



JEWISH FEDERATION OF GREATER METROWEST NJ AND AFFILIATES
Consolidated Financial Statements
June 30, 2022 and 2021
With Independent Auditor's Report

Jewish Federation of Greater MetroWest NJ and Affiliates
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June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Jewish Federation of Greater MetroWest NJ and Affiliates:

Opinion

We have audited the consolidated financial statements of Jewish Federation of Greater MetroWest NJ and Affiliates ("Federation"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Federation of Greater MetroWest NJ and Affiliates as of June 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Federation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Federation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Federation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

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

Withum Smith + Brown, PC

December 26, 2022

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 26,962,934	\$ 11,739,907
Restricted cash held in investment pool	205,653,196	33,550,942
Contributions receivable net, current portion	23,036,201	18,845,470
Due from beneficiary agencies, net of allowance for doubtful accounts of \$3,381,000 and \$4,360,900 at June 30, 2022 and 2021, respectively	224,196	510,405
Loans receivable, current portion	311,620	286,479
Agency pension loan receivable, current portion	306,056	294,655
Other receivables	741,680	1,024,773
Loan participation interest receivable, current portion	2,000,000	-
Other current assets	<u>932,342</u>	<u>932,749</u>
Total current assets	<u>260,168,225</u>	<u>67,185,380</u>
Property and equipment, net	<u>3,714,539</u>	<u>3,839,974</u>
Long-term investments	435,411,693	503,986,767
Due from beneficiary agencies, net of current portion	913,451	998,622
Loans receivable, net of current portion	1,973,341	2,514,278
Agency pension loan receivable, net of current portion	8,413,840	8,719,897
Contributions receivable, net of current portion	8,020,741	10,100,528
Cash surrender value of life insurance, net	7,696,880	7,655,941
Loan participation interest receivable, net of current portion	61,934,187	28,695,573
Property and equipment held for rental, net	<u>331,361</u>	<u>421,352</u>
	<u>524,695,494</u>	<u>563,092,958</u>
Total assets	<u>\$ 788,578,258</u>	<u>\$ 634,118,312</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 10,140,486	\$ 9,282,371
Bonds payable	550,000	550,000
Grants payable	11,784,228	11,975,127
Split interest agreements payable	189,524	188,432
Post retirement health benefits	48,600	56,600
Pension loan payable	525,592	506,013
Due to beneficiary agencies	84,122	-
Deferred revenue	221,301	80,334
Capital lease payable	<u>56,800</u>	<u>55,915</u>
Total current liabilities	<u>23,600,653</u>	<u>22,694,792</u>
Long-term liabilities		
Bonds payable, net of current portion	6,865,000	7,415,000
Deferred revenue, net of current portion	1,524,981	1,541,911
Due to beneficiary agencies, net of current portion	19,082,319	27,488,190
Due to other organizations	41,017,758	37,565,215
Post retirement health benefits, net of current portion	388,298	538,927
Split interest agreements payable, net of current portion	1,010,991	1,193,969
Security deposits	144,900	144,900
Capital lease payable, net of current portion	268,879	138,281
Pension loan payable, net of current portion	14,449,122	14,974,714
Grants payable, net of current portion and discount	<u>14,480,197</u>	<u>15,747,663</u>
Total long term liabilities	<u>99,232,445</u>	<u>106,748,770</u>
 Total liabilities	 <u>122,833,098</u>	 <u>129,443,562</u>
Net assets		
Without donor restrictions	520,494,857	381,449,621
With donor restrictions	<u>145,250,303</u>	<u>123,225,129</u>
Total net assets	<u>665,745,160</u>	<u>504,674,750</u>
 Total liabilities and net assets	 <u>\$ 788,578,258</u>	 <u>\$ 634,118,312</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities			
Support and revenues			
Contributions	\$ 255,934,843	\$ 13,271,745	\$ 269,206,588
Less: Donor designations	<u>(6,386,094)</u>	<u>-</u>	<u>(6,386,094)</u>
Net contributions	249,548,749	13,271,745	262,820,494
Rental income	3,165,367	-	3,165,367
Grants and contract revenue	459,401	-	459,401
Program and service fees	901,530	-	901,530
Investment return, net	(29,649,472)	(4,231,908)	(33,881,380)
Administrative fee revenue	984,413	-	984,413
Allocation of investment return to funds held for others	3,318,536	-	3,318,536
Valuation allowance	(27,060)	(90,200)	(117,260)
Miscellaneous income	<u>144,203</u>	<u>-</u>	<u>144,203</u>
	228,845,667	8,949,637	237,795,304
Net assets released due to satisfaction of purpose and time restrictions	<u>8,324,463</u>	<u>(8,324,463)</u>	<u>-</u>
	<u>237,170,130</u>	<u>625,174</u>	<u>237,795,304</u>
Expenses			
Program services	69,683,987	-	69,683,987
Supporting services	<u>7,531,108</u>	<u>-</u>	<u>7,531,108</u>
	<u>77,215,095</u>	<u>-</u>	<u>77,215,095</u>
Changes in net assets - operating activities	<u>159,955,035</u>	<u>625,174</u>	<u>160,580,209</u>
Non-operating activities			
Reclassification due to change in donor designation	(21,400,000)	21,400,000	-
Transfer of net assets	<u>490,201</u>	<u>-</u>	<u>490,201</u>
Changes in net assets - non-operating activities	<u>(20,909,799)</u>	<u>21,400,000</u>	<u>490,201</u>
Changes in net assets	139,045,236	22,025,174	161,070,410
Net assets			
Beginning of year	<u>381,449,621</u>	<u>123,225,129</u>	<u>504,674,750</u>
End of year	<u>\$ 520,494,857</u>	<u>\$ 145,250,303</u>	<u>\$ 665,745,160</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Contributions	\$ 56,140,214	\$ 16,242,076	\$ 72,382,290
Less: Donor designations	<u>(8,849,865)</u>	<u>-</u>	<u>(8,849,865)</u>
Net contributions	47,290,349	16,242,076	63,532,425
Bequests	1,513	-	1,513
Rental income	3,181,658	-	3,181,658
Grants and contract revenue	563,400	-	563,400
Program and service fees	388,629	-	388,629
Investment return, net	95,741,826	23,286,226	119,028,052
Administrative fee revenue	858,710	-	858,710
Allocation of investment return to funds held for others	(14,130,277)	-	(14,130,277)
Valuation allowance	(27,060)	(90,200)	(117,260)
Gain on sale of property	173,723	-	173,723
Miscellaneous income	<u>130,452</u>	<u>-</u>	<u>130,452</u>
	134,172,923	39,438,102	173,611,025
Net assets released due to satisfaction of purpose and time restrictions	<u>10,240,171</u>	<u>(10,240,171)</u>	<u>-</u>
	<u>144,413,094</u>	<u>29,197,931</u>	<u>173,611,025</u>
Expenses			
Program services	60,336,178	-	60,336,178
Supporting services	<u>7,905,612</u>	<u>-</u>	<u>7,905,612</u>
	<u>68,241,790</u>	<u>-</u>	<u>68,241,790</u>
Changes in net assets	76,171,304	29,197,931	105,369,235
Net assets			
Beginning of year	<u>304,873,899</u>	<u>94,684,031</u>	<u>399,557,930</u>
End of year	<u>\$ 381,045,203</u>	<u>\$ 123,881,962</u>	<u>\$ 504,927,165</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating activities		
Changes in net assets	\$ 161,070,410	\$ 105,369,235
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	677,124	970,437
Transfer of net assets	(490,201)	-
Gain on sale of property	-	(173,723)
Change in cash surrender value of life insurance	(40,939)	(377,359)
Bad debt expense	90,000	10,555
Loan receivable forgiveness	275,305	222,923
(Recovery of) provision for losses on receivable	(672,458)	489,998
Donated securities	(1,869,792)	(3,915,990)
Realized and unrealized losses (gains) on investments	48,044,138	(109,966,620)
Present value adjustments, grants payable and split interest agreements	617,694	603,673
Endowment contributions	(26,895,585)	(6,129,232)
Changes in assets and liabilities		
Contributions receivable	(1,520,817)	(11,170,231)
Other receivables	283,093	449,750
Other assets	407	(42,954)
Accounts payable and accrued expenses	858,115	3,693,385
Grants payable	(2,065,066)	(3,468,993)
Split interest agreements payable	(192,879)	519,484
Deferred revenue	124,037	(20,693)
Post retirement health benefits	(158,629)	(73,721)
Net cash provided by (used in) operating activities	<u>178,133,957</u>	<u>(23,010,076)</u>
Investing activities		
Purchase of building improvements and equipment	(520,945)	(364,187)
Proceeds from sale of property	-	986,880
Payments received on agency pension loan receivable	294,656	408,876
Issuance of loans receivable	-	(1,026,215)
Payments of loans receivable	240,491	-
Purchase of investments	(220,376,380)	(147,391,357)
Sale of investments	242,526,119	177,846,673
Loan participation interest receivable	(35,238,614)	(28,695,573)
Net cash (used in) provided by investing activities	<u>(13,074,673)</u>	<u>1,765,097</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Financing activities		
Transactions with beneficiary agencies	\$ (6,970,369)	\$ 5,605,455
Endowment contributions	26,895,585	6,129,232
Due to other organizations, net	3,452,543	10,369,989
Payments on pension loan payable	(506,013)	(487,165)
Payments on bonds payable	(550,000)	(550,000)
Change in capital leases	<u>(55,749)</u>	<u>(43,950)</u>
Net cash provided by financing activities	<u>22,265,997</u>	<u>21,023,561</u>
 Net change in cash, cash equivalents and restricted cash	 187,325,281	 (221,418)
 Cash, cash equivalents and restricted cash		
Beginning of year	<u>45,543,264</u>	<u>45,764,682</u>
 End of year	 <u>\$ 232,868,545</u>	 <u>\$ 45,543,264</u>
 Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 687,793</u>	<u>\$ 687,793</u>
 Non cash investing and financing activities		
Finance of property and equipment through capital lease	<u>\$ 187,232</u>	<u>\$ 113,940</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Functional Expenses
Year Ended June 30, 2022

