

**Jewish Community Foundation of
Greater Hartford, Inc.**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2023 and 2022

Jewish Community Foundation of Greater Hartford, Inc.

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Independent Auditor's Report

To the Board of Trustees
Jewish Community Foundation of Greater Hartford, Inc.

Opinion

We have audited the financial statements of Jewish Community Foundation of Greater Hartford, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of Jewish Community Foundation of Greater Hartford, 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 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 Financial Statements section of our report. We are required to be independent of Jewish Community Foundation of Greater Hartford, Inc. 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the Jewish Community Foundation of Greater Hartford, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the Jewish Community Foundation of Greater Hartford, 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 the Jewish Community Foundation of Greater Hartford, 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.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the contents of the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Hartford, Connecticut
April 2, 2024

Jewish Community Foundation of Greater Hartford, Inc.

**Statements of Financial Position
June 30, 2023 and 2022**

	<u>Assets</u>	
	2023	2022
Assets		
Cash and cash equivalents	\$ 5,050,559	\$ 4,683,741
Contributions receivable, net (Note 4)	349,391	1,300,660
Investments - marketable securities (Note 5)	139,982,058	128,671,527
Investments - non-marketable securities (Note 5)	21,469,560	21,480,571
Note receivable	-	12,373
Cash surrender value of life insurance (Note 6)	198,514	156,261
Right-of-use assets (Note 9)	97,682	-
Other assets	27,769	21,723
	\$ 167,175,533	\$ 156,326,856
Total assets	\$ 167,175,533	\$ 156,326,856
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable and accrued liabilities	\$ 8,849	\$ 55,357
Grants payable	511,906	812,465
Lease liabilities-operating (Note 9)	97,682	-
Custodial funds managed for other charitable organizations (Note 12)	29,954,835	27,605,206
Split-interest agreements (Note 10)	252,821	237,300
	30,826,093	28,710,328
Total liabilities	30,826,093	28,710,328
Net assets		
Without donor restrictions		
General-purpose funds	39,160,231	36,898,638
Donor-advised funds	48,618,357	45,675,338
Designated funds	48,386,889	44,821,016
	136,165,477	127,394,992
Total net assets without donor restrictions	136,165,477	127,394,992
With donor restrictions (Note 13)	183,963	221,536
	183,963	221,536
Total net assets	136,349,440	127,616,528
Total liabilities and net assets	\$ 167,175,533	\$ 156,326,856

See Notes to Financial Statements.

Jewish Community Foundation of Greater Hartford, Inc.

**Statements of Activities and Changes in Net Assets
Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Changes in net assets without donor restrictions		
Public support and revenues		
Gifts and bequests	\$ 4,006,139	\$ 10,450,202
Change in contributions receivable discount	1,388	7,414
Investment income, net (Note 5)	2,112,822	2,901,852
Fee income	328,639	288,107
Change in cash surrender value of life insurance	37,251	(2,275)
Net assets release from restriction	-	1,020
Realized and unrealized (losses) gains on investments (Note 5)	<u>9,301,599</u>	<u>(22,257,137)</u>
Total public support and revenues	<u>15,787,838</u>	<u>(8,610,817)</u>
Grants and expenses		
Grants and other distributions	5,036,938	4,521,507
Operating expenses	<u>1,980,415</u>	<u>1,832,924</u>
Total grants and expenses	<u>7,017,353</u>	<u>6,354,431</u>
Total change in net assets without donor restrictions	<u>8,770,485</u>	<u>(14,965,248)</u>
Changes in net assets with donor restrictions		
Gifts	-	1,020
Net assets released from restrictions	-	(1,020)
Change in value of split-interest agreements (Note 10)	(50,272)	(12,757)
Realized and unrealized gains (losses)	<u>12,699</u>	<u>(33,032)</u>
Total change in net assets with donor restrictions	<u>(37,573)</u>	<u>(45,789)</u>
Total change in net assets	8,732,912	(15,011,037)
Net assets, beginning	<u>127,616,528</u>	<u>142,627,565</u>
Net assets, end	<u>\$ 136,349,440</u>	<u>\$ 127,616,528</u>

See Notes to Financial Statements.

Jewish Community Foundation of Greater Hartford, Inc.

**Statement of Functional Expenses
Year Ended June 30, 2023**

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Grants and other distributions	\$ 5,036,938	\$ -	\$ -	\$ 5,036,938
Salaries	516,485	368,440	341,906	1,226,831
Employee benefits and payroll taxes	92,064	65,586	70,204	227,854
Insurance	-	23,928	-	23,928
Office expense	15,120	10,259	10,009	35,388
Professional expenses	3,437	150,651	3,437	157,525
Information technology	29,054	19,713	19,233	68,000
Occupancy	-	52,995	-	52,995
Professional development	7,297	7,297	9,729	24,323
Marketing and outreach	68,646	30,509	53,392	152,547
Advertising and promotion	4,961	-	6,063	11,024
	<u>\$ 5,774,002</u>	<u>\$ 729,378</u>	<u>\$ 513,973</u>	<u>\$ 7,017,353</u>

See Notes to Financial Statements.

Jewish Community Foundation of Greater Hartford, Inc.

**Statement of Functional Expenses
Year Ended June 30, 2022**

	Program services	Management and general	Fundraising	Total
Grants and other distributions	\$ 4,521,507	\$ -	\$ -	\$ 4,521,507
Salaries	477,574	325,875	315,497	1,118,946
Employee benefits and payroll taxes	98,912	67,493	65,344	231,749
Insurance	-	31,308	-	31,308
Office expense	17,996	10,149	11,944	40,089
Professional expenses	983	66,772	983	68,738
Information technology	43,784	29,876	28,925	102,585
Occupancy	-	78,556	-	78,556
Professional development	5,988	5,988	1,162	13,138
Marketing and outreach	62,263	27,672	48,427	138,362
Advertising and promotion	4,254	-	5,199	9,453
Total expenses	\$ 5,233,261	\$ 643,689	\$ 477,481	\$ 6,354,431

See Notes to Financial Statements.

Jewish Community Foundation of Greater Hartford, Inc.

Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Cash receipts from gifts and bequests	\$ 4,963,140	\$ 9,597,895
Investment income, net	2,567,583	3,543,328
Payments to employees and suppliers	(2,032,969)	(1,842,138)
Grants and other distributions	(5,337,497)	(4,473,210)
Cash receipts from fee income	328,639	288,107
Net cash provided by operating activities	488,896	7,113,982
Cash flows from investing activities		
Proceeds from sales and redemptions of securities	29,463,854	8,994,957
Purchases of securities	(29,868,736)	(22,800,927)
Receipts on note receivable	12,373	112
Premiums paid for life insurance	(44,097)	(42,800)
Net cash used in investing activities	(436,606)	(13,848,658)
Cash flows from financing activities		
Receipt of custodial funds held for other organizations	2,019,710	6,455,626
Distribution of custodial funds held for other organizations	(1,705,182)	(2,156,901)
Net cash provided by financing activities	314,528	4,298,725
Net increase (decrease) in cash and cash equivalents	366,818	(2,435,951)
Cash and cash equivalents, beginning	4,683,741	7,119,692
Cash and cash equivalents, end	\$ 5,050,559	\$ 4,683,741

Jewish Community Foundation of Greater Hartford, Inc.

Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ 8,732,912	\$ (15,011,037)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized and unrealized (gains) losses on investments	(9,314,298)	22,290,169
Investment income on custodial funds	454,761	641,476
Cash surrender value of life insurance, net	1,844	29,710
Change in value of split-interest agreements	50,272	12,757
Change in contributions receivable discount	(1,388)	(7,414)
Changes in operating assets and liabilities		
Contributions receivable	952,657	(792,402)
Other assets	(6,046)	(17,155)
Accounts payable and accrued liabilities	(46,508)	7,941
Grants payable	(300,559)	48,297
Split-interest agreements	(34,751)	(88,360)
Total adjustments	(8,244,016)	22,125,019
Net cash provided by operating activities	\$ 488,896	\$ 7,113,982
Noncash financing activities		
Change in value of split-interest agreements	\$ 50,272	\$ 12,757
Change in cash surrender value	1,844	29,710

See Notes to Financial Statements.

Jewish Community Foundation of Greater Hartford, Inc.

Notes to Financial Statements June 30, 2023 and 2022

Note 1 - Description of the Foundation

Nature of services provided

The Jewish Community Foundation of Greater Hartford, Inc. (the "Foundation") serves the Greater Hartford Jewish community, its donors, agencies and synagogues by responding to community needs and emergencies, supporting special projects and new programs, and managing charitable funds for the benefit of the community. Over the years, thousands of individuals, families, businesses and foundations have contributed to the Foundation. Today, donors recognize the importance of a charitable endowment for the community and continue to start and/or add to funds with both current contributions and with provisions for the Foundation in their estate plans.

The Foundation strives to use the power of philanthropy to meet community challenges, strengthen nonprofit organizations, and provide ongoing financial support, education and technical assistance to the community. The Foundation views itself as more than a steward of community endowment as it actively seeks to identify and address the community's most pressing challenges through innovative grant making and collaborative partnerships.

The Foundation's operations are governed by its Board of Trustees.

Note 2 - Summary of significant accounting policies

The significant accounting policies of the Foundation are as follows:

Basis of presentation

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Foundation's accounting system is based on a fund accounting structure by which the charitable resources held by the Foundation are classified for financial accounting and reporting purposes in accordance with any restrictions or limitations imposed by donors or in accordance with action of the Board of Trustees. The resources of the Foundation are managed as individual funds according to their nature and purpose. Each fund is an accounting entity with a self-balancing set of accounts for recording assets, liabilities, a fund balance and changes in the fund balance (revenue, expense and cash transfers). Separate accounts are maintained for each fund to track any limitations and restrictions placed on their use.

Net assets without donor restrictions

Donor-advised and designated funds are both characterized as net assets without donor restrictions. In certain extraordinary circumstances, such as the loss of tax-exempt status or cessation of operations of the named beneficiary organization, it is the practice of the Foundation to reserve the right to vary donor-imposed restrictions (this right being known as "variance language"). Because of this variance language, these assets are considered net assets that are not subject to explicit donor-imposed stipulations and, therefore, characterized as net assets without donor restrictions. Custodial funds are reflected as a liability and are not included in net assets without donor restrictions as of June 30, 2023 and 2022. For accounting and reporting purposes, funds of similar characteristics are classified into the following categories:

General-purpose funds

Unless specifically restricted as to the use of principal or income by the donor, any gift or bequest is available for general purposes.

Jewish Community Foundation of Greater Hartford, Inc.

Notes to Financial Statements June 30, 2023 and 2022

Donor-advised funds

Funds which are (1) separately identified by reference to the contributions of a donor or donors, (2) owned by the Jewish Community Foundation and (3) with respect to which a donor (or any person appointed or designated by such donor) has, or reasonably expects to have, advisory privileges with respect to the distribution of amounts held in such fund by reason of the donor's status as a donor are recorded as donor advised funds. Upon the death of the donor and the donor's designee(s), if any, the right to advise expires and the fund becomes part of the general-purpose fund balance unless otherwise designated by the donor.

Designated funds

Designated funds are specifically restricted as to use by the donor. Because of the variance language, these assets are characterized as net assets without donor restrictions.

Net assets with donor restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. To the best knowledge of management (and in part because of the variance language noted above), the Foundation does not have any net assets with donor restrictions that must be permanently maintained as of June 30, 2023 and 2022.

Revenue recognition

The Foundation classifies contributions as either conditional or unconditional. A conditional contribution is a transaction where the Foundation has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Foundation fails to overcome the barrier. The Foundation recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as a refundable advance.

Unconditional promises to give are recorded as contributions receivable and support when the promise is received. Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions receivable are discounted to the anticipated net present value of the future cash flows. The Foundation distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions.

Fee income represents administrative fees that are charged to the funds administered by the Foundation and, with the exception of fees charged to custodial funds, are eliminated in consolidation. Fees are charged monthly based on the average daily value of assets during each month and deducted directly from the funds. Scholarship and unrestricted community funds are charged a 1.25% fee. Donor-advised, designated, agency endowment, field of interest and custodial funds are charged a graduated fee of 1% on the first \$1 million, .9% up to \$2.5 million, .8% up to \$5 million and .65% over \$5 million. Total fees charged during the years ended June 30, 2023 and 2022 were \$1,664,720 and \$1,795,046, of which \$1,336,081 and \$1,506,939 were eliminated in consolidation. There were no receivables or deferrals at June 30, 2023, 2022 and 2021 for contract revenue.

