Jewish Federation of Metropolitan Chicago

Consolidated Financial Report

(In Thousands)

June 30, 2024

Contents

Plante & Moran, PLLC
10 South Riverside Plaza
9th floor
Chicago, IL 60606
Tel: 312.207.1040
Fax: 312.207.1066
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Jewish Federation of Metropolitan Chicago

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jewish Federation of Metropolitan Chicago and its subsidiaries (the "Federation"), which comprise the consolidated statement of financial position as of June 30, 2024 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Federation as of June 30, 2024 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Federation and to meet our 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.

Emphasis of Matter

As described in Note 8, the consolidated financial statements include investments valued at 49 percent of net assets and 58 percent of net assets at June 30, 2024 and 2023, respectively, whose fair value has been estimated at net asset value and other unobservable inputs used to determine market values based on information provided by the fund managers. Additionally, the JFMC Pooled Endowment Portfolio, LLC's (the "PEP") responsibilities for determining net asset value for the purpose of executing redemptions and other capital transactions under its operating agreement and processes used in carrying out those responsibilities are described in Note 2. Our opinion is not modified with respect to these matters.

Report on Prior Year Consolidated Financial Statements

The consolidated financial statements of Jewish Federation of Metropolitan Chicago and its subsidiaries as of June 30, 2023 were audited by other auditors, who expressed an unmodified opinion on those statements on December 14, 2023.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Federation's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

To the Board of Directors
Jewish Federation of Metropolitan Chicago

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Federation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024 on our consideration of Jewish Federation of Metropolitan Chicago's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jewish Federation of Metropolitan Chicago's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jewish Federation of Metropolitan Chicago's internal control over financial reporting and compliance.

Plante & Moran, PLLC

December 16, 2024

Consolidated Statement of Financial Position

June 30, 2024 and 2023
(in Thousands)

	2024	2023
Assets		
Cash and cash equivalents	$ 187,967	$ 155,896
Investments	2,257,548	2,118,488
Receivables - Net of allowances:		
Pledges and other receivables	55,485	52,540
Loan receivable - Affiliated agency and others	3,203	3,248
Redemptions receivable from underlying funds	18,775	2,856
Due from JFMC Facilities Corporation - Net	20,220	20,473
Prepaid expenses and other assets:		
Due from broker	25,069	55
Other assets	13,194	11,544
Advanced contributions to underlying funds	4,800	17,420
Amount due from participating employers for pension benefits	16,152	20,375
Beneficial interests in charitable trusts	47,025	42,804
Total assets	**$ 2,649,438**	**$ 2,445,699**
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 21,915	$ 20,250
Grants payable	10,273	20,778
Liability for pension benefits	35,683	41,737
Funds invested on behalf of unit holders	218,458	189,383
Appropriations payable	5,573	6,216
Other liabilities	4,314	24,482
Interest rate swap liability	421	1,328
Tax exempt debt	4,419	4,723
Loan payable	-	6,000
Support foundations distributions payable	21,329	35,427
Funds held for others	22,649	21,952
Total liabilities	345,034	372,276
Net Assets		
Net assets without donor restrictions:		
Undesignated	46,224	21,383
Noncontrolling interest in investments	33,449	31,987
Designated by the governing board for the following:		
Donor-advised funds	346,925	285,565
Long-term investments	1,524,227	1,440,572
Total designated by the governing board for the following	1,871,152	1,726,137
Total net assets without donor restrictions	1,950,825	1,779,507
Net assets with donor restrictions	353,579	293,916
Total net assets	2,304,404	2,073,423
Total liabilities and net assets	**$ 2,649,438**	**$ 2,445,699**

See notes to consolidated financial statements.

Jewish Federation of Metropolitan Chicago

Consolidated Statement of Activities (in Thousands)

Year Ended June 30, 2024

	Without Donor Restrictions				Total		
		Noncontrolling	Designated		Without	With	
		Interest in	Donor-Advised	Long-Term	Donor	Donor	Total
	Undesignated	Investments	Funds	Investments	Restrictions	Restrictions	2024
Revenue:							
Public support:							
Direct Public Support:							
Contributions	$ 144,597	$ -	$ -	$ 18,419	$ 163,016	$ 46,419	$ 209,435
Contributions to donor-advised funds	-	-	89,268	-	89,268	-	89,268
Distributions from beneficial interest in charitable					-		-
trusts to support operations	895	-	-	-	895	-	895
Total received directly	145,492	-	89,268	18,419	253,179	46,419	299,598
Indirect public support:							
United Way allocation (includes Chicago and Suburban)	500	-	-	-	500	-	500
Total received indirectly	500	-	-	-	500	-	500
Total public support	145,992	-	89,268	18,419	253,679	46,419	300,098
Grants from government agencies	17,915	-	-	-	17,915	-	17,915
Revenue from missions, events, and other activities	7,952	-	5	386	8,343	-	8,343
	25,867	-	5	386	26,258	-	26,258
Other revenue:							
Investment income (net of related fees of $2,647)	1,113	-	6,953	13,443	21,509	2,676	24,185
Gain on investments (net)	-	-	35,655	170,520	206,175	20,800	226,975
Unrealized gain on beneficial interest in charitable trusts	-	-	-	-	-	4,221	4,221
Unrealized gain on fair value of swap arrangements	-	-	-	632	632	-	632
	1,113	-	42,608	184,595	228,316	27,697	256,013
Transfer of net assets:							
Satisfaction of restrictions and transfers	32,331	-	(5,100)	(14,183)	13,048	(13,048)	-
Total revenue	205,303	-	126,781	189,217	521,301	61,068	582,369

Consolidated Statement of Activities (in Thousands) (Continued)

Year Ended June 30, 2024

	Without Donor Restrictions				Total		
		Noncontrolling	Designated		Without	With	
		Interest in	Donor-Advised	Long-Term	Donor	Donor	Total
	Undesignated	Investments	Funds	Investments	Restrictions	Restrictions	2024
Expenses:							
Program expenses:							
Appropriations	$ 55,987	$ -	$ -	$ -	$ 55,987	$ -	$ 55,987
Grants	86,539	-	66,771	78,176	231,486	-	231,486
Other	32,499	-	-	5,164	37,663	-	37,663
Total program expenses	175,025	-	66,771	83,340	325,136	- -	- 325,136
Supporting expenses:							
Management and administration	15,925	-	-	3,675	19,600	-	19,600
Fundraising	10,480	-	-	-	10,480	-	10,480
Total supporting expenses	26,405	-	-	3,675	30,080	- -	- 30,080
Total expenses	201,430	-	66,771	87,015	355,216	- -	- 355,216
Revenue (under) over expenses	3,873	-	60,010	102,202	166,085	- 61,068	- 227,153
Other changes in net assets:							
Pension-related changes other than pension expense	2,366	-	-	-	2,366	-	2,366
Transfer between funds	10,834	-	1,350	(11,526)	658	(658)	-
Transfer from endowment funds to support operations	7,768	-	-	(7,021)	747	(747)	-
Increase (decrease in net assets) -- JFMC	24,841	-	61,360	83,655	169,856	- 59,663	- 229,519
Noncontrolling interest in investments	-	1,462	-	-	1,462	-	1,462
Increase (decrease) in net assets)	24,841	1,462	61,360	83,655	171,318	- 59,663	- 230,981
Net assets:							
Beginning of year	21,383	31,987	285,565	1,440,572	1,779,507	293,916	2,073,423
End of year	46,224	33,449	346,925	1,524,227	1,950,825	- 353,579	- 2,304,404

See accompanying notes to combined financial statements.

Jewish Federation of Metropolitan Chicago

Consolidated Statement of Activities (in Thousands)

Year ended June 30, 2023

		Without Donor Restrictions								Total				
				Noncontrolling		Designated				Without		With		
				Interest in		Donor-Advised		Long-Term		Donor		Donor		Total
		Undesignated		Investments		Funds		Investments		Restrictions		Restrictions		2023
Revenue:														
Public support:														
Direct Public Support:														
Contributions	$	114,438	$	-	$	-	$	39,668	$	154,106	$	23,684	$	177,790
Contributions to donor-advised funds		-		-		55,731		-		55,731		-		55,731
Distributions from beneficial interest in charitable										-				-
trusts to support operations		894		-		-		-		894		-		894
Total received directly		115,332	-	-	-	55,731	-	39,668	-	210,731	-	23,684	-	234,415
Indirect public support:														
United Way allocation (includes Chicago and Suburban)		501		-		-		-		501		-		501
Total received indirectly		501		-		-		-		501		-		501
Total public support		115,833		-		55,731		39,668		211,232		23,684		234,916
Grants from government agencies		6,932		-		-		-		6,932		-		6,932
Revenue from missions, events, and other activities		8,639		-		22		193		8,854		21		8,875
		15,571		-		22		193		15,786		21		15,807
Other revenue:														
Investment income (net of related fees of $2,783)		142		-		4,394		9,906		14,442		1,498		15,940
Gain on investments (net)		-		-		22,441		127,692		150,133		15,735		165,868
Unrealized gain on beneficial interest in charitable trusts		-		-		-		-		-		2,524		2,524
Unrealized gain on fair value of swap arrangements		-		-		-		2,339		2,339		-		2,339
		142	-	-	-	26,835	-	139,937	-	166,914	-	19,757	-	186,671
Transfer of net assets:														
Satisfaction of restrictions and transfers		38,566		-		-		(3,331)		35,235		(35,235)		-
Total revenue		170,112	-	-	-	82,588	-	176,467	-	429,167	-	8,227	-	437,394

Jewish Federation of Metropolitan Chicago

Consolidated Statement of Activities (in Thousands) (Continued)

Year Ended June 30, 2023

	Without Donor Restrictions				Total		
		Noncontrolling	Designated		Without	With	
		Interest in	Donor-Advised	Long-Term	Donor	Donor	Total
	Undesignated	Investments	Funds	Investments	Restrictions	Restrictions	2023
Expenses:							
Program expenses:							
Appropriations	$ 59,794	$ -	$ -	$ -	$ 59,794	$ -	$ 59,794
Grants	87,966	-	49,326	109,087	246,379	-	246,379
Other	31,759	-	-	5,325	37,084	-	37,084
Total program expenses	179,519	-	49,326	114,412	343,257	-	343,257
Supporting expenses:							
Management and administration	16,179	-	-	3,384	19,563	-	19,563
Fundraising	8,871	-	-	-	8,871	-	8,871
Total supporting expenses	25,050	-	-	3,384	28,434	-	28,434
Total expenses	204,569	-	49,326	117,796	371,691	-	371,691
Revenue (under) over expenses	(34,457)	-	33,262	58,671	57,476	8,227	65,703
Other changes in net assets:							
Pension-related changes other than pension expense	3,020	-	-	-	3,020	-	3,020
Transfer between funds	17,844	-	8,000	(25,658)	186	(186)	-
Transfer from endowment funds to support operations	5,940	-	-	(5,068)	872	(872)	-
Increase (decrease in net assets) -- JFMC	(7,653)	-	41,262	27,945	61,554	7,169	68,723
Noncontrolling interest in investments	-	(2,554)	-	-	(2,554)	-	(2,554)
Increase (decrease) in net assets)	(7,653)	(2,554)	41,262	27,945	59,000	7,169	66,169
Net assets:							
Beginning of year	29,036	34,541	244,303	1,412,627	1,720,507	286,747	2,007,254
End of year	21,383	31,987	285,565	1,440,572	1,779,507	293,916	2,073,423