	Program Services			Supporting Services				
	Allocations and Grants	Program Services	Total	Management and General	Building Services	Fundraising Expenses	Total	Total
Salaries	\$ -	\$ 5,074,550	\$ 5,074,550	\$ 2,213,041	\$ 549,955	\$ 1,558,056	\$ 4,321,052	\$ 9,395,602
Payroll taxes and fringe benefits	-	939,965	939,965	414,348	101,141	288,457	803,946	1,743,911
Grants to agencies	52,400,850	1,563,474	53,964,324	865	-	742	1,607	53,965,931
Allocations to affiliates	4,753,357	-	4,753,357	-	-	-	-	4,753,357
Purchased services	-	746,597	746,597	123,428	(1,834)	246,231	367,825	1,114,422
Office expense	-	510,281	510,281	408,141	2,430	153,029	563,600	1,073,881
Consultants	-	132,026	132,026	184,280	1	21,941	206,222	338,248
Dues, subscriptions and subsidies	-	15,538	15,538	6,861	155	644	7,660	23,198
Telephone	-	15,465	15,465	7,026	8,799	3,846	19,671	35,136
Occupancy, maintenance, housing	-	38,317	38,317	41,966	287,578	10,948	340,492	378,809
Program expenses	-	1,367,317	1,367,317	174,184	2,612	167,396	344,192	1,711,509
Publicity and promotion	-	489,008	489,008	36,096	-	24,517	60,613	549,621
Travel and related expenses	-	122,456	122,456	61,514	5,015	8,030	74,559	197,015
Insurance	-	83,349	83,349	20,883	79,788	9,376	110,047	193,396
Postage	-	28,604	28,604	16,076	93	11,549	27,718	56,322
Interest expense	-	228,661	228,661	45,951	17,345	42,918	106,214	334,875
Bad debt expense (recovery)	-	365,305	365,305	-	-	(672,458)	(672,458)	(307,153)
Unrelated business income tax	-	-	-	249,798	-	-	249,798	249,798
Depreciation and amortization	-	526,999	526,999	95,792	-	54,333	150,125	677,124
Real estate taxes	-	-	-	-	125,876	-	125,876	125,876
Miscellaneous	-	281,868	281,868	246,202	-	76,147	322,349	604,217
	<u>\$ 57,154,207</u>	<u>\$ 12,529,780</u>	<u>\$ 69,683,987</u>	<u>\$ 4,346,452</u>	<u>\$ 1,178,954</u>	<u>\$ 2,005,702</u>	<u>\$ 7,531,108</u>	<u>\$ 77,215,095</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Functional Expenses
Year Ended June 30, 2021

	<u>Program Services</u>			<u>Supporting Services</u>				
	<u>Allocations and Grants</u>	<u>Program Services</u>	<u>Total</u>	<u>Management and General</u>	<u>Building Services</u>	<u>Fundraising Expenses</u>	<u>Total</u>	<u>Total</u>
Salaries	\$ -	\$ 5,123,126	\$ 5,123,126	\$ 1,937,965	\$ 531,251	\$ 1,568,998	\$ 4,038,214	\$ 9,161,340
Payroll taxes and fringe benefits	-	971,881	971,881	360,059	101,877	297,863	759,799	1,731,680
Grants to agencies	43,056,447	1,703,494	44,759,941	-	-	-	-	44,759,941
Allocations to affiliates	5,201,709	-	5,201,709	-	-	-	-	5,201,709
Purchased services	-	786,081	786,081	144,751	25,752	272,858	443,361	1,229,442
Office expense	-	470,462	470,462	379,989	4,748	142,865	527,602	998,064
Consultants	-	94,122	94,122	139,912	33	20,281	160,226	254,348
Dues, subscriptions and subsidies	-	8,842	8,842	11,098	55	193	11,346	20,188
Telephone	-	14,828	14,828	8,103	9,333	4,560	21,996	36,824
Occupancy, maintenance, housing	-	36,827	36,827	40,264	403,232	10,641	454,137	490,964
Program expenses	-	776,582	776,582	28,601	2,190	34,725	65,516	842,098
Publicity and promotion	-	472,566	472,566	69,406	-	64,812	134,218	606,784
Travel and related expenses	-	51,426	51,426	28,179	3,341	2,197	33,717	85,143
Insurance	-	59,284	59,284	22,350	78,776	9,691	110,817	170,101
Postage	-	28,738	28,738	13,395	35	14,330	27,760	56,498
Interest expense	-	139,025	139,025	13,400	5,974	15,453	34,827	173,852
Bad debt expense	-	233,478	233,478	-	-	489,998	489,998	723,476
Depreciation and amortization	-	837,757	837,757	84,854	-	47,826	132,680	970,437
Real estate taxes	-	-	-	-	122,358	-	122,358	122,358
Miscellaneous	-	269,503	269,503	259,478	-	77,562	337,040	606,543
	<u>\$ 48,258,156</u>	<u>\$ 12,078,022</u>	<u>\$ 60,336,178</u>	<u>\$ 3,541,804</u>	<u>\$ 1,288,955</u>	<u>\$ 3,074,853</u>	<u>\$ 7,905,612</u>	<u>\$ 68,241,790</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Jewish Federation of Greater MetroWest NJ and Affiliates

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

1. NATURE OF ACTIVITY

Jewish Federation of Greater MetroWest NJ is a New Jersey not-for-profit organization incorporated in 1924, whose primary functions include budgeting and social planning for the support and improvement of Jewish communal services; the identification of needed services; the raising and allocating of funds for operating purposes for local, national, and overseas agencies and the coordination of agency services with one another in relation to the total needs of the Jewish community.

Jewish Community Foundation of Greater MetroWest NJ, Inc. (the "Foundation"), a wholly owned subsidiary of Jewish Federation of Greater MetroWest NJ, was incorporated in 1949 as a New Jersey not-for-profit corporation. The Foundation's primary function is to receive, administer and allocate funds and property for Jewish Federation of Greater MetroWest NJ and its beneficiary agencies. The Foundation operates a bequest and endowment program which conducts educational and promotional activities for the development of funds for capital purposes and special projects, and a philanthropic fund which promotes the philanthropic interests and activities of Jewish Federation of Greater MetroWest NJ through the grant making process. The Foundation is comprised of 808 individual funds. In addition, the Foundation holds and invests funds for the benefit of other affiliated and non-affiliated organizations. Investments by affiliated and non-affiliated organizations in certain funds administered by the Foundation are subject to significant withdrawal restrictions. The Foundation and Jewish Federation of Greater MetroWest NJ are related organizations, affiliated by means of overlapping Boards of Trustees and management. A substantial portion of the Foundation's revenue is derived from contributions and investment earnings. There are ten supporting foundations of the Foundation at June 30, 2022 and 2021, established to support the charitable activities of the Foundation. These supporting foundations are included in the accompanying consolidated financial statements and are included in net assets without donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include Jewish Federation of Greater MetroWest NJ and Jewish Community Foundation of Greater MetroWest NJ, Inc. Collectively, the two organizations are hereafter referred to in this report as "Federation." All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions as follows:

Net assets without donor restrictions: Include expendable resources that are used to carry out Federation's operations and are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by Federation or may be limited by contractual agreements with outside parties.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions that will be met either by the actions of Federation or through the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by Federation, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity and that only the income may be made available for operations.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Measure of Operations

The accompanying consolidated statements of activities and changes in net assets distinguish between operating and non-operating activities. Operating activities include all revenues and expenses that are an integral part of the Federations programs and supporting activities. Non-operating activities include other reclassifications and transfers that are considered to be outside regular operating activities.

New Accounting Pronouncements Adopted in the Current Year

During 2022, Federation adopted Accounting Standards Update (“ASU”) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. This ASU requires a not-for-profit organization to present contributed nonfinancial assets, along with expanded disclosure requirements. The adoption of this ASU did not have a significant impact on the consolidated financial statements.

New Accounting Pronouncements Issued Not Yet Adopted

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02, *Leases* (Topic 842), which requires the recognition of a “right to use” asset and a lease liability, initially measured at the present value of the lease payments, on the consolidated statement of financial position for all of Federation’s lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021. Federation is currently evaluating the effect that this pronouncement will have on its consolidated financial statements and related disclosures.

Revenue and Support Recognition and Related Receivables

Contributions and Promises to Give

Federation recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as without donor restriction or with donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. Bequests are recorded when the respective will has been declared valid. Donated securities, equipment and works of art are recorded at fair value on the date of donation.

Conditional promises to give, which include those with a barrier or other measurable performance requirement and a right of return or release, are not recognized as revenue or expense until the conditions on which they depend have been substantially met. Payments received in advance of conditions being met are recorded as deferred revenue on the consolidated statements of financial position.

Contributions receivable are recorded at fair value upon notification of the contribution. It is the policy of management to review outstanding receivables periodically, as well as the receivable write offs experienced in the past, and establish an allowance of uncollectible receivables based on a four-year historical average, adjusted by management’s estimates of current economic factors. Contributions with expected collections past 1 year are discounted at net present value based on current rates as of the date of the contribution.

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Contracts with Customers

Revenues from contracts with customers include program and service fees and administrative fees. These are treated as exchange transactions in the consolidated statements of activities and changes in net assets. There are no significant financing components as payment is received at or shortly after the point of sale. Funds received in advance from customers for services that have not been performed have been recorded as contract liabilities, which are shown as deferred revenue in the consolidated statements of financial position. Any obligations for refunds are not material and accordingly related disclosures are not provided.

Program and Service Fees and Administrative Fees

Revenues from program and service fees are recorded once the program has occurred or when the service has been provided for the administrative fees and the performance obligation is satisfied, which is a specific point in time. Refunds are allowed in limited situations prior to the occurrence of the program and occur infrequently. These revenues are shown as support without donor restrictions in the consolidated statements of activities and changes in net assets.

Other revenues without donor restrictions are obtained from rental income, investment return, and miscellaneous income which are recorded when earned. These revenues are used to offset program expenses as well as the cost of property and equipment acquisitions and to fund management and general expenses.

Federation receives donated services from volunteers, officers and directors and donated materials to support fundraising, management and general and program efforts. The value of these donated services and materials is not included in these consolidated financial statements as they do not meet the criteria for recognition.

Cash, Cash Equivalents and Restricted Cash

Federation considers all highly liquid debt instruments purchased with a maturity of three months or less at the time of acquisition to be cash equivalents. Such instruments consist of certificates of deposit and money market funds which are recorded at cost which approximates fair value. Amounts included in restricted cash held in investment pool represent donor and custodial funds held for either investment or for philanthropic use at the direction of the donors. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 26,962,934	\$ 11,739,907
Restricted cash held in investment pool	<u>205,653,196</u>	<u>33,550,942</u>
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 232,616,130</u>	<u>\$ 45,290,849</u>

Investments

Investments in equity securities with readily determinable values and all investments in debt securities are measured at fair value in the consolidated statements of financial position. Investments in limited partnerships are comprised substantially of real estate limited partnerships and hedge funds. These investments are stated at fair value as determined by the individual fund managers. Hedge fund fair value is based on contributions to the various funds and the allocated share of investment earnings including realized and unrealized gains and losses. The investment managers of these real estate limited partnerships and hedge funds may make adjustments to values so determined, if in their experience, such methodology does not accurately reflect the underlying value of the investment.

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Fair value for real estate limited partnerships is determined using performance multiples or the market capitalization rate methodology applied to net income. Multiples are determined using market-based conditions of quoted companies or are derived from recent mergers and acquisition transactions. Donated investments are recorded at the fair value at the date of receipt. Investments are shown as long term in the consolidated statements of financial position except for money market funds within the fixed pool which are shown as short term, given the restrictions in place and the long-term donative intent and other withdrawal restrictions found in the fund agreements. Certain investment pools include withdrawal restrictions that limit the amount of withdrawals to 25% of the fund holder's balance annually, subject to board approval.

