

THE JEWISH FEDERATION OF  
GREATER NEW HAVEN, INC.

FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors of  
The Jewish Federation of Greater New Haven, Inc.  
Woodbridge, Connecticut

### **Qualified Opinion**

We have audited the accompanying financial statements of The Jewish Federation of Greater New Haven, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2023 and 2022, and the related statements of activities, functional expenses – program services, functional expenses – supporting services, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects of not consolidating the financial statements of the Jewish Foundation of Greater New Haven, Inc. described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of The Jewish Federation of Greater New Haven, Inc. as of August 31, 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 Qualified Opinion**

As more fully described in Note 19, the Organization has not consolidated the financial statements of The Jewish Foundation of Greater New Haven, Inc., which is an entity in which The Jewish Federation of Greater New Haven, Inc. is the sole member and has a controlling financial interest in as of and for the years ended August 31, 2023 and 2022. Accounting principles generally accepted in the United States of America require the sole member of another entity for which it has a controlling financial interest to consolidate the entity in its financial statements. The effects on the accompanying financial statements of this departure from accounting principles generally accepted in the United States of America have not been determined.

We conducted our audits 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 The Jewish Federation of Greater New Haven, 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 qualified 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 The Jewish Federation of Greater New Haven, Inc.'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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Jewish Federation of Greater New Haven, 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 Federation of Greater New Haven, 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.

A handwritten signature in blue ink, appearing to read "Jeffrey E. Conroy, P.C.". The signature is fluid and cursive, with the initials "P.C." written at the end.

Woodbridge, Connecticut

July 30, 2024

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENTS OF FINANCIAL POSITION

AUGUST 31, 2023 AND 2022

ASSETS		2023	2022
Assets			
Cash and Cash Equivalents	\$	2,517,538	\$ 2,190,585
Investments		604,092	-
Unconditional Promises to Give, Net		1,116,333	1,139,990
Employee Retention Tax Credit Receivable		-	1,020,240
Other Receivables, Net		155,731	96,133
Prepaid Expenses and Other Assets		147,983	175,454
Beneficial Interest in Assets Held by Others		1,939,013	1,904,822
Property and Equipment, Net		11,395,511	11,538,361
Right of Use Asset - Operating Leases		59,354	-
Total Assets	\$	17,935,555	\$ 18,065,585
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts Payable and Allocations	\$	368,847	\$ 346,140
Accrued Liabilities		184,070	331,926
Notes Payable - Demand		-	129,000
Notes Payable		881,562	816,655
Deferred Compensation		164,567	172,436
Deferred Revenue		752,732	434,118
Operating Lease Liabilities		59,445	-
Total Liabilities		2,411,223	2,230,275
Net Assets:			
Without Donor Restrictions			
Undesignated		13,856,101	14,157,747
Board Designated		861,756	846,358
With Donor Restrictions		806,475	831,205
Total Net Assets		15,524,332	15,835,310
Total Liabilities and Net Assets	\$	17,935,555	\$ 18,065,585

See accompanying notes

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THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 2,683,459	\$ 353,134	\$ 3,036,593
Program Service Revenue	3,642,620	-	3,642,620
Memberships	1,719,500	-	1,719,500
Income from Beneficial Interest in			
Assets Held for Others	8,397	6,259	14,656
Employee Retention Tax Credits	434,410	-	434,410
Grant Income	601,450	-	601,450
Miscellaneous Income	138,376	-	138,376
Rental Income	53,982	-	53,982
Interest Income	35,195	-	35,195
Net Assets Released from Restrictions	384,123	(384,123)	-
Total Revenue and Support	9,701,512	(24,730)	9,676,782
Expenses			
Program Services	7,459,579	-	7,459,579
Management and General	2,230,555	-	2,230,555
Fundraising	297,626	-	297,626
Total Expenses	9,987,760	-	9,987,760
Change in Net Assets	(286,248)	(24,730)	(310,978)
Net Assets - Beginning of Year	15,004,105	831,205	15,835,310
Net Assets - End of Year	\$14,717,857	\$ 806,475	\$15,524,332

See accompanying notes

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THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 2,641,056	\$ 500,000	\$ 3,141,056
Program Service Revenue	2,876,284	-	2,876,284
Gain on Forgiveness of Debt	865,475	-	865,475
Memberships	1,358,558	-	1,358,558
Loss from Beneficial Interest in Assets Held for Others	(62,749)	(5,364)	(68,113)
Employee Retention Tax Credits	1,262,976	-	1,262,976
Grant Income	532,548	-	532,548
Miscellaneous Income	141,536	-	141,536
Rental Income	51,007	-	51,007
Interest Income	973	-	973
Net Assets Released from Restrictions	77,736	(77,736)	-
Total Revenue and Support	9,745,400	416,900	10,162,300
Expenses			
Program Services	5,755,182	-	5,755,182
Management and General	2,177,264	-	2,177,264
Fundraising	352,609	-	352,609
Total Expenses	8,285,055	-	8,285,055
Change in Net Assets	1,460,345	416,900	1,877,245
Net Assets - Beginning of Year	13,543,760	414,305	13,958,065
Net Assets - End of Year	\$15,004,105	\$ 831,205	\$15,835,310

See accompanying notes

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THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM SERVICES

