



JEWISH FEDERATION OF GREATER METROWEST NJ AND AFFILIATES
Consolidated Financial Statements
June 30, 2023 and 2022
With Independent Auditor's Report

Jewish Federation of Greater MetroWest NJ and Affiliates
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June 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
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, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, 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 consolidated financial position of Jewish Federation of Greater MetroWest NJ and Affiliates as of June 30, 2023 and 2022, 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 Jewish Federation of Greater MetroWest NJ and Affiliates 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 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 Jewish Federation of Greater MetroWest NJ and Affiliates' 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 Jewish Federation of Greater MetroWest NJ and Affiliates' ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position as of June 30, 2023 and 2022 and consolidating statements of activities and changes in net assets for the years ended June 30, 2023 and 2022 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.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

December 22, 2023

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Financial Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 12,876,483	\$ 26,962,934
Restricted cash held in investment pool	28,763,436	205,653,196
Contributions receivable net, current portion	20,901,340	23,036,201
Due from beneficiary agencies, net of allowance for doubtful accounts of \$2,401,000 and \$3,381,000 at June 30, 2023 and 2022, respectively	318,619	224,196
Loans receivable, current portion	274,111	311,620
Agency pension loan receivable, current portion	336,346	306,056
Other receivables, net	1,184,415	741,680
Loan participation interest receivable, current portion	-	2,000,000
Other current assets	<u>3,199,393</u>	<u>932,342</u>
Total current assets	<u>67,854,143</u>	<u>260,168,225</u>
Property and equipment, net	<u>3,902,281</u>	<u>3,714,539</u>
Other assets		
Investments, net of restricted cash held in investment pool	492,917,377	435,411,693
Due from beneficiary agencies, net of current portion	804,589	913,451
Contributions receivable, net of current portion	6,883,488	8,020,741
Loans receivable, net of current portion	1,715,683	1,973,341
Agency pension loan receivable, net of current portion	8,096,804	8,413,840
Loan participation interest receivable, net of current portion	67,139,328	61,934,187
Cash surrender value of life insurance, net	7,692,183	7,696,880
Property and equipment, held for rental, net	<u>314,768</u>	<u>331,361</u>
	<u>585,564,220</u>	<u>524,695,494</u>
Total assets	<u>\$ 657,320,644</u>	<u>\$ 788,578,258</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 8,084,687	\$ 10,140,486
Bonds payable, current portion	550,000	550,000
Grants payable, current portion	7,609,559	11,784,228
Split interest agreements payable, current portion	237,833	189,524
Post retirement health benefits, current portion	41,100	48,600
Pension loan payable, current portion	544,510	525,592
Due to beneficiary agencies, current portion	128,942	84,122
Deferred revenue, current portion	2,330,960	221,301
Lease liability - financing, current portion	<u>66,316</u>	<u>56,800</u>
Total current liabilities	<u>19,593,907</u>	<u>23,600,653</u>
Long-term liabilities		
Bonds payable, net of current portion	6,315,000	6,865,000
Deferred revenue, net of current portion	1,496,594	1,524,981
Grants payable, net of current portion and discount	15,480,643	14,480,197
Due to beneficiary agencies, net of current portion	21,371,339	19,082,319
Due to other organizations	42,941,649	41,017,758
Post retirement health benefits, net of current portion	347,814	388,298
Split interest agreements payable, net of current portion	1,295,139	1,010,991
Security deposits	144,900	144,900
Lease liability - financing, net of current portion	202,564	268,879
Pension loan payable, net of current portion	<u>13,902,934</u>	<u>14,449,122</u>
Total long-term liabilities	<u>103,498,576</u>	<u>99,232,445</u>
Total liabilities	<u>123,092,483</u>	<u>122,833,098</u>
Net assets		
Without donor restrictions	339,041,481	520,494,857
With donor restrictions	<u>195,186,680</u>	<u>145,250,303</u>
Total net assets	<u>534,228,161</u>	<u>665,745,160</u>
Total liabilities and net assets	<u>\$ 657,320,644</u>	<u>\$ 788,578,258</u>

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

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statement of Activities and Changes in Net Assets
Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities			
Support and revenues			
Contributions	\$ 38,382,211	\$ 37,500,156	\$ 75,882,367
Bequests	1,391,164	-	1,391,164
Less: Donor designations	<u>(6,206,511)</u>	<u>-</u>	<u>(6,206,511)</u>
Net contributions	33,566,864	37,500,156	71,067,020
Rental income	3,255,063	-	3,255,063
Grants and contract revenue	829,971	-	829,971
Program and service fees	1,446,530	-	1,446,530
Investment return, net	31,494,027	13,949,993	45,444,020
Administrative fee revenue	1,027,771	-	1,027,771
Allocation of investment return to funds held for others	(6,499,267)	-	(6,499,267)
Valuation allowance	24,302	(587,648)	(563,346)
Miscellaneous income	<u>198,696</u>	<u>-</u>	<u>198,696</u>
	65,343,957	50,862,501	116,206,458
Net assets released due to satisfaction of purpose and time restrictions	<u>6,601,124</u>	<u>(6,601,124)</u>	<u>-</u>
	<u>71,945,081</u>	<u>44,261,377</u>	<u>116,206,458</u>
Operating expenses			
Program services	89,225,742	-	89,225,742
Supporting services	<u>9,361,587</u>	<u>-</u>	<u>9,361,587</u>
	<u>98,587,329</u>	<u>-</u>	<u>98,587,329</u>
Total operating activities	<u>(26,642,248)</u>	<u>44,261,377</u>	<u>17,619,129</u>
Non-operating activities			
Reclassification due to change in donor designation	(5,675,000)	5,675,000	-
Transfer of net assets	<u>(149,136,128)</u>	<u>-</u>	<u>(149,136,128)</u>
Total non-operating activities	<u>(154,811,128)</u>	<u>5,675,000</u>	<u>(149,136,128)</u>
Changes in net assets	(181,453,376)	49,936,377	(131,516,999)
Net assets			
Beginning of year	<u>520,494,857</u>	<u>145,250,303</u>	<u>665,745,160</u>
End of year	<u>\$ 339,041,481</u>	<u>\$ 195,186,680</u>	<u>\$ 534,228,161</u>

