

THE JEWISH FOUNDATION OF
GREATER NEW HAVEN, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, 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, 2020 and 2019, 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 blue ink that reads "Teplitzky & Company P.C." in a cursive script.

Woodbridge, Connecticut

October 20, 2021

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	ASSETS	
	2020	2019
Assets		
Cash and Cash Equivalents	\$ 74,653	\$ 40,762
Unconditional Promises to Give	8,067	2,101,487
Note Receivable	1,336,978	1,306,493
Prepaid Expenses and Other Assets	95,902	95,449
Cash Surrender Value of Life Insurance	248,694	194,927
Investments	67,560,677	57,245,207
Property and Equipment, Net	6,800	8,190
	<u>69,331,771</u>	<u>60,992,515</u>
Total Assets	<u>\$ 69,331,771</u>	<u>\$ 60,992,515</u>
	LIABILITIES AND NET ASSETS	
	2020	2019
Liabilities		
Accounts Payable	\$ 20,641	\$ 18,635
Accrued Liabilities and Allocations	73,552	56,831
Liabilities Under Split Interest Agreements	509,163	560,934
Custodial Accounts	14,263,123	12,400,080
	<u>14,866,479</u>	<u>13,036,480</u>
Total Liabilities	<u>14,866,479</u>	<u>13,036,480</u>
Net Assets		
Without Donor Restrictions		
Undesignated	5,069,025	4,647,631
Board Designated	236,509	201,861
	<u>5,305,534</u>	<u>4,849,492</u>
Total Without Donor Restrictions	5,305,534	4,849,492
With Donor Restrictions	49,159,758	43,106,543
	<u>54,465,292</u>	<u>47,956,035</u>
Total Net Assets	<u>54,465,292</u>	<u>47,956,035</u>
Total Liabilities and Net Assets	<u>\$ 69,331,771</u>	<u>\$ 60,992,515</u>

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

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Contributions	\$ 579	\$ 2,128,068	\$ 2,128,647	\$ 70,227	\$ 5,583,224	\$ 5,653,451
Investment Return, Net	1,056,979	6,784,136	7,841,115	987,919	5,615,286	6,603,205
Administration Fee	100,657	-	100,657	97,924	-	97,924
Present Value Adjustments to Split-Interest Agreements	(21,629)	73,400	51,771	7,603	10,776	18,379
Net Assets Released from Restrictions	2,932,389	(2,932,389)	-	2,452,293	(2,452,293)	-
Total Revenue and Support	4,068,975	6,053,215	10,122,190	3,615,966	8,756,993	12,372,959
Expenses						
Program Services	3,115,975	-	3,115,975	2,609,550	-	2,609,550
Fundraising	70,475	-	70,475	72,404	-	72,404
Management & General	426,483	-	426,483	428,633	-	428,633
Total Expenses	3,612,933	-	3,612,933	3,110,587	-	3,110,587
Change in Net Assets	456,042	6,053,215	6,509,257	505,379	8,756,993	9,262,372
Net Assets - Beginning of Year	4,849,492	43,106,543	47,956,035	4,344,113	34,349,550	38,693,663
Net Assets - End of Year	\$ 5,305,534	\$ 49,159,758	\$ 54,465,292	\$ 4,849,492	\$ 43,106,543	\$ 47,956,035

