

**Jewish Community Foundation of New Mexico**

**FINANCIAL STATEMENTS**

**December 31, 2019 and 2018**

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Jewish Community Foundation of New Mexico

We have audited the accompanying financial statements of the Jewish Community Foundation of New Mexico (the Foundation), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Schedule of Organizations Receiving Grants and Distributions on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

May 4, 2020

  
Pulakos CPAs, PC

# Jewish Community Foundation of New Mexico

## STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

	<u>Assets</u>	
	<u>2019</u>	<u>2018</u>
Current assets		
Cash and cash equivalents	\$ 665,741	\$ 67,783
Accounts receivable, net	8,880	8,001
Prepaid expenses	1,226	1,193
Investments	465,000	508,000
Total current assets	<u>1,140,847</u>	<u>584,977</u>
Long-term assets		
Charitable remainder unitrust receivable	59,622	57,620
Investments	5,160,905	4,380,298
Total long-term assets	<u>5,220,527</u>	<u>4,437,918</u>
Total assets	<u>\$ 6,361,374</u>	<u>\$ 5,022,895</u>
 <b><u>Liabilities and Net Assets</u></b>		
Current liabilities		
Accounts payable	\$ 2,360	\$ 6,203
Deferred revenue	1,000	-
Assets held-for-others	138,000	132,000
Total current liabilities	<u>141,360</u>	<u>138,203</u>
Long-term liabilities		
Assets held-for-others	3,403,795	3,002,622
Total long-term liabilities	<u>3,403,795</u>	<u>3,002,622</u>
Total liabilities	<u>3,545,155</u>	<u>3,140,825</u>
Net assets		
Without donor restrictions	1,492,510	784,313
With donor restrictions		
Perpetual in nature	856,709	808,734
Time or purpose restricted	467,000	289,023
Total net assets	<u>2,816,219</u>	<u>1,882,070</u>
Total liabilities and net assets	<u>\$ 6,361,374</u>	<u>\$ 5,022,895</u>

# Jewish Community Foundation of New Mexico

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Contributions (net of assets held-for-others contributions of \$91,179)	\$ 906,575	\$ 111,592	\$ 1,018,167
Administrative fees on assets held-for-others and charitable remainder unitrust	35,411	-	35,411
Investment gain (net of assets held-for-others gains of \$451,381)	94,492	150,847	245,339
Events	2,000	-	2,000
Net assets released from restriction	<u>36,487</u>	<u>(36,487)</u>	<u>-</u>
Total revenues	1,074,965	225,952	1,300,917
Expenses			
Grants and distributions (net of assets held-for-others distributions of \$101,436)	277,269	-	277,269
Other program expenses	34,594	-	34,594
Management and general	45,996	-	45,996
Fundraising	<u>8,909</u>	<u>-</u>	<u>8,909</u>
Total expenses	<u>366,768</u>	<u>-</u>	<u>366,768</u>
Change in net assets	708,197	225,952	934,149
Net assets, beginning of year	<u>784,313</u>	<u>1,097,757</u>	<u>1,882,070</u>
Net assets, end of year	<u>\$ 1,492,510</u>	<u>\$ 1,323,709</u>	<u>\$ 2,816,219</u>

# Jewish Community Foundation of New Mexico

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Contributions (net of assets held-for-others contributions of \$712,518)	\$ 372,841	\$ 170,114	\$ 542,955
Administrative fees on assets held-for-others and charitable remainder unitrust	31,597	-	31,597
Investment loss (net of assets of assets held-for-others losses of \$172,796)	(35,615)	(56,781)	(92,396)
Events	4,096	-	4,096
Net assets released from restriction	<u>34,435</u>	<u>(34,435)</u>	<u>-</u>
Total revenues	407,354	78,898	486,252
Expenses			
Grants and distributions (net of assets held-for-others distributions of \$91,049)	312,211	-	312,211
Other program expenses	35,319	-	35,319
Management and general	50,270	-	50,270
Fundraising	<u>9,853</u>	<u>-</u>	<u>9,853</u>
Total expenses	<u>407,653</u>	<u>-</u>	<u>407,653</u>
Change in net assets	(299)	78,898	78,599
Net assets, beginning of year	<u>784,612</u>	<u>1,018,859</u>	<u>1,803,471</u>
Net assets, end of year	<u><u>\$ 784,313</u></u>	<u><u>\$ 1,097,757</u></u>	<u><u>\$ 1,882,070</u></u>