Investment Return

Investment return (including realized and unrealized gains and losses on investments, interest, and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law. Except for those funds which have specifically identified investments associated with them, the majority of the investments are held in pooled funds at Federation. Each fund is assigned a unit value and its ownership interest is based on the allocation of the fair value of the fund's units to the total fair value of the investment pool. The pool is revalued monthly and income and gains or losses are allocated to each fund based on its units.

Loans Receivable

Federation carries its loans receivable at net realizable value. Federation evaluated the loans receivable and determined no loss allowance is required as of June 30, 2022 and 2021.

Cash Surrender Value of Life Insurance

Federation is the owner of certain life insurance policies from various donors who have named Federation as the beneficiary. These policies are valued at their cash surrender value.

Property, Equipment and Depreciation

Property and equipment purchases are recorded at cost, except for donated items which are recorded at fair value on the date of donation. When donors stipulate how long the assets must be used, the contributions are recorded as revenue with donor restrictions at the date of donation and are released ratably over the period specified by the donor. In the absence of such stipulations, contributions of property and equipment are recorded as revenue without donor restrictions. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs, and minor renewals are charged to operations as incurred.

Depreciable years for each major asset category are as follows:

<u>Description</u>	<u>Estimated Life (Years)</u>
Buildings	40
Buildings improvements and renovations	15-30
Furniture and equipment	5-10
Computer equipment	5

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Valuation of Long-Lived Assets

Federation reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that there were no impairments for the periods presented in these consolidated financial statements.

Functional Allocation of Expenses

The costs of providing services have been summarized on a functional basis in the consolidated statements of activities and detailed within the consolidated statements of functional expenses. Grants and allocations and other expenses directly related to program activity are directly charged to program services. Salaries are recorded based on the time spent by employees in each functional area. Fringe benefits and other administrative costs are allocated using the salaries as a basis for charging expenses to each support service or function.

The expenses of Federation are presented in the consolidated statements of functional expenses under the following classifications which describe Federation's program activities:

Allocations and Grants - Federation distributes funds from contributions received without donor restricted allocations, donor recommendations, funds with donor restrictions and other fund agreements to those beneficiary agencies affiliated with Federation, other local, national, and international Jewish organizations as well as local, national, and international secular organizations.

Program Services - Federation provides certain services directly when they cannot be more efficiently delivered by other organizations, including budgeting and social planning for Federation and beneficiary agencies, Jewish education and leadership development, Israel programs, Holocaust education, and Eldercare services; Federation also provides the vehicle through which the Jewish community relates to politicians, government authorities, other faith communities and a wide array of Jewish communal institutions, regionally and nationally.

Grants and Allocations

Grants and allocations are recorded when approved by the Board of Trustees. Federation recognizes grants made, including unconditional promises, as expenses in the period made. Conditional promises, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized in expense until the conditions on which they depend have been substantially met. Grants payable that are expected to be paid after one year are discounted at a risk-free interest rate when material and amortization of the discount is included in grant expenses.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. The allowance for uncollected contributions receivable (Note 3) is based upon historical analysis of Federation's experience with collection of contributions and is discounted to present value using a risk adjusted rate. However, it is reasonably possible the actual uncollected contribution will change in the near term. The loans receivable (Note 4) include loans to affiliated agencies with variable repayment terms and are subject to the possibility that the loans may not be repaid. The present value of liabilities pursuant to split interest agreements (Note 12) is calculated using a discount rate, estimated life expectancies of beneficiaries and applicable mortality tables. Valuation allowances are recorded against life insurance policies. It is reasonably possible that when the actual distributions are made the amounts could differ from the obligations calculated.

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Income Taxes

Jewish Federation of Greater MetroWest NJ and the Foundation are exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and from state and local taxes under relevant state laws. Accordingly, no provision for federal or state income taxes has been recorded in the consolidated statements of activities and changes in net assets, other than for unrelated business income tax, which is due based on pass-through taxable income received from investments in alternative investments, which amounted to \$249,798 and \$-0- for the years ended June 30, 2022 and 2021, respectively. There are no uncertain tax positions at any of the organizations. In addition, there are no income tax related penalties or interest for the periods reported in these consolidated financial statements.

Reclassification

Certain items in the prior year consolidated financial statements have been reclassified to conform with the presentation in the current year consolidated financial statements. The reclassifications had no effect on the changes in net assets.

Acquisition

Jewish Federation of Greater MetroWest NJ (“Acquiror”) and Jewish Historical Society of MetroWest (“Transferor”) entered into an agreement whereby Acquiror acquired and assumed from Transferor all the transferred assets and assumed liabilities effective July 1, 2021. A transfer of net assets of \$490,201 was recorded in the consolidated statements of activities and changes in net assets at June 30, 2022 as a result of this agreement.

3. CONTRIBUTIONS RECEIVABLE

At June 30, contributions receivable consist of the following:

	<u>2022</u>	<u>2021</u>
Total receivables	\$ 36,425,967	\$ 34,218,216
Discount to present value (6% in 2022 and 2021)	(2,020,507)	(604,172)
Allowance for uncollectible amounts	<u>(3,348,518)</u>	<u>(4,668,046)</u>
Contributions receivable, net	31,056,942	28,945,998
Current portion	<u>23,036,201</u>	<u>18,845,470</u>
Contributions receivable, long term	<u>\$ 8,020,741</u>	<u>\$ 10,100,528</u>

Contributions receivable, net are due as follows:

2023	\$ 23,036,201
2024	2,608,555
2025	1,773,862
2026	1,558,139
2027	293,075
Thereafter	<u>1,787,110</u>
	<u>\$ 31,056,942</u>

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4. LOANS RECEIVABLE

At June 30, loans receivable consists of the following:

	<u>2022</u>	<u>2021</u>
Jewish Family Services Agency of Central NJ, 12-year loan of \$560,000 commenced on October 10, 2013, interest at the US five year Treasury rate plus 2%, adjusted quarterly, rate at June 30, 2021 was 3.75%. There are monthly principal and interest payments of \$4,500. The loan is secured by property.	\$ 201,952	\$ 253,565
Jewish Family Services of MetroWest, maturing December 2036, interest at the US five-year Treasury rate plus 2%, adjusted quarterly, rate at June 30, 2021 was 3.75%. Principal and interest payments, which vary each month, approximated \$7,200 per month. The loan is secured by property.	482,467	785,605
Jewish Community Centers of MetroWest, four-year, non-interest bearing, unsecured loan. Payments are to be made on the cash flows of underlying pledges received by the Jewish Community Centers of MetroWest.	-	25,000
NJY Camps, 10-year non-interest bearing unsecured loan of \$1,000,000 commenced on July 31, 2020. The principal sum of this loan shall be repaid in 10 installments of \$50,000 - \$120,000 based on the loan agreement.	950,000	1,000,000
Jewish Community Centers of MetroWest, 5-year non-interest bearing loan of \$150,000 commenced on December 7, 2020. The principal sum of this loan shall be repaid in 5 equal installments of \$30,000 commencing on December 7, 2021. This loan is secured by a personal guarantee.	120,000	150,000
Jewish Community Centers of MetroWest, 5-year non-interest bearing loan of \$80,000 commenced on December 7, 2020. The principal sum of this loan shall be repaid in 5 equal installments of \$16,000 commencing on December 7, 2021. This loan is secured by a personal guarantee.	64,000	80,000
A non-interest bearing unsecured loan of \$105,600 to a former employee, commenced in May 2015 with no specific payment terms.	25,700	35,300
Library project Raanana, Israel, unsecured, non-interest bearing construction advance, repayment to be made from the William Lester Foundation; shown at net present value using a 4% discount rate, maturing 2040. Principal and interest payments are \$42,258 annually.	<u>440,842</u>	<u>471,287</u>
	2,284,961	2,800,757
Amounts due within one year	<u>311,620</u>	<u>286,479</u>
Long-term portion	<u>\$ 1,973,341</u>	<u>\$ 2,514,278</u>

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Maturities of loans receivable are as follows:

2023	\$ 311,620
2024	279,895
2025	307,969
2026	303,161
2027	233,836
Thereafter	<u>848,480</u>
	<u>\$ 2,284,961</u>

5. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of June 30, 2022 and 2021, financial assets and liquidity resources available within one year for general expenditures were as follows:

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 26,962,934	\$ 11,739,907
Contributions receivable, current portion	23,036,201	18,845,470
Due from beneficiary agencies	224,196	510,405
Agency pension loan receivable, current portion	306,056	294,655
Loans receivable, current portion	311,620	286,479
Other receivables	<u>741,680</u>	<u>1,024,773</u>
	51,582,687	32,701,689
Unrestricted fund assets included in long-term investments	<u>6,495,136</u>	<u>3,502,967</u>
Total financial assets and liquidity resources available within one year	<u>\$ 58,077,823</u>	<u>\$ 36,204,656</u>

The financial assets above are not subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the consolidated statements of financial position date. In addition to the assets above, there is approximately \$14.9 million in Federation unrestricted funds included in long term investments at June 30, 2022. In accordance with its spending policy, the fund distributes 5% of assets annually to the annual campaign. Additionally, grants that are authorized and paid from donor advised and other restricted funds in the subsequent year would be funded from the related restricted cash or other long term investment accounts and not from the financial assets noted above.

6. FAIR VALUE MEASUREMENTS

Federation has provided fair value disclosure information for relevant assets and liabilities in these consolidated financial statements. For applicable assets and liabilities subject to this pronouncement, Federation will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible (Level 1). To the extent that such market prices are not available, Federation will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, Federation will develop measurement criteria based on the best information available (Level 3). There were no transfers into or out of Level 3 into investments during the years ended June 30, 2022 and 2021. Purchases of Level 3 investments totaled \$2,965,009 and \$1,502,196 for the years ended June 30, 2022 and 2021, respectively.

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Federation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements. Investments by affiliated and non-affiliated organizations in certain funds administered by Federation are subject to significant withdrawal limitations.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Common Stocks (Equities): Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate Bonds (Government/Corporate Fixed Income): Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Mutual Funds/Money Markets: Valued at the daily closing price as reported by the fund. Mutual funds are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held are deemed to be actively traded.

U.S. Treasury Obligations and U.S. Government Agency Investments: The fair value of government bonds is generally based on quoted prices in active markets. When quoted prices are not available, fair value is determined based on a valuation model that uses inputs that include interest rate yield curves, similar to the bond in terms of issuer, maturity, and seniority. Government bonds are generally categorized in Level 1 or Level 2 of the fair value hierarchy.

Federation invests in alternative investment strategies (other than traditional long-only purchases of stocks or bonds) for the purposes of diversifying the market exposure of the investment portfolios, reducing volatility and/or enhancing the overall return. Alternative investments may include investment managers, partnerships or other similar vehicles investing (long and/or short) in domestic and international securities, venture capital investments, hedge funds, private equity, high yield and distressed securities and loans, commodities, gold, oil and gas interests, real estate, and derivative instruments. Certain alternative investments are classified within Level 3 of the fair value hierarchy.