Consolidated Statement of Functional Expenses

Year Ended June 30, 2024
(In Thousands)

	Program Services	Management and General	Fundraising	Total
Salaries	$ 16,286	$ 9,583	$ 4,559	$ 30,428
Fringe benefits	3,177	1,774	1,009	5,960
Total salaries and related expenses	19,463	11,357	5,568	36,388
Appropriations	55,987	-	-	55,987
Grants	231,486	-	-	231,486
Professional fees	3,191	1,686	103	4,980
Occupancy	4,014	1,450	495	5,959
Insurance	30	473	-	503
Conferences, events, meetings, and major trips	5,778	419	3,191	9,388
Advertising	1,116	-	194	1,310
Information technology	612	1,719	92	2,423
Outside printing and design	280	12	233	525
Supplies	618	12	70	700
Postage and shipping	169	67	158	394
Membership dues	20	-	-	20
Bank and credit card fees	450	190	-	640
Interest expense	3	428	-	431
Miscellaneous	1,919	1,787	376	4,082
Subtotal	305,673	8,243	4,912	318,828
Total functional expenses	**$ 325,136**	**$ 19,600**	**$ 10,480**	**$ 355,216**

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

Year Ended June 30, 2023
(In Thousands)

	Program Services	Management and General	Fundraising	Total
Salaries	$ 15,004	$ 9,708	$ 4,299	$ 29,011
Fringe benefits	2,879	1,792	952	5,623
Total salaries and related expenses	17,883	11,500	5,251	34,634
Appropriations	59,794	-	-	59,794
Grants	246,379	-	-	246,379
Professional fees	2,877	1,589	146	4,612
Occupancy	3,327	1,589	539	5,455
Insurance	27	483	-	510
Conferences, events, meetings, and major trips	8,421	257	1,911	10,589
Advertising	372	-	201	573
Information technology	463	1,738	97	2,298
Outside printing and design	239	9	217	465
Supplies	670	15	43	728
Postage and shipping	150	57	127	334
Membership dues	17	-	-	17
Bank and credit card fees	328	228	-	556
Interest expense	47	395	-	442
Miscellaneous	2,263	1,703	339	4,305
Subtotal	325,374	8,063	3,620	337,057
Total functional expenses	**$ 343,257**	**$ 19,563**	**$ 8,871**	**$ 371,691**

Consolidated Statement of Cash Flows

Years Ended June 30, 2024 and 2023
(In Thousands)

	2024	2023
Cash Flows from Operating Activities		
Increase in net assets	$ 230,981	$ 66,169
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Change in allowance for uncollectible pledges	-	(73)
Net realized and unrealized gains on investments	(265,152)	(170,324)
Net change in unrealized gain on beneficial interests in charitable trusts and charitable gift annuities	(2,868)	(2,117)
Additions to beneficial interests in charitable trusts	-	(947)
Changes in amounts due from participating employers for pension benefits due to actuarial gains/losses and changes in assumptions	3,411	4,366
Change in pension liability	(5,777)	(7,386)
Change in unrealized gain on fair value of swaps	(907)	(2,339)
Contributions in perpetuity	(7,737)	(13)
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Pledges and other receivables	(2,945)	6,264
Due from affiliates	253	178
Other assets	(26,664)	4,061
Amount due from participating employers for pension benefits	812	(149)
Accounts payable, accrued expenses, and other liabilities	(18,503)	7,519
Appropriations payable	(643)	(523)
Grants payable	(10,505)	4,628
Liability for pension benefits	(277)	1,335
Support foundations distribution payable	(14,098)	9,485
Funds held for others	29,767	(4,391)
Net cash and cash equivalents used in operating activities	(90,852)	(84,257)
Cash Flows from Investing Activities		
Collections of loans receivable from affiliated agencies and others	45	300
Liquidation of charitable gift annuities	2,526	2,859
Additions to charitable gift annuities	(349)	(1,140)
Purchases of investments	(436,368)	(569,870)
Proceeds from sales and maturities of investments	560,797	631,243
Advanced contributions to underlying funds	12,620	(16,230)
Redemptions receivable from underlying funds	(15,919)	6,464
Net cash and cash equivalents provided by investing activities	123,352	53,626
Cash Flows from Financing Activities		
Contributions in perpetuity	7,337	13
Proceeds from loans payable	-	3,000
Payments on loans payable	(6,000)	-
Payments on tax-exempt debt	(304)	(400)
Net change in noncontrolling interest	(1,462)	2,554
Net cash and cash equivalents (used in) provided by financing activities	(429)	5,167
Net Increase (Decrease) in Cash and Cash Equivalents	32,071	(25,464)
Cash and Cash Equivalents - Beginning of year	155,896	181,360
Cash and Cash Equivalents - End of year	**$ 187,967**	**$ 155,896**
Supplemental Cash Flow Information - Interest paid	$ 319	$ 364

See notes to consolidated financial statements.

Note 1 - Nature of Activities

Jewish Federation of Metropolitan Chicago (the "Federation") is a nonprofit social service organization that makes appropriations and grants to its affiliated agencies (pursuant to certain principles of affiliation agreements) and other beneficiaries, which are primarily engaged in charitable, educational, social welfare, and health activities. Activities are conducted from offices in Chicago, Illinois.

These consolidated financial statements also include the accounts and activities of the following entities:

Jewish United Fund of Metropolitan Chicago (Jewish United Fund): Jewish United Fund is a nonprofit social service organization that conducts fundraising activities on behalf of the Federation by means of annual calendar year campaigns in order to make domestic and overseas allocations to beneficiary organizations. Jewish United Fund provides critical resources that bring food, refuge, health care, education, and emergency assistance to 500,000 Chicagoans of all faiths and to millions of Jews in Israel and around the world. The Federation is the sole member of Jewish United Fund and has a controlling financial interest, as well as significant economic interest in the organization.

JFMC Pooled Endowment Portfolio, LLC (the "PEP"): The Federation holds a portion of its investments in the JFMC Pooled Endowment Portfolio, LLC (see Note 3). The Federation is the manager and administrator of the PEP and is also the majority owner of the PEP. As manager, the Federation owned approximately 85.7 percent and 85.3 percent of the PEP's ownership interest as of June 30, 2024 and 2023, respectively. For the fiscal years ended June 30, 2024 and 2023, the Federation owned approximately an additional 11.5 percent and 11.9 percent, respectively, of the PEP through its subsidiary, Michael Reese Health Trust.

Michael Reese Health Trust (the "Trust"): The Michael Reese Health Trust is operating as a public grantmaking foundation under a five-year evaluation period with the Internal Revenue Service (IRS), which expired on June 30, 2023. The Trust filed for reclassification of foundation status, and the IRS approved its status as a public foundation during fiscal year 2024. Its mission is to support and encourage charitable, educational, and research activities related to health care in the Chicago metropolitan area. The Federation is the sole member of the Trust and appoints the majority of the board of directors.

Support Foundations: Support foundations are separate, nonprofit corporations that are funded by various donors to support the broad charitable purpose of the Federation (the "Support Foundations") (see Note 4). The Federation has both control of the respective boards of directors and an economic interest in each of the Support Foundations, and, accordingly, the Support Foundations have been consolidated into the Federation's consolidated financial statements.

The Covenant Foundation: The Covenant Foundation is a nonprofit organization whose mission is to build on existing strengths within the field of Jewish education across all denominations through all forms of pre-collegiate and adult Jewish education. The Federation has a controlling financial interest in the Covenant Foundation through a majority voting interest of the board of directors.

Note 2 - Significant Accounting Policies

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to nonprofit organizations.

Note 2 - Significant Accounting Policies (Continued)

Principles of Consolidation

In accordance with the accounting guidance on reporting of related entities by nonprofit organizations, the Federation's consolidated financial statements consolidate the activities of Jewish United Fund, the PEP, the Trust, the Support Foundations, and the Covenant Foundation. All interorganizational balances and transactions have been eliminated in consolidation. The Federation, as used herein, refers to Jewish Federation of Metropolitan Chicago individually or collectively with its consolidated affiliated entities, as the context may require.

Classification of Net Assets

Net assets of the Federation are classified based on the presence or absence of donor-imposed restrictions. A definition and description of each net asset class are as follows:

<u>Net Assets without Donor Restrictions</u>

Net assets that are not subject to donor-imposed restrictions. Also included in net assets without donor restrictions are donor advised funds and long-term investments. Items that affect (i.e., increase or decrease) this net asset category include amounts received from government agencies, miscellaneous program service fees, and all expenses associated with the core activities of the Federation. In addition to these activities, changes in this category of net assets include the activities of certain types of board-designated funds, support foundations and philanthropic support. Also included in this category are contributions without donor restrictions, indirect public support, investment income (inclusive of gains and losses on investment activity), and restricted contributions whose donor-imposed restrictions were met during the same fiscal period in which the contributions were received.

<u>Net Assets with Donor Restrictions</u>

Net assets subject to restrictions imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Federation or the passage of time. Items that affect this net asset category are restricted contributions and grants. These amounts are reclassified to net assets without donor restrictions when such restrictions are met or have expired. Some donor restrictions are perpetual in nature, where the donor has stipulated that the funds be invested in perpetuity. This net asset category includes beneficial interests in charitable trusts. Investment income, including realized and unrealized gains on such assets, is recorded in net assets with donor restrictions until appropriated for expenditures unless specifically restricted by the donors.

Noncontrolling Interest in Investments

Noncontrolling interest in investments represents the portion of equity in the PEP owned by other nonprofit organizations not affiliated with the Federation. As of both June 30, 2024 and 2023, there were two such other organizations. The profit or loss derived from the performance of the PEP is allocated to all members of the PEP, including the noncontrolling interest reflected in the consolidated statement of activities. Noncontrolling interest on the accompanying consolidated financial statements relates to the minority members' approximate 2.7 percent and 2.8 percent share of the PEP at June 30, 2024 and 2023, respectively.

Donor-advised Funds

Individuals may establish donor-advised funds, whereby each fund and its related earnings may be distributed to charities recommended by the donor, subject to the approval of the Federation. Donor-advised funds are classified as net assets without donor restrictions.

Note 2 - Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash equivalents are defined as all highly liquid investments with an original maturity of three months or less when purchased. The cash balance exceeds federally insured limits. However, the Federation has not experienced any losses in such accounts.

Investments

Investments are reported at fair value. The difference between the aggregate fair values of investments as of the end of the year and their fair values at the beginning of the year for investments still owned (or the cost for acquisitions during the year) and the net gain or losses on dispositions of investments is reflected as net gain or loss on investments. Dividends and interest income are reported as investment income on the consolidated statement of activities.