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

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statement 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>
Operating expenses			
Program services	69,683,987	-	69,683,987
Supporting services	<u>7,531,108</u>	<u>-</u>	<u>7,531,108</u>
	77,215,095	-	77,215,095
Total 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>
Total 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 Cash Flows
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating activities		
Changes in net assets	\$(131,516,999)	\$ 161,070,410
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	322,804	677,124
Transfer of net assets	-	(490,201)
Loss on disposal of property	13,752	-
Change in cash surrender value of life insurance	4,697	(40,939)
Present value adjustments, grants payable and split interest agreements	883,938	617,694
Realized and unrealized (gains) losses on investments	(22,785,280)	48,044,138
Endowment contributions	(33,401,487)	(26,895,585)
Bad debt expense	178,141	90,000
Loan receivable forgiveness	20,000	275,305
Provision for (recovery of) losses on receivable	364,547	(672,458)
Donated securities	(650,269)	(1,869,792)
Changes in assets and liabilities		
Contributions receivable	2,739,980	(1,520,817)
Other receivables	(453,289)	283,093
Other assets	(2,267,051)	407
Accounts payable and accrued expenses	(2,055,799)	858,115
Grants payable	(4,047,168)	(2,065,066)
Split interest agreements payable	321,464	(192,879)
Transactions with beneficiary agencies	2,348,279	(6,970,369)
Deferred revenue	2,081,272	124,037
Due to other organizations, net	1,923,891	3,452,543
Post retirement health benefits	(47,984)	(158,629)
Net cash (used in) provided by operating activities	<u>(186,022,561)</u>	<u>174,616,131</u>
Investing activities		
Purchase of building improvements and equipment	(507,705)	(520,945)
Payments received on agency pension loan receivable	286,746	294,656
Payments received on loans receivable	275,167	240,491
Purchase of investments	(150,298,216)	(220,376,380)
Sale of investments	116,228,081	242,526,119
Investment in loan participation interest receivable	(3,205,141)	(35,238,614)
Net cash used in investing activities	<u>(37,221,068)</u>	<u>(13,074,673)</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Financing activities		
Endowment contributions	\$ 33,401,487	\$ 26,895,585
Payments on pension loan payable	(527,270)	(506,013)
Payments on bonds payable	(550,000)	(550,000)
Payments on lease liabilities - financing	<u>(56,799)</u>	<u>(55,749)</u>
Net cash provided by financing activities	<u>32,267,418</u>	<u>25,783,823</u>
 Net change in cash, cash equivalents and restricted cash	 (190,976,211)	 187,325,281
 Cash, cash equivalents and restricted cash		
Beginning of year	<u>232,616,130</u>	<u>45,290,849</u>
 End of year	 <u>\$ 41,639,919</u>	 <u>\$ 232,616,130</u>
 Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 483,316</u>	<u>\$ 687,793</u>
 Non cash investing and financing activities		
Finance of property and equipment through capital lease	<u>\$ -</u>	<u>\$ 187,232</u>

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

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	<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	\$ -	\$ 5,793,019	\$ 5,793,019	\$ 2,573,322	\$ 615,864	\$ 1,651,676	\$ 4,840,862	\$ 10,633,881
Payroll taxes and fringe benefits	-	1,102,856	1,102,856	481,022	118,696	314,433	914,151	2,017,007
Grants to agencies	69,578,824	2,079,559	71,658,383	3,784	-	2,803	6,587	71,664,970
Allocations to affiliates	4,550,113	-	4,550,113	-	-	-	-	4,550,113
Purchased services	-	769,173	769,173	142,465	1,428	146,213	290,106	1,059,279
Office expense	-	502,927	502,927	413,224	15,958	138,138	567,320	1,070,247
Consultants	-	132,173	132,173	159,860	-	28,516	188,376	320,549
Dues, subscriptions and subsidies	-	14,219	14,219	6,063	-	75	6,138	20,357
Telephone	-	18,507	18,507	7,082	8,835	3,027	18,944	37,451
Occupancy, maintenance, housing	-	113,844	113,844	35,565	453,880	9,287	498,732	612,576
Program event expenses	-	2,501,560	2,501,560	174,284	3,145	132,037	309,466	2,811,026
Publicity and promotion	-	684,899	684,899	84,046	-	106,044	190,090	874,989
Travel and related expenses	-	183,607	183,607	111,049	4,497	21,346	136,892	320,499
Insurance	-	90,948	90,948	22,511	83,808	8,223	114,542	205,490
Postage	-	26,603	26,603	15,314	40	9,405	24,759	51,362
Interest expense	-	375,030	375,030	49,512	17,693	41,081	108,286	483,316
Bad debt expense (recovery)	-	198,141	198,141	-	-	364,547	364,547	562,688
Unrelated business income tax	-	-	-	110,648	-	-	110,648	110,648
Depreciation and amortization	-	179,281	179,281	94,173	-	49,350	143,523	322,804
Real estate taxes	-	-	-	-	133,934	-	133,934	133,934
Miscellaneous	-	330,459	330,459	302,245	-	91,439	393,684	724,143
	<u>\$ 74,128,937</u>	<u>\$ 15,096,805</u>	<u>\$ 89,225,742</u>	<u>\$ 4,786,169</u>	<u>\$ 1,457,778</u>	<u>\$ 3,117,640</u>	<u>\$ 9,361,587</u>	<u>\$ 98,587,329</u>

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

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

	<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	\$ -	\$ 5,074,550	\$ 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	52,794,750	1,563,474	54,358,224	865	-	742	1,607	54,359,831
Allocations to affiliates	4,359,457	-	4,359,457	-	-	-	-	4,359,457
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 event 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

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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 nine and ten supporting foundations of the Foundation at June 30, 2023 and 2022, respectively, 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 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. Accordingly, Federation's resources are classified and reported as separate classes of net assets based on the existence or absence of 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. 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.

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Revenues and gains and losses on investments and other assets are reported as changes in net assets without donor restrictions unless limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions. Releases of net assets with donor restrictions which include either the satisfaction of a donor requirement or the passage of time are reported as net assets released from restrictions in the consolidated statements of activities and changes in net assets.

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 Federation's programs and supporting activities. Non-operating activities include reclassifications and transfers that are considered to be outside regular operating activities.

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. Federation's governing documents further provide that, absent contrary directions given in the transferring instrument regarding the use of principal, all, or part of the principal of any fund may be used subject to certain conditions, including approval of the Board of Trustees. Therefore, such contributions are reported as assets without donor restrictions. Bequests are recognized 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.

Contribution receivables are recorded at fair value upon notification of the contribution. It is the policy of management to review the 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 one year are discounted at net present value based on risk free rates as of the date of the contribution.

Contracts with Customers

Revenues from contracts with customers include program and service fees and administrative fees. These are treated as exchange transactions and are included in revenue without donor restrictions 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.

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Program and Service Fees and Administrative Fees

Revenues from program and service fees and administrative 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 at 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 at June 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 12,876,483	\$ 26,962,934
Restricted cash held in investment pool	<u>28,763,436</u>	<u>205,653,196</u>
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 41,639,919</u>	<u>\$ 232,616,130</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 or published net asset values for alternative investments with characteristics similar to a mutual fund. Other alternative investments (nontraditional, not readily marketable vehicles), such as certain limited partnerships, hedge funds, private equity, alternative hedged strategies, and real assets are reported at net asset value, as a practical expedient for estimated fair value, as provided by the investment managers of the respective funds. Money market funds consist of cash and cash equivalents and are shown as restricted cash in the consolidated statements of financial position. Investments other than the money market funds shown in restricted cash are shown as long-term based on withdrawal restrictions noted in the fund agreements and the long-term donative intent of the philanthropic funds and management has no intent to utilize these funds during the subsequent year. Donated investments are recorded at the fair value at the date of receipt. 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.