FOR THE YEAR ENDED AUGUST 31, 2023

	Grants and Allocations	Center for Jewish Life & Learning	Jewish Community Relations Council (JCRC)	Other Federation Programs	Pre-School	Day Camp	Health & Wellness	Group Services	Other Member Services	Total Program Service Expenses
Functional Expenses										
Wages, Taxes & Fringes	\$ -	\$ 54,804	\$ 196,250	\$ 81,586	\$ 1,603,587	\$ 402,677	\$ 1,259,472	\$ 198,004	\$ 630,653	\$ 4,427,033
Community Support	513,892	-	180	-	-	1,055	-	-	-	515,127
Program Expenses	-	7,744	10,014	97,226	54,365	79,082	113,511	105,840	10,733	478,515
Repairs, Maintenance & Equipment	-	301	-	1,085	4,012	26,661	42,697	-	402,330	477,086
Utilities	-	-	-	290	-	3,849	-	-	367,166	371,305
Israel & Overseas Programs	346,022	-	-	-	-	-	-	-	-	346,022
Commercial Insurance	-	-	-	-	-	2,538	-	-	280,140	282,678
Marketing	-	-	51,223	2,379	4,074	2,407	2,762	11,063	38,848	112,756
Professional Fees	-	-	2,074	41,295	11,590	5,552	4,933	-	38,512	103,956
Meals, Travel & Lodging	-	440	93,479	5,429	-	355	121	-	351	100,175
Bank Fees, Payroll & C/Card Processing	-	77	9	915	-	19,456	250	76,284	-	96,991
Regional Agencies	90,050	-	-	-	-	-	-	-	-	90,050
National Agencies	23,574	-	-	-	-	-	-	-	-	23,574
Miscellaneous	-	-	-	5,315	-	6,809	-	-	-	12,124
Synagogue Initiative	11,344	-	-	-	-	-	-	-	-	11,344
Bad Debt Expense	-	-	-	-	-	10,843	-	-	-	10,843
Total Functional Expenses	<u>\$ 984,882</u>	<u>\$ 63,366</u>	<u>\$ 353,229</u>	<u>\$ 235,520</u>	<u>\$ 1,677,628</u>	<u>\$ 561,284</u>	<u>\$ 1,423,746</u>	<u>\$ 391,191</u>	<u>\$ 1,768,733</u>	<u>\$ 7,459,579</u>

See accompanying notes

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THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM SERVICES

FOR THE YEAR ENDED AUGUST 31, 2022

	Grants and Allocations	Center for Jewish Life & Learning	Jewish Community Relations Council (JCRC)	Other Federation Programs	Pre-School	Day Camp	Health & Wellness	Group Services	Other Member Services	Total Program Service Expenses
Functional Expenses										
Wages, Taxes & Fringes	\$ -	\$ 60,762	\$ 163,180	\$ 90,785	\$ 929,792	\$ 394,185	\$ 985,811	\$ 174,067	\$ 581,306	\$ 3,379,888
Program Expenses	-	9,572	1,384	97,053	80,355	84,297	93,160	92,135	4,514	462,470
Community Support	444,748	4,000	11,651	-	-	612	-	-	-	461,011
Repairs, Maintenance & Equipment	-	2,301	-	-	4,476	34,114	35,926	-	179,387	256,204
Utilities	-	-	-	1,062	50	4,648	-	-	345,686	351,446
Israel & Overseas Programs	341,421	-	-	-	-	-	-	-	-	341,421
Commercial Insurance	-	-	-	-	-	2,538	-	-	197,360	199,898
Marketing	-	1	28,920	1,003	1,297	5,381	1,595	23,220	40,216	101,633
Bank Fees, Payroll & C/Card Processing	-	67	-	945	-	19,846	310	65,668	-	86,836
Regional Agencies	38,305	-	-	-	-	-	-	-	-	38,305
Professional Fees	-	-	375	-	10,643	7,774	5,180	-	4,313	28,285
National Agencies	22,437	-	-	-	-	-	-	-	-	22,437
Synagogue Initiative	9,705	-	-	-	-	-	-	-	-	9,705
Miscellaneous	-	-	-	7,678	-	-	-	-	270	7,948
Meals, Travel & Lodging	-	955	1,127	4,343	-	1,209	-	-	61	7,695
Total Functional Expenses	<u>\$ 856,616</u>	<u>\$ 77,658</u>	<u>\$ 206,637</u>	<u>\$ 202,869</u>	<u>\$1,026,613</u>	<u>\$ 554,604</u>	<u>\$ 1,121,982</u>	<u>\$ 355,090</u>	<u>\$ 1,353,113</u>	<u>\$ 5,755,182</u>

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES - SUPPORTING SERVICES

FOR THE YEAR ENDED AUGUST 31, 2023

	Management and General	Fundraising
Expenses		
Wages Taxes & Fringes	\$ 918,395	\$ 257,920
Depreciation	705,822	-
Professional Fees	193,633	14,400
Repairs, Maintenance & Equipment	109,316	1,419
Program Expenses	104,195	19,874
Commercial Insurance	72,667	-
Bank Fees, Payroll & Credit Card Processing	37,580	-
Miscellaneous	33,603	-
Interest	23,373	-
Marketing	11,659	3,696
Utilities	10,447	-
Bad Debt Expense	9,062	-
Meals, Travel & Lodging	803	317
Total Expenses	<u>\$ 2,230,555</u>	<u>\$ 297,626</u>

See accompanying notes

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THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES - SUPPORTING SERVICES

FOR THE YEAR ENDED AUGUST 31, 2022

	Management and General	Fundraising
Expenses		
Wages Taxes & Fringes	\$ 768,937	\$ 283,207
Depreciation	691,105	-
Repairs, Maintenance & Equipment	190,343	-
Professional Fees	182,855	19,155
Commercial Insurance	98,717	-
Program Expenses	84,494	48,057
Bad Debt Expense	61,720	-
Bank Fees, Payroll & Credit Card Processing	36,946	269
Interest	27,444	-
Marketing	21,195	1,861
Utilities	12,375	-
Meals, Travel & Lodging	580	60
Miscellaneous	553	-
Total Expenses	<u>\$ 2,177,264</u>	<u>\$ 352,609</u>

