



Financial Statements

As of and for the years ended August 31, 2023 and 2022

The Jewish Federation of Greater Ann Arbor

Ann Arbor, Michigan



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Michigan Office:
417 Forest Avenue
PO Box 6060
Plymouth, Michigan 48170
(734) 476-3720

The Jewish Federation of Greater Ann Arbor

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Independent Auditors' Report

To the Board of Directors
The Jewish Federation of Greater Ann Arbor
Ann Arbor, Michigan

Opinion

We have audited the accompanying financial statements of The Jewish Federation of Greater Ann Arbor (a nonprofit organization), which comprise the statements of financial position as of August 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of The Jewish Federation of Greater Ann Arbor as of August 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Jewish Federation of Greater Ann Arbor's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Jewish Federation of Greater Ann Arbor's ability to continue as a going concern for a reasonable period of time.

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

Altruic Advisors, CPAs

Certified Public Accountants

Plymouth, Michigan
April 29, 2024

The Jewish Federation of Greater Ann Arbor

Statements of Financial Position - All Funds

August 31, 2023

ASSETS	Federation Fund	Foundation Fund	Total
Cash and cash equivalents	\$ 832,833	\$ -	\$ 832,833
Prepaid expenses and other assets	8,260	-	8,260
Unconditional promises to give, net	585,827	-	585,827
Investments at fair value, restricted and unrestricted	-	11,961,232	11,961,232
Property and equipment, net	3,992	-	3,992
Cash surrender value of life insurance	-	377,339	377,339
	<hr/>	<hr/>	<hr/>
Total assets	\$ 1,430,912	\$ 12,338,571	\$ 13,769,483
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable and accrued expenses	\$ 9,889	\$ -	\$ 9,889
Grants and allocations payable	839,272	-	839,272
Assets held as agency funds	-	2,176,301	2,176,301
	<hr/>	<hr/>	<hr/>
Total liabilities	849,161	2,176,301	3,025,462
	<hr/>	<hr/>	<hr/>
Net Assets (Deficit)			
Without donor restrictions			
Board-designated for the following purposes:			
Donor-advised funds	-	1,611,305	1,611,305
Board discretionary funds	-	213,285	213,285
Internal programs	31,753	-	31,753
Undesignated	(35,829)	859,115	823,286
	<hr/>	<hr/>	<hr/>
Total without donor restrictions	(4,076)	2,683,705	2,679,629
	<hr/>	<hr/>	<hr/>
With donor restrictions	585,827	7,478,565	8,064,392
	<hr/>	<hr/>	<hr/>
Total net assets	581,751	10,162,270	10,744,021
	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	\$ 1,430,912	\$ 12,338,571	\$ 13,769,483
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying Notes are an integral part of these financial statements

The Jewish Federation of Greater Ann Arbor

Statements of Financial Position - All Funds (Continued)

August 31, 2022

ASSETS	Federation Fund	Foundation Fund	Total
Cash and cash equivalents	\$ 1,016,312	\$ -	\$ 1,016,312
Prepaid expenses and other assets	5,905	-	5,905
Unconditional promises to give, net	455,184	-	455,184
Investments at fair value, restricted and unrestricted	-	11,475,871	11,475,871
Property and equipment, net	4,435	-	4,435
Cash surrender value of life insurance	-	363,018	363,018
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,481,836</u>	<u>\$ 11,838,889</u>	<u>\$ 13,320,725</u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable and accrued expenses	\$ 12,402	\$ -	\$ 12,402
Grants and allocations payable	833,498	-	833,498
Assets held as agency funds	-	2,033,024	2,033,024
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>845,900</u>	<u>2,033,024</u>	<u>2,878,924</u>
 Net Assets (Deficit)			
Without donor restrictions			
Board-designated for the following purposes:			
Donor-advised funds	-	1,638,971	1,638,971
Board discretionary funds	-	206,234	206,234
Internal programs	31,753	-	31,753
Undesignated	148,999	757,475	906,474
Total without donor restrictions	<u>180,752</u>	<u>2,602,680</u>	<u>2,783,432</u>
With donor restrictions	<u>455,184</u>	<u>7,203,185</u>	<u>7,658,369</u>
Total net assets	<u>635,936</u>	<u>9,805,865</u>	<u>10,441,801</u>
Total liabilities and net assets	<u>\$ 1,481,836</u>	<u>\$ 11,838,889</u>	<u>\$ 13,320,725</u>

