JEWISH COMMUNITY FOUNDATION OF GREATER METROWEST N.J., INC.
Consolidated Financial Statements
June 30, 2022 and 2021
With Independent Auditor's Report

Jewish Community Foundation of Greater MetroWest N.J., Inc.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Jewish Community Foundation of Greater MetroWest N.J., Inc.:

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

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

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

WithumSmith+Brown, PC

December 13, 2022

Jewish Community Foundation of Greater MetroWest N.J., Inc.
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	$ 20,075,370	$ 3,026,678
Restricted cash held in investment pool	205,653,196	33,550,942
Contributions receivable, current portion	26,000	32,332
Loans receivable, current portion	146,700	121,000
Loan participation interest receivable, current portion	2,000,000	-
Other current assets	569,060	487,593
Total current assets	228,470,326	37,218,545
Property and equipment, net	2,543,119	2,855,004
Other assets		
Investments, net of restricted cash held in investment pool	435,407,438	503,982,512
Contributions receivable, net of current portion	45,000	31,000
Loans receivable, net of current portion	1,013,000	1,169,300
Cash surrender value, life insurance, net	7,696,880	7,655,941
Loan participation interest receivable, net	61,934,187	28,695,573
Property and equipment, held for rental, net	331,361	421,352
Total other assets	506,427,866	541,955,678
Total assets	$ 737,441,311	$ 582,029,227
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 623,107	$ 584,303
Grants payable, current portion	11,784,228	14,395,227
Split interest agreements payable, current portion	189,524	188,432
Due to affiliated organizations	81,763	129,699
Deferred revenue	8,222	8,222
Total current liabilities	12,686,844	15,305,883
Long-term liabilities		
Due to affiliated organizations, net of current portion	103,457,369	113,432,602
Due to other organizations	41,017,758	37,565,215
Deferred revenue, net of current portion	1,284,547	1,292,769
Split interest agreements payable, net of current portion	1,010,991	1,193,969
Grants payable, net of current portion	23,284,026	23,922,104
Total long-term liabilities	170,054,691	177,406,659
Total liabilities	182,741,535	192,712,542
Net assets		
Without donor restrictions	481,445,572	333,627,753
With donor restrictions	73,254,204	55,688,932
Total net assets	554,699,776	389,316,685
Total liabilities and net assets	$ 737,441,311	$ 582,029,227

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

Jewish Community Foundation of Greater MetroWest N.J., Inc.
Consolidated Statements of Activities and Changes in Net Assets
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Contributions	$ 242,500,727	$ 3,775,175	$ 246,275,902	$ 28,551,890	$ 3,509,894	$ 32,061,784
Bequests	-	-	-	1,513		1,513
Rental income	2,562,829	-	2,562,829	2,571,051	-	2,571,051
Investment return, net	(30,793,042)	(3,093,172)	(33,886,214)	107,366,270	11,634,018	119,000,288
Administrative fee revenue	984,413	-	984,413	858,710	-	858,710
Allocation of investment return to managed funds of affiliated and other organizations	6,331,969	-	6,331,969	(32,527,609)	-	(32,527,609)
Valuation allowances	(27,060)	(90,200)	(117,260)	377,358	(747,033)	(369,675)
Gain on sale of property	-	-	-	173,723	-	173,723
	221,559,836	591,803	222,151,639	107,372,906	14,396,879	121,769,785
Net assets released due to satisfaction of purpose and time restrictions	4,426,531	(4,426,531)	-	4,643,416	(4,643,416)	-
	225,986,367	(3,834,728)	222,151,639	112,016,322	9,753,463	121,769,785
Expenses						
Program services	54,536,247	-	54,536,247	49,675,566	-	49,675,566
Management and general	1,822,130	-	1,822,130	1,509,337	-	1,509,337
Fundraising	410,171	-	410,171	393,740	-	393,740
	56,768,548	-	56,768,548	51,578,643	-	51,578,643
Changes in net assets	169,217,819	(3,834,728)	165,383,091	60,437,679	9,753,463	70,191,142
Non-operating activities						
Reclassification due to change in donor designation	(21,400,000)	21,400,000	-	-	-	-
Net assets						
Beginning of year	333,627,753	55,688,932	389,316,685	273,190,074	45,935,469	319,125,543
End of year	$ 481,445,572	$ 73,254,204	$ 554,699,776	$ 333,627,753	$ 55,688,932	$ 389,316,685

