Marcus Jewish Community Center of Atlanta, Inc.

Financial Statements
Years Ended August 31, 2021 and 2020

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Marcus Jewish Community Center of Atlanta, Inc.

Financial Statements
Years Ended August 31, 2021 and 2020

Contents

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Independent Auditor's Report

The Board of Directors
Marcus Jewish Community Center of Atlanta, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Marcus Jewish Community Center of Atlanta, Inc. (the Center), which comprise the statements of financial position as of August 31, 2021 and 2020, 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 respects, the financial position of Marcus Jewish Community Center of Atlanta, Inc. as of August 31, 2021 and 2020, and the results of its activities, its functional expenses, 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 (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Center 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Center's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Center'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 Center's ability to continue as a going concern for a reasonable period of time.

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

BDO USA, LLP

Atlanta, Georgia
December 8, 2021

Financial Statements

Marcus Jewish Community Center of Atlanta, Inc.

Statements of Financial Position

August 31,		2021		2020
Assets				
Current Assets				
Cash and cash equivalents	$	**11,675,973**	$	9,396,536
Pledges receivable, net of allowance of $0 and $5,000, respectively		**993,279**		993,828
Accounts receivable, net of allowance of $22,538 and $11,063, respectively		**171,548**		156,279
Prepaid expenses		**260,111**		284,380
Total Current Assets		**13,100,911**		10,831,023
Investments				
Investments held at the Jewish Federation of Greater Atlanta		**14,093,448**		11,514,807
Investments - other		**174,401**		729,983
Total Investments		**14,267,849**		12,244,790
Property and Equipment, Net		**27,118,982**		28,572,563
	$	**54,487,742**	$	51,648,376
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$	**2,365,457**	$	1,492,245
Deferred revenue		**2,215,959**		3,321,991
Accrued vacation		**316,185**		346,867
Current portion of notes payable		**-**		4,000,000
Current portion of capital lease obligation		**81,972**		80,588
Total Current Liabilities		**4,979,573**		9,241,691
Long-Term Liabilities				
Notes payable		**4,909,800**		2,909,800
Deferred pension contributions		**172,956**		141,051
Capital lease obligation		**144,540**		131,016
Other		**3,348**		3,348
Total Long-Term Liabilities		**5,230,644**		3,185,215
Total Liabilities		**10,210,217**		12,426,906
Commitments and Contingencies				
Net Assets				
Without donor restrictions		**36,209,758**		32,255,999
With donor restrictions		**8,067,767**		6,965,471
Total Net Assets		**44,277,525**		39,221,470
	$	**54,487,742**	$	51,648,376

See accompanying organization and summary of significant accounting policies and notes to financial statements.

Marcus Jewish Community Center of Atlanta, Inc.

Statements of Activities

Year ended August 31,

	2021			2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Public, and Other Support						
Grants and awards	**$ 1,707,840**	**$ 2,809,251**	**$ 4,517,091**	$ 523,835	$ 1,855,537	$ 2,379,372
Contributions	**2,154,954**	**286,046**	**2,441,000**	2,212,126	83,892	2,296,018
Membership dues	**2,395,940**	**-**	**2,395,940**	2,743,423	-	2,743,423
Program revenues	**15,477,046**	**-**	**15,477,046**	7,969,643	-	7,969,643
Investment income, net	**1,325,392**	**956,924**	**2,282,316**	332,193	202,382	534,575
Other	**513,899**	**-**	**513,899**	449,586	-	449,586
Total Revenues, Public, and Other Support	**23,575,071**	**4,052,221**	**27,627,292**	14,230,806	2,141,811	16,372,617
Net Assets Released from Restrictions	**2,949,925**	**(2,949,925)**	**-**	1,922,286	(1,922,286)	-
Expenses						
Program	**18,402,464**	**-**	**18,402,464**	15,566,040	-	15,566,040
Management and general	**3,375,260**	**-**	**3,375,260**	3,401,781	-	3,401,781
Fundraising	**793,513**	**-**	**793,513**	753,293	-	753,293
Total Expenses	**22,571,237**	**-**	**22,571,237**	19,721,114	-	19,721,114
Change in Net Assets	**3,953,759**	**1,102,296**	**5,056,055**	(3,568,022)	219,525	(3,348,497)
Net Assets, beginning of year	**32,255,999**	**6,965,471**	**39,221,470**	35,824,021	6,745,946	42,569,967
Net Assets, end of year	**$ 36,209,758**	**$ 8,067,767**	**$ 44,277,525**	$ 32,255,999	$ 6,965,471	$ 39,221,470

See accompanying organization and summary of significant accounting policies and notes to financial statements.

Marcus Jewish Community Center of Atlanta, Inc.