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

	2023	2022
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (310,978)	\$ 1,877,245
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	705,822	691,105
Bad Debt Expense	19,905	61,720
Change in Fair Value of Beneficial Interest in Assets Held by Others	(48,946)	28,630
Gain on Forgiveness of Debt	(104,000)	(1,009,330)
Noncash Lease Expense	15,129	-
Decrease (Increase) in Operating Assets:		
Unconditional Promises to Give	3,752	(308,045)
Other Receivables	(59,598)	(44,046)
Employee Retention Tax Credit Receivable	1,020,240	(1,020,240)
Prepaid Expenses and Other Assets	27,471	(100,831)
(Decrease) Increase in Operating Liabilities:		
Accounts Payable and Allocations	22,707	(58,766)
Accrued Liabilities	(147,856)	31,083
Deferred Compensation	(7,869)	(6,571)
Operating Lease Liabilities	(15,038)	-
Deferred Revenue	318,614	83,822
Net Cash Provided by Operating Activities	1,439,355	225,776
Cash Flows from Investing Activities:		
Distributions Received from Beneficial Interest in Assets Held by Others	14,755	35,528
Purchases of Property and Equipment	(562,972)	(226,672)
Purchases of Investments	(604,092)	-
Net Cash Used in Investing Activities	(1,152,309)	(191,144)
Cash Flows from Financing Activities:		
Repayments on Notes Payable - Demand	(25,000)	(5,000)
Proceeds from Notes Payable	353,569	8,093
Repayments of Notes Payable	(288,662)	(275,637)
Repayments of Capital Lease Obligations	-	(1,337)
Net Cash Provided by (Used in) Financing Activities	39,907	(273,881)
Net Increase (Decrease) in Cash and Cash Equivalents	326,953	(239,249)
Cash and Cash Equivalents - Beginning of Year	2,190,585	2,429,834
Cash and Cash Equivalents - End of Year	\$ 2,517,538	\$ 2,190,585

See accompanying notes

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THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Jewish Federation of Greater New Haven, Inc. (the Federation) is a nonprofit charitable organization as described in Internal Revenue Code Section 501(c)(3). The JCC of Greater New Haven, Inc. (the JCC) is a wholly owned subsidiary of the Federation. The Federation is the central planning, fund-raising, and coordinating body of the Jewish community and strives to be the central organization and resource for communal planning, outreach and Jewish education in South Central Connecticut. Located at 360 Amity Road in Woodbridge, Connecticut (“Premises”), the Federation is supported by programming fees and donor contributions from within the county of New Haven, Connecticut.

Basis of Accounting

The Federation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), which recognizes revenues and gains when earned, and expenses and losses are recognized when incurred.

Net Asset Classification

Net assets and revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Without Donor Restriction* – Those resources not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Board designated amounts represent those net assets that the board has set aside for a particular purpose (see Note 13).

*With Donor Restrictions* – Those resources subject to donor-imposed restrictions that will either be satisfied by action of the Federation or by the passage of time or will require the resources to be maintained in perpetuity. The income from resources maintained in perpetuity is used for operating or other donor-restricted purposes.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions for the acquisition or construction of property and equipment are released from restrictions in the period in which the assets are placed into service. Contributions of assets, other than cash, are recorded at their estimated fair value on the date of the gift. Contributions that impose restrictions that are met in the same fiscal year the contributions are received are reported as increases in net assets without donor restrictions. Expiration of donor restrictions on contributed net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period as elapsed) are reported as net assets released from restriction on the Statement of Activities. In contrast to unconditional promises to give, conditional promises to give are not recorded until the donor-imposed conditions are substantially met.

Program Service Revenue

The Federation generally measures revenue for qualifying exchange transactions based on the amount of consideration the Federation expects to be entitled to for the transfer of goods or services to a customer, then recognizes this revenue when or as the Federation satisfies its performance obligation under a contract, except in transactions where GAAP provides other applicable guidance. The Federation evaluates its fee for service contracts based on the five-step model under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606: Revenue from Contracts with Customers: 1) Identify the contract with the customer; 2) Identify the performance obligations in the contract; 3) Determine the transaction price; 4) Allocate the transaction price to separate performance obligations; and 5) Recognize revenue when (or as) each performance obligation is satisfied.

Program service revenue is recognized at a point in time by the Federation for pre-school, day camp, health & wellness services, and group services as the Federation satisfies its performance obligations. Program service revenue collected in advance of services being provided is recorded as deferred revenue in the accompanying statement of financial position. The Federation's program service revenues, results of operations, and cash flows are affected by a variety of factors, including general economic conditions, the geographical regions of its customers and the seasons in which the Federation operates.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annual and Capital Campaigns

Annual campaigns are conducted during the fall of each year to raise support for allocations to participating agencies in the subsequent calendar year. During 2018, the Federation began a capital campaign to raise funds to improve its property and equipment and to replenish its reserve funds. Generally, most annual and capital campaign contributions are considered available for the unrestricted use by the Federation, unless the contributions are specifically restricted by the donor. Most donor restrictions on annual campaign contributions are due to promises to give in future years (time restrictions). These restricted contributions are released from restriction in the year that the contribution is promised to the Federation.

In-Kind Donations

The value of contributions that enhance a non-financial asset and contributed services which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying financial statements. In-kind contributions are recognized as revenue and expenses in the accompanying statement of activities at their estimated fair value, as provided by donor, at the date of receipt. In-kind contributions generally consist of contributed professional services and facilities that benefit both program and supporting services. There were no such donations during the years ended August 31, 2023 and 2022.

