

**JEWISH COMMUNITY FOUNDATION  
OF CENTRAL PENNSYLVANIA**

**YEARS ENDED  
AUGUST 31, 2020 AND 2019**



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

YEARS ENDED AUGUST 31, 2020 AND 2019

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## Independent Auditor's Report

Board of Trustees and Governing Council  
Jewish Community Foundation of Central Pennsylvania  
Harrisburg, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Jewish Community Foundation of Central Pennsylvania (the Foundation), which comprise the statements of financial position as of August 31, 2020 and 2019 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

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

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

### **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 includes 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 Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes assessing the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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 Community Foundation of Central Pennsylvania as of August 31, 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.

*Brown Schultz Steindler & Fritz*

Camp Hill, Pennsylvania  
July 7, 2021



***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

STATEMENTS OF FINANCIAL POSITION  
AUGUST 31, 2020 AND 2019

LIABILITIES AND NET ASSETS

	<u>2020</u>	<u>2019</u>
<b>Liabilities:</b>		
Due to Jewish Federation of Greater Harrisburg	\$ 118,832	\$ 124,202
Accounts payable	24,767	11,980
Accrued vacation	40,610	33,511
Deferred administrative revenue	50,254	
Amounts held for others	8,348,536	8,118,060
Split-interest agreements	517,071	491,315
	<u>9,100,070</u>	<u>8,779,068</u>
<b>Total liabilities</b>	<b>9,100,070</b>	<b>8,779,068</b>
<b>Net assets:</b>		
Without donor restrictions:		
Board designated:		
Endowment funds for the benefit of others	5,816,522	4,563,467
Endowments for the benefit of the Jewish Community Foundation	1,905,889	1,771,694
Undesignated	9,574,360	9,046,338
	<u>17,296,771</u>	<u>15,381,499</u>
With donor restrictions	2,048,950	1,931,768
	<u>19,345,721</u>	<u>17,313,267</u>
<b>Total net assets</b>	<b>19,345,721</b>	<b>17,313,267</b>
<b>Total liabilities and net assets</b>	<b><u>\$ 28,445,791</u></b>	<b><u>\$ 26,092,335</u></b>

See notes to financial statements.

**JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA**

STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2020

	Net assets		
	Without donor restrictions	With donor restrictions	Total
<b>Public support, conditional grant, revenue and gains:</b>			
Public support, bequests and donations	\$ 1,648,503	\$ 117,182	\$ 1,765,685
Conditional grant	55,600		55,600
Revenue and gains:			
Fundraising revenue	8,550		8,550
Administrative revenue	85,647		85,647
Investment income	385,229		385,229
Gain on sale of investments	78,583		78,583
Unrealized appreciation in value of investments	1,418,885		1,418,885
<b>Total public support, conditional grant, revenue and gains</b>	<b>3,680,997</b>	<b>117,182</b>	<b>3,798,179</b>
<b>Expenses:</b>			
Program	1,352,632		1,352,632
Management and general	268,734		268,734
Fundraising	90,108		90,108
<b>Total expenses</b>	<b>1,711,474</b>		<b>1,711,474</b>
<b>Change in value of split-interest agreements</b>	<b>54,251</b>		<b>54,251</b>
<b>Total expenses and change in value of split- interest agreements</b>	<b>1,765,725</b>		<b>1,765,725</b>
<b>Change in net assets</b>	<b>1,915,272</b>	<b>117,182</b>	<b>2,032,454</b>
<b>Net assets:</b>			
Beginning of year	15,381,499	1,931,768	17,313,267
<b>End of year</b>	<b>\$ 17,296,771</b>	<b>\$ 2,048,950</b>	<b>\$ 19,345,721</b>

See notes to financial statements.

**JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA**

STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2019

	Net assets		Total
	Without donor restrictions	With donor restrictions	
<b>Public support, revenue and gains:</b>			
Public support, bequests and donations	\$ 1,377,029	\$ 103,402	\$ 1,480,431
Revenue and gains:			
Fundraising revenue	50,405		50,405
Administrative revenue	71,342		71,342
Investment income	366,733		366,733
Gain on sale of investments	141,487		141,487
Unrealized depreciation in value of investments	(118,626)		(118,626)
<b>Total public support, revenue and gains</b>	<b>1,888,370</b>	<b>103,402</b>	<b>1,991,772</b>
<b>Expenses:</b>			
Program	1,222,843		1,222,843
Management and general	263,262		263,262
Fundraising	134,817		134,817
<b>Total expenses</b>	<b>1,620,922</b>		<b>1,620,922</b>
<b>Change in value of split-interest agreements</b>	<b>38,301</b>		<b>38,301</b>
<b>Total expenses and change in value of split- interest agreements</b>	<b>1,659,223</b>		<b>1,659,223</b>
<b>Change in net assets</b>	<b>229,147</b>	<b>103,402</b>	<b>332,549</b>
<b>Net assets:</b>			
Beginning of year	15,152,352	1,828,366	16,980,718
<b>End of year</b>	<b>\$ 15,381,499</b>	<b>\$ 1,931,768</b>	<b>\$ 17,313,267</b>

See notes to financial statements.

