



JEWISH FEDERATION OF GREATER METROWEST NJ AND AFFILIATES
Consolidated Financial Statements
June 30, 2020 and 2019
With Independent Auditor's Report

Jewish Federation of Greater MetroWest NJ and Affiliates
Table of Contents
June 30, 2020 and 2019

Independent Auditor's Report	1-2
Financial Statements	
Consolidated Statements of Financial Position	3-4
Consolidated Statements of Activities and Changes in Net Assets	5-6
Consolidated Statements of Cash Flows	7-8
Consolidated Statements of Functional Expenses	9-10
Notes to Consolidated Financial Statements	11-38
Supplementary Information	
Consolidating Statements of Financial Position	39-42
Consolidating Statements of Activities and Changes in Net Assets	43-44

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Jewish Federation of Greater MetroWest NJ and Affiliates:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Jewish Federation of Greater MetroWest NJ and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jewish Federation of Greater MetroWest NJ and Affiliates as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Withum Smith & Brown, PC

December 10, 2020

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Financial Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 8,125,938	\$ 10,326,579
Restricted cash held in investment pool	37,638,744	31,706,228
Pledges receivable, net	17,305,720	16,086,516
Due from beneficiary agencies, net of allowance for doubtful accounts of \$4,360,900 as of June 30, 2020 and 2019	540,637	308,100
Loans receivable, current portion	172,953	212,743
Agency pension loan receivable, current portion	408,877	279,223
Other receivables	1,474,523	1,245,732
Other current assets	<u>942,220</u>	<u>1,267,496</u>
Total current assets	<u>66,609,612</u>	<u>61,432,617</u>
Property and equipment, net	<u>4,973,129</u>	<u>5,452,963</u>
Long-term investments	420,559,473	440,286,471
Due from beneficiary agencies, net of current portion	1,097,843	1,001,800
Loans receivable, net of current portion	1,772,087	2,193,213
Agency pension loan receivable, net of current portion	9,014,551	9,298,231
Pledges receivable, net of current portion	970,600	225,042
Cash surrender value of life insurance, net	7,278,582	7,258,165
Property and equipment held for rental, net	<u>593,664</u>	<u>840,934</u>
	<u>441,286,800</u>	<u>461,103,856</u>
Total assets	<u>\$ 512,869,541</u>	<u>\$ 527,989,436</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Financial Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 5,588,986	\$ 5,430,119
Bonds payable	550,000	550,000
Grants payable	10,596,953	10,947,646
Split interest agreements payable	189,933	218,488
Post retirement health benefits	64,700	68,500
Pension loan payable	487,165	467,386
Due to beneficiary agencies	37,797	160,963
Deferred revenue	85,222	459,342
Capital lease payable	13,471	56,593
Total current liabilities	<u>17,614,227</u>	<u>18,359,037</u>
Long-term liabilities		
Bonds payable, net of current portion	7,965,000	8,515,000
Deferred revenue, net of current portion	1,557,716	1,314,213
Due to beneficiary agencies, net of current portion	21,974,391	23,124,783
Due to other organizations	27,195,226	28,904,192
Post retirement health benefits, net of current portion	604,548	656,384
Split interest agreements payable, net of current portion	661,991	828,629
Security deposits	144,900	144,900
Capital lease payable, net of current portion	110,735	124,205
Pension loan payable	15,480,727	15,967,892
Grants payable, net of current portion and discount	20,002,150	27,005,694
Total long term liabilities	<u>95,697,384</u>	<u>106,585,892</u>
Total liabilities	<u>113,311,611</u>	<u>124,944,929</u>
Net assets		
Without donor restrictions	304,873,899	310,047,055
With donor restrictions	94,684,031	92,997,452
Total net assets	<u>399,557,930</u>	<u>403,044,507</u>
Total liabilities and net assets	<u>\$ 512,869,541</u>	<u>\$ 527,989,436</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Contributions	\$ 44,507,459	\$ 10,548,888	\$ 55,056,347
Less: Donor designations	<u>(2,622,658)</u>	<u>-</u>	<u>(2,622,658)</u>
Net contributions	41,884,801	10,548,888	52,433,689
Valuation allowance	(71,610)	-	(71,610)
Bequests	63,085	50,000	113,085
Rental income	2,960,412	-	2,960,412
Grants and contract revenue	2,014,006	-	2,014,006
Program and service fees	1,272,979	-	1,272,979
Investment return, net	1,529,059	(2,643,135)	(1,114,076)
Administrative fee revenue	296,395	-	296,395
Allocation of investment return to funds held for others	469,721	-	469,721
Miscellaneous income	<u>121,252</u>	<u>-</u>	<u>121,252</u>
	50,540,100	7,955,753	58,495,853
Net assets released due to satisfaction of purpose and time restrictions	<u>6,269,174</u>	<u>(6,269,174)</u>	<u>-</u>
	<u>56,809,274</u>	<u>1,686,579</u>	<u>58,495,853</u>
Expenses			
Program services	54,476,395	-	54,476,395
Supporting services	<u>7,506,035</u>	<u>-</u>	<u>7,506,035</u>
	<u>61,982,430</u>	<u>-</u>	<u>61,982,430</u>
Changes in net assets	(5,173,156)	1,686,579	(3,486,577)
Net assets			
Beginning of year	<u>310,047,055</u>	<u>92,997,452</u>	<u>403,044,507</u>
End of year	<u>\$ 304,873,899</u>	<u>\$ 94,684,031</u>	<u>\$ 399,557,930</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Contributions	\$ 46,434,195	\$ 6,347,130	\$ 52,781,325
Less: Donor designations	<u>(3,091,465)</u>	<u>-</u>	<u>(3,091,465)</u>
Net contributions	43,342,730	6,347,130	49,689,860
Valuation allowance	320,472	-	320,472
Bequests	2,911,715	2,982,386	5,894,101
Rental income	2,806,111	-	2,806,111
Grants and contract revenue	398,226	-	398,226
Program and service fees	2,451,452	-	2,451,452
Investment return, net	17,821,908	2,450,001	20,271,909
Administrative fee revenue	291,624	-	291,624
Allocation of investment return to funds held for others	(2,280,622)	-	(2,280,622)
Miscellaneous income	<u>241,651</u>	<u>-</u>	<u>241,651</u>
	68,305,267	11,779,517	80,084,784
Net assets released due to satisfaction of purpose and time restrictions	<u>8,032,701</u>	<u>(8,032,701)</u>	<u>-</u>
	<u>76,337,968</u>	<u>3,746,816</u>	<u>80,084,784</u>
Expenses			
Program services	55,160,975	-	55,160,975
Supporting services	<u>9,515,312</u>	<u>-</u>	<u>9,515,312</u>
	<u>64,676,287</u>	<u>-</u>	<u>64,676,287</u>
Changes in net assets	11,661,681	3,746,816	15,408,497
Net assets			
Beginning of year	<u>298,385,374</u>	<u>89,250,636</u>	<u>387,636,010</u>
End of year	<u>\$ 310,047,055</u>	<u>\$ 92,997,452</u>	<u>\$ 403,044,507</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating activities		
Changes in net assets	\$ (3,486,577)	\$ 15,408,497
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	986,809	1,028,618
Change in cash surrender value of life insurance	(20,417)	(423,490)
Change in value of split interest agreements	10,993	82,053
Bad debt expense	633	444,529
Loan forgiveness	222,923	-
(Recovery) provision for collections on losses on receivable	(86,006)	106,767
Donated securities	(885,235)	(1,250,906)
Realized and unrealized losses (gains) on investments	11,461,934	(8,111,884)
Present value adjustments, grants payable	2,054,050	(5,406,444)
Endowment contributions	(7,986,705)	(2,366,802)
Changes in assets and liabilities		
Pledges receivable	(1,879,389)	(2,308,806)
Other receivables	(228,791)	(7,458)
Other assets	325,276	(46,566)
Accounts payable and accrued expenses	158,867	1,308,779
Grants payable	(9,408,287)	17,376,006
Split interest agreements payable	(206,186)	(160,596)
Security deposits payable	-	(15,948)
Deferred revenue	(130,617)	(538,210)
Post retirement health benefits	(55,636)	(24,280)
Net cash provided by (used in) operating activities	<u>(9,152,361)</u>	<u>15,093,859</u>
Investing activities		
Purchase of building improvements and equipment	(259,705)	(238,119)
Payments received on loan receivable	237,993	209,040
Payments received on agency pension loan receivable	154,026	311,894
Payments received on note receivable	-	2,916,000
Purchase of investments	(104,082,045)	(120,977,267)
Sale of investments	<u>113,232,344</u>	<u>115,374,142</u>
Net cash provided by (used in) investing activities	<u>9,282,613</u>	<u>(2,404,310)</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Financing activities		
Transactions with beneficiary agencies	\$ (1,602,138)	\$ (1,775,394)
Endowment contributions	7,986,705	2,366,802
Due to other organizations	(1,708,966)	1,766,432
Payments on pension loan payable	(467,386)	(451,609)
Payments on bonds payable	(550,000)	(5,950,000)
Change in capital leases	(56,592)	1,207
Net cash provided by (used in) financing activities	<u>3,601,623</u>	<u>(4,042,562)</u>
 Net change in cash, cash equivalents and restricted cash	 3,731,875	 8,646,987
 Cash, cash equivalents and restricted cash		
Beginning of year	<u>42,032,807</u>	<u>33,385,820</u>
 End of year	 <u>\$ 45,764,682</u>	 <u>\$ 42,032,807</u>
 Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 607,374</u>	<u>\$ 503,520</u>
Taxes paid	<u>\$ -</u>	<u>\$ 150,978</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Functional Expenses
Year Ended June 30, 2020