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

Jewish Community Foundation of Greater MetroWest N.J., Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Operating activities		
Changes in net assets	$ 165,383,091	$ 70,191,142
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation (operating and rental assets)	401,876	739,019
Gain on sale of property	-	(173,723)
Change in cash surrender value on life insurance	(40,939)	(377,359)
Present value adjustment on grants payable	(778,589)	790,282
Net realized and unrealized (gains) losses on investments	48,044,138	(109,966,623)
Endowment contributions	(24,992,198)	(588,591)
Changes in assets and liabilities		
Contributions receivable	(7,668)	(19,555)
Other current assets	(81,467)	(89,629)
Accounts payable and accrued expenses	38,804	271,099
Grants payable	(2,470,488)	1,278,543
Split interest agreements payable	(181,886)	530,477
Due to affiliated organizations	(10,023,169)	26,433,251
Deferred revenue	(8,222)	(8,222)
Due to other organizations	3,452,543	10,369,989
Net cash provided by (used in) operating activities	178,735,826	(619,900)
Investing activities		
Receipts (issuance) of loan receivable	130,600	(1,178,875)
Purchase of investments	(224,636,497)	(147,391,355)
Sale of investments	245,167,433	173,890,183
Loan participation interest receivable	(35,238,614)	(28,695,573)
Proceeds from sale of property	-	986,880
Net cash used in investing activities	(14,577,078)	(2,388,740)
Financing activity		
Endowment contributions	24,992,198	588,591
Net cash provided by financing activity	24,992,198	588,591
Net change in cash, cash equivalents and restricted cash	189,150,946	(2,420,049)
Cash, cash equivalents and restricted cash		
Beginning of year	36,577,620	38,997,669
End of year	$ 225,728,566	$ 36,577,620

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

Jewish Community Foundation of Greater MetroWest N.J., Inc.
Consolidated Statements of Functional Expenses
Years Ended June 30, 2022 and 2021

	2022				2021			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries	$ 690,304	$ 756,047	$ 197,230	$ 1,643,581	$ 681,407	$ 746,303	$ 194,688	$ 1,622,398
Payroll taxes and fringe benefits	133,665	146,395	38,190	318,250	120,097	131,535	34,313	285,945
Grant expense	52,698,764	-	-	52,698,764	47,558,453	-	-	47,558,453
Office expense	255,184	279,487	72,910	607,581	227,750	249,441	65,071	542,262
Consultants	64,793	70,964	18,512	154,269	56,616	62,008	16,176	134,800
Occupancy expense	38,317	41,966	10,948	91,231	36,585	40,070	10,453	87,108
Travel and related expenses	5,843	6,400	1,669	13,912	1,010	1,106	289	2,405
Depreciation	401,876	-	-	401,876	739,019	-	-	739,019
Unrelated business income tax	-	249,798	-	249,798	-	-	-	-
Miscellaneous	247,501	271,073	70,712	589,286	254,629	278,874	72,750	606,253
	$ 54,536,247	$ 1,822,130	$ 410,171	$ 56,768,548	$ 49,675,566	$ 1,509,337	$ 393,740	$ 51,578,643

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

1. NATURE OF ACTIVITY

Jewish Community Foundation of Greater MetroWest N.J., Inc. (the “Foundation”), a wholly owned subsidiary of the Jewish Federation of Greater MetroWest N.J. (“Federation”), 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 Federation 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 Federation 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 Federation are related organizations, affiliated by means of overlapping Boards of Trustees and management. A substantial portion of the Foundation’s revenue is derived from contributions and investment earnings.

There are ten supporting foundations of the Foundation at June 30, 2022 and 2021, which support the charitable activities of the Foundation. These supporting organizations 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 Community Foundation of Greater MetroWest N.J., Inc. and its supporting foundations all of which are affiliated by means of overlapping Boards of Trustees control and management. Collectively, the eleven organizations are hereafter referred to in this report as “the Foundation.” 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, the Foundation’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: Net assets include expendable resources that are used to carry out the Foundation's operations and are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by the Foundation 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 the Foundation 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 the Foundation, 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.