Statement of Functional Expenses

Year ended August 31, 2021

	Programs										
	Arts and Culture	Day Camps	Children and Youth	Health and Physical Fitness	Residential Camp	Social Services	Other Programs	Total Programs	Management and General	Fundraising	Total
Salaries	$ 447,483	$ 1,093,697	$ 3,872,029	$ 1,619,246	$ 1,456,049	$ 71,634	$ 78,163	$ 8,638,301	$ 1,917,296	$ 528,177	$ 11,083,774
Employee medical	16,161	19,226	199,192	46,707	52,160	1,676	1,473	336,595	175,157	21,591	533,343
Employee retirement	5,184	7,339	34,567	11,805	11,557	444	928	71,824	50,116	9,803	131,743
Workers' compensation insurance	4,189	13,846	55,900	19,514	23,581	454	397	117,881	45,901	5,708	169,490
Payroll taxes	33,826	91,218	298,279	129,404	108,895	5,707	6,421	673,750	111,653	39,781	825,184
Contract fees	118,556	225,942	233,784	179,042	296,319	5,930	10,109	1,069,682	469,967	55,824	1,595,473
Supplies	176,279	112,132	627,035	91,975	1,331,748	2,084	-	2,341,253	103,019	17,154	2,461,426
Telephone	3,761	4,007	17,317	15,821	53,748	969	552	96,175	54,403	1,733	152,311
Postage	963	11,412	2,735	-	8,993	-	-	24,103	9,062	17,459	50,624
Occupancy	-	-	13,317	500	-	-	-	13,817	-	-	13,817
Utilities	21,978	82,795	49,499	98,192	135,074	4,954	4,830	397,322	1,314	4,929	403,565
Transportation	665	112,860	22,472	4,090	182,022	-	-	322,109	6,560	31	328,700
Conferences	-	69	420	599	-	-	-	1,088	2,182	-	3,270
Printing	751	16,810	3,383	6,567	3,207	-	2,333	33,051	10,971	52,273	96,295
Interest	-	-	-	1,101	-	-	-	1,101	123,720	-	124,821
Bank fees	7,569	63,673	143,043	24,996	131,948	218	17	371,464	832	1,102	373,398
Building and equipment maintenance	43,995	143,307	94,938	249,453	591,341	8,433	8,562	1,140,029	8,615	8,390	1,157,034
Insurance	24,351	181,084	60,012	145,991	140,700	7,365	7,478	566,981	835	7,328	575,144
National dues	-	-	-	-	-	-	-	-	57,000	-	57,000
Advertising	4,791	13,446	16,069	-	10,515	-	-	44,821	24,029	6,265	75,115
Bad debt	957	8,046	18,076	3,159	16,674	28	2	46,942	105	139	47,186
Staff development	74	2,796	10,254	1,753	310	-	-	15,187	9,449	39	24,675
Miscellaneous	19,233	673	3,815	6,490	6,483	-	-	36,694	75,827	-	112,521
Depreciation, amortization, and loss on disposal of assets	93,866	313,456	293,335	740,967	568,753	15,868	16,111	2,042,356	117,185	15,787	2,175,328
Total	$ 1,024,632	$ 2,517,834	$ 6,069,471	$ 3,397,372	$ 5,130,077	$ 125,764	$ 137,376	$ 18,402,526	$ 3,375,198	$ 793,513	$ 22,571,237

Marcus Jewish Community Center of Atlanta, Inc.

Statement of Functional Expenses

Year ended August 31, 2020

	Programs										
	Arts and Culture	Day Camps	Children and Youth	Health and Physical Fitness	Residential Camp	Social Services	Other Programs	Total Programs	Management and General	Fundraising	Total
Salaries	$ 553,310	$ 684,608	$ 3,729,748	$ 1,668,626	$ 880,238	$ 108,079	$ 79,910	$ 7,704,519	$ 1,877,049	$ 510,818	$ 10,092,386
Employee medical	43,967	33,591	289,179	87,380	82,599	7,749	3,889	548,354	347,382	44,167	939,903
Employee retirement	7,433	6,249	32,560	12,414	14,097	1,437	356	74,546	48,578	8,149	131,273
Workers' compensation insurance	6,539	5,542	49,168	20,257	11,292	1,327	479	94,604	45,634	5,643	145,881
Payroll taxes	41,839	54,865	288,873	129,820	61,789	8,242	6,405	591,833	103,464	37,469	732,766
Contract fees	184,085	107,526	375,354	187,627	65,078	7,233	45,672	972,575	305,299	17,007	1,294,881
Supplies	169,041	60,477	455,279	284,749	56,829	4,000	9,488	1,039,863	159,967	28,804	1,228,634
Telephone	2,800	2,718	18,273	11,673	53,721	666	686	90,537	40,842	1,197	132,576
Postage	6,587	12,396	12	2,666	7,634	-	-	29,295	18,307	10,321	57,923
Occupancy	3,518	-	25,037	1,361	(31)	-	7,321	37,206	-	-	37,206
Utilities	18,198	82,286	41,500	98,310	57,647	4,960	9,035	311,936	1,317	4,934	318,187
Transportation	30,875	719	103,001	2,463	46,030	203	686	183,977	12,047	822	196,846
Conferences	5,008	2,488	5,399	2,344	179	45	-	15,463	14,103	804	30,370
Printing	30,541	22,634	4,268	(253)	33,913	-	599	91,702	26,015	41,560	159,277
Interest	-	-	-	2,177	-	-	-	2,177	79,728	-	81,905
Bank fees	14,596	22,465	219,780	55,544	1,387	879	361	315,012	3,591	-	318,603
Building and equipment maintenance	32,850	141,077	128,640	246,171	271,879	9,104	12,516	842,237	-	9,253	851,490
Insurance	21,027	149,440	51,820	126,062	127,796	6,360	6,457	488,962	1,997	6,327	497,286
National dues	212	-	-	-	4,185	-	-	4,397	64,800	-	69,197
Advertising	8,964	20,507	24,066	216	21,192	-	3,746	78,691	32,989	10,346	122,026
Bad debt	123	190	1,862	470	12	7	3	2,667	30	-	2,697
Staff development	550	228	18,399	2,994	213	-	-	22,384	13,703	75	36,162
Miscellaneous	18,835	103	10,091	15,351	2,232	152	-	46,764	95,401	1,487	143,652
Depreciation, amortization, and loss on disposal of assets	91,963	299,582	292,867	702,324	561,020	14,183	14,400	1,976,339	109,538	14,110	2,099,987
Total	$ 1,292,861	$ 1,709,691	$ 6,165,176	$ 3,660,746	$ 2,360,931	$ 174,626	$ 202,009	$ 15,566,040	$ 3,401,781	$ 753,293	$ 19,721,114

