JEWISH COMMUNITY FOUNDATION OF GREATER METROWEST N.J., INC. AND AFFILIATES
Consolidated Financial Statements
June 30, 2025 and 2024
With Independent Auditor's Report

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ADVISORY TAX AUDIT

Jewish Community Foundation of Greater MetroWest N.J., Inc. and Affiliates
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Independent Auditor's Report

To Board of Directors of
Jewish Community Foundation of Greater Metrowest N.J., Inc. and Affiliates:

Opinion

We have audited the consolidated financial statements of Jewish Community Foundation of Greater Metrowest N.J., Inc. and Affiliates (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Jewish Community Foundation of Greater Metrowest N.J., Inc. and Affiliates as of June 30, 2025 and 2024, 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 Organization 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 Organization's ability to continue as a going concern within one year after the date 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 Organization'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 Organization'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.

Withum Smith+Brown, PC

December 23, 2025

Jewish Community Foundation of Greater MetroWest N.J., Inc. and Affiliates
Consolidated Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	$ 15,353,676	$ 9,609,605
Restricted cash held in investment pool	24,304,724	36,696,913
Bequest receivable	8,379,763	28,000,000
Contributions receivable, current portion	35,500	69,500
Loans receivable, current portion	46,000	596,000
Other current assets	1,280,056	1,542,398
Total current assets	49,399,719	76,514,416
Noncurrent assets		
Investments, net of restricted cash held in investment pool	639,898,255	554,209,682
Contributions receivable, net of current portion	14,500	30,500
Loans receivable, net of current portion	209,000	46,000
Cash surrender value, life insurance, net	7,423,735	7,857,421
Loan participation interest receivable, net	4,581,887	8,655,292
Property and equipment, net	2,496,015	2,500,233
Property and equipment, held for rental, net	291,499	302,495
Total noncurrent assets	654,914,891	573,601,623
Total assets	$ 704,314,610	$ 650,116,039
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 1,025,004	$ 1,253,052
Grants payable, current portion	9,098,433	10,175,406
Split interest agreements payable, current portion	265,247	146,969
Due (from) to affiliated organizations	(67,028)	72,029
Deferred revenue	8,222	8,222
Total current liabilities	10,329,878	11,655,678
Long term liabilities		
Grants payable, net of current portion	12,922,034	17,578,335
Split interest agreements payable, net of current portion	1,544,966	1,637,563
Due to affiliated organizations, net of current portion	125,134,240	112,094,397
Due to other organizations	82,601,759	74,947,845
Deferred revenue, net of current portion	1,259,881	1,268,103
Total long term liabilities	223,462,880	207,526,243
Total liabilities	233,792,758	219,181,921
Net assets		
Without donor restrictions	316,964,579	314,835,870
With donor restrictions	153,557,273	116,098,248
Total net assets	470,521,852	430,934,118
Total liabilities and net assets	$ 704,314,610	$ 650,116,039

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

Jewish Community Foundation of Greater MetroWest N.J., Inc. and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Support and revenues						
Contributions	$ 32,775,305	$ 27,906,915	$ 60,682,220	$ 30,432,799	$ 1,476,907	$ 31,909,706
Bequests	3,187,133	936,396	4,123,529	1,120	28,000,000	28,001,120
Rental income	2,571,051	-	2,571,051	2,571,051	-	2,571,051
Investment return, net	49,701,061	10,344,033	60,045,094	47,207,669	7,585,688	54,793,357
Administrative fee revenue	1,175,996	-	1,175,996	1,132,629	-	1,132,629
Allocation of investment return to managed funds of affiliated and other organizations	(18,430,667)	-	(18,430,667)	(16,590,470)	-	(16,590,470)
Valuation allowances	(433,687)	(309,634)	(743,321)	384,239	(688,535)	(304,296)
Gain on sale of property	-	-	-	1,975,480	-	1,975,480
	70,546,192	38,877,710	109,423,902	67,114,517	36,374,060	103,488,577
Net assets released due to satisfaction of purpose and time restrictions	26,464,088	(26,464,088)	-	6,486,985	(6,486,985)	-
	97,010,280	12,413,622	109,423,902	73,601,502	29,887,075	103,488,577
Expenses						
Program	51,512,388	-	51,512,388	54,791,577	-	54,791,577
Management and general	17,211,712	-	17,211,712	6,858,429	-	6,858,429
Fundraising	1,112,068	-	1,112,068	996,017	-	996,017
	69,836,168	-	69,836,168	62,646,023	-	62,646,023
Changes in net assets from operating activities	27,174,112	12,413,622	39,587,734	10,955,479	29,887,075	40,842,554
Non-operating						
Reclassifications due to change in donor designation	(25,045,403)	25,045,403	-	(501,500)	501,500	-
Changes in net assets	2,128,709	37,459,025	39,587,734	10,453,979	30,388,575	40,842,554
Net assets						
Beginning of year	314,835,870	116,098,248	430,934,118	304,381,891	85,709,673	390,091,564
End of year	$ 316,964,579	$ 153,557,273	$ 470,521,852	$ 314,835,870	$ 116,098,248	$ 430,934,118

