

**JEWISH COMMUNITY FOUNDATION  
OF GREATER MERCER, INC.**

**June 30, 2023**



**JEWISH COMMUNITY FOUNDATION  
OF GREATER MERCER, INC.**

**For the Years Ended June 30, 2023 and 2022**

**TABLE OF CONTENTS**

	Page
Independent Auditors' Report	1 - 3
Statements of Financial Position	4
Statements of Activities	5 - 6
Statements of Functional Expenses	7 - 8
Statements of Cash Flows	9
Notes to the Financial Statements	10 - 19
Supplemental Information	
Schedule of Net Assets	20



Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

---

## Independent Auditors' Report

To the Board of Trustees  
Jewish Community Foundation  
of Greater Mercer, Inc.  
Princeton, New Jersey

### Opinion

We have audited the accompanying financial statements of Jewish Community Foundation of Greater Mercer, Inc. (a nonprofit organization), which comprise the Statements of Financial Position as of June 30, 2023 and 2022, and the related Statements of Activities, Functional Expenses and Cash Flows for the years then ended, and the related Notes to the Financial Statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Community Foundation of Greater Mercer, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, Management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Community Foundation of Greater Mercer, Inc.'s ability to continue as a going concern within one year after the date that the financial statements issued.

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

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jewish Community Foundation of Greater Mercer, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Community Foundation of Greater Mercer, Inc.'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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Net Assets on page 20 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



**BKC, CPAs, PC**

March 7, 2024

Flemington, New Jersey

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Statements of Financial Position**  
**June 30,**

**ASSETS**

	2023	2022
Assets		
Cash and cash equivalents	\$ 24,256	\$ 356
Grants receivable	50,000	-
Investments	1,049,086	1,108,936
Investments - custodial accounts	4,702,164	4,154,539
Investments - donor advised	4,536,153	3,800,187
Investments - endowment funds	4,510,430	4,372,416
Total current assets	14,872,089	13,436,434
Computer software, net of accumulated amortization of \$667	9,333	-
Other assets		
Gift annuity - custodial accounts	4,697	4,870
Gift annuity	5,412	6,297
Cash value of life insurance	76,838	70,215
Total assets	\$ 14,968,369	\$ 13,517,816

**LIABILITIES AND NET ASSETS**

Liabilities		
Accounts payable	\$ 2,440	\$ 3,382
Accrued expenses	33,755	21,161
Custodial accounts liability	4,736,976	4,159,410
Total liabilities - all current	4,773,171	4,183,953
Net assets		
Without donor restrictions	382,029	399,874
With donor restrictions	9,813,169	8,933,989
Total net assets	10,195,198	9,333,863
Total liabilities and net assets	\$ 14,968,369	\$ 13,517,816

See accompanying notes to the financial statements.

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Statements of Activities**  
**For the Year Ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	\$ 62,450	\$ 1,256,669	\$ 1,319,119
Fee income	134,056	-	134,056
Net assets released from restrictions	1,328,181	(1,328,181)	-
Total support and revenue	1,524,687	(71,512)	1,453,175
Expenses			
Program services	1,480,363	-	1,480,363
Mangement and general	83,556	-	83,556
Fundraising	15,774	-	15,774
Total expenses	1,579,693	-	1,579,693
Changes in net assets from operations	(55,006)	(71,512)	(126,518)
Other income			
Investment income , net	37,161	950,692	987,853
Total other income	37,161	950,692	987,853
Changes in net assets	(17,845)	879,180	861,335
Net assets - beginning of year (as restated)	399,874	8,933,989	9,333,863
Net assets - end of year	\$ 382,029	\$ 9,813,169	\$ 10,195,198

See accompanying notes to the financial statements.

