JEWISH COMMUNITY FOUNDATION OF GREATER METROWEST N.J., INC.
Consolidated Financial Statements
June 30, 2020 and 2019
With Independent Auditor's Report

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ADVISORY TAX AUDIT

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Jewish Community Foundation of Greater MetroWest N.J., Inc.:

We have audited the accompanying consolidated financial statements of Jewish Community Foundation of Greater MetroWest N.J., Inc., which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and 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 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 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 financial position of Jewish Community Foundation of Greater MetroWest N.J., Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

December 10, 2020

Jewish Community Foundation of Greater MetroWest N.J., Inc.
Consolidated Statements of Financial Position
June 30, 2020 and 2019

	2020	2019
Assets		
Current assets		
Cash and cash equivalents	$ 1,358,925	$ 4,789,655
Restricted cash held in investment pool	37,638,744	31,706,228
Pledges receivable, net	43,777	19,735
Loans receivable	34,000	96,500
Other current assets	450,389	555,700
Total current assets	39,525,835	37,167,818
Property and equipment, net	4,234,868	4,801,577
Other assets		
Investments, net of restricted cash held in investment pool	420,514,717	440,160,829
Pledges receivable, net of current portion	-	48,042
Loans receivable, net of current portion	25,000	50,000
Cash surrender value, life insurance, net	7,278,582	7,258,165
Property and equipment, held for rental, net	593,664	840,934
Total other assets	428,411,963	448,357,970
Total assets	$ 472,172,666	$ 490,327,365
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 313,204	$ 561,876
Grants payable	12,453,953	11,868,646
Split interest agreements payable	189,933	218,488
Due to affiliated organizations	302,252	458,965
Deferred revenue	8,222	8,222
Total current liabilities	13,267,564	13,116,197
Long term liabilities		
Due to affiliated organizations, net of current portion	86,826,798	84,814,758
Due to other organizations	27,195,226	28,904,192
Deferred revenue, net of current portion	1,300,991	1,309,213
Split interest agreements payable, net of current portion	661,991	828,629
Grants payable, net of current portion	23,794,553	28,545,265
Total long term liabilities	139,779,559	144,402,057
Total liabilities	153,047,123	157,518,254
Net assets		
Without donor restrictions	273,190,074	283,538,379
With donor restrictions	45,935,469	49,270,732
Total net assets	319,125,543	332,809,111
Total liabilities and net assets	$ 472,172,666	$ 490,327,365

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

Jewish Community Foundation of Greater MetroWest N.J., Inc.
Consolidated Statements of Activities and Changes in Net Assets
Years Ended June 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Contributions	$ 25,651,448	$ 1,240,477	$ 26,891,925	$ 35,400,427	$ 1,419,997	$ 36,820,424
Bequests	63,085	50,000	113,085	2,911,715	2,982,386	5,894,101
Rent income	2,376,826	-	2,376,826	2,376,826	-	2,376,826
Investment return, net	(277,638)	(1,062,693)	(1,340,331)	18,228,172	1,558,822	19,786,994
Administrative fee revenue	724,113	-	724,113	719,660	-	719,660
Allocation of investment income to managed funds of affiliated and other organizations	1,751,166	-	1,751,166	(3,991,932)	-	(3,991,932)
Valuation allowances	(71,610)	-	(71,610)	320,472	-	320,472
	30,217,390	227,784	30,445,174	55,965,340	5,961,205	61,926,545
Net assets released due to satisfaction of purpose restrictions	3,563,047	(3,563,047)	-	4,590,177	(4,590,177)	-
	33,780,437	(3,335,263)	30,445,174	60,555,517	1,371,028	61,926,545
Expenses						
Program	42,616,128	-	42,616,128	45,981,078	-	45,981,078
Management and general	827,739	-	827,739	1,318,932	-	1,318,932
Fundraising	684,875	-	684,875	1,432,885	-	1,432,885
	44,128,742	-	44,128,742	48,732,895	-	48,732,895
Changes in net assets	(10,348,305)	(3,335,263)	(13,683,568)	11,822,622	1,371,028	13,193,650
Net assets						
Beginning of year	283,538,379	49,270,732	332,809,111	271,715,757	47,899,704	319,615,461
End of year	$ 273,190,074	$ 45,935,469	$ 319,125,543	$ 283,538,379	$ 49,270,732	$ 332,809,111