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

Jewish Community Foundation of Greater MetroWest N.J., Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Operating activities		
Changes in net assets	$ 39,587,734	$ 40,842,554
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation (operating and rental assets)	15,214	20,600
Gain from sale of property	-	(1,975,480)
Change in cash surrender value on life insurance	433,686	(165,238)
Present value adjustment on grants payable	(1,054,700)	(1,232,367)
Net realized and unrealized gains on investments	(38,357,108)	(30,252,915)
Endowment contributions	(26,459,533)	(444,600)
Forgiveness of loan	-	800,000
Bad debt expense	15,814,453	4,479,913
Changes in assets and liabilities		
Bequest receivable	19,620,237	(28,000,000)
Contributions receivable	50,000	16,500
Other current assets	262,342	(788,873)
Accounts payable and accrued expenses	(228,048)	448,692
Grants payable	(4,678,574)	(3,406,919)
Split-interest agreements payable	25,681	251,560
Due to affiliated organizations	12,900,786	770,982
Other current liabilities	-	(65,000)
Deferred revenue	(8,222)	(8,222)
Due to other organizations	7,653,914	3,389,065
Net cash provided by (used in) operating activities	25,577,862	(15,319,748)
Investing activities		
Issuance of loans receivable	(270,000)	(550,000)
Payments received on loan receivable	657,000	129,300
Proceeds from sale of property	-	1,975,480
Purchase of investments	(275,627,285)	(64,846,492)
Sale of investments	228,295,820	90,780,376
Loan participation interest payments received	8,658,823	-
Loan participation interest purchases	(20,399,871)	(2,973,406)
Net cash (used in) provided by investing activities	(58,685,513)	24,515,258
Financing activities		
Endowment contributions	26,459,533	444,600
Net cash provided by financing activities	26,459,533	444,600
Net change in cash, cash equivalents and restricted cash	(6,648,118)	9,640,110
Cash, cash equivalents and restricted cash		
Beginning of year	46,306,518	36,666,408
End of year	$ 39,658,400	$ 46,306,518
Supplemental disclosure of cash flow information		
Income taxes paid	$ -	$ 184,092
Non-cash transactions		
Transfer of loan participation interest receivable to investments	$ -	$ 56,977,530

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

Jewish Community Foundation of Greater MetroWest N.J., Inc. and Affiliates
Consolidated Statements of Functional Expenses
Years Ended June 30, 2025 and 2024

	2025				2024			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries	$ 814,126	$ 712,360	$ 508,829	$ 2,035,315	$ 777,065	$ 679,932	$ 485,666	$ 1,942,663
Payroll taxes and fringe benefits	182,436	159,632	114,023	456,091	137,700	120,486	86,063	344,249
Grants expense	49,717,868	-	-	49,717,868	53,177,354	-	-	53,177,354
Office expense	352,596	308,522	220,372	881,490	271,566	237,621	169,729	678,916
Consultants	105,535	92,343	65,960	263,838	116,300	101,762	72,687	290,749
Occupancy expense	50,994	44,620	31,872	127,486	40,774	35,678	25,484	101,936
Travel and related expenses	13,533	11,841	8,458	33,832	15,498	13,560	9,686	38,744
Depreciation	15,214	-	-	15,214	20,600	-	-	20,600
Bad debt expense	-	15,814,453	-	15,814,453	-	4,479,913	-	4,479,913
Loan forgiveness	-	-	-	-	-	800,000	-	800,000
Unrelated business income tax	-	(159,634)	-	(159,634)	-	184,092	-	184,092
Miscellaneous	260,086	227,575	162,554	650,215	234,720	205,385	146,702	586,807
	$ 51,512,388	$ 17,211,712	$ 1,112,068	$ 69,836,168	$ 54,791,577	$ 6,858,429	$ 996,017	$ 62,646,023

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 "Organization"), 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 Organization's primary function is to receive, administer and allocate funds and property for Federation and its beneficiary agencies. The Organization 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 Organization and Federation are related organizations, affiliated by means of overlapping Boards of Trustees and management. A substantial portion of the Organization's revenue is derived from contributions and investment earnings.