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Statements of Activities (continued)**  
**For the Year Ended June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	\$ 78,247	\$ 1,610,907	\$ 1,689,154
Fee income	150,765	-	150,765
Net assets released from restrictions	1,049,576	(1,049,576)	-
Total support and revenue	<u>1,278,588</u>	<u>561,331</u>	<u>1,839,919</u>
Expenses			
Program services	1,637,148	-	1,637,148
Management and general	83,613	-	83,613
Fundraising	9,523	-	9,523
Total expenses	<u>1,730,284</u>	<u>-</u>	<u>1,730,284</u>
Changes in net assets from operations	(451,696)	561,331	109,635
Other income (loss)			
Investment income (loss), net	(72,106)	(1,799,330)	(1,871,436)
Paycheck Protection Program loan forgiveness	27,625	-	27,625
Total other income (loss)	<u>(44,481)</u>	<u>(1,799,330)</u>	<u>(1,843,811)</u>
Changes in net assets	(496,177)	(1,237,999)	(1,734,176)
Net assets - beginning of year (as restated)	<u>896,051</u>	<u>10,171,988</u>	<u>11,068,039</u>
Net assets - end of year (as restated)	<u>\$ 399,874</u>	<u>\$ 8,933,989</u>	<u>\$ 9,333,863</u>

See accompanying notes to the financial statements.



**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Statements of Functional Expenses**  
**For the Year Ended June 30, 2023**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses				
Salaries	103,800	\$ 25,648	\$ 9,641	\$ 139,089
Payroll taxes	11,648	2,878	1,082	15,608
Total salaries and related expenses	115,448	28,526	10,723	154,697
Allocations	1,339,691	-	-	1,339,691
Conferences and meetings	1,981	849	4,196	7,026
Insurance	-	8,805	-	8,805
Office expenses	7,743	3,218	855	11,816
Professional fees	3,055	37,913	-	40,968
Third party administration fees	10,218	3,405	-	13,623
Rent	600	600	-	1,200
Website	960	240	-	1,200
Depreciation	667	-	-	667
Total expenses	<u>\$ 1,480,363</u>	<u>\$ 83,556</u>	<u>\$ 15,774</u>	<u>\$ 1,579,693</u>

See accompanying notes to the financial statements.

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Statements of Functional Expenses (continued)**  
**For the Year Ended June 30, 2022**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses				
Salaries	\$ 90,865	\$ 24,049	\$ 8,102	\$ 123,016
Payroll taxes	9,142	2,420	815	12,377
Total salaries and related expenses	100,007	26,469	8,917	135,393
Allocations	1,497,212	-	-	1,497,212
Conferences and meetings	1,965	842	-	2,807
Insurance	-	7,535	-	7,535
Office expenses	6,269	2,605	606	9,480
Professional fees	5,385	36,939	-	42,324
Third party administration fees	24,550	8,183	-	32,733
Rent	800	800	-	1,600
Website	960	240	-	1,200
Total expenses	<u>\$ 1,637,148</u>	<u>\$ 83,613</u>	<u>\$ 9,523</u>	<u>\$ 1,730,284</u>

See accompanying notes to the financial statements.

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Statements of Cash Flows**  
**For the Years Ended June 30,**

	2023	2022
Cash flows from operating activities		
Changes in net assets	\$ 861,335	\$ (1,734,176)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation	667	-
Net unrealized/realized (gain) loss on investments	(811,395)	1,998,390
Investment income, net	(175,639)	(126,953)
Donated securities	(676,778)	(898,400)
Paycheck Protection Program loan forgiveness	-	(27,625)
(Increase) decrease in assets		
Investments - custodial accounts	(547,625)	56,222
Grant receivable	(50,000)	-
Other receivable	-	5,000
Increase (decrease) in liabilities		
Accounts payable	(942)	(2,331)
Accrued expenses	12,594	-
Custodial accounts liability	577,739	(56,223)
Total adjustments	(1,671,379)	948,080
Net cash used in operating activities	(810,044)	(786,096)
Cash flows from investing activities		
Purchase of software	(10,000)	-
Transfers to investment account	(595,832)	(724,771)
Transfers from investment account	1,439,776	1,497,212
Net cash provided by investing activities	833,944	772,441
Net change in cash and cash equivalents	23,900	(13,655)
Cash and cash equivalents - beginning of year	356	14,011
Cash and cash equivalents - end of year	\$ 24,256	\$ 356

See accompanying notes to the financial statements.

