

**JEWISH FEDERATION OF GREATER SEATTLE  
AND SUPPORTING FOUNDATION**

Consolidated Financial Statements

For the Year Ended June 30, 2023

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## **Independent Auditor's Report**

**To the Board of Directors  
Jewish Federation of Greater Seattle and Supporting Foundation  
Seattle, Washington**

### **Opinion**

We have audited the consolidated financial statements of the Jewish Federation of Greater Seattle and Supporting Foundation (collectively, the Federation), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Federation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit 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 Federation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Report on Summarized Comparative Information**

We have previously audited the Federation's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 18, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.



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## **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Federation's ability to continue as a going concern for one year after the date that the financial statements are 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 Federation'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 Federation'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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedule of financial position and consolidating schedule of activities on pages 25 to 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Clark Nuber PS*

Certified Public Accountants  
November 17, 2023

**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Consolidated Statement of Financial Position - Assets**  
**June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,772,976	\$ 3,081,593
<b>Receivables:</b>		
Pledges	899,942	926,036
Bequest	3,000	-
Other	<u>33,390</u>	<u>41,684</u>
Total receivables (Note 2)	936,332	967,720
Less provision for uncollectible amounts	<u>(79,862)</u>	<u>(91,861)</u>
<b>Total Receivables, net</b>	<b>856,470</b>	<b>875,859</b>
Prepaid expenses	81,832	84,974
Investments (Note 3)	77,612,993	73,159,372
Land held for sale (Note 6)	-	380,789
Beneficial interest in charitable lead annuity trust (Note 5)	4,065,255	4,334,509
Operating right-of-use asset (Note 11)	139,846	-
<b>Furniture, Equipment and Tenant Improvements:</b>		
Tenant improvements	88,892	167,144
Furniture and equipment	134,467	236,331
Donated artwork	<u>192,000</u>	<u>192,000</u>
	415,359	595,475
Less accumulated depreciation	<u>(143,188)</u>	<u>(378,348)</u>
<b>Total Furniture, Equipment and Tenant Improvements</b>	<b><u>272,171</u></b>	<b><u>217,127</u></b>
<b>Total Assets</b>	<b><u>\$ 85,801,543</u></b>	<b><u>\$ 82,134,223</u></b>

See accompanying notes.

**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Consolidated Statement of Financial Position - Liabilities and Net Assets**

**June 30, 2023**

**(With Comparative Totals for June 30, 2022)**

	<u>2023</u>	<u>2022</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 287,327	\$ 289,446
Grants payable (Note 4)	1,712,415	1,847,390
Liabilities under split-interest agreements (Note 5)	993,684	1,005,365
Funds held on behalf of community organizations (Note 7)	6,694,170	5,931,113
Operating lease liability (Note 11)	135,885	-
<b>Total Liabilities</b>	<b>9,823,481</b>	<b>9,073,314</b>
<b>Net Assets (Note 9):</b>		
Total without donor restrictions	54,955,282	52,978,060
With donor restrictions-		
Restricted for time/purpose	20,700,245	19,760,314
Restricted in perpetuity	322,535	322,535
Total with donor restrictions	21,022,780	20,082,849
<b>Total Net Assets</b>	<b>75,978,062</b>	<b>73,060,909</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 85,801,543</b>	<b>\$ 82,134,223</b>

See accompanying notes.

**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Consolidated Statement of Activities  
For the Year Ended June 30, 2023  
(With Comparative Totals for June 30, 2022)**

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
<b>Contributions and Revenue (Losses):</b>				
Contributions-				
Annual Campaign	\$ 1,431,213	\$ 1,066,858	\$ 2,498,071	\$ 2,479,057
In-kind contributions	18,653	-	18,653	3,917
Jewish Community Foundation of Greater Seattle	2,320,361	-	2,320,361	2,192,785
Net assets released from restrictions	1,602,523	(1,602,523)	-	-
<b>Total contributions</b>	<b>5,372,750</b>	<b>(535,665)</b>	<b>4,837,085</b>	<b>4,675,759</b>
Gains (losses) and other revenue (expense)-				
Investment income, net of fees of \$146,093 (2022 - \$174,489)	2,966,949	720,265	3,687,214	8,130,219
Net realized/unrealized gains (losses) on investments	1,865,230	682,374	2,547,604	(17,733,823)
Change in value of split-interest agreements, net of payments to beneficiaries	-	(69,966)	(69,966)	209,264
Special events	133,114	-	133,114	75,126
Transfers	(142,923)	142,923	-	-
Other income	40,590	-	40,590	42,880
<b>Total gains (losses) and other revenue (expense)</b>	<b>4,862,960</b>	<b>1,475,596</b>	<b>6,338,556</b>	<b>(9,276,334)</b>
<b>Total Contributions and Revenue (Losses)</b>	<b>10,235,710</b>	<b>939,931</b>	<b>11,175,641</b>	<b>(4,600,575)</b>
<b>Expenses:</b>				
Programs-				
Grants:				
Federation grants	1,341,970	-	1,341,970	1,637,613
Jewish Community Foundation of Greater Seattle grants	2,801,549	-	2,801,549	2,549,162
Supporting foundation grants	356,128	-	356,128	1,905,663
<b>Total grants</b>	<b>4,499,647</b>	<b>-</b>	<b>4,499,647</b>	<b>6,092,438</b>
Community programs	2,489,332	-	2,489,332	2,502,243
<b>Total programs</b>	<b>6,988,979</b>	<b>-</b>	<b>6,988,979</b>	<b>8,594,681</b>
Fundraising	794,379	-	794,379	666,755
Management and general	475,130	-	475,130	397,182
<b>Total Expenses</b>	<b>8,258,488</b>	<b>-</b>	<b>8,258,488</b>	<b>9,658,618</b>
<b>Change in Net Assets</b>	<b>1,977,222</b>	<b>939,931</b>	<b>2,917,153</b>	<b>(14,259,193)</b>
Net assets, beginning of year	52,978,060	20,082,849	73,060,909	87,320,102
<b>Total Net Assets, End of Year</b>	<b>\$ 54,955,282</b>	<b>\$ 21,022,780</b>	<b>\$ 75,978,062</b>	<b>\$ 73,060,909</b>

See accompanying notes.



