

The Jewish Foundation of Memphis Consolidated and Affiliates

COMBINED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024



REYNOLDS BONE & GRIESBECK PLC
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

TABLE OF CONTENTS

*The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024*

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Functional Expenses	6
Combined Statements of Cash Flows	8
Notes to Combined Financial Statements	9



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Jewish Foundation of Memphis Consolidated and Affiliates
Memphis, Tennessee

Opinion

We have audited the accompanying combined financial statements of The Jewish Foundation of Memphis Consolidated and Affiliates (the Foundation) (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2025 and 2024, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Foundation 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 combined 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 Foundation'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

Reynolds, Bone & Grisebeck PLC

May 18, 2026

COMBINED STATEMENTS OF FINANCIAL POSITION

The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 621,164	\$ 352,145
Cash and cash equivalents - restricted	3,588,951	7,208,947
Pledges receivable	119,205	443,021
Prepaid expenses	11,895	-
Due from related parties	29,932	-
Investments	189,665,291	167,798,948
Beneficial interest in trust	77,143	73,004
Furniture and equipment, net	109,868	44,564
Cash surrender life insurance	1,859,240	1,928,569
Total assets	\$ 196,082,689	\$ 177,849,198
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	\$ 21,892,805	\$ 14,714,116
Due to related parties	69,024	-
Assets held for others	33,835,288	30,297,409
Total liabilities	55,797,117	45,011,525
Net assets		
Without donor restrictions		
Undesignated	41,084,904	37,292,378
Board designated endowment	9,496,133	8,622,731
With donor restrictions	89,704,535	86,922,564
Total net assets	140,285,572	132,837,673
Total liabilities and net assets	\$ 196,082,689	\$ 177,849,198

See notes to combined financial statements.

COMBINED STATEMENTS OF ACTIVITIES

*The Jewish Foundation of Memphis Consolidated and Affiliates
Year Ended June 30, 2025*

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Contributions	\$ 11,486,992	\$ 2,643,954	\$ 14,130,946
Donated facilities	150,810	-	150,810
Interest and dividends	1,480,411	2,980,389	4,460,800
Net realized and unrealized investment gains	2,088,234	9,551,525	11,639,759
Management fee income	273,180	-	273,180
Sponsorship income	5,250	-	5,250
Change in value of trust	-	4,139	4,139
Other income (expense)	(19,738)	-	(19,738)
Net assets released from restrictions	12,398,036	(12,398,036)	-
Total revenues and other support	27,863,175	2,781,971	30,645,146
Expenses:			
Program services	22,440,060	-	22,440,060
Management and general	311,088	-	311,088
Fundraising	446,099	-	446,099
Total expenses	23,197,247	-	23,197,247
Change in net assets	4,665,928	2,781,971	7,447,899
Net assets at beginning of year	45,915,109	86,922,564	132,837,673
Net assets at end of year	\$ 50,581,037	\$ 89,704,535	\$ 140,285,572

See notes to combined financial statements.

COMBINED STATEMENTS OF ACTIVITIES

The Jewish Foundation of Memphis Consolidated and Affiliates
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Contributions	\$ 10,304,727	\$ 11,732,911	\$ 22,037,638
Donated facilities	150,810	-	150,810
Interest and dividends	1,175,010	2,634,610	3,809,620
Net realized and unrealized investment gains	3,385,812	8,363,693	11,749,505
Management fee income	241,361	-	241,361
Sponsorship income	5,000	-	5,000
Change in value of trust	-	5,272	5,272
Other income	199,814	-	199,814
Net assets released from restrictions	6,953,262	(6,953,262)	-
Total revenues and other support	22,415,796	15,783,224	38,199,020
Expenses:			
Program services	17,353,509	-	17,353,509
Management and general	308,502	-	308,502
Fundraising	453,780	-	453,780
Total expenses	18,115,791	-	18,115,791
Change in net assets	4,300,005	15,783,224	20,083,229
Net assets at beginning of year	41,615,104	71,139,340	112,754,444
Net assets at end of year	\$ 45,915,109	\$ 86,922,564	\$ 132,837,673

See notes to combined financial statements.

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

The Jewish Foundation of Memphis Consolidated and Affiliates
Year Ended June 30, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Management fees - personnel costs	\$ 210,130	\$ 252,157	\$ 378,235	\$ 840,522
Professional and consulting fees	-	12,200	-	12,200
B'nai tzedek	1,500	-	-	1,500
Donated facilities	37,703	45,243	67,864	150,810
Grants to selected or designated organizations	21,827,678	-	-	21,827,678
Investment management fees	363,049	-	-	363,049
Depreciation	-	1,988	-	1,988
Miscellaneous	-	(500)	-	(500)
Total	<u>\$ 22,440,060</u>	<u>\$ 311,088</u>	<u>\$ 446,099</u>	<u>\$ 23,197,247</u>

See notes to combined financial statements.

