

JEWISH FEDERATION OF GREATER ATLANTA, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

June 30, 2014 and 2013

(With Independent Auditor's Report Thereon)

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Table of Contents

	Page
Independent Auditor's Report	
Consolidated Financial Statements	
Consolidated Statements of Financial Position	1
Consolidated Statements of Activities	2 - 3
Consolidated Statements of Functional Expenses	4 - 5
Consolidated Statements of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 26
Supplemental Information	
Independent Auditor's Report on Supplemental Information	27
Consolidating Statements of Financial Position	28 - 29

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, 2014 and 2013, 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, 2014 and 2013, 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 17, 2014

Windham Brannon, P.C.

Certified Public Accountants

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidated Statements of Financial Position

June 30, 2014 and 2013
(in Thousands)

	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents	\$ 22,189	\$ 20,863
Pledges receivable, net of allowances for uncollectible accounts (note 2)	12,226	10,357
Investments (notes 3 and 11)	132,008	107,232
Prepaid expenses and other receivables	310	757
Notes receivable (note 4)	232	242
Lease receivable (note 5)	471	516
Beneficiary interest in trust funds held by others (note 6)	-	833
Real estate	8,400	8,400
Land, building, and equipment, net of accumulated depreciation (note 7)	<u>6,464</u>	<u>6,302</u>
 Total assets	 <u>\$ 182,300</u>	 <u>\$ 155,502</u>
 Liabilities and Net Assets		
Liabilities:		
Allocations payable:		
Local and national	\$ 12,720	\$ 10,615
Overseas	3,623	3,334
Donor designated	<u>854</u>	<u>529</u>
Total allocations payable	17,197	14,478
Accounts payable and accrued expenses	2,222	1,993
Bonds payable (note 9)	300	400
Obligations to other organizations for assets held in trust (note 3)	35,832	32,235
Trust obligations (note 11)	<u>2,552</u>	<u>2,442</u>
	<u>58,103</u>	<u>51,548</u>
 Net assets:		
Unrestricted	9,714	7,863
Board designated (note 12)	96,943	79,713
Temporarily restricted (note 12)	13,086	11,924
Permanently restricted (note 12)	<u>4,454</u>	<u>4,454</u>
Total net assets	<u>124,197</u>	<u>103,954</u>
 Total liabilities and net assets	 <u>\$ 182,300</u>	 <u>\$ 155,502</u>

See accompanying notes to financial statements.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidated Statement of Activities

Year ended June 30, 2014

(in Thousands)