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies

Nature of foundation

Jewish Community Foundation of Greater Mercer, Inc., formerly the Jewish Community Foundation of Princeton Mercer Bucks, NJ/PA (the Foundation), is located in Princeton, New Jersey and is organized to provide a capital fund or funds to further the educational, religious and charitable needs of the Jewish community, including specifically the Jewish community of Mercer County and environs, New Jersey and Bucks County, Pennsylvania. In order to accomplish this, it may establish funds which provide for educational, religious, charitable and scientific needs beyond that of the Jewish community.

Basis of accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with the accounting policies generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and the reported amounts of revenues and expenses during the reporting period then ended. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include unrestricted time deposit, certificates of deposit and highly liquid debt instruments with original maturities of three months or less.

Investments

The Foundation carries investments with readily determinable fair values and all investments in debt securities at their fair values. Unrealized gains and losses are included in the change in net assets.

Custodial accounts

The Foundation holds cash and cash equivalents, investments, and gift annuities on behalf of other charitable organizations as a fiduciary agent for the purpose of investment management only.

Public support and revenue recognition

Contributions are recognized when the contribution is received. The Foundation records contributions as with or without donor restrictions depending on the existence and/or nature of any donor restrictions.

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)  
Public support and revenue recognition (continued)

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as changes in net assets released from restrictions.

Contributions of donated non-cash assets are recorded at their fair values in the periods received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, that are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation are recorded at their fair values in the periods received. Volunteers have contributed significant amounts of time to the activities of the foundation, without compensation. The financial statements do not reflect the value of those contributed services.

Investment income, and gains restricted by donors, are reported as increases in net assets without donor restrictions, if the restrictions are met (which happens either when a stipulated time period ends or when a purpose restriction is accomplished) in the reporting period during which the income and gains are recognized.

Equipment and software

Equipment purchases in excess of \$1,000 are recorded at cost, except for donated items, which are recorded at their fair market values on the date of donation. Depreciation is provided over the estimated useful lives of the assets (five years) using the straight-line method. Repairs and maintenance which do not extend the useful lives of the related assets are expensed as incurred. Capitalized assets consisted of computer software totaling \$10,000. Depreciation expense was \$667 for the year ended June 30, 2023. There was no depreciation expense for the year ended June 30, 2022.

Net asset classifications

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets are defined as follows:

Net assets without donor restrictions - net assets are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired.

Net assets with donor restrictions - net assets include assets for which donor-imposed stipulations that will be met by actions of the Foundation and/or by the passage of time.

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

Functional allocation of expenses

The cost of providing the program and other activities has been summarized on a functional basis in the Statement of Functional Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Management has determined the allocation of payroll and program expenses using specific identification. Indirect expenses have been allocated based on Management's estimate.

Income taxes

The Foundation has been notified by the Internal Revenue Service that they are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is further classified as an Organization that is not a supporting organization under Section 509(a)(3) of the Code. The most significant tax positions of the Foundation are its assertions that it is exempt from income taxes and its determination that no amounts are subject to unrelated business income tax (UBIT). Income generated by activities that would be considered unrelated to the Organization mission would be subject to income tax.

The Foundation follows the guidance of Accounting Standards Codification (ASC) Topic 740, *Accounting for Income Taxes*, related to uncertain income tax provisions, which prescribes a threshold of more likely than not, for recognition and derecognition of tax positions taken or expected to be taken in a tax return. Management has determined that it is more likely than not, that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

The Foundation files a Form 990 Return of Organization Exempt Form Tax, annually with the Internal Revenue Service, as well as State equivalent filings. The filings are subject to audit by the appropriate authority. The Foundation's information returns before 2019 are no longer subject to examination by Federal or New Jersey authorities due to the statute of limitations.

