

THE JEWISH FUND

Bloomfield Hills, Michigan

May 31, 2020 and 2019

FINANCIAL STATEMENTS

Including Independent Auditor's Report

THE JEWISH FUND

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Independent Auditor's Report

To the Board of Directors
The Jewish Fund

We have audited the accompanying financial statements of The Jewish Fund (the "Fund"), which comprise the statements of financial position as of May 31, 2020 and 2019 and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jewish Fund as of May 31, 2020 and 2019 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

October 1, 2020

THE JEWISH FUND

STATEMENTS OF FINANCIAL POSITION
May 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 134,353	\$ 324,631
Investments	55,077,019	59,011,637
Prepaid expenses	<u>-</u>	<u>1,833</u>
Total assets	<u>\$ 55,211,372</u>	<u>\$ 59,338,101</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 46,046	\$ 68,156
Grants payable	463,595	565,732
Total liabilities	<u>509,641</u>	<u>633,888</u>
NET ASSETS		
Without Donor Restrictions	45,956,403	49,749,095
With Donor Restrictions	<u>8,745,328</u>	<u>8,955,118</u>
Total net assets	<u>54,701,731</u>	<u>58,704,213</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 55,211,372</u>	<u>\$ 59,338,101</u>

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STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended May 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT						
Grants and contributions	\$ -	-	\$ -	\$ -	\$ 1,367	\$ 1,367
Investment income	2,016,938	407,964	2,424,902	1,355,288	259,305	1,614,593
Net unrealized losses on investments	(2,094,172)	(442,454)	(2,536,626)	(378,296)	(82,557)	(460,853)
Returned grants and other income	56,396	-	56,396	44,268	-	44,268
Net assets released from restrictions	175,300	(175,300)	-	113,296	(113,296)	-
Total operating revenue and support	154,462	(209,790)	(55,328)	1,134,556	64,819	1,199,375
EXPENSES						
Programs:						
Grants	3,461,120	-	3,461,120	2,774,600	-	2,774,600
Teen foundation board	92,206	-	92,206	96,180	-	96,180
Administrative and general	393,828	-	393,828	397,391	-	397,391
Total expenses	3,947,154	-	3,947,154	3,268,171	-	3,268,171
(DECREASE) INCREASE IN NET ASSETS	(3,792,692)	(209,790)	(4,002,482)	(2,133,615)	64,819	(2,068,796)
NET ASSETS - BEGINNING OF YEAR	49,749,095	8,955,118	58,704,213	51,882,710	8,890,299	60,773,009
NET ASSETS - END OF YEAR	\$ 45,956,403	\$ 8,745,328	\$ 54,701,731	\$ 49,749,095	\$ 8,955,118	\$ 58,704,213

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STATEMENTS OF CASH FLOWS
Years Ended May 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (4,002,482)	\$ (2,068,796)
Adjustments to reconcile decrease in net assets to net cash from operating activities:		
Net unrealized loss on investments	2,536,626	460,853
Net realized gain on investments	(932,678)	(164,500)
Changes in operating assets and liabilities which provided (used) cash:		
Contributions receivable	-	50,000
Prepaid expenses	1,833	(1,833)
Accounts payable	(22,110)	32,414
Grants payable	(102,137)	(204,542)
Deferred revenue	-	(1,367)
	(2,520,948)	(1,897,771)
CASH FLOWS FROM INVESTING ACTIVITIES - Net Sale of investments	2,330,670	1,952,533
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(190,278)	54,762
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	324,631	269,869
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 134,353	\$ 324,631

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NOTES TO FINANCIAL STATEMENTS May 31, 2020 and 2019

NOTE 1 - Organization

The Jewish Fund (the "Fund") was established from the proceeds of the sale of Sinai Hospital to the Detroit Medical Center in December 1996 for charitable, educational, and religious purposes. The Fund supports the overall healthcare and social welfare needs of the Jewish and general communities in the Greater Detroit Metropolitan Area.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Fund are prepared on the accrual basis.

Classification of Net Assets

Net assets of the Fund are classified based on the presence or absence for donor imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor imposed or the donor imposed restriction has expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Fund.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Fund or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue and other support are reported as an increase in net assets without donor restrictions unless the donation is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one category of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Contributions and endowment income with donor-imposed restrictions that are met in the same year as received or earned are reported as net assets without donor restrictions revenue. Contributions and endowment income with donor-imposed restrictions that are not met in the same year as received or earned are reported as net assets with donor restrictions revenue and are reclassified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction or the specified events have occurred.

Grants payable represent awards to certain community organizations as of the reporting date with payments made generally throughout the next year. Grant expense is recorded when the awards are approved by the board of directors of the Fund. Any awards granted in a previous year and released from payment are reflected within other income on the statements of activities and changes in net assets.