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 and are allocated to functional categories depending upon the ultimate purpose of the expenditure. 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.

New Accounting Pronouncements Adopted in the Current Year

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

New Accounting Pronouncements Issued Not Yet Adopted

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02, *Leases* (Topic 842), which requires the recognition of a "right to use" asset and a lease liability, initially measured at the present value of the lease payments, on the consolidated statement of financial position for all of the Foundation's lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021.

The Foundation is currently evaluating the effect that this pronouncement will have on its consolidated financial statements and related disclosures.

Revenue and Support Recognition and Related Receivable

The Foundation recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as support with or without donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. The Foundation'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 accrued as an asset when the respective will has been declared valid. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met. Donated securities, equipment and works of art are recorded at fair value on the date of donation.

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

Cash, Cash Equivalents and Restricted Cash

The Foundation considers all highly liquid debt instruments with a maturity of three months or less at time of purchase to be cash equivalents. Such instruments consist primarily of certificates of deposit which are recorded at cost, which approximates fair value. 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.

	2022	2021
Cash and cash equivalents	$ 20,075,370	$ 3,026,678
Restricted cash held in investment pool	205,653,196	33,550,942
Total cash, cash equivalents and restricted cash shown in consolidated statements of cash flows	$ 225,728,566	$ 36,577,620

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. Withdrawals are subject to restrictions based on the contract terms for the custodial funds held for others and for donor funds.

Loans Receivable

The Foundation carries its loans receivable at amortized cost. The Foundation evaluated the loans receivable and determined no loss allowance is required as of June 30, 2022 and 2021.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Accordingly, no provision for federal or state income taxes has been recorded in the consolidated statements of activities and changes in net assets other than for unrelated business income tax, which is due based on pass-through taxable income received from investments in alternative investments, which amounted to $249,798 and $-0- for the years ended June 30, 2022 and 2021, respectively. Management has determined that there are no uncertain tax positions at the Foundation at June 30, 2022 and 2021. In addition, the Foundation did not have any income tax related penalties or interest for the periods reported in these consolidated financial statements.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. The Foundation records valuation allowances and discounts for its charitable remainder trust agreements and life insurance policies. In addition, liabilities related to charitable remainder trust agreements are based on the estimated life expectancy of the beneficiaries. Significant estimates are also utilized in the determination of certain investments and for multi-year grant commitments. It is reasonably possible that these estimates could change in the near future.

Property, Equipment and Depreciation

Property and equipment purchases are recorded at cost, except for donated items, which are recorded at fair value on the date of donation. When donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

The depreciable years utilized by major asset categories are as follows:

Description	Estimated Life (Years)
Buildings	40
Building improvements	30
Furniture and equipment	5-10

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.

Investments

Investments in equity securities with readily determinable values and all investments in debt securities are measured at fair value in the consolidated statements of financial position. Investments in limited partnerships are comprised substantially of real estate limited partnerships and hedge funds. These investments are stated at fair value as determined by the individual fund managers. Hedge fund fair value is based on contributions to the various funds and the allocated share of investment earnings including realized and unrealized gains and losses. The investment managers may make adjustments to values so determined, if in their experience, such methodology does not accurately reflect the underlying value of the investment. Fair value for real estate limited partnerships is determined using performance multiples or the market capitalization rate methodology applied to net income. Multiples are determined using market-based conditions of quoted companies or are derived from recent mergers and acquisition transactions. Money market funds consist of cash and cash equivalents and are shown as current investments 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.

Investment Return, Net

Investment return, net (including realized and unrealized gains and losses on investments and interest and dividends) is included in 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 the Foundation. 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 pools are revalued monthly and income and gains or losses are allocated to each fund based on its units.

Cash Surrender Value of Life Insurance

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

Grants and Grants Payable

Grants are recorded when approved by the Board of Trustees. The Foundation 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 not-for-profit organization as established by the Foundation. 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.

Valuation of Long-Lived Assets

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

Functional Expenses

Expenses are reported in the consolidated statements of activities and changes in net assets based on the nature and function of the expenses as a program service or supporting function. The Foundation 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 are directly charged to program expense. Salaries are allocated based on time spent in each of the functional categories for each employee. Fringe benefits and other administrative costs are allocated using the weighted average of salaries in each category.