Unconditional Promises to Give

Unconditional promises to give are recognized as either revenue without donor restrictions or revenue with donor restrictions in the year in which the donor makes the promise. Contributions to be received after one year are discounted to their present value using discount rates equal to U.S. Treasury rates that approximate the duration of the discount period at the end of the fiscal year in which the gift was received. As of August 31, 2023, future promises to give have been discounted at rates ranging from 4.54% to 5.37%. Amortization of the discount is recorded as additional contribution revenue. The Federation records an allowance for uncollectible promises based on its determination of the likelihood of collection based on the age of the promise and other factors impacting collection. The allowance for uncollectible promises was \$40,251 and \$76,684 as of August 31, 2023 and 2022, respectively.



THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receivables

Other receivables consist primarily of membership, miscellaneous and other program receivables. The Federation records an allowance for doubtful accounts based on its determination of the likelihood of collection for each receivable balance considering the age of the receivable and other factors impacting collections. The allowance for doubtful accounts was \$14,719 and \$13,419 as of August 31, 2023 and 2022, respectively. Uncollectible amounts are written off when all efforts to collect the receivable have been exhausted.

Federal Income Tax

The Federation is a not-for-profit organization exempt from taxation under Internal Revenue Code section 501(c)(3) and is not considered a private foundation. Accordingly, the Federation has made no provision for federal or state income taxes in the accompanying financial statements. The Federation is required to file Federal Form 990 annually.

The Federation believes that it has appropriate support for income tax positions taken. There were no uncertain tax positions at August 31, 2023 and 2022.

Contributed Services

A substantial number of volunteers donate their time to the Federation. These services do not meet the criteria for recording as contributions under GAAP.

During the years ended August 31, 2023 and 2022, the value of contributed services meeting the requirements for recognition in the financial statements is not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Federation. The Federation receives more than 500 volunteer hours per year.

Investments

Investments, which consist of United States Treasury bills, are reflected at fair value. Fair value is 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. Realized gains or losses and unrealized appreciation or depreciation on investments and investment fees are reflected as investment (loss) income, net on the accompanying statements of activities. Realized gains or losses on the sale of investments are determined using the specific identification method.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in Assets Held by Others

Certain funds of the Federation are held by the Jewish Foundation of Greater New Haven (the Foundation) in a trust fund for the benefit of the Federation and other charitable organizations, as designated by the Federation. The Foundation continues to accept additional contributions for the benefit of the Federation. The Foundation charges a 1% management fee of the total fair value of the investments as of August 31st of the previous year. Fees charged were \$10,951 and \$11,549 for the years ended August 31, 2023 and 2022, respectively. The Federation's pro-rata share of the funds held at the Foundation is recorded at fair value in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion on fair value measurements. As of August 31, 2023 and 2022, the Foundation held assets of \$1,939,013 and \$1,904,822, respectively, for the benefit of the Federation.

Risks and Uncertainties

The Federation holds investments and a beneficial interest in assets held by others. The beneficial interest in assets held by others consists of a diverse professionally managed portfolio of investments held at that the Foundation. Such investments are exposed to potential market volatility. Therefore, the beneficial interest in assets held by others may be subject to significant fluctuations in fair value. Consequently, investments and the beneficial interest in assets held by the Foundation reported in the accompanying financial statements may not be reflective of the fair value during subsequent periods.

Functional Allocation of Expenses

The cost of providing the Federation's programs and other activities is summarized on a functional basis in the statements of activities and statements of functional expenses. Expenses that can be identified with a specific program or support services are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied. This primarily consists of wages, taxes, and fringe expenses, which are allocated based on activity reports prepared by key personnel. The Federation evaluates the basis on which costs are allocated as needed, but at least every other year.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Federation.

Deferred Revenue

Deferred revenue consists mostly of tuition deposits, membership fees, personal training, camp and program revenues, and support received in advance. These amounts will be recognized as revenue in future years when earned.

Cash and Cash Equivalents

For financial reporting purposes, the Federation considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

The Federation maintains demand deposits and money market funds at financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the Federal Deposit Insurance Corporation. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. Therefore, the failure of an institution could result in financial loss. However, the Federation has not experienced any losses on these accounts in the past, and management believes the risk of loss, if any, to be minimal.

Property and Equipment

Property and equipment are stated at cost. Depreciation for financial statement purposes is computed on the straight – line method over the estimated useful lives of the assets as follows:

Building	35 Years
Building Improvements	7-40 Years
Furniture, Fixtures and Equipment	5-10 Years

Maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is reflected in unrestricted net assets.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity GAAP requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and related notes. Actual results could differ from those estimates. Significant estimates are used in the determination of the allowance for uncollectible promises to give and doubtful accounts and in the determination of the estimated useful lives of property and equipment.

Newly Adopted Accounting Standard

Effective September 1, 2022, the Federation adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. The Federation elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Federation accounted for its existing lease as an operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustment (as of August 31, 2022) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. As a result of the adoption of the new lease accounting guidance, the Federation recognized on September 1, 2022 (a) a lease liability of \$44,592, which represents the present value of the remaining lease payments, discounted using the Federation's risk free rate of 4.23%, and (b) and a right-of-use asset of \$44,592.

