

NEW JERSEY INSTITUTE
FOR SOCIAL JUSTICE
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
New Jersey Institute for Social Justice

Opinion

I have audited the accompanying financial statements of New Jersey Institute for Social Justice (a nonprofit organization) which comprise the statements of financial position as of December 31, 2023 and 2022, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New Jersey Institute for Social Justice as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Auditor's Responsibility for the Audit of the Financial Statements

My 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 my 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, including omissions, 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, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement, 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 the 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 Institute'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

April 26, 2024
Hillsborough, NJ

James M. Ward, CPA

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets		
Cash & cash equivalents	\$ 487,923	\$ 1,225,006
Investment securities	6,162,155	5,847,582
Grants & accounts receivable	24,959	3,443
Pledges receivable	21,994	8,850
Total financial assets	<u>6,697,031</u>	<u>7,084,881</u>
Prepaid expenses	18,277	13,833
Total current assets	<u>6,715,308</u>	<u>7,098,714</u>
Property & equipment		
Furniture & fixtures	215,521	215,521
Leasehold improvements	44,556	44,556
	<u>260,077</u>	<u>260,077</u>
Less accumulated depreciation	<u>(249,271)</u>	<u>(242,620)</u>
	10,806	17,457
Operating lease right-of-use asset	557,457	-
Other assets		
Security deposit	11,846	11,846
	<u>11,846</u>	<u>11,846</u>
	<u>\$ 7,295,417</u>	<u>\$ 7,128,017</u>
Liabilities & Net Assets (Accumulated Deficit)		
Current liabilities		
Accounts payable & accrued expenses	\$ 75,203	\$ 83,331
Operating lease liability	557,457	-
Total liabilities	<u>632,660</u>	<u>83,331</u>
Net assets (accumulated deficit)		
Without donor restrictions		
Undesignated	(273,533)	5,269
Board designated	6,213,094	5,574,072
	<u>5,939,561</u>	<u>5,579,341</u>
With donor restrictions	723,196	1,465,345
	<u>6,662,757</u>	<u>7,044,686</u>
	<u>\$ 7,295,417</u>	<u>\$ 7,128,017</u>

See accompanying notes to financial statements.

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support						
Contributions of cash and other financial assets						
Contributions	\$ 268,270	\$ -	\$ 268,270	\$ 149,476	\$ -	\$ 149,476
Foundation & corporate grants	888,750	1,397,587	2,286,337	994,525	2,274,411	3,268,936
Special event, net of						
Gross income	474,900	-	474,900	584,170	-	584,170
Direct expense	(167,902)	-	(167,902)	(211,668)	-	(211,668)
	306,998	-	306,998	372,502	-	372,502
	1,464,018	1,397,587	2,861,605	1,516,503	2,274,411	3,790,914
Revenue						
Contractual arrangements	13,826	-	13,826	21,312	-	21,312
Investment Income						
Interest & dividends	166,513	-	166,513	148,033	-	148,033
Gains (losses) on investment securities	657,763	-	657,763	(1,271,362)	-	(1,271,362)
Investment management fees	(24,110)	-	(24,110)	(25,151)	-	(25,151)
	800,166	-	800,166	(1,148,480)	-	(1,148,480)
Subtotal	2,278,010	1,397,587	3,675,597	389,335	2,274,411	2,663,746
Net assets released from restriction	2,139,736	(2,139,736)	-	1,932,439	(1,932,439)	-
Total income	4,417,746	(742,149)	3,675,597	2,321,774	341,972	2,663,746
Functional Expenses						
Program services						
Economic Justice	1,082,408	-	1,082,408	874,429	-	874,429
Criminal Justice	852,662	-	852,662	880,436	-	880,436
Democracy & Justice	945,686	-	945,686	863,646	-	863,646
	2,880,756	-	2,880,756	2,618,511	-	2,618,511
Supporting services						
Management & general	651,155	-	651,155	570,982	-	570,982
Fund raising	525,615	-	525,615	401,127	-	401,127
	1,176,770	-	1,176,770	972,109	-	972,109
Total expenses	4,057,526	-	4,057,526	3,590,620	-	3,590,620
Increase (decrease) in net assets	360,220	(742,149)	(381,929)	(1,268,846)	341,972	(926,874)
Net assets, beginning of period	5,579,341	1,465,345	7,044,686	6,848,187	1,123,373	7,971,560
Net assets end of period	\$ 5,939,561	\$ 723,196	\$ 6,662,757	\$ 5,579,341	\$ 1,465,345	\$ 7,044,686

See accompanying notes to financial statements.

