065	73,403	11,460	4,454	91,382
All other funds	5,798	6,443	464	-	12,705
Total net assets	<u>\$ 7,863</u>	<u>\$ 79,846</u>	<u>\$ 11,924</u>	<u>\$ 4,454</u>	<u>\$ 104,087</u>
Endowment balance, June 30, 2011	\$ 1,141	\$ 65,423	\$ 9,531	\$ 4,454	\$ 80,549
Investment income	1,345	1,712	(92)	-	2,965
Net appreciation	305	(3,047)	(257)	-	(2,999)
Contributions	338	17,434	321	-	18,093
Grants	(106)	(17,256)	(379)	-	(17,741)
Other	(648)	314	(173)	-	(507)
Endowment balance, June 30, 2012	2,375	64,580	8,951	4,454	80,360
All other funds	4,941	6,532	348	-	11,821
Total net assets	<u>\$ 7,316</u>	<u>\$ 71,112</u>	<u>\$ 9,299</u>	<u>\$ 4,454</u>	<u>\$ 92,181</u>

During the year ended June 30, 2013 Federation noted that certain non-endowment funds were previously categorized and reported as unrestricted or temporarily restricted in error and should have been categorized and reported as board designated. As a result, amounts shown for "all other funds" in the table above at June 30, 2012 have been reclassified as follows:

	<u>Unrestricted</u>	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
As previously reported	\$ 11,178	\$ -	\$ 643	\$ -	\$ 11,821
Balances reclassified	(6,237)	6,532	(295)	-	-
As reclassified	<u>\$ 4,941</u>	<u>\$ 6,532</u>	<u>\$ 348</u>	<u>\$ -</u>	<u>\$ 11,821</u>

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012

(Dollars in Thousands)

(13) Net Assets (continued)

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

	June 30,	
	2013	2012
Unrestricted Funds		
Endowment Funds		
Unrestricted Endowment	\$ 2,206	\$ 2,375
Other balances	(141)	-
Total	2,065	2,375
All Other Funds		
Property	6,556	6,681
Accumulated Pension Loss	(998)	(1,988)
ALEF	181	137
Other balances	59	111
	5,798	4,941
Total	\$ 7,863	\$ 7,316
Board Designated		
Endowment Funds		
Philanthropic Funds	(A) \$ 35,514	\$ 30,139
Supporting Foundations	(B) 37,594	34,441
Other balances	295	-
Total	73,403	64,580
All Other Funds		
Prior Campaign	(C) 5,192	5,318
General Fund	756	686
Israel Experience	116	124
Israel Emergency Campaign	269	361
Community Capital Campaign	166	161
Other balances	(56)	(118)
Total	6,443	6,532
Total	\$ 79,846	\$ 71,112

(A) 404 and 383 funds at June 30, 2013 and 2012, respectively

(B) 14 foundations at both June 30, 2013 and 2012

(C) Funds raised during current campaign and designated for JFGA operations in succeeding year

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2013 and 2012
(Dollars in Thousands)

(13) Net Assets (continued)

Temporarily restricted net assets balances at June 30, 2013 and 2012 are as follows:

	<u>No.</u>	<u>2013</u>	<u>2012</u>
Charitable remainder trusts and gift annuities	20	\$ 1,952	\$ 1,457
Other restricted funds	124	<u>9,972</u>	<u>7,842</u>
		<u>\$ 11,924</u>	<u>\$ 9,299</u>

(14) Net Assets Released from Restriction

Net assets were released from board designated restrictions or donor temporary restrictions by incurring expenses, satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2013</u>	<u>2012</u>
Donor advised fund activity	\$ 14,820	\$ 11,792
Supporting foundation fund activity	2,407	2,122
Endowment grants	775	489
Targeted grants	<u>3,051</u>	<u>3,910</u>
Total performance restrictions released	<u>\$ 21,053</u>	<u>\$ 18,313</u>

SUPPLEMENTAL INFORMATION



INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTAL INFORMATION

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

We have audited the financial statements of the Jewish Federation of Greater Atlanta, Inc. as of and for the years ended June 30, 2013 and 2012, and have issued our report thereon dated December 5, 2013 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Consolidating Statements of Financial Position for the years ended June 30, 2013 and 2012 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Windham Brannon, P.C.