	<u>Program Services</u>			<u>Supporting Services</u>				<u>Total</u>
	<u>Allocations and Grants</u>	<u>Program Services</u>	<u>Total</u>	<u>Management and General</u>	<u>Building Services</u>	<u>Fundraising Expenses</u>	<u>Total</u>	
Salaries	\$ -	\$ 5,221,952	\$ 5,221,952	\$ 1,753,126	\$ 547,559	\$ 1,508,913	\$ 3,809,598	\$ 9,031,550
Payroll taxes and fringe benefits	-	1,028,219	1,028,219	341,598	109,120	295,003	745,721	1,773,940
Grants to agencies	36,828,686	1,599,753	38,428,439	-	-	-	-	38,428,439
Allocations to affiliates	4,694,643	-	4,694,643	-	-	-	-	4,694,643
Purchased services	-	775,754	775,754	110,943	22,428	302,798	436,169	1,211,923
Office expense	-	384,660	384,660	269,082	8,168	228,265	505,514	890,174
Consultants	-	88,979	88,979	102,404	6,223	33,915	142,542	231,521
Dues, subscriptions and subsidies	-	12,173	12,173	7,091	135	525	7,751	19,924
Telephone	-	22,373	22,373	8,903	8,407	6,412	23,722	46,095
Occupancy, maintenance, housing	-	44,302	44,302	27,511	399,436	21,866	448,813	493,115
Program expenses	-	1,077,177	1,077,177	164,392	1,557	349,779	515,728	1,592,905
Publicity and promotion	-	489,056	489,056	79,210	-	122,542	201,752	690,808
Travel and related expenses	-	137,226	137,226	43,515	4,094	19,124	66,733	203,959
Insurance	-	57,048	57,048	17,375	60,990	9,973	88,338	145,386
Postage	-	25,279	25,279	10,017	10	11,728	21,755	47,034
Interest expense	-	441,250	441,250	71,301	30,215	64,608	166,124	607,374
Bad debt expense (recovery)	-	223,556	223,556	-	-	(86,006)	(86,006)	137,550
Depreciation and amortization	-	885,703	885,703	63,083	-	38,023	101,106	986,809
Real estate taxes	-	-	-	-	124,056	-	124,056	124,056
Miscellaneous	-	438,606	438,606	52,109	-	134,510	186,619	625,225
	<u>\$ 41,523,329</u>	<u>\$ 12,953,066</u>	<u>\$ 54,476,395</u>	<u>\$ 3,121,660</u>	<u>\$ 1,322,398</u>	<u>\$ 3,061,978</u>	<u>\$ 7,506,035</u>	<u>\$ 61,982,430</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidated Statements of Functional Expenses
Year Ended June 30, 2019

	Program Services			Supporting Services				Total
	Allocations and Grants	Program Services	Total	Management and General	Building Services	Fundraising Expenses	Total	
Salaries	\$ -	\$ 4,554,300	\$ 4,554,300	\$ 1,568,636	\$ 478,777	\$ 1,738,291	\$ 3,785,704	\$ 8,340,004
Payroll taxes and fringe benefits	-	897,262	897,262	317,792	92,923	353,731	764,446	1,661,708
Grants to agencies	37,949,198	796,409	38,745,607	-	-	-	-	38,745,607
Allocations to affiliates	4,860,308	-	4,860,308	-	-	-	-	4,860,308
Purchased services	-	605,717	605,717	101,878	24,056	340,168	466,102	1,071,819
Office expense	-	266,540	266,540	220,700	6,821	300,755	528,276	794,816
Consultants	-	44,962	44,962	101,428	1,132	41,063	143,623	188,585
Dues, subscriptions and subsidies	-	14,951	14,951	10,204	-	457	10,661	25,612
Telephone	-	22,776	22,776	8,864	6,050	7,295	22,209	44,985
Occupancy, maintenance, housing	-	124,794	124,794	99,190	452,713	89,358	641,261	766,055
Program expenses	-	2,450,500	2,450,500	308,076	1,621	611,906	921,603	3,372,103
Publicity and promotion	-	483,376	483,376	63,339	73	96,828	160,240	643,616
Travel and related expenses	-	188,699	188,699	72,979	3,620	35,948	112,547	301,246
Insurance	-	54,755	54,755	15,209	65,557	11,422	92,188	146,943
Postage	-	17,183	17,183	9,939	126	15,785	25,850	43,033
Interest expense	-	378,609	378,609	52,320	13,763	58,828	124,911	503,520
Bad debt expense	-	106,767	106,767	-	-	444,529	444,529	551,296
Unrelated business income tax	-	-	-	150,978	-	-	150,978	150,978
Depreciation and amortization	-	932,346	932,346	60,203	-	36,069	96,272	1,028,618
Real estate taxes	-	-	-	-	122,594	-	122,594	122,594
Miscellaneous	-	411,523	411,523	408,096	3,350	489,872	901,318	1,312,841
	<u>\$ 42,809,506</u>	<u>\$ 12,351,469</u>	<u>\$ 55,160,975</u>	<u>\$ 3,569,831</u>	<u>\$ 1,273,176</u>	<u>\$ 4,672,305</u>	<u>\$ 9,515,312</u>	<u>\$ 64,676,287</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

1. NATURE OF ACTIVITY

Jewish Federation of Greater MetroWest NJ is a New Jersey not-for-profit organization incorporated in 1924, whose primary functions include budgeting and social planning for the support and improvement of Jewish communal services; the identification of needed services; the raising and allocating of funds for operating purposes for local, national and overseas agencies and the coordination of agency services with one another in relation to the total needs of the Jewish community.

Jewish Community Foundation of Greater MetroWest NJ, Inc. (the "Foundation"), a wholly owned subsidiary of Jewish Federation of Greater MetroWest NJ, was incorporated in 1949 as a New Jersey not-for-profit corporation. The Foundation's primary function is to receive, administer and allocate funds and property for Jewish Federation of Greater MetroWest NJ and its beneficiary agencies. The Foundation operates a bequest and endowment program which conducts educational and promotional activities for the development of funds for capital purposes and special projects, and a philanthropic fund which promotes the philanthropic interests and activities of Federation through the grant making process. The Foundation is comprised of 734 individual funds. In addition, the Foundation holds and invests funds for the benefit of other affiliated and non-affiliated organizations. Investments by affiliated and non-affiliated organizations in certain funds administered by the Foundation are subject to significant withdrawal restrictions. The Foundation and Jewish Federation of Greater MetroWest NJ are related organizations, affiliated by means of overlapping Boards of Trustees and management. A substantial portion of the Foundation's revenue is derived from contributions and investment earnings. There are ten supporting foundations of the Foundation at June 30, 2020 and 2019, established to support the charitable activities of the Foundation. These supporting foundations are included in the accompanying consolidated financial statements and are included in net assets without restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the Jewish Federation of Greater MetroWest NJ and Jewish Community Foundation of Greater MetroWest NJ, Inc. which are affiliated by means of overlapping Boards of Trustees control and management. Collectively, the two organizations are hereafter referred to in this report as "Federation". All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions as follows:

Net assets without donor restrictions: Include expendable resources that are used to carry out Federation's operations and are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by Federation or may be limited by contractual agreements with outside parties.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions that will be met either by the actions of Federation or through the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by Federation, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity and that only the income may be made available for operations.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

New Accounting Pronouncements Adopted In The Current Year

Revenue Recognition – Contributions Made and Received

During 2020, Federation adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08 – *Not-for-profit Entities – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transaction or contributions and improve guidance to better distinguish between conditional and unconditional contributions. The adoption of this ASU had no impact on current or prior periods ending net assets or changes in net assets.

Revenue Recognition – Contracts with Customers

FASB Accounting Standards Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. Federation adopted ASU 2014-09 for the year ended June 30, 2020 on a retrospective basis, which did not have a significant impact on the consolidated financial statements.

Financial Instruments

During 2020, Federation adopted ASU 2016-01, *Financial Instruments (Topic 825) Recognition and Measurement of Financial Assets and Financial Liabilities*. This ASU required all equity investments to be measured at fair value with changes in the fair value recognized through net income (other than those accounted for under the equity method for accounting or those that result in consolidation of the investee). In addition, the amendments in this ASU eliminated the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities. Adoption of this accounting pronouncement had no effect on Federation’s 2020 or 2019 consolidated financial statements.

New Accounting Pronouncements Issued Not Yet Adopted

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires the recognition of a “right to use” asset and a lease liability, initially measured at the present value of the lease payments, on the consolidated statement of financial position for all of Federation’s lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021.

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*, which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. This ASU requires a not-for-profit organization to present contributed nonfinancial assets, along with expanded disclosure requirements. Federation does not expect this ASU to have a significant impact on the consolidated financial statements.

Federation is currently evaluating the effect that these pronouncements will have on its consolidated financial statements and related disclosures.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Revenue and Support Recognition

Contributions and Promises to Give

Federation recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as without donor restriction or with donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. Bequests are recorded when the respective will has been declared valid. Donated securities, equipment and works of art are recorded at fair value on the date of donation.

Conditional promises to give, which include those with a barrier or other measurable performance requirement and a right of return or release, are not recognized as revenue or expense until the conditions on which they depend have been substantially met. Payments received in advance of conditions being met are recorded as deferred revenue on the consolidated statements of financial position.

Contracts with Customers

Revenues from contracts with customers include program and service fees. These are treated as exchange transactions in the consolidated statements of activities and changes in net assets. There are no significant financing components as payment is received at or shortly after the point of sale. Funds received in advance from customers for services that have not been performed have been recorded as contract liabilities, which are shown as deferred revenue in the consolidated statements of financial position. Any obligations for refunds are not material and accordingly related disclosures are not provided.

Program and Service Fees

Revenues from program and service fees are recorded once the program has occurred, which is a specific point in time. Refunds are allowed in limited situations prior to the occurrence of the program and occur infrequently. These revenues are shown as support with no donor restrictions in the consolidated statements of activities and changes in net assets.

Other revenues without donor restrictions are obtained from rental income, investment return, administrative fees and miscellaneous income which are recorded when earned. These revenues are used to offset program expenses as well as the cost of property and equipment acquisition and to fund management and general expenses.

Federation receives donated services from volunteers, officers and directors and donated materials to support fundraising, management and general and program efforts. The value of all donated services and materials is not included in these consolidated financial statements as they do not meet the criteria for recognition.

Cash, Cash Equivalents and Restricted Cash

Federation considers all highly liquid debt instruments purchased with a maturity of three months or less at the time of acquisition to be cash equivalents. Such instruments consist of certificates of deposit and money market funds which are recorded at cost which approximates fair value. Amounts included in restricted cash held in investment pool represent donor and custodial funds held for either investment or for philanthropic use at the direction of the donors.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 8,125,938	\$ 10,326,579
Restricted cash held in investment pool	<u>37,638,744</u>	<u>31,706,228</u>
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	<u>\$ 45,764,682</u>	<u>\$ 42,032,807</u>

Fair Value of Financial Instruments

The carrying amount of financial instruments including short term pledges receivable, due from beneficiary agencies, and grants payable approximate their fair values because of the relatively short maturity of these instruments.

Due to affiliated organizations and due to other organizations approximate fair value as they are adjusted regularly to reflect the change in fair value of the associated investments. The carrying amounts of bonds payable approximate fair value as the interest rate on the bonds fluctuates monthly based on a market rate of interest. Split interest agreements payable approximate fair value as they are recorded at estimated net present value of future cash flows. Grants payable approximate fair value as the long term grants payable were discounted using a market rate of interest at the time of the grant award and these market rates have not significantly changed from the original date they were applied.

Income Taxes

Jewish Federation of Greater MetroWest NJ and the Foundation are exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and from state and local taxes under relevant state laws. Accordingly, no provision for federal or state income taxes has been recorded in the consolidated statements of activities and changes in net assets, other than for unrelated business income tax, which is due based on pass-through taxable income received from investments in alternative investments which amounted to \$-0- and \$229,090 for the years ended June 30, 2020 and 2019, respectively. There are no uncertain tax positions at any of the organizations. In addition, there are no income tax related penalties or interest for the periods reported in these consolidated financial statements.

