

THE FUND FOR NEW JERSEY

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021



LUTZ AND GARR

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
The Fund for New Jersey

Opinion

We have audited the accompanying financial statements of The Fund for New Jersey (a non-profit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Fund for New Jersey as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Fund for New Jersey and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 for New Jersey's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

Lotz + Carr, LLP

New York, New York
October 10, 2023

THE FUND FOR NEW JERSEY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents (Notes 1b and 4)	\$ 1,205,420	\$ 1,083,980
Contributions receivable (Notes 1c and 5)	800,000	-
Interest and dividends receivable	34,701	30,759
Investments, at fair value (Notes 1d, 1e and 6)	55,531,704	70,195,603
Prepaid federal excise tax (Note 1j)	12,680	-
Prepaid expenses	16,208	6,978
Operating lease right-of-use asset (Notes 1f, 1n and 10)	171,909	-
Equipment, at cost, net of accumulated depreciation (Notes 1g and 7)	6,558	8,807
Security deposit	<u>10,913</u>	<u>10,913</u>
Total Assets	<u><u>\$57,790,093</u></u>	<u><u>\$71,337,040</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 70,827	\$ 96,181
Grants payable, net (Notes 1h and 8)	1,033,569	748,680
Operating lease liability (Notes 1f, 1n and 10)	173,802	-
Federal excise tax payable (Note 1j)		
Current	-	5,816
Deferred	<u>101,241</u>	<u>283,992</u>
Total Liabilities	<u>1,379,439</u>	<u>1,134,669</u>
Commitments (Notes 8, 9 and 10)		
Net Assets		
Without donor restrictions	54,760,654	69,852,371
With donor restrictions (Notes 3 and 11)	<u>1,650,000</u>	<u>350,000</u>
Total Net Assets	<u>56,410,654</u>	<u>70,202,371</u>
Total Liabilities and Net Assets	<u><u>\$57,790,093</u></u>	<u><u>\$71,337,040</u></u>

See notes to financial statements.

THE FUND FOR NEW JERSEY

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Change in Net Assets Without Donor Restrictions		
Support, Revenues and Gains (Losses)		
Contributions (Notes 1c and 11)	\$ 100,000	\$ 202,844
Interest and dividends	566,810	485,129
Realized gain on sale of investments	2,330,622	1,883,139
Unrealized gain (loss) on investments	(13,147,583)	7,770,662
Revenue from Limited Partnership investments	164,380	885,047
Investment fees (Note 6)		
Advisory fees	(83,176)	(77,735)
Management fees	(163,134)	(170,250)
Provision for current federal excise tax	(38,504)	(41,284)
Provision for deferred federal excise (tax) benefit	182,751	(108,012)
	<u>(10,087,834)</u>	<u>10,829,540</u>
Net assets released from restrictions		
Satisfaction of program restrictions	<u>350,000</u>	<u>120,000</u>
Total Support, Revenues and Gains (Losses)	<u>(9,737,834)</u>	<u>10,949,540</u>
Expenses		
Program Services		
Grants	4,337,888	3,870,453
Program support	899,468	755,310
Total Program Services	<u>5,237,356</u>	<u>4,625,763</u>
Supporting Service		
Administration and other services	<u>116,527</u>	<u>114,699</u>
Total Expenses	<u>5,353,883</u>	<u>4,740,462</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>(15,091,717)</u>	<u>6,209,078</u>
Changes in Net Assets With Donor Restrictions		
Contributions (Notes 1c and 11)	1,650,000	350,000
Net assets released from restrictions	<u>(350,000)</u>	<u>(120,000)</u>
Increase in Net Assets With Donor Restrictions	<u>1,300,000</u>	<u>230,000</u>
Increase (decrease) in net assets	(13,791,717)	6,439,078
Net assets, beginning of year	<u>70,202,371</u>	<u>63,763,293</u>
Net Assets, End of Year	<u><u>\$56,410,654</u></u>	<u><u>\$70,202,371</u></u>

See notes to financial statements.

