



Jewish Communal Fund  
**2021 Annual Financial Report**

## INVESTMENTS

In consultation with its investment advisors, the Investment Committee of the Jewish Communal Fund periodically reviews investments and establishes investment policies. These policies are designed to:

- (1) ensure that Fundholder contributions and fund assets are continuously invested;
- (2) maximize investment returns in relation to risk;
- (3) maintain varied investment alternatives that are suitable for various philanthropic plans;
- (4) ensure that operating expenses are minimal and competitive; and
- (5) ensure that funds are readily available for grant-making.

When a donor advised fund is established, the first \$5,000 (or such lesser amount for funds with a lower threshold) must be invested in one or both of our primary investments: an institutional money market fund and/or a short-term bond fund, both managed by BlackRock. Fundholders may request to have the proceeds in excess of the first \$5,000 invested in our investment options, with a minimum of \$2,500 per investment option. Fundholders may exercise this privilege each time a contribution is made and may recommend a reallocation of the assets in the fund four times each calendar year.

Investment Name	Ticker
Barings US High Yield .....	BXHYX
BlackRock Core Bond Portfolio.....	CCBBX
BlackRock JCF Short Duration Bond Fund .....	Privately managed
BlackRock Treasury Trust Fund (Institutional Money Market) .....	TTTXX
Champlain Mid Cap Fund .....	CIPIX
Dodge & Cox International Equity .....	DODFX
Domini Impact International Equity .....	DOMOX
Harbor (Large Cap Value) .....	HAVLX
Israel Bonds: 2-year Jubilee Bond .....	n/a
Israel Bonds: 2-year Maccabee Bond .....	n/a
Jennison (Large Cap. Growth) .....	PJFQX
JLens Jewish Advocacy Strategy .....	Privately managed
Loomis Sayles Investment Grade Fixed Income Fund .....	LSIGX
Neuberger Berman Genesis (Small Cap. Blend) .....	NBGIX
Neuberger Berman Sustainable Equity (Large Cap. Blend) .....	NBSLX
Principal Diversified Real Asset .....	PDRDX
RBC Emerging Markets Equity .....	REEIX
TIAA-CREF Social Choice Bond .....	TSBIX
T. Rowe Price Institutional Floating Rate .....	RPIFX
VanEck Vectors Israel ETF .....	ISRA
Vanguard Institutional Index (Large Cap. Blend) .....	VIIIX
Vanguard Mid-Cap Index .....	VMCIX
Vanguard Russell 1000 Growth Index ETF .....	VONG
Vanguard Small-Cap Index .....	VSCIX
Vanguard Total International Bond Index .....	VTIFX
Vanguard Total International Stock Index .....	VTSNX

### Pre-Set Investment Portfolios

In addition to the customized investment allocation options mentioned above, Fundholders can choose from the following Pre-Set Investment Portfolios: Conservative Portfolio, Moderate Portfolio, Aggressive Portfolio, and ESG Portfolio. A minimum investment of \$10,000 is required to invest in any of these portfolios. To view the underlying investments within each of the Pre-Set Portfolios, please visit the JCF website.

### Privately Managed Accounts

Fundholders with over \$55,000 in assets may opt to invest in one of three privately managed accounts. These accounts are: Eagle Capital Management, Gabelli Asset Management (GAMCO), and Neuberger Berman, LLC. A minimum investment of \$50,000 is required to invest in any one of these accounts.

### Private Investment Managers

Fundholders with a fund balance of over \$500,000 may choose from a selection of approved additional investments that span equities, fixed income and hedge fund strategies. In general, the investments on this platform offer limited liquidity or may utilize more complicated strategies than those on the standard platform.

Fundholders with fund balances over \$1 million may also recommend that the assets be invested with, or managed by, managers that currently are not part of the Jewish Communal Fund's investment program. These recommendations will be considered on a case-by-case basis and subject to particular criteria that include, but are not limited to, the type of investment program and strategy, stability of management, long-term performance, volatility of results, regulatory compliance, reputation, liquidity, fees and expenses, and transparency of transactions. JCF will refer the request to our investment consultants for their review. They, in turn, will report their findings to the JCF Investment Committee. The decision as to whether to approve a particular investment manager is within the sole and absolute discretion of the Investment Committee.

**INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
Jewish Communal Fund

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Jewish Communal Fund (an entity of a sole member) ("JCF"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the consolidated financial statements.

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

JCF's 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 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 organization'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 organization'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 Communal Fund, as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for each of the years then ended, in accordance with accounting principles generally accepted in the United States of America.



EISNERAMPER LLP  
New York, New York  
November 15, 2021



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# Consolidated Statements of Financial Position

	June 30,	
	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 54,543,196	\$ 69,456,992
Amounts due from investment managers	13,427,150	3,642,016
Accrued income and other assets	5,521,748	3,876,957
Investments	2,357,029,001	1,890,280,681
Right-of-use asset – operating lease	3,117,475	-
Property and equipment, net	129,353	200,776
Website costs, net	-	28,833
Total assets	<u>\$ 2,433,767,923</u>	<u>\$ 1,967,486,255</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued operating expenses	\$ 1,282,986	\$ 1,009,770
Amounts due to investment managers	16,505,247	7,194,151
Lease liability	<u>3,139,322</u>	<u>-</u>
Total liabilities	<u>20,927,555</u>	<u>8,203,921</u>
Commitments, lease agreement, other contracts and other uncertainty (see Notes B and G)		
Without donor restrictions:		
Undesignated – available for operations	2,368,785,888	1,931,660,879
Designated and semi-designated	18,800,635	9,929,245
Functioning as endowment	24,112,683	17,132,799
Reserve fund	<u>1,141,162</u>	<u>559,411</u>
Total net assets	<u>2,412,840,368</u>	<u>1,959,282,334</u>
Total liabilities and net assets	<u>\$ 2,433,767,923</u>	<u>\$ 1,967,486,255</u>

See notes to consolidated financial statements.

