

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

**CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES**

June 30, 2011 and 2010

(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 financial position of the **Jewish Federation of Greater Atlanta, Inc.** (the "Federation") as of June 30, 2011 and 2010, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Federation's management. 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Federation as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of expenditures of federal awards for the year ended June 30, 2011 and the consolidating statements of financial position as of June 30, 2011 and 2010 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Windham Brannon, P.C.*

Certified Public Accountants

April 26, 2012

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

Consolidated Statements of Financial Position

June 30, 2011 and 2010  
(in Thousands)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 13,763	\$ 18,273
Pledges receivable, net of allowances for uncollectible accounts (note 2)	10,784	13,104
Investments (notes 3 and 10)	97,056	79,394
Prepaid expenses and other receivables	851	968
Notes receivable (note 4)	462	272
Lease receivable (note 14)	605	648
Beneficiary interest in trust funds held by others (note 5)	707	567
Real estate held for resale and limited partnership interests (note 6)	7,261	7,261
Land, building, and equipment, net of accumulated depreciation (note 7)	<u>6,512</u>	<u>6,687</u>
 Total assets	 <u>\$ 138,001</u>	 <u>\$ 127,174</u>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Allocations payable:		
Local and national	\$ 7,958	\$ 8,183
Overseas	3,279	3,631
Donor designated	<u>430</u>	<u>1,264</u>
Total allocations payable	11,667	13,078
Accounts payable and accrued expenses	2,622	1,941
Bonds payable (note 9)	600	5,645
Obligations to other organizations for assets held in trust (note 3)	27,330	21,506
Trust obligations (note 10)	<u>2,843</u>	<u>2,465</u>
Total liabilities	<u>45,062</u>	<u>44,635</u>
Net assets:		
Unrestricted	12,215	11,590
Board designated (note 12)	66,018	58,908
Temporarily restricted (note 12)	10,252	7,587
Permanently restricted (note 12)	<u>4,454</u>	<u>4,454</u>
Total net assets	<u>92,939</u>	<u>82,539</u>
 Total liabilities and net assets	 <u>\$ 138,001</u>	 <u>\$ 127,174</u>

See accompanying notes to financial statements.

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

Consolidated Statement of Activities

Year ended June 30, 2011

(in Thousands)

	<u>Unrestricted</u>	<u>Board designated</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total 2011</u>
Revenues and other support:					
Campaign and other current pledges	\$ 14,660	\$ -	\$ -	\$ -	\$ 14,660
Less pledges paid from prior contributions	-	(5,503)	(104)	-	(5,607)
Less (provision)/recovery for uncollectible accounts	(648)	-	-	-	(648)
Net campaign and other current pledges	<u>14,012</u>	<u>(5,503)</u>	<u>(104)</u>	<u>-</u>	<u>8,405</u>
Non-campaign contributions	259	19,555	6,165	-	25,979
Net assets released from restrictions (note 13)	<u>19,025</u>	<u>(13,434)</u>	<u>(5,591)</u>	<u>-</u>	<u>-</u>
Total donor support	<u>33,296</u>	<u>618</u>	<u>470</u>	<u>-</u>	<u>34,384</u>
Investment Income	316	5,892	1,164	-	7,372
Program fees and other income	390	600	931	-	1,921
Government grants	-	-	100	-	100
Total other support	<u>706</u>	<u>6,492</u>	<u>2,195</u>	<u>-</u>	<u>9,393</u>
Total revenues and other support	<u>34,002</u>	<u>7,110</u>	<u>2,665</u>	<u>-</u>	<u>43,777</u>
Allocations and Expenses:					
Allocations:					
Local/national	22,515	-	-	-	22,515
Overseas	3,205	-	-	-	3,205
Programs:					
Community Engagement	271	-	-	-	271
ALEF Fund	173	-	-	-	173
PJ Library	114	-	-	-	114
Israel Experience	113	-	-	-	113
NORC	120	-	-	-	120
JFNA	406	-	-	-	406
Internal Outreach Programs	566	-	-	-	566
Total programs	<u>1,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,763</u>
Support Services:					
Administration of allocations & programs	360	-	-	-	360
Fund-raising	2,203	-	-	-	2,203
Management and general	2,554	-	-	-	2,554
Total support services expenses	<u>5,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,117</u>
Endowment transaction expenses	564	-	-	-	564
Total allocations, programs and expenses	<u>33,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,164</u>
Pension-related charges (credits) other than net periodic pension cost	(382)	-	-	-	(382)
Income tax expense (note 1)	595	-	-	-	595
Increase in net assets	<u>625</u>	<u>7,110</u>	<u>2,665</u>	<u>-</u>	<u>10,400</u>
Net assets at beginning of year	<u>11,590</u>	<u>58,908</u>	<u>7,587</u>	<u>4,454</u>	<u>82,539</u>
Net assets at end of year	<u>\$ 12,215</u>	<u>\$ 66,018</u>	<u>\$ 10,252</u>	<u>\$ 4,454</u>	<u>\$ 92,939</u>

See accompanying notes to financial statements.