Effective July 1, 2023, the Organization's sponsored investment pools were transferred into and are held by JCF Investment Program, LLC (the "LLC"), a Delaware nonprofit limited liability company. The LLC is being managed and overseen by the Organization, through the Organization's Investment Committee and its existing finance and investment teams. In addition, the LLC 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 LLC are subject to significant withdrawal restrictions. The LLC is comprised of approximately 800 individual funds.

Besides the LLC, there are seven and eight supporting foundations of the Organization at June 30, 2025 and 2024, respectively, which support the charitable activities of the Organization. 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., its supporting foundations, and the LLC, all of which are affiliated by means of overlapping Boards of Trustees control and management. Collectively, the 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 ("U.S. GAAP"). 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. 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 the Foundation's programs and supporting activities. Non-operating activities include other reclassifications and transfers that are considered to be outside of regular operating activities.

Revenue and Support Recognition and Related Receivable

Contributions, Bequests and Receivables

The Foundation recognizes contributions as revenue when received or unconditionally pledged and records these revenues as 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. Donated securities, equipment and works of art are recorded at fair value on the date of donation. 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.

Contribution receivables 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 one year are discounted at net present value based on risk-free rates as of the date of the contribution.

In May 2024, the Foundation was informed that it is the recipient of a bequest with an estimated fair value of $28,000,000 which was recorded at June 30, 2024 as a bequest receivable. As of June 30, 2025 the outstanding receivable was $8,379,763 which was fully collected in the subsequent period.

Other Revenues

Other revenues are received from rental income and administrative fee revenues. These revenues are recorded when earned through rental of a facility and through charges for fees for the custodial fund investments which are recorded based on the agreed upon fees within each custodial fund agreement.

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

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 as of June 30, 2025 and 2024:

	2025	2024
Cash and cash equivalents	$ 15,353,676	$ 9,609,605
Restricted cash held in investment pool	24,304,724	36,696,913
Total cash, cash equivalents and restricted cash shown in statement of cash flows	$ 39,658,400	$ 46,306,518

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.

Investment Return, Net

Investment return, net includes realized and unrealized gains and losses on investments and interest and dividends net of investment fees and 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 LLC with the remaining investments held at the Organization. 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 owned.

Loans Receivable, Loan Participation Interest Receivable and Allowance for Credit Losses

In accordance with Accounting Standards Update ("ASU") 2025-05, Foundation elected the practical expedient for estimating expected credit losses on accounts receivable and contract assets arising from revenue transactions under Topic 606. This expedient allows for the assumption that conditions at June 30, 2025 will remain consistent over the assets' lives.

Foundation also elected the accounting policy to consider cash collection activity after June 30, 2025 when estimating expected credit losses. Subsequent cash collections were evaluated through December 23, 2025 resulting in no additional allowance for credit losses on the collected portion of receivables. Remaining receivables were assessed using historical loss rates and known customer information.

The Foundation separates loans receivable into risk pools based on their aging. In determining the amount of the allowance as of the consolidated statement of financial position date, the Foundation develops a loss rate for each risk pool. The loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

Loans Receivable
The Foundation carries its loans receivable at amortized cost. The is no allowance for the years ended June 30, 2025 and 2024, respectively, for the loans receivable.

Loan Participation Interest Receivable
The Foundation holds investments in loans to outside parties that are recorded at amortized cost. An allowance has been established for both years, June 30, 2025 and 2024, based on management's expectations about current and future economic conditions of the outside party and potential for repayment of the loans.

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, the Foundation reports the expiration of donor restrictions when the donated or acquired assets are placed in service. The Foundation 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.

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

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

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 recipient 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.