	<u>Unrestricted</u>	<u>Board designated</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total 2014</u>
Revenues and other support:					
Campaign and other current pledges	\$ 14,873	\$ -	\$ -	\$ -	\$ 14,873
Less pledges paid from prior contributions	-	(4,936)	(289)	-	(5,225)
Less provision for uncollectible accounts	(541)	-	-	-	(541)
Net campaign and other current pledges	<u>14,332</u>	<u>(4,936)</u>	<u>(289)</u>	<u>-</u>	<u>9,107</u>
Non-campaign contributions	639	27,387	5,361	-	33,387
Net assets released from restrictions (note 13)	32,563	(25,390)	(7,173)	-	-
Net asset transfers	(10,528)	10,170	358	-	-
Total donor support	<u>37,006</u>	<u>7,231</u>	<u>(1,743)</u>	<u>-</u>	<u>42,494</u>
Investment Income	502	9,931	2,271	-	12,704
Program fees and other income	662	68	634	-	1,364
Total other support	<u>1,164</u>	<u>9,999</u>	<u>2,905</u>	<u>-</u>	<u>14,068</u>
Total revenues and other support	<u>38,170</u>	<u>17,230</u>	<u>1,162</u>	<u>-</u>	<u>56,562</u>
Allocations and Expenses:					
Allocations:					
Local/national	25,332	-	-	-	25,332
Overseas	3,521	-	-	-	3,521
Programs:					
Community Engagement	341	-	-	-	341
Missions	281	-	-	-	281
Grapevine	150	-	-	-	150
PJ Library	121	-	-	-	121
Birthright	93	-	-	-	93
Israel Experience	24	-	-	-	24
NORC	170	-	-	-	170
JFNA	554	-	-	-	554
Internal Outreach Programs	583	-	-	-	583
Total programs	<u>2,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,317</u>
Support Services:					
Administration of allocations & programs	467	-	-	-	467
Fund-raising	2,226	-	-	-	2,226
Management and general	2,376	-	-	-	2,376
Total support services expenses	<u>5,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,069</u>
Endowment transaction expenses	405	-	-	-	405
Total allocations, programs and expenses	<u>36,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,644</u>
Pension-related charges (credits) other than net periodic pension cost (note 8)	<u>(325)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(325)</u>
Increase in net assets	1,851	17,230	1,162	-	20,243
Net assets at beginning of year	<u>7,863</u>	<u>79,713</u>	<u>11,924</u>	<u>4,454</u>	<u>103,954</u>
Net assets at end of year	<u>\$ 9,714</u>	<u>\$ 96,943</u>	<u>\$ 13,086</u>	<u>\$ 4,454</u>	<u>\$ 124,197</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 13)	31,427	(27,572)	(3,855)	-	-
Net asset transfers	(10,374)	10,186	188	-	-
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	1,299	1,023	-	2,405
Total other support	<u>116</u>	<u>7,579</u>	<u>2,267</u>	<u>-</u>	<u>9,962</u>
Total revenues and other support	<u>35,558</u>	<u>8,826</u>	<u>2,625</u>	<u>-</u>	<u>47,009</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 8)	(989)	-	-	-	(989)
Increase in net assets	<u>547</u>	<u>8,826</u>	<u>2,625</u>	<u>-</u>	<u>11,998</u>
Net assets at beginning of year	<u>7,316</u>	<u>70,887</u>	<u>9,299</u>	<u>4,454</u>	<u>91,956</u>
Net assets at end of year	<u>\$ 7,863</u>	<u>\$ 79,713</u>	<u>\$ 11,924</u>	<u>\$ 4,454</u>	<u>\$ 103,954</u>

See accompanying notes to financial statements.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidated Statement of Functional Expenses

Year ended June 30, 2014

(in Thousands)

	Allocations	Programs	Allocations and Program Administration	Fund Raising	Management and General	Endowment Transaction Expenses	Total Expenses
Allocations							
Local/national	\$ 25,332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,332
Overseas	3,521	-	-	-	-	-	3,521
Total Allocations	28,853	-	-	-	-	-	28,853
Expenses							
Personnel:							
Salaries	-	425	328	1,298	1,118	-	3,169
Payroll taxes and benefits	-	77	55	233	252	-	617
Professional services	-	442	23	23	317	-	805
Total personnel	-	944	406	1,554	1,687	-	4,591
Travel, conferences and missions		293	9	(15)	50	-	337
General office:							
Telephone and communications	-	1	-	1	51	-	53
Postage and shipping	-	2	-	3	35	-	40
Supplies	-	1	-	-	21	-	22
Total General office	-	4	-	4	107	-	115
Occupancy							
Equipment maintenance & rent	-	4	-	6	205	-	215
Utilities	-	-	-	-	89	-	89
Total occupancy	-	4	-	6	294	-	304
Other operating expense:							
Casualty and liability insurance	-	1	-	-	34	-	35
Legal & accounting	-	-	-	50	76	-	126
Miscellaneous	-	88	29	112	7	-	236
	-	89	29	162	117	-	397
Programs & events	-	970	4	425	29	405	1,833
Total expenses before depreciation	-	2,304	448	2,136	2,284	405	7,577
Depreciation	-	13	19	90	92	-	214
Total Allocation and expense	\$ 28,853	\$ 2,317	\$ 467	\$ 2,226	\$ 2,376	\$ 405	\$ 36,644

