

THE JEWISH FOUNDATION OF  
GREATER NEW HAVEN, INC.

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2019 AND 2018

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees of  
The Jewish Foundation of Greater New Haven, Inc.  
360 Amity Road  
Woodbridge, CT 06525

We have audited the accompanying financial statements of The Jewish Foundation of Greater New Haven, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used

and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jewish Foundation of Greater New Haven, Inc. as of December 31, 2019 and 2018, 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.

A handwritten signature in cursive script that reads "Teplitzky & Company, P.C." with a checkmark to the right.

Woodbridge, Connecticut

August 5, 2020



THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	ASSETS	
	2019	2018
Assets		
Cash and Cash Equivalents	\$ 40,762	\$ 52,009
Unconditional Promises to Give, Net	2,101,487	28,304
Note Receivable	1,306,493	1,306,493
Prepaid Expenses and Other Assets	95,449	17,658
Cash Surrender Value of Life Insurance	194,927	180,777
Investments	57,245,207	48,511,854
Property and Equipment, Net	8,190	8,739
Total Assets	<u>\$ 60,992,515</u>	<u>\$ 50,105,834</u>

	LIABILITIES AND NET ASSETS	
	2019	2018
Liabilities		
Accounts Payable	\$ 18,635	\$ 4,483
Accrued Liabilities and Allocations	56,831	67,190
Liabilities Under Split Interest Agreements	560,934	579,313
Custodial Accounts	12,400,080	10,761,185
Total Liabilities	<u>13,036,480</u>	<u>11,412,171</u>
Net Assets		
Without Donor Restrictions		
Undesignated	4,647,631	4,167,302
Board Designated	201,861	176,811
Total Without Donor Restrictions	<u>4,849,492</u>	<u>4,344,113</u>
With Donor Restrictions	<u>43,106,543</u>	<u>34,349,550</u>
Total Net Assets	<u>47,956,035</u>	<u>38,693,663</u>
Total Liabilities and Net Assets	<u>\$ 60,992,515</u>	<u>\$ 50,105,834</u>

See accompanying notes to the financial statements  
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THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services			Supporting Activities			Total Expenses
	Grants & Charitable Distributions	Foundation Programs	Total Program Expenses	Fundraising	Management & General	Total Supporting Expenses	
Programs, Allocations and Expenses							
Grants from Donor Advised Funds	\$ 1,364,826	-	\$ 1,364,826	\$ -	-	\$ -	\$ 1,364,826
Charitable Distributions from							
Donor Restricted Funds	1,005,329	-	1,005,329	-	-	-	1,005,329
Other Fund Distributions	81,509	-	81,509	-	-	-	81,509
Grants from Unrestricted Funds	68,040	-	68,040	-	-	-	68,040
Charitable Distributions from							
Charitable Lead Trusts	625	-	625	-	-	-	625
Wages Taxes & Fringes	-	24,647	24,647	60,737	297,831	358,568	383,215
Marketing	-	2,757	2,757	7,331	38,401	45,732	48,489
Program Expenses	-	61,767	61,767	-	-	-	61,767
Utilities	-	-	-	1,866	6,004	7,870	7,870
Bank and Payroll Fees	-	-	-	-	3,407	3,407	3,407
Depreciation	-	-	-	-	1,562	1,562	1,562
Administrative Fees	-	-	-	-	42,262	42,262	42,262
Professional Fees	-	50	50	2,470	39,166	41,636	41,686
	\$ 2,520,329	\$ 89,221	\$ 2,609,550	\$ 72,404	\$ 428,633	\$ 501,037	\$ 3,110,587