# Consolidated Statements of Activities

	Year Ended June 30,	
	2021	2020
	Without Donor Restrictions	Without Donor Restrictions
<b>Public support and revenue:</b>		
Contributions received	\$ 582,498,438	\$ 524,581,318
Interest and dividend income, net	10,774,739	21,477,161
Net realized loss from sales of other assets	(131,073)	-
Net realized and unrealized gains (losses) on investments	<u>388,189,167</u>	<u>(52,363,617)</u>
Total public support and revenue	<u>981,331,271</u>	<u>493,694,862</u>
<b>Expenses:</b>		
Program: Grants to philanthropic institutions and related expenses	521,952,908	537,317,310
Management and general	3,968,293	3,845,670
Fund-raising	<u>1,852,036</u>	<u>1,912,877</u>
Total expenses	<u>527,773,237</u>	<u>543,075,857</u>
<b>Change in net assets</b>	<b>453,558,034</b>	<b>(49,380,995)</b>
Net assets without donor restrictions - beginning of year	<u>1,959,282,334</u>	<u>2,008,663,329</u>
<b>Net assets without donor restrictions - end of year</b>	<b><u>\$ 2,412,840,368</u></b>	<b><u>\$ 1,959,282,334</u></b>

See notes to consolidated financial statements.

# Consolidated Statements of Functional Expenses

Year Ended June 30, 2021					
	Program: Grants to Philanthropic Institutions and Related Expenses	Supporting Services			Total Expenses
		Management And General	Fund- Raising	Total Supporting Services	
<b>Expenses:</b>					
Grants to philanthropic institutions	\$ 495,233,887	\$ -	\$ -	\$ -	\$ 495,233,887
Salaries and employee benefits	902,448	1,963,701	1,189,478	3,153,179	4,055,627
Professional fees	-	775,220	-	775,220	775,220
Conferences, meetings and travel	3,510	5,295	11,343	16,638	20,148
Advertising and promotion	-	-	372,415	372,415	372,415
Occupancy costs	168,982	254,946	164,861	419,807	588,789
Office expenses	28,526	43,038	27,830	70,868	99,394
Information technology costs	-	521,274	-	521,274	521,274
Insurance	27,344	41,255	26,678	67,933	95,277
Federal and state taxes	-	71,283	-	71,283	71,283
Banking and credit card fees	-	213,828	-	213,828	213,828
Other expenses	23,228	35,042	31,359	66,401	89,629
Depreciation and amortization	28,773	43,411	28,072	71,483	100,256
Subtotal expenses	<u>\$ 496,416,698</u>	<u>\$ 3,968,293</u>	<u>\$ 1,852,036</u>	<u>\$ 5,820,329</u>	<u>\$ 502,237,027</u>
Grants to UJA (sole member of JCF)	<u>25,536,210</u>				<u>25,536,210</u>
Total expenses	<u>\$ 521,952,908</u>	<u>\$ 3,968,293</u>	<u>\$ 1,852,036</u>	<u>\$ 5,820,329</u>	<u>\$ 527,773,237</u>
Year Ended June 30, 2020					
	Program: Grants to Philanthropic Institutions And Related Expenses	Supporting Services			Total Expenses
		Management And General	Fund- Raising	Total Supporting Services	
<b>Expenses:</b>					
Grants to philanthropic institutions	\$ 507,510,764	\$ -	\$ -	\$ -	\$ 507,510,764
Salaries and employee benefits	910,532	1,907,507	1,149,702	3,057,209	3,967,741
Professional fees	-	765,592	-	765,592	765,592
Conferences, meetings and travel	9,799	13,851	52,835	66,686	76,485
Advertising and promotion	-	-	463,197	463,197	463,197
Occupancy costs	179,333	253,480	141,972	395,452	574,785
Office expenses	35,792	50,590	28,335	78,925	114,717
Information technology costs	-	524,813	-	524,813	524,813
Insurance	27,978	39,546	22,149	61,695	89,673
Banking and credit card fees	-	220,318	-	220,318	220,318
Other expenses	24,219	25,761	29,923	55,684	79,903
Depreciation and amortization	31,280	44,212	24,764	68,976	100,256
Subtotal expenses	<u>\$ 508,729,697</u>	<u>\$ 3,845,670</u>	<u>\$ 1,912,877</u>	<u>\$ 5,758,547</u>	<u>\$ 514,488,244</u>
Grants to UJA (sole member of JCF)	<u>28,587,613</u>				<u>28,587,613</u>
Total expenses	<u>\$ 537,317,310</u>	<u>\$ 3,845,670</u>	<u>\$ 1,912,877</u>	<u>\$ 5,758,547</u>	<u>\$ 543,075,857</u>

See notes to consolidated financial statements.

# Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 453,558,034	\$ (49,380,995)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	100,256	100,256
Net realized loss on sales of other assets	131,073	-
Net realized and unrealized (gains) losses on investments	(388,189,167)	52,363,617
Donated private equities held for investment	(47,749,685)	-
Non-cash lease amortization	376,329	-
Changes in:		
Amounts due from investment managers	(9,785,134)	10,238,807
Accrued income and other assets	(2,939,658)	(147,984)
Accounts payable and accrued operating expenses	273,216	129,029
Amounts due to investment managers	9,311,096	(14,709,689)
Lease liability	(354,482)	-
Net cash provided by (used in) operating activities	<u>14,731,878</u>	<u>(1,406,959)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sales of other assets	1,163,794	-
Proceeds from the sales of investments	6,274,594,790	7,229,312,130
Purchases of investments	<u>(6,305,404,258)</u>	<u>(7,223,161,364)</u>
Net cash (used in) provided by investing activities	<u>(29,645,674)</u>	<u>6,150,766</u>
<b>Net change in cash and cash equivalents</b>	<b>(14,913,796)</b>	<b>4,743,807</b>
Cash and cash equivalents - beginning of year	<u>69,456,992</u>	<u>64,713,185</u>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 54,543,196</b>	<b>\$ 69,456,992</b>
<b>Supplemental disclosures of cash flow information:</b>		
Noncash investing and financing transactions:		
Donation of artwork	\$ -	\$ 420,000
Unrelated business income taxes paid	<u>\$ 18,000</u>	<u>\$ 7,806</u>

See notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

[ June 30, 2021 and 2020 ]

## NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES

### [1] Organization:

The Jewish Communal Fund ("JCF") was organized in 1972 as an independent, public charity (not a private foundation) under the not-for-profit corporation law of the State of New York. Through donor-advised funds, JCF offers individuals and families a way to simplify their charitable giving and to plan their philanthropy over time. JCF extends to donors or their successors the privilege of recommending grants from their funds to the qualified charities of their choice. The United Jewish Appeal - Federation of Jewish Philanthropies of New York, Inc. ("UJA") is the sole member of JCF.