THE FUND FOR NEW JERSEY
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>			<u>2021</u>		
	<u>Program Services</u>	<u>Supporting Service</u>	<u>Total Expenses</u>	<u>Program Services</u>	<u>Supporting Service</u>	<u>Total Expenses</u>
	<u>Grants and Program Support</u>	<u>Administration and Other Services</u>		<u>Grants and Program Support</u>	<u>Administration and Other Services</u>	
Grants awarded	\$4,337,888	\$ -	\$4,337,888	\$3,870,453	\$ -	\$3,870,453
Salaries	428,923	37,298	466,221	480,598	34,570	515,168
Payroll taxes and employee benefits	91,759	7,979	99,738	119,812	8,618	128,430
Professional fees	219,601	56,025	275,626	-	57,417	57,417
Lease cost	69,518	6,045	75,563	67,102	4,827	71,929
Meetings, travel and parking	8,769	-	8,769	4,099	88	4,187
Other program support	37,001	-	37,001	28,804	-	28,804
Office expenses	17,631	1,533	19,164	22,460	1,616	24,076
Website	415	36	451	261	19	280
Telephone and internet	7,010	610	7,620	8,453	608	9,061
Insurance	-	6,749	6,749	-	6,753	6,753
Dues and memberships	15,933	-	15,933	21,184	-	21,184
Postage	839	72	911	876	63	939
Total expenses before depreciation	5,235,287	116,347	5,351,634	4,624,102	114,579	4,738,681
Depreciation	2,069	180	2,249	1,661	120	1,781
Total Expenses	<u>\$5,237,356</u>	<u>\$ 116,527</u>	<u>\$5,353,883</u>	<u>\$4,625,763</u>	<u>\$ 114,699</u>	<u>\$4,740,462</u>

See notes to financial statements.

THE FUND FOR NEW JERSEY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$(13,791,717)	\$ 6,439,078
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Non-cash operating lease expense	67,530	-
Realized gain on sale of investments	(2,330,622)	(1,883,139)
Unrealized (gain) loss on investments	13,147,583	(7,770,662)
Deferred federal excise tax (benefit)	(182,751)	108,012
Depreciation	2,249	1,781
(Increase) decrease in:		
Contribution receivable	(800,000)	50,000
Interest and dividends receivable	(3,942)	(17,697)
Prepaid federal excise tax	(12,680)	4,468
Prepaid expenses	(9,230)	6,458
Increase (decrease) in:		
Accounts payable and accrued expenses	(25,354)	27,433
Grants payable	284,889	174,550
Operating lease liability	(65,637)	-
Federal excise tax payable	(5,816)	5,816
Net Cash Used By Operating Activities	<u>(3,725,498)</u>	<u>(2,853,902)</u>
Cash Flows From Investing Activities		
Purchase of investments	(23,443,119)	(14,144,879)
Proceeds from sale of investments	27,290,057	17,617,727
Purchase of equipment	-	(4,679)
Net Cash Provided By Investing Activities	<u>3,846,938</u>	<u>3,468,169</u>
Net increase in cash and cash equivalents	121,440	614,267
Cash and cash equivalents, beginning of year	<u>1,083,980</u>	<u>469,713</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,205,420</u>	<u>\$ 1,083,980</u>
Supplemental Disclosure		
Federal excise taxes paid	<u>\$ 57,000</u>	<u>\$ 32,000</u>
Operating lease right-of-use asset obtained in exchange for lease liability	<u>\$ 239,439</u>	<u>\$ -</u>

See notes to financial statements.