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Activities			Total Expenses
	Grants & Charitable Distributions	Foundation Programs	Total Program Expenses	Fundraising	Management & General	Total Supporting Expenses	
Programs, Allocations and Expenses							
Grants from Donor Advised Funds	\$ 1,120,420	\$ -	\$ 1,120,420	\$ -	\$ -	\$ -	\$ 1,120,420
Charitable Distributions from							
Donor Restricted Funds	979,912	-	979,912	-	-	-	979,912
Other Fund Distributions	81,855	-	81,855	-	-	-	81,855
Grants from Unrestricted Funds	20,933	-	20,933	-	-	-	20,933
Charitable Distributions from							
Charitable Lead Trusts	1,329	-	1,329	-	-	-	1,329
Wages Taxes & Fringes	-	8,467	8,467	77,138	292,413	369,551	378,018
Marketing	-	3,401	3,401	1,292	38,620	39,912	43,313
Program Expenses	-	63,464	63,464	-	-	-	63,464
Utilities	-	-	-	3,592	4,527	8,119	8,119
Bank and Payroll Fees	-	-	-	-	2,845	2,845	2,845
Depreciation	-	-	-	-	1,736	1,736	1,736
Administrative Fees	-	-	-	-	41,030	41,030	41,030
Professional Fees	-	-	-	-	15,737	15,737	15,737
	\$ 2,204,449	\$ 75,332	\$ 2,279,781	\$ 82,022	\$ 396,908	\$ 478,930	\$ 2,758,711

See accompanying notes to the financial statements  
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THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 9,262,372	\$ (1,864,038)
Adjustments to Reconcile Change in Net Assets to Net Cash (Used in) Provided by Operating Activities:		
Depreciation and Amortization	1,562	1,737
Net Realized and Unrealized (Gains) Losses on Investments	(6,701,086)	2,177,339
Net Increase in Cash Surrender Value of Life Insurance	(14,150)	(9,494)
Contributions Restricted to Long-Term Investments	(3,816,783)	(211,496)
Decrease (Increase) in Assets:		
Unconditional Promises to Give	(2,073,183)	24,645
Grant and Other Receivables	-	15,821
Prepaid Expenses	(77,791)	(7,091)
Increase (Decrease) in Liabilities:		
Accounts Payable	14,152	(7,888)
Accrued Liabilities and Allocations	(10,359)	(26,357)
Deferred Revenue	-	(4,355)
Net Cash (Used in) Provided by Operating Activities	<u>(3,415,266)</u>	<u>88,823</u>
Cash Flows from Investing Activities:		
Purchases of Property and Equipment	(1,013)	-
Purchases of Long-Term Investments	(23,652,952)	(25,861,740)
Proceeds from Sales of Long-Term Investments	<u>23,052,866</u>	<u>26,078,024</u>
Net Cash (Used in) Provided by Investing Activities	<u>(601,099)</u>	<u>216,284</u>
Cash Flows from Financing Activities:		
Increase (Decrease) in Custodial Accounts	206,714	(471,281)
Distribution from Split Interest Agreements	-	(22,950)
Decrease in Split Interest Agreements	(18,379)	(69,590)
Proceeds from Contributions Restricted to Long-Term Investments	<u>3,816,783</u>	<u>211,496</u>
Net Cash Provided by (Used in) Financing Activities	<u>4,005,118</u>	<u>(352,325)</u>
Net Decrease in Cash and Cash Equivalents	(11,247)	(47,218)
Cash and Cash Equivalents - Beginning of Year	<u>52,009</u>	<u>99,227</u>
Cash and Cash Equivalents - End of Year	<u>\$ 40,762</u>	<u>\$ 52,009</u>

See accompanying notes to the financial statements

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THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Jewish Foundation of Greater New Haven, Inc. (the Foundation) is a nonprofit charitable organization described in Internal Revenue Code Section 501(c)(3). The Foundation is a Type 1 supporting organization to The Jewish Federation of Greater New Haven, Inc. (the Federation). Located at 360 Amity Road in Woodbridge, Connecticut, the Foundation is supported primarily by donor contributions and bequests.

Basis of Accounting

The Foundation prepares its financial statements in accordance with U.S. generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Net Asset Classification

Net assets and revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Without Donor Restriction* – Those resources are not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Board designated amounts represent those net assets that the board has set aside for a particular purpose (see Note 11).

*With Donor Restrictions* – Those resources subject to donor-imposed restrictions that will either be satisfied by action of The Foundation or by the passage of time or will require the resources to be maintained in perpetuity. The income from resources maintained in perpetuity is used for operating or other donor-restricted purposes.