Certified Public Accountants

December 5, 2013

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidating Statement of Financial Position

June 30, 2013

(000's)

	Endowment Funds	ALEF	All Other	Adjustments & Eliminations	Consolidated
Assets					
Cash and cash equivalents	\$ 10,448	\$ 5,200	\$ 5,215	\$ -	\$ 20,863
Pledges receivable, net of allowances for uncollectible accounts	-	5	10,352	-	10,357
Investments	107,226	-	6	-	107,232
Prepaid expenses and other receivables	454	-	1,830	(1,620)	664
Notes receivable	21	-	221	-	242
Lease receivable	-	-	516	-	516
Beneficiary interest in trust funds held by others	833	-	-	-	833
Real estate and limited partnership interests	8,626	-	-	-	8,626
Land, building, and equipment, net of accumulated depreciation	-	-	6,302	-	6,302
Total assets	\$ 127,608	\$ 5,205	\$ 24,442	\$ (1,620)	\$ 155,635
Liabilities and Net Assets					
Liabilities:					
Allocations payable:					
Local and national	\$ 437	\$ 4,968	\$ 5,210	\$ -	\$ 10,615
Overseas	-	-	3,334	-	3,334
Donor designated	-	-	529	-	529
Total allocations payable	437	4,968	9,073	-	14,478
Accounts payable and accrued expenses	1,112	54	2,447	(1,620)	1,993
Bonds payable	-	-	400	-	400
Obligations to affiliated agencies for assets held in trust	32,235	-	-	-	32,235
Trust obligations	2,442	-	-	-	2,442
Total liabilities	36,226	5,022	11,920	(1,620)	51,548
Net assets:					
Unrestricted	2,065	182	5,616	-	7,863
Board designated	73,403	-	6,443	-	79,846
Temporarily restricted	11,460	1	463	-	11,924
Permanently restricted	4,454	-	-	-	4,454
Total net assets	91,382	183	12,522	-	104,087
Total liabilities and net assets	\$ 127,608	\$ 5,205	\$ 24,442	\$ (1,620)	\$ 155,635

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidating Statement of Financial Position

June 30, 2012

(000's)

	Endowment			Adjustments &		
	Funds	ALEF	All Other	Eliminations	Consolidated	
Assets						
Cash and cash equivalents	\$ 9,261	\$ 4,569	\$ 5,274	\$ -	\$ 19,104	
Pledges receivable, net of allowances for uncollectible accounts	6	4	11,174	-	11,184	
Investments	96,400	-	7	-	96,407	
Prepaid expenses and other receivables	-	-	901	(555)	346	
Notes receivable	221	-	231	-	452	
Lease receivable	-	-	560	-	560	
Beneficiary interest in trust funds held by others	734	-	-	-	734	
Real estate and limited partnership interests	6,631	-	-	-	6,631	
Land, building, and equipment, net of accumulated depreciation	-	-	6,479	-	6,479	
Total assets	\$ 113,253	\$ 4,573	\$ 24,626	\$ (555)	\$ 141,897	
Liabilities and Net Assets						
Liabilities:						
Allocations payable:						
Local and national	\$ 437	\$ 4,219	\$ 5,160	\$ -	\$ 9,816	
Overseas	-	-	3,217	-	3,217	
Donor designated	-	-	472	-	472	
Total allocations payable	437	4,219	8,849	-	13,505	
Accounts payable and accrued expenses	837	194	3,616	(555)	4,092	
Bonds payable	-	-	500	-	500	
Obligations to affiliated agencies for assets held in trust	28,923	-	-	-	28,923	
Trust obligations	2,696	-	-	-	2,696	
Total liabilities	32,893	4,413	12,965	(555)	49,716	
Net assets:						
Unrestricted	2,375	138	4,803	-	7,316	
Board designated	64,580	-	6,532	-	71,112	
Temporarily restricted	8,951	22	326	-	9,299	
Permanently restricted	4,454	-	-	-	4,454	
Total net assets	80,360	160	11,661	-	92,181	
Total liabilities and net assets	\$ 113,253	\$ 4,573	\$ 24,626	\$ (555)	\$ 141,897	