Certain of Federation's investments in private investment companies are measured using net asset value ("NAV") per share as a practical expedient and are therefore not categorized within the fair value hierarchy. Investments in private investment companies are valued, as a practical expedient, utilizing the net asset valuations provided by the underlying private investment companies, without adjustment, when the net asset valuations of the investments are calculated in a manner consistent with GAAP for investment companies. Federation applies the practical expedient to its investments in private investment companies on an investment-by-investment basis.

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The following table summarizes assets which have been accounted for at fair value on a recurring basis as of June 30, 2022, along with the basis for the determination of fair value:

	2022			
	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Money market funds	\$ 205,653,196	\$ 205,653,196	\$ -	\$ -
Equities				
Materials	452,228	452,228	-	-
Industrials	6,574,884	6,574,884	-	-
Telecommunications services	6,453,783	6,453,783	-	-
Consumer discretionary	8,282,083	8,282,083	-	-
Consumer staples	960,313	960,313	-	-
Energy	2,371,032	2,371,032	-	-
Financial	14,019,549	14,019,549	-	-
Healthcare	6,355,967	6,355,967	-	-
Information technology	10,731,853	10,731,853	-	-
Utilities	517,506	517,506	-	-
Real estate	10,869,757	10,869,757	-	-
Mutual funds				
Domestic equity mutual funds	38,229,193	38,229,193	-	-
International equity mutual funds	45,729,948	45,729,948	-	-
Global fund	2,717,288	2,717,288	-	-
International fixed income	9,436,962	9,436,962	-	-
US Treasury obligations	36,176,134	36,176,134	-	-
US Governmental agencies	164,727	-	164,727	-
Corporate bonds				
AAA - A ratings	21,048,532	-	21,048,532	-
BBB - B ratings	5,029,636	-	5,029,636	-
Not rated	10,479,322	-	10,479,322	-
State of Israel bonds (b)	4,649,635	-	4,649,635	-
Alternative investments				
Multi-strategy (c)	2,395,947	-	-	2,395,947
Private equity (d)	1,420,436	-	-	1,420,436
Real estate (e)	141,489	-	-	141,489
Other (g)	4,956,762	-	-	4,956,762
	<u>455,818,162</u>	<u>\$ 405,531,676</u>	<u>\$ 41,371,852</u>	<u>\$ 8,914,634</u>
Investments at NAV (1)	<u>185,246,727</u>			
	<u>\$ 641,064,889</u>			

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The following table summarizes assets which have been accounted for at fair value on a recurring basis as of June 30, 2021, along with the basis for the determination of fair value:

	2021			
	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Money market funds	\$ 33,550,942	\$ 33,550,942	\$ -	\$ -
Equities				
Materials	372,280	372,280	-	-
Industrials	6,962,095	6,962,095	-	-
Telecommunications services	9,946,775	9,946,775	-	-
Consumer discretionary	11,427,033	11,427,033	-	-
Consumer staples	1,077,005	1,077,005	-	-
Energy	2,559,267	2,559,267	-	-
Financial	14,426,039	14,426,039	-	-
Healthcare	8,122,236	8,122,236	-	-
Information technology	14,298,274	14,298,274	-	-
Utilities	574,229	574,229	-	-
Real estate	17,936,362	17,936,362	-	-
Mutual funds				
Domestic equity mutual funds	49,126,356	49,126,356	-	-
International equity mutual funds	51,709,255	51,709,255	-	-
Global fund	12,137,007	12,137,007	-	-
International fixed income	12,867,840	12,867,840	-	-
US Treasury obligations	31,897,088	31,897,088	-	-
US government agencies	133,277	-	133,277	-
Corporate bonds				
AAA - A ratings	20,404,728	-	20,404,728	-
BBB - B ratings	21,389,729	-	21,389,729	-
Not rated	15,018,241	-	15,018,241	-
State of Israel bonds (b)	4,874,099	-	4,874,099	-
Alternative investments				
Multi-strategy (c)	2,763,500	-	-	2,763,500
Private equity (d)	1,301,995	-	-	1,301,995
Real estate (e)	456,656	-	-	456,656
Other (g)	1,934,293	-	-	1,934,293
	<u>347,266,601</u>	<u>\$ 278,990,083</u>	<u>\$ 61,820,074</u>	<u>\$ 6,456,444</u>
Investments at NAV (1)	<u>190,271,108</u>			
	<u>\$ 537,537,709</u>			

(1) In accordance with FASB ASC 820-10, certain investments that are measured at fair value using the net asset value per share ("NAV") (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

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The following table lists the investments by class, redemption notice period and investment strategy at June 30, 2022:

<u>Strategies</u>	<u># of Funds</u>	<u>Valuation</u>	<u>Unfunded Commitment</u>
Multi-Asset Strategy (h)	5	\$ 39,301,132	\$ 276,250
Multi-Strategy (c)	5	46,095,127	1,144,946
Private equity (d)	13	30,783,936	7,078,341
Real estate (e)	17	27,588,145	4,321,356
Natural resources (f)	5	6,300,185	64,500
Private equity - long (a)	1	15,033,288	-
Private equity - long (i)	1	9,477,508	-
Private equity - long (j)	1	5,056,326	-
Private equity - long (k)	1	5,611,080	-
		<u>\$ 185,246,727</u>	<u>\$ 12,885,393</u>

- a) Large cap funds with long only strategy focused on domestic markets. The investments are redeemable monthly at a NAV calculated on a monthly basis.
- b) State of Israel bonds are backed by a more than 60-year record of dependability and Israel has never defaulted on the payment of principal and interest. The bonds all have maturity dates through November 2023. Federation intends to hold the bonds until maturity.
- c) These multi-strategy funds are fund of funds and directly held funds which in aggregate represent a number of underlying funds covering a wide array of investment strategies. Approaches include public and private equity, long/short equity and debt strategies, credit arbitrage and active fixed income investing. These investments are redeemable semi-annually with a notice of 95 days.
- d) Private equity assets invest in various companies and some debt securities, both domestic and international. The partnerships have a remaining legal life span of two to twelve years with no redemption rights for the Limited Partners. Liquidity is expected in the form of distributions from the funds when the underlying assets are sold. The majority of the capital calls are expected within two to four years and return of capital is anticipated in one to twelve years.
- e) Real assets are investments in private real asset funds which invest in office, hotel, commercial, residential, and industrial real estate. The funds have a remaining legal life span of two to ten years with no redemption rights for Limited Partners. The majority of the capital calls are expected within two to four years and return of capital is anticipated in one to ten years.
- f) Natural resources assets are investments in oil and natural gas and other natural resources-related industries. The funds have a remaining legal life span of one to ten years with no redemption rights for Limited Partners. The majority of the capital calls are expected within two to four years and return of capital is anticipated in one to ten years.
- g) Other assets are investments in limited partnerships holding real estate assets. There is currently no market for the underlying assets and sales are not expected in the near future.

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- h) Multi-asset strategy fund seeks to achieve a total return that over a majority of market cycles exceeds inflation plus 5% per annum. Underlying investments include global equities, domestic equities, fixed income, private equity and publicly traded limited partnerships. The investment is redeemable daily with a NAV calculated on a daily basis.
- i) All cap funds with long strategy focused on international markets. These investments are redeemable monthly at a NAV calculated on a monthly basis.
- j) Open ended fund with an objective to achieve long-term total return through investments in equity securities of emerging-market companies that are undervalued at time of purchase. The investment is redeemable daily at a NAV calculated on a daily basis.
- k) International small cap fund focused on long term absolute returns. The investment is redeemable monthly with a NAV calculated on a monthly basis.

Investment return, net consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 15,857,243	\$ 10,859,543
Realized gains	32,113,516	30,244,491
Unrealized (losses) gains	(80,157,654)	79,722,129
Interest - loans and notes receivable	9,716	40,307
	<u>(32,177,179)</u>	<u>120,866,470</u>
Investment fees	(1,704,201)	(1,838,418)
	<u>\$ (33,881,380)</u>	<u>\$ 119,028,052</u>

7. PROPERTY AND EQUIPMENT

Operating Property and Equipment

Property and equipment, shown net of accumulated depreciation at June 30, consists of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 2,140,049	\$ 2,140,049
Buildings and improvements	18,492,964	18,253,174
Furniture and equipment	2,986,053	3,223,156
Computer equipment	1,185,707	1,181,324
Transportation equipment	16,192	16,192
Library	434,322	434,322
Works of art	111,808	111,808
	<u>25,367,095</u>	<u>25,360,025</u>
Less: Accumulated depreciation	<u>(21,652,556)</u>	<u>(21,520,051)</u>
	<u>\$ 3,714,539</u>	<u>\$ 3,839,974</u>

Depreciation expense on these assets totaled \$587,133 and \$798,125 for the years ended June 30, 2022 and 2021, respectively.

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Property and Equipment Held for Rental

The Foundation owns several rental properties which are rented to affiliated entities. Depreciation on these assets totaled \$89,991 and \$172,312 for the years ended June 30, 2022 and 2021, respectively. This property and equipment, shown net of accumulated depreciation for the years ended June 30, consists of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 283,454	\$ 283,454
Buildings and improvements	20,432,193	20,432,193
Furniture and equipment	<u>1,002,472</u>	<u>1,002,472</u>
	21,718,119	21,718,119
Less: Accumulated depreciation	<u>(21,386,758)</u>	<u>(21,296,767)</u>
	<u>\$ 331,361</u>	<u>\$ 421,352</u>

Federation is currently under the process to transfer the title of land to Daughters of Israel, Inc. ("DOI"), a beneficiary agency. The land has a cost of approximately \$110,000 and is located in West Orange, NJ. There is a restriction requiring that the land be used by DOI (or its Successor) for Jewish communal purposes, or otherwise the appraised value of the land at the time of transfer will need to be paid to the Federation. The transfer is anticipated to be completed in 2023.

8. LOAN PARTICIPATION INTEREST RECEIVABLE

The Foundation holds investments in loans to outside parties that are recorded at cost. The loans earn interest at rates between 10% to 14% with maturity dates from April 2023 to December 2027. The balances as of June 30, 2022 and 2021 are \$63,934,187 and \$28,695,573, respectively.

9. BONDS PAYABLE

Bonds payable at June 30 were as follows:

	<u>2022</u>	<u>2021</u>
Essex County Improvement Authority bond	\$ 7,415,000	\$ 7,965,000
Amounts due within one year	<u>550,000</u>	<u>550,000</u>
	<u>\$ 6,865,000</u>	<u>\$ 7,415,000</u>

The future scheduled maturities of the bonds payable are as follows:

2023	\$ 550,000
2024	550,000
2025	550,000
2026	<u>5,765,000</u>
	<u>\$ 7,415,000</u>

During 2014, the Jewish Community Center of Greater MetroWest New Jersey ("JCC"), Federation and the bond trustee entered into an Assignment and Assumption Agreement, whereby Federation assumed the bond liability. JCC is no longer considered the primary obligor of the bonds payable. Bonds payable were \$7,415,000 and \$7,965,000 at June 30, 2022 and 2021, respectively.

