

**JEWISH FEDERATION OF
GREATER DAYTON, INC.
(A NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

JEWISH FEDERATION OF GREATER DAYTON, INC.

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BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT

Board of Directors
Jewish Federation of Greater Dayton, Inc.
Dayton, Ohio

Opinion

We have audited the accompanying financial statements of **Jewish Federation of Greater Dayton, Inc.** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 **Jewish Federation of Greater Dayton, Inc.** as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Jewish Federation of Greater Dayton, Inc.** 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 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 **Jewish Federation of Greater Dayton, Inc.'s** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

3601 Rigby Road • Suite 400 • Dayton, Ohio • 45342-4981
2206 Chester Blvd. • Richmond, Indiana • 47374-1219
3 Easton Oval • Suite 300 • Columbus, Ohio • 43219-6287
11175 Cicero Drive • Suite 300 • Alpharetta, Georgia • 30022-1166

www.bradyware.com

INDEPENDENT AUDITORS' REPORT - CONTINUED

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Jewish Federation of Greater Dayton, Inc.'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 **Jewish Federation of Greater Dayton, Inc.'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.

INDEPENDENT AUDITORS' REPORT - CONTINUED

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary consolidating statements of activities, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.



Dayton, Ohio
September 14, 2023

JEWISH FEDERATION OF GREATER DAYTON, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 237,577	\$ 90,697	\$ 328,274
Pledges receivable - net realizable value	64,627	-	64,627
Accounts receivable - other	25,862	-	25,862
Scholarship loans receivable	-	25,849	25,849
Employment Retention Credit receivable	212,198	-	212,198
Investments	23,003,193	15,748,917	38,752,110
Prepaid expenses and other assets	<u>87,618</u>	<u>172,780</u>	<u>260,398</u>
Total Current Assets	23,631,075	16,038,243	39,669,318
PROPERTY AND EQUIPMENT, NET	4,823,099	-	4,823,099
OTHER ASSETS	149,004	-	149,004
OPERATING LEASE RIGHT-OF-USE ASSET	<u>44,001</u>	<u>-</u>	<u>44,001</u>
	<u>\$ 28,647,179</u>	<u>\$ 16,038,243</u>	<u>\$ 44,685,422</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Line of credit	\$ 2,280,000	\$ -	\$ 2,280,000
Accounts payable and accrued expenses	149,379	-	149,379
Allocations payable	306,108	-	306,108
Current operating lease liabilities	20,758	-	20,758
Deferred revenue	30,402	196,697	227,099
Other current liabilities	6,301	-	6,301
Funds held for others	<u>2,347,106</u>	<u>-</u>	<u>2,347,106</u>
Total Current Liabilities	5,140,054	196,697	5,336,751
LONG-TERM LIABILITIES			
Long-term operating lease liabilities	<u>23,022</u>	<u>-</u>	<u>23,022</u>
Total Liabilities	5,163,076	196,697	5,359,773
NET ASSETS	<u>23,484,103</u>	<u>15,841,546</u>	<u>39,325,649</u>
	<u>\$ 28,647,179</u>	<u>\$ 16,038,243</u>	<u>\$ 44,685,422</u>

See notes to financial statements.

JEWISH FEDERATION OF GREATER DAYTON, INC.**STATEMENT OF FINANCIAL POSITION****DECEMBER 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 218,808	\$ 4,280	\$ 223,088
Accounts receivable - program services, net	3,373	-	3,373
Pledges receivable - net realizable value	114,745	-	114,745
Accounts receivable - other	79,378	-	79,378
Scholarship loans receivable	-	19,329	19,329
Investments	27,612,549	19,062,524	46,675,073
Prepaid expenses and other assets	<u>73,691</u>	<u>177,626</u>	<u>251,317</u>
Total Current Assets	28,102,544	19,263,759	47,366,303
PROPERTY AND EQUIPMENT, NET	5,020,582	-	5,020,582
OTHER ASSETS	<u>149,004</u>	<u>-</u>	<u>149,004</u>
	<u>\$ 33,272,130</u>	<u>\$ 19,263,759</u>	<u>\$ 52,535,889</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Line of credit	\$ 2,280,000	\$ -	\$ 2,280,000
Accounts payable and accrued expenses	144,147	-	144,147
Allocations payable	320,442	-	320,442
Deferred revenue	25,344	-	25,344
Other current liabilities	9,143	-	9,143
Funds held for others	<u>2,796,615</u>	<u>-</u>	<u>2,796,615</u>
Total Current Liabilities	5,575,691	-	5,575,691
NET ASSETS	<u>27,696,439</u>	<u>19,263,759</u>	<u>46,960,198</u>
	<u>\$ 33,272,130</u>	<u>\$ 19,263,759</u>	<u>\$ 52,535,889</u>