THE FUND FOR NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Fund for New Jersey (the "Fund") is a not-for-profit private foundation. The Fund's purpose is to distribute grants to organizations dealing with current public policy issues facing New Jersey in order to promote social improvement within the State of New Jersey.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Fund considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for those short-term investments managed by the Fund's investment managers as part of their long-term investment strategies.

c - Contributions and Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Fund, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future, are not recognized until the conditions on which they depend have been met.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. Other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Fund received all of its contributions for special projects from two foundations during the year ended December 31, 2022, and from one foundation during the year ended December 31, 2021 (Note 11). The amount due from two foundations represent the total contributions receivables as of December 31, 2022.

d - Fair Value Measurements

Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs. A fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three levels:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

THE FUND FOR NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Fair Value Measurements (continued)

Level 2 Quoted prices for similar assets or liabilities, or inputs that are observable, either directly or indirectly, and reasonably available. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Fund.

Level 3 Unobservable inputs reflect the assumptions that the Fund develops based on available information about what market participants would use in valuing the asset or liability.

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets or liabilities.

e - Investments

Investments in cash, equities, fixed income securities and mutual funds are measured at fair value based on quoted market prices. Investment income, including realized and unrealized gains and losses on investments, are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

The Fund's alternative investments, which do not have readily determinable fair values, are reported based upon the underlying net asset value per share or its equivalent as a practical expedient. The net asset value per share is estimated at fair value by the fund manager or general partner in a manner consistent with accounting principles generally accepted in the United States for investment companies. The Fund relied on its investment consultant to review and evaluate the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the net asset values of these investments. These estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed.

f - Operating Lease Right-of-Use Asset and Operating Lease Liability

For its lease with an initial term greater than twelve months, the Fund's operating lease liability is initially recorded at the present value of the unpaid lease payments as of January 1, 2022. The Fund's operating lease right-of-use asset is initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, deferred rent liability and lease incentives, if any. Operating lease cost is recognized on a straight-line basis over the lease term.

THE FUND FOR NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

g - Equipment

Equipment is recorded at cost and depreciated on a straight-line basis over its estimated useful life.

h - Grants Payable

Unconditional grants are accrued at the time awarded. Grants contingent upon the grantee's performance of specific obligations are recorded when the obligations have been met.

i - Financial Statement Presentation

The financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which require the Fund to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Fund. These net assets may be used at the discretion of the Fund's management and Board of Trustees.

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 the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

j - Tax Status

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a private foundation. The Fund is subject to a 1.39% federal excise tax on net investment income, as defined, which includes gains realized on the sale of investments.

The Tax Reform Act of 1969 and subsequent amendments require that certain minimum distributions be made in accordance with a specified formula. The Fund has made distributions and expenditures in excess of the amounts required.

k - Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

THE FUND FOR NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

l - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Fund's expenses are directly related to program activities. The expenses that are allocated include salaries and benefits, depreciation, office expenses, occupancy costs, equipment rental and telephone, which are allocated on the basis of time and effort.

m - Subsequent Events

The Fund has evaluated information relating to subsequent events through October 10, 2023, the date that the financial statements are considered available to be issued.

n - New Accounting Standard

During 2022, the Fund adopted ASU 2016-02, *Leases ("Topic 842")*. The core principles of ASU 2016-02 (the "ASU") change the way organizations account for their leases by recognizing lease assets and related liabilities on the statement of financial position for all leases with terms longer than twelve months and disclosing key information about leasing arrangements. As such, results for 2022 are presented under *Topic 842*, while results for 2021 continue to be reported in accordance with historical accounting practices. The adoption of the ASU did not have a significant impact on the Fund's net assets as of January 1, 2022.

As part of the adoption of the ASU, the Fund elected to apply the modified retrospective transition approach as of the date of initial application without restating comparative period financial statements, to use a risk-free rate, equal to the three-year Treasury Bill rate for the discount of the operating lease and to apply the practical expedients which allows the Fund to not reassess (i) whether any expired or existing contracts are leases or contain leases (ii) the lease classification for any expired or existing leases (iii) initial direct costs for any existing leases.