Pledges and Other Receivables

Pledges receivable are recorded for a donor's unconditional promise to give to the Federation. The allowance for doubtful pledges is based on management's estimate of the collectibility of specifically identified receivables.

Pledges receivables are also recorded net of a discount to present value applied to the long-term portion of any multiyear pledge. The discount is amortized over the term of the pledge, and amortization is recorded as contribution revenue on the consolidated statement of activities.

Other receivables primarily consist of foundation and government grants receivable and miscellaneous receivables that are expected to be collected in fiscal year 2025. Based on historical experience and an analysis of specific accounts, management has determined that no allowance for doubtful accounts is necessary for other receivables.

Due from JFMC Facilities Corporation (Facilities)

Due from Facilities (an unconsolidated special purpose entity) consists primarily of amounts relating to tax-exempt financing and advances to meet cash flow requirements. In addition, the Federation occupies office space owned by Facilities in Chicago, Illinois. Occupancy expenses charged are determined based on the annual occupancy budget and reflect the estimated operating costs for the space. Occupancy expense paid by the Federation to Facilities for the years ended June 30, 2024 and 2023 was $4,761 and $4,841, respectively. These are operating leases that have a term of one year or less that the Federation has elected to account for as a short-term leases.

Due from Broker

Amounts due from broker represent cash held in a broker account used for purchases and sales of various exchange-traded funds held at such broker.

Redemptions Receivable from Underlying Funds

This asset consists of investment redemptions in transit at year end related to the underlying funds invested in the PEP.

Advanced Contributions to Underlying Funds

This asset consists of deposits made by the Federation and the PEP to investment subscriptions that were in transit at fiscal year end.

Note 2 - Significant Accounting Policies (Continued)

Beneficial Interest in Charitable Trusts

The Federation has recorded as an asset its beneficial interest in several irrevocable charitable trusts. These perpetual trusts provide for the distribution of the net income of the trusts to the Federation; however, the Federation will never receive the assets of the trusts. At the date the Federation receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the consolidated statement of activities, and a beneficial interest in charitable trust is recorded in the consolidated statement of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the consolidated statement of financial position, with changes in fair value recognized as revenue with donor restrictions in the consolidated statement of activities. Distributions received from the charitable trusts are recorded as revenue without donor restrictions.

Appropriations Payable

Amounts approved by the board of directors to be paid to beneficiary organizations are included in appropriations payable to beneficiaries if unpaid at fiscal year end. Adjustments are periodically made to appropriations payable based on actions taken by the board of directors.

Grants Payable

Grants are recognized as an expense at the time of formal approval. Conditional grants, if any, are expensed when such conditions are substantially met. As of June 30, 2024 and 2023, all of the grants payable are due within one year.

Charitable Remainder Trust Obligation

The Federation has entered into various charitable remainder trust agreements with its donors. The Federation is obligated to make payments to the annuitants and trust recipients for the remainder of their lives. These trusts are governed by the respective trust agreements, which generally provide for either an income stream or a future distribution of cash or other assets to the Federation, in whole or in part, for a specified period or upon the occurrence of a specific event, respectively. All of the Federation's interests in these trusts are considered irrevocable. The trust assets are recorded at fair value, and a related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. This liability is included in the funds held for others on the consolidated statement of financial position. The excess of contributed assets over the trust liability is recorded on the date the trust is effective as a contribution with donor restrictions until such amount is received via trust distribution or is expended in satisfaction of the donor-restricted purpose stipulated by the trust agreement, or both, if any. At that time, net assets with donor-imposed time or purpose restrictions are released to net assets without restrictions. In subsequent years, the liability for future trust payments to the donor is reduced by payments made to the donor and is adjusted to reflect changes in the fair value of the liability at the end of the fiscal year. Upon termination of the trust, the remaining liability is removed and recognized as revenue. These charitable remainder trusts, received for the benefit of third-party beneficiaries, are recorded in the custodian funds. As of June 30, 2024 and 2023, the total assets for the various charitable remainder trust agreements were $16,006 and $15,261, respectively. Note that the total contributions as of June 30, 2024 and 2023 were $1,266 and $2,151, respectively.

Note 2 - Significant Accounting Policies (Continued)

Charitable Gift Annuities

The Federation has entered into various charitable gift annuity agreements with its donors. Under these charitable gift annuity contracts, the Federation receives immediate and unrestricted title to contributed assets and agrees to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. This liability is included in the funds held for others on the consolidated statement of financial position. The excess of contributed assets over the annuity liability is recorded on the date of the agreement as a contribution without donor restrictions. In subsequent years, the liability for future payments to the donor is reduced by payments made to the donor and is adjusted to reflect changes in the fair value of the liability at the end of the fiscal year. Upon termination of the annuity contract, the remaining liability is removed and recognized as revenue. These charitable gift annuities, received for the benefit of third-party beneficiaries, are recorded in the custodian funds.

Contributions

Contributions received, including unconditional promises and noncash assets, are recognized as revenue with or without donor restrictions when the donor's commitment is made. Conditional promises, consisting of grants from government agencies, are recognized when the barriers have been substantially met (generally when qualifying expenses have been incurred and all other grant requirements have been met). Contributions of assets other than cash are recorded at their estimated fair value. Contributions also include legacies and bequests, which are recorded as received and when notified of an irrevocable beneficial interest in a trust that can be reasonably measured based on information available.

Donated Services

The Federation receives donated services from volunteers and others. No amounts have been reflected herein for donated services because they do not meet the defined requirements for inclusion in the consolidated financial statements.

Grant Revenue

Grant revenue is considered a nonexchange transaction and is recognized as the conditions of the grants have been met. Grant funding received in advance of conditions being met is recorded as deferred revenue.

Refugee and Immigrant Social Service Program

The Federation administers grants from government agencies allocated for specified services to refugees and immigrants. Funds received and distributions made to participating agencies under these programs are accounted for in the undesignated fund. All costs incurred by the Federation in connection with administering the programs and reimbursements for such costs from these agencies are reflected as program services expenses and grant revenue in the consolidated statement of activities.

Derivative Financial Instruments

Interest rate swap arrangements are recognized as either an asset or liability at fair value in the consolidated statement of financial position, with changes in fair value reported as net unrealized gains or losses in other revenue on the consolidated statement of activities. The Federation does not consider any derivative instruments to be hedging instruments in accordance with hedge accounting guidance.

Note 2 - Significant Accounting Policies (Continued)

Income Taxes

The Federation, Jewish United Fund, the Trust, the Support Foundations, and the Covenant Foundation are Illinois nonprofit corporations and are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law; however, income from certain activities not directly related to the Federation's tax-exempt purposes, such as unrelated business income allocated from investment partnerships, is subject to taxation.

The PEP, a Delaware LLC, is not subject to federal income tax because its income and losses are includable in the tax returns of its members. The PEP may be required to file returns in various state and local jurisdictions as a result of its operations and the residency of its members.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, the Federation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Federation and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the reporting periods covered by these consolidated financial statements.

The Federation, Jewish United Fund, the Trust, the Covenant Foundation, and certain Support Foundations file separate Forms 990 and 990-T in the U.S. federal jurisdiction and the state of Illinois. The remaining Support Foundations file separate Forms 990 in the U.S. federal jurisdiction and the state of Illinois.

Functional Expenses

Operating expenses directly identified with a specific functional area are fully allocated to that area. Operating expenses attributable to multiple functional areas are allocated based on a methodology established and consistently applied by management. Occupancy expenses are allocated on the basis of square footage. Salaries and fringe benefit expenses are allocated using ratios based on management's estimate of time and effort. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Management Estimates

In preparing the consolidated financial statements in conformity with U.S. GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain 2023 amounts have been reclassified to conform to the 2024 presentation without any effect on net assets or changes in net assets as previously reported. Certain cash investment accounts of approximately $8,400 were reclassified to cash and cash equivalents to better align with the nature of the accounts. Additionally, certain investments categories within Note 8 were grouped to better align with the nature of the investments. This reclassification did not affect the fair value of the investments.

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncement

In June 2022, the FASB issued ASU No. 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*, which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. ASU No. 2022-03 also clarifies that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. In addition, ASU No. 2022-03 requires additional disclosures for equity securities subject to contractual restrictions. This ASU is effective for the Federation beginning on July 1, 2025. The adoption of ASU No. 2022-03 is not expected to have a significant impact on the Federation’s financial statements.

Subsequent Events

The Federation has evaluated subsequent events for potential recognition and/or disclosure through December 16, 2024, the date the consolidated financial statements were available to be issued.

Effective October 1, 2024, the manager of the PEP entered into an investment advisory agreement with a new outsourced chief investment office (OCIO) firm, which is registered as an investment advisor with the U.S. Securities and Exchange Commission.

Note 3 - JFMC Pooled Endowment Portfolio, LLC

The PEP is a Delaware limited liability company that was organized by the Federation in 2011 upon the transfer of investments and equity from the Federation (the "Manager"). As the Manager, the Federation makes all investment decisions on behalf of the PEP. The PEP was created to serve as an endowment investment solution for federation-related charitable organizations and to provide access to professional investment management, administration, and reporting for its members. The PEP may purchase, hold, or sell investments directly or through one or more vehicles formed to facilitate the purchase, holding, or sale of such investments, including one or more master funds or other entities formed for tax, administrative, or operational reasons.

Each member of the PEP has a direct ownership interest in the PEP and is required to be a nonprofit organization, as described by Section 501(c)(3) of the Internal Revenue Code, and such member's assets now or hereafter invested in the PEP must be exclusively one or more of the types of assets described in subsections (i) through (viii) of Section 3(c)(10)(B) of the Investment Company Act of 1940, as amended (the "Investment Company Act"). In addition, each member must be an accredited investor, as defined under Rule 501(a) of Regulation D of the Securities Act of 1933, as amended (the "Securities Act"). The minimum initial investment required to subscribe for an interest in the PEP is $1,000, and the minimum additional investment required of members is $100. The Manager may, in its sole discretion, accept subscriptions for a lesser amount or establish different minimum amounts in the future. The Manager may accept subscriptions as of the first business day of each month. The Manager, in its sole discretion, may accept or reject, in whole or in part, any subscription and, at this time, is only accepting new members from Jewish charities located in the Chicagoland area.

Note 3 - JFMC Pooled Endowment Portfolio, LLC (Continued)

As defined in the LLC agreement, withdrawals can be made by members on a monthly basis subject to certain limitations described below. If the withdrawal request exceeds 40 percent of a member's average monthly account balance, the Manager will pay 50 percent of the withdrawal request in the current month, and the remaining balance will be paid over a six-year period (the "Investor Gate"). The Manager shall be entitled to redeem any portion of its equity account on the first day of any month. Additionally, the amount of aggregate withdrawal requests during any given month shall be limited, on a proportionate basis among redeeming members (excluding any from the Manager), to an amount equal to 10 percent of the net asset value of the PEP (the "Fund Gate"). The remaining amount of withdrawal requests in excess of the Fund Gate will be given priority over subsequent withdrawal requests in subsequent months but continue to be subject to the Fund Gate. Members are required to provide the Manager with written notice of withdrawal requests by the 15th day of each month.