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The JCC leasehold improvements financed by the bonds payable remain as collateral. The Essex County Improvement Authority (the "Issuer") issued \$12,425,000 of Series 2005 tax-exempt variable rate demand revenue bonds. The proceeds of the bonds were used to finance the construction of an early childhood center, a fitness center, a four-story parking deck, a winter garden, multi-purpose meeting areas, offices, and other renovations to the existing JCC building located in West Orange.

Interest on the bonds is payable monthly at variable rates pegged to market as determined by the remarketing agent on a weekly basis. As of the years ended June 30, 2022 and 2021, the interest rate was .95 % and .03%, respectively, per annum. There is an annual principal payment due in July of every year.

10. GRANTS PAYABLE

Federation has made grant commitments to certain affiliated and non-affiliated not-for-profit organizations as of June 30, as follows:

	<u>2022</u>	<u>2021</u>
Total grant commitments	\$ 30,423,394	\$ 32,488,460
Less discount to present value	<u>4,158,969</u>	<u>4,765,670</u>
	26,264,425	27,722,790
Amounts payable in subsequent fiscal year	<u>11,784,228</u>	<u>11,975,127</u>
Amounts payable in future fiscal years	<u>\$ 14,480,197</u>	<u>\$ 15,747,663</u>

Future payments are as follows:

2023	\$ 9,846,728
2024	3,430,817
2025	3,088,287
2026	2,913,479
2027	1,980,234
Thereafter	<u>5,004,880</u>
	<u>\$ 26,264,425</u>

11. CAPITAL LEASES

Federation leases office equipment under long-term leases and has the option to purchase the equipment at the termination of the lease. Equipment leased under capital leases and included in property and equipment in the consolidated statements of financial position at June 30, is as follows:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 435,219	\$ 514,105
Less: Accumulated depreciation	<u>109,540</u>	<u>319,909</u>
	<u>\$ 325,679</u>	<u>\$ 194,196</u>

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Future minimum payments for capitalized leases were as follows at June 30, 2022:

2023	\$ 107,088
2024	107,088
2025	107,088
2026	99,738
2027	<u>44,829</u>
Total minimum lease payments	465,831
Less: Amount representing interest	<u>140,152</u>
Total present value amount	325,679
Less: Current portion	<u>56,800</u>
Non-current portion	<u>\$ 268,879</u>

Maturities of capital leases:

2023	\$ 56,800
2024	66,316
2025	77,637
2026	83,728
2027	<u>41,198</u>
	<u>\$ 325,679</u>

12. SPLIT INTEREST AGREEMENTS

Federation administers various split interest agreements which provide for the payment of distributions to the grantor or other designated beneficiaries over the agreement's term (usually the designated beneficiary's lifetime). At the end of the agreement's term, the remaining assets are available for Federation's use. The portion of the agreement attributable to the future interest of Federation is recorded in the consolidated statements of activities and changes in net assets as contributions with donor restrictions in the period the trust is established. Assets held in the split interest agreements are recorded at fair value in Federation's consolidated statements of financial position. On an annual basis, Federation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using a discount rate of 6% to 8% based on the nature of the agreements and applicable mortality tables. The present value of the future obligation for split interest agreements at June 30, 2022 and 2021 was \$1,200,515 and \$1,382,401, respectively.

Assets, included in long term investments, related to split interest agreements at June 30, 2022 and 2021 total \$1,619,710 and \$2,239,479, respectively. The valuation allowance recorded to reflect the present value of estimated future payment resulted in a change in value of split interest agreements of \$90,200 and \$747,033 for the years ended June 30, 2022 and 2021, respectively, which is included in the valuation allowance in the consolidated statements of activities and changes in net assets.

13. DUE TO OTHER ORGANIZATIONS

Amounts due to other organizations totaling \$41,017,758 and \$37,565,215 at June 30, 2022 and 2021, respectively, represent funds provided to Federation by unrelated, non-beneficiary agencies to be invested. The investment earnings allocable to these funds are recorded as a liability in the consolidated statements of financial position.

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These funds are invested in the various pools offered by Federation based on instructions received from the investors pursuant to written agreements. Certain investment pools allow the investors to withdraw funds with relatively short notice (on demand) while other investment pools place significant restrictions on an investor's ability to withdraw funds (over several years). All investments related to the funds provided by these investors, as well as the related liabilities, are reflected as long-term in the consolidated statements of financial position.

14. AFFILIATIONS AND RELATED PARTY TRANSACTIONS

Federation conducts various transactions with and provides assistance to its beneficiary agencies by investing, administering, and allocating funds for various purposes. Federation also provides bookkeeping services, joint cost sharing of certain expenditures and allows its beneficiary agencies to participate in pension and benefit plans administered by Federation.

Funds invested with the Foundation on behalf of Federation beneficiary agencies and related earnings due to the following organizations are as follows:

	<u>2022</u>	<u>2021</u>
Jewish Vocational Service of MetroWest, Inc.	\$ 520,520	\$ 570,061
Jewish Family Services of MetroWest, Inc.	4,590,573	6,128,979
Daughters of Israel	11,471,174	17,299,887
Jewish Community Center of MetroWest, Inc.	2,332,226	2,734,383
Jewish Community Housing Corp.	42,779	72,744
Jewish Service for the Developmentally Disabled	209,169	192,869
Jewish Historical Society	-	489,267
	<u>19,166,441</u>	<u>27,488,190</u>
Less: Current portion	<u>84,122</u>	<u>-</u>
	<u>\$ 19,082,319</u>	<u>\$ 27,488,190</u>

At June 30, certain unsecured amounts were due from beneficiary agencies as follows:

	<u>2022</u>	<u>2021</u>
Balance of funds advanced to beneficiary agencies to cover cash flow deficits which bear interest at lesser of 5% or the prime rate, which approximated 3.25% annually for each of the years then ended:		
Jewish Vocational Service of MetroWest, Inc.	\$ 54,717	\$ 135,227
Jewish Community Housing Corp.	104,314	83,418
Jewish Service for the Developmentally Disabled	65,068	41,395
Jewish Historical Society	-	244,296
Jewish Family Services of Central NJ	97	4,955
Daughters of Israel, Inc	-	1,112
Jewish Community Center of MetroWest, Inc. - net of reserve of \$3,381,000 and \$4,360,900 at June 30, 2022 and 2021	<u>913,451</u>	<u>998,624</u>
	1,137,647	1,509,027
Current portion	<u>224,196</u>	<u>510,405</u>
	<u>\$ 913,451</u>	<u>\$ 998,622</u>

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In addition to the leasing transactions disclosed in Note 19, related party revenue and expense transactions were as follows:

Affiliated agencies were charged \$0 and \$7,106 for the years ended June 30, 2022 and 2021, respectively, by Federation for occupancy costs which represented a pro-rata share of maintenance and related expenses attributable to the operation of the Campus in Whippany, New Jersey. In addition, affiliated agencies paid Federation \$54,047 and \$51,304 for the years ended June 30, 2022 and 2021, respectively, in fees for bookkeeping and accounting services. Affiliated agencies paid Federation \$2,562,829 in rent for buildings owned by Federation for each of the years ended June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Allocations and grants made by Federation to affiliates:		
Daughters of Israel Geriatric Center	\$ 2,929,928	\$ 2,976,929
Jewish Community Center of MetroWest, Inc.	518,269	588,150
Jewish Family Services of MetroWest, Inc.	485,000	560,330
Jewish Education Center	162,900	186,470
JCC of Central New Jersey	125,000	166,000
YM-YWHA of Union County	145,000	194,000
Jewish Family Services of Central New Jersey	274,760	349,700
Jewish Vocational Service of MetroWest, Inc.	112,500	180,130
	<u>\$ 4,753,357</u>	<u>\$ 5,201,709</u>
	<u>2022</u>	<u>2021</u>
Interest income earned by Federation on funds advanced to beneficiary agencies:		
Jewish Family Services of MetroWest, Inc.	\$ 6,186	\$ 12,832
Jewish Vocational Service of MetroWest, Inc.	1,143	3,802
Jewish Family Services of Central New Jersey, Inc.	2,713	3,670
	<u>\$ 10,042</u>	<u>\$ 20,304</u>

Federation received contributions from its board members totaling \$7,328,031 and \$7,638,844 for the years ended June 30, 2022 and 2021, respectively.

15. DEFERRED REVENUE

During the year ended June 30, 2000, Federation entered into a land lease agreement of \$1,480,000, with Jewish Community Housing Corporation, Inc. ("JCHC"). The lease was for an initial term of 80 years with a renewal option of an additional 100 years. Under the terms of a 2005 amendment to the initial lease, JCHC was required to pay Federation \$1,250,000 of the original \$1,480,000 immediately. The remaining \$230,000 of the original lease payment has been paid as of June 30, 2011.

At June 30, 2022 and 2021 JCHC had prepaid the ground lease in the amounts of \$1,292,769 and \$1,300,991 respectively. These amounts are included in deferred revenue and are being charged off to rent income at the rate of \$8,222 per annum. For each of the years ending June 30, 2022 and 2021, no contingent rents were paid or accrued.

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Other amounts for programs fees of \$453,513 and \$321,254 are included in deferred revenue at June 30, 2022 and 2021, respectively. The program fees included in deferred revenue as of July 1, 2020 was \$333,725.

16. BENEFIT PLANS

Pension Plan

Federation administered a multiple employer defined retirement plan (the "Plan") which covered substantially all employees of Federation which was formally terminated in May 2020.

As part of the termination of the pension plan, Federation and participating agencies purchased annuities totaling \$28 million in December 2016. As part of the funding of the annuity purchases, a loan agreement of \$17.5 million ("loan") with OceanFirst Bank was taken by Federation to fully fund the plan.

The interest rate on the unpaid principal balance of the loan from the date of the note until January 1, 2027 (the "first change date") is 3.75%. On the fifth anniversary of the first change date and at each subsequent fifth year anniversary thereafter (each, a "change date"), the interest rate on the unpaid principal balance of the loan is at a per annum rate equal to 180 basis points above the 5-year US Treasury Bond Rate in effect three business days before the first change date, adjusted to a constant maturity of five years. The loan matures on December 31, 2041. There are monthly principal and interest payments of \$90,490. This loan is secured by certain accounts held by the Foundation.

Federation is required to maintain a ratio of total liabilities to effective tangible net worth of not more than .50 to 1.00. Federation must maintain one or more depository accounts at OceanFirst Bank with an aggregate balance of not less than \$250,000. The pension loan payable balance is \$14,974,714 and \$15,480,727 at June 30, 2022 and 2021, respectively.

The future scheduled maturities of the pension loan payable payments are as follows:

2023	\$ 525,592
2024	544,445
2025	566,991
2026	588,929
2027	611,714
Thereafter	<u>12,137,043</u>
	<u>\$ 14,974,714</u>

On December 15, 2016, Federation provided unsecured loans to affiliated agencies to fund the termination of the pension plans. Interest on these loans is tied to Federation's pension loan, with the commencement of the date of Federation loan payable until the tenth anniversary (the "first change date") the interest rate will be 3.75%. On the first change date, the interest rate will be determined by the 5-year US Treasury Bond Rate in effect three business days before the first change date, adjusted to a constant maturity of five years, plus 180 basis points, subject to a floor of 3.75% per year. On the fifth anniversary of the first change date and at each subsequent fifth year anniversary thereafter (each, a "change date"), the interest rate will reset to the then current 5-year US Treasury Bond Rate in effect three business days before the applicable change date, adjusted to a constant maturity of five years, plus 180 basis points, subject to a floor of 3.75% per year. Payments of principal and interest shall be paid monthly until the maturity date, based on the then remaining portion of a fully amortizing 25-year loan. Federation has the option to demand payment in full of the entire unpaid principal amount together with all accrued but unpaid interest thereon on each change date following the first change date.

