Marcus Jewish Community Center of Atlanta, Inc.

Financial Statements
Years Ended August 31, 2023 and 2022

The report accompanying these financial statements was issued by
BDO USA, P.C., a Virginia professional corporation, 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, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, and 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 (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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation 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, P.C.

December 15, 2023

Financial Statements

Marcus Jewish Community Center of Atlanta, Inc.

Statements of Financial Position

August 31,	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 15,151,886	$ 6,319,078
Pledges receivable, net of allowance of $0 and $0, respectively	3,898,810	2,121,892
Accounts receivable, net of allowance of $46,207 and $39,560, respectively	163,279	192,101
Prepaid expenses	542,493	222,182
Total Current Assets	19,756,468	8,855,253
Investments		
Investments held at the Jewish Federation of Greater Atlanta	12,827,215	12,196,731
Investments - other	3,972,245	4,870,993
Total Investments	16,799,460	17,067,724
Property and Equipment, Net	30,254,827	26,053,194
Pledges Receivable - Long-Term, net of discount and allowance of $682,879 and $252,666, respectively	7,712,139	3,722,334
Total Assets	$ 74,522,894	$ 55,698,505
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 1,886,085	$ 1,945,316
Deferred revenue	2,779,054	2,501,173
Accrued vacation	358,298	320,139
Current portion of finance lease obligation	122,886	99,536
Total Current Liabilities	5,146,323	4,866,164
Long-Term Liabilities		
Refundable advance liability	2,175,000	25,000
Deferred pension contributions	184,895	159,531
Finance lease obligation	79,889	137,831
Other	3,348	3,348
Total Long-Term Liabilities	2,443,132	325,710
Total Liabilities	7,589,455	5,191,874
Commitments and Contingencies (Note 8)		
Net Assets		
Without donor restrictions	45,534,332	38,201,372
With donor restrictions	21,399,107	12,305,259
Total Net Assets	66,933,439	50,506,631
Total Liabilities and Net Assets	$ 74,522,894	$ 55,698,505

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,

	2023			2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Public Support, and Other Income						
Grants and awards	**$ 3,747,872**	**$ 6,667,625**	**$ 10,415,497**	$ 14,322	$ 2,801,345	$ 2,815,667
Contributions	**2,086,093**	**10,561,418**	**12,647,511**	1,994,080	5,067,615	7,061,695
Loan forgiveness - SBA Paycheck Protection Program (PPP)	**-**	**-**	**-**	4,909,800	-	4,909,800
Membership dues	**3,001,526**	**-**	**3,001,526**	2,786,405	-	2,786,405
Program revenues	**20,094,498**	**-**	**20,094,498**	18,178,869	-	18,178,869
Investment income (loss), net	**893,325**	**430,120**	**1,323,445**	(1,034,308)	(723,851)	(1,758,159)
Other	**699,480**	**-**	**699,480**	575,308	-	575,308
Total Revenues, Public Support, and Other Income	**30,522,794**	**17,659,163**	**48,181,957**	27,424,476	7,145,109	34,569,585
Net Assets Released from Restrictions	**8,565,315**	**(8,565,315)**	**-**	2,907,617	(2,907,617)	-
Expenses						
Program	**26,506,535**	**-**	**26,506,535**	23,427,614	-	23,427,614
Management and general	**4,191,381**	**-**	**4,191,381**	3,928,051	-	3,928,051
Fundraising	**1,057,233**	**-**	**1,057,233**	984,814	-	984,814
Total Expenses	**31,755,149**	**-**	**31,755,149**	28,340,479	-	28,340,479
Change in Net Assets	**7,332,960**	**9,093,848**	**16,426,808**	1,991,614	4,237,492	6,229,106
Net Assets, beginning of year	**38,201,372**	**12,305,259**	**50,506,631**	36,209,758	8,067,767	44,277,525
Net Assets, end of year	**$ 45,534,332**	**$ 21,399,107**	**$ 66,933,439**	$ 38,201,372	$ 12,305,259	$ 50,506,631