JEWISH FEDERATION OF GREATER DAYTON, INC.**STATEMENT OF ACTIVITIES****YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT			
Contributions	\$ 1,046,696	\$ 365,351	\$ 1,412,047
Contributions - annual campaign	1,102,469	68,327	1,170,796
Government fees and grants	149,441	-	149,441
United Way allocation	1,941	-	1,941
Membership dues	16,653	-	16,653
Program service fees	1,145,170	-	1,145,170
Management fee	212,773	-	212,773
Investment income	327,212	130,852	458,064
Realized gains in investments	125,203	112,098	237,301
Employee Retention Credit contribution	212,198	-	212,198
Miscellaneous	27,103	-	27,103
Net assets released from restrictions	<u>882,021</u>	<u>(882,021)</u>	<u>-</u>
Total Revenue, Gains and Other Support	<u>5,248,880</u>	<u>(205,393)</u>	<u>5,043,487</u>
EXPENSES			
Allocations	1,379,512	-	1,379,512
Program services	3,035,021	-	3,035,021
Supporting services	<u>701,151</u>	<u>-</u>	<u>701,151</u>
Total Expenses	<u>5,115,684</u>	<u>-</u>	<u>5,115,684</u>
EXPENSES IN EXCESS OF REVENUE	133,196	(205,393)	(72,197)
UNREALIZED LOSS ON INVESTMENTS	<u>(4,345,532)</u>	<u>(3,216,820)</u>	<u>(7,562,352)</u>
CHANGE IN NET ASSETS	(4,212,336)	(3,422,213)	(7,634,549)
NET ASSETS			
Beginning of year	<u>27,696,439</u>	<u>19,263,759</u>	<u>46,960,198</u>
End of year	<u>\$ 23,484,103</u>	<u>\$ 15,841,546</u>	<u>\$ 39,325,649</u>

JEWISH FEDERATION OF GREATER DAYTON, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT			
Contributions	\$ 257,062	\$ 618,042	\$ 875,104
Contributions - annual campaign	1,160,427	78,613	1,239,040
Government fees and grants	128,495	-	128,495
United Way allocation	848	-	848
Membership dues	14,888	-	14,888
Program service fees	902,102	-	902,102
Management fee	238,195	-	238,195
Investment income	272,649	71,171	343,820
Realized gains on investments	1,585,476	1,275,874	2,861,350
Miscellaneous	14,904	-	14,904
Paycheck Protection Program contribution	420,517	-	420,517
Net assets released from restrictions	<u>839,057</u>	<u>(839,057)</u>	<u>-</u>
Total Revenue, Gains, and Other Support	<u>5,834,620</u>	<u>1,204,643</u>	<u>7,039,263</u>
EXPENSES			
Allocations	1,575,718	-	1,575,718
Program services	2,939,458	-	2,939,458
Supporting services	<u>702,063</u>	<u>-</u>	<u>702,063</u>
Total Expenses	<u>5,217,239</u>	<u>-</u>	<u>5,217,239</u>
REVENUE IN EXCESS OF EXPENSES	617,381	1,204,643	1,822,024
UNREALIZED GAIN ON INVESTMENTS	<u>1,586,534</u>	<u>951,607</u>	<u>2,538,141</u>
CHANGE IN NET ASSETS BEFORE PENSION ADJUSTMENT	2,203,915	2,156,250	4,360,165
Defined benefit plan adjustment	<u>58,143</u>	<u>-</u>	<u>58,143</u>
CHANGE IN NET ASSETS	2,262,058	2,156,250	4,418,308
NET ASSETS			
Beginning of year	<u>25,434,381</u>	<u>17,107,509</u>	<u>42,541,890</u>
End of year	<u>\$ 27,696,439</u>	<u>\$ 19,263,759</u>	<u>\$ 46,960,198</u>

JEWISH FEDERATION OF GREATER DAYTON, INC.

STATEMENT OF FUNCTIONAL EXPENSES BY DEPARTMENT

NET ASSETS WITHOUT DONOR RESTRICTIONS - PROGRAM SERVICES

YEAR ENDED DECEMBER 31, 2022

	<u>Center</u>	<u>Jewish Family Services</u>	<u>Federation</u>	<u>Complex</u>	<u>Total Program Services</u>
Staff Compensation					
Salaries	\$ 842,188	\$ 159,825	\$ 432,154	\$ 71,603	\$ 1,505,770
Employee benefits	177,534	27,078	102,381	26,305	333,298
Payroll taxes	61,079	12,196	28,764	5,075	107,114
Total staff compensation	1,080,801	199,099	563,299	102,983	1,946,182
Advertising	360	966	9,736	-	11,062
Bank charges	30,538	-	249	-	30,787
Books and subscriptions	2,429	-	6,823	654	9,906
Conferences, meetings, training	4,658	2,638	15,214	-	22,510
Dayton Jewish Observer	-	-	27,116	-	27,116
Depreciation	-	-	-	197,483	197,483
Food	15,881	3,753	23,916	-	43,550
Housekeeping	284	-	-	34,475	34,759
Insurance	874	-	30,967	31,317	63,158
Interview expenses	2,682	500	12,375	130	15,687
Legal, accounting, consulting	-	-	49,500	-	49,500
Maintenance and repairs	2,585	7,618	512	94,274	104,989
Memberships and dues	10,306	1,066	4,964	-	16,336
Miscellaneous	1,443	995	2,630	34	5,102
Occupancy	-	-	-	33,923	33,923
Payroll system	6,591	2,492	308	-	9,391
Postage	3,184	460	4,703	-	8,347
Printing	8,732	3,871	11,409	-	24,012
Production room	-	-	-	20,003	20,003
Professional fees and contracts	-	-	71,551	-	71,551
Program supplies and expenses	94,103	8,085	51,233	22,206	175,627
Rent	17,166	-	4,682	-	21,848
Security	2,200	-	9,257	3,049	14,506
Specific assistance	-	18,969	-	-	18,969
Staff development	435	150	3,174	-	3,759
Supplies	3,048	1,531	1,097	-	5,676
Telephone	2,192	2,841	1,372	707	7,112
Transportation	23,699	11,864	6,607	-	42,170
Total functional expenses	\$ 1,314,191	\$ 266,898	\$ 912,694	\$ 541,238	\$ 3,035,021

See notes to financial statements.

JEWISH FEDERATION OF GREATER DAYTON, INC.

