

JEWISH FEDERATION OF GREATER PORTLAND

FINANCIAL STATEMENTS

Year Ended June 30, 2023



Jewish Federation
OF GREATER PORTLAND

KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

JEWISH FEDERATION OF GREATER PORTLAND

FINANCIAL STATEMENTS

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jewish Federation of Greater Portland
Portland, Oregon

Opinion

We have audited the accompanying financial statements of Jewish Federation of Greater Portland (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Federation of Greater Portland as of June 30, 2023, and the changes in its net assets and its cash flows for the year 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 Federation of Greater Portland 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 Federation of Greater Portland's ability to continue as a going concern within one year after the date that the financial statements are available to be 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.

To the Board of Directors
Jewish Federation of Greater Portland

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 Federation of Greater Portland'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 Federation of Greater Portland'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.

Report on Summarized Comparative Information

We have previously audited Jewish Federation of Greater Portland's 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 6, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

KERN THOMPSON, LLC

Portland, Oregon
December 19, 2023

JEWISH FEDERATION OF GREATER PORTLAND

STATEMENT OF FINANCIAL POSITION

June 30, 2023

(With Comparative Totals as of June 30, 2022)

ASSETS

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,689,482	\$ 2,650,183
Pledges receivable (Note C)	1,681,793	1,751,466
Other receivables	85,623	102,201
Notes receivable (Note D)	10,000	26,000
Prepaid expenses	61,651	26,993
Investments (Note E)	3,971,055	3,613,866
Lease right of use asset	493,225	-
Property and equipment, net of accumulated depreciation of \$164,381 and \$126,189, respectively (Note F)	<u>901,240</u>	<u>931,825</u>
Total assets	<u>\$ 8,894,069</u>	<u>\$ 9,102,534</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 112,394	\$ 109,863
Accrued vacation	73,654	73,686
Lease right of use liability	493,225	-
Allocations payable (Note H)	<u>2,484,093</u>	<u>3,200,298</u>
Total liabilities	<u>3,163,366</u>	<u>3,383,847</u>
Net assets		
Without donor restrictions	3,803,379	3,862,746
With donor restrictions (Note J)	<u>1,927,324</u>	<u>1,855,941</u>
Total net assets	<u>5,730,703</u>	<u>5,718,687</u>
Total liabilities and net assets	<u>\$ 8,894,069</u>	<u>\$ 9,102,534</u>

See notes to financial statements.

JEWISH FEDERATION OF GREATER PORTLAND

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Revenues and other support				
Total campaign contributions	\$ 2,874,952	\$ 566,284	\$ 3,441,236	\$ 4,938,784
Provision for uncollectible pledges	(23,271)	-	(23,271)	17,897
Net campaign contributions	<u>2,851,681</u>	<u>566,284</u>	<u>3,417,965</u>	<u>4,956,681</u>
Grants	110,551	-	110,551	93,843
Special events	100,934	-	100,934	16,839
Interest and dividends	76,493	36,982	113,475	77,817
Bequests and other	<u>174,780</u>	<u>-</u>	<u>174,780</u>	<u>25,000</u>
	3,314,439	603,266	3,917,705	5,170,180
Net assets released from restrictions	<u>531,883</u>	<u>(531,883)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>3,846,322</u>	<u>71,383</u>	<u>3,917,705</u>	<u>5,170,180</u>
Expenses				
Program services	3,257,525	-	3,257,525	3,635,438
Supporting services				
Management and general	373,355	-	373,355	402,736
Fundraising	<u>519,040</u>	<u>-</u>	<u>519,040</u>	<u>403,433</u>
Total expenses	<u>4,149,920</u>	<u>-</u>	<u>4,149,920</u>	<u>4,441,607</u>
Change in unrestricted net assets before appreciation of investments	(303,598)	71,383	(232,215)	728,573
Net appreciation (depreciation) of investments	<u>244,231</u>	<u>-</u>	<u>244,231</u>	<u>(536,158)</u>
Change in net assets	(59,367)	71,383	12,016	192,415
Net assets				
Beginning of year	<u>3,862,746</u>	<u>1,855,941</u>	<u>5,718,687</u>	<u>5,526,272</u>
End of year	<u>\$ 3,803,379</u>	<u>\$ 1,927,324</u>	<u>\$ 5,730,703</u>	<u>\$ 5,718,687</u>

See notes to financial statements.