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, 2020

	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	\$ 1,775,242	\$ -	\$ 1,775,242	\$ -	\$ -	\$ -	\$ 1,775,242
Charitable Distributions from							
Donor Restricted Funds	1,107,527	-	1,107,527	-	-	-	1,107,527
Other Fund Distributions	59,443	-	59,443	-	-	-	59,443
Grants from Unrestricted Funds	72,025	-	72,025	-	-	-	72,025
Charitable Distributions from							
Charitable Lead Trusts	650	-	650	-	-	-	650
Wages Taxes & Fringes	-	27,353	27,353	62,522	307,883	370,405	397,758
Marketing	-	1,759	1,759	6,800	18,448	25,248	27,007
Program Expenses	-	71,851	71,851	-	-	-	71,851
Utilities	-	-	-	1,000	3,017	4,017	4,017
Bank and Payroll Fees	-	-	-	-	2,573	2,573	2,573
Depreciation	-	-	-	-	1,391	1,391	1,391
Administrative Fees	-	-	-	-	52,055	52,055	52,055
Professional Fees	-	125	125	153	41,116	41,269	41,394
	<u>\$ 3,014,887</u>	<u>\$ 101,088</u>	<u>\$ 3,115,975</u>	<u>\$ 70,475</u>	<u>\$ 426,483</u>	<u>\$ 496,958</u>	<u>\$ 3,612,933</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
	<u>\$ 2,520,329</u>	<u>\$ 89,221</u>	<u>\$ 2,609,550</u>	<u>\$ 72,404</u>	<u>\$ 428,633</u>	<u>\$ 501,037</u>	<u>\$ 3,110,587</u>

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 6,509,257	\$ 9,262,372
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Depreciation and Amortization	1,390	1,562
Net Realized and Unrealized Gains on Investments	(6,988,541)	(6,701,086)
Accrued Interest on Note Receivable	(30,485)	-
Net Increase in Cash Surrender Value of Life Insurance	(53,767)	(14,150)
Contributions Restricted to Long-Term Investments	(208,146)	(3,819,335)
Decrease (Increase) in Assets:		
Unconditional Promises to Give	2,093,420	(2,073,183)
Prepaid Expenses	(453)	(77,791)
Increase (Decrease) in Liabilities:		
Accounts Payable	2,006	14,152
Accrued Liabilities and Allocations	16,721	(10,359)
Net Cash Provided by (Used in) Operating Activities	<u>1,341,402</u>	<u>(3,417,818)</u>
Cash Flows from Investing Activities:		
Purchases of Property and Equipment	-	(1,013)
Purchases of Long-Term Investments	(47,840,685)	(23,652,952)
Proceeds from Sales of Long-Term Investments	46,367,541	23,052,866
Net Cash Used in Investing Activities	<u>(1,473,144)</u>	<u>(601,099)</u>
Cash Flows from Financing Activities:		
Increase in Custodial Accounts	9,258	206,714
Decrease in Split Interest Agreements	(51,771)	(18,379)
Proceeds from Contributions Restricted to Long-Term Investments	208,146	3,819,335
Net Cash Provided by Financing Activities	<u>165,633</u>	<u>4,007,670</u>
Net Increase (Decrease) in Cash and Cash Equivalents	33,891	(11,247)
Cash and Cash Equivalents - Beginning of Year	<u>40,762</u>	<u>52,009</u>
Cash and Cash Equivalents - End of Year	<u>\$ 74,653</u>	<u>\$ 40,762</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, 2020 AND 2019

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.

Recent Developments

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a global pandemic. The COVID-19 pandemic has negatively impacted the global economy, created significant volatility and disruption in financial markets and has resulted in an economic recession. The Foundation is closely monitoring the impact of the COVID-19 pandemic and is taking necessary actions to preserve financial liquidity to navigate the uncertainty caused by the pandemic. However, the precise financial impact and duration cannot be reasonably estimated at this time.

Basis of Accounting

The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), 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 Trustees 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 8).

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.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 GAAP. During the years ended December 31, 2020 and 2019, the value of contributed services, meeting the requirements for recognition, in the financial statements is deemed not material and has not been recorded.

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 as 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. For the years ended December 31, 2020 and 2019, management has determined that no allowance is needed.

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. Restricted contributions for which the restriction is met within the same year in which the contributions were received, are recorded as net assets without donor restrictions.

Reclassification

Certain 2019 balances have been reclassified to conform with the current year presentation.