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

The Jewish Foundation of Memphis Consolidated and Affiliates
Year Ended June 30, 2024

	Program Services	Management and General	Fundraising	Total
Management fees - personnel costs	\$ 214,398	\$ 257,277	\$ 385,916	\$ 857,591
Professional and consulting fees	-	3,580	-	3,580
B'nai tzedek	750	-	-	750
Donated facilities	37,703	45,243	67,864	150,810
Grants to selected or designated organizations	16,803,226	-	-	16,803,226
Investment management fees	297,432	-	-	297,432
Depreciation	-	1,988	-	1,988
Miscellaneous	-	414	-	414
Total	<u>\$ 17,353,509</u>	<u>\$ 308,502</u>	<u>\$ 453,780</u>	<u>\$ 18,115,791</u>

See notes to combined financial statements.

COMBINED STATEMENTS OF CASH FLOWS

*The Jewish Foundation of Memphis Consolidated and Affiliates
Years Ended June 30, 2025 and 2024*

	<u>2025</u>	<u>2024</u>
Operating activities		
Change in net assets	\$ 7,447,899	\$ 20,083,229
Adjustments to reconcile the change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	1,988	1,988
Net realized and unrealized investment gains	(11,639,759)	(11,749,505)
Change in value of beneficial interest in trust	(4,139)	(5,272)
Changes in operating assets and liabilities:		
Pledges receivable	323,816	1,811,150
Prepaid expenses	(11,895)	-
Due to/from related parties	39,092	-
Cash surrender life insurance	69,329	(79,487)
Other assets	-	24,200
Grants payable	7,178,689	135,472
Assets held for others	3,537,879	9,852,479
Net cash provided by operating activities	<u>6,942,899</u>	<u>20,074,254</u>
Investing activities		
Proceeds from sale of investments	16,338,078	26,660,690
Purchase of investments	(26,564,662)	(52,176,956)
Purchase of furniture and equipment	(67,292)	-
Net cash used in investing activities	<u>(10,293,876)</u>	<u>(25,516,266)</u>
Net change in cash and cash equivalents	(3,350,977)	(5,442,012)
Cash and cash equivalents at beginning of year	<u>7,561,092</u>	<u>13,003,104</u>
Cash and cash equivalents at end of year	<u>\$ 4,210,115</u>	<u>\$ 7,561,092</u>
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	\$ 621,164	\$ 352,145
Cash and cash equivalents - restricted	3,588,951	7,208,947
	<u>\$ 4,210,115</u>	<u>\$ 7,561,092</u>

See notes to combined financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

*The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Jewish Foundation of Memphis (the Foundation) (a nonprofit organization) was established in late 1995 to provide the resources necessary to meet the future challenges and needs of agencies, synagogues and schools in the Memphis Jewish community. JFM Realty, Inc. was established as a wholly owned subsidiary in January 2000 to solicit contributions of real estate for the benefit of the Jewish community. The Belz 2008 Foundation, the Wendy and Avron Fogelman Foundation, the Temple Israel Cemetery Sustainability Fund, Inc., and the Burton Weil Family Foundation were established as supporting organizations that carry out their exempt purpose by supporting the Foundation.

The accompanying combined financial statements include the consolidation of the Foundation and JFM Realty, Inc. combined with the Belz 2008 Foundation, the Wendy and Avron Fogelman Foundation, the Temple Israel Cemetery Sustainability Fund, Inc., and the Burton Weil Family Foundation which are affiliates. Significant interorganizational transactions and balances have been eliminated.

Donors may contribute to the following types of funds: Unrestricted Funds – Philanthropic (Donor Advised) Funds – unrestricted funds for which the donor or a designee has reserved the right to make non-binding distribution recommendations to the Board; Agency Funds – those restricted for the sole use of the named beneficiary; or Designated Funds – those established to provide support to a specific agency, synagogue, school or program specified by the donor; those from which distributions are directed by a specified committee for future community support.

Use of Estimates

Accounting principles generally accepted in the United States of America (U.S. GAAP) require 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Significant combined financial statement estimates include the allowance for uncollectible pledges receivable and the fair value of investments, beneficial interest in trust, and cash surrender life insurance. The allowance of uncollectible pledges receivable is recorded based upon management's estimate of uncollectible accounts determined by analysis of specific balances and a general reserve based upon the total outstanding balances. See Note 4 for discussions of fair value measurements. Management believes that its estimates provided in the combined financial statements are reasonable. However, actual results could differ from those estimates.

NOTES TO COMBINED FINANCIAL STATEMENTS

*The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024*

Combined Financial Statements

The Foundation prepares its combined financial statements on the accrual basis of accounting to focus on the Foundation as a whole by presenting balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of balances and transactions into two classes of net assets – net assets without donor restrictions and net assets with donor restrictions.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-imposed stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which governs the state of Tennessee, the provisions of which apply to its endowment funds. Based on its interpretation of the provisions of UPMIFA, the Foundation is required to act prudently when making decisions to spend or accumulate donor-restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor-restricted endowment funds. Interest and dividend income from the endowment funds are recorded as income on net assets with or without donor restrictions depending on the donor stipulations.

NOTES TO COMBINED FINANCIAL STATEMENTS

The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024

Combined Statements of Cash Flows

For purposes of the combined statements of cash flows, the Foundation classifies cash on hand, in checking, savings, certificates of deposit and treasury bills with an original maturity of 90 days or less as cash and cash equivalents. The cash and cash equivalents balance excludes cash held in the long-term investment portfolio and cash otherwise restricted.