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

Consolidated Statement of Activities

Year ended June 30, 2010

(in Thousands)

	<u>Unrestricted</u>	<u>Board designated</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total 2010</u>
Revenues and other support:					
Campaign and other current pledges	\$ 14,929	\$ -	\$ -	\$ -	\$ 14,929
Less pledges paid from prior contributions	-	(3,136)	(42)	-	(3,178)
Less (provision)/recovery for uncollectible accounts	(660)	-	-	-	(660)
Net campaign and other current pledges	<u>14,269</u>	<u>(3,136)</u>	<u>(42)</u>	<u>-</u>	<u>11,091</u>
Non-campaign contributions	-	16,048	3,596	-	19,644
Net assets released from restrictions (note 13)	<u>19,547</u>	<u>(16,020)</u>	<u>(3,527)</u>	<u>-</u>	<u>-</u>
Total donor support	<u>33,816</u>	<u>(3,108)</u>	<u>27</u>	<u>-</u>	<u>30,735</u>
Investment Income	331	1,213	786	-	2,330
Program fees and other income	361	563	247	-	1,171
Government grants	-	-	143	-	143
Total other support	<u>692</u>	<u>1,776</u>	<u>1,176</u>	<u>-</u>	<u>3,644</u>
Total revenues and other support	<u>34,508</u>	<u>(1,332)</u>	<u>1,203</u>	<u>-</u>	<u>34,379</u>
Allocations and Expenses:					
Allocations:					
Local/national	25,044	-	-	-	25,044
Overseas	3,617	-	-	-	3,617
Programs:					
Community Engagement	294	-	-	-	294
PJ Library	146	-	-	-	146
Israel Experience	52	-	-	-	52
NORC	232	-	-	-	232
Internal Outreach Programs	<u>546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>546</u>
Total programs	<u>1,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,270</u>
Support Services:					
Administration of allocations & programs	445	-	-	-	445
Fund-raising	2,104	-	-	-	2,104
Management and general	<u>2,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,156</u>
Total support services expenses	<u>4,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,705</u>
Endowment transaction expenses	397	-	-	-	397
Total allocations, programs and expenses	<u>35,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,033</u>
Pension-related charges other than net periodic pension cost	<u>322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322</u>
Increase(decrease) in net assets	<u>(847)</u>	<u>(1,332)</u>	<u>1,203</u>	<u>-</u>	<u>(976)</u>
Net assets at beginning of year	<u>12,437</u>	<u>60,240</u>	<u>6,384</u>	<u>4,454</u>	<u>83,515</u>
Net assets at end of year	<u>\$ 11,590</u>	<u>\$ 58,908</u>	<u>\$ 7,587</u>	<u>\$ 4,454</u>	<u>\$ 82,539</u>

See accompanying notes to financial statements.

**JEWISH FEDERATION OF GREATER ATLANTA, INC**

Consolidated Statement of Functional Expenses

Year ended June 30, 2011

(in Thousands)

	Allocations	Programs	Allocations and Program Administration	Fund Raising	Management and General	Endowment Transaction Expenses	Total Expenses
<b>Allocations</b>							
Local/national	\$ 22,516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,516
Overseas	3,204	-	-	-	-	-	3,204
<b>Total Allocations</b>	<b>25,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,720</b>
<b>Expenses</b>							
Personnel:							
Salaries	-	409	215	1,239	843	-	2,706
Payroll taxes and benefits	-	106	53	348	280	-	787
Professional services	-	223	29	64	480	-	796
<b>Total personnel</b>	<b>-</b>	<b>738</b>	<b>297</b>	<b>1,651</b>	<b>1,603</b>	<b>-</b>	<b>4,289</b>
Travel, conferences and missions:		30	10	18	29	-	87
General office:							
Telephone and communications	-	2	-	-	71	-	73
Postage and shipping	-	4	-	-	27	-	31
Supplies	-	1	-	1	17	-	19
<b>Total General office</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>1</b>	<b>115</b>	<b>-</b>	<b>123</b>
Occupancy							
Equipment Maintenance & Rent	-	-	-	-	183	-	183
Utilities	-	-	-	-	137	-	137
<b>Total occupancy</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320</b>	<b>-</b>	<b>320</b>
Other operating expense:							
Casualty and liability insurance	-	-	-	-	28	-	28
Interest and penalties	-	6	-	-	455	-	461
Legal & accounting	-	25	-	4	91	14	134
Miscellaneous	-	44	32	159	(187)	-	48
	<b>-</b>	<b>75</b>	<b>32</b>	<b>163</b>	<b>387</b>	<b>14</b>	<b>671</b>
<b>Programs &amp; events</b>	<b>-</b>	<b>902</b>	<b>4</b>	<b>291</b>	<b>24</b>	<b>550</b>	<b>1,771</b>
<b>Total expenses before depreciation</b>	<b>-</b>	<b>1,752</b>	<b>343</b>	<b>2,124</b>	<b>2,478</b>	<b>564</b>	<b>7,261</b>
Depreciation	-	11	17	79	76	-	183
<b>Total Allocation and expense</b>	<b>\$ 25,720</b>	<b>\$ 1,763</b>	<b>\$ 360</b>	<b>\$ 2,203</b>	<b>\$ 2,554</b>	<b>\$ 564</b>	<b>\$ 33,164</b>