Split Interest Agreements

Assets held in the split interest agreements are recorded at fair value in the Foundation's consolidated statements of financial position.

Reclassification

Certain amounts 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.

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at June 30:

	2022	2021
Contributions receivable	$ 792,500	$ 784,832
Less: Allowance for uncollectible amounts	(721,500)	(721,500)
Contributions receivable, net	71,000	63,332
Less: Current portion	(26,000)	(32,332)
	$ 45,000	$ 31,000

Contributions receivable, net are due as follows: 2023 - $26,000; 2024 - $45,000

4. LOAN RECEIVABLE

Loans receivable consisted of the following at June 30:

	2022	2021
NJY Camps, 10-year non-interest bearing unsecured loan of $1,000,000 commenced on July 31, 2020. The principal sum of this loan shall be repaid in 10 installments of $50,000 - $120,000 based on the loan agreement.	$ 950,000	$ 1,000,000
Jewish Community Centers of MetroWest, 5-year non-interest bearing loan of $150,000 commenced on December 7, 2020. The principal sum of this loan shall be repaid in 5 equal installments of $30,000 commencing December 7, 2021. This loan is secured by a personal guarantee.	120,000	150,000
Jewish Community Centers of MetroWest, 5-year non-interest bearing loan of $80,000 commenced on December 7, 2020. The principal sum of this loan shall be repaid in 5 equal installments of $16,000 commencing December 7, 2021. This loan is secured by a personal guarantee.	64,000	80,000
Jewish Community Centers of MetroWest, 4-year non-interest bearing unsecured loan of $100,000 commenced on June 1, 2018. The principal sum of this loan shall be repaid in 4 equal installments of $25,000 that commenced February 28, 2019.	-	25,000
A non-interest bearing unsecured loan of $105,600 to a former employee, commenced in May 2015 with no specific payment terms.	25,700	35,300
	1,159,700	1,290,300
Amounts due within one year	146,700	121,000
Long-term portion	$ 1,013,000	$ 1,169,300

Maturities of loans receivable as of June 30, 2022 are as follows:

2023	$ 146,700
2024	121,000
2025	146,000
2026	146,000
2027	120,000
Thereafter	480,000
	$ 1,159,700

5. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Financial assets and liquidity resources available within one year for general expenditures are as follows for the years ended June 30:

	2022	2021
Financial assets		
Cash and cash equivalents	$ 20,075,370	$ 3,026,678
Restricted cash held in investment pool	205,653,196	33,550,942
Contributions receivable, net	26,000	32,332
Loan receivable	146,700	121,000
	225,901,266	36,730,952
Less: Restricted cash with donor restrictions	(199,158,060)	(30,047,975)
Total financial assets and liquidity resources available within one year	$ 26,743,206	$ 6,682,977

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. 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 investments and not from the financial assets noted above.

6. LOAN PARTICIPATION INTEREST RECEIVABLE

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

7. FAIR VALUE MEASUREMENTS

The Foundation has provided fair value disclosure information for relevant assets in these consolidated financial statements. For applicable assets, the Foundation values such assets using quoted market prices in active markets for identical assets to the extent possible (Level 1). To the extent that such market prices are not available, the Foundation values such assets using observable measurement criteria, including quoted market prices of similar assets 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, the Foundation develops measurement criteria based on the best information available (Level 3). There were no transfers into or out of Level 3 into investments during the years ended June 30, 2022 and 2021. Purchases of Level 3 investments totaled $2,965,009 and $1,502,196 for the years ended June 30, 2022 and 2021, respectively.

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

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

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

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

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

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

The Foundation 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 the Foundation's investment 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. The Foundation applies the practical expedient to its investments in private investment companies on an investment-by-investment basis.