Contributions and Pledges Receivable

Contributions are recognized as revenues when they are received or unconditionally pledged. Conditional promises are not recognized as revenue until the conditions are substantially met.

All pledges receivable are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods, or restricted by the donor for specific purposes, are reported as support from net assets with donor restrictions. When a temporary restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions.

Pledges receivable are recorded at net present value of estimated cash flows, which approximates fair value. Allowance for uncollectible pledges receivable is based on management's experience and examination of outside accounts. No allowance was recorded for 2025 and 2024.

Contributions of Other Financial Assets

Contributions are recorded at estimated fair value at the date of donation. With respect to contributions of publicly traded equity securities, fair values are deemed to be the average of high and low quoted trading prices on the date of the gift. It is the Foundation's policy to show restricted contributions, whose restrictions are met in the same reporting period as unrestricted support.

Management Fee Income

Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for those goods or services.

Revenue contains a single delivery element (a quarterly) management fee percentage applied to investment balances), which satisfies the performance obligations, and revenue is recognized when investments have been sold and/or on a monthly or quarterly basis as long as investment funds are held by the Foundation.

NOTES TO COMBINED FINANCIAL STATEMENTS

*The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024*

The management fee revenues are disaggregated sufficiently on the combined statements of activities. The management fee percentage varies depending on the type of fund (donor advised, agency, etc.) and the monetary level of investment and the fees are automatically calculated and withdrawn from the investment funds and transferred to the Foundation's bank accounts on a monthly or quarterly basis.

Investments

Investments with readily determinable fair values are reported at their fair values in the combined statements of financial position. Net realized and unrealized gains and losses are included in the combined statements of activities. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Investments include various types of debt and equity securities among a mixture of companies in diverse markets. Investments are exposed to several risks, such as interest rate, market, and credit risks. Due to the risk associated with certain investments, it is at least reasonably possible that changes to the value of the investments will occur in the near term and that such changes could materially affect the amounts reported in the Foundation's combined financial statements.

Beneficial Interest

The Foundation receives gifts of beneficial interest in a trust that is held by others. The trust was converted to a total return unitrust in 2014. Under the terms of the trust, the Foundation has the irrevocable right to receive its designated portion of the annual unitrust percentage of the trust assets until 2 years past the death of the named beneficiaries. At the end of the two years the Foundation will receive a designated percentage of the trust assets. At the time of receipt, a gift is recorded based on the fair value of the assets contributed to the trust (or the portion thereof that benefits the Foundation). Annual distributions from the trust are reported as unrestricted income based upon donor designations. The beneficial interest is reported at fair value, with the change in fair value reported as an increase or decrease in net assets with donor restrictions.

Long-Lived Assets

Furniture and equipment purchased by the Foundation are recorded at cost, less accumulated depreciation. The Foundation capitalizes expenditures for furniture and equipment in excess of \$2,500. Donated equipment is recorded at its estimated fair value at the date of donation. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets ranging from five to 39 years. Upon the disposal of furniture and equipment, the cost and accumulated depreciation are removed from the related accounts and any gain or loss is reflected in the combined statements of activities.

NOTES TO COMBINED FINANCIAL STATEMENTS

*The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024*

The Foundation reviews its long-lived assets, including furniture and equipment, for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. In the event an impairment exists, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the asset. No impairment has been recognized in the accompanying combined statements of activities for the years ended June 30, 2025 and 2024.

Income Taxes

The Internal Revenue Service has ruled that the Foundation qualifies under Section 501(c)(3) of the Internal Revenue Code and is, therefore, not subject to federal income tax under present income tax laws.

In accordance with U.S. GAAP, if applicable, the Foundation recognizes interest expense and penalties related to uncertain tax positions as interest expense and penalties in operating expenses. No amounts have been recognized in expenses for 2025 and 2024. The Foundation is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

Concentrations of Credit Risk

Due to the nature of its business and the volume of revenue activity, the Foundation can accumulate, from time to time, bank balances in excess of the insurance provided by federal deposit insurance authorities. The risk of maintaining deposits in excess of amounts insured by federal deposit authorities is managed by maintaining such deposits in high quality financial institutions.

Functional Allocation of Expenses

The costs of providing the program and supporting activities have been summarized on a functional basis in the combined statements of functional expenses. Accordingly, costs have been allocated among the program and support services benefited. Expenses directly related to specific programs are allocated directly to the related program. Management personnel costs and donated expenses are allocated by estimated percent of the staff's time spent on program and supporting activities.

Subsequent Events

Management has reviewed events occurring through May 18, 2026, the date the combined financial statements were available to be issued, and no subsequent events occurred requiring accrual or disclosure.