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NOTES TO FINANCIAL STATEMENTS May 31, 2020 and 2019

NOTE 2 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Fund defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

The Fund maintains an account with the bank which at times may exceed federally insured limits. The Fund has not experienced any losses in such accounts.

Investments

The United Jewish Foundation (UJF) manages the Fund's investment portfolio. The investment portfolio is comprised of equity securities, debt securities, hedge funds, and private equity investments. The Fund records all investments in equity and debt securities with readily determinable fair values, based on published quotations at fair value in accordance with generally accepted accounting principles.

The Fund makes various investments with a group of investment managers who manage investment partnerships, managed accounts, commodity funds, hedge funds, and private equity funds, which employ diversified styles and strategies. The goal of these investments is to generate a long-term return with less risk than the equity market. The net asset value of these investments is calculated by the investment manager based on prices and valuations supplied to it by the underlying investment or money manager, or a similar financial data provider. Fair values as of May 31, 2020 and 2019 are based on monthly valuations provided by the managers of the Fund. Management, in coordination with the Fund's investment consultant and the UJF investment committee, obtains and considers the audited financial statements issued by nationally recognized accounting firms of such investments when evaluating the overall reasonableness of carrying value. Because of the inherent uncertainty of valuations, values recorded may differ materially from values had a ready market existed.

The investments may utilize a variety of financial instruments in their trading strategies, including equity and debt securities of U.S. and foreign issuers, as well as a variety of derivative instruments. Several of these financial instruments contain varying degrees of off-balance-sheet risk whereby changes in market value of the securities underlying the financial instruments may be in excess of the amounts recorded on the investments' balance sheet. However, due to the nature of the Fund's limited interest in these investments, the Fund's risk with respect to such transactions is limited to its capital balance in each investment.

Net realized and unrealized gains and losses on investment transactions for the year are included in the statements of activities and changes in net assets.

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NOTES TO FINANCIAL STATEMENTS May 31, 2020 and 2019

NOTE 2 - Summary of Significant Accounting Policies (continued)

Tax-Exempt Status

The Fund is a Michigan not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Fund and recognize a tax liability if the Fund has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. The Fund's management believes that the Fund continues to operate in a manner that preserves its tax-exempt status.

Risks and Uncertainties

The Fund holds various investments in any combination of stocks, bonds, fixed-income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Given the level of risk associated with certain investment securities and the level of uncertainty related to the changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could affect investment balances and the amounts reported in the statements of financial position and the statements of activities and changes in net assets.

Estimates

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

Subsequent Events

The Fund has evaluated subsequent events occurring through October 1, 2020, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the Fund's financial statements.

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NOTES TO FINANCIAL STATEMENTS May 31, 2020 and 2019

NOTE 3 - Fair Value of Financial Instruments

As defined in the accounting standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Fund uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, the Fund attempts to utilize valuation methods that maximize the use of observable inputs. Based on the observability of the inputs used in the valuation methods, the Fund is required to provide the following information according to the fair value hierarchy. The Fund's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during the years ended May 31, 2020 and 2019.

The Fund holds Level 1 investments in various equity and fixed-income investments that are publicly traded securities. Fair values are based on quoted market prices in active markets for identical assets or liabilities. The Fund also holds investments where fair value is measured using net asset value per share (or its equivalent) as a practical expedient. The Fund's investments valued at Net Asset Value (NAV) are not included in the fair value hierarchy.

The following provides information about the attributes of certain alternative investments:

Investment Type	Investment Objective	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Mutual Funds	Equity mutual funds valued at NAV include investments in closed funds which can be redeemed daily based on net asset values (NAV) provided by the fund managers. The Fund has no unfunded commitments for these funds as of May 31, 2020 and 2019, and there are no liquidity restrictions placed on these funds.	None	N/A	N/A
Debt Mutual Funds	Debt mutual funds valued at NAV include investments in closed funds which can be redeemed daily based on net asset values (NAV) provided by the fund managers. The Fund has no unfunded commitments for these funds as of May 31, 2020 and 2019, and there are no liquidity restrictions placed on these funds.	None	N/A	N/A
Direct Hedge Funds	Invest directly in debt, equity, and derivative securities to produce equity-like returns, but with reduced volatility. Strategies employed include long/short equity, multi-strategy, arbitrage, relative value, and event drive. Beta exposure to markets will vary based on the degree of hedging utilized by the managers. Approximately 57 percent of the funds within this category are subject to an investor gate which allows for only 25 percent redemption during any three-month period.	None	Monthly – Biennially	30-120 days
Private Equity	Invest directly in securities of companies that are generally not actively traded at the time of investment, securities that are perceived to be trading at distressed levels (many of which are illiquid), or a basket of private equity funds that invest in said securities. Additionally, make acquisitions of private equity limited partnership interests and direct investment portfolios with a focus of acquiring these interests at a significant discount. Investments may be in U.S. or foreign markets, and returns are expected to be higher than those that can be achieved in equity markets, albeit with higher expected volatility. Funds within this category are not redeemable.	\$ 757,262	N/A	N/A
Liquid Limited Partnerships	Invest directly in publicly traded securities through a commingled vehicle. The funds within this category offer daily liquidity.	None	N/A	N/A

