Dallas Jewish Community Foundation and Affiliates

Consolidated Financial Statements
July 31, 2023

Contents

RSM US LLP

Independent Auditor's Report

The Board of Trustees
Dallas Jewish Community Foundation and Affiliates

Opinion
We have audited the consolidated financial statements of Dallas Jewish Community Foundation and its Affiliates (the Organization), which comprise the consolidated statement of financial position as of July 31, 2023, 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 (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of July 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization'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 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 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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 the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report, dated August 22, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

Oklahoma City, Oklahoma
July 31, 2024

Dallas Jewish Community Foundation and Affiliates

Consolidated Statements of Financial Position
July 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 1,017,129	$ 2,454,065
Prepaid expenses, accrued interest and other receivables	22,599	30,734
Contributions receivable	9,925,116	2,527,473
Investments:		
Marketable securities, at fair value (Note 2)	286,019,679	254,338,019
Other investments, at cost	893,195	1,969,217
Credit facility receivable (Note 3)	1,300,770	2,028,370
Cash surrender value of life insurance policies	2,532,278	2,484,593
Operating lease right-of-use assets, net	55,426	-
Total assets	$ 301,766,192	$ 265,832,471
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 1,080,648	$ 107,590
Grants and program services payable	-	128,696
Line of credit (Note 4)	1,203,732	1,996,430
Liability for split-interest agreements (Note 5)	904,803	568,780
Custodial liabilities (Note 6)	82,706,986	79,098,004
Operating lease liabilities	56,082	-
Total liabilities	85,952,251	81,899,500
Net assets:		
Without donor restrictions	209,601,160	178,744,466
With donor restrictions	6,212,781	5,188,505
Total net assets	215,813,941	183,932,971
Total liabilities and net assets	$ 301,766,192	$ 265,832,471

See notes to consolidated financial statements.

Dallas Jewish Community Foundation and Affiliates

Consolidated Statements of Activities
Year Ended July 31, 2023
(With Summarized Comparative Information for Year Ended July 31, 2022)

	2023			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	2022 Total
Revenues, gains and other support:				
Contributions	**$ 41,112,190**	**$ 1,391,689**	**$ 42,503,879**	$ 43,035,108
Investment return, net	**12,515,827**	**304,949**	**12,820,776**	(11,884,281)
Administrative fees	**340,478**	**(30,088)**	**310,390**	323,772
Event income	**74,828**	**-**	**74,828**	60,856
Change in value of split-interests	**(952)**	**130,055**	**129,103**	(32,818)
Change in cash surrender value of life insurance	**(36,154)**	**-**	**(36,154)**	(187,854)
Other income	**50,675**	**-**	**50,675**	694,949
Net assets released from restrictions	**772,329**	**(772,329)**	**-**	-
Total revenues, gains and other support	**54,829,221**	**1,024,276**	**55,853,497**	32,009,732
Expenses:				
Grants and program services	**22,653,145**	**-**	**22,653,145**	19,088,196
Management and general	**965,567**	**-**	**965,567**	871,172
Fundraising	**353,815**	**-**	**353,815**	317,756
Total expenses	**23,972,527**	**-**	**23,972,527**	20,277,124
Change in net assets	**30,856,694**	**1,024,276**	**31,880,970**	11,732,608
Net assets at beginning of year	**178,744,466**	**5,188,505**	**183,932,971**	172,200,363
Net assets at end of year	**$ 209,601,160**	**$ 6,212,781**	**$ 215,813,941**	$ 183,932,971

See notes to consolidated financial statements.

Dallas Jewish Community Foundation and Affiliates

Consolidated Statements of Functional Expenses
Year Ended July 31, 2023
(With Summarized Comparative Information for Year Ended July 31, 2022)

	2023				
	Program Services	**Management and General**	**Fundraising**	**Total**	2022 Total
Grants to beneficiaries	**$ 21,604,514**	**$ -**	**$ -**	**$ 21,604,514**	$ 18,192,194
Salaries	**614,504**	**400,500**	**137,100**	**1,152,104**	1,061,873
Employee health and retirement benefits	**82,475**	**54,465**	**18,674**	**155,614**	156,026
Payroll taxes	**46,724**	**30,855**	**10,579**	**88,158**	78,356
Total salaries and related benefits	**743,703**	**485,820**	**166,353**	**1,395,876**	1,296,255
Committee meetings and conferences	**73,818**	**10,581**	**35,229**	**119,628**	91,900
Dues and subscriptions	**-**	**5,110**	**-**	**5,110**	6,585
Travel	**-**	**256**	**110**	**366**	203
Outside printing	**10,868**	**-**	**10,867**	**21,735**	19,950
Postage	**5,115**	**3,378**	**1,158**	**9,651**	9,567
Professional fees and contract service payments	**68,434**	**278,526**	**124,817**	**471,777**	295,569
Supplies	**13,342**	**8,811**	**3,021**	**25,174**	21,508
Telephone	**6,709**	**4,434**	**1,520**	**12,663**	13,721
Occupancy costs	**45,547**	**30,079**	**10,312**	**85,938**	81,242
Other	**81,095**	**138,572**	**428**	**220,095**	248,430
Total expenses other than grants and salaries and related benefits	**304,928**	**479,747**	**187,462**	**972,137**	788,675
Total	**$ 22,653,145**	**$ 965,567**	**$ 353,815**	**$ 23,972,527**	$ 20,277,124

See notes to consolidated financial statements.