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, 2023

	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	$ 847,416	$ 1,727,928	$ 5,710,967	$ 2,165,376	$ 1,961,585	$ 170,696	$ 109,013	$ 12,692,981	$ 2,356,048	$ 595,472	$ 15,644,501
Employee medical	44,494	31,455	339,225	68,594	66,563	8,744	4,072	563,147	234,145	28,478	825,770
Employee retirement	14,584	9,917	53,181	11,686	8,726	1,017	1,069	100,180	78,846	9,187	188,213
Workers' compensation insurance	9,514	15,634	77,816	24,680	21,479	1,740	865	151,728	54,121	5,916	211,765
Payroll taxes	61,657	139,605	433,502	170,602	132,000	13,418	8,671	959,455	127,902	43,388	1,130,745
Contract fees	225,594	491,158	579,601	540,076	913,764	13,893	12,186	2,776,272	542,750	155,557	3,474,579
Supplies	121,216	267,086	855,316	183,198	1,193,101	5,985	7,315	2,633,217	138,030	94,327	2,865,574
Telephone	3,067	4,632	28,602	14,265	54,525	770	464	106,325	47,495	1,484	155,304
Postage	12,545	8,435	10,027	-	12,038	-	141	43,186	14,728	15,083	72,997
Occupancy	-	6,056	75,770	-	-	94	-	81,920	-	10,000	91,920
Utilities	25,857	106,199	51,966	126,240	190,718	6,369	6,466	513,815	1,691	6,336	521,842
Transportation	29,135	99,711	149,253	35,138	392,271	20	3,571	709,099	21,889	1,276	732,264
Conferences	2,232	2,921	1,790	828	1,245	726	120	9,862	10,311	1,200	21,373
Printing	80,448	37,730	9,429	7,739	12,304	284	2,984	150,918	50,147	34,701	235,766
Interest	-	-	-	994	-	-	-	994	83,323	-	84,317
Bank fees	9,324	76,563	186,661	42,042	129,196	662	220	444,668	2,711	1,637	449,016
Building and equipment maintenance	45,209	175,489	230,859	291,755	731,471	10,273	10,431	1,495,487	14,969	10,221	1,520,677
Insurance	29,310	202,805	72,236	175,728	193,604	8,866	9,001	691,550	2,353	8,820	702,723
National dues	-	4,080	-	-	4,360	-	-	8,440	88,800	-	97,240
Advertising	3,677	17,025	17,362	1,590	19,531	-	596	59,781	62,617	16,744	139,142
Bad debt	145	1,188	2,896	652	2,004	10	3	6,898	42	25	6,965
Staff development	1,201	2,548	16,045	2,327	21,014	4,326	40	47,501	14,543	-	62,044
Miscellaneous	490	3,373	54,023	1,007	36,607	-	-	95,500	108,566	306	204,372
Depreciation, amortization, and loss on disposal of assets	96,156	341,037	295,179	760,592	636,059	17,163	17,425	2,163,611	135,354	17,075	2,316,040
Total	$ 1,663,271	$ 3,772,575	$ 9,251,706	$ 4,625,109	$ 6,734,165	$ 265,056	$ 194,653	$ 26,506,535	$ 4,191,381	$ 1,057,233	$ 31,755,149