***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED AUGUST 31, 2020

	Program services	Supporting services		Total
		Management and general	Fundraising	
Fund distributions	\$ 1,238,309			\$ 1,238,309
Salaries	67,843	\$ 89,458	\$ 65,374	222,675
Benefits and taxes	16,428	24,311	12,116	52,855
Bank and management fees		90,515		90,515
Annuity interest	29,430			29,430
Professional fees		39,370		39,370
Donor recognition dinner			6,429	6,429
Other	622	25,080	6,189	31,891
	<u>\$ 1,352,632</u>	<u>\$ 268,734</u>	<u>\$ 90,108</u>	<u>\$ 1,711,474</u>

See notes to financial statements.

***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED AUGUST 31, 2019

	Program services	Supporting services		Total
		Management and general	Fundraising	
Fund distributions	\$ 1,102,213			\$ 1,102,213
Salaries	64,909	\$ 84,149	\$ 61,384	210,442
Benefits and taxes	26,477	50,427	21,616	98,520
Bank and management fees		69,026		69,026
Annuity interest	27,607			27,607
Professional fees	864	49,121		49,985
Donor recognition dinner			36,476	36,476
Other	773	10,539	15,341	26,653
	<b>\$ 1,222,843</b>	<b>\$ 263,262</b>	<b>\$ 134,817</b>	<b>\$ 1,620,922</b>

See notes to financial statements.

***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

STATEMENTS OF CASH FLOWS  
YEARS ENDED AUGUST 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 2,032,454	\$ 332,549
Adjustments:		
Unrealized depreciation in value of investments	(1,418,885)	118,626
Gain on sale of investments	(78,583)	(141,487)
Change in value of split-interest agreements	54,251	38,301
(Increase) decrease in assets:		
Interest receivable	3,414	(2,338)
Other receivable	(10,137)	230
Surrender value of life insurance	(4,118)	(1,736)
Increase (decrease) in liabilities:		
Due to Jewish Federation of Greater Harrisburg	(5,370)	39,406
Accounts payable	12,787	(3,935)
Accrued vacation	7,099	8,952
Deferred administrative revenue	50,254	
	<u>643,166</u>	<u>388,568</u>
<b>Net cash provided by operating activities before adjustments pertaining to amounts held for others</b>	<b>643,166</b>	<b>388,568</b>
<b>Change in amounts held for others</b>	<b><u>230,476</u></b>	<b><u>(89,150)</u></b>
<b>Net cash provided by operating activities</b>	<b><u>873,642</u></b>	<b><u>299,418</u></b>
<b>Cash flows used in investing activities, purchase of investments, net</b>	<b><u>(691,496)</u></b>	<b><u>(334,596)</u></b>

(continued)

***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED AUGUST 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>Cash flows used in financing activities, payments of annuity obligations</b>	<b><u>\$ (28,495)</u></b>	<b><u>\$ (31,232)</u></b>
<b>Net increase (decrease) in cash</b>	<b>153,651</b>	<b>(66,410)</b>
<b>Cash:</b>		
Beginning of year	<u>23,399</u>	<u>89,809</u>
<b>End of year</b>	<b><u><u>\$ 177,050</u></u></b>	<b><u><u>\$ 23,399</u></u></b>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 29,430	\$ 27,607

See notes to financial statements.

# ***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2020 AND 2019

### **1. Nature of activities and summary of significant accounting policies:**

#### *Nature of activities:*

The Jewish Community Foundation of Central Pennsylvania (the Foundation) seeks to enrich the quality of life in the central Pennsylvania area through securing, administering, investing and distributing financial assets for charitable, religious or educational purposes. The Foundation is supported primarily from contributions, bequests and donations from the greater Harrisburg Jewish community. Net assets without donor restriction amounts can be expended at the discretion of the Foundation. Net assets with donor restriction amounts consist of contributions which can only be used for the purposes specified by the donors.