Jewish Community Foundation of Greater Hartford, Inc.

Notes to Financial Statements June 30, 2023 and 2022

Furniture and fixtures

The Foundation capitalizes furniture and fixtures expenditures at cost. Depreciation is provided on the straight-line method over three to five years. Renewals and improvements, which extend the useful lives of assets, are capitalized at cost. Maintenance and repairs are included as expenses in the statements of activities and changes in net assets.

The Foundation follows the policy of capitalizing property that costs more than \$2,500.

Investments

Investments are carried at fair value (Note 7). Net investment return or loss is reported in the statements of activities and changes in net assets and consists of interest and dividend income, net of external investment expenses, and realized and unrealized gains and losses.

Custodial funds

The Foundation receives, manages, invests and distributes assets under agreements with certain nonprofit organizations. These assets are recorded as investment assets and liabilities of the Foundation.

Cash and cash equivalents

For purposes of the statements of cash flows, the Foundation considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Donated services

Donated services are recorded in the financial statements if they enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition. During the years ended June 30, 2023 and 2022, many individuals volunteered their time and performed a variety of tasks that assisted the Foundation. The values of these services are not recognized in the accompanying financial statements. The Foundation did not receive any contributed nonfinancial assets for the years ending June 30, 2023 and 2022.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional allocation of expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, insurance, professional services, office expenses, information technology and occupancy which are allocated on the basis of estimates of time and effort.

Income tax status

The Foundation is classified by the Internal Revenue Service (IRS) as a tax-exempt organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the IRC. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Jewish Community Foundation of Greater Hartford, Inc.

Notes to Financial Statements June 30, 2023 and 2022

Management has analyzed the tax positions taken by the Foundation and has concluded that, as of June 30, 2023 and 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. If the Foundation had unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the income provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

New accounting pronouncements

The Foundation adopted Accounting Standards Update ("ASU") 2016-02 (as amended), *Leases* ("Topic 842") on July 1, 2022. Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for most leases. The Foundation elected and applied the following transition practical expedients when initially adopting Topic 842:

- To apply the provisions of Topic 842 at the adoption date, instead of applying them to the earliest comparative period presented in the financial statements.
- The package of practical expedients permitting the Foundation to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

The Foundation recognized the following as of the adoption date in connection with transitioning to Topic 842:

	<u>As of July 1, 2022</u>
Operating lease right-of-use assets	\$ 132,647
Operating lease liabilities	132,647

The adoption of Topic 842 did not have a material impact on the Foundation's change in net assets for the year ended June 30, 2023. The Foundation presents its right of use assets and lease liabilities for operating leases separately on its consolidated statement of financial position. See Note 9 regarding its rights of use assets for operating leases and lease liabilities.

The Foundation early adopted ASU 2523-01, *Leases (Topic 842) Common Control* arrangements. This standard requires entities to classify and account for a related party arrangement determined to be a lease on the same basis as an unrelated party (based on legally enforceable terms and conditions).

Subsequent events

The Foundation has evaluated events and transactions for potential recognition or disclosure through April 2, 2024, which is the date the financial statements were available to be issued. On July 1, 2023, \$4,694,165 of unrestricted funds held for the benefit of the Jewish Federation of Greater Hartford were reclassified from general-purpose funds to designated funds. This transfer was approved by the Foundation's Board of Trustees and resulted in a decrease in the amount of general-purpose fund net assets and a corresponding increase in designated fund net asset balance.

Jewish Community Foundation of Greater Hartford, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

Note 3 - Liquidity

The Foundation regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while investing in accordance with the Foundation's investment strategy in Note 7. As of June 30, 2023 and 2022, the following financial assets are available to meet annual operating needs of the 2023 and 2022 fiscal years, respectively:

	2023	2022
Cash and cash equivalents	\$ 5,050,559	\$ 4,683,741
Contributions receivable	349,391	1,300,660
Marketable securities	139,982,058	128,671,527
Non-marketable securities	21,469,560	21,480,571
Note receivable	-	12,373
Total financial assets	166,851,568	156,148,872
Less amounts not available to be used within one year		
Contributions receivable - due after one year, net	(115,612)	(123,510)
Assets held under split-interest agreements	(436,784)	(458,848)
Custodial funds managed for other charitable organizations	(29,954,835)	(27,605,206)
Donor-advised funds	(48,618,357)	(45,675,338)
Designated funds	(48,386,889)	(44,821,016)
Financial assets available to meet general expenditures within one year	\$ 39,339,091	\$ 37,464,954

The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, and liquid equity and bond instruments primarily from within its donor unrestricted general-purpose funds. The Foundation's Investment Committee meets at least quarterly to review investment performance and consider near-term liquidity needs. As a general matter, the Foundation strives to maintain a cash position in excess of one year's operating expense, but in all cases, maintains liquid assets from general-purpose funds sufficient to cover near-term liquidity needs.

In addition to financial assets available to meet general expenditures within one year, amounts reported as designated funds could be made available, as needed, by Board action.

Jewish Community Foundation of Greater Hartford, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

Note 4 - Contributions receivable

Contributions receivable are expected to be realized in the following periods:

	2023	2022
Less than one year	\$ 233,779	\$ 1,177,150
One to five years	122,142	131,428
	355,921	1,308,578
Less allowance for uncollectible amounts	-	-
Less unamortized discount (4.49% and 2.8%, respectively)	6,530	7,918
Total	\$ 349,391	\$ 1,300,660

Note 5 - Investments

The fair value of marketable securities at June 30, 2023 and 2022 is as follows:

	2023	2022
Pooled investments		
Managed equity funds	\$ 114,926,081	\$ 100,644,691
Managed bond funds	23,629,849	27,133,541
State of Israel bonds	894,889	892,295
US Treasury bills	496,775	-
Total pooled investments	139,947,594	128,670,527
Non-pooled investments		
State of Israel bonds	25,000	1,000
Other	9,465	-
Total marketable securities	\$ 139,982,058	\$ 128,671,527

The fair value of non-marketable investments at June 30, 2023 and 2022 is as follows:

	2023	2022
Pooled investments		
Non-marketable securities		
Private equity ¹	\$ 10,226,454	\$ 8,724,914
Venture capital	7,576,182	8,988,262
Private international equity	3,666,924	3,767,395
Total non-marketable securities	\$ 21,469,560	\$ 21,480,571

¹ The private equity category of non-marketable securities includes 100 shares of private company stock which was donated to the Foundation and recorded by management at a value of \$1 in December 2016.

