

THE JEWISH FUND

Bloomfield Hills, Michigan

May 31, 2022 and 2021

FINANCIAL STATEMENTS

Including Independent Auditor's Report

THE JEWISH FUND

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Independent Auditor's Report

To the Board of Directors
The Jewish Fund

Opinion

We have audited the financial statements of The Jewish Fund (the "Fund"), which comprise the statements of financial position as of May 31, 2022 and 2021 and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of May 31, 2022 and 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Fund and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audits 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 audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors
The Jewish Fund

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

October 6, 2022

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STATEMENTS OF FINANCIAL POSITION
May 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 382,426	\$ 518,261
Investments	62,793,259	67,586,992
Prepaid expenses	<u>4,286</u>	<u>2,820</u>
Total assets	<u>\$ 63,179,971</u>	<u>\$ 68,108,073</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 52,822	\$ 36,890
Grants payable	767,832	844,112
Total liabilities	<u>820,654</u>	<u>881,002</u>
NET ASSETS		
Without Donor Restrictions	51,756,838	56,293,224
With Donor Restrictions	<u>10,602,479</u>	<u>10,933,847</u>
Total net assets	<u>62,359,317</u>	<u>67,227,071</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 63,179,971</u>	<u>\$ 68,108,073</u>

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STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended May 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT						
Grants and contributions	\$ -	\$ -	\$ -	\$ 1,923	\$ -	\$ 1,923
Investment income	5,811,558	1,063,454	6,875,012	2,686,847	476,652	3,163,499
Net unrealized (losses) gains on investments	(7,484,868)	(1,373,595)	(8,858,463)	10,318,574	1,822,275	12,140,849
Returned grants and other income	11,314	-	11,314	12,201	-	12,201
Net assets released from restrictions	21,227	(21,227)	-	110,408	(110,408)	-
Total operating revenue and support	<u>(1,640,769)</u>	<u>(331,368)</u>	<u>(1,972,137)</u>	<u>13,129,953</u>	<u>2,188,519</u>	<u>15,318,472</u>
EXPENSES						
Programs:						
Grants	2,410,397	-	2,410,397	2,337,000	-	2,337,000
Teen foundation board	59,813	-	59,813	55,880	-	55,880
Administrative and general	425,407	-	425,407	400,252	-	400,252
Total expenses	<u>2,895,617</u>	<u>-</u>	<u>2,895,617</u>	<u>2,793,132</u>	<u>-</u>	<u>2,793,132</u>
(DECREASE) INCREASE IN NET ASSETS	<u>(4,536,386)</u>	<u>(331,368)</u>	<u>(4,867,754)</u>	<u>10,336,821</u>	<u>2,188,519</u>	<u>12,525,340</u>
NET ASSETS - BEGINNING OF YEAR	<u>56,293,224</u>	<u>10,933,847</u>	<u>67,227,071</u>	<u>45,956,403</u>	<u>8,745,328</u>	<u>54,701,731</u>
NET ASSETS - END OF YEAR	<u>\$ 51,756,838</u>	<u>\$ 10,602,479</u>	<u>\$ 62,359,317</u>	<u>\$ 56,293,224</u>	<u>\$ 10,933,847</u>	<u>\$ 67,227,071</u>

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STATEMENTS OF CASH FLOWS
Years Ended May 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) Increase in net assets	\$ (4,867,754)	\$ 12,525,340
Adjustments to reconcile decrease in net assets to net cash from operating activities:		
Net unrealized loss (gain) on investments	8,858,463	(12,140,849)
Net realized gain on investments	(4,640,199)	(1,558,308)
Changes in operating assets and liabilities which provided (used) cash:		
Prepaid expenses	(1,466)	(2,820)
Accounts payable	15,932	(9,156)
Grants payable	(76,280)	380,517
	(711,304)	(805,276)
CASH FLOWS FROM INVESTING ACTIVITIES - Net sale of investments	575,469	1,189,184
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(135,835)	383,908
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	518,261	134,353
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 382,426	\$ 518,261

THE JEWISH FUND

NOTES TO FINANCIAL STATEMENTS May 31, 2022 and 2021

NOTE 1 - Organization

The Jewish Fund (the "Fund") was established from the proceeds of the sale of Sinai Hospital to the Detroit Medical Center in December 1996 for charitable, educational, and religious purposes. The Fund supports the overall healthcare and social welfare needs of the Jewish and general communities in the Greater Detroit Metropolitan Area.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Fund are prepared on the accrual basis.