#### *Basis of accounting:*

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized in the accounting period in which the liability is incurred.

#### *Basis of presentation:*

The financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for Profit Organizations*. The Foundation is required to report information regarding its financial position and activities in up to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Foundation is required to present a statement of cash flows.

#### *Support and revenue recognition:*

The Foundation reports gifts (nonexchange transactions) of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donor restricted purpose contributions, where the restrictions are met in the same reporting period, are reported as net assets without donor restrictions.

Grant revenue is recorded as the required tasks are performed and related expenses are incurred or when the funds are received if there are no stipulations or requirements related to the grant.

# ***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2020 AND 2019

### **1. Nature of activities and summary of significant accounting policies (continued)**

#### *Investments:*

Cash equivalents are comprised of investments in money market accounts and are stated at cost. Management's policy for cash flow purposes is to include these accounts as investments.

Investments are reported at fair value with gains and losses included in the statements of activities.

#### *Income taxes:*

The Foundation has been recognized as a public charity exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable income tax regulations of Pennsylvania; therefore, no provision for income taxes has been made in these financial statements.

#### *Use of estimates:*

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### *Functional expenses:*

The costs of providing program and supporting services have been summarized on a functional basis on the statements of functional expenses. Certain costs have been allocated between program and supporting services based on management's estimates and actual employee time spent providing such services. Costs directly related to the program or supporting service are charged directly to the program or supporting service.

#### *Reclassifications:*

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 presentation.

# ***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2020 AND 2019

### **1. Nature of activities and summary of significant accounting policies (continued):**

*Recently issued accounting standards:*

#### Revenue:

FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts and Customers (Topic 606)*, with effective dates amended by FASB ASU 2015-14, is effective for the Foundation's 2021 year end and identifies specific steps to be applied to properly recognize revenue from customer contracts. Under the standard, revenue recognition is determined using a five-step model which identifies customer contracts, identifies performance obligations in each contract, determines transaction price, allocates transaction price to performance obligations and recognizes revenue when, or as, the performance obligations are satisfied. The standard permits the use of either the retrospective or cumulative effect transition method. The Foundation is evaluating the effect that ASU 2014-09 will have on its financial statements. The Foundation has not yet selected a transition method, nor has it determined the effect of the standard on its ongoing financial reporting.

#### Leases:

FASB ASU 2016-02, *Leases*, is effective for the Foundation's 2023 year end and requires that all leases with terms of more than 12 months be recognized as assets and liabilities on the statement of financial position. Recognition of these lease assets and lease liabilities represents a change from previous GAAP, which did not require lease assets and lease liabilities to be recognized for operating leases. Qualitative disclosures, along with specific quantitative disclosures, will be required to provide enough information to supplement the amounts recorded in the financial statements so that users can understand more about the nature of an entity's leasing activities.

The Foundation will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that the Foundation may elect to apply. At adoption, the Foundation will recognize a right-of-use asset and a lease liability initially measured at the present value of its operating lease payments. The Foundation is currently evaluating the impacts of adopting this guidance on its financial position, results of operations and cash flows.

### **2. Adoption of new accounting pronouncement:**

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve 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 improved guidance to better distinguish between conditional and unconditional contributions.

## ***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2020 AND 2019

#### **2. Adoption of new accounting pronouncement (continued):**

Effective September 1, 2019, the Foundation adopted ASU 2018-08. There was no quantitative impact as a result of adopting ASU 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect for that period.

#### **3. Financial assets and liquidity resources:**

As of August 31, 2020 and 2019, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, payments of liabilities and purchases of property and equipment, were as follows:

	<u>2020</u>	<u>2019</u>
Financial assets and liquidity resources:		
Cash	\$ 177,050	\$ 23,399
Receivables:		
Interest	9,512	12,926
Other	10,137	
Investments	<u>28,180,325</u>	<u>25,991,361</u>
Total financial assets	28,377,024	26,027,686
Less amounts held for others	8,348,536	8,118,060
Less split-interest agreements	517,071	491,315
Less net assets with donor restrictions	2,048,950	1,931,768
Less board designated net assets, endowment funds for the benefit of others	5,816,522	4,563,467
Total financial assets available within one year	<u>\$ 11,645,945</u>	<u>\$ 10,923,076</u>

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations become due.

