

**Jewish Federation of Greater Buffalo, Inc.**

**Financial Statements  
As of October 31, 2023  
Together With  
Independent Auditor's Report**

**Jewish Federation of Greater Buffalo, Inc.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Jewish Federation of Greater Buffalo, Inc.  
Getzville, New York

### Opinion

We have audited the accompanying financial statements Jewish Federation of Greater Buffalo, Inc. (a nonprofit organization), which comprise the statement of financial position as of October 31, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Federation of Greater Buffalo, Inc. as of October 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jewish Federation of Greater Buffalo, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Federation of Greater Buffalo, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

#### **Report on Summarized Comparative Information**

We have previously audited Jewish Federation of Greater Buffalo, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Allied CPAs, P.C.*

Amherst, NY  
August 9, 2024

**JEWISH FEDERATION OF GREATER BUFFALO, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF OCTOBER 31, 2023 AND 2022**

	<b><u>ASSETS</u></b>		<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>CURRENT ASSETS</u></b>				
Cash and cash equivalents		\$	413,918	\$ 667,249
Annual campaign pledges receivable, net			2,793,431	2,737,539
Prepaid expenses and other assets			71,916	40,103
Due from affiliate			31,142	-
Investments, at fair value			26,189,776	26,048,613
	<b>TOTAL CURRENT ASSETS</b>		29,500,183	29,493,504
 <b><u>PROPERTY AND EQUIPMENT</u></b>				
Property and equipment			393,230	317,686
Less: accumulated depreciation			(341,431)	(277,823)
			51,799	39,863
	<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>29,551,982</u></b>	<b>\$ <u>29,533,367</u></b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>				
<b><u>CURRENT LIABILITIES</u></b>				
Allocations payable		\$	2,727,247	\$ 3,215,432
Due to affiliate			-	61,905
Accounts payable and accrued expenses			523,832	529,640
	<b>TOTAL CURRENT LIABILITIES</b>		3,251,079	3,806,977
 <b><u>NET ASSETS</u></b>				
Without donor restrictions			12,083,151	12,317,574
With donor restrictions			14,217,752	13,408,816
	<b>TOTAL NET ASSETS</b>		<b><u>26,300,903</u></b>	<b><u>25,726,390</u></b>
	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>29,551,982</u></b>	<b>\$ <u>29,533,367</u></b>

The accompanying notes are an integral  
part of these financial statements

**JEWISH FEDERATION OF GREATER BUFFALO, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**  
**(With Comparative Totals for the Year Ended October 31, 2022)**

	<b>2023</b>			<b>2022</b>
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE AND SUPPORT</b>				
Current year campaign results	\$ -	\$ 2,051,116	\$ 2,051,116	\$ 2,379,737
Net assets released from restrictions	2,001,486	(2,001,486)	-	-
	<u>2,001,486</u>	<u>49,630</u>	<u>2,051,116</u>	<u>2,379,737</u>
Other revenues:				
Investment income (loss)	584,160	1,127,814	1,711,974	(4,525,558)
Contributions and bequests	5,745	-	5,745	22,130
Special events	1,277,784	-	1,277,784	1,167,721
Transfer and miscellaneous	900,659	6,021	906,680	896,716
Net assets released from restrictions	314,528	(314,528)	-	-
<b>TOTAL OTHER REVENUES</b>	<u>3,082,876</u>	<u>819,307</u>	<u>3,902,183</u>	<u>(2,438,991)</u>
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<u>5,084,362</u>	<u>868,937</u>	<u>5,953,299</u>	<u>(59,254)</u>
Allocations to beneficiaries and transfers	3,332,520	-	3,332,520	3,529,817
Bad debt provision	-	60,000	60,000	60,000
<b>NET ALLOCATIONS-BENEFICIARIES, SPECIAL ALLOCATIONS, AND BAD DEBT PROVISION</b>	<u>3,332,520</u>	<u>60,000</u>	<u>3,392,520</u>	<u>3,589,817</u>
<b>EXPENSES</b>				
Program service expense:				
Community programs	1,589,637	-	1,589,637	1,505,894
Total program expenses	<u>1,589,637</u>	<u>-</u>	<u>1,589,637</u>	<u>1,505,894</u>
Supporting service expense:				
Management and general	196,013	-	196,013	164,302
Fundraising and development	200,615	-	200,615	198,455
Total supporting service expenses	<u>396,628</u>	<u>-</u>	<u>396,628</u>	<u>362,757</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>1,986,265</u>	<u>-</u>	<u>1,986,265</u>	<u>1,868,651</u>
<b>TOTAL ALLOCATIONS, BAD DEBT PROVISION AND FUNCTIONAL EXPENSES</b>	<u>5,318,785</u>	<u>60,000</u>	<u>5,378,785</u>	<u>5,458,468</u>
<b>CHANGE IN NET ASSETS</b>	(234,423)	808,937	574,514	(5,517,722)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>12,317,574</u>	<u>13,408,815</u>	<u>25,726,390</u>	<u>31,244,112</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 12,083,151</u>	<u>\$ 14,217,752</u>	<u>\$ 26,300,904</u>	<u>\$ 25,726,390</u>