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. Assets held under these arrangements are reported at fair value in the accompanying consolidated statements of financial position. Contribution revenue is recognized at the date of the trust, or the annuity contract are 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 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. 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. Salaries are allocated based on time spent in each of the functional categories for each employee. Fringe benefits and other administrative costs, including office expense, occupancy, travel and miscellaneous expense are allocated using the weighted average of salaries in each category.

Estimates

The preparation of the 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 investments at net asset value, investments in loan participation interest receivables and the related allowance for uncollectible accounts, and grants payable. It is reasonably possible that these estimates could change in the near future.

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. This unrelated business income tax (benefit) expense was ($159,634) and $184,092 for the years ended June 30, 2025 and 2024, respectively. Management has determined that there are no uncertain tax positions at the Foundation at June 30, 2025 and 2024. In addition, the Foundation did not have any income tax related penalties or interest for the periods reported in these consolidated financial statements.

New Accounting Pronouncement Adopted in the Current Year

In July 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Accounts Receivable and Contract Assets*. The new standard, which is effective for annual reporting periods beginning after December 15, 2025, with early adoption permitted, provides a simplified approach for measuring expected credit losses on current accounts receivable and current contract assets accounted for under Topic 606. Foundation has early adopted ASU 2025-05 prospectively as of July 1, 2024.

Reclassifications

Certain comparative financial information has been reclassified to conform with the current year presentation. These changes had no impact on the reported consolidated statement of activities and changes in net assets.

3. CONTRIBUTIONS RECEIVABLE AND BEQUESTS RECEIVABLE

Contributions receivable consisted of the following at June 30, 2025 and 2024:

	2025	2024
Contributions receivables		
Due within 1 year	$ 35,500	$ 69,500
One to five years	14,500	30,500
Contributions receivable	50,000	100,000
Less: Allowance for uncollectible acccounts	-	-
	$ 50,000	$ 100,000

The bequest receivable of $8,379,763 and $28,000,000 at June 30, 2025 and 2024, respectively, did not have an allowance in either year. The bequest receivable at June 30, 2025 has been subsequently collected.

4. LOANS RECEIVABLE

Loans receivable consisted of the following at June 30, 2025 and 2024:

	2025	2024
Jewish Community Centers of MetroWest, 3-year interest bearing loan of $270,000 commenced on August 9, 2024 with interest thereon payable at a rate of 5% per annum maturing August 9, 2027. This loan is secured by a personal guarantee.	$ 209,000	$ -
Gottesman RTW Academy, 1-year loan of $550,000 with interest thereon payable monthly at a rate of 7.5% per annum maturing May 24, 2025.	-	550,000
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.	30,000	60,000
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.	16,000	32,000
	255,000	642,000
Amounts due within one year	46,000	596,000
Long-term portion	$ 209,000	$ 46,000

Maturities of loans receivable as of June 30, 2025 are as follows: 2026 - $46,000; 2027 $209,000

5. LOAN PARTICIPATION INTEREST RECEIVABLE

The loans earn interest at rates between 10% to 15.5% with maturity dates through December 2027. In June 2024, approximately $57,000,000 of the loans were exchanged for a limited partnership interest. Reserves were established as of June 30, 2025 and 2024, respectively, for credit risk associated with these loan participation receivables. The loan participation interest receivable consists of the following at June 30, 2025 and 2024:

	2025	2024
Loan participation interest receivables	$ 23,296,340	$ 11,555,292
Allowance for credit risk	(18,714,453)	(2,900,000)
Loan participation interest receivables, net	$ 4,581,887	$ 8,655,292

The change in the allowance for credit risk at June 30, 2025 and 2024 consists of the following:

	2025	2024
Allowance for credit risk - beginning of year	$ 2,900,000	$ -
Credit risk allowance	15,814,453	2,900,000
Allowance for credit risk - end of year	$ 18,714,453	$ 2,900,000

6. 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, 2025 and 2024:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 15,353,676	$ 9,609,605
Restricted cash held in investment pool	24,304,724	36,696,913
Bequest receivable	8,379,763	28,000,000
Contributions receivable, net	35,500	69,500
Loan receivable	46,000	596,000
	48,119,663	74,972,018
Less: Restricted cash with donor restrictions	(24,304,724)	(36,696,913)
Less: Net assets with donor restrictions	(8,415,263)	(28,069,500)
Total financial assets and liquidity resources available within one year	$ 15,399,676	$ 10,205,605

Certain investments include withdrawal restrictions that limit the amount of withdrawals to 25% of the fund holder’s balance annually, subject to board approval. The financial assets above are not subject to donor or any 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.