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	12	117
Miscellaneous	-	28	30	133	(115)	-	76
	-	29	30	157	(1)	12	227
Programs & events	-	1,146	3	401	25	54	1,629
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 Statements of Cash Flows

Years ended June 30, 2014 and 2013
(in Thousands)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 20,243	\$ 11,998
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	214	202
Contribution of real estate, limited partnership, and limited liability company interests	(7,866)	(1,994)
Unrealized gain	(11,999)	(5,173)
(Increase) decrease in prepaid expenses and other receivables	447	(411)
(Increase) decrease in pledges receivable	(1,869)	827
Decrease in notes and lease receivables	55	254
(Increase) decrease in beneficiary interests in trust funds held by others	833	(99)
Increase (decrease) in accounts payable and accrued expenses	229	(2,099)
Increase in allocations payable	2,719	973
Increase (decrease) in trust obligations	110	(254)
Net cash provided by operating activities	<u>3,116</u>	<u>4,224</u>
Cash flows from investing activities:		
Purchase of property and equipment	(376)	(25)
Proceeds from sale and maturities of investments	26,288	37,035
Purchase of investments	(31,199)	(42,687)
Increase in payable to other organizations	3,597	3,312
Net cash used in investing activities	<u>(1,690)</u>	<u>(2,365)</u>
Cash flows from financing activities:		
Redemption of bonds payable	(100)	(100)
Net cash used in financing activities	<u>(100)</u>	<u>(100)</u>
Net increase in cash and cash equivalents	1,326	1,759
Cash and cash equivalents at beginning of year	<u>20,863</u>	<u>19,104</u>
Cash and cash equivalents at end of year	<u>\$ 22,189</u>	<u>\$ 20,863</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, 2014 and 2013
(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 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 the Federation, by virtue of working agreements, are referred to 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 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, 2014 and 2013
(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. ALEF provides students with scholarships to attend private pre-k to grade 12 schools in Georgia. 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 \$40,746 and \$37,644 as of June 30, 2014 and 2013, respectively.

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

During the year ended June 30, 2014 one of the Federation's supporting foundations became a free-standing entity such that Federation no longer managed its operations nor had majority control of its board. The assets of this supporting foundation consisted solely of real estate which was held as a board designated net asset. As a result of this event, Federation has restated its net assets at July 1, 2012 in the accompanying financial statements to reflect the impact of this supporting foundation no longer being considered a component unit of Federation for all periods presented herein.

	<u>2013</u>	<u>2012</u>
Net assets at June 30 as previously reported	\$104,087	\$92,181
Elimination of this supporting foundation	<u>(133)</u>	<u>(225)</u>
Net assets at July 1 as restated	<u>\$103,954</u>	<u>\$91,956</u>

Correspondingly, board designated Program Fees and Other Income in the accompanying Consolidated Statement of Activities for the year ended June 30, 2013 increased by \$92 over the amount previously presented.

(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.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(1) Summary of Significant Accounting Policies (continued)

(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 a donor makes a pledge to give to the 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 collection of unpaid pledges. The provision for uncollectible pledges is based, among other things, on the Federation's past collection experience and the impact of changes in current economic conditions. Pledges satisfied by (or the contribution of) non-cash assets are recorded at the estimated fair value of the donated assets at the time of their receipt.

The Federation conducts an annual campaign and solicits donations through other campaigns. 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 the Federation for its general purposes are classified as unrestricted. The 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 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 74% and 77% of such balances were maintained at two firms as of June 30, 2014 and 2013, respectively. The Federation considers commercial paper and money-market funds with maturities of three months or less to be cash equivalents.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(1) Summary of Significant Accounting Policies (continued)

(h) *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. Purchases and sales of securities are recorded on a trade-date basis.

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.

(i) *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.

(j) *Real Estate*

Real estate principally consists of commercial properties rented to third parties. Net rental income received from these properties during the years ended June 30, 2014 and 2013 aggregated \$627 and \$711, respectively, and is included in Investment Income in the Consolidated Statement of Activities.