The accompanying notes are an integral  
part of these financial statements

**JEWISH FEDERATION OF GREATER BUFFALO, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED OCTOBER 31, 2023**  
**(with Comparative Totals for 2022)**

	<u>Program Services</u>	<u>Supporting Services</u>			<u>2023 Total</u>	<u>2022 Total</u>
	<u>Community Programs</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total Supporting Services</u>		
<b>EXPENSES:</b>						
Salaries	\$ 1,155,707	\$ 50,125	\$ 135,022	\$ 185,147	\$ 1,340,855	\$ 1,278,751
Payroll taxes and benefits	245,779	10,660	28,715	39,375	285,154	236,989
Total salaries and related expenses	1,401,486	60,785	163,737	224,522	1,626,008	1,515,740
Occupancy	27,832	3,655	3,252	6,907	34,739	30,650
Public relations	27,191	-	4,707	4,707	31,898	25,689
Equipment rental and maintenance	55,719	2,417	6,510	8,927	64,646	66,785
Professional fees	-	55,423	-	55,423	55,423	78,713
Postage	4,219	-	1,055	1,055	5,274	6,110
Supplies	5,212	-	6,118	6,118	11,330	15,824
Staff expense	26,994	1,171	3,154	4,325	31,319	25,444
Collection expense	7,815	-	7,815	7,815	15,630	12,098
Depreciation	-	63,607	-	63,607	63,607	48,379
Miscellaneous	2,453	-	1,051	1,051	3,504	5,483
Telephone	27,528	1,194	3,216	4,410	31,938	26,576
Program expense	-	-	-	-	-	185
Conference and meetings	1,154	7,761	-	7,761	8,914	4,880
Moving expenses	-	-	-	-	-	3,110
Recruitment	2,034	-	-	-	2,034	-
National dues	-	-	-	-	-	2,985
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b><u>\$ 1,589,637</u></b>	<b><u>\$ 196,013</u></b>	<b><u>\$ 200,615</u></b>	<b><u>\$ 396,628</u></b>	<b><u>\$ 1,986,264</u></b>	<b><u>\$ 1,868,651</u></b>

The accompanying notes are an integral  
part of these financial statements

**JEWISH FEDERATION OF GREATER BUFFALO, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 574,514	\$ (5,517,722)
Adjustments to reconcile changes in net assets to net cash flow from operating activities:		
Depreciation	63,607	48,379
Net realized and unrealized (gains) losses on investments	(1,127,815)	5,341,756
Decrease (Increase) in:		
Annual campaign pledges receivable, net	(55,892)	(87,086)
Prepaid expenses and other assets	(31,813)	4,714
Increase (Decrease) in:		
Allocations payable	(488,185)	97,659
Due to/from affiliate	(93,047)	(822)
Accounts payable and accrued expenses	(5,808)	106,517
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(1,164,439)</b>	<b>(6,605)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of property and equipment	(75,544)	-
Proceeds from sale of investments	1,164,616	538,683
Purchase of investments	(177,964)	(385,282)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>911,108</b>	<b>153,401</b>
Change in cash and cash equivalents	(253,331)	146,796
Cash and cash equivalents, beginning	667,249	520,453
Cash and cash equivalents, ending	<b>\$ 413,918</b>	<b>\$ 667,249</b>

The accompanying notes are an integral  
part of these financial statements



**JEWISH FEDERATION OF GREATER BUFFALO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2023 AND 2022**

**NOTE 1—NATURE OF ACTIVITIES**

Nature of Operations

The Jewish Federation of Greater Buffalo, Inc. (the Federation), is a nonprofit organization which serves as the central coordinating, planning and fundraising body designed to service major Jewish needs and responsibilities locally, nationally and internationally. The Federation also coordinates a variety of local services to help meet various needs of the general community.