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, 2022

	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	$ 618,734	$ 1,364,993	$ 4,941,554	$ 1,950,159	$ 1,646,077	$ 142,605	$ 103,306	$ 10,767,428	$ 2,168,492	$ 613,185	$ 13,549,105
Employee medical	27,173	23,313	270,963	55,283	42,232	6,504	3,448	428,916	225,666	27,617	682,199
Employee retirement	7,520	7,115	37,778	10,783	7,391	931	730	72,248	45,254	10,598	128,100
Workers' compensation insurance	7,065	18,216	74,958	25,820	32,330	1,627	889	160,905	58,409	7,162	226,476
Payroll taxes	46,221	108,857	375,500	156,314	115,117	11,216	8,484	821,709	120,613	46,091	988,413
Contract fees	143,744	533,225	428,664	513,699	522,935	9,508	8,660	2,160,435	611,894	75,508	2,847,837
Supplies	73,573	204,098	791,342	178,748	1,517,502	2,756	8,986	2,777,005	122,558	82,211	2,981,774
Telephone	3,371	4,979	30,561	15,601	66,542	847	510	122,411	51,655	1,684	175,750
Postage	3,711	6,923	4,407	6	18,394	-	2,729	36,170	12,588	12,287	61,045
Occupancy	-	-	51,122	-	985	-	-	52,107	-	-	52,107
Utilities	25,978	102,230	50,468	122,775	160,460	6,194	6,289	474,394	1,645	6,162	482,201
Transportation	3,113	103,216	141,984	117,496	393,657	306	-	759,772	7,700	3,404	770,876
Conferences	475	4,642	2,530	3,078	425	758	25	11,933	4,972	-	16,905
Printing	8,184	12,040	4,344	10,455	10,877	104	4,046	50,050	23,056	44,860	117,966
Interest	-	-	-	1,370	-	-	-	1,370	13,235	-	14,605
Bank fees	6,586	79,416	196,095	43,508	134,758	477	78	460,918	2,363	1,221	464,502
Building and equipment maintenance	47,511	154,182	194,677	276,684	624,193	9,829	9,979	1,317,055	110,295	9,779	1,437,129
Insurance	28,904	198,963	71,233	173,288	187,999	8,742	8,876	678,005	2,319	8,698	689,022
National dues	1,221	3,000	-	-	4,590	-	-	8,811	85,600	4,455	98,866
Advertising	4,987	10,345	17,469	1,770	11,299	-	-	45,870	55,462	6,853	108,185
Bad debt	443	5,345	13,198	2,928	9,070	32	5	31,021	159	82	31,262
Staff development	586	196	16,155	1,983	50	-	-	18,970	11,635	5,675	36,280
Miscellaneous	13,768	4,296	15,888	1,868	7,842	-	-	43,662	80,269	-	123,931
Depreciation, amortization, and loss on disposal of assets	98,895	336,816	304,583	783,595	567,552	17,371	17,637	2,126,449	112,212	17,282	2,255,943
Total	$ 1,171,763	$ 3,286,406	$ 8,035,473	$ 4,447,211	$ 6,082,277	$ 219,807	$ 184,677	$ 23,427,614	$ 3,928,051	$ 984,814	$ 28,340,479

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,	2023	2022
Cash Flows from Operating Activities		
Change in net assets	**$ 16,426,808**	$ 6,229,106
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	**2,315,474**	2,248,432
Realized and unrealized (gain) loss from investments	**(1,023,154)**	1,771,926
Gain on disposal of property and equipment	**(4,901)**	(2,289)
Collection of capital campaign pledges	**2,822,770**	554,389
Change in discount and allowance on pledges receivable	**430,213**	252,666
Forgiveness of SBA PPP loans	**-**	(4,909,800)
Changes in assets and liabilities:		
Increase (decrease) in accounts receivable	**28,822**	(20,553)
(Increase) decrease in prepaid expenses	**(320,311)**	37,929
Decrease in accounts payable	**(59,231)**	(420,141)
Increase in accrued vacation	**38,159**	3,954
Increase (decrease) in deferred pension contributions	**25,364**	(13,425)
Increase in refundable advance liability	**2,150,000**	25,000
Increase in deferred revenue	**277,881**	285,214
Increase in capital campaign pledges	**(9,019,706)**	(5,658,002)
Total Adjustments	**(2,338,620)**	(5,844,700)
Net Cash and Cash Equivalents Provided by Operating Activities	**14,088,188**	384,406
Cash Flows from Investing Activities		
Purchases of property and equipment	**(6,440,221)**	(1,059,076)
Proceeds from disposal of property and equipment, net	**5,468**	9,800
Purchases of investments	**(64,876)**	(5,025,788)
Proceeds from sale of investments	**1,356,294**	453,987
Net Cash and Cash Equivalents (Used in) Investing Activities	**(5,143,335)**	(5,621,077)
Cash Flows from Financing Activities		
Principal payments on finance lease obligation	**(112,045)**	(120,224)
Net Cash and Cash Equivalents (Used in) Financing Activities	**(112,045)**	(120,224)
Change in Cash and Cash Equivalents	**8,832,808**	(5,356,895)
Cash and Cash Equivalents, beginning of year	**6,319,078**	11,675,973
Cash and Cash Equivalents, end of year	**$ 15,151,886**	$ 6,319,078
Non-Cash Investing/Financing Activity		
Forgiveness of SBA PPP loans	**$ -**	$ 4,909,800
Finance lease obligations and assets acquired	**77,453**	131,079
Supplemental Cash Flow Disclosure		
Total cash paid for interest	**$ 12,421**	$ 17,944