See accompanying organization and summary of significant accounting policies and notes to financial statements.

Marcus Jewish Community Center of Atlanta, Inc.

Statements of Cash Flows

Year ended August 31,	**2021**	2020
Cash Flows from Operating Activities		
Change in net assets	**$ 5,056,055**	$ (3,348,497)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation and amortization	**2,174,073**	2,092,586
Realized and unrealized gain from investments	**(2,212,423)**	(473,636)
Loss on disposal of property and equipment	**1,256**	5,901
Change in discount and allowance on pledges receivable	**5,000**	2,277
Changes in assets and liabilities:		
Increase in receivables	**(19,720)**	(21,494)
Decrease in prepaid expenses	**24,269**	39,129
Increase (decrease) in accounts payable	**873,212**	(449,538)
(Decrease) increase in accrued vacation	**(30,682)**	80,801
Increase in deferred pension contributions	**31,905**	29,346
(Decrease) increase in deferred revenue	**(1,106,032)**	1,389,474
Total Adjustments	**(259,142)**	2,694,846
Net Cash and Cash Equivalents Provided by (Used in) Operating Activities	**4,796,913**	(653,651)
Cash Flows from Investing Activities		
Purchases of property and equipment	**(608,383)**	(471,281)
Proceeds from disposal of property and equipment, net	**-**	1,500
Purchases of investments	**(760,929)**	(543,096)
Proceeds from sale of investments	**950,293**	868,761
Net Cash and Cash Equivalents Used in Investing Activities	**(419,019)**	(144,116)
Cash Flows from Financing Activities		
Proceeds from issuance of debt	**2,000,000**	6,909,800
Principal payments on debt	**(4,000,000)**	-
Principal payments on capital lease obligation	**(98,457)**	(87,994)
Net Cash and Cash Equivalents Provided by (Used in) Financing Activities	**(2,098,457)**	6,821,806
Change in Cash and Cash Equivalents	**2,279,437**	6,024,039
Cash and Cash Equivalents, beginning of year	**9,396,536**	3,372,497
Cash and Cash Equivalents, end of year	**$ 11,675,973**	$ 9,396,536
Supplemental Cash Flow Disclosure		
Total cash paid for interest	**$ 91,489**	$ 52,377
Capital lease obligations acquired	**113,365**	102,998

See accompanying organization and summary of significant accounting policies and notes to financial statements.

Organization and Operations

The Marcus Jewish Community Center of Atlanta, Inc. (the Center or MJCCA) is a not-for-profit Georgia corporation that provides social, recreational, cultural, and educational programs for all ages in the Atlanta area. The Center provides scholarships to those in need and services to those with special needs to ensure that every member of the community has the opportunity to benefit from its programs. The Center is supported primarily through donor contributions, program fees, grants, and dues. The Center is a major beneficiary of the Jewish Federation of Greater Atlanta, Inc. (JFGA).

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles and the American Institute of Certified Public Accountants Audit and Accounting Guide, *Not-for-Profit Organizations*.

Recently Adopted Accounting Standards

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that supersedes existing revenue recognition guidance. The core principle of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. The guidance also requires certain disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including significant judgments and changes in judgments. The provisions of ASU 2014-09 became effective and were adopted for the Center beginning September 1, 2020 using the modified retrospective approach. The adoption of this ASU did not have a material impact to the Center.

Income Taxes

The Center qualifies under Internal Revenue Code Section 501(c)(3) and is, therefore, generally exempt from federal income tax. The Internal Revenue Service (IRS) has classified the Center as a publicly supported charitable organization, as described in Section 509(a) of the Internal Revenue Code, which allows donors to take the maximum charitable contribution deduction. The Center provides for uncertain tax positions in accordance with guidance provided by the FASB Accounting Standards Codification (ASC) Topic 740, *Income Taxes*. The Center has determined that there are no uncertain tax positions to disclose or record in its financial statements as of August 31, 2021 or 2020.