# ***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2020 AND 2019

### **4. Investments:**

Investments held by the Foundation consisted of:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents:		
PNC government money market fund	\$ 323,535	\$ 430,414
Other money market funds	94,071	188,166
	<u>417,606</u>	<u>618,580</u>
Fixed income mutual funds	7,906,065	7,204,413
Equity mutual funds	9,393,512	7,506,772
Associated Jewish Charities of Baltimore Consolidated Investment Fund	<u>10,463,142</u>	<u>10,661,596</u>
	<u>\$ 28,180,325</u>	<u>\$ 25,991,361</u>

### **5. Fair value measurements:**

Investments are reported at fair value in the statements of financial position. All realized and unrealized gains and losses arising from fluctuations in fair value, sales or other disposition of assets are accounted for in the applicable net asset class.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value in GAAP and requires expanded disclosures about fair value measurements. FASB ASC 820 establishes a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets carried at fair value to be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices in active markets for identical assets
- Level 2 – Directly or indirectly observable inputs other than Level 1 quoted prices
- Level 3 – Unobservable inputs not corroborated by market data

# ***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2020 AND 2019

### **5. Fair value measurements (continued):**

For investments that have quoted market prices in active markets, the Foundation uses the quoted market prices as fair values and includes those investments in Level 1 of the fair value hierarchy. When quoted market prices in active markets are not available, various pricing services are used to determine fair value, and investments are included in Level 2 of the fair value hierarchy. Level 3 represents financial assets whose fair value is determined based upon inputs that are unobservable and include the Foundation's own determinations of the assumptions that a market participant would use in pricing the asset. The Foundation considers its investments in fixed income and equity mutual funds to be Level 1 and the Associated Jewish Charities of Baltimore Consolidated Investment Fund (the Fund) to be Level 3 assets. The value of the Foundation's share of the Associated Jewish Charities of Baltimore Consolidated Investment Fund's net assets is based on audited financial statements of the fund.

The following is a summary of changes in fair value of the Foundation's Level 3 assets:

The Associated Jewish Charities of Baltimore Consolidated Investment Fund activity for the years ended August 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Beginning of the year fair value	\$ 10,661,596	\$ 11,042,265
Realized gains (losses)	(15,900)	81,430
Unrealized gains (losses)	1,072,234	(282,630)
Income	166,505	145,624
Bank and other investment fees	(25,380)	(25,903)
Withdrawals	<u>(1,395,913)</u>	<u>(299,190)</u>
End of the year fair value	<u>\$ 10,463,142</u>	<u>\$ 10,661,596</u>

### **6. Life and Legacy Partnership Program:**

The Foundation is a community partner in the Life and Legacy Partnership Program of the Harold Grinspoon Foundation. The program assists communities across North America, through partnerships with Jewish Federations and Foundations, to promote after-lifetime giving to benefit Jewish day schools, synagogues, social service organizations and other Jewish entities. As of August 31, 2020, the program has over 700 letters of intent with a potential yield of approximately \$23.5 million.

# ***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2020 AND 2019

### **7. Split-interest agreements:**

The Foundation administers various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor, or other designated beneficiaries, over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Foundation's use, unless otherwise agreed to with the donors. The assets contributed are recorded at fair value when received.

Assets held in the charitable remainder trusts totaled \$453,615 and \$524,214 at August 31, 2020 and 2019, respectively, and are included as investments at fair value in the Foundation's statements of financial position. The present value of the estimated future payments (\$517,071 and \$491,315 at August 31, 2020 and 2019, respectively) is calculated using discount rates of 4.7% to 10% and applicable mortality tables. Interest expense relating to these obligations of \$29,430 and \$27,607 for the years ended August 31, 2020 and 2019, respectively, was distributed to beneficiaries. The Foundation revalues its liability for split-interest agreements each year for significant changes in life expectancy or discount rates and reflects these changes in the liability in the statements of activities. For the years ended August 31, 2020 and 2019, an increase of \$54,251 and \$38,301, respectively, was made to these obligations for a change in actuarial assumptions.

### **8. Amounts held for others:**

Amounts held for others are detailed below:

	<u>2020</u>	<u>2019</u>
Jewish Community Events Contingency Fund	\$ 1,540	\$ 1,540
Jewish Home of Greater Harrisburg	3,384,439	3,198,783
Jewish Community Alliance of Lancaster	416,132	384,099
Beth El Temple	2,031,715	1,823,424
Beth El Cemetery	210,101	188,562
South Hill Hebrew Cemetery Association	157,342	146,478
Tifereth Israel Cemetery	367,690	357,282
Chisuk Emuna Cemetery	409,024	365,335
Kesher Israel Congregation	243,413	548,371
Kehillat Israel Cemetery	672,511	650,689
Tamaqua Cemetery	58,279	56,794
Mahanoy City Cemetery	73,555	70,894
Beth Yehuda Cemetery	322,795	325,809
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 8,348,536</u>	<u>\$ 8,118,060</u>