Loans Receivable

Federation carries its loans receivable at amortized cost. Federation evaluated the loans receivable and determined no loss allowance is required as of June 30, 2020 and 2019.

Investments

Investments in equity securities with readily determinable values and all investments in debt securities are measured at fair value in the consolidated statements of financial position. Investments in limited partnerships are comprised substantially of real estate limited partnerships and hedge funds. These investments are stated at fair value as determined by the individual fund managers. Hedge fund fair value is based on contributions to the various funds and the allocated share of investment earnings including realized and unrealized gains and losses. The investment managers of these real estate limited partnerships and hedge funds may make adjustments to values so determined, if in their experience, such methodology does not accurately reflect the underlying value of the investment.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Fair value for real estate limited partnerships is determined using performance multiples or the market capitalization rate methodology applied to net income. Multiples are determined using market based conditions of quoted companies or are derived from recent mergers and acquisition transactions. Donated investments are recorded at the fair value at the date of receipt. Investments are shown as long term in the consolidated statements of financial position except for money market funds within the fixed pool which are shown as short term, given the restrictions in place and the long term donative intent and other withdrawal restrictions found in the fund agreements. Certain investment pools include withdrawal restrictions that limit the amount of withdrawals to 25% of the fund holder's balance annually, subject to board approval.

Investment Return

Investment return (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law. Except for those funds which have specifically identified investments associated with them, the majority of the investments are held in pooled funds at Federation. Each fund is assigned a unit value and its ownership interest is based on the allocation of the fair value of the fund's units to the total fair value of the investment pool. The pool is revalued monthly and income and gains or losses are allocated to each fund based on its units.

Property, Equipment and Depreciation

Property and equipment purchases are recorded at cost, except for donated items which are recorded at fair value on the date of donation. When donors stipulate how long the assets must be used, the contributions are recorded as revenue with donor restrictions at the date of donation and are released ratably over the period specified by the donor. In the absence of such stipulations, contributions of property and equipment are recorded as revenue without donor restrictions. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renewals are charged to operations as incurred.

Depreciable years for each major asset category are as follows:

<u>Description</u>	<u>Estimated Life (Years)</u>
Buildings	40
Building improvements and renovations	15-30
Furniture and equipment	5-10
Computer equipment	5

Valuation of Long-Lived Assets

Federation reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that there were no impairments for the periods presented in these consolidated financial statements.

Functional Allocation of Expenses

The costs of providing services have been summarized on a functional basis. Grants and allocations and other expenses directly related to program activity are directly charged to program services. Salaries are recorded based on the time spent by employees in each functional area. Fringe benefits and other administrative costs are allocated using the salaries as a basis for charging expenses to each support service or function. The expenses of Federation are presented in the consolidated statements of functional expenses under the following classifications which describe Federation's program activities:

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Allocations and grants - Federation distributes funds from contributions received without donor, restricted allocations, donor recommendations, funds with donor restrictions and other fund agreements to those beneficiary agencies affiliated with Federation, other local, national and international Jewish organizations as well as local, national and international secular organizations.

Program services - Federation provides certain services directly when they cannot be more efficiently delivered by other organizations, including budgeting and social planning for Federation and beneficiary agencies, Jewish education and leadership development, Israel programs, Holocaust education, and Eldercare services; Federation also provides the vehicle through which the Jewish community relates to politicians, government authorities, other faith communities and a wide array of Jewish communal institutions, regionally and nationally.

Grants and Allocations

Grants and allocations are recorded when approved by the Board of Trustees. From time to time Federation approves grants with certain conditions; however, the probability that the grantees will not meet these conditions is considered remote, and such grants are recorded as grants payable when approved. Conditional grants are recorded as expenses once the underlying criteria for the award has been met.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. The allowance for uncollected pledges receivable (Note 3) is based upon historical analysis of Federation's experience with collection of pledges. However, it is reasonably possible the actual uncollected pledges will change in the near term. The loans receivable (Note 6) include loans to affiliated agencies with variable repayment terms and are subject to the possibility that the loans may not be repaid. The present value of liabilities pursuant to split interest agreements (Note 11) is calculated using a discount rate, estimated life expectancies of beneficiaries and applicable mortality tables. Valuation allowances are recorded against life insurance policies. It is reasonably possible that when the actual distributions are made the amounts could differ from the obligations calculated.

3. PLEDGES RECEIVABLE

At June 30, pledges receivable consist of the following:

	<u>2020</u>	<u>2019</u>
Total receivables	\$ 22,471,280	\$ 20,068,093
Allowance for uncollectible amounts	<u>(4,194,960)</u>	<u>(3,756,535)</u>
Pledges receivable, net	18,276,320	16,311,558
Current portion	<u>17,305,720</u>	<u>16,086,516</u>
Pledge receivable, long term	<u>\$ 970,600</u>	<u>\$ 225,042</u>

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Pledges receivable, net are due as follows:

2021	\$ 17,305,720
2022	364,308
2023	172,392
2024	129,049
2025	71,288
Thereafter	<u>233,563</u>
	<u>\$ 18,276,320</u>

4. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of June 30, 2020 and 2019, financial assets and liquidity resources available within one year for general expenditures were as follows:

	<u>2020</u>	<u>2019</u>
Financial Assets		
Cash and cash equivalents	\$ 8,125,938	\$ 10,326,579
Pledges receivable, net	17,305,720	16,086,516
Due from beneficiary agencies	540,637	308,100
Agency pension loan receivable	408,877	279,223
Loan receivable	<u>172,953</u>	<u>212,743</u>
	26,554,125	27,213,161
Unrestricted fund assets included in long-term investments	<u>1,391,490</u>	<u>854,806</u>
Total financial assets and liquidity resources available within one year	<u>\$ 27,945,615</u>	<u>\$ 28,067,967</u>

The financial assets above are not subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the consolidated statements of financial position date. In addition to the assets above, there is approximately \$12.4 million in Federation unrestricted funds included in long term investments. In accordance with its spending policy, the fund distributes 5% of assets annually to the annual campaign. Additionally, grants that are authorized and paid from donor advised and other restricted funds in the subsequent year would be funded from the related restricted cash or other long term investment accounts and not from the financial assets noted above.

5. FAIR VALUE MEASUREMENTS

Federation has provided fair value disclosure information for relevant assets and liabilities in these consolidated financial statements. For applicable assets and liabilities subject to this pronouncement, Federation will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible (Level 1). To the extent that such market prices are not available, Federation will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, Federation will develop measurement criteria based on the best information available (Level 3).

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Federation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements. Investments by affiliated and non-affiliated organizations in certain funds administered by Federation are subject to significant withdrawal limitations.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Common Stocks (Equities) - valued at the closing price reported on the active market on which the individual securities are traded. Corporate bonds (government/corporate fixed income) - valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Mutual Funds/Money Markets - valued at the daily closing price as reported by the fund. Mutual funds are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held are deemed to be actively traded.

For the year ended June 30, 2020 there was one fund transferred out of Level 3 into investments measured at NAV and no significant transfers between Levels 1 and 2. For the year ended June 30, 2019, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The following table summarizes assets which have been accounted for at fair value on a recurring basis as of June 30, 2020, along with the basis for the determination of fair value:

	2020			
	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Money market funds	\$ 37,638,744	\$ 37,638,744	\$ -	\$ -
Equities				
Materials	761,015	761,015	-	-
Industrials	5,532,708	5,532,708	-	-
Telecommunications services	9,027,015	9,027,015	-	-
Consumer discretionary	13,149,602	13,149,602	-	-
Consumer staples	907,433	907,433	-	-
Energy	1,588,281	1,588,281	-	-
Financial	16,474,556	16,474,556	-	-
Healthcare	6,274,629	6,274,629	-	-
Information technology	18,095,182	18,095,182	-	-
Utilities	481,927	481,927	-	-
Real estate	10,298,834	10,298,834	-	-
Mutual funds				
Domestic equity mutual funds	27,497,557	27,497,557	-	-
International equity mutual funds	17,311,139	17,311,139	-	-
Global fund	11,051,051	11,051,051	-	-
Bank loan funds (a)	5,617,412	-	5,617,412	-
International fixed income	6,646,458	6,646,458	-	-
US Treasury obligations	30,167,439	30,167,439	-	-
Corporate bonds				
AAA - A ratings	21,805,896	-	21,805,896	-
BBB - B ratings	26,365,821	-	26,365,821	-
CCC - C- ratings	26,699,242	-	26,699,242	-
State of Israel bonds (b)	4,917,448	-	4,917,448	-
Alternative investments				
Multi-strategy (c)	12,911,259	-	-	12,911,259
Private equity (d)	12,523,710	-	-	12,523,710
Real estate (e)	18,774,532	-	-	18,774,532
Natural resources (f)	4,127,436	-	-	4,127,436
Other (g)	1,561,210	-	-	1,561,210
	<u>348,207,536</u>	<u>\$ 212,903,570</u>	<u>\$ 85,405,819</u>	<u>\$ 49,898,147</u>
Investments at NAV (1)	<u>109,990,681</u>			
	<u>\$ 458,198,217</u>			

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The following table summarizes assets which have been accounted for at fair value on a recurring basis as of June 30, 2019, along with the basis for the determination of fair value:

	2019			
	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Money market funds	\$ 31,706,228	\$ 31,706,228	\$ -	\$ -
Equities				
Materials	794,385	794,385	-	-
Industrials	6,905,042	6,905,042	-	-
Telecommunications services	7,703,519	7,703,519	-	-
Consumer discretionary	9,148,578	9,148,578	-	-
Consumer staples	2,331,973	2,331,973	-	-
Energy	2,355,944	2,355,944	-	-
Financial	19,795,969	19,795,969	-	-
Healthcare	8,015,378	8,015,378	-	-
Information technology	14,617,784	14,617,784	-	-
Utilities	915,044	915,044	-	-
Real estate	4,530,396	4,530,396	-	-
Mutual funds				
Domestic equity mutual funds	24,357,769	24,357,769	-	-
International equity mutual funds	37,777,636	37,777,636	-	-
Global fund	7,845,647	7,845,647	-	-
Bank loan funds (a)	10,567,371	-	10,567,371	-
International fixed income	14,172,785	14,172,785	-	-
US Treasury obligations	39,820,767	39,820,767	-	-
US government agencies	1,810,735	1,810,735	-	-
Corporate bonds				
AAA - A ratings	15,251,106	-	15,251,106	-
BBB - B ratings	24,919,666	-	24,919,666	-
CCC - C- ratings	11,239,375	-	11,239,375	-
Not rated	17,506,800	-	17,506,800	-
State of Israel bonds (b)	3,999,259	-	3,999,259	-
Alternative investments				
Multi-strategy (c)	13,540,409	-	-	13,540,409
Private equity (d)	9,666,951	-	-	9,666,951
Real estate (e)	15,189,976	-	-	15,189,976
Natural resources (f)	6,250,695	-	-	6,250,695
Other (g)	1,328,217	-	-	1,328,217
	<u>364,065,404</u>	<u>\$ 234,605,579</u>	<u>\$ 83,483,577</u>	<u>\$ 45,976,248</u>
Investments at NAV (1)	<u>107,927,295</u>			
	<u>\$ 471,992,699</u>			