See accompanying notes to financial statements.

**JEWISH FEDERATION OF GREATER ATLANTA, INC**

Consolidated Statement of Functional Expenses

Year ended June 30, 2010

(in Thousands)

	Allocations	Programs	Allocations and Program Administration	Fund Raising	Management and General	Endowment Transaction Expenses	Total Expenses
<b>Allocations</b>							
Local/national	\$ 25,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,044
Overseas	3,617	-	-	-	-	-	3,617
<b>Total Allocations</b>	<b>28,661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,661</b>
<b>Expenses</b>							
Personnel:							
Salaries	-	294	258	1,233	872	-	2,657
Payroll taxes and benefits	-	83	61	316	295	-	755
Professional services	-	207	54	35	455	-	751
<b>Total personnel</b>	<b>-</b>	<b>584</b>	<b>373</b>	<b>1,584</b>	<b>1,622</b>	<b>-</b>	<b>4,163</b>
Travel, conferences and missions:	-	131	12	118	54	-	315
General office:							
Telephone and communications	-	1	-	-	68	-	69
Postage and shipping	-	2	-	-	24	-	26
Supplies	-	1	8	5	28	-	42
<b>Total General office</b>	<b>-</b>	<b>4</b>	<b>8</b>	<b>5</b>	<b>120</b>	<b>-</b>	<b>137</b>
Occupancy							
Equipment Maintenance & Rent	-	8	-	-	156	-	164
Utilities	-	-	-	-	136	-	136
<b>Total occupancy</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>292</b>	<b>-</b>	<b>300</b>
Other operating expense:							
Casualty and liability insurance	-	-	-	-	27	-	27
Interest	-	21	-	-	-	-	21
Legal & accounting	-	13	-	1	112	11	137
Miscellaneous	-	59	35	138	(152)	-	80
	<b>-</b>	<b>93</b>	<b>35</b>	<b>139</b>	<b>(13)</b>	<b>11</b>	<b>265</b>
Programs & events	-	439	-	179	-	386	1,004
<b>Total expenses before depreciation</b>	<b>-</b>	<b>1,259</b>	<b>428</b>	<b>2,025</b>	<b>2,075</b>	<b>397</b>	<b>6,184</b>
Depreciation	-	11	17	79	81	-	188
<b>Total Allocation and expense</b>	<b>\$ 28,661</b>	<b>\$ 1,270</b>	<b>\$ 445</b>	<b>\$ 2,104</b>	<b>\$ 2,156</b>	<b>\$ 397</b>	<b>\$ 35,033</b>

See accompanying notes to financial statements.



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

Consolidated Statements of Cash Flows

Years ended June 30, 2011 and 2010

(in Thousands)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 10,400	\$ (976)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	183	188
Increase in net change in valuation of investments	(12,297)	(10,752)
Decrease (increase) in prepaid expenses and other receivables	117	(471)
Decrease in pledges receivable	2,320	188
Decrease in notes and lease receivables	53	461
Increase in beneficiary interests in trust funds held by others	(140)	(44)
Decrease in real estate held for resale and limited partnership interests		3,292
Increase in accounts payable and accrued expenses	681	248
Decrease in allocations payable	(1,411)	(772)
Increase in payable to other organizations	5,824	3,415
Increase (decrease) in trust obligations	378	(1,156)
Net cash provided by (used in) operating activities	<u>6,108</u>	<u>(6,379)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(8)	(33)
Proceeds from sale and maturities of investments	52,585	32,204
Purchase of investments	(58,150)	(27,450)
Net cash (used in) provided by investing activities	<u>(5,573)</u>	<u>4,721</u>
Cash flows from financing activities:		
Redemption of bonds payable	(5,045)	(300)
Net cash used in financing activities	<u>(5,045)</u>	<u>(300)</u>
Net decrease in cash and cash equivalents	(4,510)	(1,958)
Cash and cash equivalents at beginning of year	<u>18,273</u>	<u>20,231</u>
Cash and cash equivalents at end of year	<u>\$ 13,763</u>	<u>\$ 18,273</u>