Real estate is carried at the appraised value as of the date of the gift. The Federation reviews each property for the existence of any indicators of impairment. If indicators of impairment are present, the Federation calculates the expected undiscounted future cash flows to be derived from such assets. If the undiscounted cash flows are less than the carrying amount of the asset, the asset is reduced to its then fair value.

(k) *Land, Building, and Equipment*

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

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(1) Summary of Significant Accounting Policies (continued)

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

(l) *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.

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.

(m) *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, 2014 and 2013, 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 for each of the three years ended June 30, 2014 are subject to examination by tax authorities, and may change upon examination.

(n) *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.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(1) Summary of Significant Accounting Policies (continued)

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.

(o) *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; pledges 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.

(p) *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 17, 2014, which is the date the financial statements were available to be issued.

(q) *Reclassifications*

Net asset transfer amounts on the Consolidated Statement of Activities for the year ended June 30, 2013 have been reclassified to conform to the 2014 presentation.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(2) Pledges Receivable

Pledges receivable as of June 30, 2014 and 2013 are as follows:

	2014		2013	
	Contributions receivable	Allowance for uncollectible contributions	Contributions receivable	Allowance for uncollectible contributions
General campaign:				
Campaign year:				
2014	\$ 10,313	\$ 481		
2013	1,721	498	\$ 9,778	\$ 511
2012	533	479	1,071	493
2011	186	186	399	399
2010	317	317	365	365
2009	282	282	315	315
2008			181	181
	13,352	2,243	12,109	2,264
Israel Emergency Campaign	249		249	
Other pledges receivable	1,150		609	
Unapplied receipts	(282)		(346)	
	14,469	<u>\$ 2,243</u>	12,621	<u>\$ 2,264</u>
Totals				
Less allowance for uncollectible accounts	(2,243)		(2,264)	
Total pledges receivable:	<u>\$ 12,226</u>		<u>\$ 10,357</u>	

(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.

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, 2014 and 2013
(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, 2014 and 2013 consist of the following:

	2014	2013
Level 1		
Exchange Trade Funds (ETF)	\$ 4,012	\$ 3,321
Marketable equity securities	18,042	10,458
Money market funds	145	31
Mutual funds – equity securities	38,450	37,588
Mutual funds - bonds	29,817	23,804
Mutual funds - international	16,826	14,429
US Treasury, agency and government backed obligations	743	779
Total Level 1	108,035	90,410
Level 2		
Corporate and international bonds	1,711	1,840
Israel bonds	3,036	3,071
Preferred stock and options	(67)	57
Total Level 2	4,680	4,968
Level 3		
SEI Offshore Opportunity Hedge Fund (OHF)	3,272	7,059
SEI Special Situations Fund (SSF)	3,668	-
SEI Core Property Fund (CPF)	3,462	3,048
Limited Liability Company (LLC)	4,957	-
Other investments:		
Limited Partnership (LP)	1,458	-
Life insurance	1,934	1,597
Other interests	542	150
Total Level 3	19,293	11,854
Total Investments	\$ 132,008	\$ 107,232

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(3) Investments (continued)

Following is a roll forward of Level 3 investments for the years ended June 30, 2014 and 2013:

	2014					
	OHF	SSF	CPF	LLC	Other Investments	Total
Beginning Balance	\$ 7,059	\$ -	\$ 3,048	-	\$ 1,747	\$ 11,854
Total gains or losses included in earnings	(115)	173	414	-	337	809
Purchases	-	3,495	-	-	-	3,495
Non-campaign contributions	-	-	-	4,957	2,909	7,866
Sales	(3,672)	-	-	-	(1,059)	(4,731)
Ending Balance	<u>\$ 3,272</u>	<u>\$ 3,668</u>	<u>\$ 3,462</u>	<u>\$ 4,957</u>	<u>\$ 3,934</u>	<u>\$ 19,293</u>
The amount of total gains or losses for the year ended June 30, 2014 included in earnings attributable to the change in unrealized gain or losses related to assets still held at June 30, 2014	<u>\$ 223</u>	<u>\$ 173</u>	<u>\$ 561</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 984</u>