The Organization manages its liquid resources to meet cash needs for general expenditures within one year of the consolidated statement of financial position date. The Organization has a policy to maintain financial assets that are adequate to meet its 12-month operating needs. To further manage liquidity risk, the Organization closely monitors its daily cash flow and maintains a diversified investment portfolio with access to highly liquid assets.

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 investments during the years ended June 30, 2025 and 2024. There were no purchases of Level 3 investments for the years ended June 30, 2025 and 2024, respectively.

The following are 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, 2025 and 2024.

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.

Cash Surrender Value, Life Insurance - valued at the cash surrender value of the life insurance policy, net of any loans payable.

The Foundation invests in alternative investment strategies for the purposes of diversifying the market exposure of the investment portfolios, reducing volatility, and/or enhancing the overall return.

Certain of the Foundation’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 U.S. GAAP for investment companies. The Foundation applies the practical expedient to its investments in private investment companies on an investment-by-investment basis. Additionally, there are investments valued using the practical expedient to report the investments at cost, less impairment, if any, plus or minus any changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer.

The following tables summarize the assets reported at fair value as of June 30, 2025 and 2024, in the fair value hierarchy as follows:

	2025			
	Total	**Quoted Prices in Active Markets (Level 1)**	**Observable Measurement Criteria (Level 2)**	**Unobservable Measurement Criteria (Level 3)**
Money market funds	$ 24,304,724	$ 24,304,724	$ -	$ -
Equities				
Materials	1,320,661	1,320,661	-	-
Industrials	8,626,838	8,626,838	-	-
Telecommunications services	4,758,041	4,758,041	-	-
Consumer discretionary	4,828,047	4,828,047	-	-
Consumer staples	1,296,899	1,296,899	-	-
Energy	3,695,344	3,695,344	-	-
Financial	9,400,740	9,400,740	-	-
Healthcare	6,103,733	6,103,733	-	-
Information technology	6,300,140	6,300,140	-	-
Utilities	1,163,623	1,163,623	-	-
Real estate	41,631	41,631	-	-
Mutual funds				
Domestic equity mutual funds	98,425,869	98,425,869	-	-
International equity mutual funds	87,212,838	87,212,838	-	-
Global fund	1,641,411	1,641,411	-	-
International fixed income	33,832	33,832	-	-
Corporate bonds				
AAA - A ratings	28,879,239	-	28,879,239	-
BBB - B- ratings	6,824,035	-	6,824,035	-
Not rated	5,296,281	-	5,296,281	-
State of Israel bonds (a)	8,910,366		8,910,366	-
US Treasury obligations	44,732,013	44,732,013	-	-
US government agencies	492,380	-	492,380	-
Alternative investments				
Multi-strategy (b)	2,540,465	-	-	2,540,465
Private equity (c)	590,548	-	-	590,548
Real estate (d)	261,508	-	-	261,508
Other (e)	2,353,872	-	-	2,353,872
	360,035,078	$ 303,886,384	$ 50,402,301	$ 5,746,393
Investments measured at NAV (1)	304,167,901			
	$ 664,202,979			
Cash surrender value, life insurance	$ 7,423,735	$ -	$ -	$ 7,423,735

	2024			
	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Money market funds	$ 36,696,913	$ 36,696,913	$ -	$ -
Equities				
Materials	958,525	958,525	-	-
Industrials	9,309,954	9,309,954	-	-
Telecommunications services	5,963,148	5,963,148	-	-
Consumer discretionary	6,769,933	6,769,933	-	-
Consumer staples	787,624	787,624	-	-
Energy	4,153,562	4,153,562	-	-
Financial	14,960,838	14,960,838	-	-
Healthcare	7,482,095	7,482,095	-	-
Information technology	10,119,859	10,119,859	-	-
Utilities	658,978	658,978	-	-
Real estate	8,620,142	8,620,142	-	-
Mutual funds				
Domestic equity mutual funds	78,781,172	78,781,172	-	-
International equity mutual funds	60,707,724	60,707,724	-	-
Global fund	1,562,566	1,562,566	-	-
International fixed income	8,890,286	8,890,286	-	-
Corporate bonds				
AAA - A ratings	20,255,225	-	20,255,225	-
BBB - B- ratings	6,201,855	-	6,201,855	-
Not rated	7,277,796	-	7,277,796	-
State of Israel bonds (a)	8,815,236	-	8,815,236	-
US Treasury obligations	39,799,070	39,799,070	-	-
US government agencies	163,475	-	163,475	-
Alternative investments				
Multi-strategy (b)	2,821,610	-	-	2,821,610
Private equity (c)	862,937	-	-	862,937
Real estate (d)	283,875	-	-	283,875
Other (e)	2,025,364	-	-	2,025,364
	344,929,762	$ 296,222,389	$ 42,713,587	$ 5,993,786
Investments measured at NAV (1)	188,999,303			
Investments measured at Practical Expedient	56,977,530			
	$ 590,906,595			
Cash surrender value, life insurance	$ 7,857,421	$ -	$ -	$ 7,857,421