Note 2 - Information Regarding Liquidity and Availability

The Fund's income is generated from its investment portfolio, which is without donor restrictions. The Fund regularly monitors its liquidity to meet its operating needs and other commitments and obligations. The Fund considers general expenditures to consist of all expenses related to its ongoing program activities, and expenses related to general and administrative activities undertaken to support those activities. Management prepares disbursement requests quarterly, based on cash flow projections sufficient to cover ninety days of expenditures.

THE FUND FOR NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 - Information Regarding Liquidity and Availability (continued)

The Fund's financial assets as of December 31, 2022 and 2021 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 1,205,420	\$ 1,083,980
Contributions receivable	800,000	-
Interest and dividends receivable	34,701	30,759
Investments, at fair value	<u>55,531,704</u>	<u>70,195,603</u>
Total Financial Assets	57,571,825	71,310,342
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(1,650,000)	(350,000)
Plus: net assets with donor restrictions expected to be met in less than one year	<u>1,650,000</u>	<u>350,000</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$57,571,825</u>	<u>\$71,310,342</u>

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2022 and 2021 are restricted for social justice grants expected to be awarded in the following year.

Note 4 - Concentrations of Credit Risk

The Fund maintains its cash and cash equivalents at a single financial institution, which at times, may exceed federally insured limits.

THE FUND FOR NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
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Note 5 - Contributions Receivable

Contributions receivable are due within one year. Uncollectible amounts are expected to be insignificant.

Note 6 - Investments

Investments are reflected at fair value and consist of the following:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 436,599	\$ 436,599	\$ 635,070	\$ 635,070
Equities - held in separately managed accounts	16,211,553	18,578,473	18,351,909	26,546,871
Fixed income - held in a separately managed account:				
Government and agency bonds	1,621,230	1,517,622	1,282,687	1,268,511
Corporate bonds and obligations	2,025,197	1,764,112	2,395,212	2,357,922
Municipal obligations	368,937	330,609	357,991	352,395
Mortgage pools and asset backed securities	943,566	858,451	966,732	966,664
Mutual Funds:				
Money market fund	2,892,451	2,892,451	1,157,498	1,157,498
Fixed income	8,279,995	8,508,578	4,414,268	4,320,448
Equities	-	-	9,286,357	13,274,960
Alternative Investments:				
Long/short equity	7,470,652	11,313,130	8,416,806	15,473,425
Global multi-strategy	<u>7,998,034</u>	<u>9,331,679</u>	<u>2,500,000</u>	<u>3,841,839</u>
	<u>\$48,248,214</u>	<u>\$55,531,704</u>	<u>\$49,764,530</u>	<u>\$70,195,603</u>

THE FUND FOR NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
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Note 6 - Investments (continued)

The following summarizes the fair value of the investments that are measured on a recurring basis at December 31:

	2022			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 436,599	\$ 436,599	\$ -	\$ -
Equities - held in separately managed accounts	18,578,473	18,578,473	-	-
Fixed income - held in a separately managed account:				
Government and agency bonds	1,517,622	1,517,622	-	-
Corporate bonds and obligations	1,764,112	1,764,112	-	-
Municipal obligations	330,609	330,609	-	-
Mortgage pools and asset backed securities	858,451	858,451	-	-
Mutual Funds:				
Money market fund	2,892,451	2,892,451	-	-
Fixed income	8,508,578	8,508,578	-	-
Equities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets in Fair Value Hierarchy	34,886,895	<u>\$34,886,895</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value	<u>20,644,809</u>			
Total Investments	<u>\$55,531,704</u>			
		2021		
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 635,070	\$ 635,070	\$ -	\$ -
Equities - held in separately managed accounts	26,546,871	26,546,871	-	-
Fixed income - held in a separately managed account:				
Government and agency bonds	1,268,511	1,268,511	-	-
Corporate bonds and obligations	2,357,922	2,357,922	-	-
Municipal obligations	352,395	352,395	-	-
Mortgage pools and asset backed securities	966,664	966,664	-	-
Mutual Funds:				
Money market fund	1,157,498	1,157,498	-	-
Fixed income	4,320,448	4,320,448	-	-
Equities	<u>13,274,960</u>	<u>13,274,960</u>	<u>-</u>	<u>-</u>
Total Assets in Fair Value Hierarchy	50,880,339	<u>\$50,880,339</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value	<u>19,315,264</u>			
Total Investments	<u>\$70,195,603</u>			