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 under the accrual basis of accounting in accordance with generally accepted accounting principles (U.S. GAAP).

Recently Adopted Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This ASU requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. Early adoption was permitted. In transition, a lessee and a lessor will recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. ASU 2018-11, *Leases*, was issued in June 2018, which permits entities to choose to initially apply ASU 2016-02 at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which allowed entities to elect to postpone adoption until fiscal years beginning after December 15, 2021. The Center was required to adopt Topic 842 as of September 1, 2022.

Upon analysis of the Center's existing operating and financing leases on adoption date and as of August 31, 2023, it was determined that it did not result in a material right-of-use asset or operating or financing lease liability and is therefore not separately disclosed in the accompanying financial statements.

Income Taxes

The Center qualifies under Internal Revenue Code Section 501(c)(3) and is, therefore, generally exempt from federal income tax and from state income taxes under similar provisions of the Georgia Income Tax Code. 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, 2023 or 2022. The

Center's tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

Revenues, Public Support, and Other Income

Unconditional contributions are recognized upon receipt or when a donor makes a promise to give that is, in substance, unconditional. Conditional contributions, or 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. Contributions received prior to the conditions being met are recognized as refundable advances. As of August 31, 2023 and 2022, the Center had conditional promises to give of approximately $11.4 million and $19.5 million, respectively. These conditional promises are not recognized on the accompanying financial statements and, if received, will generally be restricted for specific capital purposes stipulated by the donors. 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.

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. Contributions of donated assets and services are recorded at their estimated fair value at the date of receipt.

Membership dues, program service fees, and other revenues are considered exchange transactions and are, therefore, recognized as revenue over the applicable period as performance obligations are being performed by the Center. Revenue is measured based on consideration specified in an agreement with a customer.

The Center uses the input method and measures progress through the performance period. As a practical expedient, the Center can recognize revenue equal to the amount that it is entitled to invoice.

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, 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.

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. Full forgiveness of this loan was received October 7, 2021. The Center received a second SBA PPP loan in the amount of $2,000,000 in February 2021. The Center received full forgiveness of this second loan May 23, 2022. The Center accounted for the loans in accordance with ASC 470, *Debt*. Under this guidance, a liability is derecognized upon repayment to the creditor or upon legal release. Legal release occurs upon confirmation of forgiveness from the SBA, at which time the liability was released and recorded as income.

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 Center's Level 1 financial instruments consist of investments and are valued based on quoted market prices.

August 31, 2023

	Total	Level 1	Level 2	Level 3
Fixed income	5,616,056	5,212,523	-	403,533
Equities	277,102	277,102	-	-
	5,893,158	$ 5,489,625	$ -	$ 403,533
Total investments, measured at Net Asset Value (NAV)*	10,906,302			
	$ 16,799,460			

August 31, 2022

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 2,606,664	$ 2,606,664	$ -	$ -
Fixed income	788,196	430,171	-	358,025
Equities	1,832,713	1,832,713	-	-
	5,227,573	$ 4,869,548	$ -	$ 358,025
Total investments, measured at NAV*	11,840,151			
	$ 17,067,724			

* Certain investments that are measured at fair value using 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.

The investments measured at NAV are pooled investments in partnership shares and collective investment funds that generally hold an ownership interest in an operating company. The investments are generally entitled to various preferences from the sale or change of control (as defined) of the operating company.