JEWISH FEDERATION OF GREATER PORTLAND

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	PROGRAM SERVICES					SUPPORTING SERVICES		Total	
	Agency and Other Support	Community Relations Committee	Community Planning and Coordination	Outreach and Community Engagement	Total Program	Management and General	Financial Resource Development	2023	2022
Allocations and grants	\$ 2,171,277	\$ -	\$ -	\$ -	\$ 2,171,277	\$ -	\$ -	\$ 2,171,277	\$ 2,659,334
Salaries	-	140,345	177,851	307,115	625,311	196,468	232,286	1,054,065	906,222
Payroll taxes	-	11,447	14,506	25,049	51,002	16,024	18,946	85,972	77,515
Benefits	-	21,756	27,570	47,608	96,934	30,456	36,008	163,398	160,731
Advertising	-	121	112	193	426	123	146	695	9,063
Agency dues	-	3,800	-	-	3,800	-	-	3,800	11,375
Auto and travel	-	1,119	981	1,839	3,939	1,083	2,175	7,197	5,933
Books - PJ Library	-	-	-	55,438	55,438	-	-	55,438	49,036
Committee meetings	-	144	182	315	641	201	238	1,080	1,100
Cultivation	-	1,568	1,745	4,665	7,978	1,927	2,426	12,331	8,336
Data processing	-	919	1,164	2,010	4,093	1,286	1,521	6,900	5,520
Depreciation	-	-	-	23,777	23,777	12,995	-	36,772	38,193
Dues and subscriptions	-	503	638	1,102	2,243	705	851	3,799	3,841
Insurance	-	2,127	2,695	4,655	9,477	2,978	3,520	15,975	18,816
Interest expense	-	-	-	-	-	27,380	-	27,380	34,614
Office supplies	-	848	981	1,719	3,548	2,019	1,281	6,848	5,815
Printing and postage	-	1,308	2,721	2,863	6,892	1,831	6,732	15,455	10,674
Professional conferences	-	3,591	3,283	9,734	16,608	3,627	4,288	24,523	6,056
Professional services	-	27,778	4,788	8,268	40,834	39,850	6,253	86,937	107,317
Occupancy	-	13,872	17,579	30,355	61,806	19,419	22,959	104,184	103,827
Repairs and maintenance	-	70	88	152	310	97	115	522	859
Computer software, repairs	-	7,744	9,813	16,946	34,503	10,841	12,817	58,161	24,959
Equipment rent and repairs	-	1,047	1,327	2,292	4,666	1,466	1,733	7,865	13,428
Telephone	-	1,529	1,937	3,345	6,811	2,140	2,530	11,481	10,987
Training/recruitment	-	103	130	225	458	144	170	772	1,475
Special events	-	-	-	-	-	-	161,711	161,711	117,614
Missions	-	-	-	-	-	-	-	-	12,051
Burial services	-	-	-	23,815	23,815	-	-	23,815	34,535
Other	-	210	267	461	938	295	334	1,567	2,381
	<u>\$ 2,171,277</u>	<u>\$ 241,949</u>	<u>\$ 270,358</u>	<u>\$ 573,941</u>	<u>\$ 3,257,525</u>	<u>\$ 373,355</u>	<u>\$ 519,040</u>	<u>\$ 4,149,920</u>	<u>\$ 4,441,607</u>

See notes to financial statements.

JEWISH FEDERATION OF GREATER PORTLAND

STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 12,016	\$ 192,415
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for uncollectible pledges	23,271	(17,898)
Depreciation	36,772	38,193
Net realized and unrealized (gains) and losses on investments	(244,231)	536,158
Changes in assets and liabilities:		
Pledges receivable	46,402	(233,640)
Other receivables	16,578	(48,652)
Prepaid expenses	(34,658)	706
Accounts payable and accrued expenses	2,531	(17,102)
Accrued vacation	(32)	14,156
Allocations payable	(716,205)	446,889
Net cash provided by (used in) operating activities	<u>(857,556)</u>	<u>911,225</u>
Cash flows from investing activities:		
Acquisition of investments	(279,821)	(642,926)
Sales proceeds from investments	166,863	62,343
Note receivable principle received	16,000	16,000
Purchase of property and equipment	(6,187)	(12,162)
Net cash provided by (used in) investing activities	<u>(103,145)</u>	<u>(576,745)</u>
Net increase (decrease) in cash and cash equivalents	(960,701)	334,480
Cash and cash equivalents, beginning of year	<u>2,650,183</u>	<u>2,315,703</u>
Cash and cash equivalents, end of year	<u>\$ 1,689,482</u>	<u>\$ 2,650,183</u>

See notes to financial statements.