Classification of Net Assets

Net assets of the Fund are classified based on the presence or absence for donor imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor imposed or the donor imposed restriction has expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Fund.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Fund or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue and other support are reported as an increase in net assets without donor restrictions unless the donation is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one category of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Contributions and endowment income with donor-imposed restrictions that are met in the same year as received or earned are reported as net assets without donor restrictions revenue. Contributions and endowment income with donor-imposed restrictions that are not met in the same year as received or earned are reported as net assets with donor restrictions revenue and are reclassified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction or the specified events have occurred.

Grants payable represent awards to certain community organizations as of the reporting date with payments made generally throughout the next year. Grant expense is recorded when the awards are approved by the board of directors of the Fund. Any awards granted in a previous year and released from payment are reflected within other income on the statements of activities and changes in net assets.

THE JEWISH FUND

NOTES TO FINANCIAL STATEMENTS May 31, 2022 and 2021

NOTE 2 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Fund defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

The Fund maintains an account with the bank which at times may exceed federally insured limits. The Fund has not experienced any losses in such accounts.

Investments

The United Jewish Foundation (UJF) manages the Fund's investment portfolio. The investment portfolio is comprised of equity securities, debt securities, hedge funds, and private equity investments. The Fund records all investments in equity and debt securities with readily determinable fair values, based on published quotations at fair value in accordance with generally accepted accounting principles.

The Fund makes various investments with a group of investment managers who manage investment partnerships, managed accounts, commodity funds, hedge funds, and private equity funds, which employ diversified styles and strategies. The goal of these investments is to generate a long-term return with less risk than the equity market. The net asset value of these investments is calculated by the investment manager based on prices and valuations supplied to it by the underlying investment or money manager, or a similar financial data provider. Fair values as of May 31, 2022 and 2021 are based on monthly valuations provided by the managers of the Fund. Management, in coordination with the Fund's investment consultant and the UJF investment committee, obtains and considers the audited financial statements issued by nationally recognized accounting firms of such investments when evaluating the overall reasonableness of carrying value. Because of the inherent uncertainty of valuations, values recorded may differ materially from values had a ready market existed.

The investments may utilize a variety of financial instruments in their trading strategies, including equity and debt securities of U.S. and foreign issuers, as well as a variety of derivative instruments. Several of these financial instruments contain varying degrees of off-balance-sheet risk whereby changes in market value of the securities underlying the financial instruments may be in excess of the amounts recorded on the investments' balance sheet. However, due to the nature of the Fund's limited interest in these investments, the Fund's risk with respect to such transactions is limited to its capital balance in each investment.

Net realized and unrealized gains and losses on investment transactions for the year are included in the statements of activities and changes in net assets.

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NOTES TO FINANCIAL STATEMENTS May 31, 2022 and 2021

NOTE 2 - Summary of Significant Accounting Policies (continued)

Tax-Exempt Status

The Fund is a Michigan not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Fund and recognize a tax liability if the Fund has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. The Fund's management believes that the Fund continues to operate in a manner that preserves its tax-exempt status.

Risks and Uncertainties

The Fund holds various investments in any combination of stocks, bonds, fixed-income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Given the level of risk associated with certain investment securities and the level of uncertainty related to the changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could affect investment balances and the amounts reported in the statements of financial position and the statements of activities and changes in net assets.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Fund has evaluated subsequent events occurring through October 6, 2022, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the Fund's financial statements.

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NOTES TO FINANCIAL STATEMENTS May 31, 2022 and 2021

NOTE 3 - Fair Value of Financial Instruments

As defined in the accounting standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Fund uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, the Fund attempts to utilize valuation methods that maximize the use of observable inputs. Based on the observability of the inputs used in the valuation methods, the Fund is required to provide the following information according to the fair value hierarchy.

The Fund holds Level 1 investments in various equity and fixed-income investments that are publicly traded securities. Fair values are based on quoted market prices in active markets for identical assets or liabilities. The Fund also holds investments where fair value is measured using net asset value per share (or its equivalent) as a practical expedient. The Fund's investments valued at Net Asset Value (NAV) are not included in the fair value hierarchy.

The following provides information about the attributes of certain alternative investments:

Investment Type	Investment Objective	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Mutual Funds	Equity mutual funds valued at NAV include investments in closed funds which can be redeemed daily based on net asset values (NAV) provided by the fund managers. The Fund has no unfunded commitments for these funds as of May 31, 2022 and 2021, and there are no liquidity restrictions placed on these funds.	None	N/A	N/A
Liquid Limited Partnerships	Invest directly in publicly traded securities through a commingled vehicle. The funds within this category offer daily liquidity.	None	N/A	N/A
Direct Hedge Funds	Invest directly in debt, equity, and derivative securities to produce equity-like returns, but with reduced volatility. Strategies employed include long/short equity, multi-strategy, arbitrage, relative value, and event drive. Beta exposure to markets will vary based on the degree of hedging utilized by the managers. Approximately 71 percent of the funds within this category are subject to an investor gate which allows for only 25 percent redemption during any three-month period.	None	Quarterly	60-120 days
Private Partnerships	Invest directly in securities of companies that are generally not actively traded at the time of investment, securities that are perceived to be trading at distressed levels (many of which are illiquid), or a basket of private equity funds that invest in said securities. Additionally, make acquisitions of private equity limited partnership interests and direct investment portfolios with a focus of acquiring these interests at a significant discount. Investments may be in U.S. or foreign markets, and returns are expected to be higher than those that can be achieved in equity markets, albeit with higher expected volatility. Funds within this category are not redeemable.	3,829,776	N/A	N/A