# Jewish Community Foundation of New Mexico

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants and distributions	\$ 277,269	\$ -	\$ -	\$ 277,269
Payroll and related taxes	14,122	14,122	7,061	35,305
Administration fees	15,939	15,939	-	31,878
Accounting and bookkeeping	-	10,584	-	10,584
Other expenses	2,806	3,624	984	7,414
Banquet fees	1,727	1,727	864	4,318
	<u>\$ 311,863</u>	<u>\$ 45,996</u>	<u>\$ 8,909</u>	<u>\$ 366,768</u>

# Jewish Community Foundation of New Mexico

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants and distributions	\$ 312,211	\$ -	\$ -	\$ 312,211
Payroll and related taxes	14,096	14,096	7,048	35,240
Administration fees	13,936	13,936	-	27,872
Accounting and bookkeeping	-	14,148	-	14,148
Other expenses	5,356	6,159	1,839	13,354
Banquet fees	1,931	1,931	966	4,828
	<u>\$ 347,530</u>	<u>\$ 50,270</u>	<u>\$ 9,853</u>	<u>\$ 407,653</u>



# Jewish Community Foundation of New Mexico

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018

	2019	2018
Operating activities		
Change in net assets	\$ 934,149	\$ 78,599
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized and unrealized (gains) losses on investments	(208,658)	378,817
Change in value of charitable remainder unitrust receivable	(2,002)	(3,997)
Changes in operating assets and liabilities		
Accounts receivable	(879)	(1,225)
Prepaid expenses	(33)	(15)
Accounts payable	(3,843)	3,078
Deferred revenue	1,000	(1,000)
Assets held-for-others	407,173	418,602
	1,126,907	872,859
Cash provided by operating activities		
Investing activities		
Purchases of investments	(929,410)	(1,341,400)
Proceeds from the sale of investments	400,461	439,011
	(528,949)	(902,389)
Cash used by investing activities		
Change in cash and cash equivalents	597,958	(29,530)
Cash and cash equivalents, beginning of year	67,783	97,313
Cash and cash equivalents, end of year	\$ 665,741	\$ 67,783

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

The Jewish Community Foundation of New Mexico (the Foundation) is a New Mexico nonprofit charitable organization that builds and perpetuates support for a vibrant, caring Jewish community through partnerships with donors and organizations. The Foundation strives to identify and help address evolving needs in the Jewish and general community, educate about the power and joy of philanthropy, and inspire donors to match their values with their valuables to affect the community now and in the future.

#### Basis of Presentation

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

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

#### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash Equivalents

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

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Accounts Receivable

Management reviews the collectability of its receivables and, if necessary, records an allowance for its estimate of uncollectable receivables. Bad debt history and current facts and circumstances are the primary basis for this estimate. When an account is deemed uncollectible, it is charged off against the allowance. No interest is charged on past-due accounts. There was no allowance for doubtful accounts as of December 31, 2019 and 2018, respectively. All accounts receivable are expected to be collected within one fiscal year.

#### Charitable Remainder Unitrust Receivable

A donor established a charitable remainder trust in 2015. The Foundation is the remainder beneficiary of the trust value to be paid upon the passing of the survivor recipient. Accordingly, the present value of the estimated remainder interest, using a 2% discount rate, is recorded on the Foundation's books as a temporarily restricted net asset. Any adjustments to the net present value of estimated remainder interest are reported as income (loss) in the year of the change.

#### Investments

Investments are under management and advised by SEI Investments as part of a pooled fund held with the Jewish Community Foundation of Southern Arizona (JCFSA). The Foundation has an Organization Custodial Fund relationship with JCFSA. The nature of the relationship is defined in an Organization Custodial Fund agreement.

Investments in marketable securities are stated at fair market values. Investment income (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

#### Contributions

All contributions are available for unrestricted use unless specifically restricted by the donor. The Foundation records restricted contributions that are received and spent in the same reporting period as unrestricted support.

#### Contributed Services and Materials

The Foundation recognizes contributed services if the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation. Recognized contributed services and donated materials are recorded at the fair value of the services on the date of donation.

