

Jewish Community Foundation of New Mexico

FINANCIAL STATEMENTS

December 31, 2021 and 2020

INDEPENDENT AUDITORS' REPORT

Board of Directors
Jewish Community Foundation of New Mexico

Opinion

We have audited the accompanying statements of financial position of the Jewish Community Foundation of New Mexico (the Foundation) which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financials Statements section of our report. We are required to be independent of the Foundation and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high-level assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period-of-time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Organizations Receiving Grants and Distributions on page 21 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 2, 2022


Pulakos CPAs, PC

Jewish Community Foundation of New Mexico

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

	<u>Assets</u>	
	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 165,527	\$ 141,488
Accounts receivable, net	13,744	12,388
Prepaid expenses	3,287	1,284
Investments	<u>668,000</u>	<u>645,000</u>
Total current assets	850,558	800,160
Long-term assets		
Charitable remainder unitrust receivable	76,754	58,736
Investments	<u>8,706,015</u>	<u>6,861,975</u>
Total long-term assets	<u>8,782,769</u>	<u>6,920,711</u>
Total assets	<u>\$ 9,633,327</u>	<u>\$ 7,720,871</u>
 <u>Liabilities and Net Assets</u> 		
Current liabilities		
Accounts payable	\$ 12,954	\$ 7,746
Assets held-for-others	<u>216,000</u>	<u>161,000</u>
Total current liabilities	228,954	168,746
Long-term liabilities		
Assets held-for-others	<u>4,918,758</u>	<u>4,001,443</u>
Total long-term liabilities	<u>4,918,758</u>	<u>4,001,443</u>
Total liabilities	5,147,712	4,170,189
Net assets		
Without donor restrictions	2,502,990	2,109,105
With donor restrictions		
Perpetual in nature	1,170,355	861,508
Time or purpose restricted	<u>812,270</u>	<u>580,069</u>
Total net assets	<u>4,485,615</u>	<u>3,550,682</u>
Total liabilities and net assets	<u>\$ 9,633,327</u>	<u>\$ 7,720,871</u>

Jewish Community Foundation of New Mexico

STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions (net of assets held-for-others contributions of \$510,357)	\$ 505,318	\$ 374,841	\$ 880,159
Administrative fees on assets held-for-others and charitable remainder unitrust	46,356	-	46,356
Investment gain (net of assets held-for-others gains of \$638,374)	263,714	221,235	484,949
Events	1,000	-	1,000
Net assets released from restriction	55,028	(55,028)	-
Total revenues	871,416	541,048	1,412,464
Expenses			
Grants and distributions (net of assets held-for-others distributions of \$130,346)	356,845	-	356,845
Other program expenses	40,068	-	40,068
Management and general	69,205	-	69,205
Fundraising	11,413	-	11,413
Total expenses	477,531	-	477,531
Change in net assets	393,885	541,048	934,933
Net assets, beginning of year	2,109,105	1,441,577	3,550,682
Net assets, end of year	\$ 2,502,990	\$ 1,982,625	\$ 4,485,615

Jewish Community Foundation of New Mexico

STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions (net of assets held-for-others contributions of \$393,929)	\$ 869,592	\$ 42,569	\$ 912,161
Administrative fees on assets held-for-others and charitable remainder unitrust	38,331	-	38,331
Investment gain (net of assets held-for-others gains of \$364,161)	180,145	121,841	301,986
Events	1,000	-	1,000
Net assets released from restriction	46,542	(46,542)	-
	1,135,610	117,868	1,253,478
Expenses			
Grants and distributions (net of assets held-for-others distributions of \$103,039)	412,021	-	412,021
Other program expenses	31,613	-	31,613
Management and general	63,268	-	63,268
Fundraising	12,113	-	12,113
	519,015	-	519,015
Change in net assets	616,595	117,868	734,463
Net assets, beginning of year	1,492,510	1,323,709	2,816,219
Net assets, end of year	\$ 2,109,105	\$ 1,441,577	\$ 3,550,682

Jewish Community Foundation of New Mexico

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants and distributions	\$ 356,845	\$ -	\$ -	\$ 356,845
Payroll and related taxes	14,467	24,112	9,645	48,224
Administration fees	20,993	20,993	-	41,986
Accounting and bookkeeping	-	15,684	-	15,684
Other expenses	3,669	6,850	1,142	11,661
Banquet fees	939	1,566	626	3,131
	<u>\$ 396,913</u>	<u>\$ 69,205</u>	<u>\$ 11,413</u>	<u>\$ 477,531</u>

Jewish Community Foundation of New Mexico

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants and distributions	\$ 412,021	\$ -	\$ -	\$ 412,021
Payroll and related taxes	14,566	16,647	10,404	41,617
Administration fees	13,287	19,932	-	33,219
Accounting and bookkeeping	-	18,935	-	18,935
Other expenses	3,166	6,764	1,313	11,243
Banquet fees	594	990	396	1,980
	<u>\$ 443,634</u>	<u>\$ 63,268</u>	<u>\$ 12,113</u>	<u>\$ 519,015</u>