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

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The following table lists the investments by class and investment strategy at June 30, 2020:

<u>Strategies</u>	<u># of Funds</u>	<u>Valuation</u>	<u>Unfunded Commitment</u>	<u>Redemption Commitment</u>	<u>Redemption Notice Period</u>
Multi-asset strategy (h)	4	\$ 43,557,532	-	N/A	Daily
Multi-strategy (c)	3	29,084,231	-	N/A	65 - 105 days
Private equity - long (i)	2	24,576,101	-	N/A	None
Private equity - long (j)	1	5,037,498	-	N/A	None
Private equity - long (k)	1	<u>7,735,319</u>	-	N/A	None
		<u>\$ 109,990,681</u>		N/A	None

- a) Bank loan funds seek to provide a high level of current income by investing in floating rate loans and debt securities, primarily senior loans, which are below investment grade quality.
- b) State of Israel bonds are backed by a more than 60 year record of dependability and Israel has never defaulted on the payment of principal and interest. The bonds all have maturity dates through September 2021. Federation intends to hold the bonds until maturity.
- c) The multi-strategy funds are funds of funds and directly held funds which in aggregate represent a number of underlying funds covering a wide array of investment strategies. Approaches include public and private equity, long/short equity and debt strategies, credit arbitrage and active fixed income investing. Of this category, 79% is redeemable semi-annually with a notice of 95 days, 9% is redeemable annually with a notice of 90 days and 12% is redeemable quarterly with a notice of 60 - 65 days.
- d) Private equity assets invest in various companies and some debt securities, both domestic and international. The partnerships have a remaining legal life span of two to twelve years with no redemption rights for the Limited Partners. Liquidity is expected in the form of distributions from the funds when the underlying assets are sold. It is estimated that the underlying assets will be redeemed over this time period and that Federation will make new investments in other private equity strategies. The majority of the capital calls are expected within two to four years and return of capital is anticipated in one to twelve years.
- e) Real assets are investments in private real asset funds which invest in office, hotel, commercial, residential and industrial real estate. The funds have a remaining legal life span of two to eight years with no redemption rights for Limited Partners. The majority of the capital calls are expected within two to four years and return of capital is anticipated in one to ten years.
- f) Natural resources assets are investments in oil and natural gas and other natural resources-related industries. The funds have a remaining legal life span of one to ten years with no redemption rights for Limited Partners. The majority of the capital calls are expected within two to four years and return of capital is anticipated in one to ten years.
- g) Other assets are investments in limited partnerships holding real estate assets. There is currently no market for the underlying assets and sales are not expected in the near future.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

- h) Multi-asset strategy fund seeks to achieve a total return that over a majority of market cycles exceeds inflation plus 5% per annum. Underlying investments include global equities, domestic equities, fixed income, private equity and publicly traded limited partnerships. The investment is redeemable daily with a NAV calculated on a daily basis.
- i) All cap fund with long strategy focused on international markets. The investment is redeemable monthly at a NAV calculated on a monthly basis.
- j) Open ended fund with an objective to achieve long-term total return through investments in equity securities of emerging-market companies that are undervalued at time of purchase. The investment is redeemable monthly at a NAV calculated on a monthly basis.
- k) International small cap fund focused on long term absolute returns. The investment is redeemable monthly with a NAV calculated on a monthly basis.

The following is a summary of activity for the years ended June 30, 2020 and 2019 for assets measured at fair value based on unobservable measurement criteria:

	<u>Total Investments</u>	<u>Multi-Strategy</u>	<u>Private Equity</u>	<u>Real Estate</u>	<u>Natural Resources</u>	<u>Other</u>
Balance, July 1, 2018	\$ 41,534,944	\$ 10,580,403	\$ 8,898,449	\$ 12,828,956	\$ 7,553,919	\$ 1,673,217
Realized and unrealized gains (losses) included in income	(422,984)	440,666	22,835	846,324	(1,132,809)	(600,000)
Purchases	10,575,583	2,998,188	3,205,234	3,347,940	769,221	255,000
Sales	<u>(5,711,295)</u>	<u>(478,848)</u>	<u>(2,459,567)</u>	<u>(1,833,244)</u>	<u>(939,636)</u>	<u>-</u>
Balance, June 30, 2019	45,976,248	13,540,409	9,666,951	15,189,976	6,250,695	1,328,217
Realized and unrealized gains (losses) included in income	(4,124,529)	(481,236)	(222,428)	(1,281,655)	(2,372,203)	232,993
Purchases	12,498,930	1,851,146	4,262,259	5,969,891	415,634	-
Transfer	(1,999,060)	(1,999,060)	-	-	-	-
Sales	<u>(2,453,442)</u>	<u>-</u>	<u>(1,183,072)</u>	<u>(1,103,680)</u>	<u>(166,690)</u>	<u>-</u>
Balance, June 30, 2020	<u>\$ 49,898,147</u>	<u>\$ 12,911,259</u>	<u>\$ 12,523,710</u>	<u>\$ 18,774,532</u>	<u>\$ 4,127,436</u>	<u>\$ 1,561,210</u>

Investment return, net consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 11,959,281	\$ 13,731,887
Realized gains	1,076,467	5,332,933
Unrealized gains (losses)	(12,538,401)	2,778,951
Interest - loans and notes receivable	<u>84,299</u>	<u>69,863</u>
	581,646	21,913,634
Investment fees	<u>(1,695,722)</u>	<u>(1,641,725)</u>
	<u>\$ (1,114,076)</u>	<u>\$ 20,271,909</u>

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

6. LOANS RECEIVABLE

At June 30, loans receivable consists of the following:

	<u>2020</u>	<u>2019</u>
Jewish Family Services Agency of Central NJ, 12 year loan of \$560,000 commenced on October 10, 2013, interest at the US five year Treasury rate plus 2%, adjusted quarterly, rate at June 30, 2020 was 1.94%. There are monthly principal and interest payments of \$4,500. The loan is secured by property.	\$ 303,894	\$ 350,107
Jewish Family Services of MetroWest, maturing December 2036, interest at the US five-year Treasury rate plus 2%, adjusted quarterly, rate at June 30, 2020 was 1.94%. Principal and interest payments, which vary each month, approximated \$6,535 per month. The loan is secured by property.	1,082,096	1,363,389
Jewish Community Centers of MetroWest, unsecured, non-interest bearing loan. Payments are to be made on the cash flows of underlying pledges received by the Jewish Community Centers of MetroWest.	59,000	146,500
Library project Raanana, Israel, unsecured, non-interest bearing construction advance, repayment to be made from the William Lester Foundation; shown at net present value using a 4% discount rate, maturing 2040. Principal and interest payments, are \$42,258 annually.	<u>500,050</u>	<u>545,960</u>
	1,945,040	2,405,956
Amounts due within one year	<u>172,953</u>	<u>212,743</u>
Long term portion	<u>\$ 1,772,087</u>	<u>\$ 2,193,213</u>

Maturities of loans receivable are as follows:

2021	\$ 172,953
2022	171,491
2023	152,024
2024	155,492
2025	159,045
Thereafter	<u>1,134,035</u>
	<u>\$ 1,945,040</u>

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

7. PROPERTY AND EQUIPMENT

Operating Property and Equipment

Property and equipment, shown net of accumulated depreciation at June 30, consists of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 2,953,206	\$ 2,953,206
Buildings and improvements	18,120,153	18,195,210
Furniture and equipment	2,962,090	2,857,167
Computer equipment	980,370	986,184
Transportation equipment	16,192	16,192
Construction in progress	123,384	65,000
Library	434,322	434,322
Works of art	<u>111,808</u>	<u>111,808</u>
	25,701,525	25,619,089
Less: Accumulated depreciation	<u>20,728,396</u>	<u>20,166,126</u>
	<u>\$ 4,973,129</u>	<u>\$ 5,452,963</u>

Depreciation expense on these assets totaled \$739,539 and \$725,836 for the years ended June 30, 2020 and 2019, respectively.

Property and Equipment Held for Rental

The Foundation owns several rental properties which are rented to affiliated entities. Depreciation on these assets totaled \$247,270 and \$302,782 for the years ended June 30, 2020 and 2019, respectively. This property and equipment, shown net of accumulated depreciation for the years ended June 30, consists of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 283,454	\$ 283,454
Buildings and improvements	20,432,193	20,432,193
Furniture and equipment	<u>1,002,472</u>	<u>1,002,472</u>
	21,718,119	21,718,119
Less: Accumulated depreciation	<u>21,124,455</u>	<u>20,877,185</u>
	<u>\$ 593,664</u>	<u>\$ 840,934</u>

8. BONDS PAYABLE

Bonds payable at June 30 were as follows:

	<u>2020</u>	<u>2019</u>
Essex County Improvement Authority bond	\$ 8,515,000	\$ 9,065,000
Amounts due within one year	<u>550,000</u>	<u>550,000</u>
	<u>\$ 7,965,000</u>	<u>\$ 8,515,000</u>

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The future scheduled maturities of the bonds payable are as follows:

2021	\$ 550,000
2022	550,000
2023	550,000
2024	550,000
2025	550,000
Thereafter	<u>5,765,000</u>
	<u>\$ 8,515,000</u>

During 2014, the Jewish Community Center of Greater MetroWest New Jersey (“JCC”), Federation and the bond trustee entered into an Assignment and Assumption Agreement, whereby Federation assumed the bond liability. JCC is no longer considered the primary obligor of the bonds payable. Bonds payable were \$8,515,000 and \$9,065,000 at June 30, 2020 and 2019, respectively.

The JCC leasehold improvements financed by the bonds payable remain as collateral. The Essex County Improvement Authority (the “Issuer”) issued \$12,425,000 of Series 2005 tax-exempt variable rate demand revenue bonds. The proceeds of the bonds were used to finance the construction of an early childhood center, a fitness center, a four-story parking deck, a winter garden, multi-purpose meeting areas, offices and other renovations to the existing JCC building located in West Orange.

Interest on the bonds is payable monthly at variable rates pegged to market as determined by the remarketing agent on a weekly basis. As of the years ended June 30, 2020 and 2019 the interest rate was .08% and 1.85%, respectively, per annum. There is an annual principal payment in July every year.