Dallas Jewish Community Foundation and Affiliates

Consolidated Statements of Cash Flows
Years Ended July 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	**$ 31,880,970**	$ 11,732,608
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net investment (gains) losses	**(7,841,144)**	16,149,995
Change in value of split-interest agreements	**(129,103)**	32,818
Noncash financial asset contributions	**(8,130,810)**	(23,326,108)
Proceeds from sales of noncash financial asset contributions	**7,487,416**	13,645,279
Amortization of right-of-use assets	**81,149**	-
Change in operating assets and liabilities:		
Contributions receivable	**(7,397,643)**	(1,487,346)
Cash surrender value of life insurance policies	**(47,685)**	450,726
Prepaid expenses, accrued interest, and other receivables	**8,135**	(1,034,311)
Accounts payable and accrued expenses	**973,058**	18,965
Grants and program services payable	**(128,696)**	(153,324)
Liability for split-interest agreements	**622,353**	(52,555)
Custodial liabilities	**230,275**	(2,473,249)
Operating lease liabilities	**(80,493)**	-
Net cash provided by operating activities	**17,527,782**	13,503,498
Cash flows from investing activities:		
Proceeds from sales of investments	**10,212,462**	20,251,669
Purchases of investments	**(28,954,855)**	(32,450,844)
Issuances of credit facility receivable	**(141,189)**	(47,099)
Proceeds from repayments on credit facility receivable	**868,789**	1,191,655
Net cash used in investing activities	**(18,014,793)**	(11,054,619)
Cash flows from financing activities:		
Payments on split-interest agreements	**(157,227)**	(50,678)
Proceeds from draws on line of credit	**60,795**	36,676
Payments on line of credit	**(853,493)**	(1,199,481)
Net cash used in financing activities	**(949,925)**	(1,213,483)
Net (decrease) increase in cash and cash equivalents	**(1,436,936)**	1,235,396
Cash and cash equivalents at beginning of year	**2,454,065**	1,218,669
Cash and cash equivalents at end of year	**$ 1,017,129**	$ 2,454,065
Supplemental information:		
Interest paid	**$ 45,303**	$ 38,190
Donated investments	**$ 8,130,810**	$ 23,326,108
Net investment (loss) return on custodial assets	**$ 3,206,375**	$ (8,932,443)
Custodial liability account, noncash receipt	**$ 172,332**	$ 161,413
Operating lease right of use assets obtained in exchange for operating lease liabilities	**$ 136,575**	$ -
Operating cash outflows—payments on operating leases	**$ 83,196**	$ -

See notes to consolidated financial statements.

Note 1. Significant Accounting Policies

Nature of operations: These consolidated financial statements include the accounts of Dallas Jewish Community Foundation (the Foundation), also doing business as Southwest Community Foundation, the DJCF Holding Corporation (the Holding Company), the Kirschner-Bookatz Family Foundation (Kirschner-Bookatz), the Nate and Ann Levine Family Foundation (Levine), Northaven Charitable Giving Foundation (Northaven), the Schultz Family Foundation (Schultz) and the Lawrence E. Steinberg Foundation (Steinberg), collectively referred to as the Organization.

The Holding Company is a title-holding corporation formed to hold title to certain partnership investments of the Foundation. Accordingly, it is operated exclusively to hold title to property (including partnership interests), collect the income therefrom, and turn over the entire amount of such income, less expenses, at least annually to the Foundation. The Foundation is the sole member of the Holding Company.

Kirschner-Bookatz, Levine, Northaven, Schultz and Steinberg, collectively referred to as the Supporting Foundations, are all supporting organizations of the Foundation. The Foundation has both control and an economic interest in the Supporting Foundations. The Supporting Foundations are operated exclusively for charitable, educational or religious purposes, by conducting supporting activities or making distributions for the benefit of, or to carry out the purposes of, the Foundation. The Foundation maintains control of each of the Supporting Foundations by having majority control of the respective Boards of Trustees.

All significant intercompany accounts and transactions with the Holding Company and the Supporting Foundations have been eliminated.

Northaven holds three supporting single member limited liability companies, Turtle Creek Foundation, LLC (Turtle Creek), Gus Thomasson Foundation, LLC (Thomasson) and DJSW Foundation, LLC (DJSW) for the purpose of managing and holding partnerships, property and real estate for Northaven. All intercompany transactions between Northaven, Turtle Creek, Thomasson and DJSW have been eliminated.

The Foundation is organized and operated to undertake efforts to improve the Jewish community, and the broader world, through the development and stewardship of philanthropic resources of donors and community partners. This mission is achieved by distribution of funds and making grants that serve the ultimate benefit of religious, educational, cultural and other charitable purposes that the Foundation's donors and community partners typically support.

Basis of presentation: The Organization follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) for not-for-profit entities. The ASC is the single source of authoritative guidance for accounting principles generally accepted in the United States of America (U.S. GAAP) for non-governmental entities. The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other assets and liabilities.

Net asset classifications: The Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) was enacted by the state of Texas effective September 1, 2007 (TUPMIFA). The Board of Trustees, on the advice of legal counsel, has determined that substantially all of the Organization's net assets do not meet the definition of an endowment under TUPMIFA. The Organization is governed subject to the terms of its bylaws and the *Procedures for Operation of Philanthropic Funds,* and substantially all contributions are subject to the terms of these governing documents. Certain contributions to the Organization are received subject to other gift instruments or are subject to specific agreements with the donor.

Note 1. Significant Accounting Policies (Continued)

Under the terms of the Organization's governing documents, the Organization "in its normal corporate capacity, shall have absolute authority and control over all property in the fund and the income derived therefrom." As a result of the Organization's ability to distribute corpus, substantially all funds are classified as net assets without donor restrictions for consolidated financial statement purposes.

The Organization's net assets with donor restrictions consist of time restrictions, irrevocable charitable trusts and annuities, and the accumulated and unappropriated income and corpus of the one donor-restricted endowment fund. When the donor-stipulated purpose has been fulfilled, the stipulated time period has elapsed, and/or the Board of Trustees appropriates endowment income which does not contain a purpose restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Net assets with donor restriction contain the fair value of the original gift as of the gift date of the aforementioned donor-restricted endowment fund. This fund has been determined to be an endowment fund under TUPMIFA as these net assets are subject to specific donor-imposed stipulations that they be maintained permanently by the Organization.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Endowment investment and spending policies: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. The Organization's spending and investment policies work together to achieve these objectives. The investment policy establishes an achievable return objective through diversification of investment assets. The current long-term return expectation is 5.5%, net of investment fees. Actual returns in any given year may vary from this amount.

To achieve its long-term rate-of-return objectives, the Organization relies on a strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to reduce risk due to market volatility.

Generally, the Organization follows a spending policy of 4.75% of net assets calculated over 12 quarters, which, based on the expected rate of return, is designed to ensure preservation of capital for funds held in its general endowment; however, other endowment funds held by the Organization have spending policies ranging from 4% to 5% calculated over 12 quarters, or at fiscal year-end, and/or allow for the income of the funds to be distributed. Income has been defined by the Organization as interest and dividends, net of fees, and does not include realized and unrealized gains.