The accompanying Notes are an integral part of these financial statements

The Jewish Federation of Greater Ann Arbor

Statements of Activities - All Funds

Year ended August 31, 2023

	Federation Fund			Foundation Fund
	Without Donor Restrictions	With Donor Restrictions	Fund Total	Without Donor Restrictions
	Total	Annual Campaign		Donor Advised Funds
Operating Support, Revenue, and Transfers				
Operating Support				
Contributions (exclusive of transfers from donor advised funds)	\$ 97,698	\$1,526,972	\$ 1,624,670	\$ 492,770
Transfers from donor advised funds	134,909	-	134,909	(134,909)
Total operating support	<u>232,607</u>	<u>1,526,972</u>	<u>1,759,579</u>	<u>357,861</u>
Operating Revenue				
Program service revenue	77,110	-	77,110	-
Other revenue	7,040	-	7,040	-
Special event loss, net of expenses of \$48,456	(29,413)	-	(29,413)	-
Total operating revenue	<u>54,737</u>	<u>-</u>	<u>54,737</u>	<u>-</u>
Transfers				
Transfers (to) from other funds	88,469	-	88,469	-
Net assets released from restrictions				
Satisfaction of purpose restrictions	-	-	-	-
Expiration of time restrictions	1,396,329	(1,396,329)	-	-
	<u>1,396,329</u>	<u>(1,396,329)</u>	<u>-</u>	<u>-</u>
Total operating support, revenue, and transfers	<u>1,772,142</u>	<u>130,643</u>	<u>1,902,785</u>	<u>357,861</u>
Operating Expenses				
Program services	1,433,769	-	1,433,769	471,649
Supporting services				
General and administrative	248,666	-	248,666	-
Fundraising	282,832	-	282,832	-
Total operating expenses	<u>1,965,267</u>	<u>-</u>	<u>1,965,267</u>	<u>471,649</u>
Total operating support, revenues, and transfers in excess (deficit) of operating expenses	<u>(193,125)</u>	<u>130,643</u>	<u>(62,482)</u>	<u>(113,788)</u>
Other Changes				
Investment and interest income	8,297	-	8,297	59,896
Net realized and unrealized gains on investments	-	-	-	26,226
Increase of cash surrender value of life insurance	-	-	-	-
Total other changes	<u>8,297</u>	<u>-</u>	<u>8,297</u>	<u>86,122</u>
Change in Net Assets	<u>(184,828)</u>	<u>130,643</u>	<u>(54,185)</u>	<u>(27,666)</u>
Net Assets, Beginning of Year	<u>180,752</u>	<u>455,184</u>	<u>635,936</u>	<u>1,638,971</u>
Net Assets (Deficit), End of Year	<u>\$ (4,076)</u>	<u>\$ 585,827</u>	<u>\$ 581,751</u>	<u>\$ 1,611,305</u>

The accompanying Notes are an integral part of these financial statements

The Jewish Federation of Greater Ann Arbor

Statements of Activities - All Funds (continued)

Year ended August 31, 2023 (continued)

	Foundation Fund (continued)		Fund Total	2023 Total	
	Without Donor Restrictions (continued)	With Donor Restrictions			
	All Other	Total			
Operating Support, Revenue, and Transfers					
Operating Support					
Contributions (exclusive of transfers from donor advised funds)	\$ -	\$ 492,770	\$ 353,401	\$ 846,171	\$ 2,470,841
Transfers from donor advised funds	-	(134,909)	-	(134,909)	-
Total operating support	-	357,861	353,401	711,262	2,470,841
Operating Revenue					
Program service revenue	-	-	-	-	77,110
Other revenue	17,603	17,603	-	17,603	24,643
Special event loss, net of expenses of \$48,456	-	-	-	-	(29,413)
Total operating revenue	17,603	17,603	-	17,603	72,340
Transfers					
Transfers (to) from other funds	(88,469)	(88,469)	-	(88,469)	-
Net assets released from restrictions					
Satisfaction of purpose restrictions	486,984	486,984	(486,984)	-	-
Expiration of time restrictions	-	-	-	-	-
	486,984	486,984	(486,984)	-	-
Total operating support, revenue, and transfers	416,118	773,979	(133,583)	640,396	2,543,181
Operating Expenses					
Program services	363,219	834,868	-	834,868	2,268,637
Supporting services					
General and administrative	-	-	-	-	248,666
Fundraising	-	-	-	-	282,832
Total operating expenses	363,219	834,868	-	834,868	2,800,135
Total operating support, revenues, and transfers in excess (deficit) of operating expenses	52,899	(60,889)	(133,583)	(194,472)	(256,954)
Other Changes					
Investment and interest income	-	59,896	298,885	358,781	367,078
Net realized and unrealized gains on investments	41,471	67,697	110,078	177,775	177,775
Increase of cash surrender value of life insurance	14,321	14,321	-	14,321	14,321
Total other changes	55,792	141,914	408,963	550,877	559,174
Change in Net Assets	108,691	81,025	275,380	356,405	302,220
Net Assets, Beginning of Year	963,709	2,602,680	7,203,185	9,805,865	10,441,801
Net Assets, End of Year	\$1,072,400	\$2,683,705	\$7,478,565	\$10,162,270	\$10,744,021

The accompanying Notes are an integral part of these financial statements

The Jewish Federation of Greater Ann Arbor

Statements of Activities - All Funds

Year ended August 31, 2022

	Federation Fund		Foundation Fund
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions
	Total	Annual Campaign	Fund Total
			Donor Advised Funds
Operating Support, Revenue, and Transfers			
Operating Support			
Contributions (exclusive of transfers from donor advised funds)	\$ 286,854	\$ 1,277,048	\$ 1,563,902
Transfers from donor advised funds	129,810	-	129,810
Total operating support	416,664	1,277,048	1,693,712
Operating Revenue			
Program service revenue	12,543	-	12,543
Other revenue	14,965	-	14,965
Special event loss, net of expenses of \$33,647	(15,857)	-	(15,857)
Total operating revenue	11,651	-	11,651
Transfers			
Transfers (to) from other funds	(194,817)	-	(194,817)
Net assets released from restrictions			
Satisfaction of purpose restrictions	-	-	-
Expiration of time restrictions	1,310,128	(1,310,128)	-
	1,310,128	(1,310,128)	-
Total operating support, revenue, and transfers	1,543,626	(33,080)	1,510,546
Operating Expenses			
Program services	1,136,706	-	1,136,706
Supporting services			
General and administrative	278,535	-	278,535
Fundraising	195,234	-	195,234
Total operating expenses	1,610,475	-	1,610,475
Total operating support, revenues, and transfers in excess (deficit) of operating expenses	(66,849)	(33,080)	(99,929)
Other Changes			
Investment and interest income	825	-	825
Net realized and unrealized losses on investments	-	-	-
Increase of cash surrender value of life insurance	-	-	-
Total other changes	825	-	825
Change in Net Assets	(66,024)	(33,080)	(99,104)
Net Assets, Beginning of Year	246,776	488,264	735,040
Net Assets, End of Year	\$ 180,752	\$ 455,184	\$ 635,936
			\$ 1,638,971