SUPPLEMENTAL CASH FLOW DISCLOSURES

Cash paid for interest	<u>\$ 9</u>	<u>\$ 24</u>
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See accompanying notes to financial statements.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2011 and 2010  
(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 that are not subject to donor-imposed stipulations. In addition to these activities, 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.

***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.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in Thousands)

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

Net assets of the Federation include various supporting foundations and ALEF Fund, Inc, (ALEF), which are 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 \$34,785 and \$33,110 as of June 30, 2011 and 2010, respectively.

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

#### (c) ***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.

#### (d) ***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.

#### (e) ***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.

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.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2011 and 2010  
(Dollars in Thousands)

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

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.

### (f) *Cash and Cash Equivalents*

Cash and cash equivalents consist primarily of demand and money market accounts at banks and broker/dealers. Approximately 89% and 69% of the balances were maintained at two firms as of June 30, 2011 and 2010, 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.

### (g) *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 and, in subsequent years, charges are made to the "Allowance for Uncollectible Pledges" for uncollectible pledge adjustments. 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.

### (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. 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.

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 on mutual funds and alternative investments as well as realized and unrealized gains and losses are included in the Statement of Activities within Investment Income.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in Thousands)

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

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

The Federation is trustee and remainder beneficiary of various charitable remainder unitrusts and charitable annuity trusts. Trust assets are stated at fair market value. Liabilities 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 Held for Resale*

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

#### (k) *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

#### (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.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2011 and 2010  
(Dollars in Thousands)

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

### (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.

Income not related to tax exempt purposes is subject to income taxes. A Federation donor advised fund incurred unrelated business income on an investment several years ago. The Federation accrued approximately \$595,000 of income taxes and \$455,000 in associated interest and penalties during the year ended June 30, 2011 for this income. Such interest and penalties are included in management and general expenses in the consolidated statement of activities.

As of and for the years ended June 30, 2011 and 2010, 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.

### (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. 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. The Federation's investments in the SEI Offshore Opportunity Fund and the State of Israel Bonds (5.2% and 3.0% of investments, respectively, as of June 30, 2011) represent a significant concentration of market risk inasmuch as the Federation's investment portfolio is otherwise adequately diversified among issuers. The Federation has not experienced any credit losses on its cash, cash equivalents or State of Israel Bonds.

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.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2011 and 2010  
(Dollars in Thousands)

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

Investments are subject to both credit and market risks. 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 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; 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. Pledges receivable are recorded at their estimated collectible amounts at June 30, 2011 and 2010.

Beneficiary interests in trust funds held by others are recorded at their estimated fair value at June 30, 2011 and 2010.

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) *Prior Period Financial Statements*

Certain reclassifications have been made to the accompanying June 30, 2010 financial statements to conform to the 2011 presentation.

#### (q) *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 April 26, 2012, 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, 2011 and 2010  
(Dollars in Thousands)

### (2) Pledges Receivable

Pledges receivable as of June 30, 2011 and 2010 are as follows:

	2011		2010	
	Contributions receivable	Allowance for uncollectible contributions	Contributions receivable	Allowance for uncollectible contributions
General campaign:				
Campaign year:				
2011	\$ 10,055	\$ 601		
2010	1,357	585	\$ 10,259	\$ 622
2009	646	591	3,103	628
2008	579	532	977	561
2007	641	520	715	541
2006	386	386	498	498
2005			485	474
	13,664	3,215	16,037	3,324
Israel Emergency Campaign	315		422	
Other pledges receivable	175		175	
Receipts for unspecified campaigns	(155)		(87)	
Totals	13,999	\$ 3,215	16,547	\$ 3,324
Less amounts to be transferred from donor advised funds			(119)	
Less allowance for uncollectible accounts	(3,215)		(3,324)	
Total pledges receivable:	\$ 10,784		\$ 13,104	

### (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.



# JEWISH FEDERATION OF GREATER ATLANTA, INC.

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in Thousands)

### (3) Investments (continued)

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 similar investments as of the reporting date.