NOTES TO COMBINED FINANCIAL STATEMENTS

The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024

2. LIQUIDITY AND AVAILABILITY

The Foundation has a policy to manage its liquidity and reserves following three guiding principles: (1) operating within a prudent range of financial stability, (2) maintaining adequate liquidity to fund near-term operations, and (3) maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The following table reflects the Foundation's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general expenditures within one year:

	<u>2025</u>	<u>2024</u>
Financial assets to meet cash needs for general expenditures within one year:		
Cash and cash equivalents	\$ 621,164	\$ 352,145
Pledges receivable	119,205	443,021
Investments	<u>189,665,291</u>	<u>167,798,948</u>
	190,405,660	168,594,114
Less assets not available for general expenditures within one year:		
Donor restricted investments	(107,812,041)	(93,911,708)
Pledges receivable due in more than 1 year	<u>(24,000)</u>	<u>(141,938)</u>
Total financial assets to meet cash needs for general expenditures within one year	<u>\$ 82,569,619</u>	<u>\$ 74,540,468</u>

The Foundation's financial assets have been reduced by amounts not available for general use because of donor-imposed restrictions within one year of the combined statements of financial position date and amounts set aside for long-term investing in endowment.

3. PLEDGES RECEIVABLE

Pledges receivable consist of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Amounts due in:		
One year	\$ 95,205	\$ 301,083
Two to five years	24,000	141,938
More than five years	-	-
	<u>\$ 119,205</u>	<u>\$ 443,021</u>

Continued

NOTES TO COMBINED FINANCIAL STATEMENTS

The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024

Pledges receivable represent unconditional promises from Foundation supporters to make contributions to the Foundation in future periods, usually over a five-year period. The contractual terms of each pledge determines its past due status. After exhausting all collection efforts, pledges deemed uncollectible are then charged-off.

4. FAIR VALUE MEASUREMENTS

U.S. GAAP defines fair value and establishes a framework for measuring fair value. Fair value measurements apply to financial assets and liabilities, as well as non-financial assets and liabilities which are re-measured at least annually.

U.S. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable market data, when available, and minimizes the use of unobservable inputs when determining fair value. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources. Unobservable inputs reflect the Foundation's assumptions about the assumptions market participants would use in pricing an asset or liability based on the best information available in the circumstances.

The Foundation groups its assets and liabilities measured at fair value in three levels based on the reliability of valuation inputs used to determine fair value. The proper level of fair value measurement is determined based on the lowest level of significant input. The levels are as follows:

- Level 1 valuations are based on quoted prices in active markets for identical assets or liabilities
- Level 2 valuations are based on inputs other than quoted prices included in Level 1 that are observable for assets or liabilities, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active (i.e. markets in which there are few transactions for the assets or liabilities, the prices are not current, or price quotes vary substantially either over time or among market makers), and modeling techniques based on inputs that are observable for the assets or liabilities.
- Level 3 valuations are based on modeling techniques using significant assumptions that are not observable in the market. The assumptions reflect the Foundation's own assumptions that market participants would use in pricing the assets or liabilities.

The availability of observable inputs varies from product to product and is affected by a variety of factors, including the type of product, whether the product is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Foundation in determining fair value is greatest for instruments categorized in Level 3.

NOTES TO COMBINED FINANCIAL STATEMENTS

The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024

Financial assets and liabilities measured at fair value on a recurring basis include the following:

Cash equivalents: Includes interest-bearing cash, certificates of deposits, money market funds and U.S. treasury notes that are valued at the daily closing price as reported by the funds. These funds are deemed to be actively traded.

Domestic equity, international equity, fixed income: Includes international and domestic equities and fixed income funds that are valued at the price reported in the active market in which the individual securities are traded.

Beneficial interest in trust: Includes primarily equities and fixed income securities and valued primarily on the fair market of the underlying investments, which is based on unobservable inputs.

Cash surrender life insurance: Estimated fair value is determined by considering the current surrender charges and the underlying value of the policy as of the combined statements of financial position date.

Information pertaining to investments measured at fair value as of June 30, on a recurring basis aggregated by valuation input level follows:

Assets at Fair Value as of June 30, 2025

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 20,130,202	\$ -	\$ -	\$ 20,130,202
Domestic equity	89,796,022	-	-	89,796,022
International equity	26,931,148	-	-	26,931,148
Fixed income	52,807,919	-	-	52,807,919
Beneficial interest in trust	-	77,143	-	77,143
Cash surrender life insurance	-	-	1,859,240	1,859,240
Total	<u>\$ 189,665,291</u>	<u>\$ 77,143</u>	<u>\$ 1,859,240</u>	<u>\$ 191,601,674</u>

Assets at Fair Value as of June 30, 2024

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 27,652,958	\$ -	\$ -	\$ 27,652,958
Domestic equity	78,291,733	-	-	78,291,733
International equity	21,134,780	-	-	21,134,780
Fixed income	40,719,477	-	-	40,719,477
Beneficial interest in trust	-	73,004	-	73,004
Cash surrender life insurance	-	-	1,928,569	1,928,569
Total	<u>\$ 167,798,948</u>	<u>\$ 73,004</u>	<u>\$ 1,928,569</u>	<u>\$ 169,800,521</u>

Continued

NOTES TO COMBINED FINANCIAL STATEMENTS

The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024

Level 3 Investments

For the years ended June 30, 2025 and 2024, there were no significant transfers into or out of Level 3 of the fair value hierarchy. Additionally, there were no purchases or issues of Level 3 assets or liabilities.