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NOTES TO FINANCIAL STATEMENTS May 31, 2022 and 2021

NOTE 3 - Fair Value of Financial Instruments (continued)

The tables below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	May 31, 2022		
	Total	Level 1	Valued at NAV
Investments:			
Money market fund	\$ 3,288,375	\$ 3,288,375	\$ -
Mutual funds:			
Equity	30,881,806	27,871,684	3,010,122
Debt	1,295,240	1,295,240	-
Real assets	4,893,505	4,893,505	-
Liquid Limited Partnerships -			
Debt	9,154,084	-	9,154,084
Alternative investments:			
Direct hedge fund	6,583,509	-	6,583,509
Private partnerships	6,696,740	-	6,696,740
Total investments	<u>\$ 62,793,259</u>	<u>\$ 37,348,804</u>	<u>\$ 25,444,455</u>

	May 31, 2021		
	Total	Level 1	Valued at NAV
Investments:			
Money market fund	\$ 1,328,691	\$ 1,328,691	\$ -
Mutual funds:			
Equity	34,434,183	31,512,715	2,921,468
Debt	-	-	-
Real assets	3,805,576	3,805,576	-
Liquid Limited Partnerships -			
Debt	5,980,906	-	5,980,906
Alternative investments:			
Direct hedge fund	16,835,340	-	16,835,340
Private partnerships	5,202,296	-	5,202,296
Total investments	<u>\$ 67,586,992</u>	<u>\$ 36,646,982</u>	<u>\$ 30,940,010</u>

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NOTES TO FINANCIAL STATEMENTS May 31, 2022 and 2021

NOTE 4 - Investments

Investment income includes the following:

	<u>2022</u>	<u>2021</u>
Dividends and interest	\$ 2,307,178	\$ 1,705,747
Realized gains	4,640,199	1,558,308
Management fees	<u>(72,365)</u>	<u>(100,556)</u>
Total	<u>\$ 6,875,012</u>	<u>\$ 3,163,499</u>

NOTE 5 - Transactions with Affiliates

The Fund and the Jewish Federation of Metropolitan Detroit (the "Federation") have entered into a management agreement whereby the Federation provides administrative support to the Fund for an agreed-upon fee. Such fees were \$352,000 and \$340,000 for the fiscal years ended May 31, 2022 and 2021, respectively.

Grants paid directly to the Federation were \$110,935 and \$390,000 and indirect grant expenses paid to other affiliated entities were \$1,250,080 and \$825,465 for the fiscal years ended May 31, 2022 and 2021, respectively. The Fund has grants payable to the Federation of \$25,935 and \$310,000 and to other affiliated entities of \$514,435 and \$197,077 as of May 31, 2022 and 2021, respectively.

NOTE 6 - Endowment Funds

The Fund's endowment includes both donor restricted endowment funds and funds designated by the board of trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The Fund is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of trustees appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of trustees of the Fund had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor restricted endowment funds, the Fund 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 Fund has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

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NOTES TO FINANCIAL STATEMENTS May 31, 2022 and 2021

NOTE 6 - Endowment Funds (continued)

1. The duration and preservation of the Fund
2. The purposes of the Fund and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Fund
7. The investment policies of the Fund

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

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated	\$ 51,756,838	\$ -	\$ 51,756,838
Donor-restricted			
Original donor-restricted gift amount required to be maintained in perpetuity by the donor	-	2,227,824	2,227,824
Accumulated investment gains	-	7,436,831	7,436,831
Gifts restricted for special purpose	-	937,824	937,824
Total funds	\$ 51,756,838	\$ 10,602,479	\$ 62,359,317

Endowment net asset composition by type of fund as of May 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated	\$ 56,293,224	\$ -	\$ 56,293,224
Donor-restricted			
Original donor-restricted gift amount required to be maintained in perpetuity by the donor	-	2,227,824	2,227,824
Accumulated investment gains	-	7,759,544	7,759,544
Gifts restricted for special purpose	-	946,479	946,479
Total funds	\$ 56,293,224	\$ 10,933,847	\$ 67,227,071