**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Consolidated Statement of Functional Expenses  
For the Year Ended June 30, 2023  
(With Comparative Totals for June 30, 2022)**

	Programs	Fundraising	Management and General	2023	2022
Grants	\$4,499,647	\$ -	\$ -	\$ 4,499,647	\$ 6,092,438
Salaries and benefits	1,680,268	592,735	274,901	2,547,904	2,373,727
Events, meetings and conferences	138,418	73,424	23,656	235,498	176,230
Professional services	119,464	2,727	87,477	209,668	178,648
Occupancy	134,925	41,273	22,251	198,449	173,501
Endowment administrative fees	139,748	-	-	139,748	159,324
Dues and subscriptions	104,330	219	3,030	107,579	106,947
Computer and technology	61,908	19,077	11,027	92,012	87,514
Postage and printing	19,195	42,014	12,584	73,793	66,276
Miscellaneous	27,078	205	8,827	36,110	51,719
Office and telephone	14,052	5,001	8,692	27,745	32,283
Insurance	12,533	3,767	9,221	25,521	25,762
Professional development and travel	8,836	6,480	4,094	19,410	91,042
Depreciation	11,084	3,423	1,793	16,300	19,363
Taxes and licenses	7,670	1,353	1,455	10,478	15,383
In-kind	5,783	1,763	1,794	9,340	4,544
Advertising, PR and marketing	4,040	918	4,328	9,286	3,917
<b>Total Expenses</b>	<b><u>\$6,988,979</u></b>	<b><u>\$ 794,379</u></b>	<b><u>\$ 475,130</u></b>	<b><u>\$8,258,488</u></b>	<b><u>\$9,658,618</u></b>

See accompanying notes.

**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Consolidated Statement of Cash Flows  
For the Year Ended June 30, 2023  
(With Comparative Totals for June 30, 2022)**

	<u>2023</u>	<u>2022</u>
<b>Operating Activities:</b>		
Change in net assets	\$ 2,917,153	\$ (14,259,193)
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation	16,300	19,363
Net realized/unrealized (gain) loss on investments	(2,547,604)	17,733,823
Gain on sale of donated land, net	(1,634)	(22,508)
Change in value of beneficial interest in charitable lead annuity trust	(99,153)	(105,720)
Loss on disposal of fixed assets	978	2,981
Cash changes in operating assets and liabilities:		
Pledges receivable	14,095	16,357
Bequest receivable	(3,000)	167,085
Other receivables	8,294	16,737
Prepaid expenses	3,142	100,062
Operating right-of-use asset	27,525	-
Beneficial interest in charitable lead annuity trust	368,407	368,406
Accounts payable and accrued expenses	(2,119)	34,946
Grants payable	(134,975)	575,601
Operating lease liability	(31,486)	-
Liabilities under split interest agreements	(11,681)	(292,557)
Funds held on behalf of community organizations	763,057	(943,838)
<b>Net Cash Provided by Operating Activities</b>	<b>1,287,299</b>	<b>3,411,545</b>
<b>Investing Activities:</b>		
Proceeds from sales of investments	6,331,499	9,984,591
Purchase of investments	(8,237,516)	(15,325,308)
Purchase of equipment	(72,322)	(4,624)
Proceeds from sale of donated land (Note 6)	382,423	263,962
<b>Net Cash Used in Investing Activities</b>	<b>(1,595,916)</b>	<b>(5,081,379)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(308,617)</b>	<b>(1,669,834)</b>
Cash and cash equivalents, beginning of year	3,081,593	4,751,427
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,772,976</b>	<b>\$ 3,081,593</b>

See accompanying notes.

## JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for June 30, 2022)

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#### Note 1 - Summary of Significant Accounting Policies

**Mission** - The Jewish Federation of Greater Seattle (the Federation) leads a strong Jewish Puget Sound by providing community services, investing in and strengthening connections to Israel and World Jewry, and making investments in Jewish life, for today and the next generation.

**Core Programs** - The Federation carries out core programs and services that support local organizations and the community at large. The Federation invests in easy ways to connect to Jewish life, in leadership development, and supports the connection to the Jewish community in Israel and overseas:

Community Services - The Federation provides programs and services that support local organizations and the community at large. One way the Federation does this is through advocacy and coalition-building. Advocating for more effective policy, the Jewish Community Relations Council (JCRC) team educates legislators about top priorities and supports the needs and work of our local Jewish agencies. The JCRC of the Federation brings together and mobilizes our local Jewish community on critical issues - amplifying our collective voice. Made up of institutional members and individual leaders, the JCRC fosters meaningful relationships among diverse ethnic, racial, religious, and interest groups; builds coalitions based on mutual areas of concern such as antisemitism, racism, and civil rights; and educates and advocates to advance Jewish priorities in the public arena.

The Federation serves as the hub of SAFE Washington (a Mark Bloome z"l initiative), a program that leverages its strong relationships with law enforcement agencies to alert the participating organizations to threats and offer preparedness resources and training, free of charge.

The Jewish Community Foundation of Greater Seattle (the Foundation), a program of the Federation, is Seattle's Jewish community foundation. As a partner to philanthropists and Jewish communal organizations, the Foundation offers several different types of funds, including donor-advised, special purpose, agency custodial, and scholarship funds. The Foundation currently administers separate funds for the community and the Federation. These funds are a vital source of support for Jewish and secular organizations alike, distributing grants and allocations in the Puget Sound region, the U.S., and overseas. Another Federation initiative, LIFE & LEGACY<sup>®</sup>, is a partnership with the Harold Grinspoon Foundation through which the Federation supports Jewish organizations as they implement their legacy sustainability plans and more fully integrate after-lifetime giving into their philanthropic cultures.