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NOTES TO FINANCIAL STATEMENTS May 31, 2020 and 2019

NOTE 3 - Fair Value of Financial Instruments (continued)

The tables below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	May 31, 2020		
	Total	Level 1	Valued at NAV
Investments:			
Money market fund	\$ 307,370	\$ 307,370	
Mutual funds:			
Equity	27,057,676	24,870,985	2,186,691
Debt	1,428,100	1,428,100	
Multi-strategy	88,456	88,456	
Real assets	2,523,137	2,523,137	
Liquid Limited Partnerships -			
Equity	2,630,628		2,630,628
Alternative investments:			
Direct hedge fund	15,776,208		15,776,208
Private equity	5,265,444		5,265,444
Total investments	<u>\$ 55,077,019</u>	<u>\$ 29,218,048</u>	<u>\$ 25,858,971</u>
	May 31, 2019		
	Total	Level 1	Valued at NAV
Investments:			
Money market fund	\$ 1,716,747	\$ 1,716,747	\$ -
Mutual funds:			
Equity	24,934,997	22,615,194	2,319,803
Debt	1,632,910	1,632,910	-
Multi-strategy	90,343	90,343	-
Real assets	2,935,818	2,935,818	-
Liquid Limited Partnerships -			
Equity	5,464,648	-	5,464,648
Alternative investments:			
Direct hedge fund	17,779,396	-	17,779,396
Private equity	4,456,778	-	4,456,778
Total investments	<u>\$ 59,011,637</u>	<u>\$ 28,991,012</u>	<u>\$ 30,020,625</u>

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NOTES TO FINANCIAL STATEMENTS May 31, 2020 and 2019

NOTE 4 - Investments

Investment income includes the following:

	<u>2020</u>	<u>2019</u>
Dividends and interest	\$ 1,612,039	\$ 1,557,579
Realized gains	932,678	164,500
Management fees	<u>(119,815)</u>	<u>(107,486)</u>
Total	<u>\$ 2,424,902</u>	<u>\$ 1,614,593</u>

NOTE 5 - Transactions with Affiliates

The Fund and the Jewish Federation of Metropolitan Detroit (the "Federation") have entered into a management agreement whereby the Federation provides administrative support to the Fund for an agreed-upon fee. Such fees were \$340,000 and \$330,000 for the fiscal years ended May 31, 2020 and 2019, respectively.

Grants paid directly to the Federation were \$505,600 and \$328,531 and indirect grant expenses paid to other affiliated entities were \$1,278,332 and \$1,202,150 for the fiscal years ended May 31, 2020 and 2019, respectively. The Fund has grants payable to the Federation of \$80,000 and \$146,317 and to other affiliated entities of \$94,238 and \$78,500 as of May 31, 2020 and 2019, respectively.

NOTE 6 - Endowment Funds

The Fund's endowment includes both donor restricted endowment funds and funds designated by the board of trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of Relevant Law - The Fund is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of trustees appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of trustees of the Fund had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor restricted endowment funds, the Fund considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Fund has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

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NOTES TO FINANCIAL STATEMENTS May 31, 2020 and 2019

NOTE 6 - Endowment Funds (continued)

1. The duration and preservation of the Fund
2. The purposes of the Fund 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 Fund
7. The investment policies of the Fund

Endowment net asset composition by type of fund as of May 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated	\$ 45,956,403	\$ -	\$ 45,956,403
Donor-restricted			
Original donor-restricted gift amount required to be maintained in perpetuity by the donor	-	2,227,824	2,227,824
Accumulated investment gains	-	5,624,936	5,624,936
Gifts restricted for special purpose	-	892,568	892,568
Total funds	\$ 45,956,403	\$ 8,745,328	\$ 54,701,731

Endowment net asset composition by type of fund as of May 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated	\$ 49,749,095	\$ -	\$ 49,749,095
Donor-restricted			
Original donor-restricted gift amount required to be maintained in perpetuity by the donor	-	2,227,824	2,227,824
Accumulated investment gains	-	5,808,594	5,808,594
Gifts restricted for special purpose	-	918,700	918,700
Total funds	\$ 49,749,095	\$ 8,955,118	\$ 58,704,213