Reclassification

Certain 2022 amounts have been reclassified to conform with the current year presentation.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of August 31, 2023 and 2022, the Federation has approximately \$4,664,000 and \$4,674,000, respectively, of financial assets available within one year of the statement of financial position date to meet the cash needs for general expenditures, as summarized below:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,517,538	\$ 2,190,585
Investments	604,092	-
Unconditional Promises to Give, net	1,116,333	1,139,990
Employee Retention Tax Credit Receivable	-	1,020,240
Other Receivables, Net	155,731	96,133
Beneficial Interest in Assets Held by Others	<u>1,939,013</u>	<u>1,904,822</u>
Total Financial Assets	6,332,707	6,351,770
Less those unavailable for general expenditures due to:		
Board Designated Restrictions	(861,756)	(846,358)
Donor Imposed Restrictions	<u>(806,475)</u>	<u>(831,205)</u>
Financial Assets Available to meet Cash needs for general expenditures within one year	<u>\$ 4,664,476</u>	<u>\$ 4,674,207</u>

As part of the Federation's liquidity management, it has a policy to structure the financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Federation has a \$750,000 line of credit that it can draw upon. The Federation's beneficial interest in assets held by others consists of donor-restricted endowments, board designated funds and undesignated funds. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditures. Currently, the Federation does not intend to spend from its undesignated funds included in the beneficial interest in assets held by others, other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, however amounts could be made available if necessary.

The Federation has various sources of liquidity at its disposal, including cash and cash equivalents, liquid mutual funds, and United States treasury bills, from within its general-purpose funds without donor restriction. The Federation's investment committee meets on a regular basis to review investment performance and consider near-term liquidity needs. As a general rule, the Federation's 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 any near-term liquidity needs.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give, net of allowance for unredeemed promises, are summarized as follows at August 31:

	<u>2023</u>	<u>2022</u>
Unconditional Promises Expected to be Collected in:		
Less Than One Year	\$ 1,063,659	\$ 1,169,489
One to Five Years	109,365	50,000
Subtotal	<u>1,173,024</u>	<u>1,219,489</u>
Less Present Value Discount	<u>(16,440)</u>	<u>(2,815)</u>
Total Contributions Receivable	1,156,584	1,216,674
Less Allowance for Uncollectible Promises	<u>(40,251)</u>	<u>(76,684)</u>
Unconditional Promises to Give, Net	<u>\$ 1,116,333</u>	<u>\$ 1,139,990</u>

NOTE 4 –FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under the Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value* Measurements, are described as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Federation has the ability to access.

*Level 2* – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 4 –FAIR VALUE MEASUREMENTS (CONTINUED)

The assets fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at August 31, 2023 and 2022. There were no transfers between levels during 2023 and 2022.

*United States Treasury Bills* - Valued at the closing price reported on the active market on which the individual securities are traded.

*Beneficial Interest in Assets Held by Others* – The beneficial interest in assets held by others is valued at the pro-rata share owned by the Federation, based on the fair value of the underlying investments that are held at the Foundation. The underlying investments consist primarily of mutual funds, limited partnerships, hedge funds and fixed income securities.

Assets at fair value as of August 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury Bills	\$ 604,092	\$ -	\$ -	\$ 604,092
Beneficial Interest in				
Assets Held by Others	-	-	1,939,013	1,939,013
	<u>\$ 604,092</u>	<u>\$ -</u>	<u>\$ 1,939,013</u>	<u>\$ 2,543,105</u>

Assets at fair value as of August 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial Interest in				
Assets Held by Others	\$ -	\$ -	\$ 1,904,822	\$ 1,904,822

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 4 –FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth a summary of certain changes in the fair value of the Plan's level 3 assets for the years ended August 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Purchases	\$ -	\$ -
Issuances	(14,755)	(11,602)
Transfers in	-	-
Transfers out	-	-

Realized gains and losses on investments represent the change in market value from the statement of financial position date to the date of sale. Changes in market value for investments are reflected as a net increase or decrease in the fair value of investments, a component of investment return in the accompanying statements of activities.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment at August 31, 2023 and 2022 consisted of the:

	<u>2023</u>	<u>2022</u>
Land and Land Improvements	\$ 1,827,015	\$ 1,827,015
Building	13,836,724	13,836,724
Furniture, Fixtures and Equipment	2,656,273	2,636,006
Building & Leasehold Improvements	8,075,510	7,475,532
Construction in Progress	-	57,273
	<u>26,395,522</u>	<u>25,832,550</u>
Less: Accumulated Depreciation	<u>(15,000,011)</u>	<u>(14,294,189)</u>
Total	<u>\$ 11,395,511</u>	<u>\$ 11,538,361</u>

Depreciation expense for the years ended August 31, 2023 and 2022 was \$705,822 and \$691,105, respectively.



THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 6 – NOTES PAYABLE – DEMAND

Notes Payable – Demand consisted of individuals who loaned money to the JCC at 6.00% interest. These notes were all payable upon demand. During 2023, \$104,000 of these notes were forgiven by the lender and the remaining balances were paid in full. The combined balances of these notes as of August 31, 2023 and 2022 are \$-0- and \$129,000, respectively. Interest expense on these notes payable – demand was \$-0- and \$8,093 for the years ended August 31, 2023 and 2022, respectively.

NOTE 7 – LINE OF CREDIT

The Federation has a line of credit agreement with Webster Bank, National Association that provides for maximum borrowings of \$750,000. The line of credit is secured by a mortgage lien on land and building and is due on the earlier of the demand of the Bank or its maturity date of August 15, 2025. Any outstanding borrowings are charged with interest equal the bank's Prime Rate minus 0.6% (7.9% at August 31, 2023). The line of credit contains various financial and non-financial covenants. There were no outstanding borrowings under this line of credit at August 31, 2023 and 2022.