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

Investments at June 30, 2011 and 2010 consist of the following:

	<b>2011</b>	<b>2010</b>
<b>Level 1</b>		
Exchange Trade Funds (ETF)	\$ 3,429	\$ 2,813
Marketable equity securities	7,963	6,299
Mutual funds - domestic equity securities	34,803	22,736
Mutual funds - bonds	24,391	24,187
Mutual funds - international	12,424	9,319
US Treasury, agency and government	1,181	1,180
<b>Total Level 1</b>	<b>\$84,190</b>	<b>\$66,533</b>
<b>Level 2</b>		
Corporate Bonds	\$ 2,578	\$ 1,828
International Bonds	65	-
Life Insurance	1,420	174
Israel Bonds	2,927	2,849
Preferred Stock	626	680
<b>Total Level 2</b>	<b>\$ 7,616</b>	<b>\$ 5,531</b>
<b>Level 3</b>		
SEI Offshore Opportunity Hedge Fund	\$ 5,180	\$ 4,878
Hedge fund of funds	50	69
Portfolio of hedge funds	20	33
Seraphim LLC	-	2,350
<b>Total Level 3</b>	<b>\$ 5,250</b>	<b>\$ 7,330</b>
<b>Total Investments</b>	<b>\$97,056</b>	<b>\$79,394</b>

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

Notes to Consolidated Financial Statements

June 30, 2011 and 2010  
(Dollars in Thousands)

**(3) Investments (continued)**

For the year ended June 30, 2011, the Level 3 assets changed as follows:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				Total
	SEI	Other Fund Investments			
	Offshore Opportunity Hedge Fund	Hedge fund of funds	Portfolio of hedge funds	Seraphim LLC	
Beginning Balance	\$ 4,878	\$ 69	\$ 33	\$ 2,350	\$ 7,330
Transfers out of Level 3				(200)	(200)
Total gains or losses					
Included in earnings (or changes in net assets)	370	(10)	(2)	(2,150)	(1,792)
Purchases, issuances, sales and settlements					
Purchases	1,727	-	-	-	1,727
Issuances	-	-	-	-	-
Sales	(1,795)	\$ (9)	(11)		(1,815)
Settlements	-	-	-	-	-
Ending Balance	<u>\$ 5,180</u>	<u>\$ 50</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 5,250</u>
The amount of total gains or losses for the period included in earnings (or changes in net assets) attributable to the change in unrealized gain or losses related to assets still held at the reporting date.	<u>\$ 124</u>	<u>\$ (10)</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ 51</u>

The SEI Offshore Opportunity Hedge Fund (SEI) uses a monthly revaluation process where the manager of each underlying fund reports performance, balances and valuation. SEI modifies the valuation based on an analysis of previous performance to estimates and the valuation provided by an independent 3<sup>rd</sup> party. The hedge fund of funds and the portfolio of hedge funds use similar methods to derive estimated valuations on a monthly basis. The Fund's redemption terms are quarterly with 65 days notice. Redemption restrictions are governed by the redemption terms.

The interest in Seraphim LLC ("Seraphim" or "the LLC") was valued by an independent 3<sup>rd</sup> party using comparable public companies that engage in similar businesses and then discounted for lack of liquidity, marketability and control at June 30, 2010. Under an agreement related to the investment at the time of its contribution, the Federation had the right to require Seraphim to acquire its interest in the LLC through December 31, 2010 at one-half of its then fair value. On December 21, 2010, the Federation exercised its right to sell its interest in the LLC to Seraphim. The Federation expects to receive proceeds from the sale of this interest that will be significantly less than the investment's historical carrying value. As a result, the Federation recognized a loss of \$2,150,000 on this investment (which is included in investment income on the consolidated

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2011 and 2010  
(Dollars in Thousands)

### (3) Investments (continued)

statement of activities) during the year ended June 30, 2011 and has a receivable from Seraphim of \$200,000 at June 30, 2011 (see Note 4).

Investments include certain donations that are restricted by either purpose or time. See Note 12 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, 2011 and 2010, these investments and liabilities total \$27,330 and \$21,506, respectively.

Included in 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 \$2,831 and \$1,389 for the years ended June 30, 2011 and 2010, respectively.

### (4) Notes Receivable

Notes receivable at June 30, 2011 and 2010 were as follows:

Description	June 30, 2011 balance	June 30, 2010 balance	Security	Interest Rate
Yeshiva High School (a)	\$ 160	\$ 159	Real estate	Prime + 1%
Marcus Jewish Community Center (a)	201	201	Real estate	None
Seraphim	200	-	None	None
Former Federation officer (b)	40	50	None	None
Local synagogues and temples	21	21	None	6.50%
	<u>622</u>	<u>431</u>		
Less allowance for uncollectible note	(160)	(159)		
Total	<u>\$ 462</u>	<u>\$ 272</u>		

(a) An affiliated agency.