A redeeming member will redeem such member's capital accounts based on the NAV of the PEP as of the close of business on the redemption date, before giving effect to such redemption (the "Redemption Price"), as determined in accordance with the following valuation principles. Under the terms of the LLC agreement, the net asset value shall be based on the market value or fair value of the assets and liabilities of the PEP, and the Manager shall determine the NAV at any date on the accrual basis of accounting and using GAAP as a guideline. The Manager uses readily available quoted market closing prices for its exchange-traded funds. Open and closed-end portfolio funds (private funds) are valued at the latest available NAV for the applicable portfolio fund as of the date of valuation of the investment. The Manager shall be entitled to exercise its reasonable judgment in determining the values to be attributed to assets and liabilities, and, provided that it is acting in the interest of the PEP as a whole, such valuation shall be considered final and conclusive as to all members.

On a monthly basis, the Manager's process for determining NAV is as follows: (1) the Manager uses readily available quoted market closing prices for its exchange-traded funds, and (2) the valuation of private funds is based on the most recently reported net asset value provided by the underlying funds' managers, adjusted for purchases, distributions, redemptions, and certain changes in the value of underlying investments reported to the PEP by the underlying investment manager at its discretion. This determination is performed on the 20th day of the month based on information available. Subsequent receipt of month-end or quarter-end NAV for private funds from underlying investment managers is reflected in the following month's determination of NAV.

The outside members' equity in the PEP was approximately $33,449 and $31,987 as of June 30, 2024 and 2023, respectively, which is reflected as noncontrolling interest in investments on the consolidated statement of financial position.

The Federation also offers contract rights (Tracking Units) to certain qualified investors (Unit Holders) who do not meet the requirements for direct ownership interest in the PEP, as defined above. Each Unit Holder must be a nonprofit organization, as described by Section 501(c)(3) of the Internal Revenue Code. By purchasing Tracking Units, a Unit Holder is able to participate indirectly in the PEP's investment return through the Federation's investment in the PEP. The Tracking Units do not represent a direct ownership in the PEP; they represent contract rights, the value of which is tied to the value of the PEP. As such, the Tracking Units are deemed to be a derivative instrument. At this time, the Manager is only accepting new Unit Holders from Jewish charities located in the Chicagoland area. The Tracking Units are remeasured at fair value at each reporting period, with changes in fair value recognized in the consolidated statement of activities. The Unit Holders held approximately $218,458 and $189,383 of the Federation's investment in the PEP as of June 30, 2024 and 2023, respectively, which is reported as a liability on the consolidated statement of financial position.

Note 3 - JFMC Pooled Endowment Portfolio, LLC (Continued)

Subscriptions for Tracking Units are accepted as of the first business day of each month, with at least five calendar days' written notice prior to the first day of the month. The minimum initial investment for Tracking Units is $1,000, and the minimum additional investment required is $100. The number and value of Tracking Units purchased is determined by the Manager, in its sole discretion, based on the value of the PEP as of the date the Tracking Units are purchased and in accordance with the valuation policies and procedures set forth in the PEP's governing documents. The Manager, in its sole discretion, may accept or reject, in whole or in part, any subscription.

A Unit Holder may redeem all or any portion of its Tracking Units, subject to certain limitations described in the PEP's governing documents, effective as of the last business day of the month. Unit Holders are required to provide the Manager with written notice of withdrawal requests by the 15th day of each month. The Manager will generally pay the withdrawal amount in two installments: (1) 80 percent on the last day of the month in which the withdrawal is requested and (2) the remainder within 60 days.

The Manager, in its sole discretion, determines the number of Tracking Units to redeem as a result of the Unit Holder's withdrawal request by valuing each Tracking Unit in accordance with the valuation policies and procedures set forth in the PEP's governing documents.

The PEP had a total return of 10.53 percent and 8.53 percent for the years ended June 30, 2024 and 2023, respectively. Expenses as a percentage of weighted-average PEP net assets were 0.37 percent and 0.36 percent for the years ended June 30, 2024 and 2023, respectively. Net investment income, as defined by generally accepted accounting principles, excludes net realized and change in unrealized gain on investments and foreign currency transactions, which was 0.44 percent and 0.13 percent of weighted-average PEP net assets for the years ended June 30, 2024 and 2023, respectively. The total return is calculated for the member class taken as a whole. A member's return may vary from these returns based on the timing of equity transactions. The expense and net investment income ratios are computed based upon the PEP’s weighted-average net assets taken as a whole for the years ended June 30, 2024 and 2023. Expenses and net investment income do not include management fees assessed by the underlying investment entities. These fees are drawn directly from individual portfolio positions and are reported within net realized and change in unrealized gain on investments and foreign currency transactions on the statement of operations.

(Amounts in Thousands)

Note 4 - Support Foundations

Various Support Foundations are consolidated within the Federation's consolidated financial statements. The Support Foundations' assets are classified as net assets without donor restrictions, and their revenue and expenses are reported in the long-term investments column on the consolidated statement of activities. The following table presents the balances and activities of these Support Foundations as of and for the years ended June 30, 2024 and 2023:

	2024	2023
Assets - Investments and other assets	$ 1,133,809	$ 1,065,099
Liabilities - Distribution payable	21,329	35,427
Net assets	1,112,480	1,029,672
Total	$ 1,133,809	$ 1,065,099
Revenue:		
Contributions	$ 10,657	$ 37,241
Investment income	11,653	10,000
Gain on investment activity - Net	134,856	55,797
Other income	284	17
Total revenue	157,450	103,055
Expenses:		
Distributions	53,814	40,813
Other expenses	-	1,549
Total expenses	53,814	42,362
Increase in net assets	$ 103,636	$ 60,693

Note 5 - Appropriations

Appropriations to the Federation's affiliated agencies and other beneficiaries, which are approved by the board of directors, totaled $55,987 and $59,794 for the fiscal years ended June 30, 2024 and 2023, respectively.

The following table presents changes in the appropriation payable accounts for the fiscal years ended June 30, 2024 and 2023:

	2024	2023
Changes during fiscal year:		
Appropriations and adjustments:		
Affiliated agencies	$ 22,417	$ 23,473
Others	33,570	36,321
Total appropriations and adjustments	55,987	59,794
Payments	(56,630)	(60,317)
Net change	$ (643)	$ (523)
Balance at June 30 - Appropriations payable	$ 5,573	$ 6,216

The appropriations payable are all expected to be paid within the next year.

(Amounts in Thousands)

Note 5 - Appropriations (Continued)

In accordance with the principles of affiliation agreements between the Federation and its affiliated agencies, the affiliated agencies may not negotiate any merger or material transfer of their assets without approval of the Federation, and, in the event of any liquidation, dissolution, or winding up of the affairs of an affiliated agency, the net proceeds, after payment of all debts, are to be distributed to the Federation.

Note 6 - Pledges and Other Receivables

Pledges receivable with donor restrictions consist primarily of unconditional pledges from various individuals. The pledges have been made to support various federation-sponsored programs and projects, including the Arie Crown Hebrew Day School Capital Project, Live Secure-Security Initiative, Solomon Schechter Day School Capital Campaign, and Jewish Women's Foundation. All pledges expected to be collected after June 30, 2025 are discounted using rates ranging from 1.2 percent to 6.0 percent. Pledges are receivable at June 30, 2024 and 2023 as follows:

	2024	2023
Amounts expected to be collected in:		
Less than one year	$ 8,085	$ 6,971
One to five years	9,270	7,377
More than five years	898	1,648
Total pledges receivable	18,253	15,996
Less:		
Allowance for uncollectible pledges	(2,410)	(1,845)
Discount to present value	(877)	(489)
Total pledges receivable - Net	$ 14,966	$ 13,662

Jewish United Fund also had $25,688 and $28,867 of net pledges outstanding at June 30, 2024 and 2023, respectively, that are included in pledges and other receivables without donor restrictions. These pledges were received in connection with the 2024 and 2023 annual campaigns and are due for collection. An allowance for uncollectible pledges of $4,717 and $4,913 at June 30, 2024 and 2023, respectively, has been applied to these balances.

Other receivables (without donor restrictions and custodian) of $14,831 and $10,011 are primarily composed of grants receivable from the Illinois Department of Human Service and private funders.

Note 7 - Loans Receivable - Affiliated Agencies and Others

Loans receivable from affiliated agencies and others are stated at the net amount of the outstanding loans. Management's estimate of any allowance for loan loss is based on a review of specific loans and current and future economic conditions that may affect the borrower's ability to repay. There was no allowance for loan loss recorded as of June 30, 2024 and 2023.

(Amounts in Thousands)

Note 7 - Loans Receivable - Affiliated Agencies and Others (Continued)

Loans receivable due from affiliated agencies and others consisted of the following:

	2024	2023
Jewish Child and Family Services -		
(a) Non-interest-bearing loan to finance merger costs of Jewish Family and Community Services and Jewish Children's Bureau. Repayment of the loan began in fiscal 2010 at $75 per year through 2029	$ 403	$ 478
JFMC Facilities Corporation:		
(a) Non-interest-bearing loan to finance accumulated operating deficits of the Goldie Bachman Luftig Building. Annual principal payments of $162 are due through fiscal year 2036	1,944	2,106
(b) Loan to fund project at Migdal Oaz Home, bearing interest at 5.5 percent, maturing in 2037	61	64
(c) Loan to finance road improvements at the "Z" Frank Apachi Day Camp, bearing interest at a rate of 4 percent and payable over a 25-year period ending in 2034	58	62
(d) Loans to finance roof and parking lot improvements at the Bernard Horwich Jewish Community Building, bearing interest at 4.5 percent per annum over 20- and 25-year periods, with final payment due in 2029 and 2034, respectively	191	211
(e) Loan to finance renovations at 30 S. Wells, bearing interest at a rate of 3.98 percent, payable monthly over a 15-year period, with final payment due in 2029	88	103
(f) Non-interest-bearing loan to refinance a portion of bank loan for Newberger Hillel with final payment due in 2029	57	-
Other organizations:		
(a) Loans made to various day schools to provide the cash match requirement to receive funding from the U.S. Department of Homeland Security Grants for security improvements at the schools. These loans bear interest at various rates (1 percent per annum plus the long-term Treasury bill rate) based on the term of the loan. Principal and interest payments are payable monthly, maturing at various dates through 2029	8	13
(b) Others	393	211
Total	$ 3,203	$ 3,248

Note 8 - Fair Value of Financial Instruments and Investments

As described in Note 2, the Federation reports its investments at fair value. Guidance provided by the FASB defines fair value as 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. The Federation utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1

Unadjusted quoted prices for identical assets or liabilities in active markets that the Federation has the ability to access at the measurement date.

Note 8 - Fair Value of Financial Instruments and Investments (Continued)

Level 2

Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value is determined through the use of models or other valuation methodologies. These inputs may include (a) quoted prices for identical or similar instruments in inactive markets, (b) quoted prices for similar instruments in active markets, (c) inputs other than quoted prices that are observable for the asset or liability, or (d) inputs derived principally from or corroborated by observable market data by correlation or other means. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3

Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Management's estimates include using pricing models, discounted cash flow methodologies, or similar techniques, taking into account the characteristics of the asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement. The Federation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The availability of valuation techniques and observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the type of instrument, whether the instrument is new and not yet established in the marketplace, and the liquidity of markets and other characteristics particular to the instrument. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in those instruments.