Jewish Community Foundation of Greater Hartford, Inc.

Notes to Financial Statements June 30, 2023 and 2022

Investment return for the years ended June 30, 2023 and 2022 is summarized as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividend income, net	\$ 2,567,583	\$ 3,543,328
Less investment returns applicable to custodial funds	<u>(454,761)</u>	<u>(641,476)</u>
Net investment income	<u>2,112,822</u>	<u>2,901,852</u>
Realized gains	3,202,040	7,788,533
Unrealized gains (losses)	8,159,602	(34,903,521)
(Gains) losses applicable to custodial funds	(2,060,043)	4,857,851
Realized gains (losses) - net assets with donor restrictions	<u>12,699</u>	<u>(33,032)</u>
Net realized and unrealized (losses) gains	<u>9,314,298</u>	<u>(22,290,169)</u>
Total investment return	<u>\$ 11,427,120</u>	<u>\$ (19,388,317)</u>

Note 6 - Cash surrender value of life insurance

The cash surrender value of life insurance represents the amount the Foundation would receive from the life insurance policies it owns in the event the coverage is cancelled and the policy is surrendered to the issuing insurance company prior to the death of the insured. The cash surrender value of life insurance was \$198,514 and \$156,261 as of June 30, 2023 and 2022, respectively.

Note 7 - Fair value measurements

The Foundation values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Jewish Community Foundation of Greater Hartford, Inc.

Notes to Financial Statements June 30, 2023 and 2022

In determining fair value, the Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. The fair value hierarchy does not attempt to measure the quality of the investments.

Level 1 investments are valued based upon quoted market prices from real-time quotes in active exchange markets involving identical assets held by the Foundation at year end. Level 2 investments are valued based upon their unit values reported at year end. These units consist of investments valued based on observable inputs. Split interest agreements are valued using assumptions about life expectancy and discounted cash flow.

The Foundation's pooled investments and its non-marketable investments include direct investments in private equity funds, partnerships and limited liability companies. Their estimated fair values are reported at the net asset value ("NAV") per share of the investment or its equivalent, as a practical expedient for a fair value measurement, if (a) the underlying investment manager's calculation of NAV is fair value based, and (b) the NAV has been calculated by the fund manager as of the Foundation's fiscal year end. If the reported NAV is not as of the Foundation's fiscal year end or is not fair value based, the Foundation will adjust the NAV if deemed necessary. If the Foundation determines it is not practicable to calculate adjusted NAV, the practical expedient will not be utilized and other valuation methodologies will be used.

There have been no changes in the methodologies used at June 30, 2023 and 2022.

Financial assets and liabilities measured at fair value at June 30, 2023 have been categorized in the table below based upon the fair value hierarchy described above:

	Fair value	Level 1	Level 2	Level 3
Marketable securities				
Pooled investments				
Managed equity funds	\$ 86,432,857	\$ 86,432,857	\$ -	\$ -
Managed bond funds	14,831,962	14,831,962	-	-
State of Israel bonds	894,889	894,889	-	-
US Treasury bills	496,775	496,775	-	-
Total pooled investments	102,656,483	102,656,483	-	-
Non-pooled investments				
State of Israel bonds	25,000	25,000	-	-
Other	9,465	9,465	-	-
Total marketable securities in the fair value hierarchy	102,690,948	\$ 102,690,948	\$ -	\$ -
Pooled investments				
Fixed income funds	8,797,887			
International value funds	28,493,223			
Total pooled investments measured at NAV	37,291,110			
Total marketable securities at fair value	139,982,058			
Non-marketable securities				
Private equity	10,226,454			
Venture capital	7,576,182			
Private international equity	3,666,924			
Total non-marketable securities measured at NAV	21,469,560			
Total investments at fair value	\$ 161,451,618			
Liabilities under split-interest agreements	\$ 252,821	\$ -	\$ -	\$ 252,821

Jewish Community Foundation of Greater Hartford, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

Financial assets and liabilities measured at fair value at June 30, 2022 have been categorized in the table below based upon the fair value hierarchy described above:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable securities				
Pooled investments				
Managed equity funds	\$ 70,394,673	\$ 70,394,673	\$ -	\$ -
Managed bond funds	19,311,349	19,311,349	-	-
State of Israel bonds	<u>892,295</u>	<u>892,295</u>	-	-
Total pooled investments	90,598,317	90,598,317	-	-
Non-pooled investments				
State of Israel bonds	<u>1,000</u>	<u>1,000</u>	-	-
Total marketable securities in the fair value hierarchy	<u>90,599,317</u>	<u>\$ 90,599,317</u>	<u>\$ -</u>	<u>\$ -</u>
Pooled investments				
Fixed income funds	7,822,192			
International value funds	27,025,010			
Mid cap value funds	<u>3,225,008</u>			
Total pooled investments measured at NAV	<u>38,072,210</u>			
Total marketable securities at fair value	<u>128,671,527</u>			
Non-marketable securities				
Private equity	8,724,914			
Venture capital	8,988,262			
Private international equity	<u>3,767,395</u>			
Total non-marketable securities measured at NAV	<u>21,480,571</u>			
Total investments at fair value	<u>\$ 150,152,098</u>			
Liabilities under split-interest agreements	<u>\$ 237,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,300</u>

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments valued using NAV at June 30, 2023 and 2022 are as follows:

<u>June 30, 2023</u>		<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency (if currently eligible)</u>	<u>Redemption notice period</u>
Marketable securities					
Fixed income funds	(a)	\$ 8,797,887	\$ -	Daily-Monthly	0-5 days
International value funds	(b)	<u>28,493,223</u>	<u>-</u>	Monthly, Semi-annual, or Semi-liquid	10-60 days
		<u>\$ 37,291,110</u>	<u>\$ -</u>		
Non-marketable securities					
Private equity	(d)	\$ 10,226,454	\$ 2,141,828	Not Eligible, or Quarterly	N/A
Venture capital	(e)	7,576,182	4,163,500	Not Eligible	N/A
Private international equity	(f)	<u>3,666,924</u>	<u>10,000</u>	Not Eligible, Quarterly, or Annually	60-90 days
		<u>\$ 21,469,560</u>	<u>\$ 6,315,328</u>		

Jewish Community Foundation of Greater Hartford, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

<u>June 30, 2022</u>		<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency (if currently eligible)</u>	<u>Redemption notice period</u>
Marketable securities					
Fixed income funds	(a)	\$ 7,822,192	\$ -	Daily - Monthly	5 - 45 days
International value funds	(b)	27,025,010	-	Monthly	15 days
Mid cap funds	(c)	<u>3,225,008</u>	<u>-</u>	Monthly	10 days
		<u>\$ 38,072,210</u>	<u>\$ -</u>		
Non-marketable securities					
Private equity	(d)	\$ 8,724,914	\$ 3,844,960	Not Eligible	N/A
Venture capital	(e)	8,988,262	4,764,128	Not Eligible, or Quarterly	45-90 days
Private international equity	(f)	<u>3,767,395</u>	<u>10,000</u>	Not Eligible	N/A
		<u>\$ 21,480,571</u>	<u>\$ 8,619,088</u>		

This category primarily includes investments in funds that invest globally in commodity related instruments, primarily in the energy, agriculture and metals sectors. This category primarily includes investments in funds that invest mostly in international common stocks:

- (a) This category seeks income-oriented returns investing globally in mostly debt or debt-like securities.
- (b) This category primarily includes investments in funds that invest mostly in international common stocks.
- (c) This category seeks to provide long-term capital application by investing primarily in U.S. common stocks in the medium-to-large market capitalization segment.
- (d) This category includes investments in private limited partnerships, which make private equity investments with the objective of long-term capital growth. Distributions from each partnership will be received, generally, as the underlying investments are liquidated. It is estimated that the underlying assets will be liquidated and the partnerships will be terminated 10 to 15 years after inception of the fund.
- (e) This category primarily includes investments in private limited partnerships, which make venture capital investments in emerging growth companies with the objective of long-term capital growth. Distributions from each partnership will be received as the underlying investments are liquidated. It is estimated that the underlying assets will be liquidated and the partnerships will be terminated 10 to 15 years after inception of the fund.
- (f) This category primarily includes investments in private international limited partnerships, which make private international equity investments with the objective of long-term capital growth. Distributions from each partnership will be received as the underlying investments are liquidated. It is estimated that the underlying assets will be terminated 10 to 15 years after inception of the fund.

Jewish Community Foundation of Greater Hartford, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

Changes in fair value of non-marketable securities measured using NAV for the year ended June 30, 2023 are as follows:

	<u>Total</u>	<u>Private equity</u>	<u>Venture capital</u>	<u>Private international equity</u>
Balance, beginning	\$ 21,480,571	\$ 8,724,914	\$ 8,988,262	\$ 3,767,395
Realized gains	898,941	425,492	441,712	31,737
Unrealized losses	(2,944,705)	(429,781)	(1,919,739)	(595,185)
Contributions	3,653,146	2,604,146	549,000	500,000
Distributions	(1,592,493)	(1,105,170)	(452,008)	(35,315)
Net (expense) income	<u>(25,900)</u>	<u>6,853</u>	<u>(31,045)</u>	<u>(1,708)</u>
Balance, ending	<u>\$ 21,469,560</u>	<u>\$ 10,226,454</u>	<u>\$ 7,576,182</u>	<u>\$ 3,666,924</u>

Change in fair value of non-marketable securities measured using NAV for the year ended June 30, 2022 are as follows:

	<u>Total</u>	<u>Private equity</u>	<u>Venture capital</u>	<u>Private international equity</u>
Balance, beginning	\$ 19,449,255	\$ 7,090,005	\$ 7,931,173	\$ 4,428,077
Realized gains	1,525,803	944,883	545,546	35,374
Unrealized gains	605,493	774,805	450,003	(619,315)
Contributions	1,999,209	1,435,898	563,311	-
Distributions	(1,757,869)	(1,228,898)	(449,310)	(79,661)
Net expense	<u>(341,320)</u>	<u>(291,779)</u>	<u>(52,461)</u>	<u>2,920</u>
Balance, ending	<u>\$ 21,480,571</u>	<u>\$ 8,724,914</u>	<u>\$ 8,988,262</u>	<u>\$ 3,767,395</u>

Quantitative information about Level 3 fair value measurements

<u>2023</u>	<u>Fair value</u>	<u>Valuation technique</u>	<u>Unobservable inputs</u>	<u>Range of significant input</u>
Liabilities under split interest agreements	\$ 252,821	Present value of estimated future payment	Life expectancy, Discounted cash flow	3-29 years 4.2%
<u>2022</u>	<u>Fair value</u>	<u>Valuation technique</u>	<u>Unobservable inputs</u>	<u>Range of significant input</u>
Liabilities under split interest agreements	\$ 237,300	Present value of estimated future payment	Life expectancy, Discounted cash flow	4-30 years 3.6%

Jewish Community Foundation of Greater Hartford, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

Note 8 - Charitable funds management

The Foundation has more than 1,000 individual funds established for a variety of charitable purposes. It fulfills its responsibility for the charitable funds it manages by accounting for, reporting and making distributions from each fund in accordance with the donor's original intent as specified in the gift instrument that established the fund. In certain extraordinary circumstances, such as the loss of tax-exempt status or cessation of operations of the named beneficiary organization, the Foundation reserves the right to vary donor-imposed restrictions. Individual gift instruments may allow for the invasion of corpus unless expressly prohibited by their terms.

The Connecticut Uniform Prudent Management of Institutional Funds Act ("CTUPMIFA"), enacted October 1, 2007, provides guidelines for managing and investing charitable funds, as well as for spending from endowment funds.