(b) The Federation has an interest-free note receivable from a former officer which is payable in annual installments of \$10 through 2015.

For the notes receivable above with a zero interest rate, management does not believe that discounting these notes is material to the financial statements considering the term and market rates.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in Thousands)

### (5) 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 beneficiary. At June 30, 2011 and 2010, the fair value of the Federation's portion of assets in this trust was approximately \$707 and \$567, respectively.

### (6) Real Estate Held for Resale and Limited Partnership Interests

Real estate held for resale at June 30, 2011 and 2010 aggregated \$7,110 (23 parcels) and limited partnership interests aggregated \$151. The majority of the real estate held for resale consists of raw land and commercial shopping centers located in metro Atlanta, Georgia. 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 FY 2011 and 2010 was \$600 and \$543, respectively. The Federation recorded an unrealized loss of approximately \$3.4 million on one parcel of real estate held for resale during the year ended June 30, 2010 based on a 3<sup>rd</sup> party appraisal; such loss is included in investment income in the accompanying Statement of Activities.

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

Land, building, and equipment at June 30, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Building and improvements	\$ 5,489	\$ 5,481
Land	3,200	3,200
Furniture and equipment	816	849
Total cost	<u>9,505</u>	<u>9,530</u>
Less accumulated depreciation	<u>(2,993)</u>	<u>(2,843)</u>
	<u>\$ 6,512</u>	<u>\$ 6,687</u>

Depreciation expense for the years ended June 30, 2011 and 2010 was \$183 and \$188, respectively.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2011 and 2010  
(Dollars in Thousands)

### (8) Pension Plans

The Federation has a noncontributory defined benefit plan (the "Plan") that covers 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 30<sup>th</sup> measurement date for its Plan.

Financial and actuarial information regarding the Plan is as follows:

	2011	2010
Plan Status at end of year:		
Plan assets at fair value	\$ 2,636	\$ 1,960
Projected benefit obligation	3,827	3,596
Unfunded status (a)	\$ (1,191)	\$ (1,636)
Accumulated benefit obligation	\$ 3,487	\$ 3,251

(a) The Federation recognized a liability for the unfunded status of its Plan of \$1,191 and \$1,636 at June 30, 2011 and 2010, respectively. Such liability is included in accounts payable and accrued expenses in the accompanying Statements of Financial Position.

	2011	2010
Components of net periodic pension cost :		
Service cost	\$ 145	\$ 137
Interest cost	181	172
Loss(return) on plan assets	(399)	(195)
Amortization of unrecognized prior service cost(credit)	(5)	(5)
Amortization of net (gain)loss	144	95
Asset gain(loss) deferred	256	79
Net periodic pension cost	\$ 322	\$ 283

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

Prior service cost(credit)	\$ (18)	\$ (23)
Net loss	1,009	1,396
	\$ 991	\$ 1,373

Amounts recognized in the Statement of Activities apart from periodic pension cost for the years ended June 30, 2011 and 2010:

Net gain (loss)	\$ 243	\$ (412)
Prior service cost(credit)	(5)	(5)
Other	144	95
	\$ 382	\$ (322)

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2011 and 2010  
(Dollars in Thousands)

### (8) Pension Plans (continued)

The prior service cost (credit) and net (gain) loss that are expected to be amortized as components of net periodic pension cost over the year ending June 30, 2012 are \$(5) and \$99, respectively.

	2011	2010
Assumptions used to determine benefit obligations at year end		
Discount rate	5.25%	5.25%
Rate of compensation increase	4.50%	4.50%
Assumptions used to determine net periodic cost for year end		
Discount rate	5.25%	6.25%
Expected long-term return on assets	8.00%	8.00%
Rate of compensation increase	4.50%	4.50%

#### *Plan Assets*

The Plan's asset allocations at June 30, 2011 and 2010 by asset category were as follows:

	2011	2010
Asset Category		
Equity Securities	64.5%	62.0%
Debt Securities	18.4%	29.5%
Other	17.1%	8.5%
Total	100.0%	100.0%

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 \$190 to the Plan in fiscal year 2012.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2011 and 2010  
(Dollars in Thousands)

### (8) Pension Plans (continued)

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

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 659
2013	102
2014	111
2015	227
2016	979
2017-2021	1,576