The accompanying Notes are an integral part of these financial statements

The Jewish Federation of Greater Ann Arbor

Statements of Activities - All Funds (continued)

Year ended August 31, 2022 (continued)

	Foundation Fund (continued)				
	Without Donor Restrictions (continued)		With Donor Restrictions		2022 Total
	All Other	Total	Total	Fund Total	
Operating Support, Revenue, and Transfers					
Operating Support					
Contributions (exclusive of transfers from donor advised funds)	\$ -	\$ 809,913	\$4,297,662	\$5,107,575	\$ 6,671,477
Transfers from donor advised funds	-	(129,810)	-	(129,810)	-
Total operating support	-	680,103	4,297,662	4,977,765	6,671,477
Operating Revenue					
Program service revenue	-	-	-	-	12,543
Other revenue	41,394	41,394	-	41,394	56,359
Special event loss, net of expenses of \$33,647	-	-	-	-	(15,857)
Total operating revenue	41,394	41,394	-	41,394	53,045
Transfers					
Transfers (to) from other funds	194,817	194,817	-	194,817	-
Net assets released from restrictions					
Satisfaction of purpose restrictions	443,504	443,504	(443,504)	-	-
Expiration of time restrictions	-	-	-	-	-
	443,504	443,504	(443,504)	-	-
Total operating support, revenue, and transfers	679,715	1,359,818	3,854,158	5,213,976	6,724,522
Operating Expenses					
Program services	327,109	1,261,765	-	1,261,765	2,398,471
Supporting services					
General and administrative	-	-	-	-	278,535
Fundraising	-	-	-	-	195,234
Total operating expenses	327,109	1,261,765	-	1,261,765	2,872,240
Total operating support, revenues, and transfers in excess (deficit) of operating expenses	352,606	98,053	3,854,158	3,952,211	3,852,282
Other Changes					
Investment and interest income	-	119,333	313,401	432,734	433,559
Net realized and unrealized losses on investments	(70,280)	(402,507)	(885,401)	(1,287,908)	(1,287,908)
Increase of cash surrender value of life insurance	14,001	14,001	-	14,001	14,001
Total other changes	(56,279)	(269,173)	(572,000)	(841,173)	(840,348)
Change in Net Assets	296,327	(171,120)	3,282,158	3,111,038	3,011,934
Net Assets, Beginning of Year	667,382	2,773,800	3,921,027	6,694,827	7,429,867
Net Assets, End of Year	\$ 963,709	\$ 2,602,680	\$7,203,185	\$9,805,865	\$10,441,801

The accompanying Notes are an integral part of these financial statements

The Jewish Federation of Greater Ann Arbor

Statements of Functional Expenses - All Funds

Year ended August 31, 2023

	Federation Fund				
	Program Services			Supporting Services	
	Overseas	Local Services	Total	General and Administrative	Fundraising
Allocations to national organizations	\$ 359,990	\$ -	\$ 359,990	\$ -	\$ -
Allocations to local organizations	-	744,330	744,330	-	-
Donor-advised payments	-	-	-	-	-
Total grants and allocations	<u>359,990</u>	<u>744,330</u>	<u>1,104,320</u>	-	-
Salaries and wages	31,000	64,858	95,858	146,290	181,640
Payroll taxes	2,371	6,044	8,415	12,131	14,436
Fringe benefits	1,550	3,788	5,338	9,949	9,296
Total personnel costs	<u>34,921</u>	<u>74,690</u>	<u>109,611</u>	<u>168,370</u>	<u>205,372</u>
Program expenses	13,133	83,219	96,352	4,577	743
Travel	2,858	44,176	47,034	3,876	1,838
Legal and professional	8,427	11,604	20,031	18,870	11,096
Occupancy	3,405	10,215	13,620	10,380	13,620
Administrative fees	-	-	-	-	-
Supplies	606	5,586	6,192	27,523	6,396
Security expenses	-	20,618	20,618	-	-
Bank and merchant fees	-	-	-	4,361	10,821
Advertising	-	4,221	4,221	388	6,696
Other fundraising	-	-	-	-	10,966
Printing and publications	165	2,842	3,007	506	6,271
Insurance	-	2,334	2,334	2,441	1,795
Conferences, conventions, and meetings	955	356	1,311	3,435	2,074
Website	180	1,385	1,565	864	2,156
Miscellaneous	-	664	664	1,723	375
Postage and shipping	-	707	707	623	622
Dues and subscriptions	-	1,750	1,750	70	-
Telephone	108	324	432	216	216
Total before noncash expenses	<u>424,748</u>	<u>1,009,021</u>	<u>1,433,769</u>	<u>248,223</u>	<u>281,057</u>
Bad debt expense	-	-	-	-	1,775
Depreciation	-	-	-	443	-
Total expenses	<u>\$ 424,748</u>	<u>\$1,009,021</u>	<u>\$1,433,769</u>	<u>\$ 248,666</u>	<u>\$ 282,832</u>

The accompanying Notes are an integral part of these financial statements

The Jewish Federation of Greater Ann Arbor

Statements of Functional Expenses - All Funds (continued)