The Foundation, upon review of gift instruments creating charitable funds at the Foundation, identified no funds that meet the definition of endowment under CTUPMIFA. Although the charitable assets entrusted to the Foundation do not meet this definition and, therefore, its spending is not limited by the provisions of CTUPMIFA, the Foundation looks to the following factors described in CTUPMIFA as a guide for prudent stewardship of the charitable assets it manages:

- (1) the duration and preservation of a fund;
- (2) the charitable purposes of the Foundation and the charitable funds it manages;
- (3) general economic conditions;
- (4) the possible effect of inflation and deflation;
- (5) the expected total return from income and the appreciation (depreciation) of investments;
- (6) other resources of the Foundation; and
- (7) the investment policies of the Foundation.

Investment strategy

The Foundation follows a total return approach to investing. This investment approach strives to balance income and potential for capital appreciation so that both components can contribute to the long-term total return of the Foundation's pooled investment portfolio.

The Foundation's investment policy and guidelines and spending guidelines are designed to operate in concert in order to provide a significant and stable flow of funds over the short-term to provide resources to meet current community needs and, at the same time, maintain the purchasing power of the funds over the long-term, so that the Foundation will be able to provide adequate resources to future generations to meet new and emerging needs.

Jewish Community Foundation of Greater Hartford, Inc.

Notes to Financial Statements June 30, 2023 and 2022

Spending policy

The Foundation's spending policy guides the amount that will be available each year for grant making and for the support of the Foundation's operating budget. Annual spending at the Foundation is based on a percentage of the average value of funds over the previous 20 quarters, subject to a ceiling and a floor. It applies to unrestricted and designated funds at the Foundation, with the exception of portions of funds that represent non-liquid assets, funds that hold income generating investments and where gift instruments specifically provide for distributions of other amounts. With respect to donor advised and custodial funds, grants and distributions may be made in excess of the calculated spending policy.

Current spending (for grant making and operating support) for fiscal years 2023 and 2022 has been set at 5% of the previous 20 quarters' average market values of fund balance, subject to a floor of 4% and a ceiling of 5.5% of the fund balance determined as of June 30, 2022 and 2021, respectively.

Note 9 - Leases

The Foundation leases a building and office equipment used in its operations. All contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Foundation recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right of use asset equal to the lease liability, adjusted for prepaid lease costs, initial direct costs and lease incentives. The Foundation has selected and applied the practical expedient available to lessees to combine non-lease components with their related lease components and account for them as a single combined lease component for all its leases. The Foundation remeasures lease liabilities and related right of use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modifications do not qualify to be accounted for as a separate contract.

The Foundation determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Foundation estimated the risk-free rate as the discount rate. The Foundation's risk-free rate, which is determined at either lease commencement or when a lease liability is remeasured, is the rate on the US. Government securities over a period commensurate with the lease term.

For accounting purposes, the Foundation's leases commence on the earlier of (i) the date upon which the Organizations obtain control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the Foundation's leases coincides with the contractual effective date. The Foundation's leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the Foundation and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts.

Unless the Foundation determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or non-exercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum non-cancellable contractual term. When the exercise of a renewal option or non-exercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

Jewish Community Foundation of Greater Hartford, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

The Foundation includes variable rental payments based on a rate or an index such as the Consumer Price index ("CPI") in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

Leases involving real estate

The lease of office space has a lease term through April 2026. Rent is fixed through the end of the lease term. These terms have been incorporated into the measurement of the related right of use assets and lease liabilities. The real estate lease requires reimbursement of common area charges that are expensed as incurred.

Leases involving office equipment

The office equipment lease has an initial lease term of five years and does not have renewal options. Rental payments on this lease are fixed payments over the lease term at predetermined amounts and are therefore included in the measurement of lease liabilities.

Financial information

The following provides information about the Foundation's right-of-use assets and lease liabilities for its operating leases as of June 30, 2023:

	Statement of financial position classification	June 30, 2023
Right-of-use assets		
Operating leases	Assets	\$ 97,682
Lease liabilities		
Operating leases	Liabilities	97,682

The components of the Foundation's operating lease costs for the year ended June 30, 2023 are as follows:

	Statement of functional expense classification	2023	2022
Rent expense	Occupancy, office expense	\$ 33,310	\$ 33,310
Variable rent	Occupancy	13,622	12,048
Total lease costs		\$ 46,932	\$ 45,358

The weighted average remaining lease term and weighted average discount rate for the Foundation's leases are as follows as of June 30, 2023:

Weighted average remaining term (in years)	
Operating leases	2.8 years
Weighted average discount rate	
Operating leases	2.85%

Jewish Community Foundation of Greater Hartford, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

Supplemental cash flow information related to the Foundation's leases for the year ended June 30, 2023 is as follows:

<u>Year ended June 30, 2023</u>	<u>Operating leases</u>
Cash paid for amounts included in the measurement of lease liabilities	
Operating	\$ 32,408
Right-of-use assets obtained in exchange for lease liabilities	
Operating	\$ 132,647

The annual maturity analysis of the Foundation's lease liabilities as of June 30, 2023 is as follows:

<u>Year ending June 30,</u>	
2024	\$ 37,040
2025	35,290
2026	<u>29,408</u>
Total lease payments	101,738
Less interest	<u>(4,056)</u>
Present value of lease liability	<u><u>\$ 97,682</u></u>

Note 10 - Split-interest agreements

The Foundation's split-interest agreements with donors consist primarily of irrevocable charitable remainder trusts for which the Foundation serves as trustee. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements.

Assets held relating to the split-interest agreements for 2023 and 2022 were \$436,784 and \$458,848, respectively, and are included in investments - marketable securities in the statements of financial position. The liabilities related to the split-interest agreements for 2023 and 2022 were \$252,821 and \$237,300, respectively. See Note 13 for the net assets associated with the split-interest agreements as of June 30, 2023 and 2022.

Contribution revenue for charitable remainder trusts is recognized at the date the agreement is established equal to the fair value of the gift, net of the liability recorded for the present value of the estimated future payments to be made to the respective donors and/or other income beneficiaries using a discount rate of 5% and actuarial tables. The change in the value of the split-interest agreements was (\$50,272) and (\$12,757) for the years ended June 30, 2023 and 2022, respectively.