The Federation also provides targeted grants to local organizations and synagogues through its Special Initiatives Fund program. Grants include 1) Ignition Grants for new, one time, or pilot projects; 2) Small Agency Sustainability Grants, providing operational support for small Jewish agencies; and 3) Women's Endowment Fund Grants, supporting programs empowering and improving the lives of women and girls in our region.

Israel and Overseas - The Federation funds projects overseas that provide food for the hungry, health care for the sick, and support for Israeli immigrants in crisis. Through funding of The Jewish Agency for Israel (JAFI), the American Jewish Joint Distribution Committee (JDC), Leket Israel, The Ethiopian National Project (ENP), and SELAH, the Federation supports the global Jewish community. The Federation helps area community members make meaningful connections to Israel through its Teen Israel scholarships, the Honeymoon Israel<sup>™</sup> Seattle program, and lectures on Israel and American Jewry in the Puget Sound region.

## JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for June 30, 2022)

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#### Note 1 - Continued

Investments in Jewish Life - The Federation offers programming to individuals and families, providing easy entry points to Jewish life, as well as leadership development. The Federation does this through programs that provide opportunities where community members can make person-to-person connections within their local communities. These program investments include:

- PJ Library® and PJ Our Way™ programs, provided in partnership with the Harold Grinspoon Foundation, provide young families books and in-person programming free of charge to foster Jewish involvement and connection.
- Reset and Refresh, a Federation-developed program, offers young couples in mixed-heritage relationships the opportunity to learn about the practice of Shabbat and socialize with their peers.
- Grant and administer need-based Jewish Overnight Summer Camp scholarships and One Happy Camper incentive grants to aid families in sending their children to camp.
- Provide the Jewish Puget Sound community with leadership development opportunities through JFNA's National Young Leadership Cabinet (NYLC), the Wexner Heritage Program, the Seattle NowGen Giving Circle, and the Courageous Leadership Initiative (CLI). CLI draws participants from across Jewish Puget Sound to build and deepen relationships, learn what a new-age leadership can look like to support the growing, changing Jewish Puget Sound, and to build connections with each other. The Federation provides CLI in partnership with the Shalom Hartman Institute of North America.

**General** - Annual campaigns are conducted to raise funds in one year to use in the subsequent year in order to carry out the core programs of community services, strengthening connections to Israel and World Jewry, and making investments in Jewish life, for today and future generations.

**Principles of Consolidation** - The consolidated financial statements also include the Federation's supporting foundation, the Samuel Israel Foundation. All inter-entity transactions and balances have been eliminated.

**Basis of Presentation** - The Federation has presented its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Federation has presented an unclassified statement of financial position which sequences assets according to their nearness of conversion to cash and sequences liabilities according to the nearness of their maturity and resulting use of cash.

**Revenue Recognition** - Unconditional pledges and contributions are recognized as revenue in the campaign year in which the donor makes the pledge. Conditional promises to give are not recognized as revenues until the conditions on which they depend have been met. There were no conditional contributions at June 30, 2023 or 2022. Allowances are provided for amounts estimated to be uncollectible. Donations of equity securities are recognized at the date of contribution and are measured at their estimated fair value. Equity securities donated to the Federation are sold as soon as it is practical. All contributions are considered to be without donor restriction unless specifically restricted by the donor. Pledges and contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. However, if a restriction is fulfilled - that is, when a stipulated time restriction ends or the purpose restriction is accomplished in the same time period in which the contribution is received, the Federation reports the support as without donor restrictions. Otherwise, when a donor restriction expires, net assets with donor restrictions for time or purpose are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

## JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for June 30, 2022)

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#### Note 1 - Continued

**Net Assets Without Donor Restrictions Designated by the Board of Directors** - The Board of Directors has designated certain net assets to be used for the purposes described in Note 9.

**Restricted Net Assets** - The Federation reports unconditional promises to give cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

Net assets restricted in perpetuity consist of endowment restricted funds where the donor has established a fund which restricts the corpus in perpetuity. The income from these funds is restricted by the donors for educational and community purposes.

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 also reported as donor restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Federation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**Tax Status** - The Internal Revenue Service (IRS) has determined that the Federation and its supporting foundation are nonprofit organizations exempt from federal taxes on income as entities described in Internal Revenue Code Section 501(c)(3). Accordingly, the Federation is subject to income taxes only on income determined to be unrelated business taxable income. There were \$1,383 and \$0 of federal or state income taxes paid or payable related to the Foundation investments at June 30, 2023 and 2022, respectively.

**Cash and Cash Equivalents** - Cash and cash equivalents consist of cash in banks and highly liquid short-term investments in banks with original maturities of three months or less.

**Investments** - Investments in debt and equity securities are valued by the custodians at fair value based on published quotations for publicly traded securities or lower of cost or fair value for nonpublicly traded securities and other assets. Realized and unrealized gains and losses on investments are reported in the consolidated statement of activities.

**Funds Held on Behalf of Community Organizations** - U.S. GAAP requires that if a not-for-profit organization establishes a designated fund at a federated fundraising organization with its own funds and specifies itself or its affiliate as the beneficiary of that designated fund, the federated fundraising organization must account for the transfer of such assets as if it is holding the funds as an agent of the organization.

Accordingly, the transfer is included in the Federation's assets with an offsetting liability. The liability shown on the consolidated statement of financial position has been established at the fair value of the funds. Activities related to these funds do not affect the change in net assets on the consolidated statement of activities.

**In-Kind Contributions** - The Federation received licensing, advertising, office furniture, and software, which are used in operations. For the years ended June 30, 2023 and 2022, in-kind contributions were \$18,653 and \$3,917, respectively.

**Concentration of Credit Risk** - Management anticipates no material effect to the Federation's financial position as a result of cash, mutual funds and investments held in banks in excess of the available federally insured amounts. Contributions are primarily received from donors in the Greater Seattle area.

## JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for June 30, 2022)

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#### Note 1 - Continued

**Capitalization and Depreciation** - Purchased fixed assets are recorded at cost and donated fixed assets are recorded at fair value on the date received. The Federation capitalizes fixed assets greater than \$1,000. Depreciation is recorded on a straight-line basis over the estimated useful lives of the related assets (office furniture and equipment 3 - 5 years) using a half-year convention for additions. Tenant improvements are depreciated over the shorter of the useful life or lease term. Donated art is nondepreciable.

**Leases** - Effective July 1, 2022, the Federation adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases (Topic 842)* (ASC Topic 842) using the modified retrospective approach with comparative accounting periods continuing to be presented under previous lease guidance (ASC Topic 840). The Federation has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Federation accounted for its existing leases under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the leases would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. Additionally, the Federation did not elect the practical expedient to use hindsight in determining the lease term (that is, when considering lessee options to extend or terminate the lease and to purchase the underlying asset) and in assessing impairment of the entity's right-of-use (ROU) assets. As the Federation was only bound by a short term lease at the time of adoption, the Federation did not recognize lease liability nor right-of-use asset at July 1, 2022.

The Federation determines if an arrangement contains a lease at inception. Operating leases are included in ROU assets and lease liabilities in the consolidated statement of financial position. ROU assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent the Federation's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Federation's leases do not provide an implicit rate of return; thus, the Federation uses the risk-free discount rate, determined using a period comparable with that of the lease term from the later of the lease commencement date or implementation date. The ROU asset also includes prepaid lease payments and unamortized initial direct costs, and excludes lease incentives. The Federation has lease agreements with lease and non-lease components which are accounted for as a single lease component. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Federation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. A ROU asset and operating lease liability is not recognized for leases with an initial term of 12 months or less or when total lease payments are less than \$30,000.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Salaries and professional fees are allocated based on the type of service that the individual performed, and directly identifiable costs are allocated based on the program. The remaining expenses such as depreciation and occupancy are allocated based on the number of employees in each department.

## JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for June 30, 2022)

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#### Note 1 - Continued

**Prior Year Comparative Information** - The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Federation's consolidated financial statements for the year ended June 30, 2022, from which the summarized information was derived.

**Subsequent Events** - The Federation has evaluated subsequent events through November 17, 2023, the date on which the consolidated financial statements were available to be issued.

#### Note 2 - Receivables

**Pledges, Bequest, and Other Receivables** - Pledges, bequest, and other receivables are as follows at June 30:

	<u>2023</u>	<u>2022</u>
Receivables to be collected within one year	\$ 846,797	\$ 873,512
Receivables to be collected in two to five years	30,000	30,000
Thereafter	<u>82,500</u>	<u>90,000</u>
	959,297	993,512
Less allowance for doubtful accounts	(79,862)	(91,861)
Less present value discount	<u>(22,965)</u>	<u>(25,792)</u>
<b>Total Receivables, net</b>	<b><u>\$ 856,470</u></b>	<b><u>\$ 875,859</u></b>

The present value discount rate is 3.00% for receivables to be collected in more than one year. The present value discount rate is established annually and does not change for prior receivables.

**Provision for Uncollectible Amounts** - Management provides for probable uncollectible pledges through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable.

**Other Receivables** - This balance includes various other miscellaneous receivables.

#### Note 3 - Investments and Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. To increase consistency and comparability in fair value measurements, U.S. GAAP uses a fair value hierarchy that prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

## JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for June 30, 2022)

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#### Note 3 - Continued

**Valuation Techniques** - Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities valued using Level 3 inputs are based primarily on unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Following is a description of the valuation methodologies used for assets measured at fair value:

Marketable Equity Securities - Valued at the closing price reported on the active market on which the securities are traded.

Mutual Funds - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Federation at year end.

Although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There have been no changes in methodologies used at June 30, 2023 and 2022.

Total investments at June 30:

	<u>2023</u>	<u>2022</u>
Investments at fair value	\$ 70,540,015	\$ 68,037,430
Investment in partnership valued using equity method	137,447	137,643
Other investments valued using lower of cost or fair value	2,178	2,178
Cash, cash equivalents and CDs (nonoperating)	<u>6,933,353</u>	<u>4,982,121</u>
<b>Total Investments</b>	<b><u>\$ 77,612,993</u></b>	<b><u>\$ 73,159,372</u></b>



**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Notes to Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(With Comparative Totals for June 30, 2022)**

**Note 3 - Continued**

**Fair Values Measured on a Recurring Basis** - Fair values of investments measured on a recurring basis are as follows:

	Fair Value Measurements at June 30, 2023			
	Level 1	Level 2	Level 3	Total
Equity securities-				
Domestic	\$ 1,281,554	\$ -	\$ -	\$ 1,281,554
International	943,300	-	-	943,300
Total equity securities	2,224,854	-	-	2,224,854
Mutual funds-				
Equity	25,454,681	-	-	25,454,681
Fixed income	21,009,443	-	-	21,009,443
International bond	3,089,364	-	-	3,089,364
International equity	18,761,673	-	-	18,761,673
Total mutual funds	68,315,161	-	-	68,315,161
<b>Total Investments at Fair Value</b>	<b>\$ 70,540,015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,540,015</b>
	Fair Value Measurements at June 30, 2022			
	Level 1	Level 2	Level 3	Total
Equity securities-				
Domestic	\$ 812,488	\$ -	\$ -	\$ 812,488
International	616,466	-	-	616,466
Total equity securities	1,428,954	-	-	1,428,954
Mutual funds-				
Equity	25,032,187	-	-	25,032,187
Fixed income	23,109,980	-	-	23,109,980
International bond	2,557,803	-	-	2,557,803
International equity	15,908,506	-	-	15,908,506
Total mutual funds	66,608,476	-	-	66,608,476
<b>Total Investments at Fair Value</b>	<b>\$ 68,037,430</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 68,037,430</b>

## JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for June 30, 2022)

#### Note 4 - Grants Payable

Grants payable consists of the following grants as authorized by the Board of Directors at June 30:

	<u>2023</u>	<u>2022</u>
Jewish Federation-		
Jewish Federations of North America	\$ 151,135	\$ 153,370
Local organizations	388,344	497,469
Israel and Overseas	<u>630,000</u>	<u>661,234</u>
	1,169,479	1,312,073
Supporting Foundations-		
Local organizations	-	6,309
Israel and Overseas	<u>542,936</u>	<u>529,008</u>
	<u>542,936</u>	<u>535,317</u>
<b>Total Grants Payable</b>	<b><u><u>\$ 1,712,415</u></u></b>	<b><u><u>\$ 1,847,390</u></u></b>

Grants payable are to be paid as follows at June 30, 2023:

Grants payable within one year	\$ 1,649,365
Grants payable in two to five years	<u>65,000</u>
	1,714,365
Less present value discounted at 0.46%	<u>(1,950)</u>
	<b><u><u>\$ 1,712,415</u></u></b>

There were no conditional grants outstanding at June 30, 2023 and 2022.