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

Jewish Community Foundation of Greater MetroWest N.J., Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	2019
Operating activities		
Changes in net assets	$ (13,683,568)	$ 13,193,650
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation (operating and rental assets)	813,979	869,491
Change in cash surrender value on life insurance	(20,417)	(423,490)
Change in value of charitable remainder trusts	10,993	-
Present value adjustment on pledges receivable	-	5,948
Present value adjustment on grants payable	(1,521,453)	(5,406,444)
Collections of losses on pledges receivable	-	11,690
Net realized and unrealized (gains) losses on investments	11,661,253	(8,140,089)
Permanent additions	(10,450)	(2,984)
Changes in assets and liabilities		
Pledges receivable	24,000	9,981
Other current assets	105,311	72,465
Accounts payable and accrued expenses	(248,672)	93,228
Grants payable	(2,643,952)	16,327,332
Split interest agreements payable	(206,186)	(78,543)
Due to affiliated organizations	1,855,327	314,641
Due to other organizations	(1,708,966)	1,766,432
Deferred revenue	(8,222)	(8,222)
Net cash provided by (used in) operating activities	(5,581,023)	18,605,086
Investing activities		
Payments on note receivable	-	2,916,000
Payment on loan receivable	87,500	93,500
Purchase of investments	(105,165,485)	(122,030,826)
Sale of investments	113,150,344	115,330,642
Net cash provided by (used in) investing activities	8,072,359	(3,690,684)
Financing activities		
Payment of bond payable	-	(5,400,000)
Permanent additions of contributions with donor restrictions	10,450	2,984
Net cash provided by (used in) financing activities	10,450	(5,397,016)
Net change in cash, cash equivalents and restricted cash	2,501,786	9,517,386
Cash, cash equivalents and restricted cash		
Beginning of year	36,495,883	26,978,497
End of year	$ 38,997,669	$ 36,495,883
Supplemental disclosure of cash flow information		
Interest paid	$ -	$ 66,717
Income taxes paid	$ -	$ 150,000

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

Jewish Community Foundation of Greater MetroWest N.J., Inc.
Consolidated Statements of Functional Expenses
Years Ended June 30, 2020 and 2019

	2020				2019			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries	$ 737,629	$ 461,018	$ 338,080	$ 1,536,727	$ 468,029	$ 468,029	$ 573,713	$ 1,509,771
Payroll taxes and fringe benefits	134,562	84,101	61,674	280,337	104,181	104,181	127,705	336,067
Grants expense	40,201,689	-	-	40,201,689	43,942,654	-	-	43,942,654
Office expense	219,288	137,055	100,507	456,850	119,749	119,749	146,789	386,287
Consultants	67,212	42,007	30,805	140,024	30,634	30,634	37,551	98,819
Occupancy expense	41,681	26,051	19,104	86,836	28,261	28,261	34,643	91,165
Travel and related expenses	11,167	6,979	5,118	23,264	8,476	8,476	10,390	27,342
Interest expense	-	-	-	-	20,682	20,682	25,352	66,716
Unrelated business income tax	-	-	-	-	-	150,000	-	150,000
Depreciation	813,979	-	-	813,979	869,491	-	-	869,491
Miscellaneous	388,921	70,528	129,587	589,036	388,921	388,920	476,742	1,254,583
	$ 42,616,128	$ 827,739	$ 684,875	$ 44,128,742	$ 45,981,078	$ 1,318,932	$ 1,432,885	$ 48,732,895

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

1. NATURE OF ACTIVITY

Jewish Community Foundation of Greater MetroWest N.J., Inc. (the "Foundation"), a wholly owned subsidiary of the Jewish Federation of Greater MetroWest N.J., ("Federation"), 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 Federation 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 Federation 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, which support the charitable activities of the Foundation. These supporting organizations are included in the accompanying consolidated financial statements and are included in net assets without donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

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

Basis of Presentation

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the Foundation's resources are classified and reported as separate classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

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

Net assets without donor restrictions: Net assets subject to donor-imposed restrictions that will be met either by the actions of the Foundation 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. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Foundation, 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.

Revenues and gains and losses on investments and other assets are reported as changes in net assets without donor restrictions unless limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions and are allocated to functional categories depending upon the ultimate purpose of the expenditure. Releases of net assets with donor restrictions which include either the satisfaction of a donor requirement or the passage of time are reported as net assets released from restrictions in the consolidated statements of activities and changes in net assets.