9. GRANTS PAYABLE

Federation has made grant commitments to certain affiliated and non-affiliated not-for-profit organizations as of June 30, as follows:

	<u>2020</u>	<u>2019</u>
Total grant commitments	\$ 35,957,453	\$ 45,365,740
Less discount to present value	<u>5,358,350</u>	<u>7,412,400</u>
	30,599,103	37,953,340
Amounts payable in subsequent fiscal year	<u>10,596,953</u>	<u>10,947,646</u>
Amounts payable in future fiscal years	<u>\$ 20,002,150</u>	<u>\$ 27,005,694</u>

Future payments are as follows:

2021	\$ 10,596,953
2022	7,123,113
2023	3,390,886
2024	1,469,334
2025	1,386,164
Thereafter	<u>6,632,653</u>
	<u>\$ 30,599,103</u>

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

10. CAPITAL LEASES

Federation leases office equipment under long-term leases and has the option to purchase the equipment at the termination of the lease. Equipment leased under capital leases and included in property and equipment in the consolidated statements of activities and changes in net assets at June 30, is as follows:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 400,165	\$ 400,165
Less: Accumulated depreciation	<u>275,959</u>	<u>202,553</u>
	<u>\$ 124,206</u>	<u>\$ 197,612</u>

Future minimum payments for capitalized leases were as follows at June 30, 2020:

2021	\$ 52,748
2022	50,053
2023	34,244
2024	<u>24,120</u>
Total minimum lease payments	161,165
Less: Amount representing interest	<u>36,959</u>
Total present value amount	124,206
Less current portion	<u>13,471</u>
Non-current portion	<u>\$ 110,735</u>

Maturities of capital leases:

2021	\$ 35,922
2022	38,339
2023	27,559
2024	<u>22,386</u>
	<u>\$ 124,206</u>

11. SPLIT INTEREST AGREEMENTS

Federation administers various split interest agreements which provide for the payment of distributions to the grantor or other designated beneficiaries over the agreement's term (usually the designated beneficiary's lifetime). At the end of the agreement's term, the remaining assets are available for Federation's use. The portion of the agreement attributable to the future interest of Federation is recorded in the consolidated statements of activities and changes in net assets as contributions with donor restrictions in the period the trust is established. Assets held in the split interest agreements are recorded at fair value in Federation's consolidated statements of financial position. On an annual basis, Federation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using a discount rate of 6% to 8% based on the nature of the agreements and applicable mortality tables. The present value of the future obligation for split interest agreements at June 30, 2020 and 2019 was \$851,924 and \$1,047,117, respectively.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Assets, included in long term investments, related to split interest agreements at June 30, 2020 and 2019 total \$1,797,484 and \$2,244,290, respectively. The valuation allowance recorded to reflect the present value of estimated future payment resulted in a change in value of split interest agreements of \$129,026 and \$140,019 for the years ended June 30, 2020 and 2019, respectively which is included in the valuation allowance in the consolidated statements of activities and changes in net assets.

12. AFFILIATIONS AND RELATED PARTY TRANSACTIONS

Federation conducts various transactions with and provides assistance to its beneficiary agencies by investing, administering, and allocating funds for various purposes. Federation also provides bookkeeping services, joint cost sharing of certain expenditures and allows its beneficiary agencies to participate in pension and benefit plans administered by Federation.

Funds invested with the Foundation on behalf of Federation beneficiary agencies and related earnings due to the following organizations:

	<u>2020</u>	<u>2019</u>
Jewish Vocational Service of MetroWest, Inc.	\$ 557,253	\$ 719,437
Jewish Family Services of MetroWest, Inc.	4,779,450	5,128,469
Daughters of Israel	13,301,607	13,426,841
Jewish Community Center of MetroWest, Inc.	2,512,724	3,055,884
Jewish Community Housing Corp.	302,700	189,857
Jewish Service for the Developmentally Disabled	146,154	136,326
Jewish Historical Society	374,503	467,969
	<u>\$ 21,974,391</u>	<u>\$ 23,124,783</u>

At June 30, certain unsecured amounts were due from beneficiary agencies as follows:

	<u>2020</u>	<u>2019</u>
Balance of funds advanced to beneficiary agencies to cover cash flow deficits which bear interest at lesser of 5% of the prime rate, which approximated 3.25% annually for each of the years ended:		
Jewish Vocational Service of MetroWest, Inc.	\$ 271,162	\$ 78,245
Jewish Community Housing Corp.	78,626	7,755
Jewish Service for the Developmentally Disabled	36,213	62,920
Jewish Historical Society	152,718	159,180
Jewish Family Services of Central NJ	1,918	-
Jewish Community Center of MetroWest, Inc. - net of reserve of \$4,360,900 at June 30, 2020 and 2019	<u>1,097,843</u>	<u>1,001,800</u>
	1,638,480	1,309,900
Current portion	<u>540,637</u>	<u>308,100</u>
	<u>\$ 1,097,843</u>	<u>\$ 1,001,800</u>

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

At June 30, certain amounts were due to affiliates as follows:

	<u>2020</u>	<u>2019</u>
Funds advanced from beneficiary agencies at June 30:		
Jewish Family Services of MetroWest, Inc.	\$ -	\$ 12,441
Jewish Family Services of Central, NJ	-	261
Daughters of Israel	<u>37,797</u>	<u>148,261</u>
	<u>\$ 37,797</u>	<u>\$ 160,963</u>

In addition to the leasing transactions disclosed in Note 16, related party revenue and expense transactions were as follows:

Affiliated agencies were charged \$11,097 and \$14,796 for the years ended June 30, 2020 and 2019, respectively, by Federation for occupancy costs which represented a pro-rata share of maintenance and related expenses attributable to the operation of the Campus in Whippany, New Jersey. In addition, affiliated agencies paid Federation \$49,800 and \$48,350 for the years ended June 30, 2020 and 2019, respectively, in fees for bookkeeping and accounting services. Affiliated agencies paid Federation \$2,368,604 in rent for buildings owned by Federation for each of the years ended June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Allocations and grants made by Federation to affiliates:		
Daughters of Israel Geriatric Center	\$ 2,717,100	\$ 2,746,350
Jewish Community Center of MetroWest, Inc.	707,853	771,586
Jewish Family Services of MetroWest, Inc.	472,330	509,940
Jewish Education Center	158,530	153,262
JCC of Central New Jersey	122,000	120,130
YM-YWHA of Union County	150,000	155,170
Jewish Family Services of Central New Jersey	261,700	302,630
Jewish Vocational Service of MetroWest, Inc.	<u>105,130</u>	<u>101,240</u>
	<u>\$ 4,694,643</u>	<u>\$ 4,860,308</u>

	<u>2020</u>	<u>2019</u>
Interest income earned by Federation on funds advanced to beneficiary agencies:		
Jewish Family Services of MetroWest, Inc.	\$ 29,338	\$ 36,143
Jewish Vocational Service of MetroWest, Inc.	4,186	1,988
Jewish Family Services of Central New Jersey, Inc.	<u>7,787</u>	<u>9,727</u>
	<u>\$ 41,311</u>	<u>\$ 47,858</u>

Federation received contributions from its board members totaling \$7,075,390 and \$2,805,116 for the years ended June 30, 2020 and 2019, respectively.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

13. DEFERRED REVENUE

During the year ended June 30, 2000, Federation entered into a land lease agreement of \$1,480,000, with Jewish Community Housing Corporation, Inc. ("JCHC"). The lease was for an initial term of 80 years with a renewal option of an additional 100 years. Under the terms of a 2005 amendment to the initial lease, JCHC was required to pay Federation \$1,250,000 of the original \$1,480,000 immediately. The remaining \$230,000 of the original lease payment is to be paid out of the first 25% of operating surplus which is defined as the cash flow of Lester Senior Housing Complex after payment of all usual and customary operating expenses, debt service, management fees, annual reserves of \$120,000 and capital expenditures, which was paid as of June 30, 2011. In addition, JCHC agreed to make annual contingent rent payments equal to an additional 50% of the cash flow of Lester Senior Housing Complex as defined. At June 30, 2020 and 2019 JCHC had prepaid the ground lease in the amounts of \$1,309,213 and \$1,317,435, respectively. These amounts are included in deferred revenue and are being charged off to rent income at the rate of \$8,222 per annum. For each of the years ending June 30, 2020 and 2019, no contingent rents were paid or accrued.

Other amounts for programs fees of \$333,725 and \$456,120 are included in deferred revenue at June 30, 2020 and 2019, respectively.

14. BENEFIT PLANS

Pension Plan

Federation administered a multiple-employer defined retirement plan (the "Plan") which covered substantially all employees of Federation. Benefits payable under the Plan were based on years of service and earning levels. Employees become fully vested after 7 years of service. Employees were eligible for coverage provided they work at least 1,000 hours per year and have attained 21 years of age. The Plan was non-contributory and vesting commences on December 1 following three years of employment as follows: 20% in year one, 20% each additional year, up to 100%. Normal retirement age is 65 with at least 5 years of service. The Plan was frozen as of July 1, 2009 to new participants and for the accumulation of benefits for existing participants.

Termination of the Pension Plans

Federation and participating agencies voted to take the steps necessary to terminate the Plan. During December 2016, annuities totaling \$28 million were purchased from Pacific Life, a highly rated insurance company. A loan agreement of \$17.5 million ("loan") with OceanFirst Bank was closed in December 2016 by Federation to fully fund the plan. Lump sum payments to plan participants were made on December 16, 2016. During the year ended June 30, 2017 termination documents were filed with the Pension Benefit Guaranty Corporation ("PBGC"). The formal termination of the Plan was finalized by the PBGC in May 2020.

The interest rate on the unpaid principal balance of the loan from the date of the note until January 1, 2027 (the "first change date") is 3.75%. On the fifth anniversary of the first change date and at each subsequent fifth year anniversary thereafter (each, a "change date"), the interest rate on the unpaid principal balance of the loan is at a per annum rate equal to 180 basis points above the 5-year US Treasury Bond Rate in effect three business days before the first change date, adjusted to a constant maturity of five years. The loan matures on December 31, 2041. There are monthly principal and interest payments of \$90,490. This loan is secured by certain accounts held by the Foundation.

Federation is required to maintain a ratio of total liabilities to effective tangible net worth of not more than .50 to 1.00. Federation must maintain one or more depository accounts at OceanFirst Bank with an aggregate balance of not less than \$250,000. The pension loan payable balance is \$15,967,892 and \$16,435,278 at June 30, 2020 and 2019, respectively.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The future scheduled maturities of the pension loan payable payments are as follows:

2021	\$ 487,165
2022	506,013
2023	525,591
2024	544,445
2025	566,991
Thereafter	<u>13,337,687</u>
	<u>\$ 15,967,892</u>

On December 15, 2016 Federation provided the unsecured loans to affiliated agencies to fund the termination of the pension plans. Interest on these loans is tied to Federation pension loan as described below.