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Administrative Fees

Administrative fees for investment management and oversight are charged to all funds and are presented in the accompanying financial statements as a release from temporarily restricted to unrestricted net assets. Administrative fees earned by the Foundation were \$60,741 and \$55,279 as of December 31, 2019 and 2018, respectively. The portion of these fees related to assets held-for-others are excluded from net assets released from restriction and are included in administrative fees revenue in the accompanying statements of activities.

#### Fair Value Measurements

Accounting standards generally accepted in the United States of America provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the investment entity has the ability to access.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, inputs other than observable quoted prices, or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

#### Concentration of Credit Risk and Market Risk

The Foundation has a deposit account with U.S. Bank consisting principally of cash on deposit. These monies are subject to federal insurance limits and the Foundation's balances can exceed amounts insured by the federal government.

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Concentration of Credit Risk and Market Risk – Continued

Investments are pooled with the JCFSA, under management with SEI Investments. Investments consist of marketable equities, marketable debt instruments, real estate, alternative investments, and cash and cash equivalents. These investments are subject to certain conditions where there can be defined insurance coverage for certain situations. The investments are subject to declines in principal value principally due to movements in the stock and bond markets. The Foundation attempts to minimize this risk through diversification and allocation strategies.

#### Income Taxes

The Foundation is recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. The Foundation has adopted accounting principles generally accepted in the United States of America as they relate to uncertain tax positions and has evaluated its tax positions taken for open tax years. Management believes that the activities of the Foundation are within their tax-exempt purpose, and that there are no uncertain tax positions. Any interest and penalties recognized associated with a tax position are classified as current in the Foundation's financial statements. There were no interest or penalties recorded as of December 31, 2019 and 2018, respectively.

#### Advertising Costs

Advertising costs (\$692 and \$724 in 2019 and 2018, respectively) are expensed as incurred.

#### Income and Appreciation (Depreciation) Allocation Methodology

It is the Foundation's policy to pool all individual endowment investment accounts, and to pool assets held-for-others and charitable remainder unitrust accounts. Investment income and net realized and unrealized gains (losses) on these investments are allocated to each account based on each account's percentage share of its respective pool as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

#### Allocation of Expenses

The expenses of the Foundation's various programs and supporting services have been allocated between program and supporting services based on estimates by management.

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Subsequent Events

The Foundation has evaluated all events occurring subsequent to December 31, 2019 and through May 4, 2020, which is the date that the financial statements were issued and does not believe that any events occurring during this period require either recognition or disclosure in the accompanying financial statements.

The Secretary for the New Mexico Department of Health has mandated temporary closing of businesses that were deemed non-essential and requested citizens of the State to adopt behavioral changes in response to the COVID-19 outbreak in the State. At a national and international level, government restrictions on travel and the behavioral changes by the public due to COVID-19 outbreaks across the globe are negatively impacting various industries and the related world markets. In the near term, the Foundation expects negative impact to the returns on investments. While the disruption is expected to be temporary, there is considerable uncertainty around the duration and ultimate financial impact of these actions.

### NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of December 31, 2019 and 2018 available for general expenditure within one year of the balance sheet date:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 665,741	\$ 67,783
Accounts receivable, net	8,880	8,001
Investments	<u>5,625,905</u>	<u>4,888,298</u>
Total financial assets	6,300,526	4,964,802
Less amounts not available to be used within one year:		
Investments	(5,625,905)	(4,888,298)
Investment cash	(500,034)	-
Other net assets with donor restrictions (not in investments)	<u>(14,521)</u>	<u>(3,473)</u>
Financial assets available to meet cash needs for general expenditure	<u>\$ 160,066</u>	<u>\$ 72,311</u>

The Foundation manages its cash flow and liquidity on an on-going basis to ensure that sufficient funds are available to cover current operational needs. The Foundation's goal is generally to maintain a level of financial assets sufficient to cover 180 days of operating expenses which is approximately \$75,000 and \$72,000 as of December 31, 2019 and 2018, respectively.

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS - CONTINUED

The Foundation's endowment is subject to an annual spending rate as discussed in Note 4. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowments are not available for general expenditure. Assets held-for-others are funds where the Foundation acts as a fiscal agent on behalf of a donor. Funds for both the endowment and assets held-for-others are in the investment portfolio.