When a determination is made to classify a financial instrument as Level 3 of the valuation hierarchy, the determination is based upon the significance of the unobservable factors to the overall fair value measurement. Unobservable inputs take into account such factors as the financial condition of each investee, economic and market conditions affecting their operations, any changes in management, the length of time since the initial investment, recent arm's length transactions involving securities of the investee, the value of similar securities issued by companies in the same or similar businesses, and limited marketability of the portfolio. Management reviews and evaluates the values provided by the insurance carrier and agrees with the valuation methods and assumptions used in determining the fair value of the cash surrender life insurance.

5. FURNITURE AND EQUIPMENT, NET

Furniture and equipment, net, consist of the following as of June 30:

	2025	2024
Computer equipment	\$ 18,478	\$ 18,478
Software	43,009	43,009
Leasehold improvements	77,532	77,532
Other furniture and equipment	8,904	8,904
Construction in progress	67,292	-
	<u>215,215</u>	<u>147,923</u>
Accumulated depreciation and amortization	(105,347)	(103,359)
Total furniture and equipment, net	<u>\$ 109,868</u>	<u>\$ 44,564</u>

Depreciation totaled \$1,988 for the years ended June 30, 2025 and 2024.

NOTES TO COMBINED FINANCIAL STATEMENTS

The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024

6. NATURE AND AMOUNTS OF NET ASSETS WITH DONOR RESTRICTIONS

At June 30, net assets with donor restrictions consist of the following balances primarily related activities of the Belz 2008 Foundation, the Wendy and Avron Fogelman Foundation, the Temple Israel Cemetery Sustainability Fund, Inc., the Burton Weil Family Foundation, and several endowment funds and other funds designated by donors for purposes of supporting specific organizations within the Jewish community:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents - restricted	\$ 3,588,951	\$ 7,208,947
Investments	107,812,041	93,911,708
Beneficial interest in trust	77,143	73,004
Pledges receivable	119,205	443,021
Grants payable	(21,892,805)	(14,714,116)
Total net assets with donor restrictions	<u>\$ 89,704,535</u>	<u>\$ 86,922,564</u>

7. ENDOWMENT

The Foundation's board of directors established an endowment fund to preserve and invest funds to support Jewish Family Services and began an annual fund campaign to infuse the endowment. Additionally, there are six other endowment funds with donor restrictions that have been established over the years for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies the following net assets with donor restrictions:

1. The original value of gifts donated to the donor restricted endowment;
2. The subsequent gifts to the donor restricted endowment; and
3. Accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument.

NOTES TO COMBINED FINANCIAL STATEMENTS

*The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024*

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as board designated net assets until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making decisions related to appropriations for expenditures or accumulations of donor restricted endowment funds:

1. The duration and preservation of the various funds;
2. The purposes of the donor-restricted endowment funds;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation; and
7. The Foundation's investment policies.

Spending Policy

The Foundation has a distribution policy for endowments that follows each endowment's governing documents. The distributions are based on a percentage of fair value that varies from 4% to 6% over a measurement date that varies from a single specified annual date to a three to five year average. The Foundation considered long-term expected rate of return and market volatility before accepting the terms of each endowment.

Endowment Investment Policy

The Foundation's Investment Committee (the Committee) maintains an actively managed and diversified asset allocation strategy commensurate with its long-term investment objective of earning a total return capable of meeting expenditures, maintaining purchasing power and providing reasonable growth expectations with acceptable risk parameters. The Committee has established the following target allocation percentages to facilitate meeting its objectives:

	<u>Target Allocation</u>	<u>Maximum Allocation</u>
Public equity - long only	60%	80%
Private equity	0%	10%
Real assets	0%	10%
Hedge funds and absolute return	0%	25%
Fixed income and cash	40%	80%

Continued

NOTES TO COMBINED FINANCIAL STATEMENTS

The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024

The following table presents changes in endowment net assets for the years ended June 30, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2024	\$ 8,622,731	\$ 10,281,133	\$ 18,903,864
Contributions	145,350	14,869	160,219
Investment income, net of expenses	311,326	177,517	488,843
Net appreciation	984,464	861,539	1,846,003
Appropriation for expenditure	(567,738)	(477,557)	(1,045,295)
Endowment net assets, June 30, 2025	<u>\$ 9,496,133</u>	<u>\$ 10,857,501</u>	<u>\$ 20,353,634</u>

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2023	\$ 7,067,210	\$ 9,468,743	\$ 16,535,953
Contributions	1,102,037	20,403	1,122,440
Investment income, net of expenses	164,697	158,651	323,348
Net appreciation	673,514	1,076,919	1,750,433
Appropriation for expenditure	(384,727)	(443,583)	(828,310)
Endowment net assets, June 30, 2024	<u>\$ 8,622,731</u>	<u>\$ 10,281,133</u>	<u>\$ 18,903,864</u>

Endowment net assets are composed of board restricted endowment funds, which are the net assets without donor restrictions above, and endowment funds restricted by purpose by donors, which are the net assets with donor restrictions above.