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Investment Return, Net

Investment return, net which includes realized and unrealized gains and losses on investments, interest, and dividends, net of investment fees, 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, 2023 and 2022.

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. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, Federation reports the expiration of donor restrictions when the donated or acquired assets are placed in service. Federation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. 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

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 was no impairment for the periods presented in these consolidated financial statements.

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.

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Grants and Allocations and Grants Payable

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 are recorded at fair value at the date the promise is made to the recipient organization as established by Federation. 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.

Split Interest Agreements

Split-interest agreements consist of charitable gift annuities and charitable remainder unitrusts. Such split-interest agreements provide for payments to the donors and or their beneficiaries based upon either the income earned on related investments, or the specified annuity amounts. 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 under these arrangements are included in long-term investments and are reported at fair value in the accompanying consolidated statements of financial position. Contribution revenue is recognized at the date that the trust, or the annuity contract is established, and liabilities are recorded for the present value of the estimated future payments expected to be made to the donors and/or other beneficiaries. The liabilities are adjusted annually for changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimate of future payments.

Functional Allocation of Expenses

Expenses are reported in the consolidated statements of functional expenses based on the nature and function of the expenses as a program service or supporting function. Federation incurs expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. 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 weighted average of salaries in each category.

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.

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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. Significant estimates include the valuation of split-interest agreements, investments at net asset value, investments in loan receivables, allowance for doubtful accounts, cash surrender value of life insurance and grants payable. It is reasonably possible that these estimates could change in the near future.

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 \$110,648 and \$249,798 for the years ended June 30, 2023 and 2022, 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.

Reclassifications

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 for the year ended June 30, 2022 as a result of this agreement.

New Accounting Pronouncement Adopted in the Current Year

In February 2016, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standards Update (“ASU”) amending the accounting for leases, which requires the recognition of a “right to use” asset and a lease liability, measured at the present value of the lease payments, on the statement of financial position for all lease obligations. Federation adopted the new standard effective July 1, 2022, using the modified retrospective approach and the implementation of this standard did not have a material effect on the consolidated financial statements and related disclosures.

New Accounting Pronouncements Issued Not Yet Adopted

In December 2019, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, which is effective for fiscal years beginning after December 15, 2022, and requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions will now use forward-looking information to better inform their credit loss estimates. Management is evaluating the impact this ASU will have on its consolidated financial statements.

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3. CONTRIBUTIONS RECEIVABLE

At June 30, contributions receivable consist of the following:

	<u>2023</u>	<u>2022</u>
Total receivables	\$ 32,451,710	\$ 36,425,967
Discount to present value (6% in 2023 and 2022)	(1,677,906)	(2,020,507)
Allowance for uncollectible amounts	<u>(2,988,976)</u>	<u>(3,348,518)</u>
Contributions receivable, net	27,784,828	31,056,942
Current portion	<u>20,901,340</u>	<u>23,036,201</u>
Contributions receivable, long term	<u>\$ 6,883,488</u>	<u>\$ 8,020,741</u>

Contributions receivable, net of allowance are due as of June 30, 2023 as follows: 2024 - \$20,901,340; 2025 - \$2,665,906; 2026 - \$2,113,488; 2027 - \$622,000; 2028 - \$390,000; and thereafter - \$2,770,000.

4. LOANS RECEIVABLE

At June 30, loans receivable consists of the following:

	<u>2023</u>	<u>2022</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, 2023 was 4.25%. There are monthly principal and interest payments of \$4,500. The loan is secured by property.	\$ 152,948	\$ 201,952
Jewish Family Services of MetroWest, maturing December 2036, interest at the US five-year Treasury rate plus 2%, adjusted quarterly, rate at June 30, 2023 was 4.25%. Principal and interest payments, which vary each month, approximated \$7,200 per month. The loan is secured by property.	408,718	482,467
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.	875,000	950,000
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.	90,000	120,000
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.	48,000	64,000

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	<u>2023</u>	<u>2022</u>
A non-interest bearing unsecured loan of \$105,600 to a former employee, commenced in May 2015 with no specific payment terms.	\$ 8,300	\$ 25,700
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>406,828</u>	<u>440,842</u>
	1,989,794	2,284,961
Amounts due within one year	<u>274,111</u>	<u>311,620</u>
Long-term portion	<u>\$ 1,715,683</u>	<u>\$ 1,973,341</u>

Maturities of loans receivable as of June 30, 2023 are as follows: 2024 - \$274,111; 2025 - \$297,000; 2026 - \$304,705; 2027 - \$229,173; and 2028 - \$233,807.

5. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of June 30, 2023 and 2022, financial assets and liquidity resources available within one year for general expenditures were as follows:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash and cash equivalents	\$ 12,876,483	\$ 26,962,934
Restricted cash held in investment pool	28,763,436	205,653,196
Contributions receivable, net - current portion	20,901,340	23,036,201
Due from beneficiary agencies	318,619	224,196
Agency pension loan receivable, current portion	336,346	306,056
Loans receivable, current portion	274,111	311,620
Other receivables	<u>1,184,415</u>	<u>741,680</u>
	64,654,750	257,235,883
Restricted cash not available for operations	<u>(23,211,457)</u>	<u>(199,158,060)</u>
Total financial assets and liquidity resources available within one year	<u>\$ 41,443,293</u>	<u>\$ 58,077,823</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 \$15.6 million and \$14.9 million in Federation unrestricted funds included in long term investments at June 30, 2023 and 2022, respectively. 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.

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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, Federation values 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 values 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 develops measurement criteria based on the best information available (Level 3). There were no transfers into or out of Level 3 investments during the years ended June 30, 2023 and 2022. Purchases of Level 3 investments totaled \$98,502 and \$2,965,009 for the years ended June 30, 2023 and 2022, respectively. 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, 2023 and 2022.

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

Corporate and State of Israel Bonds - 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.

Money Market and Mutual Funds - 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 because they trade infrequently and therefore have little or no price transparency.