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR 2022

	2023							Total Expenses	(See page 6) 2022 Total Expenses
	Program Services				Supporting Services				
	Economic Justice	Criminal Justice	Democracy & Justice	Total	Management & General	Fund Raising	Total		
Salaries	\$ 609,960	\$ 575,326	\$ 517,638	\$ 1,702,924	\$ 367,604	\$ 358,962	\$ 726,566	\$ 2,429,490	\$ 2,148,377
Payroll tax & fringe benefits	143,411	135,268	121,704	400,383	86,429	84,397	170,826	571,209	526,718
	<u>753,371</u>	<u>710,594</u>	<u>639,342</u>	<u>2,103,307</u>	<u>454,033</u>	<u>443,359</u>	<u>897,392</u>	<u>3,000,699</u>	<u>2,675,095</u>
Professional fees	8,795	8,648	9,752	27,195	95,311	4,600	99,911	127,106	210,966
Direct project	182,605	6,754	178,873	368,232	800	212	1,012	369,244	215,370
Insurance	2,200	2,076	1,867	6,143	1,326	1,295	2,621	8,764	7,629
Office	9,437	8,901	8,008	26,346	5,687	5,553	11,240	37,586	44,431
Technology & communications	26,343	24,847	22,357	73,547	15,876	15,503	31,379	104,926	100,736
Travel, meals & entertainment	28,341	26,732	24,051	79,124	17,080	16,679	33,759	112,883	47,533
Dues & subscriptions	11,547	10,891	9,799	32,237	6,959	6,795	13,754	45,991	47,505
Equipment rental & repairs	2,583	2,436	2,192	7,211	1,557	1,520	3,077	10,288	6,270
Occupancy	43,993	41,495	37,334	122,822	26,513	25,890	52,403	175,225	172,633
Outside events	6,042	2,542	6,042	14,626	21,703	-	21,703	36,329	22,382
Miscellaneous	5,481	5,171	4,652	15,304	3,304	3,226	6,530	21,834	33,224
	<u>1,080,738</u>	<u>851,087</u>	<u>944,269</u>	<u>2,876,094</u>	<u>650,149</u>	<u>524,632</u>	<u>1,174,781</u>	<u>4,050,875</u>	<u>3,583,774</u>
Depreciation	1,670	1,575	1,417	4,662	1,006	983	1,989	6,651	6,846
Total functional expenses	<u>\$ 1,082,408</u>	<u>\$ 852,662</u>	<u>\$ 945,686</u>	<u>\$ 2,880,756</u>	<u>\$ 651,155</u>	<u>\$ 525,615</u>	<u>\$ 1,176,770</u>	<u>\$ 4,057,526</u>	<u>\$ 3,590,620</u>

See accompanying notes to financial statements.

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	2022							Total Expenses
	Program Services				Supporting Services			
	Economic Justice	Criminal Justice	Democracy & Justice	Total	Management & General	Fund Raising	Total	
Salaries	\$ 570,799	\$ 513,033	\$ 496,413	\$ 1,580,245	\$ 307,993	\$ 260,139	\$ 568,132	\$ 2,148,377
Payroll tax & fringe benefits	139,943	125,780	121,706	387,429	75,511	63,778	139,289	526,718
	<u>710,742</u>	<u>638,813</u>	<u>618,119</u>	<u>1,967,674</u>	<u>383,504</u>	<u>323,917</u>	<u>707,421</u>	<u>2,675,095</u>
Professional fees	25,316	32,987	26,190	84,493	106,576	19,897	126,473	210,966
Direct project	13,124	92,177	109,167	214,468	113	789	902	215,370
Insurance	2,027	1,821	1,763	5,611	1,094	924	2,018	7,629
Office	11,805	10,610	10,266	32,681	6,370	5,380	11,750	44,431
Technology & communications	26,764	24,056	23,276	74,096	14,442	12,198	26,640	100,736
Travel, meals & entertainment	12,629	11,351	10,983	34,963	6,814	5,756	12,570	47,533
Dues & subscriptions	12,622	11,344	10,977	34,943	6,810	5,752	12,562	47,505
Equipment rental & repairs	1,666	1,497	1,449	4,612	899	759	1,658	6,270
Occupancy	45,867	41,225	39,889	126,981	24,749	20,903	45,652	172,633
Outside events	1,221	4,986	2,308	8,515	13,867	-	13,867	22,382
Miscellaneous	8,827	7,934	7,677	24,438	4,763	4,023	8,786	33,224
	<u>872,610</u>	<u>878,801</u>	<u>862,064</u>	<u>2,613,475</u>	<u>570,001</u>	<u>400,298</u>	<u>970,299</u>	<u>3,583,774</u>
Depreciation	1,819	1,635	1,582	5,036	981	829	1,810	6,846
Total functional expenses	<u>\$ 874,429</u>	<u>\$ 880,436</u>	<u>\$ 863,646</u>	<u>\$ 2,618,511</u>	<u>\$ 570,982</u>	<u>\$ 401,127</u>	<u>\$ 972,109</u>	<u>\$ 3,590,620</u>

See accompanying notes to financial statements.