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 requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature are reported by a change to net assets without donor restrictions. At June 30, 2025 and 2024, all endowment funds distributions were in accordance with the applicable governing documents and no deficiencies were in violations of those documents. There were no endowment deficiencies at June 30, 2025 and June 30, 2024.

Continued

NOTES TO COMBINED FINANCIAL STATEMENTS

The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024

8. ASSETS HELD FOR OTHERS

Included in investments are assets that have been transferred by outside organizations to the Foundation to include in its investment portfolio. These funds can be used by those organizations upon demand and are thereby presented as a liability to those entities.

Assets held for others consist of the following as of June 30:

	2025	2024
Margolin Hebrew Academy	\$ 3,417,494	\$ 3,086,592
Temple Israel	7,661,804	7,751,271
Baron Hirsch Congregation	4,306,688	3,522,856
Memphis Jewish Community Center	6,030,680	5,549,073
Bornblum Jewish Community School	3,489,720	1,836,580
Memphis Jewish Federation	24,358	22,201
Kavod	1,869,558	1,923,296
Plough Towers	2,840,964	2,822,438
Beth Sholom	3,247,678	2,966,979
BBYO Delta Region Endowment Fund	737,144	566,917
Southern Jewish Cemetery Association	209,200	249,206
	<u>\$ 33,835,288</u>	<u>\$ 30,297,409</u>

9. RELATED PARTY DISCLOSURES

Jewish Community Partners, Inc. is a Tennessee for-profit corporation that provides management services to the Foundation and the Memphis Jewish Federation and operates all programs and manages the activities of both organizations. Certain members of the Foundation's Board serve on the Board of Trustees of Jewish Community Partners, Inc., and certain members of the Foundation's Board also serve on the Board of Directors of the Memphis Jewish Federation.

Management fees for personnel costs paid by the Foundation to Jewish Community Partners, Inc. totaled \$840,522 and \$857,591 for the years ended June 30, 2025 and 2024, respectively. At June 30, 2025, Jewish Community Partners, Inc. had a payable to the Foundation of \$29,932, which is included in due from related parties on the combined statements of financial position. At June 30, 2025, the Foundation had a payable to the Memphis Jewish Federation of \$69,024, which is included in due to related parties on the combined statements of financial position.

The accompanying combined financial statements may not be indicative of the conditions that would have existed or results of operations if the Foundation operated independently.

NOTES TO COMBINED FINANCIAL STATEMENTS

The Jewish Foundation of Memphis Consolidated and Affiliates
June 30, 2025 and 2024

10. CONCENTRATIONS

The Foundation receives its funding from the Jewish community in and around Memphis, Tennessee. As a result, the Foundation may be vulnerable to economic conditions affecting this geographic area and donor base. For the year ended June 30, 2024, approximately 42% of total contributions were received from two donors. There were no significant concentrations of contributions for the year ended June 30, 2025.

11. DONATED FACILITIES

The Foundation's office lease is paid by management company Jewish Community Partners, Inc. The estimated value of the donated facilities is \$150,810 for the years ended June 30, 2025 and 2024.

Donated office space was valued using estimate average U.S. prices of identical or similar property under a "like-kind" methodology, considering the utility of the goods and services at the time of the contribution.

12. COMMITMENTS

At June 30, 2025, the Foundation had committed to various unconditional grants totaling \$14,181,334 to be disbursed through 2032. These grants are recognized as a liability in the accompanying combined statements of financial position and are recorded at their net present value using a discount ranging from 3.25% to 7.50% per annum, which reflects the Foundation's incremental borrowing rate.

The schedule of future payments is as follows:

2026	\$ 8,344,286
2027	4,120,286
2028	4,187,161
2029	3,316,786
2030	3,316,786
Thereafter	<u>1,500,000</u>
	24,785,305
Less imputed interest	<u>(2,892,500)</u>
	<u>\$ 21,892,805</u>



May 18, 2026

To the Board of Directors
The Jewish Foundation of Memphis Consolidated and Affiliates
Memphis, Tennessee

We have audited the combined financial statements of The Jewish Foundation of Memphis Consolidated and Affiliates (the Foundation) (a nonprofit organization) for the year ended June 30, 2025, and we will issue our report thereon dated May 18, 2026. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 23, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 1 to the combined financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the combined financial statements in the proper period.

Accounting estimates are an integral part of the combined financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the combined financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the combined financial statements were the allowance for uncollectible pledges receivable and the fair value of investments, beneficial interest in trust, and cash surrender life insurance. The methods and significant assumptions used for estimations are as follows:

Cash equivalents: Includes interest-bearing cash, certificates of deposits, money market funds and U.S. treasury notes that are valued at the daily closing price as reported by the funds. These funds are deemed to be actively traded.

Domestic equity, international equity, fixed income: Includes international and domestic equities and fixed income funds that are valued at the price reported in the active market in which the individual securities are traded.

Beneficial interest in trust: Includes primarily equities and fixed income securities and valued primarily on the fair market of the underlying investments, which is based on unobservable inputs.



The Jewish Foundation of Memphis Consolidated and Affiliates
May 18, 2026
Page 2

Cash surrender life insurance: Estimated fair value is determined by considering the current surrender charges and the underlying value of the policy as of the combined statements of financial position date.