The structure of the Foundation's investment portfolio is such that funds are readily available to meet distribution needs of any fund the Foundation manages, whether it be an endowed fund or an asset held-for-others to allow for flexibility in meeting both planned and unplanned disbursements in accordance with the respective fund agreements.

### NOTE 3 – INVESTMENTS

Components of investment return are summarized as follows:

	<b>December 31, 2019</b>		
	<b>Assets Held- for-Others</b>	<b>All Other Investments</b>	<b>Total</b>
Interest income	\$ 63,850	\$ 36,681	\$ 100,531
Unrealized and realized gain, net	387,531	208,658	596,189
Investment return	<u>\$ 451,381</u>	<u>\$ 245,339</u>	<u>\$ 696,720</u>
	<b>December 31, 2018</b>		
	<b>Assets Held- for-Others</b>	<b>All Other Investments</b>	<b>Total</b>
Interest income	\$ 72,848	\$ 40,778	\$ 113,626
Unrealized and realized loss, net	(245,644)	(133,174)	(378,818)
Investment return	<u>\$ (172,796)</u>	<u>\$ (92,396)</u>	<u>\$ (265,192)</u>

At any point in time, the volatility of the equity, debt or alternative investment markets may substantially impact the value of the Foundation's investments.

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 4 – ENDOWMENTS

The Foundation's Board of Directors has determined that certain funds, such as donor advised funds and organization funds, whose balances are classified as unrestricted net assets meet the definition of an endowment fund under accounting principles generally accepted in the United States of America.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) provides industry guidance to organizations similar to the Foundation. The State of New Mexico adopted UPMIFA effective July 1, 2009. The Foundation's Board of Directors has determined that all permanently restricted net assets and most of the temporarily restricted net assets meet the definition of endowment funds under UPMIFA.

#### Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies that attempt to provide a predictable stream of funding for programs supported by its endowments, while maintaining the purchasing power and increasing the value of the endowments over time.

The investment policy is based on a disciplined, consistent and diversified approach utilizing multiple asset classes and qualified Investment Managers. The Foundation relies on a total return strategy in which investment returns may be achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The Foundation's current spending policy is to distribute a percentage of the rolling average fund balance as determined by the Board of Directors. The spending rate percentage is determined based on consideration of a variety of factors, including the endowment's average 10-year total return and expected returns, average consumer price index trends, investment fees and fund management fees. This approach is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets help in perpetuity or for a specified term, as well as to provide additional real growth through return.



# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 4 – ENDOWMENTS – CONTINUED

As of December 31, 2019 and 2018, the Foundation had the following endowment net asset composition by type of fund:

	December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Advised or Organization Funds	\$ 1,328,343	\$ -	\$ 1,328,343
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	856,709	856,709
Donor-restricted gifts for time or purpose and accumulated investment gains	-	452,478	452,478
	\$ 1,328,343	\$ 1,309,187	\$ 2,637,530
	December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Advised or Organization Funds	\$ 712,706	\$ -	\$ 712,706
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	808,734	808,734
Donor-restricted gifts for time or purpose and accumulated investment gains	-	285,747	285,747
	\$ 712,706	\$ 1,094,481	\$ 1,807,187

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 4 – ENDOWMENTS – CONTINUED

Changes in endowment net assets in 2019 and 2018 are as follows:

	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 712,706	\$ 1,094,481	\$ 1,807,187
Investment return			
Unrealized gain on investments	79,095	129,038	208,133
Interest income	14,813	21,808	36,621
Investment fees	(13,563)	(11,720)	(25,283)
Total investment return	80,345	139,126	219,471
Contributions	750,304	100,347	850,651
Distributions	(215,012)	(24,767)	(239,779)
Endowment net assets, end of year	<u>\$ 1,328,343</u>	<u>\$ 1,309,187</u>	<u>\$ 2,637,530</u>
	<b>2018</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 712,720	\$ 1,017,317	\$ 1,730,037
Investment return			
Unrealized loss on investments	(51,867)	(80,962)	(132,829)
Interest income	16,492	24,181	40,673
Investment fees	(13,239)	(10,399)	(23,638)
Total investment return	(48,614)	(67,180)	(115,794)
Contributions	318,775	168,380	487,155
Distributions	(270,175)	(24,036)	(294,211)
Endowment net assets, end of year	<u>\$ 712,706</u>	<u>\$ 1,094,481</u>	<u>\$ 1,807,187</u>