JCF is, in turn, the sole member of Jewish Communal Fund Holdings LLC ("Holdings LLC"). Holdings LLC is a limited liability, not-for-profit corporation organized in Delaware in September 2001 and was established to hold certain donations from time-to-time, as JCF deems necessary.

JCF is the sole member of Jewish Communal Fund Holdings II, LLC ("Holdings II LLC"). Holdings II LLC is a limited liability, not-for-profit corporation organized in Delaware in 2013. JCF is also the sole member of Jewish Communal Fund Holdings IV, LLC ("Holdings IV LLC"). Holdings IV LLC is a limited liability, not-for-profit corporation organized in Delaware in November 2018. Additionally, JCF is the sole member of Jewish Communal Fund Holdings V, LLC ("Holdings V LLC"). Holdings V LLC is a limited liability, not-for-profit corporation organized in Delaware in December 2018. Holdings II LLC, Holdings IV LLC and Holdings V LLC were established for similar purposes as Holdings LLC, to hold certain donations, as JCF deems necessary.

The financial statements of Holdings LLC, Holdings II LLC, Holdings IV LLC, and Holdings V LLC (collectively the "LLCs") have been included in the consolidated financial statements, with all inter-organizational transactions eliminated in the consolidation process.

JCF is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and is classified as a publicly supported organization under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. Additionally, JCF is exempt from state and local income taxes under comparable laws. Donors are entitled to the maximum income tax benefits for their donations that are permitted under present federal and state laws. The LLCs are considered to be disregarded entities for tax purposes, and therefore the activities of the LLCs are reported in JCF's tax and compliance returns.

### [2] Basis of accounting:

The consolidated financial statements of JCF have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

### [3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, public support and revenue, and expenses, as well as contingent assets and liabilities. Actual results could differ from those estimates.

### [4] Cash and cash equivalents:

JCF considers highly liquid investments, purchased with an original maturity of three months or less, to be cash equivalents. Cash and cash equivalents primarily include funds held temporarily by various investment institutions, awaiting disposition. This does not include money-market funds and certificates of deposit, which are included within the investment category.



# Notes to Consolidated Financial Statements

[ June 30, 2021 and 2020 ]

## NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### [5] Investments:

Investments in equity securities, bond and equity mutual funds, and all investments in debt securities are reported at their fair values at each fiscal year-end in the consolidated statements of financial position. Purchases of long-term certificates of deposit, with maturity dates greater than three months, are included as part of the investment portfolio and are reported at fair value.

As a practical expedient, the fair values of certain investments of JCF are measured using the net asset value ("NAV") per share (or its equivalent unit) of the investments.

JCF has investments in non-readily-marketable securities, which are ownership interests in private equity securities and certain limited partnerships ("LPs") for which market values are not readily obtainable. Because of the complex management structures and nature of the underlying investments and the inherent uncertainty of the valuation of these investments, JCF and its various investment managers monitor their positions to reduce the risk of potential losses due to changes in fair values or the failures of counterparties to perform. The estimated values provided by these managers may differ from actual values had a ready market for these investments existed.

Certain of the funds in which JCF has a position enter into various financial instruments in the normal course of their operations, including derivatives held or issued for trading purposes. These investments are subject to market risks, which arise from changes in securities values and other market conditions. As part of their overall trading strategy, the investment funds may engage in the purchase and sale of index and equity options, for the purpose of generating profit and/or reducing market risk. Due to the level of risk associated with these types of securities, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements. The various managers monitor their positions continuously, to reduce the risk of potential loss due to changes in fair values or to the failure of counterparties to perform.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the consolidated statements of activities as increases or decreases in net assets without donor restriction. Realized gains and losses on investments are determined by comparison of the cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

Distributions from limited partnerships and limited liability companies that represent returns of contributed capital reduce the cumulative costs basis of the respective investment. Distributions received from limited partnerships and limited liability companies in excess of JCF's cumulative cost basis are recognized as realized gains.

Donated securities are recorded at their fair values on the date of donation or by the net asset value, as determined by the fund manager. JCF's policy is to sell donated securities immediately upon receipt with the exception of donated investments in LLCs, and other certain non-readily-marketable securities, which are sold as soon as reasonably possible, as at times there may be restrictions on the sales of these assets. Accordingly, for purposes of the consolidated statements of cash flows, donated securities received and sold within the same year are reported as operating activities. With respect to equity securities received from donors which, for example: (i) are not readily marketable; (ii) represent ownership interests of private companies; or (iii) are the securities of companies in liquidation, JCF's policy is to record such items at appraised value or cost at the time of donation, in the absence of readily determinable fair values.

# Notes to Consolidated Financial Statements

[ June 30, 2021 and 2020 ]

## NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### [5] Investments: (continued)

Investment expenses include the services of bank trustees, investment managers and custodians. The balances of investment management fees disclosed in Note B are those specific fees charged by JCF's various investment managers in each fiscal year; however, they do not include those fees that may be embedded in various other investment accounts and transactions.

From time-to-time, investment transactions may be initiated prior to a fiscal year-end but may not be settled until the following fiscal year. Accordingly, amounts to be received or transferred by JCF are reported as "amounts due from" or "due to" investment managers in the consolidated statements of financial position. Likewise, accrued interest or dividends due to JCF at the fiscal year-end are reported as accrued income in the consolidated statements of financial position.