We evaluated the methods, assumptions, and data used to develop the allowance and fair value measurements in determining that they are reasonable in relation to the combined financial statements taken as a whole.

Certain combined financial statement disclosures are particularly sensitive because of their significance to combined financial statement users. The most sensitive disclosure affecting the combined financial statements was the disclosure for the fair value of investments.

The combined financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, the timing of the issuance of the audit report was delayed due to a number of proposed significant journal entries, which are discussed in a separate letter to you dated May 18, 2026.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. There was a material adjustment to remove the investment gains and losses related to assets held for others and to adjust the corresponding liability to actual balance. In addition, none of the other misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the combined financial statements taken as a whole.

The adjustments to the accounting records that were proposed and recorded during the audit of the June 30, 2025, combined financial statements are attached to this letter.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the combined financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.



The Jewish Foundation of Memphis Consolidated and Affiliates
May 18, 2026
Page 3

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 18, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Foundation’s combined financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Reynolds, Bone & Grisebeck PLC



The Jewish Foundation of Memphis Consolidated and Affiliates
Listing of Adjusting Entries
June 30, 2025

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entries JE # 2			
To adjust beginning balance for cash			
81011.0	MJF Checking - 1st Tennessee Bank	20,168.00	
default_tb	Undeposited Checks/Cash	77,259.00	
3300.0	Adjustments - Spendable		97,427.00
STRIPE	Stripe Account		
Total		<u>97,427.00</u>	<u>97,427.00</u>
Adjusting Journal Entries JE # 3			
To adjust beneficial interest in trust to FV			
1119.0	Herman Bensdorf Trust	4,139.00	
RBG01	Change in beneficial interest		4,139.00
Total		<u>4,139.00</u>	<u>4,139.00</u>
Adjusting Journal Entries JE # 4			
To record depreciation expense for the leasehold			
5019.0	Depreciation Expense	1,988.00	
1510.0	Accumulated Depreciation		1,988.00
Total		<u>1,988.00</u>	<u>1,988.00</u>
Adjusting Journal Entries JE # 5			
To remove gross up of management fee income/admin			
4001A.0	Fee Income - Donor Advised	509,548.00	
4001B.0	Fee Income - Designated	142,083.00	
4004C.0	income - Legacy Society	2,500.00	
4054.0	Misc. Income	1,061.00	
4980.0	Disbursements - MJF	50,000.00	
5015A.0	Bnai Tzedek	17,710.00	
5500.0	Admin Fee Expense		722,902.00
Total		<u>722,902.00</u>	<u>722,902.00</u>

Continued



<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entries JE # 6			
To clear out grants payable and AP as none were owed as of year end per Sheri			
2000.0	Accounts Payable	11,410.00	
2011.0	Grants Payable Timing Diff	4,900.00	
5000b.0	Grant Disbursement - Internal	13,067.00	
2010.0	Grants Payable		25,977.00
2015.0	Internal Grants Payable		3,400.00
Total		<u>29,377.00</u>	<u>29,377.00</u>
Adjusting Journal Entries JE # 7			
To true up pledge receivables as of 6/30/2025			
4100C.0	Unapplied Payments	77.00	
4100D.0	Contributions - Internal	133,034.00	
1202.0	Contributions Receivables		131,511.00
1250.0	Internal Grants Receivable		1,600.00
Total		<u>133,111.00</u>	<u>133,111.00</u>
Adjusting Journal Entries JE # 8			
To record donated rent			
5040.0	Office Rent	150,810.00	
4008.0	Donated Facilities		150,810.00
Total		<u>150,810.00</u>	<u>150,810.00</u>
Adjusting Journal Entries JE # 9			
To propose AJE to adjust CSV at 6/30/2025			
4004D.0	income - Life Insurance	69,329.00	
1900.0	Cash Surrender Value-Life Ins.		69,329.00
Total		<u>69,329.00</u>	<u>69,329.00</u>
Adjusting Journal Entries JE # 10			
To roll net assets			
4007.0	Pass through Income	146,200.00	
4100D.0	Contributions - Internal	469,691.00	
3400.0	Fund Balance		615,891.00
Total		<u>615,891.00</u>	<u>615,891.00</u>

Continued



<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Reclassifying Journal Entries JE # 11			
To properly post deposit of JCP Mgmt Fee 9.17.24			
4100D.0	Contributions - Internal	473,840.00	
5048.0	JCP Management Fee		473,840.00
Total		<u>473,840.00</u>	<u>473,840.00</u>

Adjusting Journal Entries JE # 12

Entry to remove assets held for others activity off of the statement of activities and accurately reflect the balance of the accounts held for others

4050.0	Realized Gain/Losses	159,720.00	
4051.0	Unrealized Gain/Losses	2,787,875.00	
4053.0	Dividend / Interest Income	1,361,763.00	
4100D.0	Contributions - Internal	899,235.00	
4101.0	Contributions	2,002,188.00	
2030.0	Assets Held for Others		3,537,879.00
5000b.0	Grant Disbursement - Internal		1,065,660.00
5000b.0	Grant Disbursement - Internal		2,527,997.00
5003.0	Disbursements - Transfers		45,704.00
5006.0	Bank Fees		288.00
5009.0	Investment Fees		33,253.00
Total		<u>7,210,781.00</u>	<u>7,210,781.00</u>