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At June 30, the agency pension loan receivables are as follows:

	<u>2022</u>	<u>2021</u>
Jewish Vocational Service of MetroWest, Inc., original loan of \$3,807,616. There are monthly principal and interest payments of \$19,689.	\$ 3,258,129	\$ 3,368,232
Jewish Service for the Developmentally Disabled, original loan of \$441,263. There are monthly principal and interest payments of \$2,282.	377,567	390,330
Jewish Family Services of MetroWest, Inc., original loan of \$2,078,163. There are monthly principal and interest payments of \$10,746.	1,778,270	1,838,363
Jewish Family Services of Central New Jersey, original loan of \$550,659. There are monthly principal and interest payments of \$2,847.	471,225	487,142
Jewish Community Center of MetroWest, Inc., original loan of \$3,312,700. There are monthly principal and interest payments of \$17,129.	<u>2,834,705</u>	<u>2,930,485</u>
	8,719,896	9,014,552
Amounts due within one year	<u>306,056</u>	<u>294,655</u>
Long-term portion	<u>\$ 8,413,840</u>	<u>\$ 8,719,897</u>

Maturities of agency pension loans receivable are as follows:

2023	\$ 306,056
2024	317,035
2025	330,524
2026	342,579
2027	356,207
Thereafter	<u>7,067,495</u>
	<u>\$ 8,719,896</u>

Post-Retirement Medical Plan

Federation also administers an unfunded multiple employer post-retirement medical benefits plan (the "Medical Plan"). The Medical Plan provides subsidized medical and pharmaceutical benefits for full-time employees and affiliated agency employees and pro rata benefits for part-time employees who retire after age 55 having completed 20 years of service by December 31, 2006 or employees who have completed 10 years of service and are age 62 before April 1, 2004 and retire before December 31, 2006. Federation's contribution to the Medical Plan amounted to \$55,948 and \$59,195 for the years ended June 30, 2022 and 2021, respectively.

Other Changes in Post-Retirement Benefits

For the years ended June 30, 2022 and 2021, Federation recorded an increase in net assets without donor restrictions of \$112,543 and \$28,211, respectively, due to post retirement benefits amounts not yet reflected in net periodic post-retirement benefits cost.

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Information on the post-retirement medical plan as of June 30:

<u>Change in Benefit Obligation</u>	<u>2022</u>	<u>2021</u>
Benefit obligation, beginning of year	\$ 595,527	\$ 669,248
Interest cost	12,992	14,586
Actuarial gain	(115,673)	(29,112)
Plan participant contributions	28,079	29,455
Benefits paid	(84,027)	(88,650)
Benefit obligation, end of year	<u>\$ 436,898</u>	<u>\$ 595,527</u>

Assumptions - Net Periodic Benefit Cost

Weighted-average assumptions used to determine net periodic benefit cost for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Discount rate	2.30%	2.30%
Rate of compensation increase	N/A	N/A
Expected return on plan assets	N/A	N/A

Amounts Included in the Consolidated Statements of Financial Position at June 30

	<u>2022</u>	<u>2021</u>
Current liability	\$ 48,600	\$ 56,600
Non-current liability	388,298	538,927
	<u>\$ 436,898</u>	<u>\$ 595,527</u>

The following table provides information related to expected benefit payments for each of the 5 years following the measurement date and cumulatively for the subsequent five-year period:

2023	\$ 48,600
2024	48,000
2025	47,000
2026	45,400
2027	43,400
Thereafter	177,800

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Relating to the post-retirement medical plan:

	<u>2022</u>	<u>2021</u>
<u>Assumed Pre-65 Medical Trend</u>		
Health care cost rate assumed for next fiscal year	6.00%	6.00%
Rate to which the cost trend rate is assumed to decline	3.94%	4.04%
Fiscal year rate reaches ultimate trend rate	2087	2087
<u>Assumed Prescription Drug Trend Rates</u>		
Health care cost rate assumed for next fiscal year	6.00%	6.00%
Rate to which the cost trend rate is assumed to decline	3.94%	4.04%
Fiscal year rate reaches ultimate trend rate	2087	2087
	<u>1 Percentage Point</u>	
	<u>Increase</u>	<u>Decrease</u>
Effect on total of service and interest cost components	\$ 873	\$ (1,192)
Effect on accumulated postretirement benefit obligation	\$ 20,299	\$ (27,727)

Other

Federation offers a pre-tax cafeteria payroll withholding plan to all full-time and part-time employees and affiliated agency employees who work a minimum of 20 hours per week, on a pro rata basis. These withholdings are allowed to cover health care expenses not covered under the medical plans, the employee's share of medical premiums, and dependent care expenses. All monies withheld and not utilized under the plan are forfeited.

Federation also administers a 403-B tax deferred annuity plan for its employees and affiliated agency employees which permits employees to contribute on a deferred tax basis amounts up to the maximum annual contribution as permitted by law.

17. NET ASSETS

Net assets released from donor-imposed restrictions consisted of the following for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Purpose restriction		
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	\$ 6,636,741	\$ 10,021,596
Time restriction		
Contributions receivable	1,502,837	-
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	184,885	218,575
	<u>\$ 8,324,463</u>	<u>\$ 10,240,171</u>

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Components of net assets at June 30 were as follows:

<u>Detail of Net Assets</u>	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating	\$ 510,936,182	\$ -	\$ 510,936,182
Board designated for special projects or to maintain affiliated agency programs in the event that an unanticipated reduction in available funds occurs	9,558,675	-	9,558,675
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	-	48,723,975	48,723,975
Contributions receivable	-	13,391,864	13,391,864
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	1,619,710	1,619,710
Endowment	-	81,514,754	81,514,754
	<u>\$ 520,494,857</u>	<u>\$ 145,250,303</u>	<u>\$ 665,745,160</u>
	June 30, 2021		
<u>Detail of Net Assets</u>	Without Donor Restrictions	With Donor Restrictions	Total
Operating	\$ 372,279,346	\$ -	\$ 372,279,346
Board designated for special projects or to maintain affiliated agency programs in the event that an unanticipated reduction in available funds occurs	9,170,275	-	9,170,275
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	-	58,098,287	58,098,287
Contributions receivable	-	4,133,769	4,133,769
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	2,239,479	2,239,479
Endowment	-	58,753,594	58,753,594
	<u>\$ 381,449,621</u>	<u>\$ 123,225,129</u>	<u>\$ 504,674,750</u>

Endowment Funds

Federation's endowment consists of approximately 29 individual donor-restricted endowment funds established for a variety of purposes.

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Interpretation of Relevant Law

The Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) provides guidance on the maintenance and spending of endowment funds when the intent of the donors is not clear, by providing new guidelines for the expenditure of with donor restriction endowment funds, absent explicit donor stipulations. Under UPMIFA, not-for-profits are permitted to adopt prudent spending policies which can allow for the temporary invasion of corpus. Management has determined that certain components of the net assets with donor restrictions of Federation are not endowment funds, specifically related to contributions receivable and charitable gift annuities. Furthermore, the endowments of Federation are subject to written instruments in which the donor’s intent as to purpose and spending policies are explicitly indicated.

The Board of Trustees of Federation has interpreted state law as requiring the preservation of the value of the endowment fund with primary consideration given to the donor intent expressed in the gift instrument. For those donations subject to UPMIFA, Federation has followed the donor instruments in classifying as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is available for release in accordance with the donor restrictions on those funds will remain in net assets with donor restrictions until those amounts are appropriated for expenditure by Federation in a manner consistent with the standard of prudence prescribed by state law.

Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of Federation and the donor-restricted endowment fund
- (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) The investment policies of Federation

Return Objectives and Risk Parameters

Federation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under the policy approved by the Board of Trustees, the endowment assets which are held in the managed pool and are invested to produce results that are superior to a balanced stock and bond portfolio at a lower volatility over an entire market cycle. Federation expects its endowment funds, over time, to provide an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Federation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Federation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

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Spending Policy and How the Investment Objectives Relate to Spending Policy

Federation has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 13 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, Federation considered the long-term expected return on its endowment. Accordingly, over the long term, Federation expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with Federation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted "true" endowment funds may fall below the level that the donor requires Federation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions and amounted to \$1,576,052 for funds with a historical value of \$26,602,496 and a fair value of \$25,026,444 as of June 30, 2022 and \$349,003 for funds with a historical value of \$5,521,890 and a fair value of \$5,172,887 as of June 30, 2021. These deficiencies resulted from unfavorable market fluctuations. It is Federation's policy to permit spending from underwater funds as is determined prudent by management.

The following table provides information regarding the change in endowment net assets for the years ended June 30:

	With Donor Restrictions		
	<u>Consolidated</u>	<u>JFED</u>	<u>Foundation</u>
Endowment net assets, July 1, 2020	\$ 41,183,177	\$ 36,971,234	\$ 4,211,943
Investment return, net	<u>12,735,507</u>	<u>11,616,069</u>	<u>1,119,438</u>
	53,918,684	48,587,303	5,331,381
Contributions received	6,129,232	5,540,641	588,591
Appropriated for expenditure	<u>(1,294,322)</u>	<u>(1,097,419)</u>	<u>(196,903)</u>
Endowment net assets, July 1, 2021	58,753,594	53,030,525	5,723,069
Investment return, net	<u>(2,716,448)</u>	<u>(1,208,965)</u>	<u>(1,507,483)</u>
	56,037,146	51,821,560	4,215,586
Contributions received	26,895,585	1,903,387	24,992,198
Appropriated for expenditure	<u>(1,417,977)</u>	<u>(1,225,579)</u>	<u>(192,398)</u>
Endowment net assets, June 30, 2022	<u>\$ 81,514,754</u>	<u>\$ 52,499,368</u>	<u>\$ 29,015,386</u>

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

	<u>2022</u>		
Donor restricted "true" endowment			
Historical gift value	\$ 72,525,167	\$ 42,526,653	\$ 29,998,514
Appreciation (depreciation)	<u>8,989,587</u>	<u>9,972,715</u>	<u>(983,128)</u>
Endowment net assets, June 30	<u>\$ 81,514,754</u>	<u>\$ 52,499,368</u>	<u>\$ 29,015,386</u>
	<u>2021</u>		
Donor restricted "true" endowment			
Historical gift value	\$ 45,618,128	\$ 40,611,813	\$ 5,006,315
Appreciation	<u>13,135,466</u>	<u>12,418,712</u>	<u>716,754</u>
Endowment net assets, June 30	<u>\$ 58,753,594</u>	<u>\$ 53,030,525</u>	<u>\$ 5,723,069</u>

18. RECLASSIFICATION DUE TO CHANGE IN DONOR DESIGNATION

During the year ended June 30, 2022, there was a reclassification totaling \$21,400,000 for contributions to endowments with permanent restrictions due to a change in donor designation through grants made by supporting foundations that are included within Federation's consolidated financial statements. As these are both grants to the Federation from the supporting organizations, they would normally be eliminated in the consolidated financial statements; however, as the funds are moving to net assets with donor restrictions due to the endowment nature of the contribution from net assets without donor restrictions, these have been shown as a reclassification of net assets in the consolidated statements of activities and changes in net assets for the year ended June 30, 2022.

