Still | Burton LLP
CERTIFIED PUBLIC ACCOUNTANTS

JEWISH FAMILY SERVICE OF GREATER DALLAS FOUNDATION

Combined Financial Statements
(With Independent Auditor's Report Thereon)

As of and For the Years Ended
July 31, 2019 and 2018

JEWISH FAMILY SERVICE OF GREATER DALLAS FOUNDATION
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As of and For the Years Ended July 31, 2019 and 2018

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Jewish Family Service of Greater Dallas Foundation:

Report on the Combined Financial Statements
We have audited the accompanying combined financial statements of the Jewish Family Service of Greater Dallas Foundation (a nonprofit organization), which comprise the combined statements of financial position as of July 31, 2019 and 2018, and the related combined statements of activities, cash flow and functional expenses for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements
Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Service of Greater Dallas Foundation as of July 31, 2019 and 2018 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.

STILL BURTON LLP
Still Burton LLP

Farmers Branch, Texas
December 12, 2019

JEWISH FAMILY SERVICE OF GREATER DALLAS FOUNDATION
Combined Statements of Financial Position
July 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 160,466	$ 127,961
Investments at Dallas Jewish Community Foundation	1,267,514	1,096,448
Real estate investment property, net	914,189	919,066
Total Assets	**$ 2,342,169**	**$ 2,143,475**
Liabilities and Net Assets		
Accounts payable	$ 3,076	$ 2,560
Total liabilities	3,076	2,560
Net assets:		
Without donor restrictions	371,853	160,214
With donor restrictions	1,967,240	1,980,701
Total net assets	2,339,093	2,140,915
Total Liabilities and Net Assets	**$ 2,342,169**	**$ 2,143,475**

The accompanying notes are an integral part of these combined financial statements.

JEWISH FAMILY SERVICE OF GREATER DALLAS FOUNDATION

Combined Statement of Activities

Year Ended July 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Revenue:			
Contributions	$ 182,032	$ 34,014	$ 216,046
Rental income	8,395	60,605	69,000
Investment income (loss), net	(23)	33,484	33,461
Total revenue	190,404	128,103	318,507
Net Assets Released from Restrictions	77,008	(77,008)	-
Total support and revenues	267,412	51,095	318,507
Expenses:			
Management and general	56,356	-	56,356
Distribution to JFS	61,780	-	61,780
Fundraising	2,193	-	2,193
Total expenses	120,329	-	120,329
Change in net assets	147,083	51,095	198,178
Transfer between funds	64,556	(64,556)	-
Net assets at beginning of year	160,214	1,980,701	2,140,915
Net assets at end of year	$ 371,853	$ 1,967,240	$ 2,339,093

The accompanying notes are an integral part of these combined financial statements.

JEWISH FAMILY SERVICE OF GREATER DALLAS FOUNDATION

Combined Statement of Activities

Year Ended July 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Revenue:			
Contributions	$ 41,816	$ 46,310	$ 88,126
Rental income	3,975	65,025	69,000
Investment income (loss), net	(3,109)	47,580	44,471
Total revenue	42,682	158,915	201,597
Net Assets Released from Restrictions	138,164	(138,164)	-
Total support and revenues	180,846	20,751	201,597
Expenses:			
Management and general	84,144	-	84,144
Distribution to JFS	56,304	-	56,304
Total expenses	140,448	-	140,448
Change in net assets	40,398	20,751	61,149
Net assets at beginning of year	119,816	1,959,950	2,079,766
Net assets at end of year	$ 160,214	$ 1,980,701	$ 2,140,915

The accompanying notes are an integral part of these combined financial statements.

JEWISH FAMILY SERVICE OF GREATER DALLAS FOUNDATION
Combined Statements of Cash Flow
Years Ended July 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 198,178	$ 61,149
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	4,877	33,444
Unrealized (gains) losses	9,804	(16,179)
Reinvested investment income, net	(40,870)	(26,523)
(Increase) decrease in:		
Accounts payable	516	891
Net cash provided by operating activities	172,505	52,782
CASH USED IN INVESTING ACTIVITIES:		
Net investment (purchases) sales	(140,000)	(550,000)
Net increase (decrease) in cash and cash equivalents	32,505	(497,218)
Cash and cash equivalents at beginning of year	127,961	625,179
Cash and cash equivalents at end of year	$ 160,466	$ 127,961

The accompanying notes are an integral part of these combined financial statements.