New Accounting Pronouncements Adopted In The Current Year

Revenue Recognition – Contributions

During 2020, the Foundation 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 transactions 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

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. The Foundation has implemented Topic 606 and has adjusted the presentation in these consolidated financial statements accordingly. The amendments have been applied retrospectively to all periods presented, with no effect on net assets or changes in net assets. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the consolidated financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

Financial Instruments

During 2020, the Foundation adopted ASU 2016-01, *Financial Instruments* (Topic 825). 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 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 the Foundation's 2020 and 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 the Foundation's lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021.

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. The Foundation does not expect this ASU to have a significant impact on the consolidated financial statements.

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

Revenue and Support Recognition

The Foundation recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as support with or without donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. The Foundation's governing documents further provide that, absent contrary directions given in the transferring instrument regarding the use of principal, all or part of the principal of any fund may be used subject to certain conditions, including approval of the Board of Trustees. Therefore, such contributions are reported as assets without donor restrictions. Bequests are accrued as an asset 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.

Cash, Cash Equivalents and Restricted Cash

The Foundation considers all highly liquid debt instruments with a maturity of three months or less at time of purchase to be cash equivalents. Such instruments consist primarily of certificates of deposit which are recorded at cost which approximates fair value. 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.

	2020	2019
Cash and cash equivalents	$ 1,358,925	$ 4,789,655
Restricted cash held in investment pool	37,638,744	31,706,228
Total cash, cash equivalents and restricted cash shown in consolidated statements of cash flows	$ 38,997,669	$ 36,495,883

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. Withdrawals are subject to restrictions based on the contract terms for the custodial funds held for others and for donor funds.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. 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 $228,112 for the years ended June 30, 2020 and 2019, respectively. Management has determined that there are no uncertain tax positions at the Foundation at June 30, 2020 and 2019. In addition, the Foundation did not have any income tax related penalties or interest for the periods reports in these consolidated financial statements.

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 Foundation records valuation allowances and discounts for its charitable remainder trust agreements and life insurance policies. In addition, liabilities related to charitable remainder trust agreements are based on the estimated life expectancy of the beneficiaries. Significant estimates are also utilized in the determination of certain investments and for multi-year grant commitments. It is reasonably possible that these estimates could change in the near future.

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 support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

The depreciable years utilized by major asset categories are as follows:

Description	Estimated Life (Years)
Buildings	40
Building improvements	30
Furniture and equipment	5-10

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.

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 may make adjustments to values so determined, if in their experience, such methodology does not accurately reflect the underlying value of the investment. 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. Money market funds consist of cash and cash equivalents and are shown as current investments in the consolidated statements of financial position. Investments other than the money market funds shown in restricted cash are shown as long term based on withdrawal restrictions noted in the fund agreements and the long-term donative intent of the philanthropic funds and management has no intent to utilize these funds during the subsequent year. Donated investments are recorded at the fair value at the date of receipt.

Investment Income

Investment income or loss (including realized and unrealized gains and losses on investments and interest and dividends) is included in 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 the Foundation. 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 pools are revalued monthly and income and gains or losses are allocated to each fund based on its units.

Grants

Grants are recorded when approved by the Board of Trustees. The Foundation, from time to time, 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.

Valuation of Long-Lived Assets

In accordance with the provisions of the accounting pronouncement on accounting for the impairment of long-lived assets, the Foundation 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 Expenses

Expenses are reported in the consolidated statements of activities and changes in net assets based on the nature and function of the expenses as a program service or supporting function. The Foundation incurs expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. Grants are directly charged to program expense. Salaries are allocated based on time spent in each of the functional categories for each employee. Fringe benefits and other administrative costs are allocated using the weighted average of salaries in each category.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including short term pledges receivable, accounts payable and accrued expenses and grants payable approximate their fair values because of the relatively short maturity of these instruments.

The value of pledges receivable reasonably approximates fair value as they are presented using estimated future cash flows discounted by a market rate of interest. 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 adjusted regularly to reflect the fair value of the associated investment less the present value of estimated future distributions. Grants payable approximate fair value as the long-term grants payables are discounted using a market rate of interest.