Year ended August 31, 2023

	Federation Fund		Jewish	All Funds 2023 Total
	Supporting Svcs (continued)		Community Foundation	
	Total	Fund Total	Fund Total	
Allocations to national organizations	\$ -	\$ 359,990	\$ -	\$ 359,990
Allocations to local organizations	-	744,330	196,437	940,767
Donor-advised payments	-	-	455,049	455,049
Total grants and allocations	-	1,104,320	651,486	1,755,806
Salaries and wages	327,930	423,788	104,977	528,765
Payroll taxes	26,567	34,982	8,031	43,013
Fringe benefits	19,245	24,583	5,079	29,662
Total personnel costs	373,742	483,353	118,087	601,440
Program expenses	5,320	101,672	4,985	106,657
Travel	5,714	52,748	-	52,748
Legal and professional	29,966	49,997	-	49,997
Occupancy	24,000	37,620	9,684	47,304
Administrative fees	-	-	46,426	46,426
Supplies	33,919	40,111	1,150	41,261
Security expenses	-	20,618	-	20,618
Bank and merchant fees	15,182	15,182	121	15,303
Advertising	7,084	11,305	-	11,305
Other fundraising	10,966	10,966	-	10,966
Printing and publications	6,777	9,784	322	10,106
Insurance	4,236	6,570	1,311	7,881
Conferences, conventions, and meetings	5,509	6,820	-	6,820
Website	3,020	4,585	360	4,945
Miscellaneous	2,098	2,762	-	2,762
Postage and shipping	1,245	1,952	720	2,672
Dues and subscriptions	70	1,820	-	1,820
Telephone	432	864	216	1,080
Total before noncash expenses	529,280	1,963,049	834,868	2,797,917
Bad debt expense	1,775	1,775	-	1,775
Depreciation	443	443	-	443
Total expenses	\$ 531,498	\$ 1,965,267	\$ 834,868	\$ 2,800,135

The accompanying Notes are an integral part of these financial statements

The Jewish Federation of Greater Ann Arbor

Statements of Functional Expenses - All Funds

Year ended August 31, 2022

	Federation Fund				
	Program Services			Supporting Services	
	Overseas	Local Services	Total	General and Administrative	Fundraising
Allocations to national organizations	\$ 138,295	\$ -	\$ 138,295	\$ -	\$ -
Allocations to local organizations	-	595,137	595,137	-	-
Donor-advised payments	-	-	-	-	-
Total grants and allocations	<u>138,295</u>	<u>595,137</u>	<u>733,432</u>	<u>-</u>	<u>-</u>
Salaries and wages	-	149,792	149,792	182,970	103,179
Payroll taxes	-	10,821	10,821	14,025	7,700
Fringe benefits	-	13,399	13,399	9,565	7,868
Total personnel costs	<u>-</u>	<u>174,012</u>	<u>174,012</u>	<u>206,560</u>	<u>118,747</u>
Program expenses	-	172,576	172,576	-	-
Administrative fees	-	-	-	7,076	-
Occupancy	-	13,584	13,584	9,704	13,731
Legal and professional	-	-	-	42,830	-
Supplies	-	14,271	14,271	8,880	7,186
Bank and merchant fees	-	4,573	4,573	-	11,169
Miscellaneous	-	11,464	11,464	-	2,510
Conferences, conventions, and meetings	-	7,373	7,373	-	1,219
Other fundraising	-	-	-	-	7,318
Postage and shipping	-	3,305	3,305	699	589
Printing and publications	-	854	854	246	1,774
Advertising	-	-	-	-	2,874
Insurance	-	405	405	1,705	484
Website	-	522	522	450	633
Telephone	-	335	335	216	378
Total before noncash expenses	<u>138,295</u>	<u>998,411</u>	<u>1,136,706</u>	<u>278,366</u>	<u>168,612</u>
Bad debt expense	-	-	-	-	26,622
Depreciation	-	-	-	169	-
Total expenses	<u>\$ 138,295</u>	<u>\$ 998,411</u>	<u>\$ 1,136,706</u>	<u>\$ 278,535</u>	<u>\$ 195,234</u>

The accompanying Notes are an integral part of these financial statements

The Jewish Federation of Greater Ann Arbor

Statements of Functional Expenses - All Funds (continued)

Year ended August 31, 2022

	Federation Fund		Jewish	All Funds 2022 Total
	Supporting Svcs (continued)		Community	
	Total	Fund Total	Fund Total	
Allocations to national organizations	\$ -	\$ 138,295	\$ -	\$ 138,295
Allocations to local organizations	-	595,137	204,601	799,738
Donor-advised payments	-	-	917,160	917,160
Total grants and allocations	-	733,432	1,121,761	1,855,193
Salaries and wages	286,149	435,941	45,136	481,077
Payroll taxes	21,725	32,546	3,716	36,262
Fringe benefits	17,433	30,832	3,912	34,744
Total personnel costs	325,307	499,319	52,764	552,083
Program expenses	-	172,576	-	172,576
Administrative fees	7,076	7,076	71,289	78,365
Occupancy	23,435	37,019	8,922	45,941
Legal and professional	42,830	42,830	-	42,830
Supplies	16,066	30,337	5,450	35,787
Bank and merchant fees	11,169	15,742	-	15,742
Miscellaneous	2,510	13,974	144	14,118
Conferences, conventions, and meetings	1,219	8,592	-	8,592
Other fundraising	7,318	7,318	-	7,318
Postage and shipping	1,288	4,593	370	4,963
Printing and publications	2,020	2,874	208	3,082
Advertising	2,874	2,874	-	2,874
Insurance	2,189	2,594	256	2,850
Website	1,083	1,605	450	2,055
Telephone	594	929	151	1,080
Total before noncash expenses	446,978	1,583,684	1,261,765	2,845,449
Bad debt expense	26,622	26,622	-	26,622
Depreciation	169	169	-	169
Total expenses	\$ 473,769	\$ 1,610,475	\$ 1,261,765	\$ 2,872,240