JEWISH FAMILY SERVICE OF GREATER DALLAS FOUNDATION

Combined Statements of Functional Expense

For the Year Ended July 31, 2019

	Management and General	Distribution to JFS	Fundraising	Total
OTHER EXPENSES				
Distribution to JFS	$ -	$ 61,780	$ -	$ 61,780
Professional fees and contract payments	47,975	-	-	47,975
Depreciation	4,877	-	-	4,877
Insurance	2,538	-	-	2,538
Postage, promotional, printing and publications	-	-	2,021	2,021
Bank and credit card fees	966	-	-	966
Supplies and hospitalities	-	-	172	172
TOTAL EXPENSES	$ 56,356	$ 61,780	$ 2,193	$ 120,329

The accompanying notes are an integral part of these combined financial statements.

JEWISH FAMILY SERVICE OF GREATER DALLAS FOUNDATION

Combined Statements of Functional Expense

For the Year Ended July 31, 2018

	Management and General	Distribution to JFS	Fundraising	Total
OTHER EXPENSES				
Distribution to JFS	$ -	$ 56,304	$ -	$ 56,304
Professional fees and contract payments	44,433	-	-	44,433
Supplies and hospitalities	2,244	-	-	2,244
Bank and credit card fees	1,767	-	-	1,767
Insurance	1,250	-	-	1,250
Postage, promotional, printing and publications	708	-	-	708
Subscriptions	298	-	-	298
TOTAL EXPENSES BEFORE DEPRECIATION	50,700	56,304	-	107,004
Depreciation	33,444	-	-	33,444
TOTAL EXPENSES	$ 84,144	$ 56,304	$ -	$ 140,448

The accompanying notes are an integral part of these combined financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization

The Jewish Family Service of Greater Dallas Foundation (the Foundation) is a nonprofit organization formed in 2010 and funded in 2012. The Foundation was formed exclusively for the charitable purpose of making distributions to or for the Jewish Family Service of Dallas, Inc. (JFS). JFS has an economic interest in the Foundation but does not control the Foundation. Thirty percent (30%) of the trustees shall be persons elected by the Board of Directors of JFS.

In 2016, JFSF Holdings, LLC (Holdings) was formed with JFSF as the sole member.

Summary of Significant Accounting Policies

The summary of significant accounting policies of the Foundation is presented to assist in understanding the Foundation's combined financial statements. The combined financial statements and notes are representations of the Foundation's management, who is responsible for their integrity and objectivity.

(a) Basis of Combination, Presentation and Accounting - The combined financial statements include the accounts of the Foundation and its affiliated organization, Holdings (together, the Foundation). All significant inter-organizational transactions and balances have been eliminated.

The Foundation prepares its annual combined financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), consistently applied.

(b) Net Asset Classification - In accordance with GAAP, the Foundation has early adopted ASU No. 2016-14*, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Foundation classifies its net assets into two categories as follows:

Without Donor Restrictions – Net assets which are not subject to donor-imposed stipulations. Without donor restricted net assets may be used for any purpose or designated for specific purposes by action of the Board of Trustees.

With Donor Restrictions - (1) Net assets which are subject to donor-imposed purpose restrictions or which expire by the passage of time (formerly called temporarily-restricted). (2) Net assets subject to donor-imposed stipulations that the corpus be maintained permanently (formerly called permanently-restricted). Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes. These are often referred to as endowments.

The state of Texas has adopted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA). The Foundation has determined that the majority of its net assets do not meet the definition of endowments under TUPMIFA. While not TUPMIFA-defined endowments, the donors intend for these funds to be permanent and the Foundation manages them accordingly. Further references to “endowment”, “endowment fund”, or “endowed assets” in the notes relate to those intentions of the Foundation.

1. Organization and Summary of Significant Accounting Policies - Continued

(c) Cash and Cash Equivalents - The Foundation considers as cash and cash equivalents all cash on hand, cash in checking accounts, certificates of deposit, short-term investments and similar instruments with original maturities of three months or less.

(d) Investments at Dallas Jewish Community Foundation (DJCF) - Investments in equity and fixed income securities with readily determinable fair values are valued at quoted market prices. Investment income consists primarily of interest earned and realized or unrealized gains (losses) from investment accounts. Unless the donor restricted the use of investment income, such income is reported as without donor restricted activity. The change in fair value between years is reflected in the statement of activities in the year of the change as unrealized gain (loss) on investments. For the years ended July 31, 2019 and 2018, respectively, $7,372 and $6,018 in investment management fees were deducted from investment income.