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, May 31, 2021	\$ 56,293,224	\$ 10,933,847	\$ 67,227,071
Net investment loss	(1,673,310)	(310,141)	(1,983,451)
Other income	11,314	-	11,314
Appropriation of endowment assets for expenditure	(2,874,390)	(21,227)	(2,895,617)
Endowment net assets, May 31, 2022	\$ 51,756,838	\$ 10,602,479	62,359,317

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NOTES TO FINANCIAL STATEMENTS May 31, 2022 and 2021

NOTE 6 - Endowment Funds (continued)

Changes in endowment net assets for the year ended May 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, May 31, 2020	\$ 45,956,403	\$ 8,745,328	\$ 54,701,731
Net investment income	13,005,421	2,298,927	15,304,348
Other income	14,124	-	14,124
Appropriation of endowment assets for expenditure	<u>(2,682,724)</u>	<u>(110,408)</u>	<u>(2,793,132)</u>
Endowment net assets, May 31, 2021	<u>\$ 56,293,224</u>	<u>\$ 10,933,847</u>	<u>\$ 67,227,071</u>

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 UPMIFA requires the Fund to retain as a fund of perpetual duration. There were no such deficiencies in the endowment funds as of May 31, 2022 and 2021.

Return Objectives and Risk Parameters - The Fund has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the Fund's programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Fund must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce results that exceed 5% annually while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Fund 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 Fund targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Fund has a policy of appropriating for grants each year 5% of the endowment base. The endowment base is defined as the three-year moving average of the fair value of the total endowment portfolio (calculated as of the last day of each of the previous 12 quarters). In establishing this policy, the Fund considered the long-term expected return on its endowment. Accordingly, over the long term, the Fund expects the current spending policy to allow its endowment to grow at an average of approximately 2% annually. This is consistent with the Fund's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through investment return.

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NOTES TO FINANCIAL STATEMENTS May 31, 2022 and 2021

NOTE 7 – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of May 31:

	<u>2022</u>	<u>2021</u>
Endowments:		
Healthcare and social welfare of general community	\$ 8,516,006	\$ 8,763,722
Research	847,421	872,662
Vision	1,180,695	1,237,878
Teen foundation board	<u>58,357</u>	<u>59,585</u>
Net assets with donor restrictions	<u>\$ 10,602,479</u>	<u>\$ 10,933,847</u>

NOTE 8 - Functional Expenses

The Fund provides grants to the Jewish and general communities in the Greater Detroit Metropolitan Area. Expenses related to providing these services are as follows as of May 31:

	<u>2022</u>	<u>2021</u>
Program services:		
Grants	\$ 2,410,397	\$ 2,337,000
Teen foundation board	<u>59,813</u>	<u>55,880</u>
Total program services	2,470,210	2,392,880
Support services:		
Administrative fee	352,000	347,500
Audit and tax services	17,200	16,800
Professional services	29,912	14,752
Meetings and events	4,492	5,443
Dues and subscriptions	9,395	8,130
Insurance	3,715	5,120
Office expense	<u>8,693</u>	<u>2,507</u>
Total support services:	425,407	400,252
Total expenses	<u>\$ 2,895,617</u>	<u>\$ 2,793,132</u>

The costs of providing the program and support services are reported on a functional basis. Costs are directly applied to either programs or support services on an actual basis.

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NOTES TO FINANCIAL STATEMENTS May 31, 2022 and 2021

NOTE 9 - Liquidity and Availability of Resources

Almost all of the Fund's assets consist of financial assets (cash and cash equivalents and investments). The programs and supporting services of the Fund are supported by the earnings from these financial assets. 83% or \$51.8 million and 84% or \$56.3 million of the Fund's net assets as of May 31, 2022 and 2021, respectively, were without donor restrictions, but are designated by the board as quasi endowment funds. The Fund has adopted a spending policy to appropriate grants from the board designated funds (refer to Note 6), but all of the board designated funds could be made available if necessary.

Of the financial assets at May 31, 2022 and 2021, all are available to meet cash needs for general expenditure with the exception of investments which contain lock-up provisions of \$11,024,671 and \$13,280,033 at May 31, 2022 and 2021, respectively (see Note 3 for investment disclosures), and endowment funds required by the donor to be held in perpetuity of \$2,227,824.

As part of the Fund's liquidity management strategy, the Fund structures its financial assets to be available as the grants, general expenditures, and other obligations come due. Cash withdrawals from the managed investment pool normally coincide with the grant distributions but may be adjusted higher or lower based on the timing of gift receipts, operating expenses and other factors affecting available cash.

NOTE 10 - Subsequent Event

As of June 1, 2022, the Fund has committed to providing grants of approximately \$1,800,000.