(1) In accordance with FASB ASC 820-10, certain investments that are measured at fair value using the NAV (or its equivalent) as a 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, 2025 and 2024:

	2025			2024		
Strategies	# of Funds	Valuation	Unfunded Commitment	# of Funds	Valuation	Unfunded Commitment
Multi-Asset Strategy (h)	5	$ 17,983,345	$ 4,740,410	4	$ 19,816,709	$ 716,250
Multi-strategy (b)	7	58,794,943	1,180,097	6	51,163,960	1,400,000
Private Equity - long (c)	23	50,790,216	20,372,597	19	39,584,816	20,625,975
Private Equity - long (f)	1	11,601,141	-	1	15,785,213	-
Private Equity - long (i)	1	11,734,907	-	1	10,098,151	-
Private Equity - long (j)	1	9,713,166	-	1	7,874,903	-
Private Equity - long (k)	-	-	-	1	6,538,442	-
Private Equity - long (l)	1	30,161,979	-	-	-	-
Real Estate (d)	21	36,080,549	15,218,512	19	32,486,884	17,181,079
Natural Resources (g)	4	3,077,999	832,905	4	4,249,799	832,905
Other Assets (e)	1	74,229,656	-	1	1,400,426	-
		$ 304,167,901	$ 42,344,521		$ 188,999,303	$ 40,756,209

a) 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 2027. The Foundation intends to hold the bonds until maturity.

b) 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.

c) Private equity assets invested 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.

d) 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.

e) Other assets include an investment in a limited partnership. There is currently no market for the underlying assets and sales are not expected in the near future.

f) A closed end fixed income fund primarily focused on senior, secured floating-rate bank loans. The investments are redeemable daily with a NAV calculated on a monthly basis. Proceeds can take up to 90 days to pay out.

g) 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 nine years with no redemption rights for Limited Partners. Remaining capital calls are expected within one year and return of capital is anticipated in one to six years.

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 one day notice.

i) All cap funds with long strategy focused on international markets. This investment is redeemable monthly with 30 days' notice.

j) International fund with an objective to achieve long-term total return through investments in equity securities of emerging-market companies. The investment is redeemable monthly with 7 days' notice.

k) International small cap fund focused on long-term absolute returns. The investment is redeemable monthly with 10 days' notice.

l) Limited partnership with investments primarily in equity and equity related securities in U.S. companies that seeks capital appreciation through long and short positions and looks to generate returns above the S&P 500 Total Return Index. The investment is redeemable monthly with ten days notice.

Investments Valued Using Practical Expedient

	2025	2024
Value reported at beginning of year	$ 56,977,530	$ -
Purchases	-	56,977,530
Transfer to NAV	(56,977,530)	-
Value reported at end of year	$ -	$ 56,977,530

Investment return, net consisted of the following at June 30, 2025 and 2024:

	2025	2024
Interest and dividend income		
Realized gains	$ 23,774,106	$ 26,163,386
Unrealized (losses) gains	46,364,626	13,937,333
	(8,007,518)	16,315,582
Investment fees	62,131,214	56,416,301
Investment return, net	(2,086,120)	(1,622,944)
	$ 60,045,094	$ 54,793,357

8. PROPERTY AND EQUIPMENT

Property and equipment, as of June 30, 2025 and 2024, consisted of the following:

	2025	2024
Land	$ 2,140,049	$ 2,140,049
Buildings 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	(18,269,286)	(18,265,067)
	$ 2,496,015	$ 2,500,234

Depreciation expense on these assets totaled $4,219 and $8,326 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024:

	2025	2024
Land	$ 283,454	$ 283,454
Buildings 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	(21,426,620)	(21,415,625)
	$ 291,499	$ 302,494

Depreciation on these assets totaled $10,995 and $12,274 for the years ended June 30, 2025 and 2024, 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 anticipated closing date is subject to zoning approvals from the Township of West Orange (the "Township"). DOI has submitted site plan changes to the Township, but the Township has not approved the changes. DOI has appealed.