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 tables summarizes assets which have been accounted for at fair value on a recurring basis as of June 30, 2023 and 2022, along with the basis for the determination of fair value:

	2023			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 28,763,436	\$ 28,763,436	\$ -	\$ -
Equities				
Materials	482,500	482,500	-	-
Industrials	7,813,443	7,813,443	-	-
Telecommunications services	6,537,233	6,537,233	-	-
Consumer discretionary	7,735,283	7,735,283	-	-
Consumer staples	761,671	761,671	-	-
Energy	3,226,815	3,226,815	-	-
Financial	14,505,047	14,505,047	-	-
Healthcare	6,646,216	6,646,216	-	-
Information technology	10,387,750	10,387,750	-	-
Utilities	399,272	399,272	-	-
Real estate	11,389,767	11,389,767	-	-
Mutual funds				
Domestic equity mutual funds	73,900,504	73,900,504	-	-
International equity mutual funds	65,055,225	65,055,225	-	-
Global fund	1,518,201	1,518,201	-	-
International fixed income	19,980,902	19,980,902	-	-
US Treasury obligations	39,382,649	39,382,649	-	-
US Governmental agencies	228	-	228	-
Corporate bonds				
AAA - A ratings	17,577,051	-	17,577,051	-
BBB - B ratings	5,527,056	-	5,527,056	-
CAA ratings	10,697,149	-	10,697,149	-
State of Israel bonds (b)	5,871,732	-	5,871,732	-
Alternative investments				
Multi-strategy (c)	2,518,331	-	-	2,518,331
Private equity (d)	1,024,140	-	-	1,024,140
Real estate (e)	92,882	-	-	92,882
Other (g)	2,398,798	-	-	2,398,798
	<u>344,193,281</u>	<u>\$ 298,485,914</u>	<u>\$ 39,673,216</u>	<u>\$ 6,034,151</u>
Investments at NAV (1)	<u>177,487,532</u>			
	<u>\$ 521,680,813</u>			
Cash surrender value, life insurance	<u>\$ 7,692,183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,692,183</u>

(1) Certain of Federation's investments in private investment companies that are measured using net asset value ("NAV") per share as a practical expedient have not been categorized within the fair value hierarchy. The fair value amounts presented in this table 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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	2022			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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 government 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	-
CAA ratings	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>			
Cash surrender value, life insurance	<u>\$ 7,696,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,696,880</u>

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The following table lists the investments by class and investment strategy at June 30, 2023 and 2022:

Strategies	2023			2022		
	# of Funds	Valuation	Unfunded Commitments	# of Funds	Valuation	Unfunded Commitments
Multi-asset strategy (h)	4	\$ 20,884,511	\$ 1,716,249	5	\$ 39,301,132	\$ 276,250
Multi-strategy (c)	5	49,068,840	824,182	5	46,095,127	1,144,946
Private equity (d)	16	35,104,791	12,347,360	13	30,783,936	7,078,341
Real estate (e)	17	28,999,424	15,243,941	17	27,588,145	4,321,356
Natural resources (f)	4	5,215,527	823,863	5	6,300,185	64,500
Private equity - long (a)	1	14,058,590	-	1	15,033,288	-
Private equity - long (i)	1	10,597,722	-	1	9,477,508	-
Private equity - long (j)	1	7,486,240	-	1	5,056,326	-
Private equity - long (k)	1	<u>6,071,887</u>	<u>-</u>	1	<u>5,611,080</u>	<u>-</u>
		<u>\$ 177,487,532</u>	<u>\$ 30,955,595</u>		<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 70-year record of dependability and Israel has never defaulted on the payment of principal and interest. The bonds all have maturity dates through June 2026. Federation intends to hold the bonds until maturity.
- c) The 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. The 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 six 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 seven 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 equities 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 with 30 days' notice 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 10 days' notice at a NAV calculated on a monthly basis.

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

	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$ 24,232,085	\$ 15,857,243
Realized gains	4,482,905	32,113,516
Unrealized gains (losses)	18,302,375	(80,157,654)
Interest - loans and notes receivable	<u>20,709</u>	<u>9,716</u>
	47,038,074	(32,177,179)
Investment fees	<u>(1,594,054)</u>	<u>(1,704,201)</u>
	<u>\$ 45,444,020</u>	<u>\$ (33,881,380)</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>2023</u>	<u>2022</u>
Land	\$ 2,140,049	\$ 2,140,049
Buildings and improvements	18,677,058	18,492,964
Furniture and equipment	2,960,413	2,986,053
Computer equipment	1,097,007	1,185,707
Transportation equipment	16,192	16,192
Library	434,322	434,322
Works of art	<u>111,808</u>	<u>111,808</u>
	25,436,849	25,367,095
Less: Accumulated depreciation	<u>(21,534,568)</u>	<u>(21,652,556)</u>
	<u>\$ 3,902,281</u>	<u>\$ 3,714,539</u>

Depreciation expense on these assets totaled \$306,211 and \$587,133 for the years ended June 30, 2023 and 2022, 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 \$16,593 and \$89,991 for the years ended June 30, 2023 and 2022, respectively.

This property and equipment, held for rental is shown net of accumulated depreciation for the years ended June 30, and consists of the following:

	<u>2023</u>	<u>2022</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>(21,403,351)</u>	<u>(21,386,758)</u>
	<u>\$ 314,768</u>	<u>\$ 331,361</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 Federation. The anticipated closing date is subject to zoning approvals from the Township of West Orange.

8. LOAN PARTICIPATION INTEREST RECEIVABLE

Federation holds investments in loans to outside parties that are recorded at net realizable value. The loans earn interest at rates between 10% to 15% with maturity dates from September 2024 to December 2027. The balance of loan participation interest receivable as of June 30, 2023 and 2022 is \$67,139,328 and \$63,934,187, respectively.

9. BONDS PAYABLE

Bonds payable at June 30 were as follows:

	<u>2023</u>	<u>2022</u>
Essex County Improvement Authority bond	\$ 6,865,000	\$ 7,415,000
Amounts due within one year	<u>550,000</u>	<u>550,000</u>
	<u>\$ 6,315,000</u>	<u>\$ 6,865,000</u>

The future scheduled maturities of the bonds payable are as follows: 2024 - \$550,000; 2025 - \$550,000; 2026 - \$5,765,000.

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 \$6,865,000 and \$7,415,000 at June 30, 2023 and 2022, 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, 2023 and 2022, the interest rate was 4.01% and .95%, 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>2023</u>	<u>2022</u>
Total grants payable	\$ 26,376,226	\$ 30,423,394
Less discount to present value	<u>3,286,024</u>	<u>4,158,969</u>
	23,090,202	26,264,425
Amounts payable in subsequent fiscal year	<u>7,609,559</u>	<u>11,784,228</u>
Amounts payable in future fiscal years	<u>\$ 15,480,643</u>	<u>\$ 14,480,197</u>

Future payments as of June 30, 2023 are as follows:

2024	\$ 7,609,559
2025	5,133,333
2026	3,633,334
2027	2,500,000
2028	1,500,000
Thereafter	<u>6,000,000</u>
	<u>\$ 26,376,226</u>

11. FINANCE LEASES

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

	<u>2023</u>	<u>2022</u>
Equipment	\$ 435,219	\$ 435,219
Less: Accumulated depreciation	<u>166,339</u>	<u>109,540</u>
	<u>\$ 268,880</u>	<u>\$ 325,679</u>

The renewal options have not been included in the lease liability calculation, since it is not reasonably certain that they will be exercised, based on general uncertainties that come with the passage of time. Because the rates implicit in the leases are generally not available, Federation utilizes its risk-free rate as the discount rate.