Contributions, Support, and Program Fees

Contributions are recognized upon receipt or when a donor makes a promise to give that is, in substance, unconditional. Conditional promises to give, those with a measurable performance barrier or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. The Center did not have any conditional contributions as of August 31, 2021 or 2020. The Center records contributions as either with donor restrictions or without donor restrictions, depending on the existence or nature of any donor restrictions. When a donor restriction expires—that is, when a stipulated time restriction ends, and/or purpose restriction is accomplished—net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Unconditional promises to give that are expected to be collected in future years are recorded at their present value. As of August 31, 2021 and 2020, there were no long-term pledges.

The Center reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Membership dues, program service fees, and other revenues are recognized as revenue over the membership or program period when earned.

Contributed Services and Donated Materials (In-Kind)

Contributions of services are recognized at fair value if the services received create or enhance nonfinancial assets or if the services require specialized skills that are provided by individuals possessing such skills that would typically need to be purchased if not provided by donation.

Donated materials are reflected as contributions at their estimated fair values on the date of receipt.

MJCCA may receive donations of various shares of stocks. Absent specific donor instructions concerning the disposition of such assets, MJCCA’s policy is to sell all stock donations immediately. The value of the donor’s gift is determined based on the selling prices of stock on the date of sale.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, certain expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated based on facilities usage include: depreciation (where not directly assigned to a program), building and equipment maintenance, telephone and utilities, insurance, housekeeping/janitorial, and maintenance staffing costs. Expenses allocated based on revenue percentage are marketing contract fees, bad debt expense, and bank fees. Staffing costs for executive management and their staff are allocated based on estimates of time expended. Other expenses are assigned directly to specific programs and supporting functions as expenditures are made.

Impact of COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

COVID-19 has had an impact on the operations of the Center. The Center closed for two months beginning in late March 2020, opened partially in June, and was unable to run its resident camping program during the summer. Due to COVID-19, the closure, and limited programming, membership declined 27%. Additionally, day camp and preschool summer camp attendance was significantly impacted resulting in a further reduction of revenue. Programs deemed “unsafe to conduct” were suspended. Because of the suspension and contraction of programming, the Center significantly reduced staffing. The loss of net revenue resulted in a debt covenant violation in the year ended August 31, 2020, as discussed in Note 7.

Both the health and economic aspects of the COVID-19 pandemic are highly fluid, and the future course of Center programs is uncertain. The Center could not and still cannot foresee whether the outbreak of COVID-19 will be effectively contained on a sustained basis, nor can it predict the severity and duration of its impact. If the COVID-19 outbreak is not effectively and timely controlled, the Center’s business operations and financial condition may continue to be materially and adversely affected. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Center cannot estimate the ultimate impact of the pandemic on its fiscal 2022 financial condition and liquidity.

Coronavirus Aid, Relief, and Economic Security Act

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was signed into law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer-side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. The Center did not adopt the items listed above.

The CARES Act also appropriated funds for the Small Business Administration (SBA) Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

In May 2020, the Center received an SBA PPP loan in the amount of $2,900,800. The application for these funds required the Center to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Center. This certification further required the Center to consider its current business activity and its ability to access other sources of liquidity to support ongoing operations in a manner not significantly detrimental to the business. The Center applied for forgiveness of a portion of the loan subsequent to August 31, 2020; this application was pending as of August 31, 2021; therefore, the amount to be forgiven could not be estimated as of August 31, 2021. The Center received a second SBA PPP loan in the amount of $2,000,000 in February 2021. The Center will apply for forgiveness of a portion of the loan subsequent to the date of this report; therefore, the amount to be forgiven cannot be estimated as of this date.

Cash and Cash Equivalents

The Center considers all instruments with an original maturity of fewer than three months to be cash equivalents. Cash and cash equivalents consist of cash held in checking and money market accounts.

Fair Value of Financial Instruments

Financial instruments are stated at fair value.

The Center's debt and equity securities are carried at fair value with the unrealized gains and losses reported as a component of investment income in the statements of activities. Generally, these securities have readily determinable values and, therefore, are marked to market based on quoted prices in active markets. Dividend and interest income are recognized when declared or earned.

Fair value measurements are classified and disclosed in one of the following three categories:

Level 1 – This level consists of quoted prices in active markets for identical assets or liabilities that the Center has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - This level consists of inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly.

Level 3 - This level consists of inputs that are unobservable for the asset or liability. Unobservable inputs reflect management's own assumption about what a market participant would use to determine the fair value of an asset or liability.

