

**Jewish Community Federation of Richmond**  
**Financial Statements**  
**June 30, 2024 and 2023**

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**Financial Statements**

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ADAMS, JENKINS AND CHEATHAM  
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS

## **Independent Auditor's Report**

Board of Directors  
Jewish Community Federation of Richmond  
Richmond, Virginia

### **Opinion**

We have audited the accompanying financial statements of Jewish Community Federation of Richmond (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Community Federation of Richmond as of June 30, 2024 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 Jewish Community Federation of Richmond 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.

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

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

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

## **Auditor's Responsibility 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, 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 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 Jewish Community Federation of Richmond's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jewish Community Federation of Richmond'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.

## **Report on Summarized Comparative Information**

We previously audited the Jewish Community Federation of Richmond's 2023 financial statements, as noted in our report dated June 4, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 as restated, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2024 Schedule of Pledges Receivable and Collections History and Schedule of Allocations and Payments on pages 19 - 20 are presented for the purpose 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 related 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, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Richmond, Virginia  
December 13, 2024

*Adama, Jenkins & Cheatham*

# Statements of Financial Position

## Jewish Community Federation of Richmond

	June 30,	
	2024	2023
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 465,324	\$ 398,602
Accounts receivable	4,851	23,090
Contributions receivable, net	1,770,705	1,595,179
Prepaid expenses and other current assets	90,234	136,263
Total Current Assets	2,331,114	2,153,134
Other Assets		
Investments		
Long-term investments, at market value	2,002,431	1,850,927
Long-term campaign endowments	26,779	26,779
Long-term operating endowments	326,338	223,512
Operating right of use asset, net	254,815	39,698
Property and equipment, net	34,556	7,684
Total Other Assets	2,644,919	2,148,600
Total Assets	<u>\$ 4,976,033</u>	<u>\$ 4,301,734</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable	\$ 188,782	\$ 63,095
Allocations payable	2,155,556	2,499,755
Current portion of operating lease liability	83,635	43,097
Deferred revenue	15,546	28,000
Total Current Liabilities	2,443,519	2,633,947
Operating lease liability	172,269	-
Net Assets		
Without donor restrictions		
Operating	1,037,106	975,594
Board designated for special programs	521,382	447,376
	1,558,488	1,422,970
With donor restrictions	801,757	244,817
Total Net Assets	2,360,245	1,667,787
Total Liabilities and Net Assets	<u>\$ 4,976,033</u>	<u>\$ 4,301,734</u>

See Independent Auditor's Report and Notes to Financial Statements

# Statement of Activities

## Jewish Community Federation of Richmond

	Year Ended June 30,			
	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Operating Activities</b>				
Annual welfare campaign fund - current year	\$ 2,808,062	\$ -	\$ 2,808,062	\$ 2,626,343
Supplemental campaign - local	11,493	302,297	313,790	116,205
Supplemental campaign - overseas	500	46,138	46,638	92,543
Israel Emergency Campaign	-	2,201,375	2,201,375	-
Mission income	-	165,000	165,000	87,117
Prior years' pledges and collections over estimated value	90,372	-	90,372	24,576
Program income	106,490	-	106,490	88,577
Reflector income	41,723	-	41,723	33,594
Grants	6,285	150,000	156,285	8,797
Richmond Jewish Foundation reimbursement	56,223	-	56,223	31,570
Other	179,870	4,237	184,107	20,687
Net assets released from restrictions	2,312,107	(2,312,107)	-	-
<b>Total Support and Revenue</b>	<b>5,613,125</b>	<b>556,940</b>	<b>6,170,065</b>	<b>3,130,009</b>
<b>Expenses and Losses</b>				
Program services:				
Allocations, organizations, and programs	3,502,323	-	3,502,323	1,693,945
Jewish community relations	191,835	-	191,835	149,183
Richmond Jewish Foundation	53,397	-	53,397	22,887
Outreach and engagement	151,148	-	151,148	216,446
Reflector	112,435	-	112,435	85,547
Dignity Grows	49,914	-	49,914	-
Security	76,613	-	76,613	81,201
Supporting activities:				
Management and general	469,875	-	469,875	386,244
Fundraising	1,078,144	-	1,078,144	741,352
<b>Total Expenses and Losses</b>	<b>5,685,684</b>	<b>-</b>	<b>5,685,684</b>	<b>3,376,805</b>
<b>Change in Net Assets from Operating Activities</b>	<b>(72,559)</b>	<b>556,940</b>	<b>484,381</b>	<b>(246,796)</b>
Nonoperating investment return, net	208,077	-	208,077	118,120
<b>Change in Net Assets</b>	<b>135,518</b>	<b>556,940</b>	<b>692,458</b>	<b>(128,676)</b>
<b>Net Assets at Beginning of Period</b>	<b>1,422,970</b>	<b>244,817</b>	<b>1,667,787</b>	<b>1,796,463</b>
<b>Net Assets at End of Period</b>	<b>\$ 1,558,488</b>	<b>\$ 801,757</b>	<b>\$ 2,360,245</b>	<b>\$ 1,667,787</b>