### [6] Property and equipment:

Property and equipment are stated at their original cost at the dates of acquisition, or, if contributed, at their estimated fair values at the dates of donation, less accumulated depreciation and amortization. JCF capitalizes items of property and equipment that have a cost of \$5,000 or more and a useful life greater than one year, whereas minor costs of repairs and maintenance are expensed as incurred. Depreciation is provided using the straight-line method over the estimated useful lives of the related furniture, equipment, and computer hardware, which range from five to seven years. Leasehold improvements are amortized over the remaining lease term, or the useful lives of the improvements, whichever is shorter.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2021 and 2020, and, in the opinion of management, there were no impairments. However, it is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

### [7] Website costs:

Website costs related to application development, site configuration and infrastructure, and conceptual design are capitalized. Costs relating to operation and support are expensed as incurred. JCF capitalizes website costs that have a cost of \$5,000 or more and a useful life greater than one year. Capitalized costs are amortized over a five year expected life using the straight-line method. As of June 30, 2021 and 2020, capitalized website costs are presented net of accumulated amortization of \$86,500 and \$57,667, respectively.

### [8] Accrued vacation:

Based on their tenure, employees are entitled to be paid for unused vacation time if they leave JCF. The accrued vacation obligation was \$205,756 and \$182,720 for fiscal-years 2021 and 2020, respectively, and is reported as part of accounts payable and accrued expenses in the accompanying consolidated statements of financial position. Employees may accrue up to one year of their vacation time.

**NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****[9] Net assets:***(i) Net Assets Without Donor Restrictions:*

Net assets without donor restrictions represent those resources that are available for current operations, as there are no restrictions by donors regarding their use. JCF has established four distinct types of philanthropic funds without donor restrictions:

- *Undesignated funds* (at times referred to as the operating fund), where the privilege of grant recommendation is given to the donor (and his or her designees) and the distribution of principal and income is governed by JCF grant guidelines. Grant-making is subject to the approval of JCF's Board of Trustees and its Charitable Distribution Committee.
- *Designated funds*, where the beneficiaries and the schedule of distributions are established at the time of the gift and are approved by the Charitable Distribution Committee before JCF accepts the gift.
- *Semi-designated funds*, where the field of grant is limited to one or more functional areas and the responsibility is placed on JCF (through its Board of Trustees or the Charitable Distribution Committee) for designating the specific grant beneficiaries and scheduling such grants.
- *Funds functioning as endowment*, where the Board of Trustees and the Special Gifts Fund Committee have the responsibility for grant-making. The income and principal of these funds have been authorized by JCF to be available to meet the needs of the Jewish community, at home and abroad, at the recommendation of UJA and upon the approval of the Board of Trustees.
- *Reserve fund*, established by the Board of Trustees to underwrite the costs of future operations, as needed.

**[10] Revenue recognition:**

Contributions are reported as increases in net assets without donor restrictions. JCF retains the decision-making authority as to the use of these funds while considering the donor's recommendation. Contributions are recorded as revenue when received unconditionally, at their fair values.

**[11] Income taxes:**

JCF is subject to the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, relating to accounting and reporting for uncertainty in income taxes. JCF is subject to potential unrelated business income tax relating to certain of its investment activities; however, because JCF has always accrued a liability related to this tax and because of JCF's general tax-exempt status, management believes ASC Topic 740 has not had, and is not expected to have, a material impact on JCF's consolidated financial statements.

**[12] Grants:**

Grants made to others are recorded as an expense when they become unconditional promises to give by JCF, based on guidelines promulgated by the Board of Trustees. Generally, grants are paid within the year promised, and accordingly, there were no grants payable as of June 30, 2021 or June 30, 2020.

# Notes to Consolidated Financial Statements

[ June 30, 2021 and 2020 ]

## NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### [13] Functional allocation of expenses:

The costs of providing JCF's various grant and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present expenses by functional and natural classification. Accordingly, direct costs have been allocated to the program and supporting services based on the nature of each expense. Indirect expenses have been allocated on the basis of utilization of resources by each JCF department and by employee time allocations.

In fiscal-years 2021 and 2020, management and general expenses in the accompanying consolidated statements of functional expenses included \$46,180 and \$70,021, respectively, related to JCF's philanthropic services for donors, which are expenses charged against the respective donor's fund upon utilizing these services.

### [14] Leases:

JCF determines if an arrangement is a lease at inception. For JCF's operating lease, a right-of-use ("ROU") asset represents JCF's right to use an underlying asset for the lease term and an operating lease liability represents an obligation to make lease payments arising from the lease. The ROU asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. Since JCF's lease agreement does not provide an implicit interest rate, JCF uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. Variable lease costs, such as operating costs, are expensed as incurred.

### [15] Adoption of new accounting pronouncement:

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases*, to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months on the consolidated statements of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. JCF elected to adopt ASU 2016-02 as of July 1, 2020 on a prospective basis.

JCF has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, JCF accounted for its existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether classification of the operating leases would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments (as of June 30, 2019) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

The new lease standard also provides practical expedients for an entity's ongoing accounting. JCF elected the short-term lease recognition exemption, under which JCF will not recognize right-of-use assets or lease liabilities on new or existing short-term leases. Short-term leases are defined as those with a term of 12 months or less. JCF also elected the practical expedient to not separate lease and non-lease components for certain classes of assets.

**NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****[15] Adoption of new accounting pronouncement: (continued)**

As a result of the adoption of the new lease accounting guidance, JCF recognized on July 1, 2020 (a) a lease liability of \$3,493,804 which represented the present value of the remaining lease payments of \$4,387,250 discounted using JCF's incremental borrowing rate of 5.43%, and (b) a right-of-use asset of \$3,493,804. This standard did not have a material impact on JCF's consolidated statements of financial position or cash flows from operations and had no impact on JCF's consolidated statements of activities and changes in net assets. The most significant impact was the recognition of a ROU asset and lease obligation for an operating lease for fiscal-year 2021.

**[16] Subsequent events:**

JCF evaluated subsequent events through November 15, 2021, the date on which the consolidated financial statements were available to be issued.