### (9) Bonds Payable

In 1996, the Federation obtained tax-exempt bond financing totaling \$7,545. These bonds consisted of \$2,200 Development Authority of DeKalb County tax-exempt adjustable mode revenue bonds and \$5,345 Development Authority of Fulton County tax-exempt adjustable revenue bonds, both having interest at 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 Spring Street headquarters and Chamblee-Dunwoody Road facilities and to retire certain short-term notes then outstanding. The provisions of the bond agreements include covenants covering the Spring Street and Chamblee-Dunwoody properties which, in the event of default, would provide the bond issuer a security interest in these properties. During the year ended June 30, 2011, the Federation redeemed all \$4,245 of the outstanding Fulton County bonds. Additionally, the Federation repaid \$800 of the DeKalb County bonds during the year ended June 30, 2011. The repayment was applied to years 2018 to 2021.

Maturity schedule for the remaining DeKalb County bonds at June 30, 2011 is as follows:

Year ending June 30,	
2012	\$ 100
2013	100
2014	100
2015	100
2016	100
2017	<u>100</u>
	\$ <u>600</u>

At June 30, 2011 and 2010, the variable interest rate on these bonds was 0.18% and 0.40%, respectively.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in Thousands)

### (10) Line of Credit

On October 8, 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, 2011, the Federation has not drawn any amount on this line of credit and no amounts were owed at June 30, 2011. The line of credit matures on May 31, 2012.

### (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. Annuity obligations represent this 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 discounting the assets to present value or providing for the present value of future annuity payments, as appropriate. At June 30, 2011 and 2010, the fair market value of investments held by such trusts and included in investments is \$3,650 and \$3,306 respectively.

### (12) Net Assets

The major portion of the Federation's restricted net assets is related to endowment funds. 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



# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2011 and 2010  
(Dollars in Thousands)

### (12) Net assets (continued)

- 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 classes and fixed income classes and alternative investments.

A roll forward of endowment funds for the years ended June 30, 2011 and 2010 is as follows:

	<u>Unrestricted</u>	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment balance, July 1, 2009	\$ 897	\$ 60,240	\$ 5,728	\$ 4,454	\$ 71,319
Investment income	45	1,208	187	-	1,440
Net appreciation	246	11	600	-	857
Contributions	292	15,764	3,502	-	19,558
Grants	(290)	(18,338)	(3,248)	-	(21,876)
Other	(220)	23	(313)	-	(510)
Endowment balance, June 30, 2010	970	58,908	6,456	4,454	70,788
All other funds	10,620	-	1,131	-	11,751
Total net assets	<u>\$ 11,590</u>	<u>\$ 58,908</u>	<u>\$ 7,587</u>	<u>\$ 4,454</u>	<u>\$ 82,539</u>
Endowment balance, June 30, 2010	\$ 970	\$ 58,908	\$ 6,456	\$ 4,454	\$ 70,788
Investment income	72	2,948	218	-	3,238
Net appreciation	217	2,944	946	-	4,107
Contributions	259	19,555	6,165	-	25,979
Grants	(175)	(18,937)	(3,992)	-	(23,104)
Other	(202)	600	151	-	549
Endowment balance, June 30, 2011	1,141	66,018	9,944	4,454	81,557
All other funds	11,074	-	308	-	11,382
Total net assets	<u>\$ 12,215</u>	<u>\$ 66,018</u>	<u>\$ 10,252</u>	<u>\$ 4,454</u>	<u>\$ 92,939</u>

Permanently restricted net assets consist only of specific Endowment funds which aggregated \$4,454 at both June 30, 2011 and 2010.

# JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Notes to Consolidated Financial Statements

June 30, 2011 and 2010  
(Dollars in Thousands)

Temporarily restricted net assets balances at June 30, 2011 and 2010 are as follows:

	No.	2011	2010
Charitable remainder trusts and gift annuities	23	\$ 1,514	\$ 1,410
ALEF Fund, Inc.	8	413	471
Other restricted funds	79	8,325	5,706
		\$ 10,252	\$ 7,587

### (13) Net Assets Released from Restriction

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

	2011	2010
Donor advised fund activity	\$ 10,694	\$ 13,518
Supporting foundation fund activity	2,972	3,304
Targeted grants	3,302	2,305
Endowment grants	2,057	420
Total performance restrictions released	\$ 19,025	\$ 19,547

### (14) 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) \$45; \$48; \$51; \$54 and \$57 for fiscal years 2012 through 2016, respectively, and \$355 thereafter through 2021. Amounts characterized as interest are based upon a variable rate.

**JEWISH FEDERATION OF GREATER ATLANTA, INC.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2011**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures</i>
U.S. Department of Health and Human Services:			
Administration on Aging	93.048		\$100,000
<i>Total U.S. Department of Health and Human Services</i>			\$100,000
<i>Total Expenditures of Federal Awards</i>			\$100,000
The accompanying notes are an integral part of this schedule.			