The following tables summarize the assets which have been accounted for at fair value on a recurring basis as of June 30, 2022 and 2021, along with the basis for the determination of fair value as follows:

	2022			
	Total	**Quoted Prices in Active Markets (Level 1)**	**Observable Measurement Criteria (Level 2)**	**Unobservable Measurement Criteria (Level 3)**
Money market funds	$ 205,653,196	$ 205,653,196	$ -	$ -
Equities				
Materials	452,228	452,228	-	-
Industrials	6,574,884	6,574,884	-	-
Telecommunications services	6,453,783	6,453,783	-	-
Consumer discretionary	8,282,083	8,282,083	-	-
Consumer staples	960,313	960,313	-	-
Energy	2,371,032	2,371,032	-	-
Financial	14,019,549	14,019,549	-	-
Healthcare	6,355,967	6,355,967	-	-
Information technology	10,731,853	10,731,853	-	-
Utilities	513,251	513,251	-	-
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	-	-
Corporate bonds				
AAA - A ratings	21,048,532	-	21,048,532	-
BBB - B- ratings	5,029,636	-	5,029,636	-
Not rated	10,479,322	-	10,479,322	-
State of Israel bonds (b)	4,649,635	-	4,649,635	-
U.S. Treasury obligations	36,176,134	36,176,134	-	-
U.S. government agencies	164,727	-	164,727	-
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
	455,813,907	$ 405,527,421	$ 41,371,852	$ 8,914,634
Investments measured at NAV (1)	185,246,727			
	$ 641,060,634			

	2021			
	Total	**Quoted Prices in Active Markets (Level 1)**	**Observable Measurement Criteria (Level 2)**	**Unobservable Measurement Criteria (Level 3)**
Money market funds	$ 33,550,942	$ 33,550,942	$ -	$ -
Equities				
Materials	372,280	372,280	-	-
Industrials	6,962,095	6,962,095	-	-
Telecommunications services	9,946,775	9,946,775	-	-
Consumer discretionary	11,427,033	11,427,033	-	-
Consumer staples	1,077,005	1,077,005	-	-
Energy	2,559,267	2,559,267	-	-
Financial	14,426,039	14,426,039	-	-
Healthcare	8,122,236	8,122,236	-	-
Information technology	14,298,274	14,298,274	-	-
Utilities	569,974	569,974	-	-
Real estate	17,936,362	17,936,362	-	-
Mutual funds				
Domestic equity mutual funds	49,126,356	49,126,356	-	-
International equity mutual funds	51,709,255	51,709,255	-	-
Global fund	12,137,007	12,137,007	-	-
International fixed income	12,867,840	12,867,840	-	-
Corporate bonds				
AAA - A ratings	20,404,728	-	20,404,728	-
BBB - B- ratings	21,389,729	-	21,389,729	-
Not rated	15,018,241	-	15,018,241	-
State of Israel bonds (b)	4,874,099	-	4,874,099	-
U.S. Treasury obligations	31,897,088	31,897,088	-	-
U.S. government agencies	133,277	-	133,277	-
Alternative investments				
Multi-strategy (c)	2,763,500	-	-	2,763,500
Private equity (d)	1,301,995	-	-	1,301,995
Real estate (e)	456,656	-	-	456,656
Other (g)	1,934,293	-	-	1,934,293
	347,262,346	$ 278,985,828	$ 61,820,074	$ 6,456,444
Investments measured at NAV (1)	190,271,108			
	$ 537,533,454			

(1) In accordance with FASB ASC 820-10, certain investments that are measured at fair value using the NAV (or its equivalent) practical expedient have not been classified in 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.

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

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

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 70-year record of dependability and Israel has never defaulted on the payment of principal or interest. The bonds all have maturity dates through March 2024. The Foundation intends to hold the bonds until maturity.

c) The multi-strategy funds are funds 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 investment is 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 estate assets are investments in private real asset funds which invest in office, hotel, commercial, residential, and industrial real estate. The funds have a remaining legal life span of two to ten years with no redemption rights for Limited Partners. The majority of the capital calls are expected within two to four years and return of capital is anticipated in one to ten years.

f) Natural resources assets are investments in oil and natural gas and other natural resources-related industries. The funds have a remaining legal life span of one to ten years with no redemption rights for Limited Partners. The majority of the capital calls are expected within two to four years and return of capital is anticipated in one to ten years.

g) Other assets are investments in limited partnerships holding real estate assets. There is currently no market for the underlying assets and sales are not expected in the near future.

h) Multi-asset strategy 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:

	2022	2021
Interest and dividend income	$ 15,840,359	$ 10,858,819
Realized gains	32,123,521	30,244,491
Unrealized (losses) gains	(80,167,659)	79,722,132
	(32,203,779)	120,825,442
Investment fees	(1,682,435)	(1,825,154)
Investment return, net	$ (33,886,214)	$ 119,000,288

8. PROPERTY AND EQUIPMENT

Property and equipment, as of June 30, consisted of the following:

	2022	2021
Land	$ 2,140,049	$ 2,140,049
Building and improvements	17,007,417	17,007,417
Furniture and equipment	1,286,643	1,286,643
Works of art	315,000	315,000
Transportation equipment	16,192	16,192
	20,765,301	20,765,301
Less: Accumulated depreciation	(18,222,182)	(17,910,297)
	$ 2,543,119	$ 2,855,004

Depreciation expense on these assets totaled $311,885 and $566,707 for the years ended June 30, 2022 and 2021, respectively.

9. PROPERTY AND EQUIPMENT HELD FOR RENTAL

The Foundation owns several properties which are rented to beneficiary organizations. These properties consisted of the following at June 30:

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

Depreciation on these assets totaled $89,991 and $172,312 for of the years ended June 30, 2022 and 2021, respectively.

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

10. GRANTS PAYABLE

The Foundation has made grant commitments to certain nonprofit organizations as of June 30, as follows:

	2022	2021
Total grant commitments	$ 40,970,894	$ 44,998,560
Less: Discount to present value at a rate of 6%	5,902,640	6,681,229
	35,068,254	38,317,331
Less: Amounts payable in subsequent fiscal year	(11,784,228)	(14,395,227)
Amounts payable in future fiscal years	$ 23,284,026	$ 23,922,104

Future payments as of June 30, 2022 are as follows:

2023	$ 11,784,228
2024	4,591,194
2025	4,182,983
2026	3,946,211
2027	2,954,509
Thereafter	7,609,129
	$ 35,068,254

11. SPLIT INTEREST AGREEMENTS

The Foundation administers various split interest agreements which provide for the payment of distributions to the grantor or other designated beneficiaries over the agreements' terms (usually the designated beneficiary's lifetime). At the end of the agreements' terms, the remaining assets are available for the Foundation's use. The portion of the agreement attributable to the future interest of the Foundation is recorded in the consolidated statements of activities and changes in net assets as a contribution with donor restrictions in the period the trust is established.

On an annual basis, the Foundation 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, 2022 and 2021 was $1,200,515 and $1,382,401, respectively. Assets, included in long-term investments, related to these agreements at June 30, 2022 and 2021 total $1,619,710 and $2,239,479, respectively. The change in the present value of estimated future payments of $90,200 and $747,033 is included in the valuation allowance in the consolidated statements of activities and changes in net assets for the years ended June 30, 2022 and 2021, respectively.

12. DEFERRED REVENUE

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

At June 30, 2022 and 2021, JCHC had prepaid the ground lease in the amounts of $1,292,769 and $1,300,991, respectively, as shown in the consolidated statements of financial position as deferred revenue. This amount is being charged off to rent income at the rate of $8,222 per annum. For each of the years ended June 30, 2022 and 2021, there were no amounts for contingent rents paid or accrued based on the calculation of cash flow as defined, and accrued balances were offset against deferred revenue.

13. AFFILIATION AND RELATED PARTY TRANSACTIONS

The Foundation's primary function is to receive, invest, administer, and allocate funds for the purposes of Federation and its beneficiary agencies. Funds invested for beneficiary agencies are reflected as long-term investments on the consolidated statements of financial position because there are notice restrictions to withdraw the funds. As a related organization due to common boards and management, the Foundation is subject to all of the rights, privileges, obligations, and limitations as specified in the by-laws of Federation. The Foundation receives bookkeeping services, joint cost sharing of certain expenditures and participates in pension and benefit plans administered by Federation. Other beneficiary agencies of Federation are entitled to participate in the services provided by the Foundation.