The fair value measurements of investment securities are identified in the following tables:

August 31, 2021

	Total	Level 1	Level 2	Level 3
Fixed income	$ 3,136,270	$ 2,838,164	$ -	$ 298,106
Total investments measured at NAV*	11,131,579			
	$ 14,267,849			

August 31, 2020

	Total	Level 1	Level 2	Level 3
Fixed income	$ 1,060,745	$ 728,538	$ -	$ 332,207
Total investments measured at NAV*	11,184,045			
	$ 12,244,790			

* Certain investments that are measured at fair value using the net asset value (NAV) per share practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Level 3 investments are comprised of Israel bonds (fixed-income securities) and alternative investments. In assessing the fair value of the Israel bonds, redemption values were utilized. In assessing the fair value of the alternative investments, management utilized third-party investment valuation services.

Changes in Level 3 net assets were as follows:

Year ended August 31, 2021		
Beginning Balance	$	332,207
Purchases, sales, and transfers, net		(34,101)
Ending Balance	$	298,106

There were no transfers in or out of Level 1, Level 2, or Level 3 categories during the years ended August 31, 2021 or 2020.

The fair values of the Center's pledges receivable, accounts receivable, accounts payable, and deferred revenues approximate the respective carrying amounts because of the short maturity of these assets and liabilities. The fair value of the Center's loans and notes payable approximate the carrying value.

Property and Equipment

Purchased property and equipment are capitalized at cost. Donated assets are capitalized at the fair market value of the asset on the date of contribution. Additions and replacements are charged to the property accounts, while repairs and maintenance are charged to expense as incurred. The threshold for capitalization in 2021 and 2020 was $2,500. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from three to 40 years or, in the case of leasehold improvements, over the terms of the underlying leases if such terms are shorter than the estimated useful lives.

Net Assets

Net assets with donor restrictions are restricted for specified programs as set forth in donor agreements. Included in MJCCA's net assets without donor restrictions are Board-designated net assets of $7,837,091, which may be used by the Center as approved by MJCCA's Board of Directors from time-to-time.

Liquidity and Availability of Financial Resources

The Center's working capital and cash flows have seasonal variations during the year primarily attributable to the annual cash receipts for camps and preschools. Cash positions tend to be lower in the post-camp months, which typically coincide with the Center's fiscal year-end.

As part of MJCCA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, it invests cash in excess of daily requirements in short-term investments that earn approximately 2%.

To help manage changing liquidity needs, MJCCA has one committed line of credit in fiscal year 2021 in the amount of $4 million, which it has not drawn upon. In fiscal year 2020, the Center had two committed lines of credit totaling $4 million, which it had drawn upon in 2020. These have been repaid in full in 2021. The Center has Board-designated funds (quasi-endowment of $7,837,091) that the Board could authorize use of in an emergency.

The Center's budget includes estimates of releases from restricted assets based on the Center's endowment spending policy, and such assets are available in the coming year.

Financial assets available within one year of the statement of financial position date for general expenditure are as follows:

August 31,	**2021**	2020
Cash and cash equivalents	**$ 11,675,973**	$ 9,396,536
Pledges receivable, net	**993,279**	993,828
Accounts receivable, net	**171,548**	156,279
Financial Assets	**12,840,800**	10,546,643
Less: restricted net assets	**(753,513)**	(475,939)
Total	**$ 12,087,287**	$ 10,070,704

Subsequent Events

Subsequent to the statement of financial position date of August 31, 2021, the SBA fully forgave the Center's first loan under the PPP in the amount of $2,900,800. The Center has determined that no other material events took place after the date of the statement of financial position or through the date the financial statements were available for issuance at December 8, 2021.

1. Cash Balance

The Center maintains cash deposits, which, at times throughout the year, may exceed the Federal Deposit Insurance Corporation (FDIC)-insured limits of $250,000 per depositor at each financial institution. Deposits in excess of FDIC limits totaled $11,406,193 and $9,126,331 as of August 31, 2021 and 2020, respectively. Balances are maintained at high-quality financial institutions, and management considers credit risk limited.

2. Pledges Receivable

Pledges receivable are derived from many sources, including individuals, corporations, and NFP organizations. The Center had pledges receivable of $993,279 and $993,828 from JFGA at August 31, 2021 and 2020, respectively. During the years ended August 31, 2021 and 2020, JFGA made pledges of $1,191,933 and $1,191,933 to the Center and paid advances of $198,654 and $198,656, respectively, on the pledges. These pledges have been recorded as support with donor restrictions.

Total pledges receivable are as follows:

August 31,	**2021**	2020
Receivable in less than a year	**$ 993,279**	$ 998,828
Receivable in one to five years	**-**	-
Total Pledges Receivable	**993,279**	998,828
Less: discounts to net present value	**-**	-
Less: allowance for uncollectible pledges	**-**	(5,000)
Net Pledges Receivable	**$ 993,279**	$ 993,828

3. Accounts Receivable

Accounts receivable of $171,548 and $156,279 as of August 31, 2021 and 2020, respectively, are shown net of allowance for doubtful accounts of $22,538 and $11,063, respectively.

4. Endowment

MJCCA's endowment consists of a number of individual funds established by donor restriction. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Center utilizes JFGA as its primary endowment fund investment manager and custodian. JFGA has engaged a registered investment advisor, which, in turn, utilizes a wholly owned trust company as custodian. As of August 31, 2021, investments of $14,093,448 are in a pooled fund consisting of 30% U.S. equity and cash/cash equivalent funds, 19% international equity funds, 20% fixed-income funds, and 31% alternative investments, which are recorded at market value as reported by JFGA.