Contributed Services

A substantial number of volunteers, approximately 100 each year, donate their time and perform a variety of tasks that assist the Foundation. These services do not meet the criteria for recording as contributions under U.S. generally accepted accounting principles. During the years ended December 31, 2019 and 2018, the value of contributed services, meeting the requirements for recognition, in the financial statements is deemed not material and has not been recorded.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give. Contributions that are restricted by the donor, that are released from restrictions within the fiscal year in which the contributions are recognized, are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified net assets without donor restrictions.

The allowance method is used to determine uncollectible unconditional promise receivables. The allowance is based on prior years' experience and management's analysis of specific promises made. The allowance for potential unfulfilled promises to give was \$-0- and \$10,000 at December 31, 2019 and 2018, respectively.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Investments

The Foundation's investments are stated at fair value. Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses, less external and direct internal investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is recorded as donor restricted and then released from restriction. Other investment return is reflected in the statements of activities as without donor restrictions or with donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation's investments are monitored by the Foundation's Investment Committee and are executed in a manner consistent with policies and guidelines established by the Investment Committee and approved by the Board of Trustees. In addition to market risks, the Foundation is also exposed to credit losses up to the amount of the investments in the event of nonperformance by other parties to the investment transactions. However, nonperformance by the counterparties is not anticipated.

When an investment is received as a donation or bequest, the fair value is recorded as the cost of the investment.



THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Custodial Accounts

The Foundation acts as an agent for other organizations for the purpose of being able to utilize the Foundation's investment expertise. The assets and the return on investment of those assets are to be used on behalf of the other organizations.

Functional Allocation of Expenses

The cost of providing the Foundation's programs and other activities is summarized on a functional basis in the statements of activities and statements of functional expenses. Expenses that can be identified with a specific program or support services are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied. This primarily consists of wages, taxes, and fringe expenses, which are allocated based on activity reports prepared by key personnel. The Foundation evaluates the basis on which costs are allocated as needed, but at least every other year.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Foundation.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and related notes. Actual results could differ from those estimates.

Federal Income Tax

The Foundation is a not-for-profit organization exempt from taxation under Internal Revenue Code Section 501(c)(3) and is not considered a private foundation. The Foundation is required to file Federal Form 990 annually.

The Foundation believes that it has appropriate support for income tax positions taken. Therefore, management has not identified any uncertain income tax positions. Generally, income tax returns related to the last three years remain open for examination by taxing authorities.

Reclassifications

Certain 2018 amounts have been reclassified to conform with current year presentation.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of December 31, 2019 and 2018, the Foundation has approximately \$3,305,000 and \$2,900,000, respectively of financial assets available within one year of the statement of financial position date to meet the cash needs for general expenditures, as summarized below:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 40,762	\$ 52,009
Unconditional Promises to Give, net	2,101,487	28,304
Note Receivable		1,306,493
Cash Surrender Value of Life Insurance	194,927	180,777
Investments	<u>57,245,207</u>	<u>48,511,854</u>
Total Financial Assets	60,888,876	50,079,437
Less financial assets held to meet donor-imposed restrictions:		
Donor restricted endowment funds	(43,106,543)	(34,349,550)
Custodial accounts	(12,400,080)	(10,761,185)
Split-interest agreements	(560,934)	(579,313)
Less financial assets not available within one year:		
Unconditional promises to give	(10,767)	(6,500)
Note receivable	(1,306,493)	(1,306,493)
Less board-designated endowment fund	<u>(198,774)</u>	<u>(176,811)</u>
Financial Assets Available to meet Cash needs for general expenditures within one year	<u>\$ 3,305,285</u>	<u>\$ 2,899,585</u>

The above table reflects board designated funds as unavailable because it is the organization's intention to invest those resources for the long-term support of the organization. However, in the case of need, the Board of Directors could appropriate resources from the Board designated endowment fund. As part of the Foundation's liquidity management, it has a policy to structure the financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation receives an administrative fee for the custodial accounts that it manages on behalf of other organizations. This administrative fee provides the majority of the cash needed to cover its management and general expenses during the year. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditures. Currently, Foundation does not intend to spend from its undesignated funds included in its investments, other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, however amounts could be made available if necessary.



THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give, are summarized as follows as of December 31:

	<u>2019</u>	<u>2018</u>
Unconditional Promises Expected to be Collected in:		
Less Than One Year	\$ 2,090,720	\$ 31,804
One to Five Years	10,767	6,500
Less Allowance for Unfulfilled Promises	<u>-</u>	<u>(10,000)</u>
Unconditional Promises to Give	<u>\$ 2,101,487</u>	<u>\$ 28,304</u>

NOTE 4 – NOTE RECEIVABLE

Note receivable on December 31, 2019 is summarized as follows:

Camp Laurelwood

In March 2007, the Foundation granted Camp Laurelwood a line of credit of \$1,500,000. In January 2012, the Foundation converted the line of credit into a term loan that requires interest only payments equal to the Foundation's spending policy, which is currently 4%. If the spending policy ever exceeds 6%, Camp Laurelwood will have the option of making cash payments up to 6% and having the interest in excess of 6% accrue into the outstanding loan balance. On February 1, 2025, the note requires monthly principal and interest payments of \$3,629, which will continue through the note's maturity date of January 1, 2055. The outstanding balance on this note as of December 31, 2019 and 2018 was \$1,306,493. The note is secured by a mortgage on the property owned by Camp Laurelwood.

In April 2020, the Foundation agreed to suspend interest payments for a portion of 2020 as a result of cash flow restrictions experienced by Camp Laurelwood due to the COVID-19 pandemic. All suspended interest will be added to the principal balance of the loan.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 4 – NOTE RECEIVABLE (CONTINUED)

The aggregate annual maturities of the Note Receivable as of December 31, 2019 are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ -
2021	-
2022	-
2023	-
2024	-
Thereafter	<u>1,306,493</u>
Total	<u>\$ 1,306,493</u>

NOTE 5 – LONG-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS

The investments of the Foundation consist primarily of money market and mutual funds, exchange traded funds, U.S. Government Securities, foreign bonds, and alternative investments, which consist primarily of hedge funds and private equity funds. In accordance with its approved investment practices and policies, investments held by the Foundation are to be conservative and diversified in order to preserve capital, achieve the proper liquidity requirement of the Foundation and avoid inappropriate concentration of credit and interest rate risk, while striving to maximize returns.

All investments are recorded at fair value. FASB ASC Topic 820 defines fair value 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. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of inputs that may be used to measure fair value are as follows:

*Level 1* – Quoted prices in active markets for identical assets or liabilities.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 5 – LONG-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS  
(CONTINUED)

*Level 2* – Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

*Level 3* – Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2019 and 2018. The Foundation's policy is to recognize transfers in and transfers out of levels as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between levels during 2019 or 2018.

*Money Market and Mutual Funds:* Money market and mutual funds are valued at the quoted net asset value of shares reported in the active market in which the money market and mutual funds are traded.

*Exchange Traded Funds:* Exchange traded funds are valued at the quoted share prices reported in the active market in which the funds are traded.

*Common Stocks:* Common stocks are valued at the quoted share prices reported in the active market in which the stock are traded.

*U.S. Government Securities:* U.S. government securities are valued at the closing price reported in the active market in which the security is traded (Level 1 inputs).

*Foreign Bonds:* Foreign bonds are valued based upon recent bid prices or the average of recent bid and asked prices when available (Level 2 inputs) and, if not available, they are valued through matrix pricing models developed by sources considered by management to be reliable. Matrix pricing, which is a mathematical technique commonly used to price debt securities that are not actively traded, values debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities with similar credit risk (Level 2 inputs)



THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 5 – LONG-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS  
(CONTINUED)

*Alternative Investments:* Alternative investments, which primarily consist of hedge funds and private equity funds, are not traded in an active market and their fair values have been estimated using the net asset value (NAV) per share of each investment, as reported by the fund managers.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments fair value as of December 31, 2019:

	Level 1	Level 2	Level 3	Valued NAV Per Share*	Total
Investments					
Money Market Funds	\$ 1,062,638	\$ -	\$ -	\$ -	\$ 1,062,638
Mutual Funds	13,581,934	-	-	-	13,581,934
Exchange Traded Funds	6,836,386	-	-	-	6,836,386
Common Stocks	615,916	-	-	-	615,916
U.S. Government Securities	92,125	-	-	-	92,125
Foreign Bonds	-	436,048	-	-	436,048
Alternative Investments *	-	-	-	34,620,160	34,620,160
Total Investments at Fair Value	<u>\$ 22,188,999</u>	<u>\$ 436,048</u>	<u>\$ -</u>	<u>\$ 34,620,160</u>	<u>\$ 57,245,207</u>