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The following is a maturity analysis of the annual undiscounted cash flows of the finance lease liabilities as of June 30, 2023:

2024	\$ 107,088
2025	107,088
2026	99,738
2027	<u>44,830</u>
Total minimum lease payments	358,744
Less: Amount representing interest	<u>89,864</u>
Total present value amount	268,880
Less: Current portion	<u>66,316</u>
Non-current portion	<u>\$ 202,564</u>

Maturities of finance leases:

2024	\$ 66,316
2025	77,637
2026	83,728
2027	<u>41,199</u>
	<u>\$ 268,880</u>

The weighted average discount rate associated with finance leases as of June 30, 2023 is 17.74%. The weighted average remaining lease term associated with finance leases as of June 30, 2023 is 2.42 years. Operating cash flows from finance leases totaled \$107,088 and \$120,140 for the years ended June 30, 2023 and 2022, respectively.

12. SPLIT INTEREST AGREEMENTS

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 applicable mortality tables and a discount rate of 6% to 8% based on the nature of the agreements. The present value of the future obligation for split interest agreements at June 30, 2023 and 2022 and was \$1,532,972 and \$1,200,515, respectively. Assets, included in long term investments, related to split interest agreements at June 30, 2023 and 2022 total \$2,593,580 and \$1,619,710, respectively. The change in the present value of estimated future payments of \$587,648 and \$90,200 is included in the valuation allowance in the consolidated statements of activities and changes in net assets for the years ended June 30, 2023 and 2022, respectively.

13. DUE TO OTHER ORGANIZATIONS

Amounts due to other organizations totaling \$42,941,649 and \$41,017,758 at June 30, 2023 and 2022, respectively, represent funds provided to Federation by unrelated, non-beneficiary agencies to be invested. The funds invested and investment earnings allocable to these funds are recorded as a liability in the consolidated statements of financial position. 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.

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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>2023</u>	<u>2022</u>
Jewish Vocational Service of MetroWest, Inc.	\$ 523,070	\$ 520,520
Jewish Family Services of MetroWest, Inc.	4,644,614	4,590,573
Daughters of Israel	13,708,875	11,471,174
Jewish Community Center of MetroWest, Inc.	2,347,483	2,332,226
Jewish Community Housing Corp.	33,927	42,779
Jewish Service for the Developmentally Disabled	<u>242,312</u>	<u>209,169</u>
	21,500,281	19,166,441
Less: Current portion	<u>128,942</u>	<u>84,122</u>
	<u>\$ 21,371,339</u>	<u>\$ 19,082,319</u>

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

	<u>2023</u>	<u>2022</u>
Balance of funds advanced to beneficiary agencies to cover cash flow deficits which bear interest at the lesser of 5% or the prime rate, which approximated 1.07% annually for each year		
Jewish Vocational Service of MetroWest, Inc.	\$ 159,538	\$ 54,717
Jewish Community Housing Corp.	130,894	104,314
Jewish Service for the Developmentally Disabled	-	65,068
Jewish Family Services of Central NJ	28,187	97
Jewish Community Center of MetroWest, Inc. - net of reserve of \$2,401,000 and \$3,381,000 at June 30, 2023 and 2022	<u>804,589</u>	<u>913,451</u>
	1,123,208	1,137,647
Current portion	<u>318,619</u>	<u>224,196</u>
	<u>\$ 804,589</u>	<u>\$ 913,451</u>

In addition to the leasing transactions disclosed in Note 20 and those noted above, additional related party revenue and expense transactions were as follows:

Affiliated agencies paid Federation \$54,434 and \$54,047 for the years ended June 30, 2023 and 2022, respectively, in fees for bookkeeping and accounting services. An affiliated agency paid Federation \$2,562,829 in rent for buildings owned by Federation for each of the years ended June 30, 2023 and 2022.

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	<u>2023</u>	<u>2022</u>
Allocations and grants made by Federation to affiliates		
Daughters of Israel Geriatric Center	\$ 2,932,808	\$ 2,929,928
Jewish Community Center of MetroWest, Inc.	654,925	518,269
Jewish Family Services of MetroWest, Inc.	485,000	485,000
Jewish Service for the Developmentally Disabled	57,500	39,000
Jewish Family Services of Central New Jersey	307,380	274,760
Jewish Vocational Service of MetroWest, Inc.	112,500	112,500
	<u>\$ 4,550,113</u>	<u>\$ 4,359,457</u>
	<u>2023</u>	<u>2022</u>
Interest income earned by Federation on funds advanced to beneficiary agencies		
Jewish Family Services of MetroWest, Inc.	\$ 12,650	\$ 6,186
Jewish Vocational Service of MetroWest, Inc.	3,063	1,143
Jewish Family Services of Central New Jersey, Inc.	4,996	2,713
	<u>\$ 20,709</u>	<u>\$ 10,042</u>

Federation received contributions from its board members totaling \$4,341,430 and \$7,328,031 for the years ended June 30, 2023 and 2022, 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.

As of June 30, 2023 and 2022, JCHC had prepaid the ground lease in the amounts of \$1,284,547 and \$1,292,769, respectively. These amounts are included in deferred revenue in the consolidated statements of financial position and are being charged off to rental income at the rate of \$8,222 per annum. For each of the years ending June 30, 2023 and 2022, no contingent rents were paid or accrued based on the calculation of cash flow as defined and the accrued balances were offset against deferred revenue.

In addition to the amounts above, programs fees for programs occurring in the subsequent year of \$2,543,007 and \$453,513 are included in deferred revenue at June 30, 2023 and 2022, respectively. Deferred program fees as of July 1, 2022 were \$321,254.

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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 \$14,447,444 and \$14,974,714 at June 30, 2023 and 2022, respectively.

The future scheduled maturities of the pension loan payable payments at June 30, 2023 are as follows: 2024 - \$544,510; 2025 - \$567,059; 2026 - \$588,999; 2027 - \$611,787; 2028 - \$634,225; thereafter - \$11,500,864.