19. LEASES

Federation leases commercial property to Daughters of Israel Geriatric Center, a beneficiary agency, under an operating lease which expires in June 2025. Rental income was \$2,562,829 for both years ended June 30, 2022 and 2021 under this lease. Future minimum rentals through June 30, 2025 are \$2,562,829 per year.

Federation leases commercial property under an initial three-year lease to The Winston Preparatory School, which was amended on June 29, 2018 to a ten-year lease which expires on June 30, 2027 with three options to extend the term for five years per option. Rental income for the years ended June 30, 2022 and 2021 was \$381,924 and \$370,800, respectively. Future rental income under this lease is as follows: 2023 – \$393,382; 2024 - \$405,183; 2025 - \$417,339; 2026 - \$429,859 and 2027- \$442,755.

Federation leases commercial property under a six-year lease with AMoney Sportz, LLC which expires December 31, 2023 with an additional five-year extension. Rental income for the years ended June 30, 2022 and 2021 was \$66,300 and \$64,500, respectively. Future rental income under this lease is as follows: 2023 - \$68,100; and 2024 - \$34,500.

Federation entered into a settlement agreement with PZ 13 LLC under which PZ 13 LLC would vacate the premises in exchange for \$75,000 to be paid monthly in \$5,000 installments beginning on February 10, 2018. PZ 13 LLC is in default and has paid \$0 during the years ended June 30, 2022 and 2021. As a result of the default, the settlement amount has reverted to \$125,000 and is included in other receivables in the consolidated statements of financial position.

Federation has entered into lease negotiations with Swimquest LLC; however, negotiation was delayed by COVID. Swimquest pays rent of \$10,000 per month and pays its share of utilities.

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June 30, 2022 and 2021

Federation leases land under a 180-year land lease to Jewish Community Housing Corporation Lester Senior Housing Complex. Annual lease payments are \$8,222 through 2179.

Certain other rental arrangements are on a month-to-month or year-to-year basis with unconsolidated affiliated agencies of Federation.

20. CONCENTRATIONS AND CREDIT RISK

A substantial portion of revenues are obtained from contributions and bequests and investment earnings.

Federation's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash and cash equivalents, investments, contributions receivable, loans receivable and amounts due from other organizations. Federation's financial instruments are placed with a wide array of institutions that have high credit ratings. Federation maintains cash balances in financial institutions which may exceed federally insured limits. Historically, Federation has not experienced, and does not expect to experience, any credit related losses and deposits are held in high quality institutions to lessen the amount of the uninsured exposure. Cash equivalents and investments are in high-quality securities. Although subject to market fluctuations, this investment policy somewhat limits Federation's exposure to concentrations of credit risk. Federation has a long-standing history of collecting its pledges and contributions receivable which are from various individuals, corporations, and foundations.

An allowance for uncollectible accounts is recorded in the consolidated financial statements for amounts considered non-collectible. Loans receivable and amounts due from unconsolidated affiliates are primarily with Federation's affiliated agencies or with organizations which are closely tied to Federation's mission.

21. COMMITMENTS

Guarantees

Federation has guaranteed debt and performance provisions of DOI. There are no collateral or indemnification agreements between Federation and DOI in the event Federation has to perform under the guarantee. Performance would be required in the event of default of the loan agreement by DOI.

Federation is a guarantor of a \$10,000,000 line of credit associated with bond indenture agreement issued for DOI under which the Colorado Facilities Authority issued bonds in the amount of \$10,000,000 to finance the renovation and expansion of its existing facilities in West Orange, New Jersey. Bonds payable are \$6,975,000 and \$7,320,000 as of June 30, 2022 and 2021, respectively. The line of credit is secured by facilities at Daughters of Israel, Inc.

As a result of the guarantee provided to DOI, Federation has recorded the value of the guarantee as a liability totaling \$248,000 and \$143,000 in the consolidated statements of financial position for the years ended June 30, 2022 and 2021, respectively. The line of credit was renewed on November 13, 2018 with a maturity in December 2021. In October 2021, the line of credit was extended for two years under the same terms with a new maturity date in December 2023.

22. SUBSEQUENT EVENTS

In September 2022, Federation entered into a contract to sell unused cemetery land, located in Newark, NJ, for approximately \$2,500,000, which is anticipated to be completed in 2023. The proceeds from the sale will be dedicated exclusively to the maintenance and preservation of the Jewish cemeteries in Essex Country, NJ.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

During November 2022, Federation made a grant disbursement of approximately \$148,800,000 from a donor advised fund at the fundholder's request.

Federation has evaluated subsequent events occurring after the consolidated statements of financial position date through the date of December 26, 2022, which is the date the consolidated financial statements were available to be issued. Based upon this evaluation, Federation has determined that no subsequent events have occurred, other than the events noted above and in Note 7, which require disclosure in or adjustment to the consolidated financial statements other than as noted above.

SUPPLEMENTARY INFORMATION

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2022

	Jewish Federation of Greater MetroWest NJ, Inc.	Jewish Community Foundation of Greater MetroWest, NJ, Inc.	Subtotal	Eliminations	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 6,887,564	\$ 20,075,370	\$ 26,962,934	\$ -	\$ 26,962,934
Restricted cash held in investment pool	-	205,653,196	205,653,196	-	205,653,196
Contributions receivable net, current portion	23,010,201	26,000	23,036,201	-	23,036,201
Due from beneficiary agencies, net of allowance for doubtful accounts of \$3,381,000	305,959	-	305,959	(81,763)	224,196
Loans receivable, current portion	164,920	146,700	311,620	-	311,620
Agency pension loans receivable, current portion	306,056	-	306,056	-	306,056
Other receivables	9,545,509	-	9,545,509	(8,803,829)	741,680
Loan participation interest receivable, current portion	-	2,000,000	2,000,000	-	2,000,000
Other current assets	<u>363,282</u>	<u>569,060</u>	<u>932,342</u>	<u>-</u>	<u>932,342</u>
Total current assets	<u>40,583,491</u>	<u>228,470,326</u>	<u>269,053,817</u>	<u>(8,885,592)</u>	<u>260,168,225</u>
Net property and equipment	<u>1,171,420</u>	<u>2,543,119</u>	<u>3,714,539</u>	<u>-</u>	<u>3,714,539</u>
Long-term investments	84,379,305	435,407,438	519,786,743	(84,375,050)	435,411,693
Due from beneficiary agencies, net of current portion	913,451	-	913,451	-	913,451
Loans receivable, net of current portion	960,341	1,013,000	1,973,341	-	1,973,341
Agency pension loans receivable, net of current portion	8,413,840	-	8,413,840	-	8,413,840
Contributions receivable, net of current portion	7,975,741	45,000	8,020,741	-	8,020,741
Cash surrender value of life insurance, net	-	7,696,880	7,696,880	-	7,696,880
Loan participation interest receivable, net of current portion	-	61,934,187	61,934,187	-	61,934,187
Property and equipment held for rental, net	<u>-</u>	<u>331,361</u>	<u>331,361</u>	<u>-</u>	<u>331,361</u>
	<u>102,642,678</u>	<u>506,427,866</u>	<u>609,070,544</u>	<u>(84,375,050)</u>	<u>524,695,494</u>
Total assets	<u>\$ 144,397,589</u>	<u>\$ 737,441,311</u>	<u>\$ 881,838,900</u>	<u>\$ (93,260,642)</u>	<u>\$ 788,578,258</u>

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2022

	Jewish Federation of Greater MetroWest NJ, Inc.	Jewish Community Foundation of Greater MetroWest, NJ, Inc.	Subtotal	Eliminations	Total
Liabilities and Net Assets					
Current liabilities					
Accounts payable and accrued expenses	\$ 9,517,379	\$ 623,107	\$ 10,140,486	\$ -	\$ 10,140,486
Bonds payable	550,000	-	550,000	-	550,000
Grants payable	-	11,784,228	11,784,228	-	11,784,228
Split interest agreements payable	-	189,524	189,524	-	189,524
Post retirement health benefits payable	48,600	-	48,600	-	48,600
Pension loan payable	525,592	-	525,592	-	525,592
Due to beneficiary agencies	84,122	81,763	165,885	(81,763)	84,122
Deferred revenue	213,079	8,222	221,301	-	221,301
Capital lease payable	56,800	-	56,800	-	56,800
Total current liabilities	<u>10,995,572</u>	<u>12,686,844</u>	<u>23,682,416</u>	<u>(81,763)</u>	<u>23,600,653</u>
Long-term liabilities					
Bonds payable, net of current portion	6,865,000	-	6,865,000	-	6,865,000
Deferred revenue, net of current portion	240,434	1,284,547	1,524,981	-	1,524,981
Due to beneficiary agencies, net of current portion	-	103,457,369	103,457,369	(84,375,050)	19,082,319
Due to other organizations	-	41,017,758	41,017,758	-	41,017,758
Post retirement health benefits, net of current portion	388,298	-	388,298	-	388,298
Split interest agreements payable, net of current portion	-	1,010,991	1,010,991	-	1,010,991
Security deposits	144,900	-	144,900	-	144,900
Capital lease payable net of current portion	268,879	-	268,879	-	268,879
Pension loan payable, net of current portion	14,449,122	-	14,449,122	-	14,449,122
Grants payable, net of current portion and discount	-	23,284,026	23,284,026	(8,803,829)	14,480,197
Total long-term liabilities	<u>22,356,633</u>	<u>170,054,691</u>	<u>192,411,324</u>	<u>(93,178,879)</u>	<u>99,232,445</u>
Total liabilities	<u>33,352,205</u>	<u>182,741,535</u>	<u>216,093,740</u>	<u>(93,260,642)</u>	<u>122,833,098</u>
Net assets					
Without donor restrictions	39,049,285	481,445,572	520,494,857	-	520,494,857
With donor restrictions	71,996,099	73,254,204	145,250,303	-	145,250,303
Total net assets	<u>111,045,384</u>	<u>554,699,776</u>	<u>665,745,160</u>	<u>-</u>	<u>665,745,160</u>
Total liabilities and net assets	<u>\$ 144,397,589</u>	<u>\$ 737,441,311</u>	<u>\$ 881,838,900</u>	<u>\$ (93,260,642)</u>	<u>\$ 788,578,258</u>