## ***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2020 AND 2019

#### **9. Net assets with donor restrictions:**

Net assets with donor restrictions available for various donor restricted purposes at August 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
B'nai B'rith programming	\$ 12,822	\$ 12,822
Chisuk Emuna Congregation	340,226	230,600
Community Relations Council	35,209	35,209
Elderly in the Jewish Community of Greater Harrisburg	82,182	82,182
Historic B'nai Jacob Synagogue	20,575	20,575
Holocaust Education	87,766	87,766
Israel Experience Scholarships	67,435	67,435
JCC Spector Lounge	41,888	41,888
JCC Sports and Fitness	14,055	14,055
Jewish Family Service of Greater Harrisburg	224,164	217,768
Jewish Federation of Greater Harrisburg	239,518	239,518
JFGH Capital Repair and Replacement	80,310	80,310
Keshet Israel Cemetery	40,105	40,105
Kosher Meals on Wheels	18,178	18,018
Mount Moriah Cemetery	6,120	6,120
Scholarships for Jewish Education	3,669	3,669
Silver (Yeshiva) Academy	50,571	50,571
Temple Beth Sholom	30,614	30,614
Temple Ohev Sholom	546,189	546,189
Temple Ohev Sholom Cantor or Music	<u>107,354</u>	<u>106,354</u>
Total net assets with donor restrictions	<u>\$ 2,048,950</u>	<u>\$ 1,931,768</u>

#### **10. Net assets released from restrictions:**

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events. No net assets were released from donor restrictions during 2020 or 2019.



## ***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2020 AND 2019

#### **12. Paycheck Protection Program:**

The Paycheck Protection Program was established under the CARES Act on March 27, 2020 and was designed to provide cash-flow assistance to small businesses, including certain not-for-profit organizations. This program provides relief as a result of the Coronavirus pandemic with loan funds to pay up to 24 weeks of payroll costs, including fringe benefits, rent and utilities, commencing on the date of loan origination. The Paycheck Protection Program is a loan program that is guaranteed in its entirety through the Small Business Administration and offers a maturity of two years and an interest rate of one percent (1%). The principal amount of the loan may be partially or fully forgiven if the loan funds are utilized in a manner consistent with the allowable use of loan proceeds.

The Foundation applied for and received loan proceeds totaling \$55,600 in May 2020. Due to the forgiveness being conditional on incurring the qualified expenses, the funds were initially accounted for as a refundable advance on the statement of financial position and were recognized as government grant revenue as the qualified expenses were incurred. As of August 31, 2020, \$55,600 had been recognized as government grant income since the conditions upon which the loan proceeds were provided have been substantially met, including all of the qualified expenses being incurred prior to August 31, 2020. Management of the Foundation anticipates total forgiveness, and the funds are being reported in accordance with FASB ASC 958-605.

#### **13. Risks and uncertainties:**

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and characterized COVID-19 as a pandemic. The U.S. government has also implemented enhanced screenings, quarantine requirements and travel restrictions in connection with the COVID-19 outbreak. The spread of this virus has the potential to cause business disruption to the Foundation beginning in March 2020, due to state government-imposed shutdowns of businesses and other results of the illness. While the Foundation expects this matter may negatively impact its results, the extent of the impact of the COVID-19 on the Foundation's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of COVID-19 on overall demand for the Foundation's services, all of which are highly uncertain and cannot be predicted.

The Foundation quickly pivoted its scope of services by increasing the amounts available for grants for humanitarian needs. In order to accomplish this, the Foundation ramped up its fundraising efforts specifically for gifts to provide grants to agencies and synagogues that were assisting members of the community in need. The Foundation even provided grants to those organizations that were in need themselves. The Foundation also determined how to utilize its funds, such as the emergent needs and philanthropy funds, to ensure adequate assets were available to support the needs of the Central PA Jewish community members and organizations that were affected by COVID.

***JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA***

NOTES TO FINANCIAL STATEMENTS  
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**14. Subsequent events:**

On April 16, 2021, the Foundation received notice that the Paycheck Protection Program loan from May 2020 was reviewed and the full amount was forgiven.

Under round two of the Paycheck Protection Program, the Foundation applied for and received loan proceeds totaling \$46,800 in March 2021. Note 12 describes certain stipulations of this loan program.

The Foundation has evaluated subsequent events through July 7, 2021, which is the date the financial statements were available to be issued.