	2013					
	OHF	SSF	CPF	LLC	Other Investments	Total
Beginning Balance	\$ 6,680	\$ -	\$ -	\$ -	\$ 1,379	\$ 8,059
Total gains or losses included in earnings	198	-	265	-	330	793
Purchases	181	-	2,783	-	69	3,033
Sales	-	-	-	-	(31)	(31)
Ending Balance	<u>\$ 7,059</u>	<u>\$ -</u>	<u>\$ 3,048</u>	<u>\$ -</u>	<u>\$ 1,747</u>	<u>\$ 11,854</u>
The amount of total gains or losses for the year ended June 30, 2013 included in earnings attributable to the change in unrealized gain or losses related to assets still held at June 30, 2013	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ 465</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ (403)</u>

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(3) Investments (continued)

The SEI Offshore Opportunity Hedge Fund (OHF) invests in private investment funds focusing on four main strategies: equity, 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. The SEI Special Situations Fund (SSF) invests in private equity funds, hybrid funds and other “alternative” investment funds, while also opportunistically investing directly in any other security and financial instruments. CPF and SSF use a revaluation process where the manager of each underlying fund reports its performance and valuation quarterly. OHF uses the same revaluation process monthly. The valuation techniques used by OHF, CPF, and SSF 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 in OHF, CPF and SSF are not necessarily an indication of the risks associated with investing in those securities. The units of account that are valued by OHF, CPF and SSF are its interests in the underlying funds and not the underlying holdings of such underlying funds. Thus, the inputs used by OHF, CPF and SSF 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 term for CPF is quarterly with 65 days’ notice. OHF and SSF can be redeemed quarterly with 95 days’ notice.

The LLC solely holds ownership interests in an operating company. The Federation’s interest in the LLC represents a unit entitled to a \$5,000 preference from the sale (as defined) of the operating company. The valuation of this interest is principally based on a discounted cash flow model.

The LP solely holds an ownership interest in real estate. The Federation has elected to account for its interest in the LP at fair value. The Federation liquidated its interest in the LP in July 2014.

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. The change in cash surrender value is included in Investment Income on the Consolidated Statement of Activities.

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 Affiliated Agencies with a corresponding liability titled “Obligations to other organizations for assets held in trust”. Changes in the fair value of these investments are reflected as a change in the corresponding liability on the Statement of Financial Position. These transactions are not included in the Statement of Activities. As of June 30, 2014 and 2013, these investments and liabilities total \$35,832 and \$32,235 respectively.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(3) Investments (continued)

Interest and dividends included in Investment Income was approximately \$1,813 and \$2,385 for the years ended June 30, 2014 and 2013, respectively.

(4) Notes Receivable

Notes receivable at June 30, 2014 and 2013 were as follows:

Description	June 30, 2014	June 30, 2013	Security	Interest Rate
Atlanta Jewish Academy (a)	\$ 142	\$ 142	Real estate	Prime + 1%
Marcus Jewish Community Center (a)	201	201	Real estate	None
Former Federation officer (b)	10	20	None	None
Local synagogues and temples	21	21	None	6.50%
	<u>374</u>	<u>384</u>		
Less allowance for uncollectible note	<u>(142)</u>	<u>(142)</u>		
Total	<u>\$ 232</u>	<u>\$ 242</u>		

(a) An affiliated agency.

(b) 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) \$54; \$57; \$60, \$64 and \$68 for fiscal years 2015 through 2019, respectively, and \$168 thereafter through 2021. Amounts characterized as interest are based upon a variable rate.