***Note 1. Basis of Presentation***

The accompanying schedule of expenditures of Federal awards includes Federal grant activity of the Jewish Federation of Greater Atlanta, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

Consolidating Statement of Financial Position

June 30, 2011

(000's)

	<b>Endowment</b>	<b>All Other</b>	<b>Adjustments &amp; Eliminations</b>	<b>Consolidated</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 9,653	\$ 4,110	\$ -	\$ 13,763
Pledges receivable, net of allowances for uncollectible accounts	-	10,784	-	10,784
Investments	96,924	132	-	97,056
Investment redemption receivable	200	-	-	200
Prepaid expenses and other receivables	108	901	(158)	851
Notes receivable	21	241	-	262
Lease receivable	-	605	-	605
Beneficiary interest in trust funds held by others	707	-	-	707
Real estate held for resale and limited partnership interests	7,261	-	-	7,261
Land, building, and equipment, net of accumulated depreciation	-	6,512	-	6,512
<b>Total assets</b>	<b>\$ 114,874</b>	<b>\$ 23,285</b>	<b>\$ (158)</b>	<b>\$ 138,001</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities:</b>				
Allocations payable:				
Local and national	\$ 3,027	\$ 4,931	\$ -	\$ 7,958
Overseas	-	3,279	-	3,279
Donor designated	-	430	-	430
Total allocations payable	3,027	8,640	-	11,667
Accounts payable and accrued expenses	158	1,572	(158)	1,572
Income taxes, interest, and penalties payable	-	1,050	-	1,050
Bonds payable	-	600	-	600
Obligations to affiliated agencies for assets held in trust	27,289	41	-	27,330
Trust obligations	2,843	-	-	2,843
Total liabilities	33,317	11,903	(158)	45,062
<b>Net assets:</b>				
Unrestricted	1,141	11,074	-	12,215
Board designated	66,018	-	-	66,018
Temporarily restricted	9,944	308	-	10,252
Permanently restricted	4,454	-	-	4,454
Total net assets	81,557	11,382	-	92,939
<b>Total liabilities and net assets</b>	<b>\$ 114,874</b>	<b>\$ 23,285</b>	<b>\$ (158)</b>	<b>\$ 138,001</b>

## JEWISH FEDERATION OF GREATER ATLANTA, INC.

## Consolidating Statement of Financial Position

June 30, 2010

(000's)

	Endowment	All Other	Adjustments & Eliminations	Consolidated
<b>Assets</b>				
Cash and cash equivalents	\$ 10,566	\$ 7,707	\$ -	\$ 18,273
Pledges receivable, net of allowances for uncollectible accounts	-	13,104	-	13,104
Investments	79,263	131	-	79,394
Prepaid expenses and other receivables	90	1,294	(416)	968
Notes receivable	21	251	-	272
Lease receivable	-	648	-	648
Beneficiary interest in trust funds held by others	567	-	-	567
Real estate held for resale and limited partnership interests	7,261	-	-	7,261
Land, building, and equipment, net of accumulated depreciation	-	6,687	-	6,687
<b>Total assets</b>	<b>\$ 97,768</b>	<b>\$ 29,822</b>	<b>\$ (416)</b>	<b>\$ 127,174</b>
<b>Liabilities and Net Assets</b>				
Liabilities:				
Allocations payable:				
Local and national	\$ 2,617	\$ 5,566	\$ -	\$ 8,183
Overseas	-	3,631	-	3,631
Donor designated	-	1,264	-	1,264
Total allocations payable	2,617	10,461	-	13,078
Accounts payable and accrued expenses	416	1,941	(416)	1,941
Bonds payable	-	5,645	-	5,645
Obligations to affiliated agencies for assets held in trust	21,482	24	-	21,506
Trust obligations	2,465	-	-	2,465
<b>Total liabilities</b>	<b>26,980</b>	<b>18,071</b>	<b>(416)</b>	<b>44,635</b>
Net assets:				
Unrestricted	970	10,620	-	11,590
Board designated	58,908	-	-	58,908
Temporarily restricted	6,456	1,131	-	7,587
Permanently restricted	4,454	-	-	4,454
<b>Total net assets</b>	<b>70,788</b>	<b>11,751</b>	<b>-</b>	<b>82,539</b>
<b>Total liabilities and net assets</b>	<b>\$ 97,768</b>	<b>\$ 29,822</b>	<b>\$ (416)</b>	<b>\$ 127,174</b>