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 5 – FAIR VALUE MEASUREMENT

The following table presents the fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2019:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments	\$ 5,625,905	\$ -	\$ 5,625,905	\$ -
Charitable remainder unitrust receivable	<u>59,622</u>	<u>-</u>	<u>-</u>	<u>59,622</u>
Total	<u>\$ 5,685,527</u>	<u>\$ -</u>	<u>\$ 5,625,905</u>	<u>\$ 59,622</u>

The following table presents the fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2018:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments	\$ 4,888,298	\$ -	\$ 4,888,298	\$ -
Charitable remainder unitrust receivable	<u>57,620</u>	<u>-</u>	<u>-</u>	<u>57,620</u>
Total	<u>\$ 4,945,918</u>	<u>\$ -</u>	<u>\$ 4,888,298</u>	<u>\$ 57,620</u>

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

*Investments:* Valued at net realizable value, as determined by quoted prices provided by the investment manager, which pools all funds. Investment activity is allocated to each account, as increases or decreases, based on its percentage share of the respective pool. Approximately 96% and 92% of the pooled fund is held in Level 1 investments and 4% and 8% of the fund is held in Level 3 investments as of December 31, 2019 and 2018, respectively.

*Charitable remainder unitrust receivable:* Valued at the present value of expected beneficial remainder interest using a discount rate of 2% determined at the date of the gifts.

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

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 5 – FAIR VALUE MEASUREMENT – CONTINUED

#### Level 3 Investments

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended December 31, 2019 and 2018, respectively.

	<u>2019</u>	<u>2018</u>
Balance – beginning of year	\$ 57,620	\$ 53,623
Present value adjustment	<u>2,002</u>	<u>3,997</u>
Balance – end of year	<u>\$ 59,622</u>	<u>\$ 57,620</u>

### NOTE 6 – ASSETS HELD-FOR-OTHERS

The Foundation accepts assets from charitable organizations that have goals in common with the Foundation. The Foundation holds those funds at the discretion of the charitable organizations. The funds are recognized as a liability representing assets held-for-others and not as revenue. The Foundation receives an administrative fee for management of the assets held-for-others. Assets held-for-others are included in the investments in the accompanying statements of financial position.

	<u>2019</u>	<u>2018</u>
Foundation obligations, beginning of year	\$ 3,134,622	\$ 2,716,020
Additions:		
Contributions	91,179	712,518
Interest	63,850	72,848
Investment gain (loss)	387,531	(245,644)
Deductions:		
Distributions to beneficiaries	(101,436)	(91,049)
Administrative fee	<u>(33,951)</u>	<u>(30,071)</u>
Foundation obligations, end of year	<u>\$ 3,541,795</u>	<u>\$ 3,134,622</u>

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are for the following purposes:

	<b>2019</b>	<b>2018</b>
Endowments:		
Subject to endowment spending policy and appropriation	\$ 1,249,565	\$ 1,036,861
Subject to endowment spending policy after a specified period of time (charitable remainder unitrust receivable)	59,622	57,620
Total endowments	1,309,187	1,094,481
Subject to expenditure for a specified purpose:		
Immigrant and refugee assistance fund	14,522	3,276
	<b>\$ 1,323,709</b>	<b>\$ 1,097,757</b>

Net assets released from restriction generally consist of expenditures of amounts restricted for funds in accordance with the purpose as specified by the donor.

	<b>2019</b>	<b>2018</b>
Grants and distributions	\$ 24,733	\$ 24,036
Administrative fees	11,720	10,399
	<b>\$ 36,453</b>	<b>\$ 34,435</b>

### NOTE 8 – CONCENTRATION OF MAJOR DONORS

The Foundation received a contribution from one major donor totaling \$500,000 in 2019 and contributions from two major donors totaling \$203,250 in 2018.

# Jewish Community Foundation of New Mexico

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

### NOTE 9 – NEW ACCOUNTING GUIDANCE IMPLEMENTATION

#### Revenue from Contracts with Customers

The Foundation has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended. Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

#### Contributions Received and Contributions Made

The Foundation has adopted Accounting Standards Update (ASU) No. 2018-08 – *Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*. The standard is applied prospectively. There were no changes to previously unrecognized promises to give as a result of this new standard.