NOTE 8 – NOTES PAYABLE

Notes payable consisted of the following as of August 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
A. Connecticut Green Bank		
Term loan obtained to finance the certain building and land improvements related to a solar power purchase agreement (see Note 16). Loan proceeds were advanced as the project was completed. Prior to the final advance in 2019, interest accrued on outstanding advances at 6.25%. The loan is now fully funded and requires semiannual principal and interest payments of \$14,205, with interest at 6.25%, that began in January 2020 and will continue over a 20-year term. Any prepayments on this loan will be subject to a 3% pre-payment penalty that will reduce by one percentage point on each 5-year anniversary of the final advance. The loan is secured by a benefit assessment lien on the Federation's property.	\$ 283,275	\$ 292,968

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 8 – NOTES PAYABLE (CONTINUED)

	<u>2023</u>	<u>2022</u>
B. Titan Solutions		
Term loan obtained to finance energy efficient lighting improvements. The note is non-interest bearing and is payable in monthly principal installment of \$1,185 through the loan's maturity date of February 2024.	10,652	23,687
C. Jewish Community Response and Impact Fund		
Term loan obtained to fund general operations. The note is non-interest bearing and is payable in quarterly principal installments of \$62,500, beginning in October 2021, through the loan's maturity date of July 2024.	250,000	500,000
D. Equipment Notes Payable		
Equipment notes payable in the original amount of \$353,569 to finance the purchase of new HVAC system. The note is payable in monthly principal and interest installments of \$4,979, with interest charged at 8%. The agreement is secured by the HVAC system.	337,635	-
Total Notes Payable	<u>\$ 881,562</u>	<u>\$ 816,655</u>

The aggregate annual maturities of the notes payable as of August 31 are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 305,459
2025	48,144
2026	52,039
2027	56,251
2028	47,153
Thereafter	372,516
Total	<u>\$ 881,562</u>

Interest expense, for the above notes payable, for the years ended August 31, 2023 and 2022 is \$31,972 and \$19,316, respectively.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 9 – PAYCHECK PROTECTION PROGRAM

On March 16, 2021, the Federation obtained an \$865,475 loan from Webster Bank, National Association, under the Paycheck Protection Program ("PPP") administered by the U.S. Small Business Administration (the "SBA"). The Federation was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. On April 3, 2022, the Federation received full forgiveness of the loan by the SBA. The forgiveness is reflected on the accompanying statement of activities as gain on forgiveness of debt for the year ended August 31, 2022.

NOTE 10 –LEASES AS ACCOUNTED FOR UNDER ASC 840

Prior to September 1, 2022, the Federation accounted for its leasing arrangements under the provisions of ASC 840. Under ASC 840, leases that met certain criteria were treated as capital leases and were accounted for similar to a loan, where the leased asset was recorded as an asset on the statements of financial position and depreciated over its useful life and the obligation under the lease was recognized as a liability on the statements of financial position. As the liability was paid down, interest expense and a reduction of the capital lease liability was recorded. Operating leases required the recognition of a straight-line rent expense over the life of the lease without any recognition of any assets or liabilities on the statements of financial position. Below is a description of the Federation's leasing arrangements as of August 31, 2022.

Capital Leases

The Federation was party to a capital lease agreement for equipment that expired in 2022. The lease required monthly payments of \$274 per month, with interest at 9.65%. As of August 31, 2022, the cost of equipment under the capital lease agreement totaled \$8,532 and had accumulated amortization of \$4,469. Amortization expense for equipment under the capital lease agreement was \$1,219 for the year ended August 31, 2022, and is included in depreciation and amortization expense in the statements of activities. Interest expense on the capital lease agreement totaled \$35 year ended August 31, 2022.

Operating Leases

The Federation currently leases various office equipment under operating lease agreements that require monthly payments that currently aggregate \$2,482 and expire at various times through September 2026. Total rent expense under these operating lease agreements was \$40,712 for the year ended August 31, 2022.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 11 - LEASES

Effective September 1, 2022, the Federation adopted the provisions of ASC 842, as previously disclosed in Note 1. ASC 842 requires a dual approach for lessee accounting under which a lessee accounts for leases as finance leases or operating leases. Both finance leases and operating leases result in the lessee recognizing a right-of-use (ROU) asset and a corresponding lease liability. For finance leases the lessee recognizes interest expense and amortization of the ROU asset and for operating leases the lessee will recognize a straight-line total lease expense.

The Federation determines whether an arrangement is a lease at contract inception. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Federation's operating leases do not provide an implicit rate, the Federation uses its risk free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made and are reduced by any lease incentives received.

The Federation leases various copier and other equipment with terms ranging from 2-5 years. Lease payments under these leases ranged from \$215 - \$989.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of August 31, 2023:

<u>Year Ending August 31:</u>	<u>Amount</u>
2024	\$ 19,842
2025	18,118
2026	17,256
2027	6,377
2028	2,245
Total	63,838
Less: Discount (at 3.26% - 4.23%)	(4,393)
Lease Liability	<u>\$ 59,445</u>

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 11 – LEASES (CONTINUED)

A summary of the Federation's lease costs for their operating leases as of August 31, 2023 is as follows:

Lease cost:	
Operating lease cost	\$ 17,473
Variable lease cost	-
Total lease cost	<u>\$ 17,473</u>

Other information related to the Federation's operating leases as of August 31, 2023 are as follows:

Operating Leases - Other information	
Cash paid for amounts included in the measurement of finance liabilities:	
Operating cash flows	\$ 17,166
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 74,267
Weighted-average remaining lease term	3.47 years
Weighted-average discount rate	4.16%

NOTE 12 – RETIREMENT PLAN

The Federation maintains a retirement plan for its full-time, eligible employees. Under the provisions of this plan, in addition to eligible employees electing to defer some of their own compensation, the Federation also has the option to contribute 1% of all eligible employees' salaries. However, the Federation did not contribute any employer contributions to the plan for the years ended August 31, 2023 and 2022.