Adjusting Journal Entries JE # 13

To move paragon money recorded on Belz and Weil's TB to JFOM's TB as well as remove default payment and stripe accounts

1010.0	Paragon - JFOM Checking Acct 401015	64,923.00	
4100D.0	Contributions - Internal	4,974.00	
default_payment	Undeposited Non-Checks/Cash	250.00	
1010.0	Paragon - JFOM Checking Acct 401015		2,130.00
1010.0	Paragon - JFOM Checking Acct 401015		2,439.00
RBG09	Due To Belz		64,923.00
STRIPE	Stripe Account		655.00
Total		<u>70,147.00</u>	<u>70,147.00</u>

Continued



<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entries JE # 14			
To record donor advised funds that are in cash account as of 6.30.25 but has not been transferred to MJF plus interest earned			
1010.0	Paragon - JFOM Checking Acct 401015	120,000.00	
4107.0	Contributions - MJF	26,718.00	
RBG02	Due to Federation		146,718.00
Total		<u>146,718.00</u>	<u>146,718.00</u>

Adjusting Journal Entries JE # 15			
To true up investments for double bookings of transfers			
4051.0	Unrealized Gain/Losses	1,846,160.00	
1159.0	JFOM - Mercer 401343		1,846,160.00
Total		<u>1,846,160.00</u>	<u>1,846,160.00</u>

Adjusting Journal Entries JE # 16			
To eliminate gross up of "transfers"			
4004A.0	income- Program Fees	2,204.00	
4007.0	Pass through Income	311,492.00	
4100D.0	Contributions - Internal	650,290.00	
4103.0	Contributions - Transfers	147,236.00	
5000b.0	Grant Disbursement - Internal	249,672.00	
5001.0	Disbursements	1,024,800.00	
5002.0	Disbursements - Transfers		958.00
5003.0	Disbursements - Transfers		2,384,736.00
Total		<u>2,385,694.00</u>	<u>2,385,694.00</u>

Adjusting Journal Entries JE # 17			
To record assets and liabilities on ATA's F/S and not Foundation's internal F/S			
RBG02	Due to Federation	77,694.00	
RBG05	Prepaid Expenses	5,452.00	
RBG06	Prepaid Workers Comp Insurance	587.00	
RBG07	Prepaid Insurance	5,856.00	
RBG08	JCP Office Expansion	67,292.00	
RBG10	Due T/From JCP	29,932.00	
5003.0	Disbursements - Transfers		186,813.00
Total		<u>186,813.00</u>	<u>186,813.00</u>

Continued



<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Reclassifying Journal Entries JE # 18			
To reclass unrestricted investment income to restricted			
4050.0	Realized Gain/Losses	276,845.00	
4051.0	Unrealized Gain/Losses	2,003,748.00	
4053.0	Dividend / Interest Income	821,866.00	
4042.0	Dividend Income - Temp Restrict		821,866.00
4048.0	Realized Gain/Losses - Temp Re		276,845.00
4052.0	Temp rest. Gain /Loss		2,003,748.00
4000.0	Interest Income		
Total		<u>3,102,459.00</u>	<u>3,102,459.00</u>
Adjusting Journal Entries JE # 19			
To remove investments from the Foundations trial balance that was moved to TICSF account.			
5003.0	Disbursements - Transfers	40,000.00	
1173.0	Truist Highland Capital acct2 931351		40,000.00
Total		<u>40,000.00</u>	<u>40,000.00</u>



May 18, 2026

To the Board of Directors
The Jewish Foundation of Memphis Consolidated and Affiliates
Memphis, Tennessee

In planning and performing our audit of the combined financial statements of The Jewish Foundation of Memphis Consolidated and Affiliates (the Foundation) (a non profit organization) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's combined financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the Foundation's internal control to be material weaknesses:

Financial Reporting Close Process

During our audit, we noted that the Foundation did not have cash, pledge receivable, investments, beneficial interest in trust, cash surrender life insurance, grants payable and assets held for others reconciled appropriately. Proper and timely reconciliation of all accounts is a critical internal control to ensure the accuracy and completeness of financial reporting. The absence of these reconciliations increases the risk of undetected errors or misstatements in the combined financial statements.



The Jewish Foundation of Memphis Consolidated and Affiliates
May 18, 2026
Page 2

We recommend that the Foundation implement procedures to ensure all accounts are reconciled in a timely manner, and that any discrepancies are promptly investigated and resolved. Strengthening this control will improve the reliability of financial reporting and reduce the risk of material misstatements.

Segregation of Duties

Due to the limited number of individuals responsible for the accounting records, segregation of accounting duties is not always practical. This is common among organizations with a limited number of accounting staff. Management should continue to monitor internal controls and make changes when practical.

This communication is intended solely for the information and use of management, those charged with governance, and others you deem appropriate within the Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Reynolds, Bone & Griesbeck PLC