See Independent Auditor's Report and Notes to Financial Statements

## Statement of Functional Expenses

### Jewish Community Federation of Richmond

#### Years Ended June 30, 2024 and 2023

	Program Services				
	Jewish Community Relations	Richmond Jewish Foundation	Outreach and Engagement	Reflector	Security
Salaries	\$ 100,556	\$ -	\$ 55,301	\$ 44,367	\$ 7,835
Fringe benefits and related expenses	17,387	-	20,093	7,696	4,791
Total salaries and related expenses	117,943	-	75,394	52,063	12,626
Israel emergency campaign	-	-	-	-	-
Allocations, organizations and programs	-	-	-	-	-
Program/meetings	53,027	10,172	6,043	-	100
Professional fees	896	4	3,585	12,233	-
Mission	-	-	12,000	-	-
Occupancy	5,606	33,844	6,311	6,122	1,363
Information systems/technology	5,804	467	5,802	3,587	-
Security	893	2,058	240	-	61,701
Reflector publishing	-	-	-	34,420	-
PJ library program	-	-	32,127	-	-
Other	-	-	-	-	-
Leadership development	3,216	-	7,282	-	-
Credit card fees	-	-	-	-	-
Printing and photography	1,778	-	-	320	-
Office supplies	712	771	616	257	628
Insurance	-	-	-	51	-
Payroll preparation/bank fees	-	741	-	-	-
Depreciation	-	-	-	-	-
Auto	746	-	724	-	195
Telephone	371	1,112	371	185	-
Dues/sponsorships	-	700	-	-	-
Postage	189	1,136	189	379	-
Subscriptions	190	-	-	1,819	-
Marketing/website	-	-	-	-	-
Equipment maintenance	464	2,392	464	999	-
Staff recruiting	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenses	\$ 191,835	\$ 53,397	\$ 151,148	\$ 112,435	\$ 76,613

See Independent Auditor's Report and Notes to Financial Statements

# Statement of Functional Expenses - Continued

## Jewish Community Federation of Richmond

### Years Ended June 30, 2024 and 2023

Dignity Grows	Allocations	Program Subtotal	Supporting Activities		Supporting Subtotal	Total	2023
			Management and General	Fundraising			Total
\$ 21,280	\$ -	\$ 229,339	\$ 176,605	\$ 494,526	\$ 671,131	\$ 900,470	\$ 782,336
1,779	-	51,746	27,545	75,296	102,841	154,587	120,319
23,059	-	281,085	204,150	569,822	773,972	1,055,057	902,655
-	1,854,010	1,854,010	-	-	-	1,854,010	-
-	1,511,471	1,511,471	-	-	-	1,511,471	1,693,945
20,805	136,842	226,989	20,828	153,686	174,514	401,503	250,246
-	-	16,718	118,414	50,768	169,182	185,900	92,263
-	-	12,000	-	154,985	154,985	166,985	-
1,333	-	54,579	12,528	28,031	40,559	95,138	60,170
-	-	15,660	21,745	38,048	59,793	75,453	49,300
-	-	64,892	564	4,640	5,204	70,096	72,095
-	-	34,420	-	-	-	34,420	36,141
-	-	32,127	-	-	-	32,127	20,177
-	-	-	27,067	-	27,067	27,067	9,376
854	-	11,352	10,925	3,240	14,165	25,517	27,686
-	-	-	-	22,546	22,546	22,546	19,552
-	-	2,098	500	16,250	16,750	18,848	21,432
202	-	3,186	8,876	3,911	12,787	15,973	9,372
-	-	51	14,317	357	14,674	14,725	11,886
2,737	-	3,478	4,559	3,584	8,143	11,621	5,778
-	-	-	10,171	-	10,171	10,171	12,083
166	-	1,831	1,069	6,521	7,590	9,421	7,808
-	-	2,039	6,055	1,112	7,167	9,206	5,680
-	-	700	-	7,950	7,950	8,650	23,534
-	-	1,893	1,365	4,769	6,134	8,027	8,043
758	-	2,767	2,673	2,325	4,998	7,765	5,382
-	-	-	750	5,725	6,475	6,475	10,819
-	-	4,319	432	(626)	(194)	4,125	5,843
-	-	-	2,887	500	3,387	3,387	3,966
-	-	-	-	-	-	-	11,573
<u>\$ 49,914</u>	<u>\$ 3,502,323</u>	<u>\$ 4,137,665</u>	<u>\$ 469,875</u>	<u>\$ 1,078,144</u>	<u>\$ 1,548,019</u>	<u>\$ 5,685,684</u>	<u>\$ 3,376,805</u>