The Federation also has a deferred compensation agreement with its former chief executive officer. For the years ended August 31, 2023 and 2022, the Federation paid a total of \$18,000 each year in deferred compensation. The present values of future payments, based on IRS life expectancy tables and present value interest factors, under this agreement are \$164,567 and \$172,436 as of August 31, 2023 and 2022, respectively.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 13 – RESTRICTIONS ON NET ASSETS

Net assets without donor restrictions of \$14,717,857 and \$15,004,105 as of August 31, 2023 and 2022, respectively, include net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as board designations.

As of August 31, 2023 and 2022, net assets without donor restrictions have been designated for specific purposes by the Federation's Board as follows:

	2023	2022
Philanthropic Fund	\$ 729,757	\$ 713,854
Evan Kahn Fund for Elderly Services	72,698	72,490
Evan Kahn Endowment	30,207	30,701
Fox Memorial Fund for the Benefit of the JCC	21,389	21,771
JCC Board Endowment for the Benefit of the JCC	7,705	7,542
	<u>\$ 861,756</u>	<u>\$ 846,358</u>

Changes in time and purpose restricted net assets during the year ended August 31, 2023, are as follows:

	2022	Additions	Investment Income	Distributions & Releases from Restrictions	2023
Stuart Harris Fund for Cultural Arts at the JCC	\$ 20,613	\$ -	\$ 430	\$ (792)	\$ 20,251
Leo Links Fund for the Jewish Community Center	120,824	-	2,520	(4,640)	118,704
Frances Shield Fund for the JCC Healthy Women Healthy Lives Program	37,370	-	779	(1,435)	36,714
Frances Shield Fund for the JCC Cultural Arts Program	25,063	-	524	(963)	24,624
Frederick A. & Justine Millspaugh Catlin Family Foundation Endowment Fund for the JCC	96,150	-	2,006	(3,693)	94,463
Grants provided for building security	-	100,000	-	(79,754)	20,246
Promises to give in future years	257,185	253,134	-	(200,125)	310,194
Strengthening Diversity in the Jewish Community	274,000	-	-	(92,721)	181,279
Total	<u>\$ 831,205</u>	<u>\$ 353,134</u>	<u>\$ 6,259</u>	<u>\$ (384,123)</u>	<u>\$ 806,475</u>

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 13 – RESTRICTIONS ON NET ASSETS (CONTINUED)

Changes in time and purpose restricted net assets during the year ended August 31, 2022, are as follows:

	2021	Additions	Investment Returns	Distributions & Releases from Restrictions	2022
Stuart Harris Fund for Cultural Arts at the JCC	\$ 21,724	\$ -	\$ (368)	\$ (743)	\$ 20,613
Leo Links Fund for the Jewish Community Center	127,342	-	(2,161)	(4,357)	120,824
Frances Shield Fund for the JCC Healthy Women Healthy Lives Program	39,384	-	(668)	(1,346)	37,370
Frances Shield Fund for the JCC Cultural Arts Program	26,415	-	(448)	(904)	25,063
Frederick A. & Justine Millspaugh Catlin Family Foundation Endowment Fund for the JCC	101,336	-	(1,719)	(3,467)	96,150
Promises to give in future years	98,104	200,000	-	(40,919)	257,185
Strengthening Diversity in the Jewish Community	-	300,000	-	(26,000)	274,000
Total	<u>\$ 414,305</u>	<u>\$ 500,000</u>	<u>\$ (5,364)</u>	<u>\$ (77,736)</u>	<u>\$ 831,205</u>

NOTE 14 – ENDOWMENT

The Federation's endowment consists of three individual funds established for various purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, 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.

*Interpretation of Relevant Law*

The Federation is subject to the State of Connecticut Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 14 – ENDOWMENT (CONTINUED)

The Board of Directors of the Federation has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Federation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Federation has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, 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 fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the Foundation

Endowment net asset composition by type of fund as of August 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	\$ 31,694	\$ -	\$ 31,694
Donor Restricted Endowment Funds:			
Original donor-restricted gift amount amounts required to be maintained in perpetuity by donor		77,346	77,346
Accumulated investment (losses) gains	(1,487)	17,116	15,629
Total	<u>\$ 30,207</u>	<u>\$ 94,462</u>	<u>\$ 124,669</u>



THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 14 – ENDOWMENT (CONTINUED)

Endowment net asset composition by type of fund as of August 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	\$ 31,694	\$ -	\$ 31,694
Donor Restricted Endowment Funds:			
Original donor-restricted gift amount amounts required to be maintained in perpetuity by donor	-	77,346	77,346
Accumulated investment (losses) gains	(993)	18,804	17,811
Total	\$ 30,701	\$ 96,150	\$ 126,851

Changes in endowment net assets for the year ended August 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 30,701	\$ 96,150	\$ 126,851
Investment return, net	592	2,005	2,597
Appropriation of endowment assets for expenditure	(1,086)	(3,693)	(4,779)
Endowment net assets, end of year	\$ 30,207	\$ 94,462	\$ 124,669

Changes in endowment net assets for the year ended August 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 32,281	\$ 101,336	\$ 133,617
Investment losses, net	(587)	(1,719)	(2,306)
Appropriation of endowment assets for expenditure	(993)	(3,467)	(4,460)
Endowment net assets, end of year	\$ 30,701	\$ 96,150	\$ 126,851

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 14 – ENDOWMENT (CONTINUED)

*Return Objectives and Risk Parameters*

The Federation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds.