As of August 31, 2020, investments of $11,514,807 were in a pooled fund consisting of 3% fixed-income funds and 97% alternative investments, including fund of funds, which are recorded at market value, as reported by JFGA. JFGA's investments as of August 31, 2021 and 2020 include $1,380,247 and $1,191,571 endowment funds and $7,831,606 and $6,178,243 Board-designated funds, respectively. In addition, as of August 31, 2021, the Center has $174,401 in predominately equity funds at a financial institution, which include no endowment or Board-designated funds. As of August 31, 2020, MJCCA had $729,983 in predominately fixed-income securities at a financial institution, which included $54,005 of endowment funds and $510,497 of Board-designated funds.

Interpretation of Relevant Law

The Board of MJCCA has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center has classified as net assets with donor restrictions (in perpetuity) (a) the original value of gifts donated to the permanent endowment and (b) 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 the donor-restricted endowment fund that is not classified in net assets with donor restrictions (in perpetuity) is classified as net assets with donor restrictions (time or purpose) until those amounts are appropriated for expenditure by MJCCA in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Center and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Center.
- The investment policies of the Center.

Endowment net assets composition by type of fund is as follows:

August 31, 2021

	Unrestricted	With Donor Restrictions (Time or Purpose)	With Donor Restrictions (in Perpetuity)	Total
Donor-restricted endowment funds	$ -	$ 394,166	$ 1,044,492	$ 1,438,658
Board-designated funds	7,837,091	-	-	7,837,091
Total Funds	$ 7,837,091	$ 394,166	$ 1,044,492	$ 9,275,749

August 31, 2020

	Unrestricted	With Donor Restrictions (Time or Purpose)	With Donor Restrictions (in Perpetuity)	Total
Donor-restricted endowment funds	$ -	$ 201,084	$ 1,044,492	$ 1,245,576
Board-designated funds	6,688,740	-	-	6,688,740
Total Funds	$ 6,688,740	$ 201,084	$ 1,044,492	$ 7,934,316

Changes in endowment net assets are as follows:

August 31, 2021

	Unrestricted	With Donor Restrictions (Time or Purpose)	With Donor Restrictions (in Perpetuity)	Total
Endowment Net Assets, beginning of year	$ 6,688,740	$ 201,084	$ 1,044,492	$ 7,934,316
Investment income	1,230,621	217,529	-	1,448,150
Other changes:				
Fund reclassification	-	12,292	-	12,292
Contributions and additions	104,874	-	-	104,874
Appropriation of funds	(187,144)	(36,739)	-	(223,883)
Endowment Net Assets, end of year	$ 7,837,091	$ 394,166	$ 1,044,492	$ 9,275,749

August 31, 2020

	Unrestricted	With Donor Restrictions (Time or Purpose)	With Donor Restrictions (in Perpetuity)	Total
Endowment Net Assets, beginning of year	$ 6,627,039	$ 168,873	$ 1,044,492	$ 7,840,404
Investment income	255,794	49,621	-	305,415
Other changes:				
Fund reclassification	-	11,472	-	11,472
Appropriation of funds	(194,093)	(28,882)	-	(222,975)
Endowment Net Assets, end of year	$ 6,688,740	$ 201,084	$ 1,044,492	$ 7,934,316

Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Center to retain for a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported as a reduction in unrestricted net assets. As of August 31, 2021 and 2020, no deficiencies existed.

Return Objectives and Risk Parameters

MJCCA has adopted investment and spending policies for endowment assets that 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 assets include those assets of donor-restricted funds that the Center must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to yield a long-term rate of return that is approximately 2.5% greater than the rate of inflation. The endowment funds consist of equity securities, fixed-income securities, and alternative investments. The endowment is held by JFGA, a third-party custodian, and at a financial institution.

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. Actual investment returns may differ from return objectives as a result of these and other risks.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, MJCCA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). MJCCA, through its reliance on JFGA as its primary endowment fund investment manager and custodian, targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. JFGA has engaged professional advisors to achieve these results.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Center's spending policy appropriates for distribution each year 5% of its endowment fund's average fair value, which is based on a rolling quarterly average of the three-year calendar period ending within the fiscal year in which the distribution is planned. In establishing this policy, the Center has considered the long-term expected return on its endowment. This is consistent with the Center's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. Distributions from endowments established prior to 2010 may be subject to original donor restrictions.

5. Investments

Investments of $174,401 and $729,983 include $0 and $54,005 of endowment funds as of August 31, 2021 and 2020, respectively, as well as $0 and $510,497 of Board-designated funds as of August 31, 2021 and 2020, respectively. As of August 31, 2021, these investments were held at a financial institution in predominately equity funds. As of August 31, 2020, these investments were held at a financial institution in predominately fixed-income securities.