At June 30, the agency pension loan receivables are as follows:

	<u>2020</u>	<u>2019</u>
Jewish Vocational Service of MetroWest, Inc., original loan of \$3,807,616. There are monthly principal and interest payments of \$19,689.	\$ 3,575,933	\$ 3,575,933
Jewish Service for the Developmentally Disabled, original loan of \$441,263. There are monthly principal and interest payments of \$2,282.	402,618	414,407
Jewish Family Services of MetroWest, Inc., original loan of \$2,078,163. There are monthly principal and interest payments of \$10,746.	1,896,216	1,951,721
Jewish Family Services of Central New Jersey, original loan of \$550,659. There are monthly principal and interest payments of \$2,847.	503,686	517,168
Jewish Community Center of MetroWest, Inc., original loan of \$3,312,700. There are monthly principal and interest payments of \$17,129.	<u>3,044,975</u>	<u>3,118,225</u>
	9,423,428	9,577,454
Amounts due within one year	<u>408,877</u>	<u>279,223</u>
Long term portion	<u>\$ 9,014,551</u>	<u>\$ 9,298,231</u>

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Maturities of agency pension loan receivables are as follows:

2021	\$ 408,877
2022	294,656
2023	306,056
2024	317,033
2025	330,524
Thereafter	<u>7,766,282</u>
	<u>\$ 9,423,428</u>

Commencing on the date of Federation loan payable until the tenth anniversary (the "first change date") the interest rate will be 3.75%. On the first change date, the interest rate will be determined by the 5-year US Treasury Bond Rate in effect three business days before the first change date, adjusted to a constant maturity of five years, plus 180 basis points, subject to a floor of 3.75% per year. On the fifth anniversary of the first change date and at each subsequent fifth year anniversary thereafter (each, a "change date"), the interest rate will reset to the then current 5-year US Treasury Bond Rate in effect three business days before the applicable change date, adjusted to a constant maturity of five years, plus 180 basis points, subject to a floor of 3.75% per year. Payments of principal and interest shall be paid monthly until the maturity date, based on the then remaining portion of a fully amortizing 25 year loan. Federation has the option to demand payment in full of the entire unpaid principal amount together with all accrued but unpaid interest thereon on each change date following the first change date.

Post Retirement Medical Plan

Federation also administers an unfunded multiple employer post-retirement medical benefits plan (the "Medical Plan"). The Medical Plan provides subsidized medical and pharmaceutical benefits for full-time employees and affiliated agency employees and pro rata benefits for part-time employees who retire after age 55 having completed 20 years of service by December 31, 2006 or employees who have completed 10 years of service and are age 62 before April 1, 2004 and retire before December 31, 2006. Federation's contribution to the Medical Plan amounted to \$69,666 and \$72,273 for the years ended June 30, 2020 and 2019, respectively.

Other Changes in Post Retirement Benefits

For the years ended June 30, 2020 and 2019, Federation recorded an increase (decrease) in net assets without donor restrictions of \$6,390 and \$(21,329), respectively, due to post retirement benefits amounts not yet reflected in net periodic post retirement benefits cost.

Information on the post retirement medical plan as of June 30:

<u>Change in Benefit Obligation</u>	<u>2020</u>	<u>2019</u>
Benefit obligation, beginning of year	\$ 724,884	\$ 749,164
Interest cost	21,321	27,750
Actuarial (gain) loss	(7,291)	20,243
Plan participant contributions	34,267	35,536
Benefits paid	<u>(103,933)</u>	<u>(107,809)</u>
Benefit obligation, end of year	<u>\$ 669,248</u>	<u>\$ 724,884</u>

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Assumptions - Net Periodic Benefit Cost

Weighted-average assumptions used to determine net periodic benefit cost for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Discount rate	3.10%	3.90%
Rate of compensation increase	N/A	N/A
Expected return on plan assets	N/A	N/A

Amounts Included in the Consolidated Statements of Financial Position at June 30

	<u>2020</u>	<u>2019</u>
Current liability	\$ 64,700	\$ 68,500
Non-current liability	604,548	656,384
	<u>\$ 669,248</u>	<u>\$ 724,884</u>

The following table provides information related to expected benefit payments for each of the 5 years following the measurement date and cumulatively for the subsequent five year period:

2021	\$ 62,500
2022	60,300
2023	57,800
2024	55,200
2025-2029	232,500

Relating to the post-retirement medical plan:

	<u>2020</u>	<u>2019</u>
<u>Assumed Pre-65 Medical Trend</u>		
Health care cost rate assumed for next fiscal year	4.70%	5.40%
Rate to which the cost trend rate is assumed to decline	4.00%	3.90%
Fiscal year rate reaches ultimate trend rate	2087	2087

Assumed Prescription Drug Trend Rates

Health care cost rate assumed for next fiscal year	4.70%	5.40%
Rate to which the cost trend rate is assumed to decline	4.00%	3.90%
Fiscal year rate reaches ultimate trend rate	2087	2087

	<u>1 Percentage Point</u>	
	<u>Increase</u>	<u>Decrease</u>
Effect on total of service and interest cost components	\$ 1,109	\$ (995)
Effect on accumulated postretirement benefit obligation	\$ 48,209	\$ (43,267)

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Other

Federation offers a pre-tax cafeteria payroll withholding plan to all full-time and part-time employees and affiliated agency employees who work a minimum of 20 hours per week, on a pro rata basis. These withholdings are allowed to cover health care expenses not covered under the medical plans, the employee's share of medical premiums, and dependent care expenses. All monies withheld and not utilized under the plan are forfeited.

Federation also administers a 403-B tax deferred annuity plan for its employees and affiliated agency employees which permits employees to contribute on a deferred tax basis amounts up to the maximum annual contribution as permitted by law.

15. DUE TO OTHER ORGANIZATIONS

Amounts due to other organizations totaling \$27,195,226 and \$28,904,192 at June 30, 2020 and 2019, respectively, represent funds provided to Federation by unrelated, non-beneficiary agencies to be invested. The investment earnings allocable to these funds are recorded as a liability in the consolidated statements of financial position.

These funds are invested in the various pools offered by Federation based on instructions received from the investors pursuant to written agreements. Certain investment pools allow the investors to withdraw funds with relatively short notice (on demand) while other investment pools place significant restrictions on an investor's ability to withdraw funds (over several years). All investments related to the funds provided by these investors, as well as the related liabilities, are reflected as long-term in the consolidated statements of financial position.

16. LEASES

Federation leases commercial property to Daughters of Israel Geriatric Center, a beneficiary agency under an operating lease which expires in June 2025. Rental income was \$2,368,604 for each of the years ended June 30, 2020 and 2019, under this lease. Future minimum rentals through June 30, 2025 are \$2,562,829 per year.

Federation leases commercial property under an initial three year lease to The Winston Preparatory School which was amended on June 29, 2018 to a ten year lease which expires on June 30, 2027 with three options to extend the term for five years per option. Future rental income under this lease is as follows: 2021 - \$370,800; 2022 - \$381,924; 2023 - \$393,382; 2024 - \$405,183; 2025 - \$417,339 and thereafter - \$872,613.

Federation leases commercial property under a six year lease with AMoney Sportz, LLC which expires December 31, 2023 with an additional five year extension. Rental income for the years ended June 30, 2020 and 2019 was \$62,700 and \$60,900, respectively. Future rental income under this lease is as follows: 2021 - \$64,500; 2022 - \$66,300; 2023 - \$68,100; and 2024 - \$34,500.

Federation entered into a settlement agreement with PZ 13 LLC under which PZ 13 LLC would vacate the premises in exchange for \$75,000 to be paid monthly in \$5,000 installments beginning on February 10, 2018. PZ 13 LLC is in default and has paid \$7,500 and \$22,500 during the years ended June 30, 2020 and 2019, respectively. As a result of the default, the settlement amount has reverted to \$125,000 and is included in other receivables in the consolidated statements of financial position.

Federation has entered into lease negotiations with Swimquest LLC.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Federation leases land under a 180 year land lease to Jewish Community Housing Corporation Lester Senior Housing Complex. Annual lease payments are \$8,222 through 2179.

Certain other rental arrangements are on a month-to-month or year-to-year basis with unconsolidated affiliated agencies of Federation.

17. NET ASSETS

Components of net assets at June 30 were as follows:

<u>Detail of Net Assets</u>	<u>June 30, 2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating	\$ 295,703,624	\$ -	\$ 295,703,624
Board designated for special projects or to maintain affiliated agency programs in the event that an unanticipated reduction in available funds occurs	9,170,275	-	9,170,275
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	-	47,589,156	47,589,156
Pledges receivable	-	4,114,214	4,114,214
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	1,797,484	1,797,484
Endowment	-	41,183,177	41,183,177
	<u>\$ 304,873,899</u>	<u>\$ 94,684,031</u>	<u>\$ 399,557,930</u>

<u>Detail of Net Assets</u>	<u>June 30, 2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating	\$ 301,416,712	\$ -	\$ 301,416,712
Board designated for special projects or to maintain affiliated agency programs in the event that an unanticipated reduction in available funds occurs	8,630,343	-	8,630,343
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	-	50,199,450	50,199,450
Pledges receivable	-	4,394,518	4,394,518
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	2,207,830	2,207,830
Endowment	-	36,195,654	36,195,654
	<u>\$ 310,047,055</u>	<u>\$ 92,997,452</u>	<u>\$ 403,044,507</u>

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Net assets released from donor-imposed restrictions consisted of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Purpose restriction		
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	\$ 5,655,680	\$ 7,001,990
Time restriction		
Pledges receivable	420,880	812,223
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	192,614	218,488
	<u>\$ 6,269,174</u>	<u>\$ 8,032,701</u>

Endowment Funds

Federation's endowment consists of approximately 35 individual donor-restricted endowment funds established for a variety of purposes.

Interpretation of Relevant Law

The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") provides guidance on the maintenance and spending of endowment funds when the intent of the donors is not clear, by providing new guidelines for the expenditure of with donor restriction endowment funds, absent explicit donor stipulations. UPMIFA permanent endowments no longer need to be maintained at historic dollar value amounts and instead not-for-profits are permitted to adopt prudent spending policies which can allow for the temporary invasion of corpus. Management has determined that certain components of the net assets with donor restrictions of Federation are not endowment funds, specifically related to pledges receivable and charitable gift annuities. Furthermore, the endowments of Federation are subject to written instruments in which the donor's intent as to purpose and spending policies are explicitly indicated.

The Board of Trustees of Federation has interpreted state law as requiring the preservation of the value of the endowment fund with primary consideration given to the donor intent expressed in the gift instrument. For those donations subject to UPMIFA, Federation has followed the donor instruments in classifying as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is available for release in accordance with the donor restrictions on those funds will remain in net assets with donor restrictions until those amounts are appropriated for expenditure by Federation in a manner consistent with the standard of prudence prescribed by state law.