STATEMENT OF FUNCTIONAL EXPENSES BY DEPARTMENT

NET ASSETS WITHOUT DONOR RESTRICTIONS - PROGRAM SERVICES

YEAR ENDED DECEMBER 31, 2021

	<u>Center</u>	<u>Jewish Family Services</u>	<u>Federation</u>	<u>Complex</u>	<u>Total Program Services</u>
Staff Compensation					
Salaries	\$ 887,795	\$ 167,489	\$ 476,586	\$ 72,641	\$ 1,604,511
Employee benefits	184,350	18,846	131,511	31,714	366,421
Payroll taxes	65,116	12,674	31,237	5,169	114,196
Total staff compensation	1,137,261	199,009	639,334	109,524	2,085,128
Advertising	282	18	3,802	-	4,102
Bank charges	25,109	-	69	-	25,178
Books and subscriptions	1,629	-	6,010	344	7,983
Conferences, meetings, training	1,032	250	471	-	1,753
Dayton Jewish Observer	-	-	24,629	-	24,629
Depreciation	-	-	-	199,758	199,758
Food	12,446	3,488	1,922	-	17,856
Housekeeping	-	-	-	20,262	20,262
Insurance	874	-	24,036	31,334	56,244
Interview expenses	13,503	665	2,954	-	17,122
Legal, accounting, consulting	-	-	51,638	-	51,638
Maintenance and repairs	-	6,663	1,156	72,553	80,372
Memberships and dues	9,881	1,016	3,968	-	14,865
Miscellaneous	191	120	3,688	34	4,033
Occupancy	-	-	-	35,072	35,072
Payroll system	7,473	2,825	330	-	10,628
Postage	2,023	1,276	4,482	-	7,781
Printing	9,049	2,389	16,019	-	27,457
Production room	-	-	-	19,175	19,175
Professional fees and contracts	-	-	31,082	-	31,082
Program supplies and expenses	46,022	9,672	37,760	15,836	109,290
Rent	4,989	-	-	-	4,989
Security	375	-	11,000	3,399	14,774
Specific assistance	-	28,594	-	-	28,594
Staff development	1,770	510	1,382	-	3,662
Supplies	1,120	957	2,001	-	4,078
Telephone	1,595	3,202	1,239	708	6,744
Transportation	7,287	11,784	5,940	198	25,209
Total functional expenses	\$ 1,283,911	\$ 272,438	\$ 874,912	\$ 508,197	\$ 2,939,458

See notes to financial statements.

JEWISH FEDERATION OF GREATER DAYTON, INC.

STATEMENT OF FUNCTIONAL EXPENSES BY DEPARTMENT

NET ASSETS WITHOUT DONOR RESTRICTIONS - SUPPORTING SERVICES

YEAR ENDED DECEMBER 31, 2022

	Fundraising	Administrative			Total Supporting Services
	Federation Campaign	Federation Administrative	Complex	Foundation	
Staff Compensation					
Salaries	\$ 89,518	\$ 150,212	\$ -	\$ 74,624	\$ 314,354
Employee benefits	22,662	44,791	-	15,538	82,991
Payroll taxes	6,614	11,004	-	5,588	23,206
Total staff compensation	118,794	206,007	-	95,750	420,551
Donor cultivation	819	2,082	-	-	2,901
Marketing	13	-	-	-	13
Interest expense	-	77,726	-	-	77,726
Conferences, meetings, training	820	1,818	-	96	2,734
Bank charges	-	3,799	-	-	3,799
Books and subscriptions	-	1,435	-	-	1,435
Food	392	66	-	-	458
Insurance	-	30,966	-	-	30,966
Innovation Grant	1,937	-	-	-	1,937
Hiring expenses	-	2,995	-	-	2,995
Security	-	8,857	-	-	8,857
Legal, accounting, consulting	-	25,500	-	-	25,500
Professional fees and contracts	808	4,797	-	-	5,605
Management fees	-	36,909	-	-	36,909
Memberships and dues	960	1,303	-	-	2,263
Miscellaneous	-	253	-	53	306
Occupancy	-	-	28,473	-	28,473
Payroll system	-	3,332	-	460	3,792
Postage	529	2,312	-	1,159	4,000
Printing	787	2,763	-	359	3,909
Rent	-	195	-	-	195
Sponsorships	-	4,100	-	-	4,100
Staff events	538	11,779	-	1,499	13,816
Supplies	308	6,034	-	450	6,792
Program supplies and expenses	359	109	-	-	468
Computer expense	554	925	-	-	1,479
Telephone	797	2,953	-	-	3,750
Transportation	1,002	4,420	-	-	5,422
Total functional expenses	\$ 129,417	\$ 443,435	\$ 28,473	\$ 99,826	\$ 701,151

See notes to financial statements.

JEWISH FEDERATION OF GREATER DAYTON, INC.