Accounting standard implementation

ASU 2016-02: The Financial Accounting Standards Board (FASB) issues Accounting Standards Update (ASU) 2016-02, Leases. This ASU recognizes as a liability non-cancellable lease. The liability is offset by an amortizable asset called right to use. This ASU was effective to the Organization in the year ending June 30, 2023. There was no significant change upon implementation.

Note 2 - Concentration of risk

The Foundation maintains its cash and cash equivalents in bank deposit accounts, which are insured by the Federal Deposit Insurance Corporation (FDIC) and in investment accounts, which are not federally insured. From time to time, deposits at an insured bank may exceed the coverage. As of June 30, 2023 and 2022, there was no uninsured cash.

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Notes to the Financial Statements**

Note 2 - Concentration of risk (continued)

During the year ended June 30, 2023, the Foundation received approximately 47% of its total support and revenue from three donors.

During the year ended June 30, 2022, the Foundation received approximately 53% of its total support from three donors.

Note 3 - Investments

Investments are stated at fair value and consist primarily of stocks, bonds, and other investments. Fair values and unrealized appreciation/(depreciation) as of June 30, 2023 are summarized as follows:

	<u>Basis</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
With donor restrictions			
stocks, bonds, other	\$ 9,729,667	\$ 9,761,032	\$ 31,365
Without donor restrictions			
stocks, bonds, other	5,025,796	5,036,801	11,005
Total	<u>\$ 14,755,463</u>	<u>\$ 14,797,833</u>	<u>\$ 42,370</u>

Fair values and unrealized appreciation/(depreciation) as of June 30, 2022, are summarized as follows:

	<u>Basis</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
With donor restrictions			
stocks, bonds, other	\$ 9,756,282	\$ 8,857,477	\$ (898,805)
Without donor restrictions			
stocks, bonds, other	5,043,211	4,578,601	(464,610)
Total	<u>\$ 14,799,493</u>	<u>\$ 13,436,078</u>	<u>\$ (1,363,415)</u>

The following schedule summarizes the investment return and its classification for the year ended June 30, 2023:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Interest and dividends	\$ 9,005	\$ 213,038	\$ 222,043
Net realized and unrealized gains (losses)	28,996	782,399	811,395
Subtotal	38,001	995,437	1,033,438
Investment fees	(840)	(44,745)	(45,585)
Total	<u>\$ 37,161</u>	<u>\$ 950,692</u>	<u>\$ 987,853</u>

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Notes to the Financial Statements**

Note 3 - Investments (continued)

The following schedule summarizes the investment return and its classification for the year ended June 30, 2022:

	Without donor restrictions	With donor restrictions	Total
Interest and dividends	\$ 10,173	\$ 220,684	\$ 230,857
Net realized and unrealized gains (losses)	(82,074)	(1,916,314)	(1,998,388)
Subtotal	(71,901)	(1,695,630)	(1,767,531)
Investment fees	(205)	(103,700)	(103,905)
Total	<u>\$ (72,106)</u>	<u>\$ (1,799,330)</u>	<u>\$ (1,871,436)</u>

Note 4 - Fair value measurements

The Foundation applied generally accepted accounting principles for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.

Level 2 Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls in based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents assets that are measured at fair value on a recurring basis as of June 30, 2023:

	Level 1	Level 2	Level 3
Equity	\$ 10,494,596	\$ -	\$ -
Fixed Income	4,281,479	-	-
Short-term reserves	16,562	-	-
Money market fund	5,196	-	-
Total investments	<u>\$ 14,797,833</u>	<u>\$ -</u>	<u>\$ -</u>



**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Notes to the Financial Statements**

Note 4 - Fair value measurements (continued)

The following table presents assets that are measured at fair value on a recurring basis as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity	\$ 9,325,467	\$ -	\$ -
Fixed Income	4,089,040	-	-
Short-term reserves	16,566	-	-
Money market fund	5,005	-	-
Total investments	<u>\$ 13,436,078</u>	<u>\$ -</u>	<u>\$ -</u>

Note 5 - Availability of financial assets

The following reflects the Foundation's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