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Decrease in net assets	\$ (381,929)	\$ (926,874)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,651	6,846
(Gains) losses on investment securities	(657,763)	1,271,362
(Increase) decrease in:		
Grants & accounts receivable	(21,516)	2,475
Pledges receivable	(13,144)	16,150
Prepaid expenses	(4,444)	-
Increase (decrease) in:		
Accounts payable & accrued expenses	<u>(8,128)</u>	<u>27,330</u>
Cash provided by (used in) operating activities	<u>(1,080,273)</u>	<u>397,289</u>
Cash flows from investing activities		
Proceeds from sale of investment securities	1,068,371	739,070
Acquisition of investment securities	(725,181)	(1,034,159)
Acquisition of fixed assets	<u>-</u>	<u>(3,076)</u>
Cash provided by (used in) investing activities	<u>343,190</u>	<u>(298,165)</u>
Net increase (decrease) in cash & cash equivalents	(737,083)	99,124
Cash & cash equivalents		
Beginning of year	<u>1,225,006</u>	<u>1,125,882</u>
End of year	<u>\$ 487,923</u>	<u>\$ 1,225,006</u>

See accompanying notes to financial statements.

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2023 AND 2022

(1) **Summary of Significant Accounting Policies**

Nature of activities

New Jersey Institute for Social Justice (the Institute), a public charity, is a Newark-based urban research and advocacy organization dedicated to the advancement of New Jersey's urban areas and residents. Established in 1999, the Institute's programs focus on expanding access to economic opportunity for low-income and minority residents of Newark and other urban areas of the state; promoting local, regional and state government that is effective, equitable and accountable to the concerns of urban residents and their communities; and ensuring the civil rights and other basic entitlements of minorities and low-income individuals in the state. The Institute advances this nonpartisan agenda through policy-related research and analysis, development and implementation of model programs, advocacy efforts and sustained public education.

Basis of presentation

In accordance with generally accepted accounting principles, the financial statements have been prepared on the accrual basis of accounting. Net assets are classified based on the existence or absence of donor-imposed restrictions and are defined as follows:

Net assets without donor restrictions - net assets not subject to donor-imposed conditions and expendable for operating purposes.

Net assets with donor restrictions - net assets subject to donor-imposed conditions that will be met by actions of the Institute and/or by the passage of time.

Included in net assets without donor restrictions are board designated net assets. Prior to fiscal year 2005, the Institute's revenues were derived primarily from the Alan V. and Amy Lowenstein Family Foundation. The funds were received as investment securities and have been designated by the Board of Trustees to provide ongoing support for programs and operations. Use of endowment assets for programs and operations are determined by the Board of Trustees.

Cash & cash equivalents

The financial statement item "cash & cash equivalents" consists of demand deposits, including money market funds, in depository financial institutions and highly liquid investments in money market funds.

Investment securities

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of activities.

Contributions

Contributions received are recognized as revenue when pledged. Contributions are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions.

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2023 AND 2022

Grants

Grants received from foundations and corporations are treated as contributions and are recorded as without or with donor restrictions depending on the nature of any donor imposed conditions. Grants which are conditional in nature are recognized when the underlying conditions are substantially satisfied.

Contractual arrangements

Revenue from contractual arrangements is recognized when the related services are rendered.

Premises & equipment

Acquisitions of premises and equipment with estimated useful lives in excess of one year are capitalized and depreciated over the estimated useful life of each asset. Leasehold improvements are amortized over the life of the asset or the length of the lease, whichever is shorter.

Functional expenses

Expenses are charged to each program based on direct expenditures incurred. Any expenses not directly chargeable are allocated to programs and supporting services based on applicable rates determined by management.

Use of estimates

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

Reclassifications

Certain information in the 2022 financial statements has been reclassified to conform with current year presentation.

Concentrations of credit and funding risk

Financial instruments

Financial instruments that potentially expose the Institute to concentrations of credit and market risk consist primarily of cash, cash equivalents, and investment securities. Cash and cash equivalents are placed in high-quality financial institutions or money market funds, and credit exposure is deemed to be limited to any one institution. The Institute did not experience any losses on cash and cash equivalents during the year ended December 31, 2023.