The Federation runs an annual United Jewish Fund campaign. The campaign contributions are used for allocations to beneficiaries and services provided directly by the Federation including fundraising, management and general expenses.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The Federation prepares its financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures of contingencies as the date of the financial statements, and reported amounts of revenues and expenses recognized during the reporting period and disclosures. Accordingly, actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the board limits resulting from the nature of the Federation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Federation must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

**JEWISH FEDERATION OF GREATER BUFFALO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2023 AND 2022**

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Federation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. At times, cash may exceed federally insured limits. The Federation has not experienced any losses in such accounts and believes it is not exposed to any significant risk with regards to cash.

Pledges Receivables

Pledges receivable represents amounts due from donors. Pledges receivable are stated at their net carrying value, the net amount expected to be collected, based on the original donation amount less the accumulated lifetime estimated net credit loss allowance. The Company measures the lifetime estimated credit losses at the inception of each financial asset using the current expected credit loss model and recognizes any expected increases or decreases of expected credit losses that have taken place during the period. For the years ended October 31, 2023 and 2022, the Company recorded a \$420,653 and \$410,431 estimated credit loss allowance.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

Beneficial Interest in Assets

The Federation has investments in pooled funds at the Foundation for Jewish Philanthropies, Inc. (the Foundation) as described in Note 5.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Federation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Federation uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Property and Equipment

Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$2,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Furnishings and equipment	5–7 years
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Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period. Depreciation expense for the years ended October 31, 2023 and 2022, was \$63,607 and \$48,379, respectively.

**JEWISH FEDERATION OF GREATER BUFFALO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2023 AND 2022**

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Federation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Federation in various community activities, but these services do not meet the criteria for recognition as contributed services.

Revenue Recognition

The majority of the Organization's revenue is derived from contributions. Contributions are recorded at fair value and are classified as net assets with or without donor restrictions pursuant to any donor-imposed stipulations. The Federation has not adopted a policy for implying time restrictions on contributions of long-lived assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. Contributions with donor restrictions whose stipulations are met within the same fiscal year are reflected as contributions without donor restrictions in the accompanying statement of activities.

Income Tax Status

The Federation is a not-for-profit organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. The organization is not classified as a private foundation.

**NOTE 3—LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of October 31, 2023 and 2022 are:

	<b>2023</b>	<b>2022</b>
Financial assets at year end:		
Cash and cash equivalents	\$ 413,918	\$ 667,249
Pledges receivable	2,793,431	2,737,539
Investments	26,189,776	26,048,613
	<hr/>	<hr/>
Total financial assets	29,397,125	29,453,401
Less financial assets held to meet donor-imposed restrictions:		
Net assets with donor restrictions (Note 6)	<u>(14,217,752)</u>	<u>(13,408,816)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 15,179,373</u>	<u>\$ 16,044,585</u>

**JEWISH FEDERATION OF GREATER BUFFALO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2023 AND 2022**

**NOTE 3—LIQUIDITY AND AVAILABILITY (Continued)**

The Federation's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$500,000). As part of a liquidity plan the Federation has an unsecured \$200,000 bank capital demand line of credit (Note 11).

**NOTE 4—PROMISES TO GIVE**

Annual campaign pledges receivable as of October 31, 2023 and October 31, 2022 were as follows, by campaign year:

	2023	2022
2026	\$ 50,454	\$ -
2025	404,589	231,983
2024	661,837	255,637
2023	988,117	647,287
2022	505,132	995,038
2021	387,200	464,810
2020 and prior	216,755	553,215
	3,214,084	3,147,970
Less allowance for uncollectible pledges	(420,653)	(410,431)
	\$ 2,793,431	\$ 2,737,539

**NOTE 5—INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Accounting principles generally accepted in the United States of America establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described below:

- *Level 1* - Inputs to the valuation methodology that consist of unadjusted quoted prices for identical assets or liabilities in active markets that the Federation has the ability to access.
  