At June 30, certain amounts are due to affiliated and related organizations as follows:

	2022	2021
Jewish Federation of Greater MetroWest New Jersey, Inc.	$ 84,375,050	$ 85,944,412
Jewish Vocational Service of MetroWest, Inc.	520,520	570,061
Daughters of Israel, Inc.	11,387,052	17,299,887
Jewish Community Center of MetroWest, Inc.	2,332,226	2,734,383
Jewish Family Service of MetroWest, Inc.	4,590,573	6,128,979
Jewish Service for the Developmentally Disabled, Inc.	209,169	192,869
Jewish Historical Society	-	489,267
Jewish Community Housing Corporation, Inc.	42,779	72,744
Reimbursement of expenses to Federation	81,763	129,699
Total due to affiliated organizations	103,539,132	113,562,301
Less: Current portion	81,763	129,699
Due to affiliated organizations, long-term	$ 103,457,369	$ 113,432,602

Contributions from members of the Board of Trustees for the years ended June 30, 2022 and 2021 totaled approximately $5,020,000 and $5,314,000, respectively. Contributions from one board member for the years ended June 30, 2022 and 2021 represent 60% and 40%, respectively, of the total received from board members. Other related party transactions can be seen in Notes 14 and 18.

14. DUE TO OTHER ORGANIZATIONS

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

15. LEASES

The Foundation leases commercial property to Daughters of Israel, Inc. under an operating lease which expires in June 2025. Rental income under this lease was $2,562,829 for each of the years ended June 30, 2022 and 2021. Future minimum rentals under this lease through June 30, 2025, are as follows:

2023	$ 2,562,829
2024	2,562,829
2025	2,562,829
	$ 7,688,487

16. BENEFIT PLANS

The Foundation participated in a multiple employer defined benefit retirement plan (the "Plan") which is administrated by Federation. The Foundation was not considered a separate participating employer under the Plan.

The Foundation participates in a multiple employer post-retirement medical benefits plan (the "Medical Plan") which is also administered by Federation. The Foundation is not considered a separate participating employer under the Medical Plan. The Medical Plan provides subsidized medical and pharmaceutical benefits for full-time 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 who retired before December 31, 2006. The Foundation's contribution of $8,837 and $10,200 to the Medical Plan was made as part of Federation's contribution for the years ended June 30, 2022 and 2021.

Federation offers a pre-tax cafeteria payroll withholding plan to all full-time and part-time employees and beneficiary 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 consisted of the following at June 30:

	2022		
Detail of Net Assets	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Operating	$ 481,445,572	$ -	$ 481,445,572
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	-	42,548,108	42,548,108
Contributions receivable	-	71,000	71,000
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	1,619,710	1,619,710
Endowment	-	29,015,386	29,015,386
	$ 481,445,572	$ 73,254,204	$ 554,699,776

	2021		
Detail of Net Assets	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Operating	$ 333,627,753	$ -	$ 333,627,753
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	-	47,663,052	47,663,052
Contributions receivable	-	63,332	63,332
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	2,239,479	2,239,479
Endowment	-	5,723,069	5,723,069
	$ 333,627,753	$ 55,688,932	$ 389,316,685

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

	2022	**2021**
Purpose restriction		
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	$ 4,698,617	$ 4,859,972
Time restriction		
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	(272,086)	(216,556)
	$ 4,426,531	$ 4,643,416

Endowment Funds

The Foundation's endowment consists of approximately 29 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. UPMIFA provides guidelines for the expenditure of an endowment fund with donor restrictions, absent explicit donor stipulations. Under UPMIFA, endowments no longer need to be maintained at historic dollar value amounts and instead not-for-profits are permitted to adopt prudent spending policies which can allow for the temporary invasion of corpus.

Furthermore, the permanent endowments of the Foundation 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 the Foundation 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, the Foundation follows the donor instruments in classifying as assets with donor restrictions (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. 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 the Foundation in a manner consistent with the standard of prudence prescribed by state law. The Foundation 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 the Foundation 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) Other resources of the Foundation
7) The investment policies of the Foundation

Return Objectives and Risk Parameters

The Foundation 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 are invested to produce results that are superior to a balanced stock and bond portfolio at a lower volatility over an entire market cycle.

The Foundation 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, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation 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.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 4% of its endowment fund’s average fair value over the prior thirteen quarters through the fiscal year-end proceeding the fiscal year in which the distribution is planned.