The accompanying Notes are an integral part of these financial statements

The Jewish Federation of Greater Ann Arbor

Statements of Cash Flows - All Funds

Increase (Decrease) in Cash and Cash Equivalents

Years ended August 31	2023	2022
Cash Flows From Operating Activities		
Change in net assets	\$ 302,220	\$ 3,011,934
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	443	169
Net unrealized (gains) losses on investments	(177,775)	1,287,908
Increase of cash value of life insurance	(14,321)	(14,001)
Increase (decrease) from changes in assets and liabilities		
Prepaid expenses and other assets	(2,355)	(1,682)
Net unconditional promises to give	(130,643)	33,080
Accounts payable and accrued expenses	(2,513)	3,657
Grants and allocations payable	5,774	(155,615)
Assets held as agency funds	143,277	39,112
Net cash provided by operating activities	<u>124,107</u>	<u>4,204,562</u>
Cash Flows From Investing Activities		
Net investment purchases and reinvestments	(307,586)	(4,424,057)
Purchases of property and equipment	-	(4,435)
Net cash used by investing activities	<u>(307,586)</u>	<u>(4,428,492)</u>
Net Decrease in Cash and Cash Equivalents	(183,479)	(223,930)
Cash and Cash Equivalents, Beginning of Year	<u>1,016,312</u>	<u>1,240,242</u>
Cash and Cash Equivalents, End of Year	<u>\$ 832,833</u>	<u>\$ 1,016,312</u>

The accompanying Notes are an integral
part of these financial statements

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Operations. The Jewish Federation of Greater Ann Arbor ("the Federation") is a Michigan non-profit corporation organized to provide support for charitable, religious, and educational organizations. The Federation was formed effective January 1, 1987 through the combination of the United Jewish Appeal of Washtenaw County and the Jewish Community Council of Washtenaw County. The Federation's primary sources of support and revenue are private and public contributions, grants, and investment income.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Accounting. 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.

Fund Financial Statements. Fund financial statements are designed to group related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements for the Federation include two funds: the Federation Fund and the Foundation Fund.

Federation Fund. Used to account for all Federation activities that are not included in the Foundation Fund. The majority of the Federation Fund's support is derived from the Federation's annual campaign. All grants awarded by the Federation are paid out of the Federation Fund, with the exception of those grants awarded through the Foundation Fund's donor advised funds. All other Federation expenses are paid out of the Federation Fund.

Jewish Community Foundation Fund ("the Foundation Fund"). Holds all investments of the Federation, including the donor advised fund and the restricted endowment funds. Contributions received and investment earnings are used to fund various grants and allocations.

Endowments. The State of Michigan enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) was effective September 10, 2009. The provisions of this law apply to endowment funds existing on or established after that date. The Board of Directors, has determined that all of the Federation's current net assets with donor restrictions in perpetuity meet the definition of endowment funds under UPMIFA, requiring the preservation of fair value of the original gift as of the gift date of the donor-restricted funds absent explicit donor stipulations to the contrary.

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

The Federation's endowment funds consist of a variety of individual funds established for a variety of purposes and include both funds with donor restrictions in perpetuity and other funds with donor restrictions. As a result of the Federation's interpretation of UPMIFA, it generally classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the endowment restricted in perpetuity, (b) the original value of subsequent gifts to the endowment restricted in perpetuity, and (c) accumulations to the endowment restricted in perpetuity 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 the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as other net assets with donor restrictions until those amounts are appropriated for expenditure by the Federation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Federation, and (7) the Federation's investment policies.

Endowment Investment Policies. The Federation has adopted investment policies that include a conservative risk tolerance to ensure the long-term stability of its endowment funds and to attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Endowment Spending Policies. The Federation determines endowment distributions by June 30 of each year. This calculation is based on 5.5% of the average fund balance for the previous four calendar quarters (or current fund balance if the fund is less than one year old). The Federation will then have the following options:

- 1) Receive the calculated distribution as a lump sum in August.
- 2) Receive quarterly distributions during the ensuing fiscal year.
- 3) Transfer the calculated distribution into an agency account held by the Jewish Community Foundation of Greater Ann Arbor, which is a fund of the Federation.
- 4) Keep the calculated distribution in the endowment fund, at which time it will become part of the endowment corpus and not available for further distribution.

Distributions will not be made if doing so would bring the account value below the original permanently restricted endowment investment amount. Also, the executive director and/or board of directors may opt out of this annual transfer if the account value has recently fallen and/or for any other reason that is deemed to be in the best interests of the Federation and/or the endowment principal in the account.

Cash and Cash Equivalents. The Federation considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Unconditional Promises to Give. Contributions are recognized as support in the period received and as assets or decreases of liabilities depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Allowance for Doubtful Pledges. Unconditional promises to give are stated net of allowances for doubtful pledges. Management provides for probable doubtful pledges through a provision for bad debt expense and an adjustment to the allowance account based on its assessment of the current status of individual pledges. Balances still outstanding after management has used reasonable collection efforts are written off through a reduction to the allowance account and a corresponding reduction to unconditional promises to give.

Allowance for Donor Advised Transfers. Unconditional promises to give are stated net of allowances for donor advised transfers. Management provides for probable donor advised transfers through a reduction of contributions and a corresponding adjustment to the allowance account based on its assessment of how individual pledges will be paid by donors.

Property and Equipment. It is the Federation's policy to capitalize property and equipment at cost for purchases over \$1,000, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value on the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which are currently calculated at seven to ten years for furniture and fixtures, and five years for computer equipment. Depreciation expense was \$443 and \$169 for the years ended August 31, 2023 and 2022, respectively.