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.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 changes in net assets 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.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

Recently Adopted Accounting Standards

In 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-13, *Fair Value Measurement*. The Foundation adopted the provisions of this new standard during the year ended December 31, 2020. The standard amends the disclosure requirements for recurring and nonrecurring fair value measurements by removing, modifying, and adding certain disclosures.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of December 31, 2020 and 2019, the Foundation has approximately \$3,718,000 and \$3,302,000, 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>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 74,653	\$ 40,762
Unconditional Promises to Give	8,067	2,101,487
Note Receivable	1,336,978	1,306,493
Cash Surrender Value of Life Insurance	248,694	194,927
Investments	<u>67,560,677</u>	<u>57,245,207</u>
Total Financial Assets	69,229,069	60,888,876
Less financial assets held to meet donor-imposed restrictions:		
Donor restricted funds	(49,159,758)	(43,106,543)
Custodial accounts	(14,263,123)	(12,400,080)
Split-interest agreements	(509,163)	(560,934)
Less financial assets not available within one year:		
Unconditional promises to give	(5,700)	(10,767)
Note receivable	(1,336,978)	(1,306,493)
Less board-designated endowment fund	<u>(236,509)</u>	<u>(201,861)</u>
Financial Assets Available to meet Cash needs for general expenditures within one year	<u>\$ 3,717,838</u>	<u>\$ 3,302,198</u>

The above table reflects board designated funds as unavailable because it is the Foundation's intention to invest those resources for the long-term support of the organization. However, in the case of need, the Board of Trustees 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, the 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, 2020 AND 2019

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

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

	<u>2020</u>	<u>2019</u>
Unconditional Promises Expected to be Collected in:		
Less Than One Year	\$ 2,367	\$ 2,090,720
One to Five Years	<u>5,700</u>	<u>10,767</u>
Unconditional Promises to Give	<u>\$ 8,067</u>	<u>\$ 2,101,487</u>

NOTE 4 – NOTE RECEIVABLE

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 will require monthly principal payments of \$3,629, which will continue through the note's maturity date of October 1, 2055. 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. The suspended interest, totaling \$30,485 for the year ended December 31, 2020, has been added to the principal balance of the loan. The outstanding balance on this note as of December 31, 2020 and 2019 was 1,336,978 and 1,306,493 respectively.

The aggregate annual maturities of the note receivable as of December 31, 2020 are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ -
2022	-
2023	-
2024	-
2025	43,548
Thereafter	<u>1,293,430</u>
Total	<u>\$ 1,336,978</u>

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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 requirements 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 Accounting Standards Codification (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.

Level 2 – Observable inputs, other than Level 1 inputs, 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 that 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. There were no transfers between levels during 2020 or 2019.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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

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, 2020 and 2019.

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)

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 JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments fair value as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Valued NAV Per Share*</u>	<u>Total</u>
Investments					
Money Market Funds	\$ 926,035	\$ -	\$ -	\$ -	\$ 926,035
Mutual Funds	21,863,544	-	-	-	21,863,544
Exchange Traded Funds	11,604,418	-	-	-	11,604,418
U.S. Government Securities	99,010	-	-	-	99,010
Foreign Bonds	-	436,292	-	-	436,292
Alternative Investments *	-	-	-	32,631,378	32,631,378
Total Investments at Fair Value	<u>\$ 34,493,007</u>	<u>\$ 436,292</u>	<u>\$ -</u>	<u>\$ 32,631,378</u>	<u>\$ 67,560,677</u>

Investment assets at fair value as of December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Valued NAV Per Share*</u>	<u>Total</u>
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>

* 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 JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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

Investment return, net is comprised of the following for the years ended December 31, 2020 and 2019 respectively:

	<u>2020</u>	<u>2019</u>
Dividend and Interest Income	\$ 392,685	\$ 608,495
Foundation Administration Fee	459,000	418,090
Net Increase in the Fair Value of Investments	<u>7,448,430</u>	<u>5,994,710</u>
Subtotal	8,300,115	7,021,295
Less: Foundation Administration Fee	<u>(459,000)</u>	<u>(418,090)</u>
Total	<u>\$ 7,841,115</u>	<u>\$ 6,603,205</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 \$183,024 and \$170,169 for the years ended December 31, 2020 and 2019 respectively.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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	\$ 167,304	\$ 31,098	Illiquid**	N/A
Park Street Capital Private Equity Fund	604,523	30,000	Illiquid**	N/A
Landmark Equity Partners XV	519,383	318,944	Illiquid**	N/A
Private Co-Investment Opp Offshore	681,042	-	Illiquid**	N/A
SCS Private Equity IV (Cayman), LP	6,597,798	1,757,450	Illiquid**	N/A
SCS Private Equity V (Cayman), LP	4,616,697	2,995,745	Illiquid**	N/A
SCS Private Equity VI (Cayman), LP	1,670,747	-	Illiquid**	N/A
Total Private Equity	<u>14,857,494</u>	<u>5,133,237</u>		
Multi-Sector Credit				
Brevet Short Duration Fund	1,081,322	-	Quarterly	90 Days
SCS Multi-Sector Credit Offshore	3,961,873	-	Quarterly	100 Days
Total Multi-Sector Credit	<u>5,043,195</u>	<u>-</u>		
Domestic Equity				
SCS Public Markets, LLC	312,240	-	Holdback	
Private Real Assets				
Common Fund Natural Resources	161,727	-	Illiquid**	N/A
Park Street Capital Natural Resources	253,599	16,250	Illiquid**	N/A
VIA Energy Fund III	531,294	395,000	Illiquid**	N/A
Total Private Real Assets	<u>946,620</u>	<u>411,250</u>		
Private Credit				
Private Credit Strat III Offshore	721,463	1,438,420	Illiquid**	N/A
Golub Capital Partners Int'l XI, L.P.	891,739	650,000	Illiquid**	N/A
Total Private Credit	<u>1,613,202</u>	<u>2,088,420</u>		
Hedge Fund Strategy				
Absolute Return Strat. Offshore, Ltd	7,301,823	-	Quarterly	65 Days
Hedged Equity Offshore, Ltd	2,554,335	-	Semi-Annual	65 Days
Sculptor Overseas Fund II, LTD	2,469	-	Holdback	
Total Other	<u>9,858,627</u>	<u>-</u>		
Total Investments at NAV	<u>\$ 32,631,378</u>	<u>\$ 7,632,907</u>		

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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

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

<u>Class of Investment</u>	<u>Investment Strategy</u>
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 cyclicalities (aimed at diversifying the timing and severity of losses).
Domestic Equity	Invests in public equity managers primarily focused inside the US.
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, 2020 AND 2019

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	2020	2019
Furniture, Fixtures and Equipment	5-15 Years	\$ 74,678	\$ 74,678
Less: Accumulated Depreciation		(67,878)	(66,488)
Total		<u>\$ 6,800</u>	<u>\$ 8,190</u>

Depreciation expense for the years ended December 31, 2020 and 2019 is \$1,390 and \$1,562 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 \$799,406 and \$640,356 on December 31, 2020 and 2019 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 \$509,163 and \$560,934 at December 31, 2020 and 2019 respectively, calculated using discount rates and applicable mortality tables.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 8 – NET ASSETS

Net assets without donor restrictions of \$5,305,534 and \$4,849,492 for the years ended December 31, 2020 and 2019, 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 \$236,509 and \$201,861 for the years ended December 31, 2020 and 2019, respectively.

Changes in time and purpose restricted net assets during the year ended December 31, 2020, are as follows:

	<u>1/1/20</u>	<u>Contributions & Earnings / (Losses), Net</u>	<u>Transferred</u>	<u>Released</u>	<u>12/31/20</u>
Philanthropic Funds	\$ 7,065,279	\$ 3,032,867	\$ -	\$(1,542,070)	\$ 8,556,076
Charitable Remainder Trusts	441,343	69,284	-	(24,431)	486,196
Charitable Gift Annuities	208,956	139,916	-	(35,662)	313,210
Tzedakah Funds	265,504	50,898	-	(5,054)	311,348
Perpetual Restricted Funds	<u>35,125,461</u>	<u>5,692,639</u>	<u>-</u>	<u>(1,325,172)</u>	<u>39,492,928</u>
Total	<u>\$ 43,106,543</u>	<u>\$ 8,985,604</u>	<u>\$ -</u>	<u>\$(2,932,389)</u>	<u>\$ 49,159,758</u>