Contribution revenue recognition: Contributions, including unconditional promises to give, are recognized as revenues in the period the unconditional promises to give are received. Contributions that include both a barrier and a right of return or release are considered conditional and are recognized when the barrier is overcome. At July 31, 2023 and 2022, the Organization has no conditional contributions receivable. Contributions receivable at July 31, 2023 and 2022, consist of contributions from estates and bequests and are expected to be collected within one year.

Donated assets: Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of the donation.

Note 1. Significant Accounting Policies (Continued)

Donated services: Donated services are recognized by the Organization if they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically be purchased if not provided by donation. These services are recorded at the fair value of the services received. No amounts have been reflected in the consolidated financial statements for donated services in 2023 or 2022.

Beneficial interest in trust and contribution receivable: In 2016, a donor established a designated endowment fund (the Fund) subject to the Organization's standard terms, including variance power, with the annual income to be distributed to two other not-for-profit organizations. The Fund was to be created and funded upon the death of the donor. The donor passed away in December 2021, and the Organization was notified by the executor of the Organization's interest in the trust. At that time, the Organization received a copy of the will and trust agreement, which directed substantially all the donor's assets be added to the trust. The trust names the Fund as the beneficiary, which became irrevocable upon the donor's death. Due to the nature of certain estate assets contributed to the trust, the final valuation has not been completed as of July 31, 2024. The remaining assets contributed to the trust for which fair value cannot yet be estimated is comprised of certain businesses which will be recognized upon completion of an independent appraisal and/or receipt of additional information from the estate executor.

During the year ended July 31, 2022, the trust and estate assets comprised of cash and certificates of deposit with an estimated fair value of $1,487,346, for which the Organization was able to estimate fair value were recognized as contribution revenue in the consolidated statements of activities and contributions receivable in the consolidated statements of financial position. During the year ended July 31, 2023, $162,230 of the July 31, 2022, contribution receivable was collected, resulting in a remaining carrying value of $1,325,116 at July 31, 2023.

In addition to the above gift, the Foundation has contributions receivable due from two other donors totaling $8,600,000 as of July 31, 2023.

Cash and cash equivalents: The Organization considers all highly liquid investments with a maturity of three months or less when purchased, excluding cash and cash equivalent funds held in the Organization's investment portfolio, to be cash equivalents.

Marketable securities: Cash and cash equivalents, common and preferred stock, mutual and exchange-traded funds, real estate investment trusts, corporate bonds, U.S. Treasury and government bonds, mortgage-backed securities, Israel bonds and a fixed rate annuity are reported at fair value. The Organization has elected to report certain investments using the practical expedient. The practical expedient allows for the use of net asset value (NAV), either as reported by the investee fund or as adjusted by the Organization's management (see Note 2). Substantially all marketable securities are managed by various investment managers. Depending on the investment type, realized gains and losses on sales of securities are computed using either the specific identification method or the average cost method.

Other investments: Other investments consist of limited partnership interests, limited liability company interests and mineral interests, and are reported at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer carried at the lower of cost or fair value. No impairment or observable price changes were recognized in 2023 or 2022.

Note 1. Significant Accounting Policies (Continued)

Credit facility receivable: The credit facility receivable is recorded at the outstanding principal balance, net of any allowance for doubtful accounts and/or charge-offs. Interest income is recognized as revenue when earned. The Organization did not record an allowance or recognize any impairment during 2023 and 2022, as management believes all amounts are fully collectible.

Equipment: Equipment is stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from four to eight years. The Organization's policy is to capitalize all purchases of equipment with an original cost basis of $10,000 or more. At July 31, 2023 and 2022, the Organization has no equipment with a cost basis of more than $10,000.

Cash surrender value of life insurance policies: The Organization is the owner and beneficiary of various life insurance policies. These assets are carried at their cash surrender values.

Leases: In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which requires lessees to recognize most leases on their statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis, for substantially all leases. Leases are classified as either operating or finance leases, with classification affecting the pattern of expense recognition in the statement of activities. Topic 842 also requires significant incremental quantitative and qualitative disclosures about leasing arrangements, including information depicting the amount, timing and uncertainty of cash flows pertaining to an entity's leases. The Organization adopted Topic 842 on August 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior period financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on August 1, 2022, while prior periods continue to be reported and disclosed in accordance with the legacy guidance under ASC Topic 840, Leases.

The Organization elected the package of practical expedients under the transition guidance within Topic 842, in which the Organization does not reassess the historical lease classification, whether any existing contracts at transition are or contain leases or the initial direct costs for any existing leases. The Organization did not elect to adopt the hindsight practical expedient and, therefore, measured the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on August 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under Topic 842, a contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or August 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Note 1. Significant Accounting Policies (Continued)

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index) which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for all asset classes. The non-lease components typically represent additional services transferred to the Organization which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of Topic 842 resulted in the recording of a ROU asset and lease liability related to the Organization's operating lease of $136,575 at August 1, 2022. The adoption of the new lease standard did not materially impact the consolidated change in net assets or cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

Split-interests: Under charitable remainder trust and annuity agreements, the Organization pays annual benefits from the trust's assets over the term of the trust to third party beneficiaries with remaining trust assets at the end of the trust's term being distributed to the Organization and/or other charities as directed by the trust instrument. Under charitable gift annuities, assets received are available for immediate use by the Organization, and annual benefits paid from Organization assets are distributed to third party beneficiaries over the term of the agreement. See Note 5 for additional information regarding the Organization's split-interest agreements.

Custodial liabilities: Substantially all custodial liabilities represent assets held on behalf of other agencies for which the Organization acts as a custodian. The respective agency owns, controls and may request that the assets related to this liability be returned to it at any time under the terms of their agreements. Funds received from the agencies, and any other activities which increase assets, increase custodial liabilities. Distributions made to the agencies, and any activities which decrease assets, decrease custodial liabilities. In addition, the Organization maintains legal ownership and/or variance power over certain custodial liabilities, as described in the governing documents of the Organization, totaling $281,630 and $282,048 at July 31, 2023 and 2022, respectively. See Note 6 for additional information regarding the Organization's custodial transactions.