#### Note 5 - Split-Interest Agreements

**Beneficial Interest in Charitable Lead Annuity Trust** - The Federation has an interest in a testamentary charitable lead annuity trust. The Federation's beneficial interest in this charitable lead annuity trust is recorded at the net present value (discounted at 2.5%) of the future distributions, \$4,065,255 and \$4,334,509 at June 30, 2023 and 2022, respectively, and is included on the consolidated statement of financial position and is included as a component of net assets with donor restrictions.

**Charitable Remainder Trusts** - The Federation is the beneficiary of two charitable remainder trusts administered by the Federation and held at a financial institution. The trusts provide for periodic distributions to designated beneficiaries. The trusts' fair value at June 30, 2023 and 2022, was \$1,612,433 and \$1,552,659, respectively, with an estimated annuity liability of \$965,087 and \$975,247, respectively. The Federation's interest in the trusts is recorded at net present value using the applicable federal discount rate at the date of the gift and shown on the consolidated statement of financial position as an investment, a liability and net assets with donor restrictions. The Federation's interest in gains or losses in the trusts' value is recognized in the consolidated statement of activities as donor restricted activities.

## JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for June 30, 2022)

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#### Note 5 - Continued

**Charitable Gift Annuities** - The Federation has entered into several Charitable Gift Annuities (CGAs) whereby the donor contributes assets in exchange for distributions for a specified period of time to the donor or other beneficiaries. Assets received are recorded at fair value on the date the gift is funded and a liability equal to the present value of the future distributions is recorded. The difference between the fair value of the assets received and the liability to the donor or other beneficiaries is recognized as contribution revenue. Upon the death of the last/only annuitant, the remaining assets, if any, are disbursed according to the contract governing the CGA. Assets and liabilities under charitable gift annuities are general assets and liabilities of the Federation. CGA assets at June 30, 2023 and 2022 are \$65,530 and \$64,883, respectively, with estimated liabilities of \$28,597 and \$30,118, respectively.

#### Note 6 - Land Held for Sale

During the year ended June 30, 2023, the Samuel Israel Foundation sold three parcels of land held for sale. There was no remaining land held for sale as of June 30, 2023.

#### Note 7 - Funds Held on Behalf of Community Organizations

Funds held on behalf of Jewish Puget Sound community organizations consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Hillel Foundation for Jewish Life at the U.W.	\$ 3,045,874	\$ 2,693,744
Jewish Day School	1,588,717	1,452,317
Congregation Beth Shalom	1,318,643	1,140,109
Congregation Ezra Bessaroth	259,590	235,465
Washington State Jewish Historical Society	184,723	137,646
Temple Beth Or	182,792	167,281
Congregation Kol Ami	75,377	68,964
Herzl-Ner Tamid	31,540	28,882
Other	6,914	6,705
	<u>\$ 6,694,170</u>	<u>\$ 5,931,113</u>

#### Note 8 - Retirement Plan

The Federation's employees become eligible to participate in the 401(k) profit sharing plan (the Plan) when they have completed one year of service and have attained the age of 21 years. Participants may contribute compensation up to the maximum amount allowed by law and are immediately vested in these contributions. The Federation may make discretionary contributions to the Plan of up to 5% of the participant's annual salary up to the wage base and 10% above the amount of the taxable wage base. Participants vest in the employer contributions over five years. Both employee and employer contributions are subject to applicable IRS limits. For the years ended June 30, 2023 and 2022, employer contributions to the Plan were \$90,449 and \$86,378, respectively.

In addition, the Federation's employees become eligible to participate in the 403(b) retirement plan upon hire. Employee contributions are made in accordance with the provisions of the 403(b) plan.

**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Notes to Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(With Comparative Totals for June 30, 2022)**

**Note 9 - Net Assets**

Net assets without donor restrictions consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Undesignated-		
Federation	\$ 3,359,669	\$ 3,096,166
Investment in fixed assets, Federation	<u>272,171</u>	<u>217,126</u>
Total undesignated Jewish Federation fund net assets	3,631,840	3,313,292
Supporting Foundations - undesignated <sup>(a)</sup>	56,276	403,678
Designated by Board of Directors-		
Designation for subsequent years:		
Internal operations	1,828,400	2,002,949
Community programs	801,841	794,478
Other Federation board designations for operations	<u>459,739</u>	<u>481,160</u>
Total designated for subsequent years	3,089,980	3,278,587
C.A.B. Federation Endowment Fund <sup>(b)</sup>	9,073,885	8,685,206
Emergency Capital and Contingency funds <sup>(c)</sup>	550,122	526,634
Federation Endowment Fund <sup>(d)</sup>	6,272,713	5,971,076
PACE/LOJE funds <sup>(e)</sup>	2,245,468	1,845,522
Special Initiatives Fund <sup>(f)</sup>	2,126,968	1,989,344
Other Board Designated Funds	<u>851,692</u>	<u>812,458</u>
Total designated by Board of Directors net assets	24,210,828	23,108,827
Donor advised funds <sup>(g)</sup>	14,880,204	14,536,102
Memorial funds	<u>12,176,134</u>	<u>11,616,161</u>
<b>Total Net Assets Without Donor Restrictions</b>	<b><u>\$ 54,955,282</u></b>	<b><u>\$ 52,978,060</u></b>