Federation 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 Federation 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) The investment policies of Federation

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Return Objectives and Risk Parameters

Federation 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. Under the policy approved by the Board of Trustees, the endowment assets which are held in the managed pool, and are invested to produce results that are superior to a balanced stock and bond portfolio at a lower volatility over an entire market cycle. Federation expects its endowment funds, over time, to provide an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Federation 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). Federation 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

Federation has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 13 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, Federation considered the long-term expected return on its endowment. Accordingly, over the long term, Federation expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with Federation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted "true" endowment funds may fall below the level that the donor requires Federation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions and amounted to \$883,863 for funds with a historical value of \$10,729,149 and a fair value of \$9,845,286 as of June 30, 2020 and \$517,684 for funds with a historical value of \$3,806,897 and a fair value of \$3,289,213 as of June 30, 2019. These deficiencies resulted from unfavorable market fluctuations. It is Federation's policy to permit spending from underwater funds as is determined prudent by management.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The following table provides information regarding the change in endowment net assets for the years ended June 30,:

	With Donor Restrictions		
	<u>Consolidated</u>	<u>JFED</u>	<u>Foundation</u>
Endowment net assets, July 1, 2018	\$ 34,405,500	\$ 29,809,253	\$ 4,596,247
Income	258,399	214,868	43,531
Realized and unrealized gains	<u>651,600</u>	<u>578,386</u>	<u>73,214</u>
	35,315,499	30,602,507	4,712,992
Contributions received	2,345,902	2,342,918	2,984
Appropriated for expenditure	<u>(1,465,747)</u>	<u>(1,279,757)</u>	<u>(185,990)</u>
Endowment net assets, July 1, 2019	36,195,654	31,665,668	4,529,986
Income	141,642	118,931	22,711
Realized and unrealized losses	<u>(1,580,331)</u>	<u>(1,453,536)</u>	<u>(126,795)</u>
	34,756,965	30,331,063	4,425,902
Contributions received	7,986,705	7,976,255	10,450
Appropriated for expenditure	<u>(1,560,493)</u>	<u>(1,336,084)</u>	<u>(224,409)</u>
Endowment net assets, June 30, 2020	<u>\$ 41,183,177</u>	<u>\$ 36,971,234</u>	<u>\$ 4,211,943</u>
Donor restricted "true" endowment			
Historical gift value	\$ 39,714,540	\$ 35,296,816	\$ 4,417,724
Appreciation (depreciation)	<u>1,468,637</u>	<u>1,674,418</u>	<u>(205,781)</u>
Endowment net assets, June 30, 2020	<u>\$ 41,183,177</u>	<u>\$ 36,971,234</u>	<u>\$ 4,211,943</u>

18. CONCENTRATIONS AND CREDIT RISK

A substantial portion of revenues are obtained from contributions and bequests and investment earnings.

Federation's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash and cash equivalents, investments, pledges receivable, loans receivable and amounts due from other organizations. Federation's financial instruments are placed with a wide array of institutions that have high credit ratings. Federation maintains cash balances in financial institutions which may exceed federally insured limits. Historically, Federation has not experienced any credit related losses and deposits are held in high quality institutions to lessen the amount of the uninsured exposure. Cash equivalents and investments are in high-quality securities. Although subject to market fluctuations, this investment policy somewhat limits Federation's exposure to concentrations of credit risk. Federation has a long-standing history of collecting its pledges and contributions receivable which are from various individuals, corporations and foundations. An allowance for uncollectible accounts is recorded in the consolidated financial statements for amounts considered non-collectible. Loans receivable and amounts due from unconsolidated affiliates are primarily with Federation's affiliated agencies or with organizations which are closely tied to Federation's mission.

Jewish Federation of Greater MetroWest NJ and Affiliates
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

19. COMMITMENTS

Guarantees

Federation has guaranteed debt and performance provisions of Daughters of Israel, Inc. ("DOI"). There are no collateral or indemnification agreements between Federation and DOI in the event Federation has to perform under the guarantee. Performance would be required in the event of default of the loan agreement by DOI.

Federation is a guarantor of a \$10,000,000 line of credit associated with bond indenture agreement issued for DOI under which the Colorado Facilities Authority issued bonds in the amount of \$10,000,000 to finance the renovation and expansion of its existing facilities in West Orange, New Jersey. Bonds payable are \$7,650,000 and \$7,965,000 as of June 30, 2020 and June 30, 2019, respectively. The line of credit is secured by facilities at Daughters of Israel, Inc.

As a result of the guarantee provided to DOI, Federation has recorded the value of the guarantee as a liability totaling \$180,000 and \$217,000 in the consolidated statements of financial position for the years ended June 30, 2020 and 2019, respectively. The line of credit was renewed on November 13, 2018 with a maturity in December 2021.

20. RISK AND UNCERTAINTIES

On January 30, 2020, the World Health Organization declared the outbreak of a novel strain of Coronavirus ("COVID-19") a "Public Health Emergency of International Concern" and in early March 2020, declared the Coronavirus outbreak a global pandemic. Management is currently evaluating the impact of the COVID-19 pandemic and concluded that while it is reasonably possible that the virus could have a negative effect on Federation's financial position and results of its operations, the specific impact is not readily determinable as of the date of these consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

21. PAYCHECK PROTECTION PROGRAM LOAN

On April 14, 2020, Federation obtained a Paycheck Protection Program ("PPP") loan under Division A, Title I of the Coronavirus Aid, Relief and Economic Security ("CARES") Act in the amount of \$1,724,256. Management has determined that the full amount received should be recorded as a conditional contribution based on the terms and conditions of the PPP program. Federation recognized income of the full amount of the loan based on the eligible use of the loan proceeds in accordance with the CARES Act and Small Business Administration guidelines and has included this in grants and contract income in the consolidated statement of activities and changes in net assets for the year ended June 30, 2020. If the financial institution determines that Federation's use of the loan proceeds is not in accordance with criteria for forgiveness, any amount not forgiven would convert to a loan, which will mature on April 14, 2022 with interest accruing at 1% per year.

22. SUBSEQUENT EVENTS

Federation has evaluated subsequent events occurring after the consolidated statements of financial position date through the date of December 10, 2020, which is the date the consolidated financial statements were available to be issued. Based upon this evaluation, Federation has determined that no subsequent events have occurred, which require disclosure in or adjustment to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2020

	Jewish Federation of Greater MetroWest NJ, Inc.	Jewish Community Foundation of Greater MetroWest, NJ	Subtotal	Eliminations	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 6,767,013	\$ 1,358,925	\$ 8,125,938	\$ -	\$ 8,125,938
Restricted cash held in investment pool	-	37,638,744	37,638,744	-	37,638,744
Pledges receivable, net	17,261,943	43,777	17,305,720	-	17,305,720
Due from beneficiary agencies, net of allowance for doubtful accounts of \$4,360,900	842,889	-	842,889	(302,252)	540,637
Loans receivable	138,953	34,000	172,953	-	172,953
Agency pension loans receivable	408,877	-	408,877	-	408,877
Other receivables	7,123,926	-	7,123,926	(5,649,403)	1,474,523
Other current assets	491,831	450,389	942,220	-	942,220
Total current assets	<u>33,035,432</u>	<u>39,525,835</u>	<u>72,561,267</u>	<u>(5,951,655)</u>	<u>66,609,612</u>
Net property and equipment	<u>738,261</u>	<u>4,234,868</u>	<u>4,973,129</u>	<u>-</u>	<u>4,973,129</u>
Long-term investments	64,897,163	420,514,717	485,411,880	(64,852,407)	420,559,473
Due from beneficiary agencies, net of current portion	1,097,843	-	1,097,843	-	1,097,843
Loans receivable, net of current portion	1,747,087	25,000	1,772,087	-	1,772,087
Agency pension loans receivable, net of current portion	9,014,551	-	9,014,551	-	9,014,551
Pledges receivable, net of current portion	970,600	-	970,600	-	970,600
Cash surrender value of life insurance, net	-	7,278,582	7,278,582	-	7,278,582
Property and equipment held for rental, net	-	593,664	593,664	-	593,664
	<u>77,727,244</u>	<u>428,411,963</u>	<u>506,139,207</u>	<u>(64,852,407)</u>	<u>441,286,800</u>
Total assets	<u>\$ 111,500,937</u>	<u>\$ 472,172,666</u>	<u>\$ 583,673,603</u>	<u>\$ (70,804,062)</u>	<u>\$ 512,869,541</u>

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2020

	Jewish Federation of Greater MetroWest NJ, Inc.	Jewish Community Foundation of Greater MetroWest, NJ	Subtotal	Eliminations	Total
Liabilities and Net Assets					
Current liabilities					
Accounts payable and accrued expenses	\$ 5,275,782	\$ 313,204	\$ 5,588,986	\$ -	\$ 5,588,986
Bonds payable	550,000	-	550,000	-	550,000
Grants payable	-	12,453,953	12,453,953	(1,857,000)	10,596,953
Split interest agreements payable	-	189,933	189,933	-	189,933
Post retirement health benefits payable	64,700	-	64,700	-	64,700
Pension loan payable	487,165	-	487,165	-	487,165
Due to beneficiary agencies	37,797	302,252	340,049	(302,252)	37,797
Deferred revenue	77,000	8,222	85,222	-	85,222
Capital lease payable	13,471	-	13,471	-	13,471
Total current liabilities	<u>6,505,915</u>	<u>13,267,564</u>	<u>19,773,479</u>	<u>(2,159,252)</u>	<u>17,614,227</u>
Long-term liabilities					
Bonds payable, net of current portion	7,965,000	-	7,965,000	-	7,965,000
Deferred revenue, net of current portion	256,725	1,300,991	1,557,716	-	1,557,716
Due to beneficiary agencies, net of current portion	-	86,826,798	86,826,798	(64,852,407)	21,974,391
Due to other organizations	-	27,195,226	27,195,226	-	27,195,226
Post retirement health benefits, net of current portion	604,548	-	604,548	-	604,548
Split interest agreements payable, net of current portion	-	661,991	661,991	-	661,991
Security deposits	144,900	-	144,900	-	144,900
Capital lease payable net of current portion	110,735	-	110,735	-	110,735
Pension loan payable	15,480,727	-	15,480,727	-	15,480,727
Grants payable, net of current portion and discount	-	23,794,553	23,794,553	(3,792,403)	20,002,150
Total long-term liabilities	<u>24,562,635</u>	<u>139,779,559</u>	<u>164,342,194</u>	<u>(68,644,810)</u>	<u>95,697,384</u>
Total liabilities	<u>31,068,550</u>	<u>153,047,123</u>	<u>184,115,673</u>	<u>(70,804,062)</u>	<u>113,311,611</u>
Net assets					
Without donor restrictions	31,683,825	273,190,074	304,873,899	-	304,873,899
With donor restrictions	48,748,562	45,935,469	94,684,031	-	94,684,031
Total net assets	<u>80,432,387</u>	<u>319,125,543</u>	<u>399,557,930</u>	<u>-</u>	<u>399,557,930</u>
Total liabilities and net assets	<u>\$ 111,500,937</u>	<u>\$ 472,172,666</u>	<u>\$ 583,673,603</u>	<u>\$ (70,804,062)</u>	<u>\$ 512,869,541</u>