(e) Use of Estimates - The preparation of combined financial statements in conformity with GAAP requires management to make estimates and that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting year. Accordingly, actual results could differ from those estimates. Significant estimates include the valuation of long-term investments and useful lives of fixed assets.

(f) Revenue Recognition - Revenues are reported as increases in without donor restricted net assets unless use of the related assets is limited by donor-imposed restrictions. Once the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, restricted revenues are reclassified from with donor restrictions to without donor restrictions.

Revenues are reported as increases in without donor restricted net assets unless use of the related assets is limited by donor-imposed restrictions. Once the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, restricted revenues are reclassified from with donor restrictions to without donor restrictions.

The Foundation's directors and officers serve without pay, except for the reimbursement of any actual necessary out-of-pocket expenses. The value of their contributed services is not reflected in the accompanying combined financial statements since it cannot be objectively measured or valued.

(g) Real Estate Investment Property - The Foundation capitalizes all costs directly related to the acquisition or improvement of Foundation owned buildings. Depreciation is computed using the straight-line method over the estimated useful life of the building, which is 30 years.

(h) Long-Lived Assets - Long-lived assets held and used by the Foundation are reviewed for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Foundation compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of the assets and is recorded in the period in which the determination was made. No indicators of impairment existed for the years ended July 31, 2019 and 2018.

1. Organization and Summary of Significant Accounting Policies - Continued

(i) Concentration of Credit Risk - Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments. At times, the Foundation had cash and cash equivalents on deposit with financial institutions and brokerages that exceeded federally insured limits. The Foundation has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statement of financial position.

(j) Income Taxes - The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and Texas gross margin tax. Unrelated business income, of which the Foundation had no significant amounts for the years ended July 31, 2019 and 2018, subject to federal income taxes. Accordingly, there is no provision or liability for federal income taxes in the accompanying combined financial statements. The Foundation is classified as an organization other than a private foundation.

The Foundation regularly assesses uncertain tax positions in each of the tax jurisdictions in which it has operations and accounts for the related financial statement implications. Uncertain tax benefits are reported using the two-step approach under which tax effects of a position are recognized only if it is “more-likely-than-not” to be sustained and the amount of the tax benefit recognized is equal to the largest tax benefit that is greater than fifty percent likely of being realized upon ultimate settlement of the tax position. Determining the appropriate level of unrecognized tax benefits requires the Foundation to exercise judgment regarding the uncertain application of tax law. The amount of tax benefits is adjusted when information becomes available or when an event occurs indicating a change is appropriate. Future changes in unrecognized tax benefits requirements could have a material impact on the results of operations. The Foundation is generally no longer subject to tax examinations relating to US federal tax returns for three years prior to the date of the latest tax filing.

(k) Management Review - The Foundation has evaluated subsequent events through December 12, 2019 the date the combined financial statements were available to be issued.

(l) Reclassifications – Investment fees of $6,018 were reclassified from management and general expense to net with investment income for the year ended July 31, 2018, to agree with presentation for the year ended July 31, 2019.

(m) Liquidity - The Foundation regularly monitors liquidity required to meet its operating needs and commitments, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, investments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities as well as fundraising, management and general services that support those activities.

1. Organization and Summary of Significant Accounting Policies - Continued

(m) Liquidity (Continued) - The Foundation financial assets available within one year of the fiscal year end date for general expenditures for the years ended July 31, 2019 and 2018 are as follows:

	2019	2018
Cash and cash equivalents	$ 160,466	$ 127,961
Investments at Dallas Jewish Community Foundation	1,267,514	1,096,448
Real estate investment property, net	914,189	919,066
Financial assets available at year end	$ 2,342,169	$ 2,143,475

Financial assets available at year end	$ 2,342,169	$ 2,143,475
Less those unavailable for general expenditures within one year, due to:		
Time or purpose restrictions	(841,762)	(874,795)
Perpetual endowment restrictions	(1,125,478)	(1,105,907)
Financial assets available to meet cash needs for general expenditures - one year	$ 374,929	$ 162,773