Financial assets at June 30, 2023:

Cash and cash equivalents	\$ 24,256
Grants receivable	50,000
Non-custodial investments	<u>10,095,669</u>
Total financial assets	10,169,925

Less those unavailable for general expenditures within one year, due to:

Restricted funds	<u>(9,813,169)</u>
Financial assets available to meet cash needs for general expenditures within 1 year	<u>\$ 356,756</u>

Financial assets at June 30, 2022:

Cash and cash equivalents	\$ 356
Non-custodial investments	<u>9,281,539</u>
Total financial assets	9,281,895

Less those unavailable for general expenditures within one year, due to:

Restricted funds	<u>(8,933,989)</u>
Financial assets available to meet cash needs for general expenditures within 1 year	<u>\$ 347,906</u>

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Notes to the Financial Statements**

Note 6 - Gift annuities

The Foundation is the beneficiary, under a gift annuity, of a distribution upon the death of the donor of the annuity. The annuity is held by a third-party trustee.

The activity during the years ended June 30, for the annuity is as follows:

	2023	2022
Balance - beginning of year	\$ 6,297	\$ 11,041
Unrealized depreciation in value	(885)	(4,744)
Balance - end of year	\$ 5,412	\$ 6,297

Note 7 - Net assets with donor restrictions

Components of net assets with donor restrictions as of June 30, are as follows:

	2023	2022
Foundation programs and income to support foundation programs:		
Temporarily restricted and donor advised fund allocations	\$ 5,302,739	\$ 4,561,573
Permanently restricted funds for endowments	4,510,430	4,372,416
Total net assets with donor restrictions	\$ 9,813,169	\$ 8,933,989

Note 8 - Endowment funds

The Foundation's endowment consists of funds established for a variety of purposes. Net assets with donor restrictions, as of June 30, 2023 and 2022, include \$4,510,430 and \$4,372,416 of endowment funds, respectively. The endowment includes donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the 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.

The following table provides information regarding the change in endowment net assets for the year ended June 30, 2023:

Endowment net assets - beginning of year	\$ 4,372,416
Investment income, net	450,308
Appropriated for expenditure	(312,294)
Endowment net assets - end of year	\$ 4,510,430

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Notes to the Financial Statements**

Note 8 - Endowment funds (continued)

The following table provides information regarding the change in endowment net assets for the year ended June 30, 2022:

Endowment net assets - beginning of year	\$ 5,438,421
Contributions	100,000
Investment loss, net	(875,309)
Appropriated for expenditure	(290,696)
Endowment net assets - end of year	\$ 4,372,416

Note 9 - Other transactions

Members of the Foundation’s Board of Trustees and employees made contributions for use in operations of approximately \$5,600 and \$15,050 for the years ended June 30, 2023 and 2022, respectively.

Note 10 - Paycheck Protection Program loan forgiveness

In February 2021, the Organization applied for and received a Paycheck Protection Program loan totaling \$27,625. The proceeds were used to offset personnel costs. The SBA has subsequently approved full forgiveness of the loan. The loan was forgiven during the year ended June 30, 2022, and is recorded in other income.

Note 11 - Custodial accounts liability

As of June 30, 2023, the Foundation is holding cash and investments for other organizations as follows:

United Jewish Federation of Princeton Mercer Bucks, Inc.	\$ 1,326,617
Jewish Federation of Somerset, Hunterdon & Warren Counties	1,251,898
Infinity Foundation	452,489
Jewish Family Services of Somerset, Hunterdon and Warren Counties	608,913
Shimon and Sara Birnbaum Jewish Community Center	177,987
Kehilat HanaHar	196,145
Jewish Center of Princeton	188,776
Temple Sholom (Scotch Plains)	121,372
Flemington Jewish Community Center	111,752
Other	301,027
Total	\$ 4,736,976

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Notes to the Financial Statements**

Note 11 - Custodial accounts liability (continued)

As of June 30, 2022, the Foundation is holding cash and investments for other organizations as follows:

United Jewish Federation of Princeton Mercer Bucks, Inc.	\$ 1,259,195
Jewish Federation of Somerset, Hunterdon & Warren Counties	1,142,541
Shimon and Sara Birnbaum Jewish Community Center	554,025
Jewish Family Services of Somerset, Hunterdon and Warren Counties	550,755
Jewish Center of Princeton	127,829
Temple Sholom (Scotch Plains)	109,780
Flemington Jewish Community Center	101,078
Other	314,207
Total	\$ 4,159,410

For the year ended June 30, 2023, the custodial accounts had investment income of \$103,182, net realized gains of \$15,302, net unrealized gains of \$352,721 and paid management fees of \$21,206.

For the year ended June 30, 2022, the custodial accounts had investment income of \$101,480, net realized gains of \$141,620, net unrealized losses of \$1,040,408, and paid management fees of \$46,794.

Note 12 - Supplemental disclosures of cash flow information

Non-cash investing and financing activities for contributions of investments was \$676,778 and \$898,400 for the years ended June 30, 2023 and 2022, respectively.

Note 13 - Beneficial interest in property

The Foundation owns a 50% beneficial interest in a property located in Ewing, New Jersey that is owned by a trust. If and when the property is ultimately sold, the Foundation will receive a portion of the proceeds.

Note 14 - Prior year reclassification

During the year ended June 30, 2023, it was determined that certain funds previously classified as permanently restricted, were reclassified as Custodial. The prior period reclassification for June 30, 2023, is summarized as follows:

	As Originally Reported	Change	Restated Amount
Investments	\$ 9,538,918	\$ (257,379)	\$ 9,281,539
Investments - custodial	3,897,160	257,379	4,154,539
Custodial accounts liability	(3,902,031)	(257,379)	(4,159,410)
Net assets with donor restrictions	\$ 9,191,368	\$ (257,379)	\$ 8,933,989

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Notes to the Financial Statements**

Note 14 - Prior period reclassification (continued)

As a result of an internal review of the fund agreements, certain funds previously classified as Permanently Restricted, were reclassified as Custodial. The prior period reclassification for June 30, 2022, is summarized as follows:

	As Originally Reported	Change	Restated Amount
Investments	\$ 12,918,316	\$ (1,889,716)	\$ 11,028,600
Investments - custodial	2,319,040	1,889,716	4,158,756
Custodial account liability	<u>(2,325,917)</u>	<u>(1,889,716)</u>	<u>(4,215,633)</u>
Net assets with donor restrictions	<u>\$ (12,061,704)</u>	<u>\$ 1,889,716</u>	<u>\$ (10,171,988)</u>

Note 15 - Subsequent events

The Foundation's Management has determined that no material events or transactions occurred subsequent to June 30, 2023, and through March 7, 2024, the date of the Foundation's financial statement issuance, which require additional disclosure in the Foundation's financial statements.

**JEWISH COMMUNITY FOUNDATION OF GREATER MERCER, INC.**  
**Supplemental Information**  
**Schedule of Net Assets**  
**June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Totals
Cash and cash equivalents	\$ 24,256	\$ -	\$ 24,256
Grant receivable	50,000	-	50,000
Investments	364,750	684,336	1,049,086
Investments - custodial accounts	4,702,164	-	4,702,164
Investments - donor advised	-	4,536,153	4,536,153
Investments - endowment funds	-	4,510,430	4,510,430
Gift annuity - custodial accounts	4,697	-	4,697
Gift annuity	-	5,412	5,412
Cash value of life insurance	-	76,838	76,838
Computer software, net	9,333	-	9,333
Accounts payable	(2,440)	-	(2,440)
Accrued expenses	(33,755)	-	(33,755)
Custodial accounts liability	(4,736,976)	-	(4,736,976)
	<u>\$ 382,029</u>	<u>\$ 9,813,169</u>	<u>\$ 10,195,198</u>
Total net assets	<u>\$ 382,029</u>	<u>\$ 9,813,169</u>	<u>\$ 10,195,198</u>

See independent auditors' report.