Split Interest Agreements

Assets held in the split interest agreements are recorded at fair value in the Foundation's consolidated statements of financial position.

3. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Financial assets and liquidity resources available within one year for general expenditures are as follows for the years ended June 30:

	2020	2019
Financial assets		
Cash and cash equivalents	$ 1,358,925	$ 4,789,655
Pledges receivable, net	43,777	19,735
Loan receivable	34,000	96,500
	1,436,702	4,905,890
Plus JCF unrestricted fund assets	1,391,490	854,806
Total financial assets and liquidity resources available within one year	$ 2,828,192	$ 5,760,696

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. 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 investments and not from the financial assets noted above.

4. FAIR VALUE MEASUREMENTS

The Foundation has provided fair value disclosure information for relevant assets in these consolidated financial statements. For applicable assets, the Foundation values such assets using quoted market prices in active markets for identical assets to the extent possible (Level 1). To the extent that such market prices are not available, the Foundation values such assets using observable measurement criteria, including quoted market prices of similar assets 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, the Foundation develops measurement criteria based on the best information available (Level 3).

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.

The following tables summarize the assets which have been accounted for at fair value on a recurring basis as of June 30, 2020 and 2019, along with the basis for the determination of fair value as follows:

	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	477,671	477,671	-	-
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	-	-
Corporate bonds				
AAA - A ratings	21,805,896	-	21,805,896	-
BBB - B- ratings	26,365,821	-	26,365,821	-
Not rated	26,699,242	-	26,699,242	-
State of Israel bonds (b)	4,876,948	-	4,876,948	-
U.S. Treasury obligations	30,167,422	30,167,422	-	-
U.S. government agencies	17	17	-	-
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
	348,162,780	$ 212,899,314	$ 85,365,319	$ 49,898,147
Investments measured at NAV (1)	109,990,681			
	$ 458,153,461			

	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	911,262	911,262	-	-
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	-	-
Corporate bonds				
AAA - A ratings	15,251,108	-	15,251,108	-
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)	3,877,397	-	3,877,397	-
U.S. Treasury obligations	39,820,767	39,820,767	-	-
U.S. government agencies	1,810,735	1,810,735	-	-
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
	363,939,762	$ 234,601,797	$ 83,361,717	$ 45,976,248
Investments measured at NAV (1)	107,927,295			
	$ 471,867,057			

(1) In accordance with FASB ASC 820-10, certain investments that are measured at fair value using the net asset value per share (“NAV”) (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.

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.

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

Strategies	# of Funds	Valuation	Unfunded Commitment	Redemption Commitment	Redemption Notice Period
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	7,735,319	-	N/A	None
		$ 109,990,681			

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 60 year record of dependability and Israel has never defaulted on the payment of principal or interest. The bonds all have maturity dates through September 2021. The Foundation 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 the Foundation will make new investments in other private equity strategies. The majority of the capital calls are expected within two to six years and return of capital is anticipated in one to twelve years.

e) Real estate 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.

h) Multi-asset strategy 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 equities 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:

	Total Investments	Multi-Strategy	Private Equity	Real Estate	Natural Resources	Other
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	(5,711,295)	(478,848)	(2,459,567)	(1,833,244)	(939,636)	-
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	-
Transfers	(1,999,060)	(1,999,060)	-	-	-	-
Sales	(2,453,442)	-	(1,183,072)	(1,103,680)	(166,690)	-
Balance, June 30, 2020	$ 49,898,147	$ 12,911,259	$ 12,523,710	$ 18,774,532	$ 4,127,436	$ 1,561,210

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

	2020	2019
Interest and dividend income	$ 11,947,289	$ 13,218,768
Interest on notes receivable	-	69,862
Realized gains	875,591	5,348,243
Unrealized gains (losses)	(12,536,844)	2,791,846
	286,036	21,428,719
Investment fees	(1,626,367)	(1,641,725)
	$ (1,340,331)	$ 19,786,994

The Foundation invests in various investment securities which 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.