Administrative fees: The Organization assesses administrative fees on substantially all funds managed by the Organization. These administrative fees are an expense to the individual funds and revenue to the Organization. Only administrative fees charged on custodial funds, trusts, or to third parties are reflected in the total administrative fees reported in the consolidated statements of activities. The fee expense for the other funds is netted against the fee income of the Organization. In 2023 and 2022, total administrative fee income to the Organization was approximately $1,757,000 and $1,676,000, respectively, of which approximately $310,000 and $324,000, respectively, was earned from custodial funds, trusts, and third parties.

Advertising: Advertising costs are expensed as incurred and totaled approximately $11,000 and $9,000 in 2023 and 2022, respectively.

Note 1. Significant Accounting Policies (Continued)

Grants and program services: Grants and program services represent amounts awarded to various not-for-profit organizations to assist with funding of general operations and special programs. Grants and program services payable consist of unconditional amounts awarded, but not paid, to not-for-profit organizations. Grants to be paid after one year are discounted to net present value of the estimated future cash flows. Grants which include both a barrier that must be overcome and a right of return of the assets transferred or a right of release of the Organization's obligation to transfer assets are considered conditional. Conditional grants are recognized when the barrier is overcome.

Concentration of credit risk: The Federal Deposit Insurance Corporation limits cover all traditional type deposit accounts up to $250,000. The Organization has certain concentrations of credit risk with financial institutions in the form of uninsured cash. At July 31, 2023 and 2022, the Organization maintained cash in bank depository accounts in excess of federally insured limits totaling approximately $1,164,000 and $1,937,000, respectively. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash or cash equivalents.

The Organization received contributions from two donors totaling approximately $19,832,000 (47% of total contribution revenue) in 2023 and from four donors totaling approximately $14,868,000 (35% of total contribution revenue) in 2022.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Costs are allocated between fundraising, management and general and grants and program services, based on evaluations of the related activities. Substantially all expenses are classified in accordance with the functional purpose of the individual expense and/or allocated based on employee time and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Significant estimates: Estimates that are particularly susceptible to significant change include the valuation of investments and custodial liabilities. The Organization's investment instruments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with these financial instruments, it is reasonably possible that changes in the values of the investments and related custodial liabilities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position. Significant fluctuations in fair values could occur from year to year, and the amounts the Organization will ultimately realize could differ materially.

Income tax status: The Foundation and the Supporting Foundations are exempt from federal income tax under section 501(a) as organizations described in section 501(c)(3) of the Internal Revenue Code (the Code) and have been determined not to be private foundations under section 509(a) of the Code. The Holding Company is a title-holding corporation within the meaning of section 501(c)(2) of the Code. The limited liability companies are pass-through entities for tax purposes. Generally, the Organization is subject to tax on unrelated business income.

Note 1. Significant Accounting Policies (Continued)

Accounting for uncertain tax positions: Management has evaluated the Organization's tax positions and concluded the Organization has taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance. With few exceptions, the Organization is no longer subject to U.S. federal or state and local income tax examinations by tax authorities for years before 2020.

Fair value of financial instruments: The Organization follows ASC Topic 820*,* Fair Value Measurements, which provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives 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 following is a brief description of those three levels:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from, or corroborated by, observable market data by correlation to other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable and significant to the overall fair value measurement.

The 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. Financial assets and liabilities carried at fair value on a recurring basis include certain cash equivalents, investments in marketable securities and custodial liabilities (see Note 2). The Organization has no assets or liabilities carried at fair value on a nonrecurring basis at July 31, 2023 or 2022.

Prior year information: The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended July 31, 2022, from which the summarized information was derived. Certain reclassifications of prior-year comparative totals have been made in order to conform to the current-year presentation. These reclassifications had no effect on net assets or changes in net assets.

Subsequent events: Management has evaluated subsequent events through July 31, 2024, the date the consolidated financial statements were available to be issued.

Note 2. Fair Value Measurement

The methods and assumptions used to estimate the fair value of assets and liabilities in the consolidated financial statements, including a description of the methodologies used for the classifications within the fair value hierarchy, are as follows:

Investments—marketable securities: Most of the Organization's marketable securities are valued by nationally recognized third-party pricing services, except for certain investments, which are valued at NAV, and one investment in a fixed rate annuity that is valued by management. The Organization gives highest priority to quoted prices in active markets for identical assets accessed at the measurement date. An active market for the asset is a market in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis, and the Organization classifies all such assets as Level 1. The Organization gives a Level 2 priority to valuation prices where the valuation process involves inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets where there is not sufficient activity, and/or where price quotations vary substantially either over time or among market makers. Inputs that are observable for the assets classified as Level 2 include commonly quoted interest rates, credit risks, default rates, and other inputs that are derived principally from or corroborated by observable market data. Mid-market pricing or other pricing conventions may be used for fair value measurements within a bid-ask spread. Fair value measurements for which significant inputs are unobservable are classified as Level 3.

The Organization also holds securities which are carried at estimated fair value based on the NAV per share, as provided by the fund manager and/or adjusted by the Organization. The Organization uses management agreements, analyst notes, audited financial statements and underlying investment holdings to evaluate the fund manager's valuation methodology (i.e., in determining whether the fund manager follows ASC 820) and considers various other factors, including contributions and withdrawals to the Fund, and monitoring unaudited interim reporting to determine if any adjustment to the NAV is necessary.

Significant changes in fair value measurements could occur from year to year and the amounts the Organization may ultimately realize could differ materially. Significant changes in fair values has a direct impact on the Organization's changes in net assets and its cash flows.

Custodial liabilities: The liability is carried at fair value as determined using the income approach (expected future cash outflows). Fair value is based on the fair value of the cash and investment assets held by the Organization for the benefit of the recipient agencies. The specific assets held have been classified within the hierarchy for investments (as discussed above) or are cash and cash equivalents. The related and associated liability is classified as Level 3 in the hierarchy as there is no market for a similar liability and principal inputs (i.e., fair value of assets in the portfolio and management's allocation for shares in the pool) are unobservable and significant to the overall fair value measurement.