Note 11 - Life insurance premiums

Included in operating expenses are life insurance premiums paid on life insurance policies for certain policies that the Foundation owns and is named beneficiary. Life insurance premiums were \$44,098 and \$42,800 for the years ended June 30, 2023 and 2022, respectively.

Jewish Community Foundation of Greater Hartford, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

Note 12 - Custodial funds managed for other charitable organizations

The Foundation holds, administers, and manages certain charitable funds established and owned by various agencies and local synagogues as part of its commingled investment pool. These funds receive additions and make distributions for the sole purpose of supporting the operations of the agencies and synagogues that established them.

Activity in the custodial funds for the years ended June 30, 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Custodial funds, beginning	\$ 27,605,206	\$ 28,164,332
Contributions	1,540,007	5,814,150
Investment return	2,514,804	(4,216,375)
Distributions	(1,448,577)	(1,870,994)
Administrative expenses	<u>(256,605)</u>	<u>(285,907)</u>
Custodial funds, end	<u>\$ 29,954,835</u>	<u>\$ 27,605,206</u>

At June 30, 2023 and 2022, the Foundation held assets as custodian for the following:

	<u>2023</u>	<u>2022</u>
Anonymous	\$ 4,176,976	\$ 3,790,278
Beth El Temple Cemetery Perpetual Care Fund	845,478	784,500
The Emanuel Synagogue	589,804	548,308
The Endowment Fund of Beth El Temple of West Hartford	6,393,399	5,744,854
B'nai Sholom Cemetery Fund	299,741	278,648
Congregation Beth Israel	1,624,256	1,528,722
New England Jewish Academy	275,829	265,894
Hebrew Senior Care	3,259,920	3,384,569
Joyce D. and Andrew J. Mandell Jewish Community Center	1,934,314	1,818,385
Jewish Association for Community Living Auxiliary Fund	13,089	12,168
Jewish Federation of Greater Hartford CSB Reserve Fund	240,082	190,699
Jewish Family Services of Greater Hartford	701,699	674,765
Jewish Historical Society of Greater Hartford	195,054	181,327
JT Connect Custodial Endowment Fund	37,391	34,760
Elayne and James Schoke Jewish Family Service of Fairfield County	5,438,972	5,049,195
Solomon Schechter Day School	399,645	379,865
Temple Beth El Stamford	3,027,127	2,751,995
University of Connecticut Hillel	443,867	268,146
Young Israel of West Hartford Endowment Fund	<u>49,863</u>	<u>46,354</u>
	29,946,506	27,733,432
Unallocated investment income (loss)	<u>8,329</u>	<u>(128,226)</u>
	<u>\$ 29,954,835</u>	<u>\$ 27,605,206</u>

Jewish Community Foundation of Greater Hartford, Inc.

Notes to Financial Statements June 30, 2023 and 2022

The \$8,329 of unallocated investment gain for the year ended June 30, 2023 will be allocated to each of the listed funds in the following year resulting in an increase of the balance of each fund by .03%. The unallocated investment loss of \$(128,226) for the year ended June 30, 2022 was deducted from each fund during the year ended June 30, 2023 resulting in a decrease of approximately .50% to each fund.

Note 13 - Net assets with donor restrictions

Net assets with donor restrictions include charitable remainder trusts (assets, net of liabilities, which are time-restricted). Net assets with donor restrictions consist of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Split-interest agreements (Note 10)	<u>\$ 183,963</u>	<u>\$ 221,536</u>

Note 14 - Related party transactions

The Jewish Community Foundation was established as the Endowment Foundation of the Jewish Federation of Greater Hartford, Inc. in 1972. In 1993, the Foundation became an independent nonprofit entity with its own Board of Trustees. The bylaws of the Foundation continue to require that a percentage of the Board members of the Foundation be directors, community trustees, life community trustees, or members of committees or task forces of the Federation. The Foundation awarded grants to the Federation of \$1,402,900 and \$1,231,680 for the years ended June 30, 2023 and 2022, respectively. Outstanding grants payable to the Federation at June 30, 2023 and 2022 were \$0 and \$256,182, respectively.

Members of the Board of Trustees of the Foundation serve in a volunteer capacity. They oversee the Foundation's development activities and make charitable contributions to the Foundation. Contributions received from or on behalf of individual trustees were approximately \$573,000 and \$965,000 for the years ended June 30, 2023 and 2022, respectively.

During the year, grants have been approved and disbursed to charitable organizations in which some members of the Board of Trustees may be involved through board or committee service or volunteer advisory relationships. It is the Foundation's policy to have each trustee disclose potential conflicts of interest and abstain from voting and discussion where appropriate. Community grants to those organizations were \$349,384 and \$368,960 for the years ended June 30, 2023 and 2022, respectively.

The Foundation has entered into a lease arrangement with the Federation for the use of office space. The lease arrangement provides for a monthly payment of \$2,941 and an annual amount for common charges (\$13,622 in 2023 and \$12,048 in 2022) see note 9.

Pursuant to a shared services agreement, the Foundation reimbursed the Federation at cost for specific operating expenses of \$45,239 for the year ended June 30, 2023 and \$41,442 for the year ended June 30, 2022.

Jewish Community Foundation of Greater Hartford, Inc.

Notes to Financial Statements June 30, 2023 and 2022

Note 15 - Retirement plan

The Foundation offers a Section 403(b) defined contribution salary deferral plan, which covers substantially all employees. The Foundation matches a portion of the employees' contributions based upon years of service. For the years ended June 30, 2023 and 2022, the pension expense was \$40,078 and \$34,985, respectively.

Note 16 - Concentrations

Off balance sheet risk

The Foundation places its temporary cash investments with high credit quality financial institutions. At times, such investments may exceed federally insured limits. As of June 30, 2023 and 2022, the Foundation's uninsured cash balances are not material.

Investments

The Foundation maintains accounts with several brokerage firms. The accounts contain cash, marketable securities, which are insured by the Securities Investor Protection Corporation ("SIPC"), and non-marketable securities not insured by SIPC. The Foundation's investments include a diversified portfolio of marketable and non-marketable securities managed by professional investment advisors, designed to minimize market concentration risks.

Gifts and bequests

There was one donor during the fiscal year ended June 30, 2023 whose contribution accounted for 13% of the total gifts and bequests. During 2022, there was one donor whose donations accounted for 35% of the total gifts and bequests.