(n) Recent Accounting Pronouncements - In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers,* a converged standard on revenue recognition between the FASB and International Accounting Standards Board. The objective of the revenue standard is to provide a single, comprehensive revenue recognition model for all contracts to improve comparability within and across industries. The revenue standard contains principles that an entity will apply to determine the measurement of revenue and the timing of revenue recognition. FASB deferred the effective date for fiscal years beginning after December 15, 2018 for non-profit entities, though these entities can early adopt if they so elect. The Foundation has elected not to early adopt this ASU as of July 31, 2019 and is currently evaluating the impact of the standard on its financial statements. The required implementation date for the Foundation is for the year ended July 31, 2020.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update clarifies the definition of an exchange transaction. As a result, not-for-profit entities will account for most federal grants as donor-restricted conditional contributions, rather than as exchange transactions (the prevalent practice today). An accommodation ("simultaneous release" option) is provide which, if elected, would allow grants received and used within the same period to be reported in net assets without donor restrictions, consistent with where the grant revenue is reported today. Donors will use the same criteria as recipients (i.e., a barrier or hurdle coupled with a right of return/right of release) to determine whether gifts or grants are conditional or unconditional. Expense recognition is deferred for conditional arrangements and is immediate for unconditional arrangements. No new disclosures are required. The ASU is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Foundation has elected not to early adopt this ASU as of July 31, 2019 and is currently evaluating the impact of the standard on its financial statements. Implementation will be required for the Foundation's fiscal year ended July 31, 2020.

2. Real Estate Investment Property

In 2016, the Holdings purchased a building for investment purposes. The total consideration paid in exchange for the building was $975,000. Additionally, $28,422 in closing costs and legal fees were capitalized to the building. Depreciation expense was $4,877 and $33,444 for the years ended July 31, 2019 and 2018, respectively.

Holdings is using the building to generate rental income. Holdings leases office space in the building to one tenant and this lease agreement expires in July 2023. Rental income related to this lease was $69,000 for the year ended July 31, 2019. Future minimum rental income under the non-cancelable lease agreement is as follows:

Years ended July 31,	
2020	$ 69,000
2021	69,000
2022	69,000
2023	69,000
	$ 276,000

3. With Donor Restrictions – Endowment Funds

Net assets associated with the endowment funds are classified and reported based on the existence of donor-imposed restrictions.

The Board of Trustees of the Foundation has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as with donor restricted - permanently restricted net assets:

1. The original value of the gift; and
2. The original value of subsequent gifts to the fund.

The earnings portion of the endowment fund that is not classified as permanently-restricted is available to be appropriated for expenditure by JFS in a manner consistent with the standard of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor- restricted endowment funds:

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

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

3. With Donor Restrictions – Endowment Funds - Continued

Investment Return Objectives, Risk Parameters and Strategies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of with donor restricted-permanent funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is anticipated to maintain the purchasing power of the fund while assuming a moderate level of investment risk.

The Foundation's investment policy states the maximum annual distribution will be 3% of the three-year moving average of the end-of fiscal year market value of the Foundation's total assets until the total assets in the Foundation exceeds $10 million. Once the total assets exceed $10 million, the maximum annual distribution will increase to 5% per year. In establishing this policy, the Foundation considers the long-term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts.

The activity of net assets with donor restrictions is as follows:

	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Balance at July 31, 2017	$837,282	$1,122,668	$1,959,950
Contributions	48,211	(1,901)	46,310
Investment income	20,325	27,255	47,580
Rental income	27,778	37,247	65,025
Released from restriction	(58,802)	(79,362)	(138,164)
Balance at July 31, 2018	874,794	1,105,907	1,980,701
Contributions	23,432	10,582	34,014
Investment income	14,502	18,982	33,484
Rental income	25,800	34,805	60,605
Released from restriction	(32,210)	(44,798)	(77,008)
Transfer between funds	(64,556)	-	(64,556)
Balance at July 31, 2019	$841,762	$1,125,478	$1,967,240

3. With Donor Restrictions – Endowment Funds - Continued

Investment Return Objectives, Risk Parameters and Strategies – Continued

Subject to expenditure for specified purpose within JFS:	2019	2018
Counseling/mental health activities	$1,230,995	$1,215,752
Other services within JFS	632,624	666,062
Older adult services	39,589	37,038
Emergency assistance and food pantry services	32,158	30,471
Career and financial services	31,874	31,378
Total net assets with donor restrictions	$1,967,240	$1,980,701

The Foundation's with donor restricted endowment fund consisted of the following as of July 31, 2019 and 2018:

With Donor Restricted-Temporarily	2019	2018
Michael J. Fleisher General Operations	$ 137,673	$ 135,918
Charles B. & Helen R. Feldman Food Pantry Fund	29,059	27,471
Designated Food Pantry	3,098	3,000
Peachy and Morton Rudberg Fund for General Operations	50,807	40,046
Leon Weingarten/Joseph Webberman Fund for Children Special Needs	30,739	30,390
Susie and Joel Litman Fund for Supportive Services for Older Adults and Their Families	10,847	10,724
Barbara and Clive Miskin Fund for General Operations	81,012	69,966
Morchower Family Philanthropic Endowment Fund for Children and Adolescents in Crisis	49,739	49,165
Gerald and Helaine Ray Fund for Services to Veterans & Their Families	10,073	9,904
Harriet Florence Gross Fund	-	64,556
Synar Fund for Clinical Services	438,715	433,654
Total with donor restricted-temporarily	**$ 841,762**	**$ 874,794**
With Donor Restricted-Permanently		
Fagelman Birk Fund for Psychotheraphy Services	$ 671,560	$ 664,336
Lois and William Mexic Endowment Fund for Career and Employment Services	31,874	31,378
Charlotte Webberman and Family Endowment Fund for Gerontology	11,430	11,139
Meri-Kay Star Endowment Fund for Children's Mental Health	19,336	17,064
The Sachs-Farkas Philantropic Fund for Services to the Elderly	17,312	15,175
Barbara Schwarz Fund for General Operations	12,298	9,998
S. Blumberg Endowment Fund	86,176	83,974
Pinker Family Fund for Healthy Safe Families	10,834	11,238
Bea Weisbrod Family Endowment for General Operations	264,658	261,605
Total with donor restricted-permanently	**$1,125,478**	**$1,105,907**
Total with donor restrictions	**$1,967,240**	**$1,980,701**

4. Investments at Dallas Jewish Community Foundation

An independent advisory board within the Dallas Jewish Community Foundation (the DJCF) manages investments funds for the Foundation. Investments held at the DJCF in a collective investment trust are stated at estimated fair value. At July 31, 2019 and 2018, investments held at the DJCF were as follows:

	2019	2018
Equity funds	$ 633,756	$ 548,224
Bond funds	316,878	274,112
Alternative investment	316,878	274,112
Total	$1,267,514	$1,096,448

Investment income (loss) at DJCF consisted of the following for the years ended July 31, 2019 and 2018:

	2019	2018
Interest and dividends	$ 34,322	$ 22,883
Investment fees	(7,372)	(6,018)
Realized gain	13,920	9,658
Unrealized gain (loss)	(9,804)	16,179
Total	$ 31,066	$ 42,702

5. Program Distributions and Related Party

Distributions to JFS are determined by the Foundation's Board of Directors and are recorded upon approval. For the years ended July 31, 2019 and 2018, a distribution of $61,780 and $56,304, respectively, was made to JFS. For the years ended July 31, 2019 and 2018, JFS billed allocated administrative costs to the Foundation totaling $35,849 and $37,483, respectively, which are included on the statements of activities as management and general expenses.

6. Concentrations

As of July 31, 2019 and 2018, 100% of the investments held at the DJCF were invested in various mutual/index funds within a collective investment trust. The Foundation has not experienced significant losses in such accounts.

7. Fair Value Measurements

The carrying amount of cash and cash equivalents and accounts payable approximated fair market value at July 31, 2019 and 2018, because of their relatively short maturity.

The Foundation’s combined financial statements are prepared in conformity with GAAP, which establishes a fair value hierarchy based on the observability of market prices used to measure fair value. Investments with readily available quoted prices in an active market or those for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified in one of the following categories:

7. Fair Value Measurements - Continued

Level 1 – the values are based on quoted prices readily available in active markets for identical investments.

Level 2 – the values are based on quoted prices in non-active markets for which all-significant inputs are observable either directly or indirectly. Inputs may also include pricing models whose inputs are observable or derived principally from or corroborated by observable market data.

Level 3 – pricing inputs are unobservable and include situations where there is little, if any, market activity for these investments. Fair value for these investments are determined using valuation methodologies that consider a range of factors, including but not limited to, the price at which the investment was acquired, the nature of the investment, local market conditions, current and projected operating performance and financing transactions subsequent to the acquisition of the investment. The determination of fair value requires significant management judgment. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would be used if a ready market for these investments existed.

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

Collective investment trust with DJCF: Valued at similar assets or liabilities in active markets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At July 31, 2019 and 2018, the investments were all in a collective investment trust and, accordingly, are considered Level 2 investments aggregating $1,267,514 and $1,096,448, respectively. The Foundation had no Level 1 or Level 3 investments at July 31, 2019 and 2018.