For the fiscal years ended June 30, 2024 and 2023, the application of valuation techniques applied to similar assets and liabilities have been consistent with previous years. The following is a description of the valuation methodologies used for investments, beneficial interest in charitable trusts, derivative instruments, amounts due to Unit Holders, and charitable remainder and annuity trusts measured at fair value:

Investments

Investments in money market funds, various equity and credit assets, and registered investment companies, which include exchange-traded funds, all of which are traded on a national securities exchange or reported on the NASDAQ national market, are stated at the last reported sale price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

Note 8 - Fair Value of Financial Instruments and Investments (Continued)

Investments in corporate bonds and notes and government securities that are traded on a national securities exchange or market are valued at the mean between the current bid and asked quotations on that day. If a reliable bid and asked quotation cannot be obtained from a national securities exchange, the security is priced at the mean between the bid and asked quotation of a reliable market maker. If the investments are not traded on an exchange, they are stated at cost plus accrued interest, which approximates the fair value. These financial instruments are classified as Level 2 in the fair value hierarchy.

Investments in nonregistered investment companies consisting of certain private equity funds, hedged credit funds, private core credit funds, and real asset funds and real estate funds are valued using net asset value as a practical expedient, as determined by the Federation based on net asset information provided by the underlying investment managers and adjusts for any purchase and sales activity, as well as performance information, provided by the respective investment manager in order to determine fair value. The Federation utilizes the NAV reflected on the consolidated financial statements and year-end financial statements of the underlying investment entities. The underlying investment entities value securities and other financial instruments at fair value based upon market price, when possible, or at fair value determined by the respective entities' investment manager when no market price is determinable. Although the Federation and the underlying investment managers use their best judgment in estimating the fair value investments in funds, there are inherent limitations in any estimation technique. The estimated fair values of certain investments of the underlying investment entities, which may include derivatives, securities, and other designated or side-pocketed investments for which prices are not readily available, may not reflect amounts that could be realized upon immediate sale or amounts that may be ultimately realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments and differences could be material.

In instances in which an underlying investment fund has invested in securities that include an illiquid portion, such investments may be held in a side pocket. Generally, side pockets are illiquid with no immediate active market. Accordingly, side pocket interests are generally valued using unobservable inputs. The fair value of the Federation's investment in such underlying funds was approximately $44,000 and $43,000 as of June 30, 2024 and 2023, respectively.

Beneficial Interest in Charitable Trusts

The fair value of the beneficial interest in charitable trusts is determined based upon the Federation's proportional interest in the fair value of the trusts' assets. The underlying trusts' assets are either readily marketable and have fair values that are determined by obtaining quoted market prices in active markets or are determined by the trusts using information provided by the related investment managers. The beneficial interest in charitable trusts is classified as Level 3.

Derivative Instruments

The Federation uses interest rate swaps to manage interest rate risk (see Note 11). The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each interest rate swap. This analysis reflects the contractual terms of the interest rate swap, including the period to maturity, and uses observable market-based inputs, including London Interbank Offered Rate (LIBOR) curves. The 30-day LIBOR as of June 30, 2023 was 5.22 percent. In July 2023, the secured overnight financing rate (SOFR) replaced LIBOR as the floating rate on the Federation's swaps. As of June 30, 2024, the 30-day SOFR was 5.33 percent. The interest rate swaps are classified as Level 2.

Note 8 - Fair Value of Financial Instruments and Investments (Continued)

Charitable Remainder and Annuity Trusts

Assets received for charitable gift annuities and charitable remainder trusts are recorded at fair value in the without donor restrictions fund and with donor restrictions fund, respectively, until the Federation's obligations to the annuitants have been met. The difference between the fair value of assets contributed and obligations recorded is recognized as contribution revenue.

Liabilities for the charitable gift annuities and charitable remainder trusts are recorded in an amount equal to the present value of the estimated future obligations based on mortality rates derived from ordinary life annuity tables, as funds held for others on the consolidated statement of financial position. The remainder interests are computed and measured at fair value using a present value discount rate ranging from 3.78 percent to 7.00 percent. In computing the liability, management considers the estimated return on the invested assets and the contractual payment obligation during the expected term of each respective annuity agreement. The fair value estimates are classified as Level 3.

Funds Invested on Behalf of Unit Holders

The Federation's Unit Holder liability represents the amount due to Tracking Unit holders, which represents their indirect share in the PEP and is categorized as Level 2 in the fair value hierarchy as it is based on the net asset value of the PEP. The Tracking Unit investment is valued at fair value, as determined by the Federation based on net asset information provided by the PEP's manager, as this is the value at which the Federation would be required to redeem the Tracking Unit holders' indirect interests. In determining fair value, the Federation utilizes the valuation reflected on the financial statements and other financial reports of the PEP. The PEP values securities and other financial instruments at fair value based upon market price, when possible, or at fair value determined by the PEP's manager when no market price is determinable. Although the Federation and the PEP's manager use their best judgment in estimating the fair values, there are inherent limitations in any estimation technique. The estimated fair values of certain investments of the PEP, which may include derivatives, securities, and other designated or side-pocketed investments for which prices are not readily available and may not reflect amounts that could be realized upon immediate sale or amounts that may be ultimately realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments, and differences could be material.

(Amounts in Thousands)

Note 8 - Fair Value of Financial Instruments and Investments (Continued)

The following tables present information about the Federation's assets and liabilities measured at fair value on a recurring basis at June 30, 2024 and 2023 and the valuation techniques used by the Federation to determine those fair values:

	Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2024				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (1)	Balance at June 30, 2024
Assets					
Investments:					
Money market funds	$ 59,779	$ -	$ -	$ -	$ 59,779
Certificates of deposit	-	4,425	-	-	4,425
Corporate bonds and notes	-	1,901	-	-	1,901
Government securities	-	338	-	-	338
Preferred stocks	-	33	-	-	33
Common stocks	463,089	-	-	-	463,089
State of Israel bonds	-	8,732	-	-	8,732
Exchange-traded funds	455,946	-	-	-	455,946
Investment in underlying equity funds:					
U.S. large cap equity	111,689	-	-	121,803	233,492
U.S. small cap equity	432	-	-	103,537	103,969
Emerging markets equity	-	-	-	505	505
Developed international equity	5,283	-	-	170,384	175,667
Hedged equity	-	-	-	69,097	69,097
Private equity and fund of funds	-	-	103,719	374,765	478,484
Investment in underlying credit funds:					
Hedged credit	-	-	-	51,464	51,464
Core credit	8,009	-	13	10,507	18,529
Private credit	-	-	-	14,315	14,315
Real assets	-	-	-	74,000	74,000
Real estate	-	-	-	41,693	41,693
Other	-	-	2,090	-	2,090
Total investments	1,104,227	15,429	105,822	1,032,070	2,257,548
Beneficial interest in charitable trusts	-	-	47,025	-	47,025
Total assets	$ 1,104,227	$ 15,429	$ 152,847	$ 1,032,070	$ 2,304,573
Liabilities					
Interest rate swaps	$ -	$ 421	$ -	$ -	$ 421
Charitable remainder and annuity trusts	-	-	13,861	-	13,861
Funds invested on behalf of Unit Holders	-	218,458	-	-	218,458
Total liabilities	$ -	$ 218,879	$ 13,861	$ -	$ 232,740

(Amounts in Thousands)

Note 8 - Fair Value of Financial Instruments and Investments (Continued)

	Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (1)	Balance at June 30, 2023
Assets					
Investments:					
Money market funds	$ 35,273	$ -	$ -	$ -	$ 35,273
Certificates of deposit	-	2,810	-	-	2,810
Corporate bonds and notes	-	1,630	-	-	1,630
Government securities	-	1,711	-	-	1,711
Common stocks	441,945	-	-	-	441,945
State of Israel bonds	-	8,488	-	-	8,488
Exchange-traded funds	323,293	-	-	-	323,293
Investment in underlying equity funds:					
U.S. large cap equity	91,062	-	-	102,216	193,278
U.S. small cap equity	377	-	-	99,892	100,269
Emerging markets equity	-	-	-	14,268	14,268
Developed international equity	6,145	-	-	192,066	198,211
Hedged equity	-	-	-	94,490	94,490
Private equity and fund of funds	-	-	88,617	407,749	496,366
Investments in underlying credit funds:					
Hedged credit	-	-	-	56,462	56,462
Core credit	6,617	-	-	13,162	19,779
Private credit	-	-	-	9,900	9,900
Real assets	-	-	-	77,383	77,383
Real estate	-	-	-	40,747	40,747
Other	-	-	2,185	-	2,185
Total investments	904,712	14,639	90,802	1,108,335	2,118,488
Beneficial interest in charitable trusts	-	-	42,804	-	42,804
Total assets	$ 904,712	$ 14,639	$ 133,606	$ 1,108,335	$ 2,161,292
Liabilities					
Interest rate swaps	$ -	$ 1,328	$ -	$ -	$ 1,328
Charitable remainder and annuity trusts	-	-	14,691	-	14,691
Funds invested on behalf of Unit Holders	-	189,383	-	-	189,383
Total liabilities	$ -	$ 190,711	$ 14,691	$ -	$ 205,402

(1) Certain investments that are measured at NAV as a practical expedient have not been categorized in the fair value hierarchy. NAV presented in the tables above is intended to permit reconciliation of NAV to the amounts presented in the consolidated statement of financial position.

(Amounts in Thousands)

Note 8 - Fair Value of Financial Instruments and Investments (Continued)

Investments in Entities that Calculate Net Asset Value per Share

The table below presents the Federation's ability to redeem an investment in underlying funds valued at NAV or its equivalent as of June 30, 2024 and 2023 and includes the underlying investment entities' redemption frequency and redemption notice period. The table also includes a summary of the significant categories of such investments measured at NAV, their attributes, and investment strategies as of June 30, 2024 and 2023:

	June 30, 2024 Fair Value	June 30, 2023 Fair Value	Redemption Frequency, if Eligible	Redemption Notice Period
Equity:				
U.S. large-cap equity (a)	$ 121,803	$ 102,216	Quarterly, monthly	Less than or equal to 60 days
U.S. small-cap equity (a)	103,537	99,892	Semiannual, quarterly	90 days
Emerging markets equity (b)	505	14,268	Various	30 days/N/A
Developed international equity (c)	170,384	192,066	Various	Less than or equal to 1 year/N/A
Hedged equity (d)	69,097	94,490	Various	Less than or equal to 90 days/N/A
Private equity and fund of funds (e)	374,765	407,749	Quarterly/Illiquid	None/N/A
Credit:				
Hedged credit (f)	51,464	56,462	Various	60-90 days/N/A
Core credit (g)	10,507	13,162	Various	60 days to 1 year/N/A
Private credit (h)	14,315	9,900	Various	65 days/N/A
Real assets (i)	74,000	77,383	Illiquid	N/A
Real estate (j)	41,693	40,747	Illiquid	N/A
Total	$ 1,032,070	$ 1,108,335		

(a) This class represents investments in mutual funds, exchange-traded funds, partnerships, and limited liability companies invested primarily in U.S. publicly traded companies with market capitalizations ranging from large to small.