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2019

	Jewish Federation of Greater MetroWest NJ, Inc.	Jewish Community Foundation of Greater MetroWest, NJ	Subtotal	Eliminations	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 5,536,924	\$ 4,789,655	\$ 10,326,579	\$ -	\$ 10,326,579
Restricted cash held in investment pool	-	31,706,228	31,706,228	-	31,706,228
Pledges receivable, net	16,066,781	19,735	16,086,516	-	16,086,516
Due from beneficiary agencies, net of allowance for doubtful accounts of \$4,360,900	767,065	-	767,065	(458,965)	308,100
Loans receivable	116,243	96,500	212,743	-	212,743
Agency pension loans receivable	279,223	-	279,223	-	279,223
Other receivables	2,166,732	-	2,166,732	(921,000)	1,245,732
Note receivable	-	-	-	-	-
Other current assets	711,796	555,700	1,267,496	-	1,267,496
Total current assets	<u>25,644,764</u>	<u>37,167,818</u>	<u>62,812,582</u>	<u>(1,379,965)</u>	<u>61,432,617</u>
Net property and equipment	<u>651,386</u>	<u>4,801,577</u>	<u>5,452,963</u>	<u>-</u>	<u>5,452,963</u>
Long-term investments	61,815,617	440,160,829	501,976,446	(61,689,975)	440,286,471
Due from beneficiary agencies, net of current portion	1,001,800	-	1,001,800	-	1,001,800
Loans receivable, net of current portion	2,143,213	50,000	2,193,213	-	2,193,213
Agency pension loans receivable, net of current portion	9,298,231	-	9,298,231	-	9,298,231
Pledges receivable, net of current portion	177,000	48,042	225,042	-	225,042
Other receivable, net of current portion	1,539,571	-	1,539,571	(1,539,571)	-
Cash surrender value of life insurance, net	-	7,258,165	7,258,165	-	7,258,165
Property and equipment held for rental, net	-	840,934	840,934	-	840,934
	<u>75,975,432</u>	<u>448,357,970</u>	<u>524,333,402</u>	<u>(63,229,546)</u>	<u>461,103,856</u>
Total assets	<u>\$ 102,271,582</u>	<u>\$ 490,327,365</u>	<u>\$ 592,598,947</u>	<u>\$ (64,609,511)</u>	<u>\$ 527,989,436</u>

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Financial Position
June 30, 2019

	Jewish Federation of Greater MetroWest NJ, Inc.	Jewish Community Foundation of Greater MetroWest, NJ	Subtotal	Eliminations	Total
Liabilities and Net Assets					
Current liabilities					
Accounts payable and accrued expenses	\$ 4,873,243	\$ 556,876	\$ 5,430,119	\$ -	\$ 5,430,119
Bonds payable	550,000	-	550,000	-	550,000
Grants payable	-	11,868,646	11,868,646	(921,000)	10,947,646
Split interest agreements payable	-	218,488	218,488	-	218,488
Post retirement health benefits	68,500	-	68,500	-	68,500
Pension payable	467,386	-	467,386	-	467,386
Due to beneficiary agencies	160,963	458,965	619,928	(458,965)	160,963
Deferred revenue	451,120	8,222	459,342	-	459,342
Capital lease payable	56,593	-	56,593	-	56,593
Total current liabilities	<u>6,627,805</u>	<u>13,111,197</u>	<u>19,739,002</u>	<u>(1,379,965)</u>	<u>18,359,037</u>
Long-term liabilities					
Bonds payable, net of current portion	8,515,000	-	8,515,000	-	8,515,000
Deferred revenue, net of current portion	-	1,314,213	1,314,213	-	1,314,213
Due to beneficiary agencies, net of current portion	-	84,814,758	84,814,758	(61,689,975)	23,124,783
Due to other organizations	-	28,904,192	28,904,192	-	28,904,192
Post retirement health benefits, net of current portion	656,384	-	656,384	-	656,384
Split interest agreements payable, net of current portion	-	828,629	828,629	-	828,629
Security deposits	144,900	-	144,900	-	144,900
Capital lease payable, net of current portion	124,205	-	124,205	-	124,205
Pension loan payable	15,967,892	-	15,967,892	-	15,967,892
Grants payable, net of current portion and discount	-	28,545,265	28,545,265	(1,539,571)	27,005,694
Total long-term liabilities	<u>25,408,381</u>	<u>144,407,057</u>	<u>169,815,438</u>	<u>(63,229,546)</u>	<u>106,585,892</u>
Total liabilities	<u>32,036,186</u>	<u>157,518,254</u>	<u>189,554,440</u>	<u>(64,609,511)</u>	<u>124,944,929</u>
Net assets					
Without donor restrictions	26,508,676	283,538,379	310,047,055	-	310,047,055
With donor restrictions	43,726,720	49,270,732	92,997,452	-	92,997,452
Total net assets	<u>70,235,396</u>	<u>332,809,111</u>	<u>403,044,507</u>	<u>-</u>	<u>403,044,507</u>
Total liabilities and net assets	<u>\$ 102,271,582</u>	<u>\$ 490,327,365</u>	<u>\$ 592,598,947</u>	<u>\$ (64,609,511)</u>	<u>\$ 527,989,436</u>

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Activities and Changes in Net Assets
Year Ended June 30, 2020

	Jewish Federation of Greater MetroWest NJ, Inc.			Jewish Community Foundation of Greater MetroWest, NJ			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
Support and revenues								
Contributions	\$ 28,218,694	\$ 9,308,411	\$ 37,527,105	\$ 25,651,448	\$ 1,240,477	\$ 26,891,925	\$ (9,362,683)	\$ 55,056,347
Less donor designations	(2,622,658)	-	(2,622,658)	-	-	-	-	(2,622,658)
Net contributions	25,596,036	9,308,411	34,904,447	25,651,448	1,240,477	26,891,925	(9,362,683)	52,433,689
Valuation allowance	-	-	-	(71,610)	-	(71,610)	-	(71,610)
Bequests	-	-	-	63,085	50,000	113,085	-	113,085
Rental income	3,029,626	-	3,029,626	2,376,826	-	2,376,826	(2,446,040)	2,960,412
Grants and contract revenue	2,014,006	-	2,014,006	-	-	-	-	2,014,006
Program and service fees	1,272,979	-	1,272,979	-	-	-	-	1,272,979
Investment return, net	97,534	(1,580,442)	(1,482,908)	(277,638)	(1,062,693)	(1,340,331)	1,709,163	(1,114,076)
Administrative fee revenue	-	-	-	724,113	-	724,113	(427,718)	296,395
Allocation of investment return for funds held for others	-	-	-	1,751,166	-	1,751,166	(1,281,445)	469,721
Miscellaneous income	154,727	-	154,727	-	-	-	(33,475)	121,252
	32,164,908	7,727,969	39,892,877	30,217,390	227,784	30,445,174	(11,842,198)	58,495,853
Net assets released due to satisfaction of time or purpose restrictions	2,706,127	(2,706,127)	-	3,563,047	(3,563,047)	-	-	-
	34,871,035	5,021,842	39,892,877	33,780,437	(3,335,263)	30,445,174	(11,842,198)	58,495,853
Expenses								
Program services	23,591,554	-	23,591,554	42,616,128	-	42,616,128	(11,731,287)	54,476,395
Supporting services	6,104,332	-	6,104,332	1,512,614	-	1,512,614	(110,911)	7,506,035
	29,695,886	-	29,695,886	44,128,742	-	44,128,742	(11,842,198)	61,982,430
Changes in net assets	5,175,149	5,021,842	10,196,991	(10,348,305)	(3,335,263)	(13,683,568)	-	(3,486,577)
Net assets								
Beginning of year	26,508,676	43,726,720	70,235,396	283,538,379	49,270,732	332,809,111	-	403,044,507
End of year	\$ 31,683,825	\$ 48,748,562	\$ 80,432,387	\$ 273,190,074	\$ 45,935,469	\$ 319,125,543	\$ -	\$ 399,557,930

See Independent Auditor's Report.

Jewish Federation of Greater MetroWest NJ and Affiliates
Consolidating Statements of Activities and Changes in Net Assets
Year Ended June 30, 2019

	Jewish Federation of Greater MetroWest NJ, Inc.			Jewish Community Foundation of Greater MetroWest NJ			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
Support and revenues								
Contributions	\$ 21,633,879	\$ 4,927,133	\$ 26,561,012	\$ 35,400,427	\$ 1,419,997	\$ 36,820,424	\$ (10,600,111)	\$ 52,781,325
Less donor designations	(3,091,465)	-	(3,091,465)	-	-	-	-	(3,091,465)
Net contributions	18,542,414	4,927,133	23,469,547	35,400,427	1,419,997	36,820,424	(10,600,111)	49,689,860
Valuation allowance	-	-	-	320,472	-	320,472	-	320,472
Bequests	-	-	-	2,911,715	2,982,386	5,894,101	-	5,894,101
Rental income	3,596,629	-	3,596,629	2,376,826	-	2,376,826	(3,167,344)	2,806,111
Grants and contract revenue	398,226	-	398,226	-	-	-	-	398,226
Program and service fees	2,451,452	-	2,451,452	-	-	-	-	2,451,452
Investment return, net	877,010	891,179	1,768,189	18,228,172	1,558,822	19,786,994	(1,283,274)	20,271,909
Administrative fee revenue	-	-	-	719,660	-	719,660	(428,036)	291,624
Allocation of investment return for funds held for others	-	-	-	(3,991,932)	-	(3,991,932)	1,711,310	(2,280,622)
Miscellaneous income	290,151	-	290,151	-	-	-	(48,500)	241,651
	26,155,882	5,818,312	31,974,194	55,965,340	5,961,205	61,926,545	(13,815,955)	80,084,784
Net assets released due to satisfaction of time or purpose restrictions	3,442,524	(3,442,524)	-	4,590,177	(4,590,177)	-	-	-
	29,598,406	2,375,788	31,974,194	60,555,517	1,371,028	61,926,545	(13,815,955)	80,084,784
Expenses								
Program services	22,608,305	-	22,608,305	45,981,078	-	45,981,078	(13,428,408)	55,160,975
Supporting services	7,151,042	-	7,151,042	2,751,817	-	2,751,817	(387,547)	9,515,312
	29,759,347	-	29,759,347	48,732,895	-	48,732,895	(13,815,955)	64,676,287
Changes in net assets	(160,941)	2,375,788	2,214,847	11,822,622	1,371,028	13,193,650	-	15,408,497
Net assets								
Beginning of year	26,669,617	41,350,932	68,020,549	271,715,757	47,899,704	319,615,461	-	387,636,010
End of year	\$ 26,508,676	\$ 43,726,720	\$ 70,235,396	\$ 283,538,379	\$ 49,270,732	\$ 332,809,111	\$ -	\$ 403,044,507

See Independent Auditor's Report.