# Statement of Cash Flows

## Jewish Community Federation of Richmond

	Year Ended June 30,	
	2024	2023
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ 692,458	\$ (128,676)
Adjustments to reconcile increase (decrease) in net assets with cash provided by operating activities:		
Depreciation	10,171	12,083
Unrealized (gain) loss on investments	(129,233)	1,720
Realized gain on sale of investments	(283)	(54,810)
Operating lease - noncash lease expense	66,805	55,568
(Increase) decrease in:		
Accounts receivable	18,239	175,019
Contributions receivable	(175,526)	221,927
Prepaid expenses and other current assets	46,029	(125,901)
Increase (decrease) in:		
Accounts payable	125,687	20,377
Allocations payable	(344,199)	9,492
Operating lease - change in lease liability	(69,115)	(52,169)
Deferred revenue	(12,454)	(31,117)
Net Cash Provided by Operating Activities	228,579	103,513
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(124,814)	(157,225)
Purchase of furniture and equipment	(37,043)	(1,778)
Net Cash Used by Investing Activities	(161,857)	(159,003)
<b>Cash Flows from Financing Activities</b>		
Payments on line of credit, net	-	(271,557)
Net Cash Used by Financing Activities	-	(271,557)
Net Increase (Decrease) in Cash and Cash Equivalents	66,722	(327,047)
Cash and Cash Equivalents at Beginning of Period	398,602	725,649
Cash and Cash Equivalents at End of Period	\$ 465,324	\$ 398,602

### Supplemental Disclosure

The Federation obtained a right of use asset in exchange for a new operating lease liability in the amount of \$279,940 for the year ended June 30, 2024.

See Independent Auditor's Report and Notes to Financial Statements

## Notes to Financial Statements

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

##### Note A - Nature of Organization

###### Nature of Organization

The Jewish Community Federation of Richmond (the “Federation”) is a not-for-profit corporation organized under the laws of the state of Virginia for the purpose of fundraising. The Federation responds to the community's evolving needs by planning strategically with ongoing evaluations, raising, and allocating funds for communal priorities and building community relations.

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

###### Basis of Presentation

The financial statements of the Federation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP) for not-for-profit organizations. Under the provisions of this guidance, the Federation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Accordingly, the net assets of the Federation and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Federation. The Federation’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of June 30, 2024 and 2023, the Federation had net assets with donor restrictions totaling \$801,757 and \$244,817, respectively.

###### Accounting Estimates

The preparation of financial statements in conformity with 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

###### Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Federation considers all highly liquid investments with a maturity of three months or less when purchased to be cash or cash equivalents.

## Notes to Financial Statements

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

##### Note B - Summary of Significant Accounting Policies - Continued

###### Tax Status

The Federation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and will be taxed only to the extent it has taxable trade or business income unrelated to its exempt purpose. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the financial statements.

###### Revenue Recognition

Revenue is reported as an increase in net assets without donor restrictions unless use of the related asset is limited by donor-imposed time or purpose restrictions. Expirations of donor-imposed restrictions on net assets that are subject to the passage of time (that is, the stipulated time period has elapsed, or the cash has been collected) are reported as net assets released from restrictions.