In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with the Foundation’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 endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in net assets with donor restrictions were $1,542,989 for funds with a historical value of $26,475,692 and a fair value of $24,932,703 as of June 30, 2022 and $322,419 for funds with a historical value of $5,395,086 and a fair value of $5,072,667 as of June 30, 2021. These deficiencies resulted from unfavorable market fluctuations that occurred during the previous years. It is the Foundation'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:

	2022	2021
	With Donor Restrictions	With Donor Restrictions
Endowment net assets, July 1	$ 5,723,069	$ 4,211,943
Income (loss)	188,702	(1,323)
Net appreciation (depreciation) - realized and unrealized	(1,696,185)	1,120,761
	4,215,586	5,331,381
Contributions received	24,992,198	588,591
Appropriated for expenditure	(192,398)	(196,903)
Endowment net assets, June 30	$ 29,015,386	$ 5,723,069
Donor restricted "true" endowment		
Historical gift value	$ 29,998,514	$ 5,006,315
Appreciation (depreciation)	(983,128)	716,754
Endowment net assets, June 30	$ 29,015,386	$ 5,723,069

18. RECLASSIFICATION DUE TO CHANGE IN DONOR RESIGNATION

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

19. CONCENTRATION OF RISKS

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, investments, contributions, loans receivable, and contributions receivable. At times during the years, cash of the Foundation deposited in financial institutions may exceed the FDIC limit. The management of the Foundation deposits cash funds in high quality institutions to lessen the amount of uninsured exposure. Cash equivalents and investments are in high-quality securities. Although subject to market fluctuations, this investment policy somewhat limits the Foundation's exposure to concentrations of credit risk. The Foundation has a long-standing history of collecting its receivables which are from various individuals, corporations, and foundations. An allowance for uncollectible accounts is recorded in the consolidated financial statements for any amounts considered uncollectible, which limits the Foundation's exposure to credit risk.

20. COMMITMENTS - GUARANTEES

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

The Foundation is a guarantor of a $12,563,888 line of credit associated with a bond indenture agreement issued for Jewish Community Center of MetroWest, Inc. ("JCC") under which the Essex County Improvement Authority issued bonds in the amount of $12,425,000 to finance the renovation and expansion of the JCC's existing facilities in West Orange, New Jersey. The outstanding balance on the bonds payable is $7,415,000 and $7,965,000 as of June 30, 2022 and 2021, respectively. The line of credit is secured by the JCC facilities. The guarantee contains financial covenants requiring the maintenance of certain liquidity levels; those levels were attained as of June 30, 2022 and 2021.

The guarantee also requires that the Foundation maintain assets without donor restrictions of at least $80 million. Effective June 30, 2014, the bond liabilities were transferred under an assignment and assumption agreement to Federation. The associated guarantee remains with the Foundation through the maturity date of July 1, 2025.

The Foundation is a guarantor of the $17,500,000 loan payable associated with the pension plan termination issued for Federation. The outstanding balance on the loan payable was approximately $14,975,000 and $15,481,000 for the years ended June 30, 2022 and 2021, respectively. The loan is secured by certain investment accounts of the Foundation.

The Foundation is also a guarantor of a $10,000,000 line of credit associated with a 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. The outstanding balance on the bonds payable is $6,975,000 and $7,320,000, as of June 30, 2022 and 2021, respectively. The line of credit is secured by DOI facilities that are being renovated and expanded.

As a result of the guarantee provided to DOI, the Foundation has recorded the fair value of the guarantee as a liability totaling $248,000 and $277,894 in the consolidated statements of financial position at June 30, 2022 and 2021, respectively. The line of credit was renewed on November 13, 2018 with a maturity in December 2021. In October 2021, the line of credit was extended for two years under the same terms with a new maturity date in December 2023.

21. SUBSEQUENT EVENTS

During November 2022, the Foundation transferred approximately $148,800,000 from a donor advised fund at the fundholder's request.

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

The Foundation has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of December 13, 2022, which is the date the consolidated financial statements were available for release. Based upon this evaluation, the Foundation has determined that no subsequent events other than the event disclosed above and in Note 9 have occurred which require disclosure in or adjustment to the consolidated financial statements.