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

Changes in Level 3 net assets were as follows:

Year ended August 31, 2023

Beginning Balance	$ 358,025
Purchases, sales, and transfers, net	45,508
Ending Balance	$ 403,533

There were no transfers in or out of Level 1, Level 2, or Level 3 categories during the years ended August 31, 2023 or 2022.

The fair values of the Center's current pledges receivable, accounts receivable, and accounts payable approximate the respective carrying amounts because of the short maturity of these assets and liabilities. Pledges due beyond one year are recorded at their net present value using a risk-free interest rate available at the beginning of the quarter in which the pledge was made with an equivalent term approximately equal to the number of years over which the pledge will be paid (see Note 2), which approximates fair 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 thresholds for capitalization in 2023 and 2022 were $5,000. 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.

The Center reviews its long-lived assets for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There were no impairment losses recorded during the years ended August 31, 2023 and 2022.

Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions represents funds that are available without restriction for carrying out the Center's objectives.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. When a restriction expires, donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Amounts received that are to be maintained by the Center in perpetuity are reported as contributions with donor restrictions.

Net assets with donor restrictions are restricted for specified programs as set forth in donor agreements.

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 had a $4 million committed line of credit in fiscal years 2023 and 2022 which it has not drawn upon. The Center had Board-designated funds (quasi-endowment of $7,155,767 and $6,779,092 as of August 31, 2023 and 2022, respectively) 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,	**2023**	2022
Cash and cash equivalents	**$ 15,151,886**	$ 6,319,078
Pledges receivable – current, net	**3,898,810**	2,121,892
Accounts receivable, net	**163,279**	192,101
Financial Assets	**19,213,975**	8,633,071
Less: restricted net assets	**(4,044,550)**	(999,147)
Total	**$ 15,169,425**	$ 7,633,924

Subsequent Events

The Center has determined that no material events took place after the statement of financial position date of August 31, 2023 through the date the financial statements were available for issuance at December 15, 2023.

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 $14,645,372 and $6,059,759 as of August 31, 2023 and 2022, 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 not-for-profit organizations. During the years ended August 31, 2023 and 2022, JFGA made pledges of $1,313,449 and $1,191,933 to the Center and paid $218,903 and $198,654, respectively. The Center had pledges receivable of $1,094,546 and $993,279 from JFGA as of August 31, 2023 and 2022, respectively. Additionally, the Center had capital campaign pledges receivable of $10,516,403 and $4,850,947 as of August 31, 2023 and 2022, respectively. These pledges have been recorded as support with donor restrictions.

Total pledges receivable are as follows:

August 31,	**2023**	2022
Receivable in less than a year	**$ 3,898,810**	$ 2,121,892
Receivable in one to five years	**8,395,018**	3,675,000
Receivable in more than five years	**-**	300,000
Total Pledges Receivable	**12,293,828**	6,096,892
Less:		
Discounts to net present value (2.5% to 4.49%)	**(682,879)**	(252,666)
Allowance for uncollectible pledges	**-**	-
Net Pledges Receivable	**$ 11,610,949**	$ 5,844,226

3. Endowment

MJCCA's endowment consists of a number of individual funds established by donor restriction. As required by U.S. GAAP, 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 the custodian. As of August 31, 2023, investments of $12,827,215 are in a pooled fund consisting of 26% U.S. equity and cash/cash equivalent funds, 54% international equity funds, 12% fixed-income funds, and 8% alternative investments, which are recorded at market value as reported by JFGA.

As of August 31, 2022, investments of $12,196,731 are in a pooled fund consisting of 29% U.S. equity and cash/cash equivalent funds, 38% international equity funds, 18% fixed-income funds, and 15% alternative investments, which are recorded at market value as reported by JFGA.

JFGA's investments as of August 31, 2023 and 2022 include $1,363,840 and $1,273,587 endowment funds, respectively, and $7,150,282 and $6,773,607 Board-designated funds, respectively.