JEWISH FEDERATION OF GREATER PORTLAND

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE A – DESCRIPTION OF ORGANIZATION

The purpose of the Jewish Federation of Greater Portland (the Federation) is to further and promote Jewish charitable, religious, educational, and cultural endeavors primarily in the Portland metropolitan area. Funds are provided primarily by campaign contributions. In order to achieve these objectives, the Board has established a group of endowment accounts held by the Oregon Jewish Community Foundation comprised of donor restricted and Board designated funds.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Pronouncements

During the year ended June 30, 2023, the Federation adopted *Accounting Standards Update No. 2016-02, Leases Topic 842* ("ASC 842"). The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.

The Federation elected the optional method to apply the transition provisions of ASC 842 from the date of adoption, which requires the Federation to report the cumulative effect of the standard on the date of adoption with no changes to the prior period balances. Pursuant to the practical expedients, the Federation elected not to reassess: (i) whether the expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or (iii) initial direct cost for any existing leases.

Operating and financing lease ROU assets and related lease liabilities are recognized at the present value of the future lease payments over the base noncancelable lease term, at the lease commencement date for each lease. The Federation elected the practical expedient allowing use of the risk-free rate as the interest rate for determining the present value of the future lease payments.

Basis of Presentation

The Federation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Federation and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets either subject to donor-imposed stipulations that will be met either by actions of the Federation and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

JEWISH FEDERATION OF GREATER PORTLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift, except contributions of works of art, historical treasures, and similar assets held as part of collections are not recognized or capitalized. Contributions to be received after one year are discounted at a rate commensurate with the risk involved.

The Federation reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Federation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash Equivalents

For financial reporting purposes, the Federation considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Allowance for Pledges Receivable

The Federation makes an annual determination of the adequacy of the allowance for pledges receivable by analyzing past results and the aging of pledges as of June 30 of each year. The total allowance for uncollectible pledges is \$283,734.

Investments and Fair Value Measurements

Investments are the only assets measured at fair value on a recurring basis. Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data by correlation such as appraisals or other means such as calculations based on contractual rates and published tables.

Level 3 – Unobservable inputs that reflect management's assumptions and best estimates based on available data, or based on measurements by other third-party foundations.

JEWISH FEDERATION OF GREATER PORTLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Fair Value Measurements (Continued)

Investments in equity and fixed income pools at the Oregon Jewish Community Foundation are all Level 3 investments in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. The Federation has no assets measured under Level 2.

Notes Receivable

Notes receivable are reported at their outstanding principal. Payments collected on notes receivable are amortized to principal and income using the interest method over the remaining period to contractual maturity. Notes receivable are considered by management to be fully collectable and, accordingly, no allowance for doubtful accounts is considered necessary. In making that determination, management evaluated the financial condition of the borrowers, the estimate value of the underlying collateral, and current economic conditions.

Property and Equipment

Property and equipment over \$1,000 is carried at cost when purchased, and at fair market value when acquired by gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which are generally three to five years. Maintenance and repairs are expensed as incurred. Betterments and renewals are capitalized.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Income Taxes

The Federation has been approved as a tax-exempt organization under the Internal Revenue Code Section 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Federation does not believe it has unrelated trade or business tax income.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been estimated and allocated among the programs and supporting services benefited on the basis of time and effort.

JEWISH FEDERATION OF GREATER PORTLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Federation's financial statements for the year ended June 30, 2022, from which the summarized information was derived. Certain reclassifications have been made to the prior year information in order to conform with the current year presentation.