**NOTE B - INVESTMENTS**

At each fiscal year-end, investments consisted of the following:

	June 30,			
	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Money-market funds	\$ 28,605,682	\$ 28,605,682	\$ 49,787,984	\$ 49,787,984
Certificates of deposit	10,701,836	10,700,000	10,655,551	10,650,373
U.S. government and agency obligations	576,639,018	576,537,714	499,471,525	497,792,204
Mutual funds - equities	688,042,266	481,552,749	528,943,107	462,056,445
Asset-backed securities	2,767,052	2,750,009	11,386,666	11,253,176
Corporate bonds	33,904,687	33,745,841	94,665,721	93,668,999
Commercial mortgage-backed securities	25,695,283	25,384,942	34,369,987	33,799,503
Privately managed investments - equities	135,437,282	82,848,053	92,376,230	73,171,953
Mutual funds - bonds	220,079,603	213,158,342	164,191,465	162,703,462
Private equity limited partnerships	173,379,017	134,002,214	67,078,523	65,931,513
Funds of funds	12,707,284	7,373,807	10,933,337	7,723,807
Long/short equity hedge funds and LPs	281,329,786	98,243,596	173,294,029	73,077,906
Pooled investments	8,283,554	7,364,463	6,629,832	7,297,999
Non-readily-marketable securities	148,090,651	214,539,514	133,958,724	213,353,285
Foreign bonds	11,366,000	11,366,000	11,613,000	11,613,000
Private corporate bonds	-	-	925,000	925,000
Total funds	<u>\$ 2,357,029,001</u>	<u>\$ 1,928,172,926</u>	<u>\$ 1,890,280,681</u>	<u>\$ 1,774,806,609</u>

JCF has invested in fixed-income securities as part of its investments noted above, which consist of agency mortgage-backed securities ("AMBS"), commercial mortgage-backed securities ("CMBS"), asset-backed securities ("ABS") and investment-grade corporate bonds. In addition, JCF may invest in U.S. Treasury and agency securities and may also purchase U.S. Treasury futures for the purposes of managing duration and yield-curve exposure. A maximum of 30% of the total fair value of the investments may be invested in ABS, CMBS and AMBS, and a maximum of 20% of the total fair value of the investments may be invested in corporate-backed debt. JCF must maintain an overall investment credit quality of AA or better. The average effective duration of the investments may not exceed three years, and leverage is not permitted.

# Notes to Consolidated Financial Statements

[ June 30, 2021 and 2020 ]

## NOTE B - INVESTMENTS (CONTINUED)

During each fiscal-year, investment income (losses) consisted of the following:

	Year Ended June 30,	
	2021	2020
Interest and dividends	\$ 21,391,131	\$ 27,175,932
Investment management fees (Note A[5])	<u>(10,616,392)</u>	<u>(5,698,771)</u>
Interest and dividends, net	<u>10,774,739</u>	<u>21,477,161</u>
Net realized gains	74,807,164	33,515,645
Net unrealized gains (losses)	<u>313,382,003</u>	<u>(85,879,262)</u>
Total net realized and unrealized gains (losses)	<u>388,189,167</u>	<u>(52,363,617)</u>
Net investment income (loss)	<u>\$ 398,963,906</u>	<u>\$ (30,886,456)</u>

ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy for fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

- Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments, at the reporting date.
- Level 2: Valuations are based on: (i) quoted prices for similar investments in active markets; or (ii) quoted prices for identical, or similar investments, in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.
- Level 3: Valuations are based on pricing inputs that are unobservable and include situations where there is little, if any, market activity for the investments, or the investments cannot be independently valued.

Certain of JCF's investments are valued using NAV (or its equivalent unit) as a practical expedient of fair value. JCF uses NAV (or its equivalent unit) to measure the fair values of the private equity limited partnership, funds of funds, equity hedge funds, and pooled investments. The use of the practical expedient is applicable for investments which (i) do not have a readily determinable fair value; and (ii) the financial statements of which were prepared by the respective investment managers, consistent with the measurement principles of an investment company or that have the attributes of an investment company. Investments valued at NAV (or its equivalent unit) are not required to be categorized within the fair-value hierarchy and, accordingly, have been excluded from the fair-value hierarchy.

JCF's investments are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain of JCF's investment securities, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

The availability of market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

**NOTE B - INVESTMENTS (CONTINUED)**

The following tables summarize the fair values of JCF's assets at each fiscal year-end, in accordance with the ASC Topic 820 valuation levels:

June 30, 2021						
	Level 1	Level 2	Level 3	Total	Investments Valued at NAV	Total
Money-market funds	\$ 28,605,682	\$ -	\$ -	\$ 28,605,682	\$ -	\$ 28,605,682
Certificates of deposit	-	10,701,836	-	10,701,836	-	10,701,836
U.S. government and agency obligations	395,222,716	181,416,302	-	576,639,018	-	576,639,018
Mutual funds – equities	688,042,266	-	-	688,042,266	-	688,042,266
Asset-backed securities	-	2,767,052	-	2,767,052	-	2,767,052
Corporate bonds	-	33,904,687	-	33,904,687	-	33,904,687
Commercial mortgage- backed securities	-	25,695,283	-	25,695,283	-	25,695,283
Privately managed investment - equities	134,501,138	936,144	-	135,437,282	-	135,437,282
Mutual funds – bonds	220,079,603	-	-	220,079,603	-	220,079,603
Private equity limited partnerships	-	-	46,270,873	46,270,873	127,108,144	173,379,017
Funds of funds	-	-	-	-	12,707,284	12,707,284
Long/short equity hedge funds and LPs	-	-	-	-	281,329,786	281,329,786
Pooled investments	-	-	-	-	8,283,554	8,283,554
Non-readily-marketable securities	-	-	148,090,651	148,090,651	-	148,090,651
Foreign bonds	-	-	11,366,000	11,366,000	-	11,366,000
<b>Total funds</b>	<b>\$1,466,451,405</b>	<b>\$ 255,421,304</b>	<b>\$ 205,727,524</b>	<b>\$ 1,927,600,233</b>	<b>\$ 429,428,768</b>	<b>\$ 2,357,029,001</b>

  