- (a) Supporting Foundation allow donors to maintain personal involvement in grant making decisions as a member of a Supporting Foundation's board of directors. A Supporting Foundation is a separate charitable organization, which, by affiliation with the Federation, obtains its tax status as a public charity.
- (b) C.A.B. Federation Endowment Fund has been designated for occupancy and other operational costs of the Federation.
- (c) Emergency Capital and Contingency funds assist Puget Sound region Jewish community institutions, organizations, and synagogues with emergency capital repairs or replacements, including physical plant equipment and security improvements. These funds also provide funding for Federation operational costs based on the current spending policy.
- (d) Federation Endowment Fund is designated for funding operational costs for the Federation based on the current spending policy and is considered a quasi-endowment (Note 10).
- (e) Perpetual Annual Campaign Endowment Funds (PACE) and Lion of Judah Endowment Funds (LOJE) allow donors to endow their annual gift to the Federation in perpetuity and are considered quasi-endowments (Note 10).

## JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION

### Notes to Consolidated Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for June 30, 2022)

#### Note 9 - Continued

- (f) Special Initiatives Fund provides funding for Ignition and Small Agency Sustainability grants based on Federation spending policy and annual donations.
- (g) Donor advised funds are irrevocable gifts made for the exclusive purpose of charitable giving without donor restrictions. During their lifetime, donors may recommend grants to charitable organizations in accordance with the Federation's policies and procedures for operation of donor advised funds. Donors may choose to have the fund continue beyond their lifetime by naming successor advisors. Donors may also choose to have the fund convert to a memorial or PACE/LOJE fund, making gifts in their honor in perpetuity. Donors can also provide a list of grants that will be made upon their death.

Net assets with donor restrictions consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Restricted for time/purpose-		
Federation donor funds restricted for a particular purpose	\$ 256,047	\$ 316,581
Federation donor funds restricted for time	201,520	219,425
Endowment donor funds restricted for a particular purpose	15,500,057	14,284,328
Charitable lead annuity trust		
restricted due to timing of receipt	4,065,255	4,334,509
Charitable gift annuities		
and charitable remainder trusts	<u>677,366</u>	<u>605,471</u>
Total net assets with donor restrictions for time/purpose	20,700,245	19,760,314
Restricted in perpetuity-		
Endowment funds restricted by donors <sup>(h)</sup>	<u>322,535</u>	<u>322,535</u>
<b>Total Net Assets With Donor Restrictions</b>	<b><u>\$ 21,022,780</u></b>	<b><u>\$ 20,082,849</u></b>

- (h) Net assets restricted in perpetuity consist of endowment restricted funds where the donor has established a fund which restricts the corpus in perpetuity. The income from these funds is restricted by the donors for educational and community purposes.

#### Note 10 - Federation Endowments

The Federation's endowments consist of donor-restricted funds established for a variety of purposes and two board designated quasi-endowments as described in Note 9. As required by U.S. GAAP, net assets associated with endowments restricted in perpetuity are classified and reported based on the existence or absence of donor-imposed restrictions.

The Federation has interpreted the Washington State Prudent Management of Institutional Funds Act (PMIFA) 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 Federation classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Notes to Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(With Comparative Totals for June 30, 2022)**

**Note 10 - Continued**

The remaining portion of the donor-restricted endowment fund that is not restricted in perpetuity is restricted for time or purpose until those amounts are appropriated for expenditure by the Federation in a manner consistent with the standard of prudence prescribed by PMIFA. In accordance with PMIFA, the Federation 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 Federation 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 Federation; and
- The investment policies of the Federation.

Changes to Federation endowment net assets are as follows for the year ended June 30:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Corpus	
Endowment Net Assets, June 30, 2021	\$ 9,439,657	\$ 158,653	\$ 322,535	\$ 9,920,845
Endowment investment return-				
Interest and dividends, net of fees	1,143,168	42,361	-	1,185,529
Realized and unrealized (losses) gains	(2,458,179)	(90,160)	-	(2,548,339)
Total endowment investment return	(1,315,011)	(47,799)	-	(1,362,810)
Board designations	82,271	-	-	82,271
Appropriation of endowment for expenditure	(390,319)	(28,005)	-	(418,324)
<b>Endowment Net Assets, June 30, 2022</b>	<b>7,816,598</b>	<b>82,849</b>	<b>322,535</b>	<b>8,221,982</b>
Endowment investment return-				
Interest and dividends, net of fees	461,236	21,258	-	482,494
Realized and unrealized gains (losses)	424,936	(4,300)	-	420,636
Total endowment investment return	886,172	16,958	-	903,130
Board designations	231,192	-	-	231,192
Appropriation of endowment for expenditure	(415,781)	(18,936)	-	(434,717)
<b>Endowment Net Assets, June 30, 2023</b>	<b>\$ 8,518,181</b>	<b>\$ 80,871</b>	<b>\$ 322,535</b>	<b>\$ 8,921,587</b>

Funds without donor restrictions include board designated Federation Endowment fund, PACE, and LOJE funds.

**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Notes to Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(With Comparative Totals for June 30, 2022)**

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**Note 10 - Continued**

**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 PMIFA requires the Federation to retain as a fund of perpetual duration. At June 30, 2023 and 2022, there were no deficiencies.

**Return Objectives and Risk Parameters** - The return objectives of the endowments (the Fund) reflect the trade-off between the risk and expected return considered the most appropriate for the total Fund as differentiated from the individual objectives of any one fund. The overall portfolio objective is sufficient growth of capital to maintain or improve the purchasing power of the Fund over time while allowing distributions to fund gifting programs in accordance with the desires of contributors to the Fund. In addition to preserving and enhancing the value of the Fund, the Fund is administered and managed in such a manner as to be responsible to the needs of the donors and of the Jewish community and to maintain the highest standards of professionalism and responsibility.