STATEMENT OF FUNCTIONAL EXPENSES BY DEPARTMENT

NET ASSETS WITHOUT DONOR RESTRICTIONS - SUPPORTING SERVICES

YEAR ENDED DECEMBER 31, 2021

	Fundraising	Administrative			Total Supporting Services
	Federation Campaign	Federation Administrative	Complex	Foundation	
Staff Compensation					
Salaries	\$ 78,009	\$ 152,594	\$ -	\$ 91,633	\$ 322,236
Employee benefits	14,025	44,097	-	19,702	77,824
Payroll taxes	5,838	8,834	-	6,816	21,488
Total staff compensation	97,872	205,525	-	118,151	421,548
Donor cultivation	1,753	2,852	-	-	4,605
Interest expense	-	45,925	-	-	45,925
Conferences, meetings, training	154	1,477	-	-	1,631
Bank charges	-	3,560	-	-	3,560
Books and subscriptions	-	976	-	-	976
Insurance	-	24,036	-	-	24,036
Hiring expenses	5,388	4,015	-	-	9,403
Security	-	11,000	-	-	11,000
Legal, accounting, consulting	-	51,639	-	-	51,639
Professional fees and contracts	2,000	1,259	-	-	3,259
Management fees	-	47,468	-	-	47,468
Memberships and dues	960	988	-	-	1,948
Miscellaneous	-	973	-	35	1,008
Occupancy	-	-	26,747	-	26,747
Payroll system	-	3,797	-	522	4,319
Postage	895	2,794	-	1,206	4,895
Printing	923	1,988	-	673	3,584
Sponsorships	-	3,000	-	-	3,000
Staff events	1,592	11,128	-	1,650	14,370
Supplies	393	3,083	-	1,331	4,807
Program supplies and expenses	371	191	-	2,557	3,119
Computer expense	-	996	-	-	996
Telephone	797	2,554	-	-	3,351
Transportation	354	4,349	-	166	4,869
Total functional expenses	\$ 113,452	\$ 435,573	\$ 26,747	\$ 126,291	\$ 702,063

See notes to financial statements.

JEWISH FEDERATION OF GREATER DAYTON, INC.**STATEMENTS OF CASH FLOWS****YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (7,634,549)	\$ 4,418,308
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	197,483	199,758
Realized and unrealized (gain) loss on investments	7,325,051	(5,399,491)
Non-cash operating lease expense	(221)	-
	<u>(112,236)</u>	<u>(781,425)</u>
Changes in operating assets and liabilities:		
Receivables	(111,711)	(18,626)
Prepaid expenses and other current assets	(9,081)	297,236
Payables, accrued expenses and allocations	(11,943)	(269,959)
Deferred revenue	201,755	(3,264)
Other liabilities	<u>(449,509)</u>	<u>194,395</u>
Net Cash Used by Operating Activities	<u>(492,725)</u>	<u>(581,643)</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	-	(15,568)
Investment activity, net	<u>597,911</u>	<u>788,201</u>
Net Cash Provided by Investing Activities	<u>597,911</u>	<u>772,633</u>
FINANCING ACTIVITIES		
Payments on line of credit	-	(220,000)
NET INCREASE (DECREASE) IN CASH	105,186	(29,010)
CASH		
Beginning of year	<u>223,088</u>	<u>252,098</u>
End of year	<u>\$ 328,274</u>	<u>\$ 223,088</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest expense	<u>\$ 77,726</u>	<u>\$ 45,925</u>

JEWISH FEDERATION OF GREATER DAYTON, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of accounting policies of **Jewish Federation of Greater Dayton, Inc.** (the "Organization") is presented to assist in understanding the Organization's financial statements.

Nature of Business - **Jewish Federation of Greater Dayton, Inc.** is a nonprofit organization that provides programs and services to the community. The Organization conducts an annual fundraising campaign for the support of local and national constituent/beneficiary agencies and services. The funds raised are subsequently allocated by the Organization based upon need, with a substantial portion being allocated to United Jewish Communities. The Organization also periodically conducts other special-purpose fundraising campaigns.

Basis of Presentation - Accounting standards require the Organization to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization has no net assets that are required to be maintained in perpetuity.

The Foundation assesses an administrative charge on endowment and pass-through funds. The amount assessed to the funds is based upon the total balance of the fund. This amount is used primarily to support the operations of the Foundation. For the years 2022 and 2021, \$36,909 and \$47,468 is included as support and revenue and as a management and general expense. Due to the fact that administrative charges to various funds are considered a significant measure of the operations of the Foundation, these fees have not been eliminated in the financial statements.

Financial Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocations of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions - In accordance with accounting standards, the Organization accounts for contributions received as support without donor restrictions or support with donor restrictions, depending on the existence or nature of any donor restrictions.

Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and its fundraising campaigns.

Concentrations of Credit Risk - Financial instruments that potentially subject the Organization to a concentration of credit risk include cash deposited with financial institutions in excess of the federally insured limit of \$250,000. At various times during the years 2022 and 2021, the Organization's cash balances exceeded the FDIC limits.

Restricted Cash - Restricted cash consists of deposits-in-transit to endowment accounts and cash with donor-imposed restrictions for program services.

Accounts Receivable - Program Services - Membership dues and program services are recorded and included in the year revenue is earned. The Organization has recorded as an expense all accounts which are deemed not collectible. Amounts are considered uncollectible by management when all efforts to collect past due amounts are exhausted. An allowance for uncollectible accounts has been established for amounts estimated to be uncollectible. At December 31, 2022 and 2021, this allowance was \$19,476 and \$22,812.

Pledges Receivable - Pledges for contributions are recorded as income in the year pledged by the donor and, if unpaid, are included in pledges receivable. Pledges are recorded at net realizable value.

Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position.

Unrealized gains and losses on investments are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Endowment Investment and Spending Policies - The Organization has adopted an investment policy for endowment assets that attempt to preserve the real purchasing power of the assets, and provide a growing stream of income to be made available for spending, and keeping pace with inflation in order to sustain the operations and grant-making capacity of the Organization. The investment policy establishes a return objective through diversification of asset classes.

To satisfy its long-term rate-of-return objectives, the Organization 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). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Organization has adopted a formal spending policy to calculate the amount of money annually distributed from the Organization's various endowed funds. The current spending policy is to distribute an amount determined annually by the board of directors and that rate is multiplied by the previous three-year rolling average of the fund's fair market value. For December 31, 2022 and 2021, the board approved a spending rate of 5.0%. The Organization's objective is to avoid invasion into the historical value or principal of a fund to meet the spending policy, unless the terms of a gift allows the Organization to do so in a prudent manner. Accordingly, over the long term, the Organization expects that the formalized spending policy will allow its endowment assets to grow consistent with the Organization's objective to maintain the purchasing power of endowment assets, as well as to provide additional real growth through new gifts and investment return.