- *Level 2* - Inputs to the valuation methodology which include: (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices or identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are corroborated by observable market data by correlation or other means.
  
- *Level 3* - Inputs to the valuation methodology that are unobservable and are significant to the overall fair value measurement.

**JEWISH FEDERATION OF GREATER BUFFALO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2023 AND 2022**

**NOTE 5—INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value:

•*Common and Preferred stocks, corporate bonds and notes, and US government funds, except for the money market mutual fund* – are valued at the daily closing prices as reported by the fund. The mutual funds held are open-end funds that are registered with the Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. The mutual funds held are deemed to be actively traded.

•*Pooled investments held at the Foundation* - are valued at NAV as a practical expedient and are based on the quoted market prices of the underlying investments, less any fees or expenses borne by the fund.

•*State of Israel Bonds* - are valued based on their maturity. Mortgage notes and other are valued at their principal balance as of October 31, 2023 and 2022.

•*Money market mutual funds* - are valued at the daily closing price as reported by the fund. The money market funds are open-end mutual funds registered with the SEC that generally transacts purchase and sales activity at a stable \$1.00 NAV. On a daily basis the funds' NAV is calculated based on the amortized cost of the underlying investments.

The following tables set forth by level within the fair value hierarchy the Federation's investments that are measured at fair value as of October 31, 2023 and 2022, with the exception of the pooled investments which are measured at fair value using the NAV practical expedient. The fair value for these investments is provided below to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Financial Position.

The Federation's investments at October 31, 2023 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pooled investments with Foundation for Jewish Philanthropies, Inc. and the Community Foundation for Greater Buffalo	\$ -	\$ -	\$ 15,893,749	\$ 15,893,749
Common and preferred stocks	4,202,116	-	-	4,202,116
Corporate notes and bonds	2,279,101	-	-	2,279,101
State of Israel Bonds	-	100,000	-	100,000
Others	-	-	3,714,810	3,714,810
	<u>\$ 6,481,217</u>	<u>\$ 100,000</u>	<u>\$ 19,608,559</u>	<u>\$ 26,189,776</u>

**JEWISH FEDERATION OF GREATER BUFFALO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**OCTOBER 31, 2023 AND 2022**

**NOTE 5—INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The Federation's investments at October 31, 2022 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pooled investments with Foundation for Jewish Philanthropies, Inc. and the Community Foundation for Greater Buffalo	\$ -	\$ -	\$ 15,793,749	\$ 15,793,749
Common and preferred stocks	4,328,465	-	-	4,328,465
Corporate notes and bonds	2,125,284	-	-	2,125,284
State of Israel Bonds	-	100,000	-	100,000
Others	-	-	3,701,115	3,701,115
	<u>\$ 6,453,749</u>	<u>\$ 100,000</u>	<u>\$ 19,494,864</u>	<u>\$ 26,048,613</u>

The Federation has pooled investments managed by the Philanthropies and the Community Foundation for Greater Buffalo. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the financial position of the Federation.

Investment income, net of investment management fees paid to the Foundation of \$176,836 and \$179,652 consisted of the following at October 31:

2023	Interest and dividends	Net realized and unrealized gains (losses)	Total
Without donor restrictions, net of fees	\$ 191,284	\$ 645,275	\$ 836,559
With donor restrictions	392,876	482,540	875,416
	<u>\$ 584,160</u>	<u>\$ 1,127,815</u>	<u>\$ 1,711,975</u>

2022	Interest and dividends	Net realized and unrealized gains	Total
Without donor restrictions, net of fees	\$ 263,345	\$ (3,132,955)	\$ (2,869,610)
With donor restrictions	552,853	(2,208,801)	(1,655,948)
	<u>\$ 816,198</u>	<u>\$ (5,341,756)</u>	<u>\$ (4,525,558)</u>

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**NOTE 6—NET ASSETS**

Net assets with donor restrictions were as follows at October 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Pledges receivable-time restricted	\$ 2,793,431	\$ 2,737,539
Investments in perpetuity which once appropriated are expendable to support the Federation's programs-purpose restricted	11,419,414	10,672,588
Present Value	6,021	-
Less: unapplied payments and due from other funds	<u>(1,113)</u>	<u>(1,312)</u>
	<u>\$ 14,217,753</u>	<u>\$ 13,408,815</u>