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended August 31, 2023 and 2022.

Investments. The Federation's investments consist of funds held within the United Jewish Federation of Greater Pittsburgh's Balanced Investment Portfolio ("the Fund"), which consists of equity securities, debt securities, hedge funds, funds of funds, and private equity investments. The Federation's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Federation's management determines the valuation policies utilizing information provided by the investment advisors and custodians. See *Fair Value Measurements*.

Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value Measurements. The Federation reports using fair value measurements which requires enhanced investment disclosures that are measured and reported at fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Fair Value Measurements (continued).

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Federation has the ability to access.

Level 2. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value on a recurring basis:

Pooled Debt and Pooled Equity Securities and Mutual Funds. The Federation invests in pooled funds managed by the United Jewish Federation of Greater Pittsburgh which contain securities with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

While the Federation believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in methodologies used as of August 31, 2023 and 2022.

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

In general, investments are exposed to various risks such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Donor Advised Funds. Individuals may establish donor advised funds, whereby each fund and its related earnings may be distributed to charities recommended by the donor. The final distributions are subject to the approval of the Federation. Donor advised funds are classified as net assets without donor restrictions in the accompanying financial statements.

Assets Held as Agency Funds. A fund established with a contribution from an organization for the benefit of the contributing organization is classified as an agency fund. The activity in agency funds is reported as a change in the liability account "assets held as agency funds."

Basis of Net Asset Presentation. The Federation reports information regarding its financial position and activities according to two classes of net assets: Net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated, receiving contributions that have no donor stipulations, providing services, receiving rents, and receiving interest and other income, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of donated net assets, until the donor restriction expires, that is, until the stipulated time restriction ends or the purpose restriction is accomplished.

Contributions. Contributions are recognized when donations are received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Grants and contributions that are restricted by the grantor or donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the amounts are recognized.

Contributed Services. The Federation records the fair value of contributed services in the financial statements if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills that are provided by persons possessing those skills and would typically need to be purchased if not provided by donation. During each of the years ended August 31, 2023 and 2022, the Federation did not receive contributed services. Certain other volunteer services are not recorded in these financial statements as they do not meet the criteria for recognition.

Advertising. The Federation expenses advertising costs, including donated advertising, as incurred. Total advertising expense for the years ended August 31, 2023 and 2022 was \$11,305 and \$2,874, respectively.

Income Taxes. The Federation is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Description of Program Services:

Overseas. The Federation's overseas funding supports the absorption of immigrants from around the world and their integration into Israeli society. This funding also supports impoverished Jewish communities in over 60 countries.

Local Services. Local allocations support a network of beneficiary agencies in Ann Arbor and throughout Washtenaw County to support local Jewish life.

Jewish Community Foundation. The Federation's Jewish Community Foundation offers the Federation's members an opportunity to engage in planned giving and to make contributions beyond the scope of the Federation's annual campaign.

Description of Supporting Services:

General and Administrative. Includes the functions necessary to provide support to the Federation's program activities. General and administrative activities include those that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

Fundraising. Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

Subsequent Events. The Federation evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through April 29, 2024, the date at which the financial statements were available for release.

Note 2 – Unconditional Promises to Give

Unconditional promises to give at August 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Unconditional promises to give due in less than one year	\$ 634,121	\$ 476,798
Unconditional promises to give due in one to five years	53,000	79,680
Less: allowance for donor advised transfers	(29,794)	(61,100)
Less: allowance for uncollectible pledges	(71,500)	(40,194)
Net unconditional promises to give	<u>\$ 585,827</u>	<u>\$ 455,184</u>

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 3 – Fair Value Measurements

The following table summarizes the Federation's fair value of assets measured on a recurring basis by the fair value hierarchy as of August 31, 2023 and 2022:

<u>As of August 31, 2023:</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Pooled equity fund	\$ 3,516,291	\$ -	\$ -	\$ 8,135,026
Pooled fixed income fund	8,444,941	-	-	3,389,516
	<u>\$ 11,961,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,524,542</u>
<u>As of August 31, 2022:</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Pooled equity fund	\$ 8,100,664	\$ -	\$ -	\$ 8,100,664
Pooled fixed income fund	\$ 3,375,207	-	-	\$ 3,375,207
	<u>\$ 11,475,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,475,871</u>

The changes in the investments for which the Federation's Foundation Fund has used Level 3 inputs to determine fair values are as follows:

	<u>Pooled Equity Fund</u>	<u>Pooled Fixed Income Fund</u>	<u>Total</u>
Balance at September 1, 2022	\$ 8,100,664	\$ 3,375,207	\$ 11,475,871
Purchase of investments	679,867	283,117	962,984
Sale of investments	(738,244)	(307,428)	(1,045,672)
Investment fees	(32,770)	(13,646)	(46,416)
Realized/unrealized gains/(losses)	125,509	52,266	177,775
Balance at August 31, 2023	<u>\$ 8,135,026</u>	<u>\$ 3,389,516</u>	<u>\$ 11,524,542</u>
Balance at September 1, 2021	\$ 5,931,703	\$ 2,408,019	\$ 8,339,722
Purchase of investments	4,122,010	1,838,097	5,960,107
Sale of investments	(1,033,050)	(460,660)	(1,493,710)
Investment fees	(29,282)	(13,058)	(42,340)
Realized/unrealized gains/(losses)	(890,717)	(397,191)	(1,287,908)
Balance at August 31, 2022	<u>\$ 8,100,664</u>	<u>\$ 3,375,207</u>	<u>\$ 11,475,871</u>

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Federation evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits.