Property and Equipment - Property and equipment is carried at cost or the fair market value of donated assets. The Organization capitalizes expenditures in excess of \$1,000 for property and equipment. Property and equipment is depreciated as follows:

	<u>Life</u>	<u>Method</u>
Land improvements	5 - 15 Years	Straight-line
Building and furnishings	15 - 40 Years	Straight-line
Equipment	3 - 15 Years	Straight-line

Routine maintenance, repairs, and renewals are charged to expense as incurred. Renewals and betterments which substantially increase the life of property and equipment are capitalized. At retirement or sale, the costs of the assets, less related accumulated depreciation, are removed from the accounts and the resulting gains and losses are included in income. Depreciation expense for the years 2022 and 2021 was \$197,483 and \$199,758.

The Organization reviews for impairment of long-lived assets in accordance with accounting standards. These standards require organizations to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at December 31, 2022 and 2021.

Leases - In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective January 1, 2022 and recognized and measured leases existing at January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021 are made under prior lease guidance in accordance with FASB ASC 840.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

As a result of the adoption of the new lease accounting guidance, the Organization recognized on January 1, 2022, lease liabilities of \$69,953, which represent the present value of the remaining operating lease payments of \$71,913 discounted using risk free rates ranging from 0.56% to 2.85%, and right-of-use assets of \$69,953.

The standard had an impact on the statement of financial position, but did not have an impact on the statement of activities. The impact on the statement of cash flows is minimal. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases on the statement of financial position.

The Organization leases vehicles and office equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, current operating lease liabilities and long-term operating lease liabilities on the statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses a risk free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU assets also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Allocations Payable - The Organization has obligated itself to pay certain amounts to various charitable organizations in furtherance of its charitable purposes.

Deferred Revenue - Deferred revenue represents that portion of income received but not yet earned through providing services.

Funds Held For Others - The Organization is agent, trustee or intermediary of certain funds held within the Foundation. The liability "Funds Held for Others" represents those assets within the Foundation, which are being held on behalf of other organizations.

Income Taxes - The Organization is a nonprofit organization and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

Accounting for Uncertainty in Income Taxes - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Organization's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe the Organization has taken any material uncertain tax positions, including any position that would place the Organization's exempt status in jeopardy, as of December 31, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Reclassifications - Certain amounts in the 2021 financial statement have been reclassified to conform to the 2022 financial statement presentation.

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 14, 2023, the date the financial statements were available to be issued.

NOTE 2 - REVENUE RECOGNITION

The Organization derives its revenue primarily from public support, investment income and program service fees. Program service fee revenue is recognized when the service has been provided to the participant. Sales and other taxes the Organization collects concurrent with the revenue-producing activities are excluded from revenue. Incidental items that are immaterial in the context of the contract are recognized as expense. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year. The Organization does not have any significant financing components.

The contract balances at December 31, 2022 and 2021 are presented on the statements of financial position. At January 1, 2021, contract balances included net program service accounts receivable of \$5,972.

Performance Obligations

For performance obligations related to program services, control transfers to the customer at a point in time upon completion of the childcare service, enrichment classes, or the event hosted by the Organization.

Variable Consideration

The nature of the Organization's business gives rise to variable consideration, including discounts and returns. Discounts are offered to families who enroll multiple children, as well as to rabbis and staff members who enroll their children in the Organization's programs. Returns are only offered to participants who purchase tickets to an event and are unable to attend. These variable amounts are generally credited to the participant, based on returns or price concessions.

Variable consideration is estimated at the most likely amount that is expected to be earned. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated based upon historical experience and known trends.

JEWISH FEDERATION OF GREATER DAYTON, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position dates, comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash	\$ 328,274	\$ 223,088
Accounts receivable - program services, net	-	3,373
Pledges receivable - net realizable value	64,627	114,745
Accounts receivable - other	25,862	79,378
Investments	<u>38,752,110</u>	<u>46,675,073</u>
	<u>39,170,873</u>	<u>47,095,657</u>
Less amounts not available to be used within one year due to:		
Cash with donor restrictions	(90,697)	(4,280)
Endowment funds - investments	(15,361,258)	(18,775,542)
Philanthropic funds - investments	(15,869,806)	(19,014,242)
Funds held for others in investments	<u>(2,347,106)</u>	<u>(2,796,615)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 5,502,006</u>	<u>\$ 6,504,978</u>

The endowment fund consists of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The philanthropic fund consists of donor-advised investments. Income from the donor-advised investments is restricted for the donor-advised funds.

In addition to financial assets available to meet general expenditures over the year, the Organization anticipates covering its general expenditures by collecting public support and revenue and by utilizing donor-restricted resources from current gifts.

NOTE 4 - EMPLOYEE RETENTION CREDIT

The Organization was subject to a government-ordered shutdown for a period during 2020. Upon its reopening, the Organization had to operate at a reduced capacity to adhere to social-distancing requirements. The closure and capacity restrictions led to a decrease in gross receipts in certain quarters of 2020 as compared to 2019. Due to this decline in gross receipts, the Organization qualified for the Employee Retention Credit ("ERC"). The ERC was provided for under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), including subsequent amendments. For the year 2020, the ERC was equal to 50% of qualified wages paid to employees during a qualifying quarter, capped at \$10,000 of qualified wages per employee. The ERC for 2020, filed for in 2022, was estimated to be \$212,198 and is reported as a receivable on the statement of financial position and as contribution revenue on the statement of activity and changes in net assets. The Organization received the 2020 ERC for \$212,198 during April 2023.