June 30, 2020						
	Level 1	Level 2	Level 3	Total	Investments Valued at NAV	Total
Money-market funds	\$ 49,787,984	\$ -	\$ -	\$ 49,787,984	\$ -	\$ 49,787,984
Certificates of deposit	-	10,655,551	-	10,655,551	-	10,655,551
U.S. government and agency obligations	410,103,763	89,367,762	-	499,471,525	-	499,471,525
Mutual funds – equities	528,943,107	-	-	528,943,107	-	528,943,107
Asset-backed securities	-	11,386,666	-	11,386,666	-	11,386,666
Corporate bonds	-	94,665,721	-	94,665,721	-	94,665,721
Commercial mortgage- backed securities	-	34,369,987	-	34,369,987	-	34,369,987
Privately managed investment - equities	91,524,060	852,170	-	92,376,230	-	92,376,230
Mutual funds – bonds	164,191,465	-	-	164,191,465	-	164,191,465
Private equity limited partnerships	-	-	-	-	67,078,523	67,078,523
Funds of funds	-	-	-	-	10,933,337	10,933,337
Long/short equity hedge funds and LPs	-	-	-	-	173,294,029	173,294,029
Pooled investments	-	-	-	-	6,629,832	6,629,832
Non-readily-marketable securities	-	-	133,958,724	133,958,724	-	133,958,724
Foreign bonds	-	-	11,613,000	11,613,000	-	11,613,000
Private corporate bonds	-	-	925,000	925,000	-	925,000
<b>Total funds</b>	<b>\$1,244,550,379</b>	<b>\$ 241,297,857</b>	<b>\$ 146,496,724</b>	<b>\$ 1,632,344,960</b>	<b>\$ 257,935,721</b>	<b>\$ 1,890,280,681</b>



# Notes to Consolidated Financial Statements

[ June 30, 2021 and 2020 ]

## NOTE B - INVESTMENTS (CONTINUED)

The following summarizes changes in fair values of JCF's Level 3 assets during each fiscal year:

	Year Ended June 30, 2021			
	Not-Readily-Marketable Securities	Foreign Bonds	Donated Interest In LLC's	Total
Purchases	\$ 14,131,927	\$ 9,380,000	\$56,014,970	\$79,526,897
Sales	(12,945,698)	(9,627,000)	(8,265,099)	(30,837,797)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>\$ 1,186,229</u>	<u>\$ (247,000)</u>	<u>\$47,749,871</u>	<u>\$48,689,100</u>

	Year Ended June 30, 2020		
	Not-Readily-Marketable Securities	Foreign Bonds	Total
Purchases	\$ 3,710,000	\$ 1,986,000	\$ 5,696,000
Sales	(904,702)	(649,000)	(1,553,702)
Transfers in	-	-	-
Transfers out	-	-	-
	<u>\$ 2,805,298</u>	<u>\$ 1,337,000</u>	<u>\$ 4,142,298</u>

The following provides information on the valuation techniques and nature of significant unobservable inputs used to determine the value of Level 3 assets:

	Valuation Techniques	Fair Value at June 30, 2021	Unobservable Inputs	Range of Inputs
Non-readily-marketable securities	Market approach	\$ 143,797,698	Price to tangible book value multiple	1.00
Non-readily-marketable securities	Market approach	\$ 4,292,953	Expected recovery	N/A
Foreign bonds	Income approach	\$ 11,366,000	Expected recovery	0.62% - 2.33%
Private equity limited partnerships	Market approach	\$ 46,270,873	Expected recovery	N/A

The fair values of certain bonds and non-readily-marketable securities are based on expected recovery and maturity to yield, which are determined by JCF's assumptions about the estimated remaining lives, current market yields, and the interest-rate spreads of similar securities.



**NOTE B - INVESTMENTS (CONTINUED)**

The following table lists investments in other investment companies by major category:

	June 30, 2021			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity limited partnerships:			Closed-end fund;	
	\$ 48,030,405	\$ 14,498,509	3 year lock-up	N/A
	6,038,000	-	Quarterly	30-65 days
	72,449,211	61,769,329	Upon liquidation	N/A
	590,528	-	Annually	65-95 days
Funds of funds:	1,709,675	-	Annually	45 days
	9,889,812	-	Quarterly	60 -90 days
	1,107,797	-	Semi-annually	95 days
Long/short equity hedge funds and LPs:	15,786,973	-	Quarterly	30-90 days
	22,124,672	-	Monthly	6-60 days
	230,570,514	-	Quarterly	45-90 days
	12,266,841	-	Semi-annually	60 days
	580,786	-	Quarterly;	
			1 year lock-up	45 days
Pooled investments	8,283,554	-	Quarterly	30 days
	<u>\$ 429,428,768</u>	<u>\$ 76,267,838</u>		

**NOTE C - PROPERTY AND EQUIPMENT**

At each fiscal year-end, property and equipment consisted of the following:

	June 30,	
	2021	2020
Furniture and equipment	\$ 220,699	\$ 220,699
Computer hardware	20,511	20,511
Leasehold improvements	<u>115,909</u>	<u>115,909</u>
	357,119	357,119
Less: accumulated depreciation and amortization	<u>(227,766)</u>	<u>(156,343)</u>
	<u>\$ 129,353</u>	<u>\$ 200,776</u>

# Notes to Consolidated Financial Statements

[ June 30, 2021 and 2020 ]

## NOTE D - MANAGEMENT FEE ALLOCATION

To pay its operating expenses, JCF charges an administrative fee to all donor-advised funds as described below, with amounts exceeding \$5,000,000 being eligible for a reduced, sliding-scale fee structure. Fees were calculated on average daily balances as follows:

<u>Account Balance</u>	<u>Administrative Fee (Per Annum)</u>
Assets up to \$5,000,000	75 basis points or \$150, whichever is greater
Additional assets between \$5,000,000 and \$20,000,000	50 basis points
Additional assets between \$20,000,000 and \$40,000,000	10 basis points
Additional assets exceeding \$40,000,000	5 basis points

The administrative fee is applied monthly, and it reduces the value of the donor-advised funds and increases the value of JCF's operating fund. Administrative fees and interest income, in excess of operating expenses up to an amount of \$2,000,000, are granted out to UJA. Administrative fees and interest income in excess of operating expenses greater than \$2,000,000 may be divided among grants to UJA, increases to JCF's Special Gifts Fund, and a reserve for capital projects. The total administrative fees were \$9,959,770 and \$9,158,269 for fiscal-years 2021 and 2020, respectively.