Note 2. Fair Value Measurements (Continued)

Assets and liabilities measured at fair value on a recurring basis are classified within the fair value hierarchy as follows:

	As of July 31, 2023			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents—money market mutual fund	$ 68,011	$ 68,011	$ -	$ -
Marketable securities:				
Cash and cash equivalents	10,396,905	10,396,905	-	-
Common and preferred stock	79,426,238	79,426,238	-	-
Mutual and exchange-traded funds:				
Domestic equity	65,525,911	65,525,911	-	-
International equity	41,110,511	41,110,511	-	-
Fixed income	38,963,170	38,963,170	-	-
Real assets	20,381	20,381	-	-
Real estate investment trusts	335,275	335,275	-	-
Corporate bonds	12,277,538	4,988,995	7,288,543	-
U.S. Treasury and government bonds	11,755,727	5,900,345	5,855,382	-
Mortgage-backed securities	1,325,355	-	1,325,355	-
Israel bonds	1,834,270	-	1,834,270	-
Fixed rate annuity	5,139,714	-	-	5,139,714
Total marketable securities at fair value	268,110,995	246,667,731	16,303,550	5,139,714
Investments carried at NAV (a)	17,908,684			
Total marketable securities	286,019,679	246,667,731	16,303,550	5,139,714
Total assets at fair value	$ 286,087,690	$ 246,735,742	$ 16,303,550	$ 5,139,714
Liabilities:				
Custodial liabilities	$ 82,706,986	$ -	$ -	$ 82,706,986

Note 2. Fair Value Measurements (Continued)

	As of July 31, 2022			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents—money market mutual fund	$ 33,463	$ 33,463	$ -	$ -
Marketable securities:				
Cash and cash equivalents	14,741,982	14,741,982	-	-
Common and preferred stock	31,594,428	31,594,428	-	-
Mutual and exchange-traded funds:				
Domestic equity	89,255,473	89,255,473	-	-
International equity	36,113,028	36,113,028	-	-
Fixed income	37,223,569	37,223,569	-	-
Real assets	17,156	17,156	-	-
Real estate investment trusts	518,496	476,959	41,537	-
Corporate bonds	10,193,556	5,283,892	4,909,664	-
U.S. Treasury and government bonds	10,575,182	3,651,790	6,923,392	-
Mortgage-backed securities	676,432	-	676,432	-
Israel bonds	1,505,947	-	1,505,947	-
Fixed rate annuity	5,061,265	-	-	5,061,265
Total marketable securities at fair value	237,476,514	218,358,277	14,056,972	5,061,265
Investments carried at NAV (a)	16,861,505			
Total marketable securities	254,338,019	218,358,277	14,056,972	5,061,265
Total assets at fair value	$ 254,371,482	$ 218,391,740	$ 14,056,972	$ 5,061,265
Liabilities:				
Custodial liabilities	$ 79,098,004	$ -	$ -	$ 79,098,004

(a) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The following table summarizes the valuation techniques and significant unobservable inputs used for the Organization's assets and liabilities that are categorized within Level 3 of the fair value hierarchy:

Financial Instruments Type	Fair Value July 31, 2023	Fair Value July 31, 2022	Valuation Techniques	Unobservable Input (a)	Range of Inputs (Weighted average)
Assets:					
Fixed rate annuity	$ 5,139,714	$ 5,061,265	Income approach	Present value of future cash inflows (b) Discount rate (c)	- 0% (0%)
Liabilities:					
Custodial liabilities	$ 82,706,986	$ 79,098,004	Income approach	Present value of future cash outflows (d) Discount rate (c)	- 0% (0%)

(a) Significant increases or decreases in any of the above unobservable inputs in isolation may result in a significantly lower or higher fair value measurement.

Note 2. Fair Value Measurements (Continued)

(b) Represents the Organization's expected future cash inflows.

(c) Represents amounts used when the Organization has determined that market participants would take into account these discounts or premiums when pricing the asset or liability.

(d) Represents the respective agency's ownership interest in the Organization's investment pool (i.e., the underlying assets which are measured at fair value). The unobservable inputs for the custodial liability are the same as those for the Organization's investment pool disclosed throughout Note 2.

There were no transfers between levels in financial instruments classified as Level 3 in the fair value hierarchy during the years ended July 31, 2023 and 2022. The Organization purchased a $5,000,000 fixed rate annuity in 2022, and there were no other purchases or issuances in the fixed rate annuity. The custodial liabilities held for the benefit of the agencies received transfers from the agencies totaling $9,580,218 and $18,754,507, and made distributions to the agencies totaling $10,737,291 and $15,076,553 during the years ended July 31, 2023 and 2022, respectively.

The Organization's investments in certain entities that calculate NAV per share and for which there is not a readily determinable fair value are summarized by category as follows:

	Fair Value		Unfunded Commitment		Redemption Frequency (if Currently Eligible)	Redemption Notice Period
	July 31, 2023	July 31, 2022	July 31, 2023	July 31, 2022		
Hedge funds:						
Event driven/credit	$ 1,272,354	$ 1,242,612	$ 866,095	$ 860,652	Quarterly, Illiquid	90 days, N/A
Equity long/short	2,331,588	2,034,527	-	-	Monthly, Quarterly	30-90 days
Managed futures	2,550,029	2,793,734	-	-	Daily	1 day
Multi-strategy	1,368,497	2,153,850	-	-	Quarterly, Annually	95 days
Private equity funds:						
Private equity	6,101,310	5,359,470	852,431	1,220,871	Quarterly, Illiquid	100 days, N/A
Private credit	4,284,906	3,277,312	513,914	1,636,214	Illiquid	N/A
	$ 17,908,684	$ 16,861,505	$ 2,232,440	$ 3,717,737		

The Organization has no gates or lockup periods in place at July 31, 2023 or 2022. The Organization is subject to holdbacks on redemptions for certain investments held at NAV, ranging from 3% to 10% during 2023 and 2022. The anticipated period of liquidation and timing of redemption for all illiquid securities has not been communicated. Investments carried at NAV per share include the following:

Hedge funds—event driven/credit: This class strategy is to invest primarily in master and feeder funds, which invest in securities of public companies which may experience appreciation in value, as a result of changes in ownership, corporate direction or management improved corporate governance, or as a result of operational improvements. One fund with a NAV of $542,898 and $541,938 at July 31, 2023 and 2022, respectively, is nonredeemable.