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>2023</u>	<u>2022</u>
Jewish Vocational Service of MetroWest, Inc., original loan of \$3,807,616. There are monthly principal and interest payments of \$19,689.	\$ 3,163,076	\$ 3,258,129
Jewish Service for the Developmentally Disabled, original loan of \$441,263. There are monthly principal and interest payments of \$2,282.	364,309	377,567
Jewish Family Services of MetroWest, Inc., original loan of \$2,078,163. There are monthly principal and interest payments of \$10,746.	1,715,853	1,778,270
Jewish Family Services of Central New Jersey, original loan of \$550,659. There are monthly principal and interest payments of \$2,847.	454,692	471,225
Jewish Community Center of MetroWest, Inc., original loan of \$3,312,700. There are monthly principal and interest payments of \$17,129.	<u>2,735,220</u>	<u>2,834,705</u>
	8,433,150	8,719,896
Amounts due within one year	<u>336,346</u>	<u>306,056</u>
Long-term portion	<u>\$ 8,096,804</u>	<u>\$ 8,413,840</u>

Maturities of agency pension loans receivable at June 30, 2023 are as follows: 2024 - \$336,346; 2025 - \$330,164; 2026 - \$342,938; 2027 - \$356,207; 2028 - \$369,271; thereafter - \$6,698,224.

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 \$50,353 and \$55,948 for the years ended June 30, 2023 and 2022, respectively.

Other Changes in Post-Retirement Benefits

For the years ended June 30, 2023 and 2022, Federation recorded an increase in net assets without donor restrictions of \$12,631 and \$112,543, 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>2023</u>	<u>2022</u>
Benefit obligation, beginning of year	\$ 436,898	\$ 595,527
Interest cost	17,654	12,992
Actuarial gain	(15,285)	(115,673)
Plan participant contributions	25,316	28,079
Benefits paid	<u>(75,669)</u>	<u>(84,027)</u>
Benefit obligation, end of year	<u>\$ 388,914</u>	<u>\$ 436,898</u>

Assumptions - Net Periodic Benefit Cost

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

	<u>2023</u>	<u>2022</u>
Discount rate	4.30%	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>2023</u>	<u>2022</u>
Current liability	\$ 41,100	\$ 48,600
Non-current liability	<u>347,814</u>	<u>388,298</u>
	<u>\$ 388,914</u>	<u>\$ 436,898</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:

2024	\$ 41,100
2025	40,600
2026	39,800
2027	38,600
2028	37,000
Thereafter	<u>191,814</u>
	<u>\$ 388,914</u>

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Relating to the post-retirement medical plan:

	<u>2023</u>	<u>2022</u>
<u>Assumed Pre-65 Medical Trend</u>		
Health care cost rate assumed for next fiscal year	6.80%	6.00%
Rate to which the cost trend rate is assumed to decline	4.14%	3.94%
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	6.80%	6.00%
Rate to which the cost trend rate is assumed to decline	4.14%	3.94%
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	\$ 1,101	\$ (1,011)
Effect on accumulated postretirement benefit obligation	\$ 21,599	\$ (19,802)

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>2023</u>	<u>2022</u>
Purpose restriction		
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	\$ 3,964,444	\$ 6,636,741
Time restriction		
Contributions receivable	2,636,680	1,502,837
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	184,885
	<u>\$ 6,601,124</u>	<u>\$ 8,324,463</u>

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Components of net assets at June 30 were as follows:

<u>Detail of Net Assets</u>	<u>June 30, 2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating	\$ 329,891,777	\$ -	\$ 329,891,777
Board designated for special projects or to maintain affiliated agency programs in the event that an unanticipated reduction in available funds occurs	9,149,704	-	9,149,704
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	-	61,249,873	61,249,873
Contributions receivable	-	8,365,515	8,365,515
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	2,593,580	2,593,580
Endowment	-	122,977,712	122,977,712
	<u>\$ 339,041,481</u>	<u>\$ 195,186,680</u>	<u>\$ 534,228,161</u>
	<u>June 30, 2022</u>		
<u>Detail of Net Assets</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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>

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Endowment Funds

Federation's endowment consists of approximately 30 individual donor-restricted endowment funds established for a variety of purposes.

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.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2023 and 2022

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 \$511,793 for ten funds with a historical value of \$3,946,116 and a fair value of \$3,434,322 as of June 30, 2023 and \$1,576,052 for twenty-eight funds with a historical value of \$26,602,496 and a fair value of \$25,026,444 as of June 30, 2022. 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		
	Consolidated	JFED	Foundation
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, July 1, 2022	81,514,754	52,499,368	29,015,386
Investment return, net	<u>9,605,779</u>	<u>4,362,626</u>	<u>5,243,153</u>
	91,120,533	56,861,994	34,258,539
Contributions received	33,401,487	1,871,938	31,529,549
Appropriated for expenditure	<u>(1,544,308)</u>	<u>(1,239,137)</u>	<u>(305,171)</u>
Endowment net assets, June 30, 2023	<u>\$ 122,977,712</u>	<u>\$ 57,494,795</u>	<u>\$ 65,482,917</u>
	2023		
Donor restricted "true" endowment			
Historical gift value	\$ 107,498,846	\$ 45,970,783	\$ 61,528,063
Appreciation	<u>15,478,866</u>	<u>11,524,012</u>	<u>3,954,854</u>
Endowment net assets, June 30	<u>\$ 122,977,712</u>	<u>\$ 57,494,795</u>	<u>\$ 65,482,917</u>

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Notes to Consolidated Financial Statements
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	<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>

18. RECLASSIFICATION DUE TO CHANGE IN DONOR DESIGNATION

During the years ended June 30, 2023 and 2022, reclassifications of net assets totaled \$5,675,000 and \$21,400,000, respectively, 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 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 years ended June 30, 2023 and 2022.

19. TRANSFER OF ASSETS DUE TO CLOSURE OF DONOR-ADVISED FUND

During the year ended June 30, 2023, a transfer of \$149,136,128 was made from a donor-advised fund held by Federation and included as a non-operating expense in the consolidated statements of activities and changes in net assets.

20. LEASES

Federation leases commercial property to Daughters of Israel Geriatric Center, a beneficiary agency, under an operating lease which expires in June 2025, with an additional five-year extension renewal option. Rental income was \$2,562,829 for both years ended June 30, 2023 and 2022 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, 2023 and 2022 was \$381,924 and \$370,800, respectively. Future rental income under this lease is as follows: 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, 2023 and 2022 was \$68,100 and \$66,300, respectively. Future rental income under this lease is as follows: 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, 2023 and 2022. 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. A satisfaction of judgment was executed in October 2023 with a payment of \$50,000.

Federation has a month to month agreement with Swimquest LLC for rental of facilities. Swimquest pays rent of \$10,000 per month and pays its share of utilities.

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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.

21. CONCENTRATIONS OF RISKS

Federation's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash and cash equivalents, investments, loan participation interest receivables, contributions receivable, loans receivable and amounts due from other organizations. Federation has significant cash and cash equivalents balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or lack of access to such funds could have a significant adverse impact on Federation's consolidated financial condition, results of operations, and cash flows.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the values of these securities will occur in the near term and that such changes could materially affect the amounts reported on the consolidated statements of financial position. Investments are diversified to avoid overconcentration from a specific issuer or sector. Credit risk is minimized by limiting the types of investments as well as through diversification of the investment portfolio. Federation has a long-standing history of collecting its receivables which are from various individuals, corporations, and foundations. 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. An allowance for uncollectible accounts is recorded in the consolidated financial statements for amounts considered non-collectible.