JEWISH FEDERATION OF GREATER DAYTON, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - INVESTMENTS

The Federation Foundation division operates a commingled investment fund for use by various philanthropic and donor designated funds and other specific purpose funds within the Foundation. The fund is held by a bank trust department and sells shares in the commingled assets to the individual funds.

Investments consist principally of marketable securities held in brokerage accounts. Investments, recorded at fair value, consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Without Donor Restrictions:		
Cash and cash equivalents	\$ 236,320	\$ 630,173
Money market funds	22,523	22,127
Commingled Investment Fund	<u>22,744,350</u>	<u>26,960,249</u>
	<u>\$ 23,003,193</u>	<u>\$ 27,612,549</u>
	<u>2022</u>	<u>2021</u>
With Donor Restrictions:		
Cash and cash equivalents	\$ 579,564	\$ 891,401
Marketable securities	8,696	12,958
Commingled Investment Fund	<u>15,160,657</u>	<u>18,158,165</u>
	<u>\$ 15,748,917</u>	<u>\$ 19,062,524</u>

NOTE 6 - FAIR VALUE MEASUREMENTS

Accounting standards establish a single definition of fair value and a framework for measuring fair value in accordance with generally accepted accounting principles. This standard applies whenever other authoritative literature requires (or permits) certain assets and liabilities to be measured at fair value. Items carried at fair value on a recurring basis consist primarily of investments.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. The Organization uses a fair value hierarchy that has three levels of inputs, both observable and unobservable, with use of the lowest possible level of input to determine fair value. Level 1 inputs include quoted prices in an active market or the price of an identical asset or liability. Level 2 inputs are market data, other than Level 1, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data. Level 3 inputs are unobservable and corroborated by little or no market data. The Organization uses valuation techniques in a consistent manner from year to year.

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

JEWISH FEDERATION OF GREATER DAYTON, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - FAIR VALUE MEASUREMENTS - CONTINUED

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used as of December 31, 2022.

Investments: Valued at the net asset value of shares held by the Organization at year-end, as based on quoted market prices.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at December 31, 2022 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Cash and cash equivalents	\$ 815,884	\$ 815,884	\$ -	\$ -
Money market funds	22,523	22,523	-	-
Fixed income	14,751,025	14,751,025	-	-
Equities	<u>23,162,678</u>	<u>23,162,678</u>	<u>-</u>	<u>-</u>
	<u>\$ 38,752,110</u>	<u>\$ 38,752,110</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values of assets measured on a recurring basis at December 31, 2021 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Cash and cash equivalents	\$ 1,521,574	\$ 1,521,574	\$ -	\$ -
Money market funds	22,127	22,127	-	-
Fixed income	16,843,425	16,843,425	-	-
Equities	<u>28,287,947</u>	<u>28,287,947</u>	<u>-</u>	<u>-</u>
	<u>\$ 46,675,073</u>	<u>\$ 46,675,073</u>	<u>\$ -</u>	<u>\$ -</u>

JEWISH FEDERATION OF GREATER DAYTON, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PROPERTY AND EQUIPMENT

	<u>2022</u>	<u>2021</u>
Land and improvements	\$ 1,874,360	\$ 1,874,360
Buildings and improvements	6,496,056	6,496,056
Equipment	<u>121,931</u>	<u>121,931</u>
	8,492,347	8,492,347
Less accumulated depreciation	<u>3,669,248</u>	<u>3,471,765</u>
	<u>\$ 4,823,099</u>	<u>\$ 5,020,582</u>

NOTE 8 - OTHER ASSETS

	<u>2022</u>		<u>2021</u>	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions</u>
Art, library and religious objects	\$ 75,554	\$ -	\$ 75,554	\$ -
Life insurance premiums receivable	<u>73,450</u>	<u>-</u>	<u>73,450</u>	<u>-</u>
	<u>\$ 149,004</u>	<u>\$ -</u>	<u>\$ 149,004</u>	<u>\$ -</u>

NOTE 9 - LEASING ACTIVITIES

The Organization leases several vehicles with expiration dates of April 2024 through September 2025. These leases require monthly payments ranging from \$250 to \$477. Additionally, the Organization leases various pieces of office equipment with expiration dates of June 2023 through June 2025. These leases require monthly payments ranging from \$254 to \$948.

The following summarizes the weighted average remaining operating lease term and discount rate as of December 31, 2022:

	<u>2022</u>
Weighted Average Remaining Lease Term Operating leases	2.27 years
Weighted Average Discount Rate Operating leases	2.56%

The maturities of operating lease liabilities as of December 31, 2022 are as follows:

2023	\$ 21,624
2024	15,809
2025	<u>7,689</u>
Total lease payments	45,122
Less interest	<u>(1,342)</u>
Present value of lease liabilities	<u>\$ 43,780</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - LEASING ACTIVITIES - CONTINUED

The following summarizes the line items in the statement of activities which include the components of lease expense for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Operating lease expense allocated to functional expenses	<u>\$ 26,570</u>	<u>\$ 27,362</u>

The following summarizes cash flow information related to leases for the year ended December 31, 2022:

	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	\$ 26,792
Supplemental noncash information on operating leases:	
Lease assets obtained in exchange for lease obligations:	
Operating leases	\$ 221

NOTE 10 - LINE OF CREDIT

The Organization entered into a line of credit agreement with KeyBank in November 2020 in order to finance lump sum payments related to its pension obligation (see Note 14). The line of credit had a \$2,700,000 limit and matured in December 2022. The line of credit was renewed through December 2023 at a \$2,300,000 limit. Interest is payable at the prime rate (7.50% and 3.25% at December 31, 2022 and 2021, respectively) less 1.50%. The line of credit is secured by certain investments of the Organization which are held in an account at KeyBank. The balance of the line of credit at December 31, 2022 and 2021 was \$2,280,000. Interest expense related to the line was \$77,726 and \$45,925 for the years 2022 and 2021.