Hedge funds—equity long/short: This class strategy seeks to achieve capital appreciation by investing in equity securities of United States and foreign companies, and financial instruments traded in the United States and other foreign markets. This class may use short sales and margins to achieve its objectives.

Hedge fund—managed futures: This class strategy is to achieve long-term capital appreciation through diversifying its market share to include positions in global currency, financial and commodity markets. Redemptions at NAV may be suspended at any time the calculation of NAV is suspended.

Note 2. Fair Value Measurements (Continued)

Hedge funds—multi-strategy: This class strategy seeks long-term risk-adjusted returns through investment and trading of equity securities, investment companies, fixed income products, options, futures, derivatives and other financial instruments. One fund with a NAV of $1,008,215 and $1,806,644 at July 31, 2023 and 2022, respectively, limits redemptions to 25% quarterly, but is 100% redeemable over four quarters.

Private equity funds—private equity: This class strategy is to achieve long-term capital appreciation by investing in private equity funds which seek to create a diversified portfolio of primary and secondary market private equity funds and equity-related investments. One fund with a NAV of $1,418,370 and $1,263,545 at July 31, 2023 and 2022, respectively, is generally nonredeemable; however, subject to board approval, the fund may on a quarterly basis permit redemptions up to 5% of the fund's NAV. One fund with a NAV of $900,000 and $0 at July 31, 2023 and 2022, respectively, is redeemable quarterly with 100 day notice.

Private equity funds—private credit: This class strategy encompasses investments across the liquidity spectrum, including debt and equity instruments, companies that originate credit and direct investment in those credits, loans and securities secured by real estate, investment in real assets (other than real estate) including loans, and investment in other private equity funds focused on entities experiencing financial difficulty.

Note 3. Credit Facility Receivable

In prior years, the Organization, with approval from the Board of Trustees, entered into a credit facility loan agreement with a local agency (the agency). Under the terms of the agreement, the agency may borrow an aggregate principal amount not to exceed $5,750,000 in a single advance or in multiple advances. Proceeds are to be used solely for financing the construction and start-up costs of the agency's senior living facilities. The credit facility is funded through draws on the Organization's line of credit (see Note 4). On July 31, 2023, the credit facility loan agreement was amended to extend the maturity date from the original maturity of July 31, 2023, to the amended maturity date of December 31, 2024. The credit facility carries a variable interest rate equal to the Organization's line of credit interest rate, plus 0.50% (6.97% and 3.37% at July 31, 2023 and 2022, respectively). The loan is secured by the agency's present and future pledges, pledged deposit account (as defined in the agreement), and other related nonfinancial assets. The credit facility has an outstanding principal balance of $1,240,167 and $2,028,370 at July 31, 2023 and 2022, respectively. Accrued interest receivable of $7,375 and $1,698 at July 31, 2023 and 2022, respectively, is included in prepaid expenses, accrued interest and other receivables in the consolidated statements of financial position.

On March 22, 2023, the Organization entered into a loan agreement with a local nonprofit organization that has a custodial account with the Organization. Under the terms of the agreement, the nonprofit may borrow an aggregate principal amount not to exceed $150,000 in a single advance or in multiple advances. Proceeds are to be used solely for financing the construction of the nonprofit organization's Mikveh. The loan matures on March 22, 2024, and has an interest rate of 4.2%. The loan is secured by the borrower's contribution receivables for the construction of the Mikvah that existed at the loan's inception. The loan has an outstanding principal balance of $60,603 and accrued interest receivable of $216 at July 31, 2023. Accrued interest is included in prepaid expenses, accrued interest and other receivables in the consolidated statements of financial position.

Note 4. Line of Credit

On August 30, 2018, the Organization entered into a liquidity access line credit agreement with its primary investment custodian. Under the terms of the agreement the Organization may borrow up to $10,000,000. The line carries a variable interest rate (30-day SOFR plus a variable rate adjustment defined by the agreement) of 6.47% and 2.87% at July 31, 2023 and 2022, respectively. At July 31, 2023 and 2022, the line of credit has an outstanding principal balance of $1,203,732 and $1,996,430, respectively, plus accrued interest of $6,664 and $4,709, respectively, and an available borrowing base of $8,789,604 and $5,807,690, respectively. The credit line is secured by investments with a fair market value of $12,932,322 and $9,473,441 at July 31, 2023 and 2022, respectively. The liquidity access line is continuous, until terminated by either party.

Note 5. Split-Interest Agreements

The Organization has recorded approximately $2,354,000 and $1,151,000 in fair value of various charitable remainder unitrusts and annuity trusts as an asset in its consolidated statements of financial position at July 31, 2023 and 2022, respectively. Assets received under these agreements are recorded at fair value and in the appropriate net asset category based on donor stipulation and/or the implied time restriction. Related contributions per the agreements are recognized as contribution revenue and are equal to the present value of future benefits to be received by the Organization over the term of the agreements.

The Organization recognized contributions related to such agreements of approximately $1,392,000 and $0 in 2023 and 2022, respectively. Liabilities have been established for charitable remainder trust and annuity agreements in which the Organization is the trustee. These liabilities totaled approximately $893,000 and $557,000 at July 31, 2023 and 2022, respectively.

Assets received under charitable gift annuity agreements are recorded at fair value in the appropriate net asset category, based on donor stipulation. Related contributions per the agreements are recognized as contribution revenue and are equal to the fair value of the assets received less the present value of the expected future payments to the annuitant and/or other charities. The Organization did not recognize any contribution revenue in 2023 or 2022 related to such agreements. Liabilities have been established for amounts due to the annuitant. These liabilities totaled approximately $12,000 at July 31, 2023 and 2022.

During the term of these agreements, changes in the value of the split-interest agreements are recognized in the consolidated statements of activities, based on accretion of the discounted amount of the contribution and reevaluations of the expected future benefits (payments) to be received (paid) by the Organization (beneficiaries) based on changes in life expectancy and other assumptions. Discount rates range from 10.2% to 2.0% in 2023 and 2022.