5. PLEDGES RECEIVABLE

Pledges receivable consisted of the following at June 30:

	2020	2019
Total receivables	$ 765,277	$ 789,277
Less: Allowance for uncollectible amounts	(721,500)	(721,500)
Pledges receivable, net	43,777	67,777
Less: Current portion	43,777	19,735
	$ -	$ 48,042

6. PROPERTY AND EQUIPMENT

Property and equipment, as of June 30, consisted of the following:

	2020	2019
Land	$ 2,953,206	$ 2,953,206
Building and improvements	17,007,417	17,007,417
Furniture and equipment	1,286,643	1,286,643
Works of art	315,000	315,000
Transportation equipment	16,192	16,192
	21,578,458	21,578,458
Less: Accumulated depreciation	17,343,590	16,776,881
	$ 4,234,868	$ 4,801,577

Depreciation expense totaled $566,709 for each of the years ended June 30, 2020 and 2019.

7. PROPERTY AND EQUIPMENT HELD FOR RENTAL

The Foundation owns several properties which are rented to beneficiary organizations. These properties consisted of the following at June 30:

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

Depreciation on these assets totaled $247,270 and $302,782 for of the years ended June 30, 2020 and 2019, respectively.

8. GRANTS PAYABLE

The Foundation has made grant commitments to certain nonprofit organizations as of June 30, as follows:

	2020	2019
Total grant commitments	$ 42,139,453	$ 47,826,311
Less: Discount to present value	5,890,947	7,412,400
	36,248,506	40,413,911
Less: Amounts payable in subsequent fiscal year	12,453,953	11,868,646
Amounts payable in future fiscal years	$ 23,794,553	$ 28,545,265

Future payments are as follows:

2021	$ 12,453,953
2022	8,349,528
2023	4,503,382
2024	2,308,953
2025	2,000,037
Thereafter	6,632,653
	$ 36,248,506

9. SPLIT INTEREST AGREEMENTS

The Foundation administers various split interest agreements which provide for the payment of distributions to the grantor or other designated beneficiaries over the agreements' term (usually the designated beneficiary's lifetime). At the end of the agreements' terms, the remaining assets are available for the Foundation's use. The portion of the agreement attributable to the future interest of the Foundation is recorded in the consolidated statements of activities and changes in net assets as a contribution with donor restrictions in the period the trust is established.

On an annual basis, the Foundation 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 applicable mortality tables and a discount rate of 6% to 8% based on the nature of the agreements. 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. Assets, included in long term investments, related to these agreements at June 30, 2020 and 2019 total $1,797,484 and $2,244,290, respectively. The change in the present value of estimated future payments of $129,026 and $140,019 is included in the valuation allowance in the consolidated statements of activities and changes in net assets for the years ended June 30, 2020 and 2019, respectively.

10. DEFERRED REVENUE

During the year ended June 30, 2000, the Foundation entered into a land lease agreement for $1,480,000, with Jewish Community Housing Corporation, Inc. (“JCHC”). The lease is for an initial period of 80 years with a renewal option for an additional 100 years. Under the terms of a 2005 amendment to the lease, JCHC was required to pay the Foundation $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 the 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, as shown in the consolidated statements of financial position as deferred revenue. This amount is 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, there were no amounts for contingent rents paid or accrued based on the calculation of cash flow as defined, accrued balances were offset against deferred revenue.

11. AFFILIATION AND RELATED PARTY TRANSACTIONS

The Foundation’s primary function is to receive, invest, administer, and allocate funds for the purposes of Federation and its beneficiary agencies. Funds invested for beneficiary agencies are reflected as long-term investments on the consolidated statements of financial position because there are notice restrictions to withdraw the funds. As a related organization due to common boards and management, the Foundation is subject to all of the rights, privileges, obligations and limitations as specified in the by-laws of Federation. The Foundation receives bookkeeping services, joint cost sharing of certain expenditures and participates in pension and benefit plans administered by Federation. Other beneficiary agencies of Federation are entitled to participate in the services provided by the Foundation.