Unconditional contributions are recognized when pledged in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met in accordance with ASU Topic 606. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

Grants and program service fees are recognized as costs are incurred in accordance with ASU Topic 606 on the basis of direct costs plus allowable indirect expenses.

###### Advertising Costs

The Federation expenses advertising costs as incurred. For the year ended June 30, 2024 and 2023, the Federation had no material advertising expense.

###### Contributions and Accounts Receivable

Contributions receivables are recorded when made, and an allowance is provided for estimated uncollectible campaign pledges. Collections on contributions receivable in excess of estimated collectible amounts are recorded as additional public support in the year received. Allocations to agencies, other organizations and programs of the Federation are recorded when the commitment is made. Other expenses are recorded when incurred. Allowance for uncollectible campaign pledges as of June 30, 2024 and 2023 were \$264,654 and \$294,344, respectively.

###### Reclassifications

Certain reclassifications have been made to the 2023 financial statements in order to conform to the 2024 presentation.

## Notes to Financial Statements

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

##### Note B - Summary of Significant Accounting Policies - Continued

###### Property and Equipment

Property and equipment are stated at cost. The Federation follows the practice of capitalizing all material expenditures for property and equipment. Expenditures for repairs, maintenance, and minor renewals are expensed in the period incurred. Depreciation is provided on a straight-line basis over estimated useful lives of five to ten years.

###### Contributed Materials and Services

The value of contributed materials and the value of contributed services that either (a) created or enhanced a nonfinancial asset or (b) required specialized skills, was provided by individuals possessing those skills, and would have been purchased if not contributed, are recorded at their fair values in the period received.

During the years ended June 30, 2024 and 2023, the Federation received no material non-cash contributions or donations of materials or tangible assets which would be reflected in the financial statements.

The Federation also receives a significant amount of contributed services from unpaid volunteers who assist the Federation with many projects. No amounts have been recognized in the statement of activities for these services because the criteria for recognition under GAAP have not been satisfied.

###### Investments

Investments are stated at fair value. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is presented in the statement of activities in accordance with donor restrictions as investment return. Investment return is presented net of investment fees. The specific identification method is used to determine the basis for computing realized gains or losses.

Investment income classified as operating revenue consists of interest and dividend income on investments and spending approved for use in operations.

###### Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Federation's ongoing activities. Non-operating activities are limited to resources that generate returns from investments, endowment contributions, financing costs and other activities considered to be of a more unusual or nonrecurring nature. As of June 30, 2024 and 2023, there were no non-operating activities.

###### Functional Allocation of Expenses

The cost of providing the various services and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated amount the supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated on the basis of time and effort.

## Notes to Financial Statements

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

##### Note B - Summary of Significant Accounting Policies - Continued

###### Recently Issued Accounting Standards

On March 31, 2022 FASB updated ASC Topic 326 *Financial Instruments – Credit Losses* (ASC 326), which became effective for fiscal years beginning after December 15, 2022. The new standard requires the Federation to estimate expected credit losses over the life of its financial assets and certain off-balance sheet exposures as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts. The Federation records the estimate of expected credit losses as an allowance for credit losses.

##### Note C - Concentrations of Credit Risk and Contributors

The Federation places its cash and cash equivalents on deposit with financial institutions in the United States of America. Balances at banks are insured by the Federal Deposit Insurance Corporation up to \$250,000 for each financial institution. Cash balances exceeded the insured amount by approximately \$163,000 at June 30, 2024.

##### Note D - Subsequent Events

Management has evaluated subsequent events through December 13, 2024, the date which the financial statements were available to be issued.

##### Note E - Property and Equipment

Property and equipment by class of property included:

	June 30,	
	2024	2023
Furniture and equipment	\$ 138,771	\$ 145,084
Accumulated depreciation	(104,215)	(137,400)
	<u>\$ 34,556</u>	<u>\$ 7,684</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$10,171 and \$12,083, respectively.

## Notes to Financial Statements

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

##### Note F - Liquidity

The Federation's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	June 30,	
	2024	2023
Contribution receivable	\$ 1,770,705	\$ 1,595,179
Cash and cash equivalents	465,324	398,602
Prepaid expenses	90,234	136,263
Accounts receivable	4,851	23,090
Less: restricted obligations	(801,757)	(261,178)
	<u>\$ 1,529,357</u>	<u>\$ 1,891,956</u>

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 daily requirements in various investments.