NOTE 11 - PAYCHECK PROTECTION PROGRAM LOAN

The Organization was granted a \$420,517 loan under the Paycheck Protection Program ("PPP") which was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). PPP loans and accrued interest are forgivable after a "covered period" as long as the borrower meets certain criteria. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Organization received notification of full forgiveness of this PPP loan obligation in July 2022.

The Organization initially recorded the loan as a refundable advance and subsequently recognized contribution revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized \$420,517 as contribution revenue for the year ended December 31, 2021.

JEWISH FEDERATION OF GREATER DAYTON, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 12 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

	<u>2022</u>	<u>2021</u>
Net assets released from purpose restrictions	\$ 878,769	\$ 837,807
Net assets released from time restrictions	<u>3,252</u>	<u>1,250</u>
Net assets released from donor restrictions	<u>\$ 882,021</u>	<u>\$ 839,057</u>

NOTE 13 - ENDOWMENT FUNDS AND NET ASSETS

The following is a summary of changes in endowment net assets for the year ended December 31, 2022:

	<u>Without Donor Restrictions</u>	<u>2022 With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 18,836,615	\$ 18,775,542	\$ 37,612,157
Interest and dividend income	268,119	265,419	533,538
Contributions to endowment funds	924,569	368,111	1,292,680
Realized gain on investments	113,187	112,098	225,285
Unrealized loss on investments	(3,249,516)	(3,216,820)	(6,466,336)
Grants, fees and other disbursements	<u>(1,195,947)</u>	<u>(943,092)</u>	<u>(2,139,039)</u>
Endowment net assets, end of year	<u>\$ 15,697,027</u>	<u>\$ 15,361,258</u>	<u>\$ 31,058,285</u>

The following is a summary of changes in endowment net assets for the year ended December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>2021 With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 17,477,424	\$ 16,610,253	\$ 34,087,677
Interest and dividend income	203,944	195,149	399,093
Contributions to endowment funds	144,770	645,113	789,883
Realized gain on investments	1,347,622	1,275,874	2,623,496
Unrealized gain on investments	986,945	951,607	1,938,552
Grants, fees and other disbursements	<u>(1,324,090)</u>	<u>(902,454)</u>	<u>(2,226,544)</u>
Endowment net assets, end of year	<u>\$ 18,836,615</u>	<u>\$ 18,775,542</u>	<u>\$ 37,612,157</u>

JEWISH FEDERATION OF GREATER DAYTON, INC.**NOTES TO FINANCIAL STATEMENTS****NOTE 13 - ENDOWMENT FUNDS AND NET ASSETS - CONTINUED**

The following table summarizes all of the Organization's net assets as of December 31, 2022:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Donor-designated funds	\$ -	\$ 15,361,258	\$ 15,361,258
Donor-advised funds	15,697,027	-	15,697,027
Non-endowment funds:			
Operating	7,787,076	-	7,787,076
Purpose-restricted	-	269,660	269,660
Time-restricted for future periods	-	210,628	210,628
	<u>\$ 23,484,103</u>	<u>\$ 15,841,546</u>	<u>\$ 39,325,649</u>

The following table summarizes all of the Organization's net assets as of December 31, 2021:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Donor-designated funds	\$ -	\$ 18,775,542	\$ 18,775,542
Donor-advised funds	18,836,615	-	18,836,615
Non-endowment funds:			
Operating	8,859,824	-	8,859,824
Purpose-restricted	-	276,729	276,729
Time-restricted for future periods	-	211,488	211,488
	<u>\$ 27,696,439</u>	<u>\$ 19,263,759</u>	<u>\$ 46,960,198</u>

NOTE 14 - DEFINED BENEFIT PENSION OBLIGATION

Through August 31, 2019, the Organization was a participating employer in a multi-employer defined benefit pension plan managed by a third-party trustee and sponsored and administered by the United Way of Greater Dayton, Inc. (the "Predecessor Plan"). The Predecessor Plan covered substantially all of the Organization's employees, who were employed as of December 31, 2008. The Predecessor Plan was frozen as of December 31, 2008 and was underfunded as of August 31, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 14 - DEFINED BENEFIT PENSION OBLIGATION - CONTINUED

The Organization spun off from the Predecessor Plan on August 31, 2019. As part of the Predecessor Plan spin off, the Organization absorbed some of the "orphaned" individuals who were still in the plan, but whose participating employer went out of business or exited the Predecessor Plan.

Effective September 1, 2019, pursuant to a spin-off agreement, the Organization established a new plan (the "New Plan") to accept certain assets and frozen liabilities from the Predecessor Plan. This New Plan was a single employer defined benefit plan, sponsored only by the Organization and was frozen as to participation and benefit accruals. The portion of the Predecessor Plan's assets available for benefits allocated to the participants assigned to the Organization were transferred from the Predecessor Plan to the New Plan during 2019.