**Strategies Employed for Achieving Objectives** - To satisfy its long-term rate-of-return objectives, the Federation 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 Federation utilizes a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy** - Each endowment fund has its own spending policy built into the contract that established the fund. Some of these funds spend a flat rate each year while others spend no more than their net income for the year. The Federation’s spending policy was 4.5% of the sixteen quarter rolling average investment balance in fiscal years 2023 and 2022. For funds that have been in existence for fewer than sixteen quarters, the percentage is applied to all quarters that the fund has been in existence. In choosing this percentage, the Federation considered the long-term expected return on its endowment. This is consistent with the Federation’s objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

**Note 11 - Commitments**

**Operating Lease** - The Federation leases office space under long-term, noncancelable lease agreements which expires December 12, 2025. The lease includes renewal options for 2 years that are excluded from the lease liability as it is not reasonably certain the options will be exercised. Additionally, the lease includes payments for operating services, utilities, taxes and insurance that are considered variable lease payments and are excluded from determining the lease liability. Total expense for the year ended June 30, 2023 is as follows:

Operating lease cost	\$ 30,325
Short-term and other lease costs	<u>93,982</u>
<b>Total Leasing Expense</b>	<b><u>\$ 124,307</u></b>

**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Notes to Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(With Comparative Totals for June 30, 2022)**

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**Note 11 - Continued**

Supplemental cash flow information related to the office lease as of June 30, 2023 is as follows:

Cash paid for amounts included in the measurement of lease liabilities-	
Operating cash flows from operating lease	\$ 34,423
Right-of-use asset obtained in exchange for new operating lease liability	\$ 167,234
Remaining lease term - operating lease	2.5 years
Discount rate - operating lease	3.96%

Future minimum payments required under the office lease, are as follows:

For the Year Ending June 30,	
2023	\$ 59,010
2024	59,010
2025	<u>24,587</u>
Total undiscounted cash flows	142,607
Less present value discount	<u>(6,722)</u>
<b>Total Operating Lease Liability</b>	<b><u>\$ 135,885</u></b>



**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Notes to Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(With Comparative Totals for June 30, 2022)**

**Note 12 - Liquidity and Availability of Financial Assets**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following at June 30:

	<u>2023</u>	<u>2022</u>
Financial assets at year end*-		
Cash and cash equivalents	\$ 2,772,976	\$ 3,081,593
Receivables	856,470	875,859
Beneficial interest in charitable lead annuity trust	4,065,255	4,334,509
Investments	<u>77,612,993</u>	<u>73,159,372</u>
Total financial assets	85,307,694	81,451,333
Less financial assets not available for general expenditure within one year, due to-		
Donor-imposed restrictions:		
Funds with donor restrictions	(15,957,624)	(14,820,334)
Beneficial interest in charitable lead annuity trust restricted for time	(4,065,255)	(4,334,509)
CGA and CRT funds	(677,366)	(605,471)
Endowments with donor restrictions	(322,535)	(322,535)
Contractual restrictions:		
Donor advised funds	(14,880,204)	(14,536,102)
Memorial funds	(12,176,134)	(11,616,161)
Funds held on behalf of community organizations	(6,694,170)	(5,931,113)
Liabilities under split-interest agreements	(993,684)	(1,005,365)
Supporting foundation investment funds	(599,212)	(558,206)
Board designations:		
Board designated funds for future periods	(20,269,156)	(19,017,782)
Board designated donor funds for future periods	<u>(851,692)</u>	<u>(812,458)</u>
<b>Total Financial Assets Available for General Expenditure Within One Year</b>	<b><u>\$ 7,820,662</u></b>	<b><u>\$ 7,891,297</u></b>

\*Financial assets do not include prepaid expenses, land held for sale, operating right-of-use asset, furniture, equipment and tenant improvements.

## **JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

### **Notes to Consolidated Financial Statements For the Year Ended June 30, 2023 (With Comparative Totals for June 30, 2022)**

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#### **Note 12 - Continued**

The Federation excludes financial assets related to its donor advised funds, memorial, and supporting foundation funds because the Federation strives to honor donor recommendations despite its variance power and therefore does not consider these assets to be available for general expenditure. Income from the investment balances from donor restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditures. The Federation's endowment funds consist of donor restricted endowments and board designated endowments. As described in Note 10, the Federation's annual spending policy is 4.5% of the sixteen-quarter rolling average investment balance and the amount available within the next 12 months will be approximately \$733,150 from board designated endowment funds. As part of the Federation'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, the Federation invests cash in excess of current requirements in short-term investments. Although the Federation does not intend to spend from its board designated endowment funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board designated endowment funds could be made available if necessary to manage unanticipated liquidity needs.

#### **Note 13 - Related Parties**

From time to time, the Federation receives contributions from its board members or their related organizations. Contributions from the Federation's board members totaled approximately \$262,000 and \$268,000 during the years ended June 30, 2023 and 2022, respectively. At June 30, 2023 and 2022, there was approximately \$105,000 and \$113,000, respectively, due from board members for pledges outstanding.

**SUPPLEMENTARY INFORMATION**

**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Consolidating Schedule of Financial Position - Assets**

**June 30, 2023**

**(With Comparative Totals for 2022)**

	Jewish Federation Funds	Supporting Foundations	2023 Total	2022 Total
<b>Assets</b>				
Cash and cash equivalents	\$ 2,772,976	\$ -	\$ 2,772,976	\$ 3,081,593
<b>Receivables:</b>				
Pledges	899,942	-	899,942	926,036
Bequest	3,000	-	3,000	-
Other	33,390	-	33,390	41,684
Total receivables	936,332	-	936,332	967,720
Less provision for uncollectible amounts	(79,862)	-	(79,862)	(91,861)
<b>Total Receivables, net</b>	<b>856,470</b>	<b>-</b>	<b>856,470</b>	<b>875,859</b>
Prepaid expenses	81,832	-	81,832	84,974
Investments	77,013,781	599,212	77,612,993	73,159,372
Land held for sale	-	-	-	380,789
Beneficial interest in charitable lead annuity trust	4,065,255	-	4,065,255	4,334,509
Operating right-of-use asset	139,846	-	139,846	-
<b>Furniture, Equipment and Tenant Improvements:</b>				
Tenant improvements	88,892	-	88,892	167,144
Furniture and equipment	134,467	-	134,467	236,331
Donated artwork	192,000	-	192,000	192,000
	415,359	-	415,359	595,475
Less accumulated depreciation	(143,188)	-	(143,188)	(378,348)
<b>Total Furniture, Equipment and Tenant Improvements</b>	<b>272,171</b>	<b>-</b>	<b>272,171</b>	<b>217,127</b>
<b>Total Assets</b>	<b>\$85,202,331</b>	<b>\$ 599,212</b>	<b>\$85,801,543</b>	<b>\$ 82,134,223</b>