##### Note G - Fair Value

The Federation determines the fair value of its financial instruments based on the fair value hierarchy established in accounting standards which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Accounting standards define fair value as the exchange price that would be received for an asset or liability in the most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Accounting standards define 3 levels of inputs that may be used to measure fair value:

Level 1 - Inputs are based on quoted market prices within active markets. Level 1 assets include debt and equity investments that are traded in an active exchange market.

Level 2 - Inputs are based primarily on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity that are significant to the fair value of the assets or liabilities.

The Federation values investments held by Richmond Jewish Foundation (the "Foundation"), a third party trustee, based on their fair market value which is generally the reported net assets values as obtained from the trustee on a quarterly basis. This method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although the Federation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value could result in a different fair value measurement at the reporting date.

## Notes to Financial Statements

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

##### Note G - Fair Value - Continued

The pooled investments with the Foundation are comprised of underlying securities that may include cash and cash equivalents, readily marketable equity and debt securities and mutual funds, as well as hard-to-value alternative investments. The Foundation applied a pooled investment strategy whereby individual holdings are not directly attributable to the Federation but are part of a larger portfolio of holdings. These funds are reported as Level 3 investment assets with a fund of funds and a cash surrender value of life insurance policy.

The Federation's Level 1 investments are actively traded in public markets.

The Federation's investments are reported at fair value in the accompanying financial statements as of June 30, 2024 and 2023:

June 30, 2024				
Investments	Carrying Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
Corporate bonds	\$ 429,250	\$ 429,250	\$ -	\$ -
Government agency bonds	323,753	323,753	-	-
Other investments	1,575,766	-	-	1,575,766
Cash surrender value of life insurance	26,779	-	-	26,779
	<u>\$ 2,355,548</u>	<u>\$ 753,003</u>	<u>\$ -</u>	<u>\$ 1,602,545</u>
June 30, 2023				
Investments	Carrying Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
Corporate bonds	\$ 346,071	\$ 346,071	\$ -	\$ -
Government agency bonds	376,602	376,602	-	-
Other investments	1,351,766	-	-	1,351,766
Cash surrender value of life insurance	26,779	-	-	26,779
	<u>\$ 2,101,218</u>	<u>\$ 722,673</u>	<u>\$ -</u>	<u>\$ 1,378,545</u>

## Notes to Financial Statements

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

##### Note G - Fair Value - Continued

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Cash surrender value of life insurance	Pooled investments
June 30, 2022	\$ 26,779	\$ 1,185,441
Additions	-	166,325
June 30, 2023	26,779	1,351,766
Additions	-	224,000
June 30, 2024	\$ 26,779	\$ 1,575,766

During the years ended June 30, 2024 and 2023, the Federation did not have any significant transfers between Level 1, 2, or 3. The Federation's policy is to recognize all transfers in and out of all levels at the end of the period.

The level in the fair value hierarchy within which measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Investment income for the years ended June 30, 2024 and 2023 consists of the following:

	June 30,	
	2024	2023
Interest and dividend income	\$ 78,561	\$ 65,030
Net realized gain	283	54,810
Unrealized gain (loss), net of fees	129,233	(1,720)
	\$ 208,077	\$ 118,120

##### Note H - Related Party Transactions

The Federation has an agreement with the Richmond Jewish Foundation ("the Foundation") to annually reimburse a portion of overhead costs, including payroll processing and occupancy. The Foundation also reimburses salaries and payroll taxes paid on its behalf. Foundation payroll expenses are included on the balance sheet in other current assets. The Federation received approximately \$512,000 and \$235,000 in payments from the Foundation during the years ended June 30, 2024 and 2023, respectively. The Foundation owed approximately \$79,000 and \$84,000 to the Federation at June 30, 2024 and 2023, respectively.

The Foundation holds endowment funds with a value over \$10,000,000 that are designated for the Federation. The Federation receives a percentage of each endowment annually in accordance with the Foundation's policy. The endowments are pooled in a long-term account. The Foundation determines the appropriate annual distribution percentage based on market conditions and the goals of fund preservation and growth. The Foundation plans to distribute 4% of the average balance of the endowment accounts for the time period March 2022 to September 2024 during the 2025 fiscal year. Contributions receivable of approximately \$388,000 were recorded in the donor database by the Federation during the fiscal year.