In addition, as of August 31, 2023, the Center had $3,972,245 in predominately fixed income funds at financial institutions, which include no endowment or Board-designated funds. As of August 31, 2022, the Center had $4,870,993 in predominately cash and equity funds at financial institutions, which include no endowment or 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, 2023

	Unrestricted	With Donor Restrictions (Time or Purpose)	With Donor Restrictions (in Perpetuity)	Total
Donor-restricted endowment funds	$ -	$ 385,929	$ 1,044,492	$ 1,430,421
Board-designated funds	7,155,767	-	-	7,155,767
Total Funds	$ 7,155,767	$ 385,929	$ 1,044,492	$ 8,586,188

August 31, 2022

	Unrestricted	With Donor Restrictions (Time or Purpose)	With Donor Restrictions (in Perpetuity)	Total
Donor-restricted endowment funds	$ -	$ 290,140	$ 1,044,492	$ 1,334,632
Board-designated funds	6,779,092	-	-	6,779,092
Total Funds	$ 6,779,092	$ 290,140	$ 1,044,492	$ 8,113,724

Changes in endowment net assets are as follows:

August 31, 2023

	Unrestricted	With Donor Restrictions (Time or Purpose)	With Donor Restrictions (in Perpetuity)	Total
Endowment Net Assets, beginning of year	$ 6,779,092	$ 290,140	$ 1,044,492	$ 8,113,724
Investment income	569,855	108,834	-	678,689
Other changes:				
Fund reclassification	-	8,228	-	8,228
Contributions and additions	-	9,968	-	9,968
Appropriation of funds	(193,180)	(31,241)	-	(224,421)
Endowment Net Assets, end of year	$ 7,155,767	$ 385,929	$ 1,044,492	$ 8,586,188

August 31, 2022

	Unrestricted	With Donor Restrictions (Time or Purpose)	With Donor Restrictions (in Perpetuity)	Total
Endowment Net Assets, beginning of year	$ 7,837,091	$ 394,166	$ 1,044,492	$ 9,275,749
Investment income	(859,489)	(162,936)	-	(1,022,425)
Other changes:				
Fund reclassification	-	15,484	-	15,484
Contributions and additions	95	102,000	-	102,095
Appropriation of funds	(198,605)	(58,574)	-	(257,179)
Endowment Net Assets, end of year	$ 6,779,092	$ 290,140	$ 1,044,492	$ 8,113,724

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 U.S. GAAP, deficiencies of this nature are reported as a reduction in unrestricted net assets. As of August 31, 2022, a deficiency of this nature existed in one fund reported at $9,756 which includes a deficit of $244. The Center does not spend from underwater endowment funds.

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 primarily 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.

4. Investments

Investments of $3,972,245 and $4,870,993 include no endowment or Board-designated funds as of August 31, 2023 and 2022, respectively. As of August 31, 2023, these investments were held at financial institutions in predominately fixed income funds. As of August 31, 2022, these investments were held at financial institutions in predominately cash and equity funds.

Investments held by JFGA on the Center’s behalf of $12,827,215 and $12,196,731 include $1,363,840 and $1,273,587 of endowments as of August 31, 2023 and 2022, respectively. JFGA’s investments also include $7,150,282 and $6,773,607 of Board-designated funds as of August 31, 2023 and 2022, respectively. These investments include equity funds, fixed-income funds, and hedge funds.

5. Property and Equipment

Property and equipment are as follows:

August 31,		**2023**		2022
Land	$	**921,396**	$	921,396
Building and improvements		**54,166,585**		48,747,959
Furniture, equipment, and software		**8,362,502**		8,130,610
Leasehold improvements		**114,001**		114,001
Vehicles		**286,738**		280,852
Construction-in-progress		**1,290,345**		538,620
Total		**65,141,567**		58,733,438
Less: accumulated depreciation and amortization		**(34,886,740)**		(32,680,244)
Property and Equipment, Net	$	**30,254,827**	$	26,053,194

Construction-in-progress represents capital projects. At August 31, 2023 and 2022, depreciation and amortization expense was $2,315,474 and $2,248,432, respectively.