NOTE C – PLEDGES RECEIVABLE

Pledges receivable, which are unconditional promises to give, consist of the following at June 30, 2023:

Pledges receivable expected to be collected in:	
Less than one year	\$ 1,298,860
One to five years	666,667
	<u>1,965,527</u>
Less allowance for uncollectible pledges	<u>(283,734)</u>
Net pledges receivable	<u>\$ 1,681,793</u>

NOTE D – NOTES RECEIVABLE

Notes receivable as of June 30, 2023 consists of the following:

Note receivable from Chabad Lubavich of Oregon, an unrelated party. The loan carries an interest rate of 1% and is payable to the Federation in annual installments of \$10,000 plus accrued interest. The loan is fully collateralized, and the final payment is due June 30, 2024.	\$ <u>10,000</u>
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NOTE E – INVESTMENTS

Investments as of June 30, 2023 include State of Israel bonds, a life insurance policy, land, a group of pooled investments held by the Oregon Jewish Community Foundation and funds managed by Morgan Stanley. Pooled funds and other marketable securities are recorded at fair market value and realized and unrealized gains and losses are reflected in the Statement of Activities. The remaining investments are recorded at cost as market values are not readily determinable.

JEWISH FEDERATION OF GREATER PORTLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE E – INVESTMENTS (CONTINUED)

The following schedule displays the detail of investments by major types:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Oregon Jewish Community Foundation				
Equity pool	\$ 2,129,988	\$ -	\$ -	\$ 2,129,988
Fixed pool	<u>1,311,172</u>	<u>-</u>	<u>-</u>	<u>1,311,172</u>
Total Oregon Jewish Community Foundation	<u>3,441,160</u>	<u>-</u>	<u>-</u>	<u>3,441,160</u>
Other investments				
State of Israel bonds	2,000	-	-	2,000
U.S. Treasury Bills	487,879	487,879	-	-
Life insurance policy (cash surrender value)	<u>40,016</u>	<u>-</u>	<u>-</u>	<u>40,016</u>
Total other investments	<u>529,895</u>	<u>487,879</u>	<u>-</u>	<u>42,016</u>
	<u>\$ 3,971,055</u>	<u>\$ 487,879</u>	<u>\$ -</u>	<u>\$ 3,483,176</u>

The changes in assets valued using Level 3 measurements are as follows:

Balance, June 30, 2022	\$ 3,113,866
Purchases	91,841
Sales	(166,863)
Total gains and losses included on the Statement of Activities	247,868
Contribution of Level 3 assets	196,464
Transfers in or out of Level 3	<u>-</u>
Balance, June 30, 2023	<u>\$ 3,483,176</u>

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Land	\$ 90,182
Mikveh Building	896,833
Leasehold improvements	26,002
Equipment	42,103
Furniture	<u>47,263</u>
	<u>1,102,383</u>
Accumulated depreciation	<u>(201,143)</u>
Total property and equipment	<u>\$ 901,240</u>

JEWISH FEDERATION OF GREATER PORTLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE G – LINE OF CREDIT

The Federation has a \$500,000 unsecured revolving line of credit with Key Bank at the bank's prime rate of interest (4.25% at June 30, 2023). There were no advances on the line as of June 30, 2023.

NOTE H – ALLOCATIONS PAYABLE

Allocations payable represent amounts promised to other agencies and special projects from the current year's campaign. Designated payables are current year campaign amounts contributed for specific agencies. Disbursement of annual allocations is generally made pro-rata over a twelve-month period less prepayments, which totals \$2,647,874 as of June 30, 2023.

Funds have been allocated as follows:

	<u>Allocated</u>	<u>Designated</u>	<u>Total</u>
Campaign allocations:			
Jewish Federation of North America	\$ 225,000	\$ 5,440	\$ 230,440
Agencies:			
Portland Jewish Academy	61,667	1,800	63,467
Jewish Family and Child Service	183,180	3,790	186,970
Hillel (Local - UO and PDX and National)	111,000	7,200	118,200
Oregon Jewish Museum	50,500	8,250	58,750
BB Camp	-	16,400	16,400
Maimonides Jewish Day School	27,550	-	27,550
Mittleman Jewish Community Center	127,000	5,400	132,400
Preschools	35,000	-	35,000
Jewish Youth Groups	7,050	-	7,050
Maayan Torah Day School	61,750	-	61,750
Robison	193,000	8,500	201,500
One Happy Camper	73,000	-	73,000
Overseas Special Projects	115,000	-	115,000
Eastside	50,000	-	50,000
Chabad of NE	6,900	5,800	12,700
Chabad of Hillsboro	4,320	-	4,320
Akko Educators	-	11,100	11,100
Portland Area Jewish Educators	162,450	2,250	164,700
Security	10,000	15,000	25,000
Chaplain	-	4,816	4,816
Moishe House	13,400	-	13,400
Goodman Fund	-	66,000	66,000
Stern Education Fund	-	25,000	25,000
Women's Giving Circle	-	25,354	25,354
Community Study	12,000	72,500	84,500
Other	60,150	57,152	117,302
	<u>\$ 1,589,917</u>	<u>\$ 341,752</u>	<u>1,931,669</u>
Total campaign allocations			1,931,669
Prior year unpaid allocations			3,200,298
Less prepayments and pledge released from restriction			<u>(2,647,874)</u>
Allocations payable			<u>\$ 2,484,093</u>