(6) Beneficiary Interest in Trust Funds Held by Others

The Federation had a 50% beneficiary of one remainder interest trust, the assets of which were 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, the fair value of the Federation's expected interest in assets of this trust was estimated to be \$833. Federation received \$970 as its final distribution from this trust in August 2013.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(7) Land, Building, and Equipment

Land, building, and equipment at June 30, 2014 and 2013 consisted of the following:

	<u>2014</u>	<u>2013</u>
Building and improvements	\$ 5,733	\$ 5,556
Land	3,200	3,200
Furniture and equipment	995	802
Total cost	9,928	9,558
Less accumulated depreciation	<u>(3,464)</u>	<u>(3,256)</u>
	<u>\$ 6,464</u>	<u>\$ 6,302</u>

Depreciation expense for the years ended June 30, 2014 and 2013 was \$214 and \$202, respectively.

(8) Employee Benefit Plans

The 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; the Federation currently matches a portion of such employee contributions. The Federation's expense for its matching contributions was \$66 and \$34 for the years ended June 30, 2014 and 2013, respectively.

The Federation also has a noncontributory defined benefit plan (the "Plan") that (prior to July 1, 2013) 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.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(8) Employee Benefit Plans (continued)

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. As noted in the table below, the curtailment decreased the Plan's projected benefit obligations by \$276 at June 30, 2013.

Financial and actuarial information regarding the Plan is as follows:

	<u>2014</u>	<u>2013</u>
Plan Status at end of year:		
Plan assets at fair value	\$ 3,647	\$ 3,442
Projected benefit obligation	4,491	4,637
Unfunded status	<u>\$ (844)</u>	<u>\$ (1,195)</u>
Accumulated benefit obligation	<u>\$ 4,491</u>	<u>\$ 4,637</u>

The Federation recognized a liability for the unfunded status of its Plan of \$844 and \$1,195 at June 30, 2014 and 2013, respectively. Such liability is included in accounts payable and accrued expenses in the accompanying Consolidated Statements of Financial Position.

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

	<u>2014</u>	<u>2013</u>
Changes in projected benefit obligation:		
Beginning of the year	\$ 4,637	\$ 4,994
Service cost	9	150
Interest cost	212	214
Plan amendments	-	(276)
Assumption changes	(39)	(258)
Actuarial (gain) loss	82	(108)
Expense charges	(10)	(23)
Benefits disbursed	(400)	(56)
End of the year	<u>\$ 4,491</u>	<u>\$ 4,637</u>

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(8) Employee Benefit Plans (continued)

	2014	2013
Components of net periodic pension cost :		
Service cost	\$ 9	\$ 150
Interest cost	212	214
Loss(return) on plan assets	(262)	(227)
Amortization of unrecognized prior service cost (credit)	-	(5)
Amortization of net loss	31	205
Net periodic benefit cost (credit) before recognizing curtailment	(10)	337
Amount of loss recognized due to curtailment	60	-
Net periodic pension cost	\$ 50	\$ 337

Items not yet recognized as a component of net periodic pension cost:

Net loss	\$ 673	\$ 998
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(Credits) charges recognized in the Statement of Activities apart from periodic pension cost:

Net (gain) loss	\$ (325)	\$ (1,002)
Prior service cost	-	13
	\$ (325)	\$ (989)

	2014	2013
Assumptions used to determine benefit obligations at year end		
Discount rate	4.10%	4.60%
Rate of compensation increase	0%	0%
Assumptions used to determine net periodic cost for the year		
Discount rate	4.60%	4.20%
Expected long-term return on assets	7.50%	8.00%
Rate of compensation increase	0%	0%

Plan Assets

The Plan's asset allocations at June 30, 2014 and 2013 by asset category were as follows:

	2014	2013
Asset Category		
Equity Securities	59.3%	67.5%
Debt Securities	0.0%	16.9%
Other	40.7%	15.6%
Total	100.0%	100.0%

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(8) Employee Benefit Plans (continued)

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 \$107 to the Plan during the year ending June 30, 2015.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$ 588
2016	328
2017	420
2018	212
2019	565
2020-2023	2,041

(9) 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 additional non-mandatory principal payments, the bonds will be fully paid in August 2016.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(9) Bonds Payable (continued)

Required principal payments for the remaining DeKalb County bonds at June 30, 2014 are as follows:

Year ending June 30,

2015	\$ 100
2016	100
2017	<u>100</u>
	\$ <u>300</u>

At June 30, 2014 and 2013, the variable interest rate on these bonds was 0.28% and 0.16%, respectively.