*Strategies Employed for Achieving Objectives*

The Federation's investments are in the custody of the Foundation. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Federation has a policy of appropriating for distribution each year 4 percent of its endowment fund's average fair value over the prior 12 quarters. In establishing this policy, The Federation considered the long-term expected return on its endowment. Accordingly, over the long term, the Federation expects the current spending policy to allow its endowment to grow at an average of 4 percent annually. The Federation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

NOTE 15 – LEASES AND RENTAL INCOME

The Federation rents certain portions of its facilities on a month-to-month basis. Classroom rental income amounted to \$53,982 and \$51,007 for the years ended August 31, 2023 and 2022, respectively.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 16 - SOLAR POWER PURCHASE AGREEMENTS

In February 2017, the Federation entered into a Power Purchase Agreement (2017 PPA) with CEFIA Holdings LLC (CEFIA). Under the terms of the agreement, CEFIA will construct a solar energy facility (SEF) on the Federation's property. Once complete, the Federation will be required to purchase all of the energy produced by the SEF at a rate of \$0.079 per kilowatt hour for a 20-year term, which can be extended for two additional five year terms. A payment schedule has been established, based on the anticipated output of the SEF, that currently requires semi-annual payments of approximately \$15,000, that decrease gradually to approximately \$14,000 in 2035. The semi-annual payments are required to be made to the Town of Woodbridge, under a benefits assessment lien.

On September 16, 2014, the Federation entered into a site lease agreement with CEFIA for a one-time payment of \$1. This agreement permits the lessor to build, maintain, and operate a solar panel power system on Federation property for a term coterminous with a Solar Power Purchase Agreement (2014 PPA) entered into by the Federation with CEFIA on the same day. The 2014 PPA requires the Federation to purchase all power generated by the new solar panel power system for a term of 20 years, at rates established in the contract, and illustrated below. A payment schedule has been established, based on the anticipated output of the SEF, that currently requires semi-annual payments of approximately \$45,000, that increase gradually to approximately \$54,000 in 2035.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 16 - SOLAR POWER PURCHASE AGREEMENTS (CONTINUED)

The semi-annual payments are required to be made to the Town of Woodbridge, under a benefits assessment lien.

REMAINING CONTRACT ENERGY PRICES:

<i>Contract Year</i>	<i>Energy Price (\$/kWh)</i>
	<i>2014 Contract</i>
2023	\$0.1149
2024	\$0.1166
2025	\$0.1184
2026	\$0.1202
2027	\$0.1220
2028	\$0.1238
2029	\$0.1256
2030	\$0.1275
2031	\$0.1294
2032	\$0.1314
2033	\$0.1333
2034	\$0.1353

The 2014 PPA also permits the Federation to purchase the solar panel power system in its fifth year of operation at a depreciating cost set forth in the contract and illustrated below.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 16 - SOLAR POWER PURCHASE AGREEMENTS (CONTINUED)

MINIMUM SYSTEM PURCHASE PRICE

<i>Contract Year</i>	<i>Minimum System Purchase Price</i>
9	\$1,143,329
10	\$1,061,014
11	\$971,131
12	\$873,028
13	\$765,993
14	\$649,256
15	\$521,978
16	\$422,659
17	\$353,268
18	\$276,932
19	\$193,053
20	\$100,978

NOTE 17 – EMPLOYEE RETENTION CREDIT

During the years ended August 31, 2022 and 2021, the Federation applied for a refundable tax credit for the Employee Retention Credit (ERC) under the Coronavirus Aid, Relief and Economic security (CARES) Act. This program grants eligible Federations an amount equal to 50% of qualified wages in each calendar quarter from March 13, 2020 through December 31, 2021. For the years ended August 31, 2022 and 2021, the Federation applied for ERCs of \$1,098,708 and \$566,170, respectively. During the year ended August 31, 2022, the Federation received \$242,736 of ERCs and, subsequent to year end, in April 2023, the Federation received \$1,020,240 of ERCs. The total ERC received of \$1,262,796 was recorded as employee retention tax credits in the accompanying statement of activities for the year ended August 31, 2022. The remaining ERCs have been received during the year ended August 31, 2023 and \$434,410 has been included as ERC in the accompanying statement as activities for the year ended August 31, 2023. Actual ERC income exceeded the amounts applied for due to interest on the credits.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 18 – STATEMENTS OF CASH FLOWS

Supplemental disclosure of cash flow information:

	<u>2023</u>	<u>2022</u>
Cash paid during the year for:		
Interest	\$ 32,732	\$ 27,444
Non Cash Gifts received	\$ 92,107	\$ 53,420

NOTE 19 – DEPARTURE FROM ACCOUNTING PRINCIPLES GENERALLY  
ACCEPTED IN THE UNITED STATES

The Federation is the sole member of and has a controlling financial interest in the Foundation. The controlling financial interest in the Foundation is the result of:

- The Federation controlling the nomination of 61% of the Foundation's Board members,
- The Federation's approval is needed for the reorganization, merger, consolidation, or dissolution of the Foundation, and
- The Federation's approval is needed for any changes to the Foundation's by-laws that would impact the Federation's powers or privileges.

In these circumstances, accounting principles generally accepted in the United States require that the Federation consolidate the accounts of the Foundation into these financial statements. The Federation's Board has elected to not consolidate the Foundation's accounts into these financial statements. The effect of this departure from accounting principles generally accepted in the United States has not been determined.

NOTE 20 – CONCENTRATIONS

During the year ended August 31, 2023, contributions received from one donor that totaled approximately 10% of the total contributions received. As of August 31, 2023, no amounts were due from this donor.

During the year ended August 31, 2022, contributions received from one foundation that totaled approximately 26% of the total contributions received and 26% of the net unconditional promises to give.

THE JEWISH FEDERATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

NOTE 21 – SUBSEQUENT EVENTS

The Federation evaluated subsequent events for recognition or disclosure from the date of the statement of financial position through July 30, 2024, the date on which the financial statements were available to be issued.