The Organization filed a resolution to terminate the New Plan effective December 31, 2019. As of this date, the Organization had estimated accrued expenses of \$2,633,177, which represented its portion of the obligation. During 2020, the Organization funded \$2,500,000 of its obligation by drawing on a line of credit with a bank. The Organization paid an additional \$71,111 into the New Plan to fulfill its required contributions during 2020. The Organization satisfied its liability related to the New Plan and terminated its involvement effective July 2021. Due to improvements in the market, the final cost of the buy out was less than the liability recorded as of December 31, 2020. In 2021, the Organization recognized an adjustment to reduce the excess pension liability in the amount of \$58,143.

NOTE 15 - RETIREMENT PLAN

The Organization began sponsoring a 401(k) plan effective on January 1, 2009 to provide retirement benefits to employees. The Plan provides that the Organization will make safe harbor matching contributions and may make a discretionary match on an annual basis. Employer contributions to the Plan were \$60,262 and \$68,674 for the years 2022 and 2021.

NOTE 16 - FUNCTIONAL REPORTING

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits, payroll taxes, insurance, telephone and other expenses, which are allocated on the basis of estimates of time and effort.

The Organization also has an obligation to pay certain amounts to various charitable organizations in furtherance of its charitable purposes. These amounts are reported as allocations on the statements of activities.

JEWISH FEDERATION OF GREATER DAYTON, INC.

STATEMENT OF ACTIVITIES BY DIVISION - UNAUDITED

YEAR ENDED DECEMBER 31, 2022

	<u>Operations</u>	<u>Foundation</u>	<u>Elimination Entries</u>	<u>F/S Adjustments</u>	<u>Total</u>
REVENUE, GAINS AND OTHER SUPPORT					
Contributions	\$ 132,045	\$ 1,280,002	\$ -	\$ -	\$ 1,412,047
Contributions - annual campaign	1,217,491	-	(36,408)	(10,287)	1,170,796
Government fees and grants	149,441	-	-	-	149,441
United Way allocation	1,941	-	-	-	1,941
Membership dues	16,653	-	-	-	16,653
Program service fees	1,145,170	-	-	-	1,145,170
Management fee	212,773	-	-	-	212,773
Investment income	-	458,064	-	-	458,064
Realized gains on investments	-	237,301	-	-	237,301
Employee Retention Credit	-	-	-	212,198	212,198
Foundation grants	1,202,276	-	(1,008,776)	(193,500)	-
Miscellaneous	27,103	-	-	-	27,103
	<u>4,104,893</u>	<u>1,975,367</u>	<u>(1,045,184)</u>	<u>8,411</u>	<u>5,043,487</u>
Total Revenue, Gains and Other Support					
EXPENSES					
Allocations	405,130	2,019,566	(1,045,184)	-	1,379,512
Program services	2,795,879	36,909	-	202,233	3,035,021
Supporting services	696,401	-	-	4,750	701,151
	<u>3,897,410</u>	<u>2,056,475</u>	<u>(1,045,184)</u>	<u>206,983</u>	<u>5,115,684</u>
Total Expenses					
EXPENSES IN EXCESS OF REVENUE	207,483	(81,108)	-	(198,572)	(72,197)
UNREALIZED LOSS ON INVESTMENTS	-	(7,562,352)	-	-	(7,562,352)
CHANGE IN NET ASSETS	<u>\$ 207,483</u>	<u>\$ (7,643,460)</u>	<u>\$ -</u>	<u>\$ (198,572)</u>	<u>\$ (7,634,549)</u>

See independent auditors' report.

JEWISH FEDERATION OF GREATER DAYTON, INC.

STATEMENT OF ACTIVITIES BY DIVISION - UNAUDITED

YEAR ENDED DECEMBER 31, 2021

	<u>Operations</u>	<u>Foundation</u>	<u>Elimination Entries</u>	<u>F/S Adjustments</u>	<u>Total</u>
REVENUE, GAINS AND OTHER SUPPORT					
Contributions	\$ 127,640	\$ 747,464	\$ -	\$ -	\$ 875,104
Contributions - annual campaign	1,276,171	-	(34,244)	(2,887)	1,239,040
Government fees and grants	128,495	-	-	-	128,495
United Way allocation	848	-	-	-	848
Membership dues	14,888	-	-	-	14,888
Program service fees	902,102	-	-	-	902,102
Management fee	238,195	-	-	-	238,195
Investment income	-	343,820	-	-	343,820
Realized gains on investments	-	2,861,350	-	-	2,861,350
Foundation grants	1,102,208	-	(1,102,208)	-	-
Miscellaneous	14,904	-	-	-	14,904
Paycheck Protection Program contribution	-	-	-	420,517	420,517
	<u>3,805,451</u>	<u>3,952,634</u>	<u>(1,136,452)</u>	<u>417,630</u>	<u>7,039,263</u>
Total Revenue, Gains and Other Support					
EXPENSES					
Allocations	438,192	2,273,978	(1,136,452)	-	1,575,718
Program services	2,707,800	47,468	-	184,190	2,939,458
Supporting services	702,063	-	-	-	702,063
	<u>3,848,055</u>	<u>2,321,446</u>	<u>(1,136,452)</u>	<u>184,190</u>	<u>5,217,239</u>
Total Expenses					
REVENUE IN EXCESS OF EXPENSES	(42,604)	1,631,188	-	233,440	1,822,024
UNREALIZED GAIN ON INVESTMENTS	-	2,538,141	-	-	2,538,141
CHANGE IN NET ASSETS BEFORE PENSION ADJUSTMENT	(42,604)	4,169,329	-	233,440	4,360,165
Defined benefit plan adjustment	58,143	-	-	-	58,143
CHANGE IN NET ASSETS	<u>\$ 15,539</u>	<u>\$ 4,169,329</u>	<u>\$ -</u>	<u>\$ 233,440</u>	<u>\$ 4,418,308</u>

See independent auditors' report.