Jewish Community Foundation of New Mexico

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2021 and 2020

	2021	2020
Operating activities		
Change in net assets	\$ 934,933	\$ 734,463
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized and unrealized gains on investments	(489,432)	(544,803)
Change in value of charitable remainder unitrust receivable	(18,018)	886
Changes in operating assets and liabilities		
Accounts receivable	(1,356)	(3,508)
Prepaid expenses	(2,003)	(58)
Accounts payable	5,208	5,386
Deferred revenue	-	(1,000)
Assets held-for-others	972,315	620,648
	1,401,647	812,014
Cash provided by operating activities		
Investing activities		
Purchases of investments	(1,921,122)	(1,870,573)
Proceeds from the sale of investments	543,514	534,306
	(1,377,608)	(1,336,267)
Cash used by investing activities		
Change in cash and cash equivalents	24,039	(524,253)
Cash and cash equivalents, beginning of year	141,488	665,741
Cash and cash equivalents, end of year	\$ 165,527	\$ 141,488

Jewish Community Foundation of New Mexico

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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, 2021 and 2020

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, 2021 and 2020, 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.

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 \$94,511 and \$73,714 as of December 31, 2021 and 2020, 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.

Jewish Community Foundation of New Mexico

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

Approximately 91% of investments are pooled with the JCFSA, under management with SEI Investments. The remaining 9% are held through other investment brokers and are managed directly by the Foundation. Investments consist of marketable equities, marketable debt instruments, fixed income, 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, 2021 and 2020, respectively.

Jewish Community Foundation of New Mexico

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Advertising Costs

Advertising costs (\$1,284 and \$1,616 in 2021 and 2020, 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.

Subsequent Events

The Foundation has evaluated all events occurring subsequent to December 31, 2021 and through May 2, 2022, 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.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of December 31, 2021 and 2020 available for general expenditure within one year of the balance sheet date:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 165,527	\$ 141,488
Accounts receivable, net	13,744	12,399
Investments	<u>9,374,015</u>	<u>7,506,975</u>
Total financial assets	9,553,286	7,660,862
Less amounts not available to be used within one year:		
Investments	(9,374,015)	(7,506,975)
Other net assets with donor restrictions (not included investments)	<u>(25,546)</u>	<u>(13,066)</u>
Financial assets available to meet cash needs for general expenditure	<u>\$ 153,725</u>	<u>\$ 140,821</u>

Jewish Community Foundation of New Mexico

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS – CONTINUED

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 as of December 31, 2021 and 2020.

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:

	December 31, 2021		
	Assets Held- for-Others	All Other Investments	Total
Interest income	\$ 368,463	\$ 267,351	\$ 635,814
Unrealized and realized gain, net	269,911	219,521	489,832
Investment management fees	-	(1,923)	(1,923)
Investment return	<u>\$ 638,374</u>	<u>\$ 484,949</u>	<u>\$ 1,123,323</u>

	December 31, 2020		
	Assets Held- for-Others	All Other Investments	Total
Interest income	\$ 44,032	\$ 41,625	\$ 85,657
Unrealized and realized gain, net	320,129	262,042	582,171
Investment management fees	-	(1,681)	(1,681)
Investment return	<u>\$ 364,161</u>	<u>\$ 301,986</u>	<u>\$ 666,147</u>

Jewish Community Foundation of New Mexico

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 3 – INVESTMENTS – CONTINUED

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.

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, 2021 and 2020

NOTE 4 – ENDOWMENTS – CONTINUED

As of December 31, 2021 and 2020, the Foundation had the following endowment net asset composition by type of fund:

	December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Advised or Organization Funds	\$ 2,224,120	\$ -	\$ 2,224,120
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	-	1,170,355	1,170,355
Donor-restricted gifts for time or purpose and accumulated investment gains	-	786,724	786,724
	\$ 2,224,120	\$ 1,957,079	\$ 4,181,199
	December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Advised or Organization Funds	\$ 1,844,382	\$ -	\$ 1,844,382
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	-	861,508	861,508
Donor-restricted gifts for time or purpose and accumulated investment gains	-	567,003	567,003
	\$ 1,844,382	\$ 1,428,511	\$ 3,272,893

Jewish Community Foundation of New Mexico

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 4 – ENDOWMENTS – CONTINUED

Changes in endowment net assets in 2021 and 2020 are as follows:

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
Endowment net assets, beginning of year	\$ 1,844,382	\$ 1,428,511	\$ 3,272,893
Investment return			
Unrealized gain on investments	118,949	106,163	225,112
Interest income	128,599	133,090	261,689
Investment fees	(23,377)	(15,946)	(39,323)
Total investment return	224,171	223,307	447,478
Contributions	435,030	344,343	779,373
Distributions	(279,463)	(39,082)	(318,545)
Endowment net assets, end of year	<u>\$ 2,224,120</u>	<u>\$ 1,957,079</u>	<u>\$ 4,181,199</u>
	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Endowment net assets, beginning of year	\$ 1,328,343	\$ 1,309,187	\$ 2,637,530
Investment return			
Unrealized loss on investments	154,451	106,053	260,504
Interest income	23,319	14,902	38,221
Investment fees	(17,006)	(12,466)	(29,472)
Total investment return	160,764	108,489	269,253
Contributions	684,894	43,455	728,349
Distributions	(329,619)	(32,620)	(362,239)
Endowment net assets, end of year	<u>\$ 1,844,382</u>	<u>\$ 1,428,511</u>	<u>\$ 3,272,893</u>

Jewish Community Foundation of New Mexico

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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, 2021:

Description	Total	Level 1	Level 2	Level 3
Investments				
Investments held with JCFSA Separately managed account	\$ 8,644,813	\$ -	\$ 8,644,813	\$ -
Equities	434,545	434,545	-	-
Fixed income	169,657	169,657	-	-
Israel bonds	125,000	-	-	125,000
Total investments	9,374,015	604,202	8,644,813	125,000
Charitable remainder unitrust receivable	76,754	-	-	76,754
Total	\$ 9,450,769	\$ 604,202	\$ 8,644,813	\$ 201,754

The following table presents the fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2020:

Description	Total	Level 1	Level 2	Level 3
Investments				
Investments held with JCFSA Separately managed account	\$ 6,842,653	\$ -	\$ 6,842,653	\$ -
Equities	362,123	362,123	-	-
Fixed income	177,199	177,199	-	-
Israel bonds	125,000	-	-	125,000
Total investments	7,506,975	539,322	6,842,653	125,000
Charitable remainder unitrust receivable	58,736	-	-	58,736
Total	\$ 7,565,711	\$ 539,322	\$ 6,842,653	\$ 183,736

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

Jewish Community Foundation of New Mexico

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 5 – FAIR VALUE MEASUREMENT – CONTINUED

Investments with JCFSA: 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 76% and 79% of the pooled fund is held in Level 1 investments and 24% and 21% of the fund is held in Level 3 investments as of December 31, 2021 and 2020, respectively.

Separately Managed Account: Fair value determined using the closing price of the traded security at the statements of financial position date.

Israel Bonds: Fair value determined using face value of the fixed-rate bonds as issued by the State of Israel.

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.

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, 2021 and 2020, respectively.

	<u>2021</u>	<u>2020</u>
Balance – beginning of year	\$ 183,736	\$ 59,622
Contributions	-	125,000
Present value adjustment	<u>18,018</u>	<u>(886)</u>
Balance – end of year	<u>\$ 201,754</u>	<u>\$ 183,736</u>

Jewish Community Foundation of New Mexico

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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.

	2021	2020
Foundation obligations, beginning of year	\$ 4,162,443	\$ 3,541,795
Additions:		
Contributions	510,357	393,929
Interest	368,463	44,032
Investment gain	269,911	320,130
Deductions:		
Distributions to beneficiaries	(130,346)	(103,039)
Administrative fee	(46,070)	(34,404)
Foundation obligations, end of year	\$ 5,134,758	\$ 4,162,443

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are for the following purposes:

	2021	2020
Endowments:		
Subject to endowment spending policy and appropriation	\$ 1,880,325	\$ 1,369,775
Subject to endowment spending policy after a specified period of time (charitable remainder unitrust receivable)	76,754	58,736
Total endowments	1,957,079	1,428,511
Subject to expenditure for a specified purpose:		
Immigrant and refugee assistance fund	25,546	13,066
	\$ 1,982,625	\$ 1,441,577

Jewish Community Foundation of New Mexico

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS – CONTINUED

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

	<u>2021</u>	<u>2020</u>
Grants and distributions	\$ 39,082	\$ 34,076
Administrative fees	<u>15,946</u>	<u>12,466</u>
	<u>\$ 55,028</u>	<u>\$ 46,542</u>

NOTE 8 – CONCENTRATION OF MAJOR DONORS

The Foundation received contributions from two major donors totaling approximately \$321,000 in 2021 and contributions from two major donors totaling approximately \$496,000 in 2020.

NOTE 9 – COVID-19 PANDEMIC

The Secretary for the New Mexico Department of Health, at various times throughout 2020 and continuing into the second quarter of 2021, 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. While the disruption is expected to be temporary, there is considerable uncertainty around the duration and ultimate financial impact of these actions.