Note 6. Custodial Liabilities

The Organization follows the ASC Topic, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others. This statement establishes standards for transactions in which the Organization accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. This statement specifically requires that if a not-for-profit organization establishes a fund at a foundation with its own funds and specifies itself or one of its affiliated organizations as the beneficiary of that fund, the foundation must account for the transfer of such assets and the activity associated with those assets as a liability.

Note 6. Custodial Liabilities (Continued)

The Organization maintains variance power, as described in the governing documents of the Organization, and legal ownership over these funds and, as such, continues to report the funds as assets of the Organization. Variance power assures donors that if the charitable purpose of their contribution becomes impractical or impossible, the distributions will be directed to similar purposes in the community. These assets with a fair market value of $281,630 and $282,048 at July 31, 2023 and 2022, respectively, are included in investments, and the related liabilities are included in custodial liabilities in the consolidated statements of financial position. The assets increased (decreased) in value $13,684 and $(13,466), respectively, and the Organization distributed $14,102 and $15,553, respectively, which resulted in a net decrease in value of $(418) and $(29,019), respectively, for the years ended July 31, 2023 and 2022.

The Organization maintains other custodial funds held on behalf of other agencies for which the Organization acts as custodian over the funds held. These assets with a fair market value of $82,425,356 and $78,815,956 at July 31, 2023 and 2022, respectively, are included in investments, and the related liabilities are included in custodial liabilities in the consolidated statements of financial position. The agencies transferred assets totaling $9,580,218 and $18,754,507 to the Organization in 2023 and 2022, respectively. As a result of investment performance (net of fees), these assets and liabilities increased (decreased) $4,752,371 and $(7,552,857), respectively, and the Organization distributed assets totaling $10,723,189 and $15,092,106, respectively, to the agencies, which resulted in a net increase (decrease) in value of $3,609,400 and $(3,890,456), respectively, for the years ended July 31, 2023 and 2022.

Note 7. Total Net Asset Composition

	July 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Donor-restricted	$ -	$ 4,751,079	$ 4,751,079
Board-designated	56,061,966	-	56,061,966
Total endowment funds	56,061,966	4,751,079	60,813,045
Non-endowed funds:			
Operating	627,150	-	627,150
Donor-advised	147,511,234	-	147,511,234
Supporting foundations	5,379,220	-	5,379,220
Charitable trusts and annuities	21,590	1,461,702	1,483,292
Total non-endowed funds	153,539,194	1,461,702	155,000,896
Total net assets	$ 209,601,160	$ 6,212,781	$ 215,813,941

Note 7. Total Net Asset Composition (Continued)

	July 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Donor-restricted	$ -	$ 4,592,659	$ 4,592,659
Board-designated	44,262,006	-	44,262,006
Total endowment funds	44,262,006	4,592,659	48,854,665
Non-endowed funds:			
Operating	563,677	-	563,677
Donor-advised	128,649,530	-	128,649,530
Supporting foundations	5,248,518	-	5,248,518
Charitable trusts and annuities	20,735	595,846	616,581
Total non-endowed funds	134,482,460	595,846	135,078,306
Total net assets	$ 178,744,466	$ 5,188,505	$ 183,932,971

Note 8. Restrictions on Net Assets

Net assets of the Organization are restricted for the following purposes at July 31:

	2023	2022
Net assets with donor restrictions:		
The portion of the perpetual endowment fund that is required to be retained permanently either by explicit donor stipulation and/or by TUPMIFA:		
General operations	$ 894,896	$ 894,896
The portion of the endowment fund subject to time or purpose restriction under TUPMIFA:		
General operations	3,856,183	3,697,763
Total endowment funds with donor restrictions	4,751,079	4,592,659
Net assets with donor-imposed time restrictions:		
Charitable remainder trusts and annuities	1,461,702	595,846
Total net assets with donor restrictions	$ 6,212,781	$ 5,188,505

At July 31, 2023 and 2022, net assets with donor restrictions of $894,896 consist of one donor-restricted endowment fund over which the Organization does not maintain variance power. The net assets are to be held in perpetuity and investment earnings are available for the Organization's general use upon appropriation by the Board of Trustees.

Note 9. Endowment Disclosures

Endowment net asset composition by type of fund at July 31, 2023, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted	$ -	$ 4,751,079	$ 4,751,079
Board-designated:			
Designated funds	41,231,615	-	41,231,615
General endowment	8,688,664	-	8,688,664
Scholarship funds	5,387,078	-	5,387,078
Field of interest funds	754,609	-	754,609
Total endowment net assets	$ 56,061,966	$ 4,751,079	$ 60,813,045

Endowment net asset composition by type of fund at July 31, 2022, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted	$ -	$ 4,592,659	$ 4,592,659
Board-designated:			
Designated funds	30,083,714	-	30,083,714
General endowment	8,217,041	-	8,217,041
Scholarship funds	5,240,315	-	5,240,315
Field of interest funds	720,936	-	720,936
Total endowment net assets	$ 44,262,006	$ 4,592,659	$ 48,854,665

Changes in endowment net assets for the year ended July 31, 2023, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 44,262,006	$ 4,592,659	$ 48,854,665
Investment return, net	3,083,591	304,949	3,388,540
Contributions	10,454,259	-	10,454,259
Change in cash surrender value of life insurance	91,478	-	91,478
Administrative fees	(395,275)	(30,088)	(425,363)
Transfers to board-designated endowment	913,360	-	913,360
Appropriation of endowment assets for expenditure	(2,347,453)	(116,441)	(2,463,894)
Endowment net assets, end of year	$ 56,061,966	$ 4,751,079	$ 60,813,045

Note 9. Endowment Disclosures (Continued)

Changes in endowment net assets for the year ended July 31, 2022, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 39,276,318	$ 4,820,405	$ 44,096,723
Investment return, net	(1,585,627)	(124,478)	(1,710,105)
Contributions	7,819,900	-	7,819,900
Change in cash surrender value of life insurance	544,173	-	544,173
Administrative fees	(339,546)	(28,997)	(368,543)
Transfers to board-designated endowment	182,470	-	182,470
Appropriation of endowment assets for expenditure	(1,635,682)	(74,271)	(1,709,953)
Endowment net assets, end of year	$ 44,262,006	$ 4,592,659	$ 48,854,665

Note 10. Leases

The Organization has an operating lease with an unrelated third-party for its primary office space and headquarters. The lease does not contain any material restrictive covenants.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended July 31:

	2023
Operating lease cost	$ 83,852

Total rent expense for the operating leases was $81,242 for the year ended July 31, 2022.