22. COMMITMENTS - GUARANTEES

Federation has guaranteed debt and performance provisions of certain affiliated entities. There are no collateral or indemnification agreements between Federation and these entities in the event Federation has to perform under the guarantees.

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 \$6,615,000 and \$6,975,000 as of June 30, 2023 and 2022, respectively. The line of credit is secured by DOI facilities that are being renovated and expanded. On December 1, 2023, the bonds were fully repaid by DOI.

As a result of the guarantee provided to DOI, Federation has recorded the value of the guarantee as a liability totaling \$219,000 and \$248,000 in the consolidated statements of financial position for the years ended June 30, 2023 and 2022, respectively.

23. SUBSEQUENT EVENTS

Federation has evaluated subsequent events occurring after the consolidated statements of financial position date through the date of December 22, 2023, 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 in Notes 20 and 22 and below which require disclosure in or adjustment to the consolidated financial statements other than as noted below.

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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 summer 2024. The proceeds from the sale will be dedicated exclusively to the maintenance and preservation of the Jewish cemeteries in Essex Country, NJ.

Effective July 1, 2023, JCF Investment Program, LLC, a Delaware nonprofit limited liability company (the "LLC"), was formed as a supporting foundation of Federation. Federation's currently sponsored investment pools will be transferred and held by the LLC. While the legal structure is changing, the LLC is intended to provide a similar investment and operational experience to that of the current investment pools. The LLC is being managed and overseen by Federation, through Federation's Investment Committee and its existing finance and investment teams.

Effective July 1, 2023, Paterson Hebrew Free Loan Association merged with one of Federation's supporting foundations, Hebrew Free Loan of New Jersey, Inc. ("HFLNJ"). HFLNJ is the surviving corporation continuing its existence under the law of New Jersey.

SUPPLEMENTARY INFORMATION

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statement of Financial Position
June 30, 2023

	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	\$ 4,973,511	\$ 7,902,972	\$ 12,876,483	\$ -	\$ 12,876,483
Restricted cash held in investment pool	-	28,763,436	28,763,436	-	28,763,436
Contributions receivable net, current portion	20,840,840	60,500	20,901,340	-	20,901,340
Due from beneficiary agencies, net of allowance for doubtful accounts of \$2,401,000	535,597	-	535,597	(216,978)	318,619
Loans receivable, current portion	144,811	129,300	274,111	-	274,111
Agency pension loans receivable, current portion	336,346	-	336,346	-	336,346
Other receivables, net	10,487,240	-	10,487,240	(9,302,825)	1,184,415
Other current assets	2,445,868	753,525	3,199,393	-	3,199,393
Total current assets	<u>39,764,213</u>	<u>37,609,733</u>	<u>77,373,946</u>	<u>(9,519,803)</u>	<u>67,854,143</u>
Net property and equipment	<u>1,393,721</u>	<u>2,508,560</u>	<u>3,902,281</u>	<u>-</u>	<u>3,902,281</u>
Other assets					
Investments, net of restricted cash held in investment pool	89,811,382	492,913,122	582,724,504	(89,807,127)	492,917,377
Due from beneficiary agencies, net of current portion	804,589	-	804,589	-	804,589
Contributions receivable, net of current portion	6,827,488	56,000	6,883,488	-	6,883,488
Loans receivable, net of current portion	823,683	892,000	1,715,683	-	1,715,683
Agency pension loans receivable, net of current portion	8,096,804	-	8,096,804	-	8,096,804
Loan participation interest receivable, net of current portion	-	67,139,328	67,139,328	-	67,139,328
Cash surrender value of life insurance, net	-	7,692,183	7,692,183	-	7,692,183
Property and equipment, held for rental, net	-	314,768	314,768	-	314,768
	<u>106,363,946</u>	<u>569,007,401</u>	<u>675,371,347</u>	<u>(89,807,127)</u>	<u>585,564,220</u>
Total assets	<u>\$ 147,521,880</u>	<u>\$ 609,125,694</u>	<u>\$ 756,647,574</u>	<u>\$ (99,326,930)</u>	<u>\$ 657,320,644</u>

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statement of Financial Position
June 30, 2023

	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	\$ 7,215,327	\$ 869,360	\$ 8,084,687	\$ -	\$ 8,084,687
Bonds payable, current portion	550,000	-	550,000	-	550,000
Grants payable, current portion	-	10,458,059	10,458,059	(2,848,500)	7,609,559
Split interest agreements payable, current portion	-	237,833	237,833	-	237,833
Post retirement health benefits payable, current portion	41,100	-	41,100	-	41,100
Pension loan payable, current portion	544,510	-	544,510	-	544,510
Due to beneficiary agencies, current portion	128,942	216,978	345,920	(216,978)	128,942
Deferred revenue, current portion	2,322,738	8,222	2,330,960	-	2,330,960
Lease liability - financing, current portion	66,316	-	66,316	-	66,316
Total current liabilities	<u>10,868,933</u>	<u>11,790,452</u>	<u>22,659,385</u>	<u>(3,065,478)</u>	<u>19,593,907</u>
Long-term liabilities					
Bonds payable, net of current portion	6,315,000	-	6,315,000	-	6,315,000
Deferred revenue, net of current portion	220,269	1,276,325	1,496,594	-	1,496,594
Grants payable, net of current portion and discount	-	21,934,968	21,934,968	(6,454,325)	15,480,643
Due to beneficiary agencies, net of current portion	-	111,178,466	111,178,466	(89,807,127)	21,371,339
Due to other organizations	-	42,941,649	42,941,649	-	42,941,649
Post retirement health benefits, net of current portion	347,814	-	347,814	-	347,814
Split interest agreements payable, net of current portion	-	1,295,139	1,295,139	-	1,295,139
Security deposits	144,900	-	144,900	-	144,900
Lease liability - financing, net of current portion	202,564	-	202,564	-	202,564
Pension loan payable, net of current portion	13,902,934	-	13,902,934	-	13,902,934
Total long-term liabilities	<u>21,133,481</u>	<u>178,626,547</u>	<u>199,760,028</u>	<u>(96,261,452)</u>	<u>103,498,576</u>
Total liabilities	<u>32,002,414</u>	<u>190,416,999</u>	<u>222,419,413</u>	<u>(99,326,930)</u>	<u>123,092,483</u>
Net assets					
Without donor restrictions	34,584,084	304,457,397	339,041,481	-	339,041,481
With donor restrictions	80,935,382	114,251,298	195,186,680	-	195,186,680
Total net assets	<u>115,519,466</u>	<u>418,708,695</u>	<u>534,228,161</u>	<u>-</u>	<u>534,228,161</u>
Total liabilities and net assets	<u>\$ 147,521,880</u>	<u>\$ 609,125,694</u>	<u>\$ 756,647,574</u>	<u>\$ (99,326,930)</u>	<u>\$ 657,320,644</u>