JEWISH FEDERATION OF GREATER PORTLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE I – LEASE ASSET AND LIABILITIES

Nature of Leases

The Federation has renewed a non-cancelable operating lease for its administrative activities that expires on November 30, 2027. The lease generally requires the Federation to pay for property taxes, maintenance, and insurance under a rent schedule currently at \$9,320 per month and increasing 3% annually through the final year of the term. The difference between the projected present value of amortizing the escalations and the straight-line method is not material. The Federation recognized an initial ROU asset and liability of \$589,698 using a risk free 5-year rate of 2.55% based on the expected remaining lease term.

Other Required Information

Annual Lease Cost	\$ <u>109,126</u>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from leases	\$ <u>109,126</u>
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ <u>589,698</u>
Weighted-average remaining lease term	4.5
Weighted-average discount rate	2.55%

Future minimum lease payments and reconciliation to the statement of financial position at June 30, 2023 are as follows:

Year Ending June 30,	Total Operating Lease
<u> </u>	
2024	\$ 112,400
2025	115,772
2026	119,245
2027	122,822
2028	<u>52,449</u>
Total future undiscounted lease payments	522,688
Less present value discount	<u>(29,463)</u>
Total lease liability	\$ <u><u>493,225</u></u>

Short-Term Leases

Short-term leases are agreements for terms of 12 months or less, do not contain renewal options, and are otherwise subject to renegotiation or termination by either party upon expiration. The Federation has elected to not include short-term leases within the statement of financial position.

JEWISH FEDERATION OF GREATER PORTLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE J – RESTRICTIONS ON ASSETS

The Federation's net assets with donor restrictions are subject to the following purpose or time restrictions:

Subject to purpose restrictions:

Blumer	\$ 206,264	Student loans, immigrant loans
Brownfain	12,082	Young leadership
Chernoff	25,605	Jewish education
Georges	88,378	Teen Israel
Rosenthal	15,016	Solicitor training
Rosenfeld	206,318	Pledge payment
Sigma Alpha Mu	129,162	U of O lectures, conferences
Sussman	48,683	College scholarships
Turner	130,633	Needy families, MJCC dues
Newmark	96,646	Lion of Judah
Hesed Shel Emet	119,695	Indigent burial
	<u>\$ 1,078,482</u>	

Subject to time restrictions: \$ 666,667

The restrictions are considered to expire when expenses are incurred to satisfy the restricted purpose by the passing of time, or by occurrence of other events as specified by donors.

Net assets with donor restrictions subject to stipulations that the principal must be maintained in perpetuity are comprised of the following:

Not subject to appropriation or expenditure:

Chernoff	\$ 14,369	Jewish education
Georges	24,930	Teen Israel
Tonkon	142,876	Annual pledge payments
	<u>182,175</u>	

Total net assets with donor restr \$ 1,927,324

In the event the permanent restriction is lifted by the donor, funds are reclassified as net assets without donor restrictions.

NOTE K – ENDOWMENT NET ASSETS

Description of Endowment

The Federation's endowment consists of 19 individual funds held and managed by the Oregon Jewish Community Foundation (OJCF), and one fund managed by Morgan Stanley. They are established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

JEWISH FEDERATION OF GREATER PORTLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE K – ENDOWMENT NET ASSETS (CONTINUED)

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted by the state of Oregon. UPMIFA eliminates the historic dollar value threshold, an amount below which an organization could not spend from an endowment fund and establishes a set of prudent management and investment standards for boards to follow when managing endowment funds. Under UPMIFA, the Federation may spend so much of an endowment fund as it considers prudent, regardless of whether the fund is below its historic dollar value. A donor's intent to maintain an endowment in perpetuity must still be considered and the fund managed accordingly. However, the Federation retains variance power over its endowment assets.