(b) This class represents investments in mutual funds, exchange-traded funds, partnerships, and limited liability companies invested primarily in companies located in emerging market economies around the globe. Redemptions may be subject to lockups.

(c) This class represents investments in mutual funds, exchange-traded funds, partnerships, and limited liability companies invested primarily in companies located in developed economies outside of the U.S. Redemptions range monthly to annually and may be subject to lockups.

(d) This class represents investments in hedge funds whose strategies include, but are not limited to, global long/short equity, distressed investments, multistrategy, and event driven. Redemptions range from monthly to annually and may be subject to lockups.

(e) This class represents investments in private equity funds and fund-of-funds whose strategies include, but are not limited to, international and domestic buyouts, venture capital, and special situations. Redemptions are allowed quarterly, or the investments are illiquid.

(f) Hedged credit represents investments in hedge funds whose strategies include, but are not limited to, global long/short credit, structured credit, and distressed investments. Redemptions range from monthly to annually and may be subject to lockups.

(g) This class represents investments in funds whose investments include U.S. investment grade debt and non-dollar sovereign debt. Redemptions range from monthly to annually and may be subject to lockups.

Note 8 - Fair Value of Financial Instruments and Investments (Continued)

(h) Private credit represents investments that involve interests in debt obligations that are invested through an illiquid structure whose strategies include, but are not limited to, senior secured loans and distressed debt. Redemptions vary.

(i) This class represents investments in funds that invest in physical or tangible assets, including, but not limited to, precious metals, agricultural land, and natural resources. A significant portion of these investments are illiquid; some allow redemptions on a monthly basis.

(j) This class represents investments in funds involving the purchase, ownership, management, rental, and/or sale of real estate properties. These investments are illiquid.

In connection with its investing and hedging activities, the Federation enters into transactions, directly and indirectly through positions held by the underlying investment entities, with a variety of securities and derivative financial instruments. These derivative financial instruments may have market and/or credit risk in excess of the amounts recorded in the consolidated statement of financial position.

The Federation's direct and indirect investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

The Federation may have indirect commitments that arise through positions held by the underlying investment entities in which the Federation invests directly and indirectly. These underlying investment entities utilize a variety of financial instruments in their trading strategies, including, but not limited to, equity and debt securities of U.S. and foreign issuers, options and futures, forwards, and swap contracts. These financial instruments contain various degrees of off-balance-sheet risk, including both market and credit risk. Market risk is the risk of potential adverse changes to the value of the financial instruments and their derivatives because of changes in market conditions, such as, but not limited to, interest and currency rate movements and volatility in commodity or security prices. Credit risk is the risk of the potential inability of counterparties to perform under the terms of their contracts, which may be in excess of the amounts recorded in the respective investment entity's balance sheet. In addition, the underlying investment entities may sell securities not yet purchased, whereby a liability is created for the repurchase of the security at prevailing prices. The ultimate obligation to satisfy the sales of securities sold but not yet purchased may exceed the amount recorded as assets.

However, as an investor in these underlying investment entities, the Federation's financial risk is limited to the fair value of its investments, which is reflected on the consolidated statement of financial position.

The Federation has invested in underlying investment entities that may have the right to temporarily restrict withdrawals/redemptions for periods of time beyond those described above. Such restrictions have been imposed on some of the Federation's investments for the reporting periods covered by these financial statements. These restrictions may restrict the Federation's ability to satisfy future withdrawal requests.

The Federation also indirectly engages in the speculative trading of certain financial instruments through its underlying investment entities.

Market Risk

Market risk arises primarily from changes in the market value of financial instruments. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the Federation's overall exposure to market risk. The Federation attempts to control its exposure to market risk through various analytical monitoring techniques.

Note 8 - Fair Value of Financial Instruments and Investments (Continued)

Credit Risk

Credit risk arises primarily from the potential inability of counterparties to perform in accordance with the terms of a contract. The Federation's exposure to credit risk associated with counterparty nonperformance is limited to the current cost to replace all contracts in which the Federation has a gain. Exchange-traded financial instruments generally do not give rise to significant counterparty exposure due to the cash settlement procedures for daily market movements and the margin requirements of individual exchanges. The Federation seeks to mitigate its exposure to this credit risk by placing its cash with major institutions.

Concentration of Credit Risk

The Federation's managers currently invest with various managers and clearing brokers. In the event these counterparties do not fulfill their obligations, the Federation may be exposed to risk. This risk of default depends on the creditworthiness of the counterparty to these transactions. The Federation attempts to minimize this credit risk by monitoring the creditworthiness of the managers and clearing brokers.

Investments in Underlying Funds

The managers of underlying investment entities in which the Federation invests may utilize derivative instruments with off-balance-sheet risk. The Federation's exposure to risk is limited to the amount of its investment.

As of June 30, 2024 and 2023, the Federation had approximately $146,000 and $156,000, respectively, of unfunded capital commitments to various investment entities, which have no specific capital call dates and such capital calls are at the discretion of the investment fund managers. This amount has been substantially reduced in recent years. Management believes most of the commitments will be called sometime over the next 5 to 12 years.

Note 9 - Loan Payable

Loan payable consisted of $0 and $6,000 at June 30, 2024 and 2023, respectively, in connection with an unsecured revolving line of credit with JPMorgan Chase Bank, N.A. (JPMorgan), which provides for maximum borrowings up to $30,000. Effective in August 2023, borrowings on the line of credit bear interest at the floating rate of monthly adjusted term SOFR, plus 0.60 percent. Prior to that, the spread over term SOFR was 0.65 percent. The interest rates on June 30, 2024 and 2023 were 5.93 percent and 5.91 percent, respectively. In August 2024, the line of credit was renewed at the same interest rate and with a maturity date of August 22, 2025. Interest expense related to the above borrowings for the fiscal years ended June 30, 2024 and 2023 was approximately $319 and $281, respectively.

Note 10 - Tax-exempt Debt

Tax-exempt debt consisted of Colorado Educational and Cultural Facilities Authority - Series J3A debt in the amount of $4,419 and $4,723 at June 30, 2024 and 2023, respectively. Pursuant to an agreement dated June 1, 2022 with the Colorado Educational and Cultural Facilities Authority (the "Authority") and DNT Asset Trust (a wholly owned subsidiary of JPMorgan Chase Bank, N.A.), the Federation received proceeds from the issuance of a direct placement tax-exempt loan in the amount of $5,123 to refinance previously existing tax-exempt debt. The previously existing tax-exempt debt was with the Authority and Wells Fargo Bank, N.A and the Authority and JPMorgan Chase Bank, N.A.

The loan matures in 2038 and bears interest at a variable rate of 80 percent of the monthly adjusted term SOFR plus 0.50 percent. This rate expires on June 1, 2032, at which time the Federation will be required to either refinance the loan or pay off the outstanding balance. The effective interest rate for fiscal years 2024 and 2023 was approximately 4.83 percent and 3.68 percent, respectively.

(Amounts in Thousands)

Note 10 - Tax-exempt Debt (Continued)

Future principal maturities on tax-exempt debt are as follows:

Years Ending	Amount
2025	$ 309
2026	324
2027	334
2028	349
2029	365
Thereafter	2,738
Total	$ 4,419

Note 11 - Interest Rate Swaps

To minimize the effect of changes in interest rates on tax-exempt debt held by affiliated agencies, the Federation has entered into various interest rate swap arrangements. As of June 30, 2024, the Federation had four interest rate swap arrangements, with various financial institutions for notional amounts ranging from approximately $2,300 to $37,100, totaling approximately $76,000 of notional value.

In connection with three of the four swap arrangements, the Federation has agreed to pay fixed rates of interest equal to a blended average of 3.25 percent, with the counterparty paying a floating rate based on a range of 68 percent to 74 percent of LIBOR. One of the swaps includes a knockout provision under which the Federation would be required to pay interest at the floating rate rather than the fixed swap rate for as long as the 180-day rolling average of the Securities Industry and Financial Markets Association (SIFMA) Index remains above a 6 percent threshold. The SIFMA rate was 3.88 percent and 4.01 percent as of June 30, 2024 and 2023, respectively. The swap arrangements expire on various dates through 2038 matching the maturities of the underlying tax-exempt debt. In July 2023, the floating rate on the swaps changed from LIBOR to SOFR.

A portion of the swap payments hedge interest expense for capital projects financed by Facilities. The Federation allocates to Facilities its portion of the swap payment as interest expense based on the tax-exempt loan that financed the purchase or renovation of certain properties owned by Facilities.

One of the Federation's swaps was entered into on behalf of CJE SeniorLife to hedge its exposure to floating interest rates on certain Series G3 Bonds. The outstanding notional amount of the swap was $0 and $7,598 at June 30, 2024 and 2023, respectively. The Federation and CJE SeniorLife previously entered into an agreement whereby CJE SeniorLife agreed to pay all ongoing expenses related to the interest rate swap agreement directly to Wells Fargo. In connection with the interest rate swap agreement, CJE SeniorLife agreed to pay a fixed rate of interest equal to 3.7 percent, with the counterparty paying a floating rate equal to 68 percent of the one-month SOFR. In January 2024, this swap was terminated for a fee of $258, which was paid by CJE SeniorLife. As of June 30, 2023, the Federation had a receivable from CJE SeniorLife and an offsetting liability for $275, which was the fair value of the swap. The change in the receivable and the change in the fair value of the interest rate swap is recorded as an unrealized gain on the fair value of swap arrangements on the consolidated statement of activities.

At June 30, 2024 and 2023, the estimated fair value of these swap arrangements were a liability totaling $421 and $1,328, respectively.

(Amounts in Thousands)

Note 11 - Interest Rate Swaps (Continued)

The interest rate swap agreements as of and for the years ended June 30, 2024 and 2023 consist of the following:

	2024	2023
Liability derivatives - Interest rate contracts at fair value - Consolidated statement of financial position - Interest rate swap liability	$ 421	$ 1,328
Effective portion of gain - Other changes in net assets - Consolidated statement of activities - Unrealized gain on swap agreement	(907)	(2,696)
Less amount of loss allocated to CJE SeniorLife	275	357
Total	$ (632)	$ (2,339)

Margin Call

In connection with its interest rate swap arrangements, the Federation has entered into master agreements with JPMorgan and Wells Fargo that contain collateral posting provisions. When the net present value of the combined market values of the swaps exceeds $20,000 and $25,000 with JPMorgan and Wells Fargo, respectively, the swap counterparties with the negative carrying value must provide collateral to the other counterparty.

Note 12 - Endowments

The Federation's endowment consists of donor-restricted funds established for a variety of purposes. In addition, its endowment includes funds designated by the board of directors to function as endowments. These funds are categorized as board-designated (long-term investments) on the consolidated statement of activities. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors of the Federation has interpreted Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Federation's policy is to classify as net assets with donor restrictions: (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In addition, the endowment includes funds with donor restrictions operating as term endowments for which the principal is not required to be held in perpetuity and funds designated by the board to function as endowments.