Investment assets at fair value as of December 31, 2018:

	Level 1	Level 2	Level 3	Valued NAV Per Share*	Total
Investments					
Money Market Funds	\$ 859,809	\$ -	\$ -	\$ -	\$ 859,809
Mutual Funds	11,148,453	-	-	-	11,148,453
Exchange Traded Funds	8,528,554	-	-	-	8,528,554
U.S. Government Securities	86,495	-	-	-	86,495
Foreign Bonds	-	439,331	-	-	439,331
Alternative Investments *	-	-	-	27,449,212	27,449,212
Total Investments at Fair Value	<u>\$ 20,623,311</u>	<u>\$ 439,331</u>	<u>\$ -</u>	<u>\$ 27,449,212</u>	<u>\$ 48,511,854</u>



THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 5 – LONG-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS  
(CONTINUED)

\* Investments measured at fair value using NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the hierarchy tables for such investments are intended to permit reconciliation of the fair value hierarchy to the investments at fair value line item presented in the statements of financial position.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. The Foundation evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits.

Investment return, net is comprised of the following for the years ended December 31, 2019 and 2018 respectively:

	<u>2019</u>	<u>2018</u>
Dividend and Interest Income, Net	\$ 608,495	\$ 500,870
Foundation Administration Fee	418,090	406,603
Net Increase (Decrease) in the Fair Value of Investments	<u>6,092,634</u>	<u>(1,432,203)</u>
Subtotal	<u>7,119,219</u>	<u>(524,730)</u>
Less: Foundation Administration Fee	<u>(418,090)</u>	<u>(406,603)</u>
Total	<u>\$ 6,701,129</u>	<u>\$ (931,333)</u>

Realized gains and losses on investments represent the change in market value from the balance sheet date to the date of sale. Changes in market value for investments held by the Foundation are reflected as a net increase or decrease in the fair value of investments, a component of investment return in the accompanying statements of activities.

Net investment revenues are netted against management investment expenses, including custodial fees and investment advisory fees paid which amounted to \$170,169 and \$157,484 for the years ended December 31, 2019 and 2018 respectively.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 5 – LONG-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS  
(CONTINUED)

The below table sets forth the unfunded commitments (future cash investments that the Foundation is required to make to the fund), redemption frequency, and redemption notice period for the alternative investments, which are valued using NAV:

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Private Equity				
Landmark Equity Partners XIV	\$ 163,401	\$ 29,080	Illiquid**	N/A
Park Street Capital Private Equity Fund	515,765	20,000	Illiquid**	N/A
Landmark Equity Partners XV	426,933	258,658	Illiquid**	N/A
Private Co-Investment Opp Offshore	352,017	164,391	Illiquid**	N/A
SCS Private Equity IV (Cayman), LP	4,645,281	1,009,066	Illiquid**	N/A
SCS Private Equity V (Cayman), LP	2,497,128	1,948,469	Illiquid**	N/A
SCS Private Equity VI (Cayman), LP	765,058	2,590,603	Illiquid**	N/A
Total Private Equity	<u>9,365,583</u>	<u>6,020,267</u>		
Multi-Sector Credit				
Brevet Short Duration Fund	996,246	-	Quarterly	90 Days
SCS Multi-Sector Credit Offshore	5,334,843	-	Quarterly	100 Days
Guggenheim Opp Fund	10,761	-	Quarterly	90 Days
Total Multi-Sector Credit	<u>6,341,850</u>	<u>-</u>		
Domestic Equity				
SCS US Equity Fund	<u>6,269,473</u>	<u>-</u>	Bi-Weekly	2 Days
Fixed Income				
DCI Enhanced Investment	<u>956,280</u>	<u>-</u>	Quarterly	6 Days
International Equity				
SCS International Equity	<u>5,041,485</u>	<u>-</u>	Bi-Weekly	2 Days

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 5 – LONG-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS  
(CONTINUED)