10. GRANTS PAYABLE

The Foundation has made grant commitments to certain nonprofit organizations as of June 30, 2025 and 2024, as follows:

	2025	2024
Total grant commitments	$ 24,385,099	$ 31,173,073
Less: Discount to present value at a rate of 6%	(2,364,632)	(3,419,332)
	22,020,467	27,753,741
Less: Amounts payable in subsequent fiscal year	(9,098,433)	(10,175,406)
Amounts payable in future fiscal years	$ 12,922,034	$ 17,578,335

Future payments as of June 30, 2025 are as follows:

2026	$ 9,098,433
2027	3,770,440
2028	2,518,690
2029	2,292,161
2030	2,162,416
Thereafter	2,178,327
	$ 22,020,467

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, 2025 and 2024 was $1,810,213 and $1,784,532, respectively. Assets, included in long-term investments, related to these agreements at June 30, 2025 and 2024, totaled $2,330,882 and $2,429,368, respectively. The change in the present value of estimated future payments of ($309,634) and ($688,535) is included in the valuation allowance in the consolidated statements of activities and changes in net assets for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, JCHC had prepaid the ground lease in the amounts of $1,268,103 and $1,276,325, respectively, as shown in the consolidated statements of financial position as deferred revenue. This amount is being charged off to rental income at the rate of $8,222 per annum. For each of the years ended June 30, 2025 and 2024, 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 has the 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, 2025 and 2024, certain amounts are due to affiliated and related organizations as follows:

	2025	2024
Jewish Federation of Greater MetroWest New Jersey, Inc.	$ 109,039,286	$ 97,789,267
Jewish Vocational Service of MetroWest, Inc.	567,586	540,529
Daughters of Israel, Inc.	7,226,959	6,600,002
Jewish Community Center of MetroWest, Inc.	2,349,369	2,217,530
Jewish Family Service of MetroWest, Inc.	5,631,641	4,677,373
Jewish Service for the Developmentally Disabled, Inc.	294,669	265,848
Jewish Community Housing Corporation, Inc.	24,731	3,848
Due to (from) Federation	(67,028)	72,029
Total due to affiliated organizations	125,067,212	112,166,426
Less: Current portion	(67,028)	72,029
Due to affiliated organization, long term	$ 125,134,240	$ 112,094,397

Contributions from members of the Board of Trustees for the years ended June 30, 2025 and 2024 totaled approximately $43,208,000 and $6,159,000, respectively. Contributions from one board member for each of the years ended June 30, 2025 and 2024, represent 93% and 77%, respectively, of the total received from board members. Refer to Notes 15 and 22 for other related party transactions.

14. DUE TO OTHER ORGANIZATIONS

Amounts due to other organizations totaling $82,601,759 and $74,947,845 at June 30, 2025 and 2024, respectively, represent funds provided to the Foundation 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 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 2030. Rental income under this lease was $2,562,829 for each of the years ended June 30, 2025 and 2024, respectively, and is included in rental income with other short-term rentals in the consolidated statements of activities and changes in net assets. Future minimum rental income under this lease through June 30, 2030 is $15,428,230.

2026	$ 3,085,646
2027	3,085,646
2028	3,085,646
2029	3,085,646
2030	3,085,646
	$ 15,428,230

16. BENEFIT PLANS

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 $6,996 and $6,817 to the Medical Plan was made as part of Federation’s contribution for the years ended June 30, 2025 and 2024, respectively.