In accordance with UPMIFA, the Federation considers the following factors in making a determination to appropriate or accumulate earnings on donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Federation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Federation
- The investment policies of the Federation

(Amounts in Thousands)

Note 12 - Endowments (Continued)

	Endowment Net Asset Composition by Type of Fund as of June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated	$ 372,894	$ -	$ 372,894
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	91,846	91,846
Accumulated investment gains	-	138,366	138,366
Total donor-restricted endowment funds	-	230,212	230,212
Total	$ 372,894	$ 230,212	$ 603,106

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 358,135	$ 192,271	$ 550,406
Investment return:			
Investment income	70	159	229
Net gain on investment activity (realized and unrealized)	33,305	18,160	51,465
Total investment return	33,375	18,319	51,694
Contributions	771	32,280	33,051
Appropriations for expenditure	(5,049)	(10,140)	(15,189)
Other changes - Distributions	(14,338)	(2,518)	(16,856)
Endowment net assets - End of year	$ 372,894	$ 230,212	$ 603,106

	Endowment Net Asset Composition by Type of Fund as of June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated	$ 358,135	$ -	$ 358,135
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	89,518	89,518
Accumulated investment gains	-	102,753	102,753
Total donor-restricted endowment funds	-	192,271	192,271
Total	$ 358,135	$ 192,271	$ 550,406

(Amounts in Thousands)

Note 12 - Endowments (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 374,548	$ 199,812	$ 574,360
Investment return - Net gain on investment activity (realized and unrealized)	27,610	13,635	41,245
Contributions	7,257	17,487	24,744
Appropriations for expenditure	-	(38,663)	(38,663)
Other changes - Distributions	(51,280)	-	(51,280)
Endowment net assets - End of year	$ 358,135	$ 192,271	$ 550,406

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Illinois UPMIFA requires the Federation to retain as a fund of perpetual duration. Certain funds with original gift values totaling $39,626 and $40,266 at June 30, 2024 and 2023, respectively, had deficiencies of $12,585 and $13,989 at June 30, 2024 and 2023, respectively. These deficiencies resulted from unfavorable market fluctuations in prior years that occurred after the investment of new contributions with donor restrictions and continued appropriation for certain programs that was deemed prudent by the board of directors.

Funds with Surpluses

The Federation also has funds with donor restrictions, which are to be maintained in perpetuity, with an accumulated surplus. The fair values of such funds at June 30, 2024 and 2023 were $50,494 and $47,772 more than the original gift amounts of $52,220 and $44,242, respectively.

Return Objectives and Risk Parameters

The Federation adopted investment and spending policies for endowment assets that attempt to provide a stable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board, the endowment assets are invested in a manner that is intended to achieve an annualized long-term average nominal return that is approximately equal to the long-term average return of the market as a whole but with less volatility than the overall market. Actual returns in any given year may vary significantly from the targeted amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Federation 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 Federation targets a broadly 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's spending policy uses a 4 percent spending rate for all newly established endowment funds. For existing endowment funds, distributions are computed using a 4 percent spending rate, based on the rolling 16-quarter average balance of each fund.

(Amounts in Thousands)

Note 13 - Net Assets with Donor Restrictions

The following is a summary of net assets with time- and purpose-related restrictions at June 30, 2024 and 2023:

	2024	2023
The ARK	$ 58	$ 53
CJE SeniorLife	464	349
Arie Crown Hebrew Day School - Capital project	11,383	4,197
Center for Jewish Genetics	6,374	6,030
Charitable remainder trusts	6,822	6,263
Chicago Jewish Day School capital project	2,656	2,487
Children with Special Needs	1,138	1,083
Covenant Foundation - Time restricted	2,893	3,282
COVID-19 Initiative	-	15
Crown Family Foundation - Tuition accessibility	31,716	24,856
Delighter West Rogers Park Campus Project Fund	3	2,000
Disaster Relief Fund	43	61
Fiedler Hillel	148	140
Financial Assistance for the Homeless	511	486
Financial Assistance for Students	12,646	10,958
Fund for the Future	673	4,594
Fund for Jewish Aged	1,774	1,687
Hebrew Theological College	228	220
Hillels of Illinois	4,408	2,154
Holocaust Community Services	-	88
IsraelNow Chicago Program	4,847	-
IsraelNow Teen Fund	17,518	17,861
Jewish Agency for Israel	3,913	3,872
Jewish Child and Family Services	1,384	1,310
Jewish Children's English Reading Program	8,500	-
Jewish Community Centers of Chicago - Capital projects	496	326
Jewish Community Fund for adults with disabilities	5,370	4,705
Jewish Day School for Guaranty Trust Fund	23,369	22,319
Jewish Education	54	51
Jewish United Fund Campaign Endowment	1,253	655
Jewish United Fund Learning Centers in Israel	3,724	3,525
JFMC Facilities Corporation - Hillman Ballfield at the Horwich Building	80	76
JUF - Uptown Cafe	924	878
LiveSecure - Security Initiative	17,627	8,834
Michael Reese Health Trust - Educational and research purposes	10,853	12,367
Moriah Congregation Endowment Fund	472	413
Scholarships to Israel	734	669
Soloman Schechter Day School	1,027	1,585
Spertus Institute for Jewish Learning and Leadership	1,979	1,882
Summer Camp Program	3,508	3,317
Time restricted	8,344	4,086
Ukraine Relief	-	1,164
Various other charities	4,106	5,446
Young Leadership Award	282	257
Time restricted for various Jewish Federation Programs	10,404	-
Total	$ 214,706	$ 166,601

(Amounts in Thousands)

Note 13 - Net Assets with Donor Restrictions (Continued)

The following is a summary of net assets held in perpetuity:

	2024	2023
Principal to be held in perpetuity, used for the following purposes:		
The ARK	$ 92	$ 92
Beneficial interest in charitable trusts	47,025	42,804
Campaign events	2,750	250
Center for Jewish Genetics	250	250
Education and research purposes	20,065	15,060
General purposes	23,104	23,104
Hillels of Illinois	1,436	1,822
Jewish Child and Family Services	194	194
Jewish Day School Guaranty Trust	1,044	1,044
Jewish Education	120	120
Jewish United Fund Campaign Endowment	12,080	12,080
Jewish Women's Foundation	3,899	3,899
JUF Community Legal Services	3,899	3,899
Local social welfare agencies	2,385	2,385
Program for the elderly	1,852	1,844
Programs for the youth	779	779
Scholarships and financial assistance	13,368	13,155
Spertus Institute for Jewish Learning and Leadership	1,036	1,036
Various other charities	1,994	1,997
Young adult engagement program	1,501	1,501
Total	$ 138,873	$ 127,315

Below is the information for the Maccabee Task Force Foundation grant.

	Total 2023-2024 Grant Award	Amount Spent of 2023-2024 Grant	Amount Unspent of 2023-2024 Grant
University of Illinois at Urbana-Champaign	$ 128	$ 18	$ 110
University of Chicago	130	130	-
DePaul University	132	23	109
Northwestern University	130	13	117
Total	$ 520	$ 184	$ 336

Net assets released from restrictions, consisting of expenditure from the above funds, were for various purposes, including satisfaction of restrictions through recurring annual distributions, as well as releases related to satisfaction of time restrictions, which totaled $13,048 and $35,235 for fiscal years 2024 and 2023, respectively.

Note 14 - Self-insurance Programs

The Federation participates with certain of its affiliated agencies in self-insurance programs for health, dental, and vision insurance. Funds contributed by the participating employers to the programs (and related disbursements are made from) are held by custodian funds of the Federation for such self-insurance programs. Payments by the Federation to the programs for the fiscal years ended June 30, 2024 and 2023 amounted to $2,811 and $2,415, respectively. All self-insurance programs of the Federation and its affiliated agencies include specific and aggregate stop loss insurance policies.

(Amounts in Thousands)

Note 15 - Defined Benefit Plan and Defined Contribution Plans

Defined Benefit Plan

Jewish United Fund is the sponsoring employer of the Federation Employees' Retirement Income Plan (FERIP), which is treated as a multiple-employer plan for accounting purposes. FERIP is a noncontributory defined benefit plan that covers the organizations' exempt employees who were hired prior to July 1, 2021 and have performed one year of service. Participating employers in FERIP include JFMC Facilities Corporation, Chicago Board of Rabbis, CJE Senior Life, Jewish Child and Family Services, and Jewish Community Centers of Chicago (the "participating employers"). FERIP provides defined benefits based on years of service and final average salary. The Federation and the participating employers contribute to FERIP annually, as determined by the plan's actuary.

Effective June 30, 2021, FERIP was amended to close the plan to new employees so that individuals hired or transferred into a nonbargaining unit position after June 30, 2021 are not eligible to participate in or accrue credited service under the plan after such date. This amendment did not have any impact on employees already participating in FERIP, as they will continue to accrue credited service and benefits. Nonbargaining unit employees hired after June 30, 2021 are eligible to participate in a 401(k) plan that includes both an employer match and an employer nonelective contribution.

In accordance with the guidance on employers' accounting for defined benefit pension and other postretirement plans, the liability for pension benefits reflects the total underfunded position of FERIP (the difference between the fair value of plan assets and the projected benefit obligation). To account for the participating employers' portion of the pension liability and corresponding expense, the Federation records an asset and reduces the pension expense which is allocated to operating expenses of the various departments. As of June 30, 2024 and 2023, this asset totaled $16,152 and $20,375, respectively.

Plan contributions and the actuarial present value of accumulated plan benefits are prepared based on certain assumptions pertaining to interest rates, inflation rates, mortality rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would be material to the consolidated financial statements. The fair value of plan assets is subject to the market volatility of the underlying investments.

The measurement date used to determine benefit obligations and fair value of plan assets was June 30, 2024. The measurement period was the 12 months from July 1, 2023 to June 30, 2024.