At June 30, certain amounts are due to affiliated and related organizations as follows:

	2020	2019
Jewish Federation of Greater MetroWest New Jersey, Inc.	$ 64,852,407	$ 61,689,975
Jewish Vocational Service of MetroWest, Inc.	557,253	719,437
Daughters of Israel, Inc.	13,301,607	13,426,841
Jewish Community Center of MetroWest, Inc.	2,512,724	3,055,884
Jewish Family Service of MetroWest, Inc.	4,779,450	5,128,469
Jewish Service for the Developmentally Disabled, Inc.	146,154	136,326
Jewish Historical Society	374,503	467,969
Jewish Community Housing Corporation, Inc.	302,700	189,857
Reimbursement of loan to Federation	-	444,100
Reimbursement of expenses to Federation	302,252	14,865
Total due to affiliated organizations	87,129,050	85,273,723
Less: Current portion	302,252	458,965
Due to affiliated organizations, long term	$ 86,826,798	$ 84,814,758

Contributions from members of the Board of Trustees for the years ended June 30, 2020 and 2019 totaled approximately $5,106,000 and $1,298,000, respectively. Contributions from one board member for the years ended June 30, 2020 and 2019 represent 79% and 23%, respectively, of the total received from board members. Other related party transactions can be seen in Notes 14 and 17.

12. 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 the Foundation 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 the Foundation 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 non-current in the consolidated statements of financial position.

13. LEASES

The Foundation leases commercial property to Daughters of Israel, Inc., a beneficiary agency, under an operating lease which expires in June 2025. Rental income under this lease was $2,368,604 for each of the years ended June 30, 2020 and 2019. Future minimum rentals under this lease through June 30, 2025 are as follows:

2021	$ 2,562,829
2022	2,562,829
2023	2,562,829
2024	2,562,829
2025	2,562,829
	$ 12,814,145

14. BENEFIT PLANS

The Foundation participated in a multiple employer defined benefit retirement plan (the "Plan") which is administrated by Federation. The Foundation was not considered a separate participating employer under the Plan. The retirement plan was for eligible employees of Federation and its beneficiary agencies. Employees are 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 commenced on January 1 following three years of employment as follows: 20% in year one; 20% each additional year, up to 100% after seven years. Normal retirement age is 65 with at least 5 years of service. Effective July 1, 2009 Federation has frozen the Plan benefits and ended the admission of any new participants.

Termination of the Pension Plan

Federation and participating agencies voted to take the steps necessary to terminate the Jewish Federation of Greater MetroWest NJ Employees' Pension. During December 2016, annuities totaling $28 million were purchased from Pacific Life, a highly rated insurance company. A loan agreement of $17.5 million 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 was finalized by the PBGC in May 2020.

The Foundation participates in a multiple employer post-retirement medical benefits plan (the "Medical Plan") which is also administered by Federation. The Foundation is not considered a separate participating employer under the Medical Plan. The Medical Plan provides subsidized medical and pharmaceutical benefits for full-time 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 who retired before December 31, 2006. The Foundation's contribution of $10,188 to the Medical Plan was made as part of Federation's contribution for each of the years ended June 30, 2020 and 2019.

Federation offers a pre-tax cafeteria payroll withholding plan to all full-time and part-time employees and beneficiary agency employees who work a minimum of 20 hours per week, on a prorata 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. NET ASSETS

Net assets consisted of the following at June 30:

	June 30, 2020		
Detail of Net Assets	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Operating	$ 273,190,074	$ -	$ 273,190,074
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	-	39,882,265	39,882,265
Pledges receivable	-	43,777	43,777
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	1,797,484	1,797,484
Endowment	-	4,211,943	4,211,943
	$ 273,190,074	$ 45,935,469	$ 319,125,543

	June 30, 2019		
Detail of Net Assets	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Operating	$ 283,538,379	$ -	$ 283,538,379
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	-	42,465,139	42,465,139
Pledges receivable	-	67,777	67,777
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	-	2,207,830	2,207,830
Endowment	-	4,529,986	4,529,986
	$ 283,538,379	$ 49,270,732	$ 332,809,111

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

	2020	**2019**
Purpose restriction		
Restricted by donors for various philanthropic uses including scholarships, youth programs and the support of Federation and affiliated agencies	$ 3,346,433	$ 4,326,432
Time restriction		
Pledges receivable	24,000	45,257
Restricted by donors in accordance with charitable remainder unitrust and annuity agreements and charitable gift annuity agreements	192,614	218,488
	$ 3,563,047	$ 4,590,177

Endowment Funds

The Foundation’s endowment consists of approximately 29 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. UPMIFA provides guidelines for the expenditure of an endowment fund with donor restrictions, absent explicit donor stipulations. Under UPMIFA 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 assets with donor restrictions of the Foundation are not endowment funds, specifically related to pledges receivable and charitable gift annuities.