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, 2025 and 2024:

	June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Detail of Net Assets			
Operating	$ 315,080,024	$ -	$ 315,080,024
Board designated - cemetery	1,884,555	-	1,884,555
Restricted by donors for various philanthropic uses, including scholarships, youth programs and the support of the Federation and affiliated agencies	-	55,578,527	55,578,527
Contributions and bequest receivable	-	8,429,763	8,429,763
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	2,330,882	2,330,882
Endowment	-	87,218,101	87,218,101
	$ 316,964,579	$ 153,557,273	$ 470,521,852

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Detail of Net Assets			
Operating	$ 313,104,814	$ -	$ 313,104,814
Board designated - cemetery	1,731,056	-	1,731,056
Restricted by donors for various philanthropic uses, including scholarships, youth programs and the support of Federation and affiliated agencies	-	46,136,951	46,136,951
Contributions and bequest receivable	-	28,100,000	28,100,000
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	2,429,368	2,429,368
Endowment	-	39,431,929	39,431,929
	$ 314,835,870	$ 116,098,248	$ 430,934,118

Net assets released from donor-imposed restrictions consisted of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Purpose restriction		
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	$ 5,585,435	$ 6,095,306
Time restriction		
Contributions and bequest receivable	20,601,633	-
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	277,020	391,679
	$ 26,464,088	$ 6,486,985

Endowment Funds

The Foundation's endowment consists of approximately 60 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. UPMIFA provides guidelines for the expenditure of an endowment fund with donor restrictions, 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. 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
8) Funds with deficiencies

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 Foundation 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 the distribution each year at 5% 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 8% 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.

Change in Endowment Net Assets

The following table provides information regarding the change in endowment net assets for the years ended June 30, 2025 and 2024:

	2025		2024	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, July 1	$ 1,731,056	$ 39,431,929	$ -	$ 36,971,965
Income	14,539	733,209	5,822	390,344
Net appreciation - realized and unrealized	138,960	4,837,824	42,851	2,876,710
	1,884,555	45,002,962	48,673	40,239,019
Contributions received	-	26,459,533	1,682,383	444,600
Transfers from supporting foundation	-	17,700,000	-	
Appropriated for expenditure	-	(1,944,394)	-	(1,251,690)
Endowment net assets, June 30	$ 1,884,555	$ 87,218,101	$ 1,731,056	$ 39,431,929
Donor restricted "true" endowment				
Historical gift value		$ 79,712,045		$ 35,552,512
Appreciation		7,506,056		3,879,417
Endowment net assets, June 30		$ 87,218,101		$ 39,431,929

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 $445,616 for eleven funds with a historical value of $2,011,023 and a fair value of $1,565,407 as of June 30, 2025, and $431,221 for eight funds with a historical value of $1,954,882 and a fair value of $1,523,661 as of June 30, 2024. 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.

18. RECLASSIFICATIONS DUE TO CHANGE IN DONOR DESIGNATIONS

During the years ended June 30, 2025 and 2024, reclassifications of net assets totaled $25,045,403 and $501,500, respectively, for contributions to endowments with permanent restrictions due to changes in donor designations through grants made by supporting foundations that are included within the Foundation's consolidated 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 years ended June 30, 2025 and 2024.

19. GAIN ON SALE OF PROPERTY

In September 2022, the Foundation entered into a contract to sell unused cemetery land, located in Newark, NJ. The transaction was completed in February 2024. As a result, $1,975,480 was recorded as a gain on sale of property in the consolidated statements of activities and changes in net assets for the year ended June 30, 2024. The proceeds from the sale were designated by the Board for the maintenance and preservation of the Jewish cemeteries in Essex County, NJ.

20. CONCENTRATIONS AND RISKS AND UNCERTAINTIES

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, investments, loan participation interest receivables, loans receivable, and contributions and bequest receivables. The Foundation 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 the Foundation's consolidated financial condition, results of operations, and cash flows. The Organization's cash and securities held at brokerage firms are insured against the failure of the firm by the Securities Investor Protection Corporation ("SIPC") up to $500,000 for cash and $500,000 for 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 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. 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 amount considered uncollectible, which limits the Foundation's exposure to credit risk.

21. 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 $5,765,000 and $6,315,000 as of June 30, 2025 and 2024, 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, 2025 and 2024.

The guarantee also requires that the Foundation maintains 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 $13,338,000 and $13,905,000 for the years ended June 30, 2025 and 2024, respectively. The loan is secured by certain investment accounts of the Foundation.

22. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of December 23, 2025, which is the date the consolidated financial statements were available for issuance. Based upon this evaluation, the Foundation has determined that no subsequent events have occurred which require disclosure in or adjustment to the consolidated financial statements other than as noted in footnote 3 and as noted below.

In December 2025, the Foundation was advised of a pending donation or properties valued at approximately $47,000,000.