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**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Consolidating Schedule of Financial Position - Liabilities and Net Assets**

**June 30, 2023**

**(With Comparative Totals for 2022)**

	Jewish Federation Funds	Supporting Foundations	2023 Total	2022 Total
<b>Liabilities and Net Assets</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 287,327	\$ -	\$ 287,327	\$ 289,446
Grants payable	1,169,479	542,936	1,712,415	1,847,390
Liabilities under split-interest agreements	993,684	-	993,684	1,005,365
Funds held on behalf of community organizations	6,694,170	-	6,694,170	5,931,113
Operating lease liability	135,885	-	135,885	-
<b>Total Liabilities</b>	<b>9,280,545</b>	<b>542,936</b>	<b>9,823,481</b>	<b>9,073,314</b>
<b>Net Assets:</b>				
Total without donor restrictions	54,899,006	56,276	54,955,282	52,978,060
With donor restrictions-				
Restricted for time/purpose	20,700,245	-	20,700,245	19,760,314
Restricted in perpetuity	322,535	-	322,535	322,535
Total with donor restrictions	21,022,780	-	21,022,780	20,082,849
<b>Total Net Assets</b>	<b>75,921,786</b>	<b>56,276</b>	<b>75,978,062</b>	<b>73,060,909</b>
<b>Total Liabilities and Net Assets</b>	<b>\$85,202,331</b>	<b>\$ 599,212</b>	<b>\$85,801,543</b>	<b>\$82,134,223</b>

See independent auditor's report.

**JEWISH FEDERATION OF GREATER SEATTLE AND SUPPORTING FOUNDATION**

**Consolidating Schedule of Activities  
For the Year Ended June 30, 2023  
(With Comparative Totals for 2022)**

	Jewish Federation Funds	Inter-fund Eliminations	Supporting Foundations	Consolidating Entries	2023 Total	2022 Total
<b>Contributions and Revenue (Losses):</b>						
Contributions-						
Annual Campaign	\$ 4,219,232	\$ (1,720,910)	\$ -	\$ (251)	\$ 2,498,071	\$ 2,479,057
In-kind contributions	18,653	-	-	-	18,653	3,917
Jewish Community Foundation of Greater Seattle	<u>2,339,921</u>	<u>(19,560)</u>	<u>-</u>	<u>-</u>	<u>2,320,361</u>	<u>2,192,785</u>
Total contributions	6,577,806	(1,740,470)	-	(251)	4,837,085	4,675,759
Gains (losses) and other revenue (expense)-						
Investment income, net of fees of \$146,093 (2022 - \$174,489)	3,669,030	-	18,184	-	3,687,214	8,130,219
Net realized/unrealized gains (losses) on investments	2,545,970	-	1,634	-	2,547,604	(17,733,823)
Change in value of split-interest agreements, net of payments to beneficiaries	(69,966)	-	-	-	(69,966)	209,264
Special events	161,214	(28,100)	-	-	133,114	75,126
Other income	<u>527,525</u>	<u>(481,117)</u>	<u>82</u>	<u>(5,900)</u>	<u>40,590</u>	<u>42,880</u>
Total gains (losses) and other revenue (expense)	6,833,773	(509,217)	19,900	(5,900)	6,338,556	(9,276,334)
<b>Total Contributions and Revenue (Losses)</b>	<b>13,411,579</b>	<b>(2,249,687)</b>	<b>19,900</b>	<b>(6,151)</b>	<b>11,175,641</b>	<b>(4,600,575)</b>
<b>Expenses:</b>						
Programs-						
Grants:						
Federation grants	1,341,970	-	-	-	1,341,970	1,637,613
Jewish Community Foundation of Greater Seattle grants	4,570,119	(1,768,570)	-	-	2,801,549	2,549,162
Supporting foundation grants	<u>-</u>	<u>-</u>	<u>356,379</u>	<u>(251)</u>	<u>356,128</u>	<u>1,905,663</u>
Total grants	5,912,089	(1,768,570)	356,379	(251)	4,499,647	6,092,438
Community programs	<u>2,970,449</u>	<u>(481,117)</u>	<u>-</u>	<u>-</u>	<u>2,489,332</u>	<u>2,502,243</u>
Total programs	8,882,538	(2,249,687)	356,379	(251)	6,988,979	8,594,681
Fundraising	794,379	-	-	-	794,379	666,755
Management and general	<u>470,107</u>	<u>-</u>	<u>10,923</u>	<u>(5,900)</u>	<u>475,130</u>	<u>397,182</u>
<b>Total Expenses</b>	<b>10,147,024</b>	<b>(2,249,687)</b>	<b>367,302</b>	<b>(6,151)</b>	<b>8,258,488</b>	<b>9,658,618</b>
<b>Change in Net Assets</b>	<b>3,264,555</b>	<b>-</b>	<b>(347,402)</b>	<b>-</b>	<b>2,917,153</b>	<b>(14,259,193)</b>
Net assets, beginning of year	<u>72,657,231</u>	<u>-</u>	<u>403,678</u>	<u>-</u>	<u>73,060,909</u>	<u>87,320,102</u>
<b>Total Net Assets, End of Year</b>	<b><u>\$75,921,786</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 56,276</u></b>	<b><u>\$ -</u></b>	<b><u>\$75,978,062</u></b>	<b><u>\$73,060,909</u></b>

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