Furthermore, the permanent endowments of the Foundation 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 the Foundation 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, the Foundation has followed the donor instruments in classifying as 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 Foundation in a manner consistent with the standard of prudence prescribed by state law. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Return Objectives and Risk Parameters
The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under the policy approved by the Board of Trustees, the endowment assets which are held in the managed pool are invested to produce results that are superior to a balanced stock and bond portfolio at a lower volatility over an entire market cycle.

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

Spending Policy and How the Investment Objectives Relate to Spending Policy
The Foundation has a policy of appropriating for distribution each year 4% of its endowment fund's average fair value over the prior thirteen quarters through the fiscal year-end proceeding the fiscal year in which the distribution is planned.

In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with the Foundation'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 endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in net assets with donor restrictions were $527,668 for funds with a historical value of $3,678,890 and a fair value of $3,151,222 as of June 30, 2020 and $480,306 for funds with a historical value of $3,680,093 and a fair value of $3,199,787 as of June 30, 2019. These deficiencies resulted from unfavorable market fluctuations that occurred during the previous years. It is the Foundation's policy to permit spending from underwater funds as is determined prudent by management.

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

	2020 With Donor Restrictions	2019 With Donor Restrictions
Endowment net assets, July 1	$ 4,529,986	$ 4,596,247
Income	22,711	43,531
Net appreciation (depreciation) - realized and unrealized	(126,795)	73,214
	4,425,902	4,712,992
Contributions received	10,450	2,984
Appropriated for expenditure	(224,409)	(185,990)
Endowment net assets, June 30	$ 4,211,943	$ 4,529,986
Donor restricted "true" endowment		
Historical gift value	$ 4,417,724	$ 4,407,274
Appreciation (depreciation)	(205,781)	122,712
Endowment net assets, June 30	$ 4,211,943	$ 4,529,986

16. CONCENTRATION OF RISKS

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, investments, contributions, notes and pledges receivable. At times during the years, cash of the Foundation deposited in financial institutions may exceed the FDIC limit. The management of the Foundation deposits cash funds in high quality institutions to lessen the amount of uninsured exposure. Cash equivalents and investments are in high-quality securities. Although subject to market fluctuations, this investment policy somewhat limits the Foundation's exposure to concentrations of credit risk. The Foundation has a long-standing history of collecting its receivables which are from various individuals, corporations and foundations. An allowance for uncollectible accounts is recorded in the consolidated financial statements for any amounts considered uncollectible which limits the Foundation's exposure to credit risk.

17. COMMITMENTS - GUARANTEES

The Foundation has guaranteed debt and performance provisions of certain affiliated entities. There are no collateral or indemnification agreements between the Foundation and these entities in the event the Foundation has to perform under the guarantees.

The Foundation is a guarantor of a $12,563,888 line of credit associated with bond indenture agreement issued for Jewish Community Center of MetroWest, Inc. ("JCC") under which the Essex County Improvement Authority issued bonds in the amount of $12,425,000 to finance the renovation and expansion of the JCC's existing facilities in West Orange, New Jersey. The outstanding balance on the bonds payable is $8,515,000 and $9,065,000 as of the years ended June 30, 2020 and 2019, respectively. The line of credit is secured by the JCC facilities. The guarantee contains financial covenants requiring the maintenance of certain liquidity levels; those levels were attained as of June 30, 2020 and 2019.

The guarantee also requires that the Foundation maintain assets without donor restrictions of at least $80 million. Effective June 30, 2014, the bond liabilities were transferred under an assignment and assumption agreement to Federation. The associated guarantee remains with the Foundation through the maturity date of July 1, 2025.

The Foundation is a guarantor of the $17,500,000 loan payable associated with the pension plan termination issued for Federation. The outstanding balance on the loan payable was approximately $15,968,000 and $16,435,000 for the years ended June 30, 2020 and 2019, respectively. The loan is secured by certain investment accounts of the Foundation.

The Foundation is also a guarantor of a $10,000,000 line of credit associated with a bond indenture agreement issued for Daughters of Israel, Inc. ("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. The outstanding balance on the bonds payable is $7,650,000 and $7,965,000, as of June 30, 2020 and 2019, respectively. The line of credit is secured by DOI facilities that are being renovated and expanded.

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

18. 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 has concluded that while it is reasonably possible that the virus could have a negative effect on the Foundation'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.

19. SUBSEQUENT EVENTS

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