Net assets released from donor restrictions were as follows at October 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Time restrictions satisfied by collection of pledges receivable	\$ 2,001,487	\$ 2,281,139
Purpose restriction satisfied by appropriated endowment earnings	314,528	265,995
	<u>\$ 2,316,015</u>	<u>\$ 2,547,134</u>

**NOTE 7—ENDOWMENTS**

The Federation's endowments consist of various individual funds, established for a variety of purposes and consisting of donor-restricted endowment funds. New York Prudent Management of Institutional Funds Act (NYPMIFA or the Act), New York's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), governs the management and investment of funds held by not-for-profit corporations and other institutions; accordingly, the Federation classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions because those net assets are time restricted until the Board of Governors appropriates such amounts for expenditure.

The Board of Governors of the Federation has interpreted NYPMIFA as requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Federation considers a fund to be underwater if the fair value of the fund is less than the sum of: (a) the original value of initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Federation has interpreted NYPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. At October 31, 2023 and 2022, the endowment funds were not under water.

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**NOTE 7—ENDOWMENTS (Continued)**

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

- The duration and preservation of the fund
- The purposes of the Federation and 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

The Federation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the assets against inflation. An additional objective is to maximize total return, in the form of income, capital appreciation or both, consistent with the level of risk taken.

The Federation has a policy for grant distributions, depending on the fiscal need for programs supported by its endowment, provided the value of the fund exceeds the historical basis of the original contribution. When net asset fair value of the fund falls below the historical basis of the original contribution, grant distribution is limited to the actual dividend and interest earned in the year prior.

Beginning in 2011, the Federation updated its policy for grant distributions in compliance with NYPMIFA, to limit distributions to not exceed 7% of each endowment funds' fair market value (averaged over a period of not less than the preceding five years) in any year, excluding the funds which grant distributions are governed by the gift instrument. This is consistent with the Federation's objective to maintain purchasing power and to grow investments in the endowment assets held in perpetuity.

The Federation's changes in endowment net assets were as follows for the years ended October 31:

	<u>2023</u>	<u>2022</u>
Beginning of year	\$ 10,672,588	\$12,647,029
Investment income (loss)	1,127,815	(1,655,948)
Other changes	(66,461)	(52,498)
Appropriated for expenditure	<u>(314,528)</u>	<u>(265,995)</u>
End of year	<u>\$ 11,419,414</u>	<u>\$10,672,588</u>

**NOTE 8—RELATED PARTY TRANSACTIONS**

The Federation is party to certain agreements and transactions in the normal course of business with organizations that are related to the Federation through common board members. Significant activity not disclosed elsewhere is as follows:

The Federation has a commitment balance of \$267,000 to the Kadimah School of Buffalo, Inc., payable from time to time, at the sole discretion of the Federation Board of Governors. Regardless of whether or not the commitment is funded or unfunded the Federation shall allocate the amount of interest income that would be earned on the pledge balance had the full amount been funded, at a rate no lower than 4%, on an annual basis.



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**NOTE 9—RETIREMENT PLAN**

The Federation participates in a SIMPLE IRA plan that allows for an employer matchup to 3% of covered employees' salaries to the plan. Total contributions to the plan for the year ended October 31, 2023 and 2022 were \$28,006 and \$22,715, respectively.

**NOTE 10—EMPLOYMENT AGREEMENT**

The Federation has an agreement with its executive director with a second five-year term option through July 31, 2025 calling for minimum cumulative compensation during the initial period through 2025 of approximately \$525,000, including specific benefits and expense reimbursement as described in the agreement.

**NOTE 11—LINE OF CREDIT**

The Federation has available an unsecured \$200,000 bank capital line of credit, with interest payable at prime (8.5% at October 31, 2023) subject to annual review and renewal. There were no amounts outstanding at October 31, 2023 and 2022.

**NOTE 12—EVALUATION OF SUBSEQUENT EVENTS**

The Federation has evaluated subsequent events through August 9, 2024, the date which the financial statements were available to be issued.