Note 17 - Jewish Hartford Rapid Relief and Recovery Fund

In response to the challenges due to the COVID-19 pandemic, the Foundation partnered with the Federation to create a "joint initiative", soliciting contributions from the community. Assets collected are held by the Foundation in the Jewish Hartford Rapid Relief and Recovery Fund (the "RRR" fund). A special committee was formed to determine needs and develop a process to grant the funds. These grants were split into three categories of assistance - humanitarian (to aid individuals), local Jewish agencies and local synagogues. Grants transferred to the RRR fund from existing donor-advised funds held by the Foundation are included in net assets without donors restrictions - designated funds. New contributions are included in net assets with donor restrictions. The Foundation assesses no administrative fees on the fund. Direct operational expenses incurred in carrying out the RRR fund's mandate are charged against the fund. Through June 30, 2023, the Foundation has received \$787,617. The Foundation distributed grants of \$709,469 through June 30, 2022 and an additional \$78,148 through June 30, 2023. The remaining balance at June 30, 2023 is zero.

Independent Auditor's Report on Supplementary Information

To the Board of Trustees
Jewish Community Foundation of Greater Hartford, Inc.

We have audited the financial statements of Jewish Community Foundation of Greater Hartford, Inc. as of and for the years ended June 30, 2023 and 2022, and have issued our report thereon dated April 2, 2024, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 29 to 50 is presented for 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.

CohnReznick LLP

Hartford, Connecticut
April 2, 2024

Jewish Community Foundation of Greater Hartford, Inc.

**Schedule of Activities and Changes in Net Assets by Fund
Year Ended June 30, 2023**

	Without donor restrictions			With donor restrictions	Eliminations	Total
	General - purpose	Donor - advised	Designated			
Public support and revenues						
Gifts and bequests	\$ 226,616	\$ 2,430,652	\$ 1,348,871	\$ -	\$ -	\$ 4,006,139
Change in contributions receivable discount	-	-	1,388	-	-	1,388
Investment income, net	633,985	768,381	710,456	-	-	2,112,822
Fee income	1,664,720	-	-	-	(1,336,081)	328,639
Increase (decrease) in life insurance cash surrender value	-	3,947	33,304	-	-	37,251
Change in value of split-interest agreements	-	-	-	(50,272)	-	(50,272)
Realized and unrealized losses on investments	2,689,546	3,335,564	3,276,489	12,699	-	9,314,298
Net assets released from restriction	-	-	-	-	-	-
Total public support and revenues	<u>5,214,867</u>	<u>6,538,544</u>	<u>5,370,508</u>	<u>(37,573)</u>	<u>(1,336,081)</u>	<u>15,750,265</u>
Grants and expenses						
Grants	487,067	2,947,799	1,602,072	-	-	5,036,938
Operating expenses	<u>2,434,819</u>	<u>427,060</u>	<u>454,617</u>	<u>-</u>	<u>(1,336,081)</u>	<u>1,980,415</u>
Total grants and expenses	<u>2,921,886</u>	<u>3,374,859</u>	<u>2,056,689</u>	<u>-</u>	<u>(1,336,081)</u>	<u>7,017,353</u>
Excess (deficiency) of public support and revenues over grants and expenses	2,292,981	3,163,685	3,313,819	(37,573)	-	8,732,912
Interfund transfers	(31,388)	(220,666)	252,054	-	-	-
Net assets, beginning	<u>36,898,638</u>	<u>45,675,338</u>	<u>44,821,016</u>	<u>221,536</u>	<u>-</u>	<u>127,616,528</u>
Net assets, end	<u>\$ 39,160,231</u>	<u>\$ 48,618,357</u>	<u>\$ 48,386,889</u>	<u>\$ 183,963</u>	<u>\$ -</u>	<u>\$ 136,349,440</u>

See Independent Auditor's Report on Supplementary Information.

Jewish Community Foundation of Greater Hartford, Inc.

**Schedule of Activities and Changes in Net Assets by Fund
Year Ended June 30, 2022**

	Without donor restrictions			With donor restrictions	Eliminations	Total
	General - purpose	Donor - advised	Designated			
Public support and revenues						
Gifts and bequests	\$ 4,238,385	\$ 3,946,770	\$ 2,265,047	\$ 1,020	\$ -	\$ 10,451,222
Change in contributions receivable discount	-	326	7,088	-	-	7,414
Investment income, net	869,158	952,445	1,080,249	-	-	2,901,852
Fee income	1,795,046	-	-	-	(1,506,939)	288,107
Increase (decrease) in life insurance cash surrender value	-	-	(2,275)	-	-	(2,275)
Change in value of split-interest agreements	-	-	-	(12,757)	-	(12,757)
Realized and unrealized losses on investments	(6,638,223)	(7,584,474)	(8,034,440)	(33,032)	-	(22,290,169)
Net assets released from restriction	1,020	-	-	(1,020)	-	-
Total public support and revenues	<u>265,386</u>	<u>(2,684,933)</u>	<u>(4,684,331)</u>	<u>(45,789)</u>	<u>(1,506,939)</u>	<u>(8,656,606)</u>
Grants and expenses						
Grants	466,164	2,614,341	1,441,002	-	-	4,521,507
Operating expenses	2,351,795	456,609	531,459	-	(1,506,939)	1,832,924
Total grants and expenses	<u>2,817,959</u>	<u>3,070,950</u>	<u>1,972,461</u>	<u>-</u>	<u>(1,506,939)</u>	<u>6,354,431</u>
Deficiency of public support and revenues over grants and expenses	(2,552,573)	(5,755,883)	(6,656,792)	(45,789)	-	(15,011,037)
Interfund transfers	670,558	2,887,154	(3,557,712)	-	-	-
Net assets, beginning	<u>38,780,653</u>	<u>48,544,067</u>	<u>55,035,520</u>	<u>267,325</u>	<u>-</u>	<u>142,627,565</u>
Net assets, end	<u>\$ 36,898,638</u>	<u>\$ 45,675,338</u>	<u>\$ 44,821,016</u>	<u>\$ 221,536</u>	<u>\$ -</u>	<u>\$ 127,616,528</u>

See Independent Auditor's Report on Supplementary Information.



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