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statement 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, net	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>
Other assets					
Investments, net of restricted cash held in investment pool	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
Contributions receivable, net of current portion	7,975,741	45,000	8,020,741	-	8,020,741
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
Loan participation interest receivable, net of current portion	-	61,934,187	61,934,187	-	61,934,187
Cash surrender value of life insurance, net	-	7,696,880	7,696,880	-	7,696,880
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 Statement 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, current portion	550,000	-	550,000	-	550,000
Grants payable, current portion	-	11,784,228	11,784,228	-	11,784,228
Split interest agreements payable, current portion	-	189,524	189,524	-	189,524
Post retirement health benefits, current portion	48,600	-	48,600	-	48,600
Pension payable, current portion	525,592	-	525,592	-	525,592
Due to beneficiary agencies, current portion	84,122	81,763	165,885	(81,763)	84,122
Deferred revenue, current portion	213,079	8,222	221,301	-	221,301
Capital lease payable, current portion	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
Grants payable, net of current portion and discount	-	23,284,026	23,284,026	(8,803,829)	14,480,197
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
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 Statement of Activities and Changes in Net Assets
Year Ended June 30, 2023

	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 activities								
Support and revenues								
Contributions	\$ 22,909,757	\$ 7,497,151	\$ 30,406,908	\$ 23,456,751	\$ 30,003,005	\$ 53,459,756	\$ (7,984,297)	\$ 75,882,367
Bequests	-	-	-	1,391,164	-	1,391,164	-	1,391,164
Less: Donor designations	(6,206,511)	-	(6,206,511)	-	-	-	-	(6,206,511)
Net contributions	16,703,246	7,497,151	24,200,397	24,847,915	30,003,005	54,850,920	(7,984,297)	71,067,020
Rental income	3,299,054	-	3,299,054	2,579,273	-	2,579,273	(2,623,264)	3,255,063
Grants and contract revenue	829,971	-	829,971	-	-	-	-	829,971
Program and service fees	1,446,530	-	1,446,530	-	-	-	-	1,446,530
Investment return, net	2,518,440	4,710,019	7,228,459	36,155,591	9,239,974	45,395,565	(7,180,004)	45,444,020
Administrative fee revenue	-	-	-	1,027,771	-	1,027,771	-	1,027,771
Allocation of investment return for funds held for others	-	-	-	(13,679,271)	-	(13,679,271)	7,180,004	(6,499,267)
Valuation allowance	-	-	-	24,302	(587,648)	(563,346)	-	(563,346)
Miscellaneous income	242,106	-	242,106	-	-	-	(43,410)	198,696
	25,039,347	12,207,170	37,246,517	50,955,581	38,655,331	89,610,912	(10,650,971)	116,206,458
Net assets released due to satisfaction of time or purpose restrictions	3,267,887	(3,267,887)	-	3,333,237	(3,333,237)	-	-	-
	28,307,234	8,939,283	37,246,517	54,288,818	35,322,094	89,610,912	(10,650,971)	116,206,458
Operating expenses								
Program services	25,651,607	-	25,651,607	74,121,260	-	74,121,260	(10,547,125)	89,225,742
supporting services	7,120,828	-	7,120,828	2,344,605	-	2,344,605	(103,846)	9,361,587
	32,772,435	-	32,772,435	76,465,865	-	76,465,865	(10,650,971)	98,587,329
Total operating	(4,465,201)	8,939,283	4,474,082	(22,177,047)	35,322,094	13,145,047	-	17,619,129
Non-operating activities								
Reclassification due to change in donor designation	-	-	-	(5,675,000)	5,675,000	-	-	-
Transfer of net assets	-	-	-	(149,136,128)	-	(149,136,128)	-	(149,136,128)
Total non-operating	-	-	-	(154,811,128)	5,675,000	(149,136,128)	-	(149,136,128)
Changes in net assets	(4,465,201)	8,939,283	4,474,082	(176,988,175)	40,997,094	(135,991,081)	-	(131,516,999)
Net assets								
Beginning of year	39,049,285	71,996,099	111,045,384	481,445,572	73,254,204	554,699,776	-	665,745,160
End of year	\$ 34,584,084	\$ 80,935,382	\$ 115,519,466	\$ 304,457,397	\$ 114,251,298	\$ 418,708,695	\$ -	\$ 534,228,161

See Independent Auditor's Report.

**Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statement 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 activities								
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	<u>(6,386,094)</u>	<u>-</u>	<u>(6,386,094)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,386,094)</u>
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	<u>186,348</u>	<u>-</u>	<u>186,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,145)</u>	<u>144,203</u>
	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	<u>3,897,932</u>	<u>(3,897,932)</u>	<u>-</u>	<u>4,426,531</u>	<u>(4,426,531)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>19,520,992</u>	<u>4,459,902</u>	<u>23,980,894</u>	<u>225,986,367</u>	<u>(3,834,728)</u>	<u>222,151,639</u>	<u>(8,337,229)</u>	<u>237,795,304</u>
Operating expenses								
Program services	23,365,388	-	23,365,388	54,536,247	-	54,536,247	(8,217,648)	69,683,987
Supporting services	<u>5,418,388</u>	<u>-</u>	<u>5,418,388</u>	<u>2,232,301</u>	<u>-</u>	<u>2,232,301</u>	<u>(119,581)</u>	<u>7,531,108</u>
	<u>28,783,776</u>	<u>-</u>	<u>28,783,776</u>	<u>56,768,548</u>	<u>-</u>	<u>56,768,548</u>	<u>(8,337,229)</u>	<u>77,215,095</u>
Total operating	(9,262,784)	4,459,902	(4,802,882)	169,217,819	(3,834,728)	165,383,091	-	160,580,209
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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>490,201</u>
Total non-operating	<u>490,201</u>	<u>-</u>	<u>490,201</u>	<u>(21,400,000)</u>	<u>21,400,000</u>	<u>-</u>	<u>-</u>	<u>490,201</u>
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	<u>47,821,868</u>	<u>67,536,197</u>	<u>115,358,065</u>	<u>333,627,753</u>	<u>55,688,932</u>	<u>389,316,685</u>	<u>-</u>	<u>504,674,750</u>
End of year	<u>\$ 39,049,285</u>	<u>\$ 71,996,099</u>	<u>\$ 111,045,384</u>	<u>\$ 481,445,572</u>	<u>\$ 73,254,204</u>	<u>\$ 554,699,776</u>	<u>\$ -</u>	<u>\$ 665,745,160</u>

See Independent Auditor's Report.