**SUPPLEMENTAL SCHEDULE**

## Jewish Community Foundation of New Mexico

### SCHEDULE OF ORGANIZATIONS RECEIVING GRANTS AND DISTRIBUTIONS

December 31, 2019

ACLU of New Mexico Foundation	Jewish Federation - Mercer Bucks
ADL - Mountain Region	Jewish Family Services Orlando
ADL	JKA WF America
American Jewish Committee	Jewish Partisan Educational Fdn, Inc.
Albuquerque Academy	Katahdin Foundation
Albuquerque Community Foundation	Keshet Dance Company
Albuquerque Museum Foundation	League of Women Voters of Central NM
Albuquerque Sane Collaborative	Leo Baeck Institute
American Jewish World Service	Make-a-Wish Foundation of NM
American Friends of Darce Noam*	MAZON
American Friends of ILAN	McCarter Theatre Company
American Humane	Mikva Challenge
American Society for Yad Vashem	Military Religious Freedom Foundation
APS Education Foundation	National Dance Institute NM
BBYO*	National Multiple Sclerosis Society
BBYO Passport*	National Ramah Commission*
Brooklyn Academy of Music	National Resource Defense Council
Bend the Arc	National Women's Law Center
Birthright Israel Foundation	Nature Conservancy in New Mexico Inc
Brooklyn Public Library	Natl Council of Jewish Women - NY
Camp Livingston	New Israel Fund
Camp Ramah - CA*	New Mexico Environmental Law Center
Cancer Foundation for New Mexico	New Mexico Human Rights Projects
Carbonfund.org Foundation	New Mexico Immigrant Law Center
Casa Q, Inc.	New Mexico Interfaith Dialogue
Crohn's and Colitis Foundation of America	New Mexico PBS - KNME-TV
Chamber Music Albuquerque	New Mexico Philharmonic
Children's Hospital Colorado Fdn	New Mexico Spotlight Foundation
Congregation Albert	NM Religious Coalition for Reproductive Choice
Congregation Albert - Camp Oranim*	Northwest Dog Project
Congregation Beth Israel - Camp Stein*	Opera Southwest
Congregation B'nai Havurah	P B & J Family Services, Inc.
Congregation B'nai Israel	Paws and Stripes
Congregation Nahalat Shalom	Placitas Artist Series
Congregation Tiferet Israel of Austin	Placitas Community Library
Creativity for Peace	Planned Parenthood of Rocky Mountains
Denver Jewish Day School	Planned Parenthood Federation
Doctors Without Borders, USA	Pomona College*
Dreamspring	Project Angel Heart
Duke University*	Prospect Park Alliance
EarthJustice	Ramah Outdoor Adventures
Emory Hillel	The Red and Blue 12th Man Club
Environment NM Research & Policy	Rensselaer Polytechnic Institute
Evidence Action	Roadrunner Food Bank of NM
Family Promise of Albuquerque	The Rock at Noonday
Forward Together	Ronald McDonald House Charities of NM
The Foundation for AIDS Research	Senior Citizens Law Office
Friends - Princeton Public Library	Shriners Hospital for Children
Friends of Animals	Shwayder Camp*
Friends of Yad Sarah, Inc.	Southern Poverty Law Center
Heifer International	Southwest Women's Law Center
HIAS, Inc.	St. Jude's Children's Research Hospital
Hillel at UNM	Temple Emanuel
Vanderbilt Hillel Foundation	Think New Mexico
Holocaust & Intolerance Museum of NM	Trinity Preparatory School
International Rescue Committee	United Way of Central New Mexico
International School of Denver, Inc.	University of Cincinnati Foundation
Israel Guide Dog Center	UNM Foundation
Jewish Community Center, Asheville	Trustees of the Univ of Pennsylvania
JCC of Greater Albuquerque	Union for Reform Judaism
Jewish Community Foundation of NM	Union for Reform Judaism-RAC
The Jewish Center, Princeton, NJ	University of Hawai'i*
Jewish National Fund - Greater LA	Vanderbilt University
Jewish Federation of Fort Wayne	Water Resources Action Project, Inc.
Jewish Federation of New Mexico	Young Center for Immigrant Children's Rights

*\*On behalf of scholarship recipient*