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 3 – Fair Value Measurements (continued)

Net investment earnings consisted of the following for the years ended August 31:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 358,781	\$ 432,763
Realized/unrealized gains/(losses) on investments	<u>177,775</u>	<u>(1,287,908)</u>
	<u>\$ 536,556</u>	<u>\$ (855,145)</u>

Note 4 – Cash Surrender Value of Life Insurance

Several donors have purchased life insurance policies, naming the Federation as owner of these policies. The donors pay the premiums as they become due, with the Federation retaining all rights of ownership with respect to each policy. Upon death of the covered donor, the proceeds are payable to the Federation. The amounts of the premiums attributable to the economic benefits of these policies were \$14,321 and \$14,001 and were recorded as income in the statements of activities for the years ended August 31, 2023 and 2022, respectively. The Federation incurred no life insurance expense with respect to these plans for the years then ended.

As owner of these policies, the Federation may, at its discretion, surrender these policies for their respective cash value. The total cash surrender value of these policies was \$377,339 and \$363,018 as of August 31, 2023 and 2022, respectively.

Note 5 – Funds Invested on Behalf of Other Organizations

Included within the Federation's investments are funds held for other organizations which are on deposit with the United Jewish Federation of Greater Pittsburgh. The amounts of \$2,176,301 and \$2,033,024 are recorded as liabilities in the accompanying statements of financial position as of August 31, 2023 and 2022, respectively.

A summary of these funds, held for other organizations, is as follows at August 31:

	<u>2023</u>	<u>2022</u>
Beth Israel General Endowment Fund	\$ 789,994	\$ 731,938
Samuel and Jean Frankel Endowment Fund	456,300	435,565
Cantor Anne Rose Musical and Spirituality Endowment Fund of Temple Beth Emeth	312,895	312,375
Melvin and Lois Levy Endowment Fund	179,246	181,496
Jewish Cultural Society Facilities Fund	80,538	76,876
Gwen Budow Memorial Scholarship Fund	46,749	44,625
Rothchild Musical Instrument Endowment Fund	24,707	23,584
Jewish Family Services General Endowment Fund	285,872	226,565
	<u>\$ 2,176,301</u>	<u>\$ 2,033,024</u>

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 6 – Net Assets with Donor Restrictions

The balances of net assets with donor restrictions are as follows:

	<u>Sept 1, 2022</u> <u>Balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Aug 31, 2023</u> <u>Balance</u>
<u>Time Restrictions:</u>				
Annual Campaign (Federation)	\$ 455,184	\$ 1,526,972	\$ 1,396,329	\$ 585,827
<u>Purpose Restrictions:</u>				
Jewish Community Foundation of Greater Ann Arbor (Foundation)	6,523,579	759,374	486,984	6,795,969
Restrictions in Perpetuity (Foundation)	679,606	2,990	-	682,596
Total	<u>\$ 7,658,369</u>	<u>\$ 2,289,336</u>	<u>\$ 2,040,102</u>	<u>\$ 8,064,392</u>
	<u>Sept 1, 2021</u> <u>Balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Aug 31, 2022</u> <u>Balance</u>
<u>Time Restrictions:</u>				
Annual Campaign (Federation)	\$ 488,264	\$ 1,277,048	\$ 1,310,128	\$ 455,184
<u>Purpose Restrictions:</u>				
Jewish Community Foundation of Greater Ann Arbor (Foundation)	3,252,621	3,714,462	443,504	6,523,579
Restrictions in Perpetuity (Foundation)	668,406	11,200	-	679,606
Total	<u>\$ 4,409,291</u>	<u>\$ 5,002,710</u>	<u>\$ 2,040,102</u>	<u>\$ 7,658,369</u>

Note 7 – Endowment Funds

Changes in the endowment funds are as follows for the years ended August 31, 2023 and 2022:

	<u>Purpose</u> <u>Restricted</u> <u>Assets</u>	<u>Assets</u> <u>Restricted in</u> <u>Perpetuity</u>	<u>Total</u> <u>Endowment</u> <u>Assets</u>
Endowment net assets, September 1, 2022	\$ 593,336	\$ 679,606	\$ 1,272,942
Contributions	106,049	2,990	109,039
Realized/unrealized gains/(losses)	42,060	-	42,060
Distributions	(26,270)	-	(26,270)
Fees and other changes	(5,720)	-	(5,720)
Endowment net assets, August 31, 2023	<u>\$ 709,455</u>	<u>\$ 682,596</u>	<u>\$ 1,392,051</u>

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 7 – Endowment Funds (continued)

	Purpose Restricted Assets	Assets Restricted in Perpetuity	Total Endowment Assets
Endowment net assets, September 1, 2021	\$ 586,883	\$ 668,406	\$ 1,255,289
Contributions	96,368	11,200	107,568
Realized/unrealized gains	(63,302)	-	(63,302)
Distributions	(21,576)	-	(21,576)
Fees and other changes	(5,037)	-	(5,037)
Endowment net assets, August 31, 2022	<u>\$ 593,336</u>	<u>\$ 679,606</u>	<u>\$ 1,272,942</u>

Note 8 – Distributions to Beneficiaries

Distributions are paid to beneficiaries from board-designated net assets (donor advised) and from other net assets without donor restrictions (transferred from net assets with donor restrictions) in satisfaction of specific donor restrictions. A summary of distributions paid during the years ended August 31, 2023 and 2022 is as follows:

American Friends of Combatants for Peace	\$ 3,600	\$ -
American Joint Distribution Committee	-	4,000
Beth Israel Congregation	27,605	14,175
Chabad House	7,180	5,100
Chabad of Northern Nevada Inc.	-	3,600
Chabad Student Association Lubavitch	25,000	25,000
Conquer Cancer Foundation of America	10,000	10,000
Doctors without Borders USA	5,500	5,500
Eastern Michigan University	80,500	15,700
Eastern Michigan University Foundation	-	80,000
Embracing Our Differences SE Michigan	2,100	6,500
Family Learning Institute	-	4,600
Food Gatherers	5,000	6,480
Friends of Lakelands Trail	-	11,040
Friends of the Forum	-	5,000
Girls Group	5,350	-
Good People Fund	1,500	30,000
Hebrew Day School	10,200	10,100
HIAS	4,400	3,700
Hillel Day School of Metropolitan Detroit	3,600	-
Jean and Samuel Frankel Jewish Academy	6,008	-
Jewish Community Center of Greater Ann Arbor	7,190	10,980
Jewish Family Services of Washtenaw County	10,450	226,090
Jewish Federation of North America	6,900	6,200
Jewish Federation of Sarasota-Manatee	18,000	15,500
Jewish Historical Society of Michigan	500	25,000
Jewish Women's Archive	6,000	7,500
<i>Total carried to next page</i>	<u>\$ 246,583</u>	<u>\$ 531,765</u>

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 8 – Distributions to Beneficiaries (continued)

	<i>Total from previous page</i>	\$	246,583	\$	531,765
Kehilat Tzur Haddasah			5,000		5,000
Keshet, Inc.			4,000		-
Massachusetts Institute of Technology			-		4,725
Michigan Radio Development			2,600		3,320
Michigan Theater Foundation			2,000		4,200
ORT America			5,150		-
Planned Parenthood of America			6,000		5,550
Southern Poverty Law Center			4,600		4,100
Temple Beth Emeth			11,076		22,424
Temple Shir Shalom			3,370		3,225
The St. Louis Center			50,000		50,000
United Way			3,180		4,980
University of Michigan - various other programs			4,600		113,768
U of M Hillel			40,000		40,800
Wayne State University			2,360		2,500
Yankee Air Force			-		10,000
You Gotta Believe the Older Child Adoption			-		18,000
Various other charities			64,530		92,803
			<u>\$ 455,049</u>		<u>\$ 917,160</u>

Note 9 – Commitments

The Federation leases office space under an operating lease agreement. Effective September 1, 2014, this agreement became a month-to-month agreement with required current monthly payments of \$3,885. Rent expense, excluding utilities and other charges, totaled \$46,620 and \$45,268 for the years ended August 31, 2023 and 2022, respectively.

Other Operating Lease. The Federation leases equipment under a noncancelable equipment lease. The lease requires monthly minimum payments of \$113 and expires in December 2025. Rent expense, excluding supplies and maintenance, totaled \$1,358 for each of the years ended August 31, 2023 and 2022.

Future annual minimum lease payments required under the noncancelable operating leases are as follows at August 31, 2023:

Year ended August 31	Equipment
2024	\$ 1,358
2025	1,358
2026	339
	<u>\$ 3,055</u>

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 10 – Special Event

The Federation derived net loss from the following special fundraising event during the year ended August 31, 2023:

	<u>Main Event</u>
Gross sales	\$ 19,043
Direct costs	<u>(48,456)</u>
Net loss	<u>\$ (29,413)</u>

The Federation derived net loss from the following special fundraising event during the year ended August 31, 2022:

	<u>Main Event</u>
Gross sales	\$ 17,790
Direct costs	<u>(33,647)</u>
Net loss	<u>\$ (15,857)</u>

Note 11 – Liquidity and Availability of Resources

The Federation receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for future years' allocations and for general expenditures. The Federation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Federation has a liquidity policy to maintain current financial assets less current liabilities at a minimum of six months budgeted operating expenses. To achieve this target, the Federation forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended August 31, 2023 and 2022, the level of liquidity and reserves was managed within the policy requirements.

The Jewish Federation of Greater Ann Arbor

Notes to Financial Statements

August 31, 2023 and 2022

Note 11 – Liquidity and Availability of Resources (continued)

The Federation's financial assets available for general expenditures within one year are as follows at August 31:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 832,833	\$ 1,016,312
Unconditional promises to give, net	585,827	455,184
Investments	<u>11,961,232</u>	<u>11,475,871</u>
	<u>13,379,892</u>	<u>12,947,367</u>
Less amounts not available to be used within one year:		
Financial assets designated by the board	(1,856,343)	(1,876,958)
Unconditional promises to give for long-term purposes	<u>(53,000)</u>	<u>(79,680)</u>
	<u>(1,909,343)</u>	<u>(1,956,638)</u>
Financial assets available for general expenditures within one year	<u>\$ 11,470,549</u>	<u>\$ 10,990,729</u>

Note 12 – Retirement Plan

The Federation has a 403(b) plan ("the Plan") covering substantially all employees. Employees are eligible to participate upon the date of hire. Contributions to the Plan are made entirely at the discretion of the employee and are deducted, pre-tax, from the employee's paycheck. The Federation will match employee contributions to a maximum of 5% of the employee's salary. Federation contributions to the plan totaled \$24,741 and \$22,666 for the years ended August 31, 2023 and 2022, respectively.

Note 13 – Concentrations and Credit Risk

Major Donors. The Federation had two major individual donors who comprised approximately 65% of total support, revenue, and other changes for the year ended August 31, 2022.

Geographical Concentration. The Federation receives a substantial amount of its support from within the area of Southeast Michigan.

Bank Deposits. At certain times during the years ended August 31, 2023 and 2022, the Federation maintained cash balances in excess of federally insured limits. Management believes the risk of loss on these amounts is minimal.