Investments held by JFGA on the Center's behalf of $14,093,448 and $11,514,807 include $1,380,247 and $1,191,571 of endowments as of August 31, 2021 and 2020, respectively. JFGA's investments also include $7,831,606 and $6,178,243 of Board-designated funds as of August 31, 2021 and 2020, respectively. The nature of these investments includes equity funds, fixed-income funds, and hedge funds.

The following schedule summarizes the composition of investment income:

Year ended August 31,		**2021**		2020
Dividends and interest	**$**	**69,893**	$	60,939
Net realized and unrealized gains		**2,212,423**		473,636
Total Investment Income	**$**	**2,282,316**	$	534,575

6. Property and Equipment

Property and equipment are as follows:

August 31,		2021		2020
Land	$	**921,396**	$	921,396
Building and improvements		**48,298,158**		48,141,446
Furniture, equipment, and software		**8,009,629**		6,968,968
Leasehold improvements		**114,001**		114,001
Vehicles		**378,419**		382,699
Construction-in-progress		**16,305**		718,361
Total		**57,737,908**		57,246,871
Less: accumulated depreciation		**(30,618,926)**		(28,674,308)
Property and Equipment, Net	$	**27,118,982**	$	28,572,563

At August 31, 2021 and 2020, depreciation expense was $2,174,073 and $2,092,586, respectively.

7. Notes Payable and Lines of Credit

The Center had the following notes payable and lines of credit outstanding:

August 31,		2021		2020
Affinity bank – SBA PPP loans	$	**4,909,800**	$	2,909,800
Wells Fargo Bank line of credit set to mature May 26, 2021		**-**		2,000,000
Branch Banking & Trust Company (now Truist Bank) line of credit set to mature October 7, 2021		**-**		2,000,000
Less: current maturities		**-**		(4,000,000)
Total Notes Payable, long-term	$	**4,909,800**	$	2,909,800

On May 5, 2020, the Center received an SBA PPP loan in the amount of $2,909,800. The interest rate on the loan is 1.00% per year. If the loan were not forgiven, the Center would have to pay principal and interest payments of $163,767 for 18 months beginning after the SBA forgiveness decision. This note was forgiven subsequent to August 31, 2021. See Subsequent Events section in Organization and Summary of Significant Accounting Policies.

On February 5, 2021, the Center received a second SBA PPP loan in the amount of $2,000,000. The interest rate on the loan is 1.00% per year. An application for forgiveness has not yet been submitted. Monthly repayments will begin the earlier of 16 months from the note date or the first month following any SBA forgiveness proceeds applied to the loan balance. The monthly payment amount will be calculated on the outstanding principal balance at time of commencement of loan payments, and the amortization period used is number of months remaining until maturity.

At August 31, 2021, the Center had available a line of credit from Wells Fargo Bank in the amount of $4,000,000 with an outstanding balance of $0. The line of credit matures on May 28, 2022 and contains various restrictive covenants. The line of credit provides for monthly interest at a rate equal to one-month LIBOR index plus 1.97% per annum and an availability fee of 0.25% per annum on the unused principal. The Center was in compliance with its Wells Fargo Bank covenants at August 31, 2021. This line of credit replaced the line of credit available at August 31, 2020.

At August 31, 2020, the Center had an outstanding line of credit from Wells Fargo Bank of $2,000,000. The line of credit provided for monthly interest at a rate equal to one-month LIBOR Index plus 1.97% per annum in 2020. The line of credit also imposed an availability fee of 0.25% per annum on the unused principal. The Center drew down this line of credit on April 2, 2020. Total interest expense incurred during the years ended August 31, 2021 and 2020 with respect to this line of credit was $25,067 and $17,819, respectively. The line of credit was paid in its entirety in 2021.

On October 7, 2019, the Center obtained a line of credit from Branch Banking & Trust Company (now known as Truist Bank) in the amount of $2 million. This note provided for monthly interest at a rate equal to one-month LIBOR Index plus 1.300% per annum in 2020. The Center drew down this line of credit on April 2, 2020. Total interest expense incurred during the years ended August 31, 2021 and 2020 was $7,455 and $14,595, respectively. This note required that the Center meet a financial covenant of debt service coverage equal to the ratio of EBITDA to debt service of not less than 1.0 to 1.0. As of August 31, 2020, the Center failed to meet this covenant, thereby resulting in the statement of financial position classification of the debt as current. This note has been paid in its entirety in 2021.

8. Retirement Plan

The Center offers a Section 403(b) salary reduction plan that covers substantially all employees. Employer matching contributions are equal to 50% of participant contributions up to 5% of eligible compensation. The expense was $96,570 and $89,828 for fiscal years 2021 and 2020, respectively. To the extent that matching contributions for senior management are deemed discriminatory and forfeited under IRS regulations, the Center contributes such amounts to a Section 457(b) plan. Employee contributions comprise the remainder of contributions. The Center maintains both the asset and liability related to the 457(b) plan in the statements of financial position. The expense in 2021 and 2020 was insignificant.