	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Private Real Assets				
Common Fund Natural Resources	200,449	17,500	Illiquid**	N/A
Park Street Capital Natural Resources	308,756	16,250	Illiquid**	N/A
VIA Energy Fund III	561,209	305,000	Illiquid**	N/A
Total Private Real Assets	<u>1,070,414</u>	<u>338,750</u>		
Private Credit				
Private Credit Strat III Offshore	426,068	1,285,764	Illiquid**	N/A
Golub Capital Partners Int'l XI, L.P.	893,564	125,000	Illiquid**	N/A
Total Private Credit	<u>1,319,632</u>	<u>1,410,764</u>		
Hedge Fund Strategy				
SCS Special Situations Fund	2,092,089	-	Semi-Annual	65 Days
SCS Opportunities Fund LTD	2,160,209	-	Quarterly	65 Days
Sculptor Overseas Fund II, LTD	3,145	-	Holdback	
Total Other	<u>4,255,443</u>	<u>-</u>		
Total Investments at NAV	<u>\$ 34,620,160</u>	<u>\$ 7,769,781</u>		

\*\* These alternative investments are made with a long-term perspective, or generally about ten to twelve years in duration with two one-year extensions. These investments are illiquid in nature and not eligible for redemption.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 5 – LONG-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS  
(CONTINUED)

The investment strategies of the alternative funds that use NAV as a practical expedient are as follows:

Class of Investment	Investment Strategy
Global Private Equity	Private equity is an alternative investment class and consists of capital that is not listed on a public exchange. Private equity is composed of funds and investors that directly invest in private companies, or that engage in buyouts of public companies, resulting in the delisting of public equity. Goal is to outperform public equity by constructing a portfolio of investments diversified across strategies, sectors, and vintages. Favor managers who invest in the inefficient lower-middle market or have deep industry-specific expertise.
Multi-Sector Credit	Goal is to generate high current income while providing better downside protection than traditional high-yield corporates. Targeting credits that offer expected yield premiums due to complexity, scarcity, and capital inefficiencies. Downside risks may be mitigated by investing across a broad range of borrowers, industries, collateral and coupon types with varying economic cyclicity (aimed at diversifying the timing and severity of losses).
Domestic Equity	Invests in public equity managers primarily focused inside the US.
Fixed Income	Goal of enhancing yield with emphasis on capital preservation and deflation protection. Invests in liquid corporate credit debt.
International Equity	Invests in public equity managers primarily focused outside the US.
Private Real Assets	Invests globally in a diversified mix of resource-oriented categories, primarily via private commingled partnerships, although co-investments and separate accounts are employed on an opportunistic basis
Private Credit	Goal is to provide consistent high cash yield and attractive total returns over the economic cycle, through investments in non-publicly traded lending managers (e.g. corporate, asset backed, distressed lending)
Hedge Fund Strategy	Goal is to produce consistent returns not highly correlated to equity, commodity, and fixed income markets.



THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation is being provided by use of the straight-line method over the assets' estimated useful lives as follows:

	Estimated Life in Years	2019	2018
Furniture, Fixtures and Equipment	5-15 Years	\$ 74,678	\$ 73,665
Less: Accumulated Depreciation		(66,488)	(64,926)
Total		<u>\$ 8,190</u>	<u>\$ 8,739</u>

Depreciation expense for the year ended December 31, 2019 and 2018 is \$1,562 and \$1,737 respectively.

NOTE 7 – SPLIT-INTEREST AGREEMENTS

The Foundation's split-interest agreements with donors consist of charitable gift annuities, charitable lead trusts and irrevocable charitable remainder trusts for which the Foundation serves as trustee. Assets are invested and payments are made to donors and/or other beneficiaries in accordance to the respective donor agreements. Contribution revenues for charitable gift annuities, charitable remainder trusts, and charitable lead trusts are recognized on the date the agreements are established after recording liabilities for the present value of the estimated future payments to be made to the respective donors and/or other beneficiaries. Assets held in split-interest agreements totaled \$640,356 and \$612,907 on December 31, 2019 and 2018 respectively and are reported at fair market value in the Foundation's statement of financial position. On an annual basis, the Foundation revalues the liabilities to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments are \$560,934 and \$579,313 at December 31, 2019 and 2018 respectively, calculated using discount rates and applicable mortality tables.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 8 – NET ASSETS

Net assets without donor restrictions of \$4,849,492 and \$4,344,113 for the years ended December 31, 2019 and 2018, respectively, include net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as board designations. Board designated net assets, totaled \$201,861 and \$176,811 for the years ended December 31, 2019 and 2018, respectively.