## NOTE E - EMPLOYEE-BENEFIT PLANS

### [1] Defined-contribution plan:

UJA, the sole member of JCF, sponsors a defined-contribution Section 403(b) plan, in which JCF employees may participate, in compliance with the Employee Retirement Income Security Act of 1974 ("ERISA"). Plan participants are required to make contributions to their plan accounts in the form of payroll deductions, up to the maximum allowed by federal law. JCF does not contribute to the plan.

### [2] Defined-benefit plan:

JCF employees may participate in the Retirement Plan for Employees of the United Jewish Appeal - Federation of Jewish Philanthropies of New York, Inc. and Affiliated Agencies and Institutions, a defined-benefit pension plan sponsored by UJA and subject to the provisions of ERISA. The plan is filed under the Employer Identification Number 51-0172429 and Pension Plan Number 333. Eligible employees of JCF participate automatically in this plan on a noncontributory basis and are fully vested after five years of service. Required annual zone certification and financial improvement or rehabilitation plan disclosures are not applicable to the plan. The plan is at least 80%-funded using the most recent financial information as of October 1, 2020, the beginning of the plan year. Total expenses for fiscal-years 2021 and 2020 for this plan were \$176,505 and \$216,804, respectively.

### [3] Deferred-compensation plan:

**NOTE F - RELATED-PARTY TRANSACTIONS****[1] UJA and JCF:**

UJA, the sole member of JCF, provides JCF with pension-participation, and various management services, such as payroll and related processing, and insurance coverage, for which JCF reimburses UJA. For fiscal-years 2021 and 2020, JCF reimbursed UJA for these costs in the amounts of \$3,446,989 and \$3,404,235, respectively. During fiscal-year 2021, JCF awarded grants to UJA totaling \$25,536,210 of which (a) \$2,000,000 represented grants from JCF's operating fund, (b) \$914,215 represented grants from the Special Gifts Fund, and (c) \$22,621,995 represented grants from donor-advised funds. During fiscal-year 2020, JCF awarded grants to UJA totaling \$28,587,613 of which (a) \$2,000,000 represented grants from JCF's operating fund, (b) \$1,256,666 represented grants from the Special Gifts Fund, and (c) \$25,330,947 represented grants from donor-advised funds. The expenses related to these transactions appear in the accompanying consolidated statements of activities and the consolidated statements of functional expenses.

**[2] Grants Awarded:**

In addition to the grants awarded to UJA described above, JCF made grants from donor-advised funds in the amounts of \$4,842,900 and \$9,997,789 for fiscal-years 2021 and 2020, respectively, to organizations that have trustees, family members, and/or key employees in common with JCF's Board of Trustees.

**[3] Investment Fund:**

JCF participates in UJA's pooled investment fund. As of June 30, 2021 and 2020, respectively, JCF owned 0.71% of the fund, the investments of which were valued at \$8,283,554 and \$6,629,832 respectively.

**NOTE G - LEASE AGREEMENT, OTHER CONTRACTS AND OTHER UNCERTAINTY****[1] Lease agreement:**

JCF is obligated under a non-cancellable operating lease that expires in March 2028.

Information relating to the "lease costs", which includes all costs during the period associated with an operating lease as well as the costs related to variable lease components:

	<b>Year Ended June 30, 2021</b>
Operating lease costs	\$ 566,097
Variable lease costs	<u>18,638</u>
Total lease cost	<u>\$ 584,735</u>

# Notes to Consolidated Financial Statements

[ June 30, 2021 and 2020 ]

## NOTE G - LEASE AGREEMENT, OTHER CONTRACTS AND OTHER UNCERTAINTY (CONTINUED)

### [1] Lease agreement: (continued)

The table below summarizes JCF's future minimum lease payments under an operating lease, including a reconciliation to the discounted amount recorded on the consolidated statements of financial position as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 560,000
2023	560,000
2024	560,000
2025	565,250
2026	581,000
Thereafter	<u>1,016,750</u>
Total minimum lease payments	3,843,000
Less: amount representing interest	<u>(703,678)</u>
Amount reported on consolidated statements of financial position	<u>\$ 3,139,322</u>

The table below presents additional information related to JCF's lease for fiscal-year 2021:

	<u>Year Ended June 30, 2021</u>
<b>Weighted average remaining lease term:</b>	
Operating lease	8 years
<b>Weighted average discount rate:</b>	
Operating lease	5.43%

### [2] Other contracts:

In the normal course of operations and activities, JCF enters into various contracts for professional and other services, which are typically renewable on a year-to-year basis.

### [3] COVID-19:

The extent of the impact of the COVID-19 outbreak on the financial performance of JCF's investment portfolio and contributions will depend on future developments, including the continued duration and spread of the outbreak and related advisories and restrictions and the impact of COVID-19 on the financial markets and the overall economy, and availability of contributions towards JCF, all of which are highly uncertain and cannot be predicted. Although COVID-19 is still ongoing, it has not affected JCF's financial performance, however management continues to monitor the situation.

**NOTE H - BOARD-DESIGNATED ENDOWMENT****[1] The endowment:**

As discussed in Note A[9], JCF has an endowment fund without donor restrictions (Special Gifts Fund), from which grants are approved by the Board of Trustees.

Changes in endowment net assets during each fiscal year were as follows:

	<b>Year Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
Endowment net assets, beginning of year	<b>\$ 17,132,799</b>	\$ 18,266,774
Net investment income	<b>5,778,256</b>	122,691
Contributions	<b>2,115,843</b>	-
Appropriation of endowment assets for grant expenditures	<b>(914,215)</b>	(1,256,666)
Endowment net assets, end of year	<b><u>\$ 24,112,683</u></b>	<u>\$ 17,132,799</u>

**[2] Return objectives and risk parameters:**

JCF's Board of Trustees has adopted investment and spending policies for endowment assets designed to provide a predictable stream of funding to programs that meet the needs of the Jewish community, at home and abroad, while seeking to maintain the purchasing power of the endowment assets. Under these policies, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 Index while assuming a moderate level of investment risk.