Investment securities

Investment securities consist of equity securities, mutual funds, index funds, real estate investment trusts and brokerage certificates of deposits. Investment securities with readily determinable markets values are carried at fair value; all investment securities are subject to market fluctuations. Future losses may be incurred in the event of a decline in fair value.

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2023 AND 2022

Funding

During the year ended December 31, 2023, the Institute received approximately 19% of its funding from one grantor; the remaining revenue sources were diversified with no more than 17% derived from a single source.

Fair value of financial instruments

Financial instruments are carried at fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined using three levels of inputs:

Level 1 Valuations based on quoted prices in active markets for identical assets. Valuations are based on quoted prices that are readily and regularly available in the active market.

Level 2 Valuations based on one or more quoted price for investments that are not exchange-traded but for which all significant inputs are observable, either directly or indirectly, and for which transaction activity is unrestricted and occurs on a regular basis.

Level 3 Valuations based on inputs that are unobservable and significant to the overall fair value measurements.

The following valuation techniques are used for assets measured at fair value:

Cash equivalents - The carrying value approximates fair value due to its short term nature. Cash equivalents, defined as highly liquid dollar-denominated funds, are classified as Level 1 investments.

Equity securities - Investments in equity securities are measured at fair value using the quoted market price and are classified as Level 1.

Mutual funds - Investments in mutual and exchange-traded funds are measured at fair value using the quoted market prices and are classified as Level 1.

Index funds - Investments in index funds are exchange-traded and are classified as Level 1.

Brokerage certificates of deposits - Investments in brokerage certificates of deposits are measured at fair value using the quoted market prices and are classified as Level 1.

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2023 AND 2022

Accounting for uncertainty in income taxes

The Institute's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of tax status or exposure to uncertain tax positions that could require accrual or which could affect its liquidity or future cash flows. The Institute's exempt organization filings for the years ended December 31, 2020 through 2023 are subject to examination by the Internal Revenue Service and the State of New Jersey. Further, the Internal Revenue Service may examine the Institute's financial activities for income and unrelated business income tax for those periods.

New accounting pronouncements

The Institute adopted Financial Accounting Standards Update (ASU) No. 2016-20, *Leases*, on January 1, 2022. Under this guidance, lessees recognize a right of use asset and a lease liability on the statement of financial position for all leases with a term longer than 12 months. The Institute used the modified retrospective transition approach for the adoption.

(2) Investment Securities

As of December 31, 2023 and 2022 consist of the following:

	Fair Value	Cost
<u>2023</u>		
Equities	\$ 543,233	\$ 393,999
Bond funds	1,492,840	1,584,121
Equity funds	3,696,429	2,851,053
Real estate funds	<u>429,653</u>	<u>562,981</u>
	<u>\$6,162,155</u>	<u>\$5,392,154</u>
<u>2022</u>		
Equities	\$ 481,032	\$ 386,593
Bond funds	1,227,913	1,359,796
Equity funds	3,385,445	3,118,235
Real estate funds	426,256	551,181
Brokerage certificates of deposit	<u>326,936</u>	<u>325,000</u>
	<u>\$5,847,582</u>	<u>\$5,740,805</u>

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2023 AND 2022

(3) **Leases**

The Institute has an obligation as a lessee for office space with an initial noncancellable term in excess of one year. This lease is classified as operating.

Lease expense for the year ended December 31, 2023 and 2022 totaled \$119,973 annually.

As of December 31, 2023, amounts reported in the statement of financial position are as follows:

Operating lease right-of-use asset	\$557,457
Operating lease liability	557,457

Other information related to leases as of December 31, 2023 is as follows:

Supplemental cash flow information:

Cash paid for operating lease expense	\$119,973
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Remaining operating lease term	5 years
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Risk-free rate of return	4%
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Maturity of the lease liability under its noncancellable operating lease as of December 31, 2023 is as follows:

2024	\$119,973
2025	119,973
2026	119,973
2027	128,543
2028	<u>128,543</u>
Total undiscounted lease payments	617,005
Less imputed interest	(59,548)
Total lease liability	<u>\$557,457</u>

(4) **Retirement Plan**

The Institute sponsors a 401(k) profit sharing plan covering substantially all full time employees. Contributions to the plan are at the discretion of the Board of Trustees. For the years ended December 31, 2023 and 2022, contributions to the plan totaled \$67,967 and \$56,063, respectively.

(5) **Income Tax Status**

The Institute qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes except for unrelated business income tax applicable to certain investment income. All applicable returns for the exempt organization are filed in a timely manner; all payments for unrelated business income tax are made in a timely manner. The Institute is liable for payment of payroll taxes as an employer; all such amounts are paid in a timely manner as required by state and federal regulations.