## Notes to Financial Statements

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

##### Note I - Contributions Receivable

Contributions receivable from the annual welfare fund campaign are as follows:

	June 30,	
	2024	2023
Receivable in less than one year	\$ 2,035,359	\$ 1,889,523
Less allowance for uncollectible pledges	(264,654)	(294,344)
Net contributions receivable	<u>\$ 1,770,705</u>	<u>\$ 1,595,179</u>

It is management's policy to report the allowance for uncollectible pledges cumulatively, regardless of the year the pledge was signed, until there is a determination that the pledge is uncollectible. Of the amount shown as net contributions receivable, a significant portion (\$638,000 in 2024 and \$634,000 in 2023) is from six donors. These donors have a history of fulfilling their commitments in a timely fashion and management is confident in its ability to collect.

##### Note J - Allocation Payable

Allocations payable consists of the following:

	June 30,	
	2024	2023
Overseas	\$ 912,936	\$ 1,064,002
Local	696,000	886,433
Non-local	236,620	179,320
Other allocations (donor restricted)	310,000	370,000
	<u>\$ 2,155,556</u>	<u>\$ 2,499,755</u>

## Notes to Financial Statements

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

##### Note K - Net Assets

Net assets with and without donor restrictions are available for the following purposes:

	June 30,	
	2024	2023
<b>Net assets without donor restrictions</b>		
Board Designated		
Operating budget	\$ 400,000	\$ 350,000
Security	50,000	45,000
Overnight camp	30,000	-
Richmond community Jewish education	22,000	32,882
Local agency capital need	14,794	14,794
Teen mission scholarships	2,500	2,500
Indigent funds	2,088	2,200
Total Board Designated	521,382	447,376
Operating	1,037,106	975,594
Total Net Assets without Donor Restrictions	<u>\$ 1,558,488</u>	<u>\$ 1,422,970</u>
<b>Net assets with donor restrictions</b>		
Israel emergency	\$ 345,265	\$ -
Dignity Grows	112,518	32,652
Honeymoon Israel	95,080	45,080
Interfaith programming	65,000	-
Ukraine emergency	63,923	97,793
Local supplemental	59,620	-
Life insurance fund	26,779	26,779
Overseas supplemental	23,572	13,072
Afghan resettlement project	10,000	12,500
Maimonides fund	-	8,503
Special projects	-	8,438
Total Net Assets with Donor Restrictions	<u>\$ 801,757</u>	<u>\$ 244,817</u>

## Notes to Financial Statements

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

##### Note L - Net Assets Released from Restriction

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or occurrence of other events specified by donors are as follows:

	June 30,	
	2024	2023
Israel emergency campaign	\$ 1,856,111	\$ -
Local supplemental	108,209	9,078
Richmond Solidarity Mission	100,000	-
Security	60,618	10,672
Dignity Grows	52,581	31,757
Ukraine emergency	50,542	45,669
Regional Hillel	41,176	-
Overseas supplemental	18,966	-
Maimonides fund	8,503	-
Special projects	8,438	-
Friends of reflector	4,237	5,162
Afghan resettlement project	2,500	7,500
School supply drive	226	-
Operating endowment	-	55,000
General sponsorship	-	5,000
Honeymoon Israel	-	2,334
Leadership fund	-	137
	<u>\$ 2,312,107</u>	<u>\$ 172,309</u>

## Notes to Financial Statements

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

##### Note M - Leases

The Federation leases office space under agreements that are classified as operating leases. The Federation signed a new lease agreement that commenced on February 1, 2024. The lease term is three years. As of June 30, 2024, the operating lease asset had a net balance of \$254,815, and the lease liability had a balance of \$255,904. The lease asset and lease liability were calculated using the Federation's incremental borrowing rate of 8.25%.