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 & 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>

NOTE 9 – ENDOWMENT

The Foundation's endowments consists of approximately 300 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 9 – ENDOWMENT (CONTINUED)

Interpretation of Relevant Law

The Foundation is subject to the State of Connecticut Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Trustees of the Foundation has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 9 – ENDOWMENT (CONTINUED)

Endowment net asset composition by type of fund as of December 31, 2020 and 2019:

<u>2020</u>	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	\$ 236,509	\$ -	\$ 236,509
Donor Restricted Endowment Funds:			
Original donor-restricted gift amount amounts required to be maintained in perpetuity by donor	-	29,782,958	29,782,958
Accumulated investment gains	-	7,480,821	7,480,821
Total	<u>\$ 236,509</u>	<u>\$ 37,263,779</u>	<u>\$ 37,500,288</u>
<u>2019</u>	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	\$ 201,861	\$ -	\$ 201,861
Donor Restricted Endowment Funds:			
Original donor-restricted gift amount And amounts required to be maintained in perpetuity by donor	-	29,574,812	29,574,812
Accumulated investment gains	-	2,926,288	2,926,288
Total	<u>\$ 201,861</u>	<u>\$ 32,501,100</u>	<u>\$ 32,702,961</u>

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 9 – ENDOWMENT (CONTINUED)

Changes in endowment net assets for the year ended December 31, 2020 and 2019:

<u>2020</u>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 201,861	\$ 32,501,100	\$ 32,702,961
Investment return, net	34,648	5,926,294	5,960,942
Contributions	-	208,146	208,146
Appropriation of endowment assets for expenditure	-	(1,105,794)	(1,105,794)
Other changes	-	(265,967)	(265,967)
	<hr/>	<hr/>	<hr/>
Endowment net assets, end of year	<u>\$ 236,509</u>	<u>\$ 37,263,779</u>	<u>\$ 37,500,288</u>

<u>2019</u>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 176,811	\$ 25,894,713	\$ 26,071,524
Investment return, net	25,050	4,011,097	4,036,147
Contributions	-	3,819,335	3,819,335
Appropriation of endowment assets for expenditure	-	(989,537)	(989,537)
Other changes	-	(234,508)	(234,508)
	<hr/>	<hr/>	<hr/>
Endowment net assets, end of year	<u>\$ 201,861</u>	<u>\$ 32,501,100</u>	<u>\$ 32,702,961</u>

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets have longer-term investment objectives and diversified strategies that will accommodate relevant, reasonable, or probable events. Careful management of the assets is designed to ensure a total return necessary to preserve and enhance the principal of the funds and at the same time, provide a dependable source of support for current operations and programs.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 9 – ENDOWMENT (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 4 percent of its endowment fund's average fair value over the prior 12 quarters. In establishing this policy, the Foundation considered the long-term expected return on its endowment. The Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. The Board of Trustees appropriated for expenditure \$846 from underwater endowment funds during the year, which represents less than 1 percent of the 12-quarter moving average, not the 4 percent it generally draws from its endowment.

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist, as of December 31, 2020, in 2 donor-restricted endowment funds, which together have an original gift value of \$133,768, a current fair value of \$25,952, and a deficiency of \$107,816. Deficiencies of this nature exist, as of December 31, 2019, in 24 donor-restricted endowment funds, which together have an original gift value of \$1,746,535, a current fair value of \$1,650,620, and a deficiency of \$95,915. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

THE JEWISH FOUNDATION OF GREATER NEW HAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 10 – 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 11 – STATEMENTS OF CASH FLOWS

Supplemental disclosure of cash flow information:

	<u>2020</u>	<u>2019</u>
Interest Paid During the Year	\$ -	\$ -
Non Cash Gifts received	\$ 496,386	\$ 3,217,781

NOTE 12 – 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. Management has evaluated for subsequent events for recognition and disclosure through October 20, 2021, the date the financial statements were available to be issued.