9. Capital Leases

The Center routinely leases equipment under capital lease agreements. During the current fiscal year, the Center leased equipment valued at $113,365 under capital leases. The following is a schedule of future minimum lease payments under the Center’s capital leases together with the present value of the net minimum lease payments as of August 31, 2021:

Year ending August 31,	
2022	$ 98,456
2023	68,734
2024	58,573
2025	34,313
2026	2,490
Total	262,566
Less: amount representing interest	(36,054)
Present Value of Net Minimum Capital Lease Payments	$ 226,512

At August 31, 2021 and 2020, the leased equipment had a recorded cost of $649,630 and $647,513 and related accumulated depreciation of $388,293 and $394,164, respectively.

10. Commitments and Contingencies

The Center is subject to various legal proceedings arising in the ordinary course of its business. The Center believes that the resolution of these matters will not have a material adverse effect on the Center's business, financial position, or results of operations.

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11. Net Assets with Donor Restrictions

Net assets with donor restrictions are detailed as follows:

August 31,		**2021**		2020
Net Assets with Donor Restrictions (Time or Purpose)				
MJCCA - Major Repair & Refurbishment	**$**	**1,300,202**	$	1,155,003
JFGA Grant		**1,000,767**		1,000,771
Lisa F. Brill Institute for Jewish Learning		**932,326**		831,614
Other		**699,850**		380,987
Harvey Shulman Memorial Scholarship Fund		**674,315**		599,087
Besser Holocaust Memorial Pavilion Fund		**521,530**		411,389
Capital Campaign Reserve Fund		**504,456**		434,617
Garrett Van De Grift Scholarship Fund		**220,881**		195,847
Guardian Angels Camp Scholarships		**184,982**		157,591
Lisa F. Brill Fund for Preschool Teacher Professional Development		**151,297**		130,062
STABLE grants		**127,680**		86,580
E&S Parks Fund for Adult Education & Cultural Arts		**95,345**		80,958
Barbara & Ivan Friedland Scholarship Fund		**89,021**		70,349
MJCCA Security Fund		**77,306**		77,306
Goizueta Foundation Scholarship Fund		**69,336**		22,285
Software upgrade		**63,896**		57,170
Stanley Tenenbaum Family Fitness Fund		**60,238**		52,857
Rice Weinstein Scholarship Fund		**50,743**		44,943
Laura Zaban Dinerman Fund		**50,608**		43,306
Sophie Hirsh Srochi Children's Museum		**41,393**		19,951
Orkin Center Endowment Fund		**35,074**		13,183
Blonder IAE for Adult Education		**18,566**		15,765
Debra "Debbie" Sonenshine S.O.A.R. Fund		**15,764**		11,475
Herbert H. Zwerner & Grace Zwerner Fund for Early Childhood Services		**10,816**		9,594
Pete Morris Musical Theater		**10,429**		9,317
Debra "Debbie" Sonenshine Special Needs Scholarship & Subsidy Fund		**9,092**		7,720
The Ron Brill Symposium		**7,362**		6,252
Allowance for doubtful pledges		**-**		(5,000)
Total Net Assets with Donor Restrictions (Time or Purpose)		**7,023,275**		5,920,979
Net Assets with Donor Restrictions (in Perpetuity)				
Goizueta Foundation Scholarship Fund		**350,000**		350,000
Orkin Center Endowment Fund		**110,000**		110,000
Sophie Hirsh Srochi Museum Fund		**100,000**		100,000
Maziar Family Sports Camp		**100,000**		100,000
Blonder Fund for Developmental Disabilities		**65,000**		65,000
D&B Center Endowment Fund		**50,000**		50,000
Mellinger Fellowship Endowment Fund		**50,000**		50,000
Steven and Janet Cadranel Biennial Young Leadership Award Fund		**50,000**		50,000
Harris Jacobs Softball Fund		**30,000**		30,000
Susanne Katz Arts Fund		**17,500**		17,500
Klee CIA Teen Village Fund		**16,696**		16,696
Holly & Ryan Banks Fund for Maccabi		**12,000**		12,000
Debra "Debbie" Sonenshine S.O.A.R. Fund		**12,000**		12,000
Harvey Rubin Scholarship Fund		**11,500**		11,500
Betsy Babbit Scholarship Fund		**10,000**		10,000
Sater Family Aquatics Fund		**10,000**		10,000
Mark Benator Habima Theatre Fund		**10,000**		10,000
Nader Parman II Fund		**10,000**		10,000
Enoch BBYO Scholarship Fund		**10,000**		10,000
Lola Pick Fund		**10,000**		10,000
Barbara & Ivan Friedland Scholarship Fund		**9,796**		9,796
Total Net Assets with Donor Restrictions (in Perpetuity)		**1,044,492**		1,044,492
Total Net Assets with Donor Restrictions	**$**	**8,067,767**	$	6,965,471

12. Net Assets Without Donor Restrictions

August 31,	**2021**	2020
Undesignated	**$ 28,372,667**	$ 25,567,259
Board-designated operating	**7,789,870**	6,647,910
EZ Community Bridge Builders Award	**21,816**	18,494
S. Sacks	**20,332**	17,263
Benator ECE	**5,073**	5,073
Total	**$ 36,209,758**	$ 32,255,999

Board-designated net assets have been set aside for specific projects or purposes.