The weighted-average remaining lease term is calculated on the basis of the remaining lease term and the lease liability balance for each lease as of the reporting date. The weighted-average discount rate is calculated on both (a) the discount rate of the lease that was used to calculate the lease liability balance for each lease as of the reporting date and (b) the remaining balance of the lease payments for each lease as of the reporting date. Weighted-average remaining lease term and weighted-average discount rate as of July 31 are as follows:

	2023
Weighted-average remaining lease term	0.67 years
Weighted-average discount rate	2.90%

Note 10. Leases (Continued)

Future undiscounted cash flows and a reconciliation to the lease liabilities recognized in the consolidated statements of financial position are as follows at July 31:

	2023
Year ending December 31:	
2024	$ 56,557
Total lease payments	56,557
Less imputed interest	(475)
Total present value of lease liabilities	$ 56,082

Future minimum lease commitments as determined under Topic 840, for all non-cancelable operating leases were as follows at July 31:

	2022
Years ending December 31:	
2023	$ 84,276
2024	56,557
	$ 140,833

On November 22, 2023, the Organization entered into a new operating lease agreement for office space to serve as the Organization's new headquarters. The lease commenced March 1, 2024, and has a term of seven years and seven months. Undiscounted future lease obligations for this lease at commencement are approximately $635,000.

Note 11. Retirement Plan

The Organization has an Internal Revenue Service Code section 403(b) retirement plan (the Plan). The Plan authorizes employees to make pre-tax contributions to the Plan, and the Organization makes a matching contribution of 100% for the first 3% of eligible compensation contributed to the Plan by the employee and a match of 50% for remaining contributions by the employee up to 5% of eligible compensation.

The Organization's matching contributions to the Plan totaled approximately $42,000 in 2023 and 2022.

Note 12. Related-Party Transactions

In prior years, a Supporting Foundation received a contribution of a limited partnership interest in which the general partner is majority-owned by a member of the Board of Trustees of the Supporting Foundation. The limited partnership is classified as other investments in the consolidated statements of financial position, and has a carrying value of $655,900 and $675,900 at July 31, 2023 and 2022, respectively. The Supporting Foundation paid no fees to the general partner in 2023 or 2022.

Certain members of the Organization's Board of Trustees are members of a grant recipient entity, and the Organization also holds custodial funds for the benefit of this entity. In 2023 and 2022, the Organization recognized grant expense of $2,405,872 and $2,659,852, respectively, related to grants made to this related party. At July 31, 2023 and 2022, grants payable due to this related party were $0 and $20,750, respectively. The Organization also held reciprocal funds (included in custodial liabilities) for the benefit of this related party of $281,630 and $282,048 and custodial liabilities of $5,602,645 and $5,479,948 at July 31, 2023 and 2022, respectively. The reciprocal funds are distributed based on the Organization's spending policy and the custodial funds are payable on demand.

Note 13. Liquidity and Availability

The following represents the Organization’s financial assets as of July 31, 2023 and 2022, reduced by amounts not available for general expenditures within one year:

	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	$ 1,017,129	$ 2,454,065
Contributions receivable	9,925,116	1,487,346
Prepaid expenses, accrued interest and other receivables	22,599	1,070,861
Marketable securities, at fair value (Note 2)	286,019,679	254,338,019
Other investments, at cost	893,195	1,969,217
Credit facility receivable (Note 3)	1,300,770	2,028,370
Cash surrender value of life insurance policies	2,532,278	2,484,593
Total financial assets	301,710,766	265,832,471
Less amounts not available to be used within one year:		
Custodial liabilities	(82,706,986)	(79,098,004)
Donor-restricted endowment fund not available for spending in next year	(4,642,446)	(4,479,252)
Board-designated endowment funds not available for spending in next year	(53,191,999)	(40,685,413)
Charitable trust and annuity obligations	(2,353,872)	(1,151,345)
Illiquid assets, not included in endowments not available in next year	(6,344,462)	(7,629,551)
	(149,239,765)	(133,043,565)
Financial assets available to meet general expendituresover the next 12 months	$ 152,471,001	$ 132,788,906

Financial assets available for general expenditure within one year of the consolidated statements of financial position date include budgeted and appropriated portions of board-designated and donor-restricted endowment funds which were appropriated in the current and/or prior years and not expended (i.e., donor-restricted endowment funds without donor restrictions) as of July 31, 2023 and 2022, plus amounts expected to be appropriated during the years ending July 31, 2024 and 2023, respectively. Although the Organization does not intend to spend from board-designated endowments (other than amounts budgeted on an annual basis), these amounts could be made available if necessary upon approval by the Trustees.

The available financial assets include $145,491,158 and $127,322,709 in donor advised and Supporting Foundation funds as of July 31, 2023 and 2022, respectively. The Organization generally uses these assets for grant making based on donor recommendations.

As part of the Organization’s liquidity management, the Organization has a policy to structure its financials assets to be available as its general expenditures, liabilities and other obligations become due. The Organization invests cash in excess of daily requirements in short-term investments and money market funds. As discussed in Note 4, the Organization has a $10,000,000 line of credit with an available borrowing base of $8,789,604 and $5,807,690 at July 31, 2023 and 2022, respectively, which, with approval of the Board of Trustees, can be drawn upon to meet general expenditures.

Note 14. Subsequent Events

Subsequent to yearend the Kirschner-Bookatz, Levine, Schultz and Steinberg supporting organizations' respective Board of Trustees each approved a plan of dissolution whereby after payment of all liabilities, any remaining assets are to be granted and transferred to a donor advised fund at the Foundation, and then the supporting organization will terminate. As of July 26, 2024, the Kirschner-Bookatz, Levine, and Schultz foundations transfer of assets and filing for termination with the Texas Secretary of State were complete. At issuance, the Organization is in the process of completing the transaction for the Steinberg supporting organization.