**[3] Strategies employed for achieving objectives:**

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

**[4] Spending policy and related objectives:**

JCF's Board of Trustees has a policy of appropriating, for distribution each year, a percentage of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end that precedes the fiscal year in which the distribution is planned. The appropriation spending rate was 5% for both fiscal-years 2021 and 2020, respectively. In establishing this policy, the Board considered the long-term expected return on its endowment. Accordingly, over the long-term, the Board expects the current spending policy to allow its endowment to maintain the purchasing power of the endowment's net assets, as well as to provide additional real growth through investment returns. In addition to the 5% spend rate in fiscal-year 2020, the Board also voted to do a special appropriation from the endowment in the amount of \$1,000,000 in response to COVID-19.

# Notes to Consolidated Financial Statements

[ June 30, 2021 and 2020 ]

## NOTE I - LIQUIDITY AND AVAILABILITY OF RESOURCES

JCF's financial assets available within one year of the consolidated statements of financial position date for general expenditure (including operating expenses, scheduled grant payments, and capital calls on investments) are as follows:

	Year Ended June 30,	
	2021	2020
Cash and cash equivalents	\$ 54,543,196	\$ 69,456,992
Investments (excluding private investments with liquidity restrictions)	2,236,136,524	1,828,015,422
Amounts due from investment managers	13,427,150	3,642,016
Accrued income	574,380	1,179,115
Total financial assets available within one year	<u>2,304,681,250</u>	<u>1,902,293,545</u>
Less:		
Amounts unavailable for expenditure without the Board's approval:		
Designated and semi-designated funds	(18,800,635)	(9,929,245)
Fund functioning as endowment	(24,112,683)	(17,132,799)
Reserve fund	(1,141,162)	(559,411)
	<u>(44,054,480)</u>	<u>(27,621,455)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,260,626,770</u>	<u>\$ 1,874,672,090</u>

### Liquidity policy:

JCF maintains a sufficient level of operating cash and investments, (excluding certain private equity limited partnerships, fund of funds and long/short equity hedge funds and limited partnerships due to various restrictions on liquidity) to be available as its grants, general expenditures, liabilities, and other obligations come due, as part of JCF's liquidity management. Additionally, JCF has designated and semi-designated funds, a board-designated fund functioning as an endowment, and a reserve fund, whereby amounts could be made available for current operations, if necessary; however, JCF does not intend to spend these funds for purposes other than those approved by the Board of Trustees.

## NOTE J - CREDIT RISK

Financial instruments that potentially subject JCF to concentrations of credit risk consist principally of cash and cash-equivalent accounts that are deposited in financial institutions in amounts which, from time to time, may exceed federal insurance limits. However, management believes that JCF does not face a significant risk of loss on these accounts as the result of failures of these financial institutions.

## NOTE K - CONCENTRATION OF REVENUE

During fiscal-years 2021 and 2020, JCF received contributions of \$60,000,000 and \$105,000,000, respectively, from one donor, representing 10% and 20% of total contributions received during the same time period.

# Independent Auditors' Report of Supplementary Information


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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees  
Jewish Communal Fund

We have audited the consolidated financial statements of Jewish Communal Fund (an entity of a sole member) ("JCF"), as of June 30, 2021 and 2020 and for each of the years then ended, and have issued our report thereon dated November 15, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on consolidated financial statements as a whole. Schedule of Grants Made to Various Philanthropic Institutions and Related Expenses for the year ended June 30, 2021 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

EISNERAMPER LLP  
New York, New York  
November 15, 2021



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# Schedule of Grants Made to Various Philanthropic Institutions and Related Expenses

[ June 30, 2021 and 2020 ]

Community Organizations	\$ 63,883,656	12.3%
Cultural – General	22,898,766	4.4%
Cultural – Jewish	9,913,248	1.9%
Educational – General	134,733,312	25.9%
Educational – Jewish	44,162,142	8.5%
Environment	11,374,883	2.2%
Health	35,666,724	6.8%
Human Services	28,718,597	5.5%
International	87,175,305	16.7%
Religious	56,707,254	10.9%
United Jewish Appeal - Federation of Jewish Philanthropies of New York, Inc. (a)	<u>25,536,210</u>	<u>4.9%</u>
Total grants (b)	520,770,097	<u>100.0%</u>
Related expenses	<u>1,182,811</u>	
Total	<u>\$ 521,952,908</u>	

(a) Of this balance, (i) \$2,000,000 represents grants made from the JCF's operating fund; (ii) \$914,215 represents grants made from the Special Gifts Fund; and (iii) \$22,621,995 represents grants made from donor-advised funds.

(b) All grantee organizations are organized and operated exclusively for education, charitable, scientific, literary or religious purposes, as defined in Section 170(c)(2)(B) of the Internal Revenue Code. No grant was made to any private nonoperating foundation, as defined in Section 509(a) of the Code.

*See independent auditors' report on supplementary information.*



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### *Treasurer*

Andrea Markezin-Press

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Tricia Pantzer

Michael L. Stern

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Andrea Markezin-Press

### *Charitable Distribution/ Special Gifts Fund*

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### *Marketing*

Tricia Pantzer

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Beth Wohlgelemer

*Senior Vice President  
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**Legal Counsel:** Proskauer Rose LLP,  
Simpson Thacher & Bartlett LLP

**Investment Advisory Services:**

Pavilion Advisory Group Ltd.



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**New York:** A copy of the most recent annual report is available from the Office of the Attorney General, Department of Law, Charities Bureau, 120 Broadway, New York, NY 10271. For inquiries regarding the registration status of a charitable organization, call 212-416-8402.

**Pennsylvania:** For information on charitable organizations, professional solicitors and fundraising counsels that are currently registered with the PA Bureau of Corporations and Charitable Organizations, please use the "Charity Search" feature available on the Pennsylvania Department of State website: <https://www.dos.pa.gov/BusinessCharities/Charities/Pages/default.aspx>.