(10) Credit Agreements

In October 2010, the Federation entered into a \$4,000 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, 2014, the Federation has not drawn any amount on this line of credit and, accordingly, no amounts were owed at June 30, 2014 or 2013. The line of credit was to expire on August 29, 2014 but has been renewed until August 28, 2015.

In April 2014, the Federation entered into a \$214 loan agreement to purchase donor management software. Advances under the agreement bear interest at a fixed rate of 2.25%. In February 2015, all advances will convert to a 60 month amortizing term loan. As of June 30, 2014, Federation has not drawn any amount under this agreement.

(11) 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, 2014 and 2013, the fair market value of investments held by such trusts and included in investments is \$3,730 and \$3,350 respectively.

(12) 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.

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(12) Net Assets (continued)

- 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, 2014 and 2013
(Dollars in Thousands)

(12) Net Assets (continued)

A roll forward of endowment funds for the years ended June 30, 2014 and 2013 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, 2013	\$ 2,065	\$ 73,270	\$ 11,460	\$ 4,454	\$ 91,249
Investment income	59	4,888	448	-	5,395
Net appreciation	413	5,043	1,814	-	7,270
Contributions	187	26,952	807	-	27,946
Grants	(253)	(19,551)	(834)	-	(20,638)
Other	1,178	(924)	(1,543)	-	(1,289)
Endowment balance, June 30, 2014	3,649	89,678	12,152	4,454	109,933
All other funds	6,065	7,265	934	-	14,264
Total net assets	<u>\$ 9,714</u>	<u>\$ 96,943</u>	<u>\$ 13,086</u>	<u>\$ 4,454</u>	<u>\$ 124,197</u>
Endowment balance, June 30, 2012	\$ 2,375	\$ 64,355	\$ 8,951	\$ 4,454	\$ 80,135
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)	382	678	-	783
Endowment balance, June 30, 2013	2,065	73,270	11,460	4,454	91,249
All other funds	5,798	6,443	464	-	12,705
Total net assets	<u>\$ 7,863</u>	<u>\$ 79,713</u>	<u>\$ 11,924</u>	<u>\$ 4,454</u>	<u>\$ 103,954</u>

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(12) Net Assets (continued)

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

	June 30,	
	2014	2013
Unrestricted Funds		
Endowment Funds		
Unrestricted Endowment	\$ 3,697	\$ 2,206
Other balances	(48)	(141)
Total Endowment	3,649	2,065
All Other Funds		
Property	6,579	6,556
Accumulated pension loss	(673)	(998)
ALEF	285	181
Other balances	(126)	59
Total Other Funds	6,065	5,798
Total	\$ 9,714	\$ 7,863
Board Designated		
Endowment Funds		
Philanthropic Funds (A)	\$ 49,223	\$ 35,514
Supporting Foundations (B)	40,455	37,461
Other balances	-	295
Total Endowment	89,678	73,270
All Other Funds		
Prior Campaign (C)	5,312	5,192
General Fund	1,135	756
Israel Experience	54	116
Israel Emergency Campaign	269	269
Community Capital Campaign	166	166
Other balances	329	(56)
Total Other Funds	7,265	6,443
Total	\$ 96,943	\$ 79,713

(A) 389 and 404 funds at June 30, 2014 and 2013, respectively

(B) 13 and 14 foundations at June 30, 2014 and 2013, respectively

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

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013
(Dollars in Thousands)

(12) Net Assets (continued)

Temporarily restricted net assets balances at June 30, 2014 and 2013 are as follows:

	No.	2014	2013
Charitable remainder trusts and gift annuities	20	\$ 1,178	\$ 1,952
ALEF Fund, Inc.	12	5	1
Other restricted funds	112	11,903	9,971
		<u>\$ 13,086</u>	<u>\$ 11,924</u>

Permanently restricted net assets consist only of specific endowment funds which aggregated \$4,454 at both June 30, 2014 and 2013.