THE FUND FOR NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 6 - Investments (continued)

The alternative investment funds included in the Fund's investment portfolio using net asset value are redeemable based on the following terms and conditions at December 31, 2022:

Daily with 5 days' notice	\$ 5,039,825
Quarterly with up to 65 days' notice	<u>15,604,984</u>
	<u>\$20,644,809</u>

The following are descriptions of the investment strategies of these investments:

Long/Short Equity - Invests in long and short securities with varying degrees of exposure and leverage. These strategies may be broadly diversified or focused by region or sector.

Global Multi-Strategy - Broadly diversified hedge fund which utilizes several strategies (event driven, relative value, equity hedge, and macro) within the same pool of assets. Multi-strategy hedge funds are designed to reduce overall portfolio volatility and decrease asset-class and single-strategy risks.

The Fund pays a fixed fee on a quarterly basis for advisory services. It also pays fees based on a percentage of assets under management for its separately managed accounts. The fees charged for mutual funds and alternative investments are embedded in the income from those investments and are not separately reported.

The Fund is committed to invest \$8,000,000 in two limited partnerships which makes periodic capital calls. As of December 31, 2022, capital calls of \$5,887,500 have been made.

Note 7 - Equipment

Equipment consists of the following at December 31:

	<u>Life</u>	<u>2022</u>	<u>2021</u>
Equipment	3-5 years	\$53,774	\$53,774
Less: Accumulated depreciation		<u>(47,216)</u>	<u>(44,967)</u>
		<u>\$ 6,558</u>	<u>\$ 8,807</u>

THE FUND FOR NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 8 - Grants Payable

Grants payable as of December 31 are due as follows:

	<u>2022</u>	<u>2021</u>
Due in less than one year	\$ 604,688	\$612,000
Due in one to two years	<u>455,000</u>	<u>145,000</u>
	1,059,688	757,000
Less: Discounting to present value	<u>(26,119)</u>	<u>(8,320)</u>
Total	<u>\$1,033,569</u>	<u>\$748,680</u>

Grants payable due after one year are discounted to net present value using a discount rate of 3%.

The Fund has approved a grant that contains a condition requiring certain matching provisions that must be met prior to the grantee receiving the final payment. As of December 31, 2022, \$25,000 has been awarded but not recorded within these financial statements.

Note 9 - Retirement Plan

The Fund has a defined contribution plan for the benefit of all eligible employees, which provides for employer contributions equal to 10% of a participant's compensation. Contributions to the plan during 2022 and 2021 amounted to \$46,733 and \$49,714, respectively.

Note 10 - Operating Lease Liability

The Fund occupies space under an operating lease agreement expiring June 18, 2025.

Operating lease expense for the year ended December 31, 2022 and 2021 was \$69,710 and \$68,499, respectively. There were no variable lease costs incurred. As of December 31, 2022, the remaining term of the Fund's operating lease is thirty months and the discount rate is 1.04%

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Note 10 - Operating Lease Liability (continued)

Maturities of the Fund's operating lease liability as of December 31, 2022 are as follows:

<u>Year Ending December 31,</u>	
2023	\$ 69,375
2024	70,935
Thereafter, through June 18, 2025	<u>35,857</u>
	176,167
Less: Amount attributable to interest	<u>(2,365)</u>
	<u>\$173,802</u>

Note 11 - Special Projects

The Fund has been awarded several grants from Robert Wood Johnson Foundation and Geraldine R. Dodge Foundation in 2022 and 2021 that have been recorded as contribution income. The purpose of these grants was to address structural racism in New Jersey's institutions, policies, and practices and to advance racial equity and justice.