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2021

	<u>Jewish Federation of Greater MetroWest NJ, Inc.</u>	<u>Jewish Community Foundation of Greater MetroWest, NJ</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Total</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 8,713,229	\$ 3,026,678	\$ 11,739,907	\$ -	\$ 11,739,907
Restricted cash held in investment pool	-	33,550,942	33,550,942	-	33,550,942
Pledges receivable net, current portion	18,813,138	32,332	18,845,470	-	18,845,470
Due from beneficiary agencies, net of allowance for doubtful accounts of \$4,360,900	640,104	-	640,104	(129,699)	510,405
Loans receivable, current portion	165,479	121,000	286,479	-	286,479
Agency pension loans receivable, current portion	294,655	-	294,655	-	294,655
Other receivables	11,619,314	-	11,619,314	(10,594,541)	1,024,773
Other current assets	445,156	487,593	932,749	-	932,749
Total current assets	<u>40,691,075</u>	<u>37,218,545</u>	<u>77,909,620</u>	<u>(10,724,240)</u>	<u>67,185,380</u>
Net property and equipment	<u>984,970</u>	<u>2,855,004</u>	<u>3,839,974</u>	<u>-</u>	<u>3,839,974</u>
Long-term investments	85,948,667	503,982,512	589,931,179	(85,944,412)	503,986,767
Due from beneficiary agencies, net of current portion	998,622	-	998,622	-	998,622
Loans receivable, net of current portion	1,344,978	1,169,300	2,514,278	-	2,514,278
Agency pension loans receivable, net of current portion	8,719,897	-	8,719,897	-	8,719,897
Pledges receivable, net of current portion	10,069,528	31,000	10,100,528	-	10,100,528
Cash surrender value of life insurance, net	-	7,655,941	7,655,941	-	7,655,941
Loan participation interest receivable, net of current portion	-	28,695,573	28,695,573	-	28,695,573
Property and equipment held for rental, net	-	421,352	421,352	-	421,352
	<u>107,081,692</u>	<u>541,955,678</u>	<u>649,037,370</u>	<u>(85,944,412)</u>	<u>563,092,958</u>
Total assets	<u>\$ 148,757,737</u>	<u>\$ 582,029,227</u>	<u>\$ 730,786,964</u>	<u>\$ (96,668,652)</u>	<u>\$ 634,118,312</u>

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2021

	Jewish Federation of Greater MetroWest NJ, Inc.	Jewish Community Foundation of Greater MetroWest, NJ	Subtotal	Eliminations	Total
Liabilities and Net Assets					
Current liabilities					
Accounts payable and accrued expenses	\$ 8,698,068	\$ 584,303	\$ 9,282,371	\$ -	\$ 9,282,371
Bonds payable	550,000	-	550,000	-	550,000
Grants payable	-	14,395,227	14,395,227	(2,420,100)	11,975,127
Split interest agreements payable	-	188,432	188,432	-	188,432
Post retirement health benefits	56,600	-	56,600	-	56,600
Pension payable	506,013	-	506,013	-	506,013
Due to beneficiary agencies	-	129,699	129,699	(129,699)	-
Deferred revenue	72,112	8,222	80,334	-	80,334
Capital lease payable	55,915	-	55,915	-	55,915
Total current liabilities	<u>9,938,708</u>	<u>15,305,883</u>	<u>25,244,591</u>	<u>(2,549,799)</u>	<u>22,694,792</u>
Long-term liabilities					
Bonds payable, net of current portion	7,415,000	-	7,415,000	-	7,415,000
Deferred revenue, net of current portion	249,142	1,292,769	1,541,911	-	1,541,911
Due to beneficiary agencies, net of current portion	-	113,432,602	113,432,602	(85,944,412)	27,488,190
Due to other organizations	-	37,565,215	37,565,215	-	37,565,215
Post retirement health benefits, net of current portion	538,927	-	538,927	-	538,927
Split interest agreements payable, net of current portion	-	1,193,969	1,193,969	-	1,193,969
Security deposits	144,900	-	144,900	-	144,900
Capital lease payable, net of current portion	138,281	-	138,281	-	138,281
Pension loan payable, net of current portion	14,974,714	-	14,974,714	-	14,974,714
Grants payable, net of current portion and discount	-	23,922,104	23,922,104	(8,174,441)	15,747,663
Total long-term liabilities	<u>23,460,964</u>	<u>177,406,659</u>	<u>200,867,623</u>	<u>(94,118,853)</u>	<u>106,748,770</u>
Total liabilities	<u>33,399,672</u>	<u>192,712,542</u>	<u>226,112,214</u>	<u>(96,668,652)</u>	<u>129,443,562</u>
Net assets					
Without donor restrictions	47,821,868	333,627,753	381,449,621	-	381,449,621
With donor restrictions	67,536,197	55,688,932	123,225,129	-	123,225,129
Total net assets	<u>115,358,065</u>	<u>389,316,685</u>	<u>504,674,750</u>	<u>-</u>	<u>504,674,750</u>
Total liabilities and net assets	<u>\$ 148,757,737</u>	<u>\$ 582,029,227</u>	<u>\$ 730,786,964</u>	<u>\$ (96,668,652)</u>	<u>\$ 634,118,312</u>

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Activities and Changes in Net Assets
Year Ended June 30, 2022

	Jewish Federation of Greater MetroWest NJ, Inc.			Jewish Community Foundation of Greater MetroWest, NJ, Inc.			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
Operating								
Support and revenues								
Contributions	\$ 19,088,936	\$ 9,496,570	\$ 28,585,506	\$ 242,500,727	\$ 3,775,175	\$ 246,275,902	\$ (5,654,820)	\$ 269,206,588
Less: Donor designations	(6,386,094)	-	(6,386,094)	-	-	-	-	(6,386,094)
Net contributions	12,702,842	9,496,570	22,199,412	242,500,727	3,775,175	246,275,902	(5,654,820)	262,820,494
Rental income	3,242,802	-	3,242,802	2,562,829	-	2,562,829	(2,640,264)	3,165,367
Grants and contract revenue	459,401	-	459,401	-	-	-	-	459,401
Program and service fees	901,530	-	901,530	-	-	-	-	901,530
Investment return, net	(1,869,863)	(1,138,736)	(3,008,599)	(30,793,042)	(3,093,172)	(33,886,214)	3,013,433	(33,881,380)
Administrative fee revenue	-	-	-	984,413	-	984,413	-	984,413
Allocation of investment return for funds held for others	-	-	-	6,331,969	-	6,331,969	(3,013,433)	3,318,536
Valuation allowance	-	-	-	(27,060)	(90,200)	(117,260)	-	(117,260)
Miscellaneous income	186,348	-	186,348	-	-	-	(42,145)	144,203
	15,623,060	8,357,834	23,980,894	221,559,836	591,803	222,151,639	(8,337,229)	237,795,304
Net assets released due to satisfaction of time or purpose restrictions	3,897,932	(3,897,932)	-	4,426,531	(4,426,531)	-	-	-
	19,520,992	4,459,902	23,980,894	225,986,367	(3,834,728)	222,151,639	(8,337,229)	237,795,304
Expenses								
Program services	23,365,388	-	23,365,388	54,536,247	-	54,536,247	(8,217,648)	69,683,987
Supporting services	5,418,388	-	5,418,388	2,232,301	-	2,232,301	(119,581)	7,531,108
	28,783,776	-	28,783,776	56,768,548	-	56,768,548	(8,337,229)	77,215,095
Changes in net assets - operating	(9,262,784)	4,459,902	(4,802,882)	169,217,819	(3,834,728)	165,383,091	-	160,580,209
Non-operating								
Reclassification due to change in donor designation	-	-	-	(21,400,000)	21,400,000	-	-	-
Transfer of net assets	490,201	-	490,201	-	-	-	-	490,201
Changes in net assets - non-operating	490,201	-	490,201	(21,400,000)	21,400,000	-	-	490,201
Changes in net assets	(8,772,583)	4,459,902	(4,312,681)	147,817,819	17,565,272	165,383,091	-	161,070,410
Net assets								
Beginning of year	47,821,868	67,536,197	115,358,065	333,627,753	55,688,932	389,316,685	-	504,674,750
End of year	\$ 39,049,285	\$ 71,996,099	\$ 111,045,384	\$ 481,445,572	\$ 73,254,204	\$ 554,699,776	\$ -	\$ 665,745,160

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Activities and Changes in Net Assets
Year Ended June 30, 2021

	Jewish Federation of Greater MetroWest NJ, Inc.			Jewish Community Foundation of Greater MetroWest NJ, Inc.			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
Support and revenues								
Contributions	\$ 38,723,395	\$ 12,732,182	\$ 51,455,577	\$ 28,551,890	\$ 3,509,894	\$ 32,061,784	\$ (11,135,071)	\$ 72,382,290
Less donor designations	(8,849,865)	-	(8,849,865)	-	-	-	-	(8,849,865)
Net contributions	29,873,530	12,732,182	42,605,712	28,551,890	3,509,894	32,061,784	(11,135,071)	63,532,425
Bequests	-	-	-	1,513	-	1,513	-	1,513
Rental income	3,250,872	-	3,250,872	2,571,051	-	2,571,051	(2,640,265)	3,181,658
Grants and contract revenue	563,400	-	563,400	-	-	-	-	563,400
Program and service fees	388,629	-	388,629	-	-	-	-	388,629
Investment return, net	6,772,888	11,652,208	18,425,096	107,366,270	11,634,018	119,000,288	(18,397,332)	119,028,052
Administrative fee revenue	-	-	-	858,710	-	858,710	-	858,710
Allocation of investment return for funds held for others	-	-	-	(32,527,609)	-	(32,527,609)	18,397,332	(14,130,277)
Valuation allowance	-	-	-	(369,675)	-	(369,675)	-	(369,675)
Gain on sale of property	-	-	-	173,723	-	173,723	-	173,723
Miscellaneous income	171,367	-	171,367	-	-	-	(40,915)	130,452
	41,020,686	24,384,390	65,405,076	106,625,873	15,143,912	121,769,785	(13,816,251)	173,358,610
Net assets released due to satisfaction of time or purpose restrictions	5,596,755	(5,596,755)	-	5,390,449	(5,390,449)	-	-	-
	46,617,441	18,787,635	65,405,076	112,016,322	9,753,463	121,769,785	(13,816,251)	173,358,610
Expenses								
Program services	24,358,512	-	24,358,512	49,675,566	-	49,675,566	(13,697,900)	60,336,178
Supporting services	6,120,886	-	6,120,886	1,903,077	-	1,903,077	(118,351)	7,905,612
	30,479,398	-	30,479,398	51,578,643	-	51,578,643	(13,816,251)	68,241,790
Changes in net assets	16,138,043	18,787,635	34,925,678	60,437,679	9,753,463	70,191,142	-	105,116,820
Net assets								
Beginning of year	31,683,825	48,748,562	80,432,387	273,190,074	45,935,469	319,125,543	-	399,557,930
End of year	\$ 47,821,868	\$ 67,536,197	\$ 115,358,065	\$ 333,627,753	\$ 55,688,932	\$ 389,316,685	\$ -	\$ 504,674,750

See Independent Auditor's Report.