SUPPLEMENTAL SCHEDULE

Jewish Community Foundation of New Mexico
SCHEDULE OF ORGANIZATIONS RECEIVING GRANTS AND DISTRIBUTIONS
December 31, 2021

ACLU Foundation	Joseph Slifka Center for Jewish Life at Yale
ADL - Anti-Defamation League	Judicial Watch
AJC	Keshet Dance Company
Albuquerque Academy	KUNM-FM Radio
Albuquerque Community Foundation	La Plaza de Encuentro
Albuquerque Museum Foundation	Lawyer's Committee
Albuquerque Public Library Foundation	Lupus Research Alliance
All Faiths	Lutheran Family Services Rocky Mountains
Alzheimer's Association	McCarter Theatre Company
American Cancer Society	Mikva Challenge
American Friends of Magen David Adom	Moishe House-ABQ
American Humane	NAACP Legal Defense & Education Fund
American Indian College Fund	National Council of Jewish Women - NY
American Jewish World Service	National MS Society
American Society for Yad Vashem	Nature Conservancy in New Mexico
Arizona Community Foundation	New Heart
Asheville City Schools Foundation	New Israel Fund
ASPCA	New Mexicans to Prevent Gun Violence
At the Well Project	New Mexico Appleseed
Bend the Arc	New Mexico Biopark Society
Bergen Family Center	New Mexico Dream Team
Black Girl Ventures Foundation	New Mexico Environmental Law Center
Brooklyn Academy of Music	New Mexico Holocaust Museum
Brooklyn Public Library	New Mexico Immigrant Law Center
CALL Primrose	New Mexico Jewish Historical Society
Camp Ramah - CA*	New Mexico PBS - KNME-TV
Casa Q	New Mexico Religious Coalition for Reproductive Choice
Center for Biological Diversity	New Mexico Wilderness Alliance
Center for Hope and Safety	NM Asian Family Center
Children's Health Council	NM Council of Churches for FaithWorks ABQ
Children's Hospital Colorado Foundation	Notre Dame High School - Belmont
Children's Organ Transplant Assn.	P B & J Family Services
Community Help in Park Slope	Pisgah Legal Services
Congregation Albert	Planned Parenthood Arizona
Congregation B'nai Israel	Planned Parenthood Federation
Congregation Nahalat Shalom	Planned Parenthood of Rocky Mountains
Congregation Shearith Israel	Princeton Senior Resource Center
Congregation Tiferet Israel of Austin	Prospect Park Alliance
Doctors Without Borders, USA	Red and Blue 12th Man Club
East Central Ministries	Religious Action Center of Reform Judaism
El Centro de Igualdad y Derechos	Roadrunner Food Bank of New Mexico
Enlace Comunitario	San Francisco-Marin Food Bank
Equality New Mexico	Santa Barbara Hillel
Family Promise of Albuquerque	Santa Fe Jewish Center Chabad
Food Depot Northern New Mexico	Saranam
Foodbank of Santa Barbara County	Senior Citizens Law Office
Forward Together	Sierra Club Foundation-Rio Grande
Foundation for AIDS Research	Silverlake Independent Jewish Community Center
Foundation for Jewish Camp	Social Venture Partners Tucson
Friends of Princeton Public Library	South St. Paul Educational Foundation
Friends of Yad Sarah	St. Jude's Children's Research Hospital
Greenberg Center for Learning and Tolerance	St. Martin's Hospitality Center
HaMakom	Staenberg-Loup Jewish Community Center
Heading Home	Student Clothing Bank - Locker 505
Heifer International	Temple Beth Shalom
Hillel at Ohio University	Temple Emanuel
Hillel at UNM	Tides Center - Shalom Bayit
Humane Society of Southern Arizona	Trustees of the University of Pennsylvania
Institute for the Next Jewish Future	Tucson Fire Foundation Endowment
International Rescue Committee	Tunnel To Towers Foundation
Israel Cancer Research Fund (ICRF)	Union for Reform Judaism
JCC of Greater Albuquerque	United Voices for Immigrant Rights
Jewish Care Program of Jewish Federation of New Mexico	University of Colorado Foundation
Jewish Center, Princeton, NJ	University of New Mexico Foundation
Jewish Community Center of Asheville	US Holocaust Memorial Museum
Jewish Community Foundation of New Mexico	USC*
Jewish Family & Children's Services of Northern NJ	Washington University in St. Louis*
Jewish Family & Children's Services of S. Arizona	Women's Economic Ventures (WEV)
Jewish Family Services - Mercer Bucks	World Central Kitchen
Jewish Federation - Mercer Bucks	WRAP
Jewish Federation of New Mexico	YWCA Northern New Jersey
Jewish Federation of New Mexico-Community Teen Ed.	Zia Family Focus Center
Jewish Partisans Education Foundation	<i>*On behalf of scholarship recipient</i>
Jewish Studio Project	