The portion of the endowment fund that is not donor-restricted or board-designated is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Federation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Federation, and (7) the Federation's investment policies.

Investment and Spending Policies

The goal of the Federation's investment program is to achieve a total rate of return that will allow the Federation to respond to today's needs and the long-term growth necessary to respond to future needs. The investment objective is to retain or increase the purchasing power of the funds, while producing a reasonable return for distribution to meet current needs. To meet this objective, the Federation relies on the OJCF to make investment decisions with the intent of maximizing the long-term total return of the portfolio. The Federation's assets are invested in a mixture of equities, fixed-income instruments, private instruments, and cash.

The Federation's spending policy is to appropriate all investment earnings from the previous year for distribution from funds restricted or designated for endowment. Unless subject to donor restrictions, the board retains the ability increase or reduce appropriations due to the specific needs of the Federation.

Endowment net assets composition by type of fund as of June 30, 2023 was as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Board-designated funds	\$ 2,162,634	\$ -	\$ 2,162,634
Donor-restricted funds	<u>-</u>	<u>1,260,657</u>	<u>1,260,657</u>
Total endowment net assets	<u>\$ 2,162,634</u>	<u>\$ 1,260,657</u>	<u>\$ 3,423,291</u>

JEWISH FEDERATION OF GREATER PORTLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE K – ENDOWMENT NET ASSETS (CONTINUED)

Changes in endowment net assets for the year ended June 30, 2023 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ 1,871,879	\$ 1,189,274	\$ 3,061,153
Contributions	187,780	8,684	196,464
Interest income	57,379	34,462	91,841
Investment gains (losses)	171,427	69,269	240,696
Expenditures	<u>(125,831)</u>	<u>(41,032)</u>	<u>(166,863)</u>
Endowment net assets, end of year	<u>\$ 2,162,634</u>	<u>\$ 1,260,657</u>	<u>\$ 3,423,291</u>

NOTE L – LIQUIDITY

The following chart represents the Federation's financial assets available to meet cash needs for general expenditures within one year of June 30, 2023:

Financial assets at year-end	
Cash and cash equivalents	\$ 1,689,482
Pledges receivable	1,681,793
Other receivables	85,623
Investments	3,971,055
Notes receivable	10,000
Total financial assets	<u>7,437,953</u>
Less those unavailable for general expenditure within one year, due to:	
Contractual or donor-imposed restrictions:	
Subject to satisfaction of donor restrictions	(1,745,149)
Endowment assets held in perpetuity	(182,175)
Board designations:	
Board-designated endowment fund	<u>(2,162,634)</u>
Total unavailable financial assets	<u>(4,089,958)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,347,995</u>

Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note L, the Federation's spending policy is to appropriate all investment earnings from the previous year into the next year. Approximately \$91,000 of investment earnings from the endowment funds will be available within the next 12 months.

JEWISH FEDERATION OF GREATER PORTLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE L – LIQUIDITY (CONTINUED)

As part of the Federation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Federation invests cash in excess of current requirements in short-term investments. Although the Federation does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary to manage unanticipated liquidity needs.

NOTE M – PENSION PLAN

The Federation participates in a defined contribution pension plan. Employees are generally eligible for participation upon attaining one year of service and 21 years of age. Employees become fully vested upon meeting eligibility requirements. The Federation contributed 7% of the eligible employees' wages to the pension fund for the year ended June 30, 2023, which amounted to \$64,475.

NOTE N – CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Federation to credit risk consist of cash, promises to give and investments. The Federation's cash balances are with reputable banks and periodically exceed insured limits. The amount in excess of FDIC coverage as of June 30, 2023 was \$1,437,938.

The Federation's promises to give are from individuals and businesses in the Portland metropolitan area. A significant portion of the annual promises to give come from a few donors. Promises to give, which are determined to be collectible or uncollectible based on an assessment by management of the facts and circumstances related to individual accounts, are not collateralized and have been adjusted for all known doubtful accounts.

Investments are in pooled funds with the Oregon Jewish Community Foundation as well as individual securities. The Federation invests primarily in stocks and corporate and government debt instruments that are publicly traded.

NOTE O – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 19, 2023 which is the date the financial statements were available to be issued.