Leases costs	\$	43,076
Lease asset obtained in exchange for lease obligation for operating lease	\$	279,940
Weighted average remaining lease term (months)		32
Weighted average discount rate		8.25%

Maturities of operating lease liability are:

	<u>Year Ending June 30,</u>	
	2025	\$ 101,488
	2026	104,533
	2027	80,219
Total lease payments		<u>286,240</u>
Less: amount representing interest		<u>30,336</u>
Present value of net minimum lease payments		<u><u>\$ 255,904</u></u>

##### Note N - Line of Credit

The Federation has an available line of credit with Fulton Bank, providing for borrowings up to \$500,000 at an interest rate equal to the prime rate. As of June 30, 2024, and 2023, there were no borrowings outstanding under this line of credit. The facility remains available to the Federation to support its liquidity needs.

## **Supplementary Information**

## Schedule of Pledges Receivable and Collections History

### Jewish Community Federation of Richmond

June 30, 2024 and 2023

Collections History at June 30, 2024			
Year	Total Campaign Pledges	Total Collections	Cancellations and Adjustments
2024	\$ 3,823,189	\$ 2,039,755	\$ (15,013)
2023	3,297,593	3,170,645	(9,998)
2022	3,586,199	3,561,677	(17,411)
2021	3,369,776	3,335,753	(7,934)
2020 and Prior	124,529,381	122,586,715	(1,825,878)

Pledges Receivable at June 30, 2024				
Year	Gross	Reserve Allowance	Net	Percentage Collected To Date
2024	1,768,421	75,244	1,693,177	53.0%
2023	116,950	77,752	39,198	96.0%
2022	7,111	7,111	-	99.0%
2021	26,089	26,089	-	99.0%
2020 and Prior	116,788	78,458	38,330	98.0%

## Schedule of Allocations and Payments

### Jewish Community Federation of Richmond

#### June 30, 2024 and 2023

	Allocation Payable June 30, 2023	2023-2024 Allocated	2023-2024 Payments and Unused Allocations	Allocation Payable June 30, 2024
<b>Overseas</b>				
JFNA Welfare Fund	\$ 100,033	\$ 107,487	\$ 100,033	\$ 107,487
JFNA Israel & Overseas	963,969	277,198	631,138	610,029
Israel & Overseas Direct	-	195,420	-	195,420
	<u>1,064,002</u>	<u>580,105</u>	<u>731,171</u>	<u>912,936</u>
<b>Non-Local</b>				
Aleph Bet Preschool	29,000	30,000	29,000	30,000
BBYO	17,000	17,000	17,000	17,000
VCU Hillel	35,000	20,000	20,000	35,000
Jewish Federation Holocaust Survivor Support	3,400	4,500	3,400	4,500
Washington & Lee Hillel	1,000	-	1,000	-
Congregation or Atid	6,000	-	6,000	-
James Madison	1,000	2,500	1,000	2,500
Friendship Circle Inclusion	7,500	15,000	7,500	15,000
GMU Hillel	4,300	5,000	4,300	5,000
JELF	3,000	2,500	3,000	2,500
Jewish Student Union (Atlantic Seaboard)	17,000	18,000	17,000	18,000
Jewish Life at VCU	10,000	30,000	20,000	20,000
KBI/JSU Impact Grant	12,000	5,000	12,000	5,000
Radford Hillel	1,000	-	1,000	-
Birthright Israel	3,000	2,000	3,000	2,000
UVA Hillel	5,000	6,000	5,000	6,000
VT Hillel	5,000	6,000	6,000	5,000
William & Mary Hillel	4,000	5,000	5,000	4,000
Misc. Program Grants	-	50,000	-	50,000
Other	15,120	-	-	15,120
	<u>179,320</u>	<u>218,500</u>	<u>161,200</u>	<u>236,620</u>
<b>Local</b>				
Beth Sholom Home	178,600	-	178,600	-
Jewish Family Services	170,000	184,000	170,000	184,000
Rudlin Torah Academy	190,000	199,000	190,000	199,000
Weinstein Jewish Community Center	347,833	313,000	347,833	313,000
	<u>886,433</u>	<u>696,000</u>	<u>886,433</u>	<u>696,000</u>
<b>Restricted</b>				
Interfaith Programming	8,327	-	-	8,327
Local Agency Specific	361,673	15,000	75,000	301,673
	<u>370,000</u>	<u>15,000</u>	<u>75,000</u>	<u>310,000</u>
	<u>\$ 2,499,755</u>	<u>\$ 1,509,605</u>	<u>\$ 1,853,804</u>	<u>\$ 2,155,556</u>