Information relative to the Federation's benefit obligations for FERIP (including all participating employers) is presented below:

Obligations and funded status at June 30, 2024 and 2023:

	2024	2023
Fair value of plan assets	$ 101,217	$ 96,060
Project benefit obligation	(136,901)	(137,797)
Unfunded status (of which $16,152 and $20,375, respectively, pertains to the participating employers)	$ (35,684)	$ (41,737)

(Amounts in Thousands)

Note 15 - Defined Benefit Plan and Defined Contribution Plans (Continued)

Amounts reported on the consolidated statement of financial position at June 30, 2024 and 2023 consist of the following:

	2024	2023
Amounts due from participating employers for pension benefits	$ 16,152	$ 20,375
Liability for pension benefits	(35,683)	(41,737)
Net liability	$ (19,531)	$ (21,362)

Amounts recognized on the consolidated statement of activities for the years ended June 30, 2024 and 2023 as changes in net assets without donor restrictions consist of the following:

	2024	2023
Pension expense included in program and supporting expenses	$ 2,109	$ 2,737
Other changes in net assets - Pension-related changes other than pension expense	(2,366)	(3,020)
Total	(257)	(283)
Add net amount pertaining to participating employers	(1,944)	(1,972)
Total	$ (2,201)	$ (2,255)

Amounts not yet recognized as components of pension expense included in net assets without donor restrictions are as follows:

	2024	2023
Net loss	$ 4,582	$ 6,948
Add net amount pertaining to participating employers	5,079	8,490
Total	$ 9,661	$ 15,438

Amounts recognized for the plan year are as follows:

	2024	2023
Employer contributions	$ 1,574	$ 1,550
Add net amount pertaining to participating employers	2,279	2,245
Total FERIP contributions	$ 3,853	$ 3,795
Benefits paid	2,499	2,296
Add net amount pertaining to participating employees	4,664	4,566
Total	$ 7,163	$ 6,862

(Amounts in Thousands)

Note 15 - Defined Benefit Plan and Defined Contribution Plans (Continued)

Actual weighted-average assumptions used in computing obligations and net periodic pension cost are as follows:

	2024	2023
Benefit obligations:		
Discount rate	5.50 %	5.18 %
Rate of compensation increases	3.91	3.92
Net periodic benefit cost:		
Discount rate	5.18	4.82
Rate of compensation increases	3.92	3.99
Expected return on plan assets	6.75	6.00

The Federation's expected long-term return on plan assets assumption is based on a periodic review and modeling of the plan's asset allocation and liability structure over a long-term horizon. Expectations of returns for each asset class represent assumptions used in the review and modeling and are based on comprehensive review of historical data and economic/financial market theory. The expected long-term rate of return on assets was selected from within the reasonable range of rates determined by (a) historical real returns, net of inflation, for the asset classes covered by the investment policy and (b) projections of inflation over the long-term period during which benefits are payable to plan participants.

For the 12-month period ended June 30, 2024, a discount rate on benefit obligations of 5.50 percent was used.

For the year ended June 30, 2024, the Pri-2012 Mortality Table for Males and Females was used in the determination of the present value of accumulated plan benefits. These tables are projected forward generationally using projection scale MP-2021.

The Federation's investment policy for FERIP includes various guidelines and procedures designed to ensure assets are invested in a manner necessary to meet expected future benefits earned by participants. The investment guidelines consider a broad range of economic conditions. Central to the policy are target allocation ranges by major asset categories. The objectives of the target allocations are to maintain investment portfolios that diversify risk through prudent asset allocation parameters, achieve asset returns that meet or exceed the plan's actuarial assumptions, and achieve asset returns that are competitive with like institutions employing similar investment strategies.

The Federation's investment policy for FERIP's overall investment strategy is to allocate approximately 60 percent of assets to a diversified equity-oriented return-seeking portfolio and 40 percent to a liability-hedging portfolio invested primarily in long duration fixed-income vehicles. Target allocations within the return-seeking portfolio are as follows: 70 percent to U.S. and international equity, 10 percent to global real estate, and 20 percent to return-seeking credit investments. The policy is established and administered in a manner so as to comply at all times with applicable government regulations. The following summarizes actual allocations by major asset categories at June 30, 2024 and 2023:

	2024	2023
Asset category:		
Domestic fixed income	39.00 %	37.00 %
Domestic equity	27.00	27.00
International equity	27.00	28.00
Real estate	4.00	5.00
Money market funds	3.00	3.00
Total	100.00 %	100.00 %

(Amounts in Thousands)

Note 15 - Defined Benefit Plan and Defined Contribution Plans (Continued)

The following benefit payments, which reflect future service, are expected to be paid:

Years Ending	Amount
2025	$ 8,220
2026	8,493
2027	8,706
2028	8,850
2029	9,007
Thereafter	46,654
Total	$ 89,930

The fair values of FERIP's assets at June 30, 2024 and 2023, by asset category, are as follows:

	2024				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Value Using Net Asset Value	Total
Money market fund	$ 3,002	$ -	$ -	$ -	$ 3,002
Domestic fixed income	-	-	-	39,269	39,269
Domestic equity	-	-	-	26,830	26,830
International equity	-	-	-	27,571	27,571
Real estate	-	-	-	4,541	4,541
Absolute return hedge funds	-	-	-	4	4
Total	$ 3,002	$ -	$ -	$ 98,215	$ 101,217

	2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Value Using Net Asset Value	Total
Money market fund	$ 2,144	$ -	$ -	$ -	$ 2,144
Domestic fixed income	-	-	-	35,957	35,957
Domestic equity	-	-	-	25,746	25,746
International equity	-	-	-	26,701	26,701
Real estate	-	-	-	5,222	5,222
Absolute return hedge funds	-	-	-	290	290
Total	$ 2,144	$ -	$ -	$ 93,916	$ 96,060

Investments in money market funds are traded on national securities exchanges and are stated at the last reported sale price on the day of valuation.

Note 15 - Defined Benefit Plan and Defined Contribution Plans (Continued)

Alternative investments and other investment vehicles (including real estate and absolute return hedge funds) are valued at fair value based on the applicable percentage ownership of the investment funds' net assets as of the measurement date, as determined by the Federation. In determining fair value, the Federation utilizes valuations and other information provided by the underlying investment funds. The underlying investment funds value securities and other financial instruments substantially on a fair value basis of accounting. The estimated fair values of certain investments of the underlying investment funds, which may include private placements and other securities for which prices are not readily available, are determined by the managers of the respective investment fund, and may not reflect amounts that ultimately may be realized. The fair value of the Federation's alternative investments generally represents the amount expected to be received if the Federation were to liquidate its alternative investments, excluding any redemption charges that may apply. Accordingly, the estimated fair values of the alternative investments may differ significantly from the values that would have been used had a ready market existed for these investments.

Defined Contribution Plan

Jewish United Fund is the plan sponsor for another employee retirement plan, Federation Employees' Retirement Savings Trust Plan of the Jewish Federation of Metropolitan Chicago and Participating Employers (FERST).

FERST is a defined contribution plan, employer contributions to which are computed on the basis of a percentage of salary. Employees are permitted to make employee contributions to FERST and receive employer matching contributions. FERST provides benefits to employees covered by a collective bargaining agreement.

Annual contributions paid by the Federation to FERST for the fiscal years ended June 30, 2024 and 2023 were approximately $157 and $145, respectively.

The Federation Upward Track Until Retirement Plan (FUTURE) was established for nonbargaining unit employees hired after June 30, 2021. FUTURE is a defined contribution 401(k) plan that allows for both employee and employer contributions. Employer contributions paid by the Federation to FUTURE for the fiscal years ended June 30, 2024 and 2023 were $94 and $60, respectively.

(Amounts in Thousands)

Note 16 - Loan Guarantees, Commitments, and Contingencies

The Federation is contingently liable as the guarantor on certain indebtedness incurred by affiliated agencies and beneficiary organizations, all of whom receive allocations from the Federation. The terms of these guarantees correlate with the terms of the related outstanding tax-exempt debt and bank loans payable, which mature at various dates through 2045. At any time, should any of the affiliated/beneficiary organizations be delinquent on its debt payment, the Federation would be obligated to perform under the guarantee primarily by making the required payments. There were no such obligations at June 30, 2024 and 2023. The following is a summary of the loan guarantees and commitments of other organizations that the Federation is contingently liable under as of June 30, 2024 and 2023:

	2024	2023
Akiba-Schechter Jewish Day School	$ 1,037	$ 1,181
CJE SeniorLife	6,616	6,345
JFMC Facilities Corporation	53,729	61,141
Ida Crown Jewish Academy	-	32,555
Jewish Community Centers of Chicago	1,540	1,640
Joan Dachs Bais Yaakov Day School	1,054	1,776
Mt. Sinai Hospital	-	850
Rochelle Zell Jewish High School	-	2,215
Spertus Institute for Jewish Learning Leadership	3,200	3,200
Total	$ 67,176	$ 110,903

As of June 30, 2024 and 2023, the guarantees include $37,911 and $72,560, respectively, of tax-exempt debt and $29,265 and $38,343, respectively, of bank loans. A majority of the debt guaranteed by the Federation was used to finance or refinance the purchase and/or renovation of real estate. The Federation and one of its beneficiary organizations have entered into a keepwell arrangement whereby the Federation has agreed to make a debt service payment on a loan if the borrower is unable to. As of June 30, 2024 and 2023, the outstanding balances on the loan were $21,122 and $7,558, respectively.

In addition, from time to time, the Federation is named in various lawsuits arising in the ordinary course of business. Despite the inherent uncertainties around litigation, the Federation is not aware of any litigatory matters that may have a material adverse impact on the financial condition of the Federation.

Note 17 - Funds Held on Behalf of Others

A summary of funds held on behalf of others for which the Federation acts as custodian is as follows:

	2024	2023
Charitable remainder and annuity trusts	$ 14,985	$ 15,705
Send a Kid to Israel Program reserve fund	2,453	2,345
Health, dental, and vision insurance fund	3,260	2,639
Unemployment compensation reserve fund	8	8
Bar/Bat Mitzvah Registry	276	264
Funds held on behalf of outside organizations	1,667	991
Total	$ 22,649	$ 21,952

(Amounts in Thousands)

Note 18 - Deferred Compensation Agreements

The Federation has entered into agreements with certain key employees that provide for annual payments of varying amounts per year for a term ranging from 10 years to life. These key employees vested in the deferred compensation upon reaching retirement age or specified years of service. The present value of the vested amount due to employees under the provisions of the agreements totaled approximately $1,875 and $1,966 as of June 30, 2024 and 2023, respectively, and is included in accounts payable and accrued expenses on the consolidated statement of financial position. In connection with these agreements, the Federation made payments of $277 and $237 during the years ended June 30, 2024 and 2023, respectively.

Note 19 - Liquidity and Availability

The Federation regularly monitors liquidity required to meet its operating needs and commitments. As of June 30, 2024 and 2023, financial assets available within one year to meet general operating needs are as follows:

	2024	2023
Cash and cash equivalents	$ 24,785	$ 24,402
Investments	132,074	138,901
Pledges and other receivables	33,773	35,838
Total	$ 190,632	$ 199,141

The Federation's policy for liquidity management is to structure financial assets to be available as operating expenses and liabilities come due. The Federation's main source of revenue for operating expenses is the annual campaign administered through Jewish United Fund, endowment fund distributions, and government grants. A line of credit for working capital purposes also helps the Federation manage seasonal fluctuations in cash balances. A total of $30,000 and $24,000 is available for borrowings as of June 30, 2024 and 2023, respectively.

The Federation has various board-designated funds that function as endowments (see Note 12). Other than amounts approved for expenditure, in accordance with the spending policy, the Federation does not intend to make additional withdrawals from these board-designated funds; however, the investments from these funds, which are liquid, could be made available if necessary.

Investments held in funds with donor restrictions are restricted for a specific purpose or program and are not available for general expenditure. In addition, the Federation has approximately $357,000 and $1,134,000 of investments held in donor-advised funds and support foundations, respectively, which are included in net assets without donor restrictions. These funds have been excluded from the table above because the Federation does not intend to use these funds for general operating expenses.