At August 31, 2023 and 2022, the leased equipment had a recorded cost of $798,326 and $774,517 and related accumulated depreciation of $590,674 and $516,228, respectively.

6. Notes Payable and Lines of Credit

The Center had no notes payable and no lines of credit outstanding as of August 31, 2023 and 2022.

On May 5, 2020, the Center received an SBA PPP loan in the amount of $2,909,800. The interest rate on the loan was 1.00% per year. The loan was forgiven October 7, 2021.

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 was 1.00% per year. This loan was also forgiven May 23, 2022.

At August 31, 2023 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 June 26, 2024 and contains various restrictive covenants. The line of credit provides for monthly interest at a rate equal to one-month Secured Overnight Financing Rate (SOFR) 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, 2023. This line of credit replaced the line of credit available at August 31, 2022.

At August 31, 2022 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 matured on June 23, 2023 and contained various restrictive covenants. The line of credit provided for monthly interest at a rate equal to one-month Secured Overnight Financing Rate (SOFR) 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, 2022.

7. 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 $119,435 and $99,725 for fiscal years 2023 and 2022, 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 2023 and 2022 was insignificant.

8. Commitments and Contingencies

The Center may be 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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9. Net Assets with Donor Restrictions

Net assets with donor restrictions are detailed as follows:

August 31,		2023		2022
Net Assets with Donor Restrictions (Time or Purpose)				
Capital campaign pledges, net of PV discount	$	**13,310,700**	$	4,928,436
MJCCA – major repair and refurbishment		**1,116,897**		1,089,433
JFGA Grant		**1,110,374**		1,000,767
STABLE grants		**839,346**		362,200
Lisa F. Brill Institute for Jewish Learning		**806,734**		788,818
Harvey Shulman Memorial Scholarship Fund		**579,865**		566,796
Capital Campaign Reserve Fund		**482,134**		446,169
Besser Holocaust Memorial Pavilion Fund		**472,621**		447,207
Other		**432,469**		528,149
Garrett Van De Grift Scholarship Fund		**195,585**		185,918
Guardian Angels Camp Scholarships		**176,797**		163,608
Lisa F. Brill Fund for Preschool Teacher Professional Development		**133,809**		130,534
Sophie Hirsh Srochi Children's Museum		**129,657**		112,526
Barbara & Ivan Friedland Scholarship Fund		**87,010**		80,218
E&S Parks Fund for Adult Education & Cultural Arts		**82,384**		80,401
MJCCA Security Fund		**77,306**		77,306
Software upgrade		**61,068**		56,513
Stanley Tenenbaum Family Fitness Fund		**52,944**		50,989
Laura Zaban Dinerman Fund		**48,471**		45,029
Rice Weinstein Scholarship Fund		**43,715**		42,713
Goizueta Foundation Scholarship Fund		**30,910**		2,496
Blonder IAE for Adult Education		**17,744**		16,421
Orkin Center Endowment Fund		**15,353**		12,336
Debra "Debbie" Sonenshine S.O.A.R. Fund		**15,250**		12,942
Pete Morris Musical Theater		**9,908**		9,185
Herbert H. Zwerner & Grace Zwerner Fund for Early Childhood Services		**9,838**		9,104
Debra "Debbie" Sonenshine Special Needs Scholarship & Subsidy Fund		**8,690**		8,042
The Ron Brill Symposium		**7,036**		6,511
Total Net Assets with Donor Restrictions (Time or Purpose)		**20,354,615**		11,260,767
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	$	**21,399,107**	$	12,305,259

Net assets were released from donor-imposed restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors was $8,565,315 and $2,907,617 for the years ended August 31, 2023 and 2022, respectively.

10. Net Assets Without Donor Restrictions

August 31,	**2023**	2022
Undesignated	**$ 38,378,565**	$ 31,422,280
Board-designated operating	**7,110,307**	6,736,646
EZ Community Bridge Builders Award	**20,850**	19,295
S. Sacks	**19,537**	18,078
Benator ECE	**5,073**	5,073
Total	**$ 45,534,332**	$ 38,201,372

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