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2023 AND 2022

(6) **Net Assets**

Board-Designated Net Assets - Endowment

Since inception of the Institute, the Board of Trustees has designated certain contributions and bequests as a general endowment fund to support the mission of the Institute. As a board designation, the endowment is included in net assets without donor restrictions.

Amounts are released from the board-designated endowment as required to support operating activities. As the Institute's program services mature and the associated revenues expand, the Institute expects to release smaller amounts from the endowment. The Institute plans to allow its endowment to grow where investment income will enhance operating activities.

To achieve that objective, the Institute has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well diversified asset mix which includes equity and debt securities, mutual funds, and real estate investment partnerships. The intended result is a consistent inflation-protected rate of return that has sufficient liquidity to make needed annual distributions while growing the endowment if possible. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation thereto is managed to provide an acceptable level of risk.

Endowment net assets activity as of December 31, 2023 and 2022 for the year then ended is as follows:

Endowment net assets, 12/31/21	\$6,874,488
Investment return, net	(1,148,480)
Distributions & appropriations pursuant to spending policy	(151,936)
Endowment net assets, 12/31/22	5,574,072
Investment return, net	800,155
Distributions & appropriations pursuant to spending policy	(161,133)
Endowment net assets, 12/31/23	<u>\$6,213,094</u>

With Donor Restrictions

As of December 31, 2023 and 2022, net assets with donor restrictions subject to specified use are as follows:

	<u>2023</u>	<u>2022</u>
Criminal Justice	\$ 254,863	\$ 811,072
Economic Justice	293,333	477,190
Democracy & Justice	125,000	177,083
25 th Anniversary	50,000	-
	<u>\$ 723,196</u>	<u>\$1,465,345</u>

NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2023 AND 2022

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Criminal Justice	\$ 644,626	\$ 892,281
Economic Justice	1,215,110	487,981
Democracy & Justice	<u>280,000</u>	<u>552,177</u>
	<u>\$2,139,736</u>	<u>\$1,932,439</u>

(7) **Recurring Fair Value Measurements**

The Institute has provided fair value disclosure information for relevant assets in these financial statements. The following tables summarize assets which have been accounted for at fair value on a recurring basis as of December 31, 2023 and 2022, along with the basis for the determination of fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2023</u>				
Equities	\$ 543,233	\$ -	\$ -	\$ 543,233
Bond funds	1,492,840	-	-	1,492,840
Equity funds	3,696,429	-	-	3,696,429
Real estate funds	429,653	-	-	429,653
Money market funds	<u>50,939</u>	<u>-</u>	<u>-</u>	<u>50,939</u>
	<u>\$6,213,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$6,213,094</u>
 <u>December 31, 2022</u>				
Equities	\$ 481,032	\$ -	\$ -	\$ 481,032
Bond funds	1,227,913	-	-	1,227,913
Equity funds	3,385,445	-	-	3,385,445
Real estate funds	426,256	-	-	426,256
Brokerage certificates				
Of deposit	326,936	-	-	326,936
Money market funds	<u>53,425</u>	<u>-</u>	<u>-</u>	<u>53,425</u>
	<u>\$5,901,007</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,901,007</u>

Financial instruments are presented in the following line items of the statements of financial position:

	<u>2023</u>	<u>2022</u>
Cash & cash equivalents	\$ 487,923	\$1,225,006
Investment securities	<u>6,162,155</u>	<u>5,847,582</u>
	<u>\$6,650,078</u>	<u>\$7,072,588</u>

For applicable assets, the Institute values such assets using quoted market prices in active markets for identical assets to the extent possible (Level 1). To the extent that such market prices are not available, the Institute next attempts to value such assets using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Institute develops measurement criteria based on the best information available (Level 3).

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(8) **Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, are comprised of the following as of December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 487,923	\$1,225,006
Investment securities	6,162,155	5,847,582
Grants & accounts receivable	24,959	3,443
Pledges receivable	<u>21,994</u>	<u>8,850</u>
Financial assets	6,697,031	7,084,881
Less:		
Donor restrictions	<u>723,196</u>	<u>1,465,345</u>
Financial assets available for general expenditure	<u>\$5,973,835</u>	<u>\$5,619,536</u>

(9) **Subsequent Events**

The Institute has evaluated the need for adjustments resulting from subsequent events through April 26, 2024, the date the financial statements were available to be issued. Based upon this evaluation, no adjustments or additional disclosures were required to the financial statements as of December 31, 2023.