(13) 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:

	2014	2013
Donor advised fund activity	\$ 16,663	\$ 18,336
Supporting foundation fund activity	3,485	4,036
Endowment grants	1,813	963
Targeted grants	10,602	8,092
Total performance restrictions released	<u>\$ 32,563</u>	<u>\$ 31,427</u>

(14) Commitments and Contingencies

The Federation is, in the routine operation of its business, subject to litigation, claims, assessments and various other legal matters. In the opinion of management, none of these matters are expected to result in a settlement or judgment having a material adverse effect on Federation's financial position or results of operations.

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, 2014 and 2013, and have issued our report thereon dated December 17, 2014 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, 2014 and 2013 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 17, 2014

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidating Statement of Financial Position

June 30, 2014
(in Thousand's)

	Endowment	ALEF	All Other	Adjustments & Eliminations	Consolidated
Assets					
Cash and cash equivalents	\$ 8,779	\$ 6,989	\$ 6,421	\$ -	\$ 22,189
Pledges receivable, net of allowances for uncollectible accounts	-	-	12,226	-	12,226
Investments	132,007	-	1	-	132,008
Prepaid expenses and other receivables	11	-	770	(471)	310
Notes receivable	21	-	211	-	232
Lease receivable	-	-	471	-	471
Beneficiary interest in trust funds held by others	-	-	-	-	-
Real estate	8,400	-	-	-	8,400
Land, building, and equipment, net of accumulated depreciation	-	-	6,464	-	6,464
Total assets	\$ 149,218	\$ 6,989	\$ 26,564	\$ (471)	\$ 182,300
Liabilities and Net Assets					
Liabilities:					
Allocations payable:					
Local and national	\$ 447	\$ 6,663	\$ 5,610	\$ -	\$ 12,720
Overseas	-	-	3,623	-	3,623
Donor designated	-	14	840	-	854
Total allocations payable	447	6,677	10,073	-	17,197
Accounts payable and accrued expenses	454	22	2,217	(471)	2,222
Bonds payable	-	-	300	-	300
Obligations to affiliated agencies for assets held in trust	35,832	-	-	-	35,832
Trust obligations	2,552	-	-	-	2,552
Total liabilities	39,285	6,699	12,590	(471)	58,103
Net assets:					
Unrestricted	3,649	285	5,780	-	9,714
Board designated	89,678	-	7,265	-	96,943
Temporarily restricted	12,152	5	929	-	13,086
Permanently restricted	4,454	-	-	-	4,454
Total net assets	109,933	290	13,974	-	124,197
Total liabilities and net assets	\$ 149,218	\$ 6,989	\$ 26,564	\$ (471)	\$ 182,300

JEWISH FEDERATION OF GREATER ATLANTA, INC.

Consolidating Statement of Financial Position

June 30, 2013
(in Thousand's)

	Endowment	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	547	-	1,830	(1,620)	757
Notes receivable	21	-	221	-	242
Lease receivable	-	-	516	-	516
Beneficiary interest in trust funds held by others	833	-	-	-	833
Real estate	8,400	-	-	-	8,400
Land, building, and equipment, net of accumulated depreciation	-	-	6,302	-	6,302
Total assets	\$ 127,475	\$ 5,205	\$ 24,442	\$ (1,620)	\$ 155,502
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	73,270	-	6,443	-	79,713
Temporarily restricted	11,460	1	463	-	11,924
Permanently restricted	4,454	-	-	-	4,454
Total net assets	91,249	183	12,522	-	103,954
Total liabilities and net assets	\$ 127,475	\$ 5,205	\$ 24,442	\$ (1,620)	\$ 155,502