Changes in time and purpose restricted net assets during the year ended December 31, 2019, are as follows:

	<u>1/1/19</u>	<u>Contributions &amp; Earnings / (Losses), Net</u>	<u>Transferred</u>	<u>Released</u>	<u>12/31/19</u>
Philanthropic Funds	\$ 5,588,176	\$ 2,609,397	\$ 296	\$(1,132,590)	\$ 7,065,279
Charitable Remainder Trusts	396,413	70,163	-	(25,233)	441,343
Charitable Gift Annuities	216,493	49,364	-	(56,901)	208,956
Tzedakah Funds	229,894	39,861	-	(4,251)	265,504
Perpetual Restricted Funds	<u>27,918,574</u>	<u>8,437,648</u>	<u>2,557</u>	<u>(1,233,318)</u>	<u>35,125,461</u>
Total	<u>\$ 34,349,550</u>	<u>\$ 11,206,433</u>	<u>\$ 2,853</u>	<u>\$(2,452,293)</u>	<u>\$ 43,106,543</u>

Changes in time and purpose restricted net assets during the year ended December 31, 2018, are as follows:

	<u>1/1/18</u>	<u>Contributions &amp; Earnings / (Losses), Net</u>	<u>Transferred</u>	<u>Released</u>	<u>12/31/18</u>
Philanthropic Funds	\$ 5,887,878	\$ 729,598	\$ -	\$(1,029,300)	\$ 5,588,176
Charitable Remainder Trusts	461,312	(18,343)	2,675	(49,231)	396,413
Charitable Gift Annuities	287,294	(13,900)	-	(56,901)	216,493
Tzedakah Funds	246,166	(4,967)	-	(11,305)	229,894
Perpetual Restricted Funds	<u>29,189,796</u>	<u>(211,496)</u>	<u>-</u>	<u>(1,059,726)</u>	<u>27,918,574</u>
Total	<u>\$ 36,072,446</u>	<u>\$ 480,892</u>	<u>\$ 2,675</u>	<u>\$(2,206,463)</u>	<u>\$ 34,349,550</u>

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 9 – CONCENTRATION OF CREDIT RISK

Credit Risk

The Foundation maintains demand deposits and money market funds at financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. Government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. Consequently, the failure of an institution could result in financial loss. However, the Foundation has not experienced any losses on these accounts in the past, and management believes the risk of loss, if any, to be minimal.

Market Risk

The Foundation invests in a diverse professionally managed portfolio of investments. Such investments are exposed to potential market volatility. Therefore, the Foundation's investments may be subject to significant fluctuations in fair value. Consequently, the investment amounts reported in the accompanying financial statements may not be reflective of the portfolio's fair value during subsequent periods.

NOTE 10 – STATEMENTS OF CASH FLOWS

Supplemental disclosure of cash flow information:

	<u>2019</u>	<u>2018</u>
Interest Paid During the Year	\$ -	\$ -
Non Cash Gifts received	\$ 3,217,781	\$ 870,403

NOTE 11 – SUBSEQUENT EVENTS

The Foundation evaluates the impact of subsequent events, which are events that occur after the statement of financial position date but before the financial statements are issued for potential recognition in the financial statements. As of the statement of financial position date, for the year ended December 31, 2019, the Foundation evaluated subsequent events through August 5, 2020 which is the date the financial statements were issued.



THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 11 – SUBSEQUENT EVENTS (CONTINUED)

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Foundation’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on its donors, funding organizations, employees and vendors all of which are uncertain and cannot be predicted.

The COVID-19 pandemic during 2020 has significantly disrupted financial markets, economies and other events subsequent to December 31, 2019. As previously disclosed in Note 9, investments are exposed to various risks, such as interest rate, market and credit risks. While the Foundation’s investment return has not been materially impacted for the six months ended June 30, 2020, due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of financial position and the statements of activities and changes in net assets.