Changes in endowment net assets for the year ended May 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, May 31, 2019	\$ 49,749,095	\$ 8,955,118	\$ 58,704,213
Net investment loss	(77,234)	(34,490)	(111,724)
Other income	56,396	-	56,396
Appropriation of endowment assets for expenditure	(3,771,854)	(175,300)	(3,947,154)
Endowment net assets, May 31, 2020	\$ 45,956,403	\$ 8,745,328	\$ 54,701,731

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NOTES TO FINANCIAL STATEMENTS May 31, 2020 and 2019

NOTE 6 - Endowment Funds (continued)

Changes in endowment net assets for the year ended May 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, May 31, 2018	\$ 51,882,710	\$ 8,890,299	\$ 60,773,009
Grants and contributions	-	1,367	1,367
Net investment income	976,992	176,748	1,153,740
Other income	44,268	-	44,268
Appropriation of endowment assets for expenditure	<u>(3,154,875)</u>	<u>(113,296)</u>	<u>(3,268,171)</u>
Endowment net assets, May 31, 2019	<u>\$ 49,749,095</u>	<u>\$ 8,955,118</u>	<u>\$ 58,704,213</u>

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 or UPMIFA requires the Fund to retain as a fund of perpetual duration. There were no such deficiencies in the endowment funds as of May 31, 2020 and 2019.

Return Objectives and Risk Parameters - The Fund has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the Fund's 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 Fund must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce results that exceed 5% annually while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Fund 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 Fund 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 Fund has a policy of appropriating for grants each year 5% of the endowment base. The endowment base is defined as the three-year moving average of the fair value of the total endowment portfolio (calculated as of the last day of each of the previous 12 quarters). In establishing this policy, the Fund considered the long-term expected return on its endowment. Accordingly, over the long term, the Fund expects the current spending policy to allow its endowment to grow at an average of approximately 2.50% annually. This is consistent with the Fund'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 investment return.

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NOTES TO FINANCIAL STATEMENTS May 31, 2020 and 2019

NOTE 7 – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of May 31:

	<u>2020</u>	<u>2019</u>
Endowments:		
Healthcare and social welfare of general community	\$ 6,944,229	\$ 6,970,942
Research	760,824	894,298
Vision	980,282	1,004,535
Teen foundation board	<u>59,993</u>	<u>85,343</u>
Net assets with donor restrictions	<u>\$ 8,745,328</u>	<u>\$ 8,955,118</u>

NOTE 8 - Functional Expenses

The Fund provides grants to the Jewish and general communities in the Greater Detroit Metropolitan Area. Expenses related to providing these services are as follows as of May 31:

	<u>2020</u>	<u>2019</u>
Program services:		
Grants	\$ 3,461,120	\$ 2,774,600
Teen foundation board	<u>92,206</u>	<u>96,180</u>
Total program services	3,553,326	2,870,780
Support services:		
Administrative fee	340,000	330,000
Audit and tax services	16,300	15,900
Professional services	14,050	13,381
Meetings and events	10,067	20,034
Dues and subscriptions	8,099	8,790
Insurance	2,684	5,199
Office expense	<u>2,628</u>	<u>4,087</u>
Total support services:	393,828	397,391
Total expenses	<u>3,947,154</u>	<u>\$ 3,268,171</u>

The costs of providing the program and support services are reported on a functional basis. Costs are directly applied to either programs or support services on an actual basis.

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NOTES TO FINANCIAL STATEMENTS May 31, 2020 and 2019

NOTE 9 - Liquidity and Availability of Resources

All of the Fund's assets consist of financial assets (cash and cash equivalents and investments). The programs and supporting services of the Fund are supported by the earnings from these financial assets. 84% or \$45.4 million and 85% or \$49.7 million of the Fund's net assets as of May 31, 2020 and 2019, respectively, were without donor restrictions, but are designated by the board as quasi endowment funds. The Fund has adopted a spending policy to appropriate grants from the board designated funds (refer to Note 6), but all of the board designated funds could be made available if necessary.

Of the financial assets at May 31, 2020 and 2019, all are available to meet cash needs for general expenditure with the exception of investments which contain lock-up provisions of \$12,557,070 and \$12,654,933 at May 31, 2020 and 2019, respectively (see Note 3 for investment disclosures), and endowment funds required by the donor to be held in perpetuity of \$2,227,824.

As part of the Fund's liquidity management strategy, the Fund structures its financial assets to be available as the grants, general expenditures, and other obligations come due. Cash withdrawals from the managed investment pool normally coincide with the grant distributions, but may be adjusted higher or lower based on the timing of gift receipts, operating expenses and other factors affecting available cash.

NOTE 10 - Subsequent Event

As of June 1, 2020, the Fund has committed to providing grants of approximately \$1,600,000.