

**JEWISH FEDERATION OF DELAWARE, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS**

**JUNE 30, 2021 AND 2020**

**JEWISH FEDERATION OF DELAWARE, INC.**  
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**JUNE 30, 2021 AND 2020**

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*Independent Auditors' Report*

To the Board of Directors  
Jewish Federation of Delaware, Inc.

We have audited the accompanying financial statements of Jewish Federation of Delaware, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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.

*Auditors' 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 auditors' 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.

To the Board of Directors  
Jewish Federation of Delaware, Inc.

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 Jewish Federation of Delaware, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Belfint, Lyons & Shuman, P.A.*

December 17, 2021

Wilmington, Delaware

**JEWISH FEDERATION OF DELAWARE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

**ASSETS**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,149,325	\$ 2,074,216
Pledges Receivable - Annual Campaigns, Net	524,061	503,056
Pledges Receivable - Capital Campaign, Net	283,373	291,373
Accounts Receivable	14,190	113,772
Prepaid Expenses	32,640	56,907
Notes Receivable	208,392	210,000
Investments - at Fair Value	34,724,214	27,612,954
Cash Surrender Value - Life Insurance	504,431	479,808
Property and Equipment, Net	10,476,311	10,938,140
<b>TOTAL ASSETS</b>	<b>\$ 48,916,937</b>	<b>\$ 42,280,226</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Allocations Payable	\$ 1,211,418	\$ 1,161,121
Accounts Payable and Accrued Expenses	144,176	80,267
Deferred Revenue	11,400	6,900
Investments Held for Others	16,612,103	13,119,058
Cash Held On Behalf of the Jewish Historical Society	112	190,129
Loan Payable	758,431	816,594
<b>TOTAL LIABILITIES</b>	<b>18,737,640</b>	<b>15,374,069</b>
<b>NET ASSETS</b>		
Without Donor Restrictions		
Board Designated for Endowment	8,910,172	7,191,543
Board Designated for Capital Reserve	974,592	685,960
Undesignated	10,444,525	11,041,901
Total Net Assets Without Donor Restrictions	20,329,289	18,919,404
With Donor Restrictions	9,850,008	7,986,753
<b>TOTAL NET ASSETS</b>	<b>30,179,297</b>	<b>26,906,157</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 48,916,937</b>	<b>\$ 42,280,226</b>

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

**JEWISH FEDERATION OF DELAWARE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Contributions and Special Events	\$ 2,834,863	\$ 330,118	\$ 3,164,981
Emergency Fund Contributions	1,008	-	1,008
Rent	1,279,264	-	1,279,264
Advertising Income	103,174	-	103,174
Program Fees - Investment Management	106,802	-	106,802
Subscription Income	162	-	162
Loss on Disposal of Property and Equipment	(68,320)	-	(68,320)
Net Assets Released from Restrictions to Satisfy Programs	670,590	(670,590)	-
	<b>4,927,543</b>	<b>(340,472)</b>	<b>4,587,071</b>
<b>ALLOCATIONS AND EXPENSES</b>			
Allocations to Local Agencies and Overseas - Program	1,229,099	-	1,229,099
Functional Expenses - Other			
Program Services	2,433,162	-	2,433,162
Supporting Services			
Management and General	153,897	-	153,897
Fundraising	260,025	-	260,025
Total Supporting Services	413,922	-	413,922
Total Functional Expenses	2,847,084	-	2,847,084
	<b>4,076,183</b>	<b>-</b>	<b>4,076,183</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>851,360</b>	<b>(340,472)</b>	<b>510,888</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>			
Capital Campaign Contributions	-	679	679
Net Appreciation - Realized and Unrealized	1,738,101	2,031,865	3,769,966
Interest and Dividend Income, Net	100,067	171,862	271,929
Endowment Fund Allocations	(1,280,322)	-	(1,280,322)
Net Assets Released from Restrictions to Satisfy			
Capital Campaign Contributions	679	(679)	-
	<b>558,525</b>	<b>2,203,727</b>	<b>2,762,252</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,409,885</b>	<b>1,863,255</b>	<b>3,273,140</b>
<b>NET ASSETS - Beginning of Year</b>	<b>18,919,404</b>	<b>7,986,753</b>	<b>26,906,157</b>
<b>NET ASSETS - End of Year</b>	<b>\$ 20,329,289</b>	<b>\$ 9,850,008</b>	<b>\$ 30,179,297</b>

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

**JEWISH FEDERATION OF DELAWARE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Contributions and Special Events	\$ 2,866,148	\$ 179,717	\$ 3,045,865
Paycheck Protection Program Support	125,907	-	125,907
Emergency Fund Contributions	102,838	-	102,838
Rent	1,277,479	-	1,277,479
Advertising Income	124,850	-	124,850
Program Fees - Investment Management	96,637	-	96,637
Subscription Income	3,225	-	3,225
Net Assets Released from Restrictions to Satisfy Programs	408,989	(408,989)	-
<b>TOTAL REVENUE, GAINS, AND OTHER SUPPORT</b>	<u>5,006,073</u>	<u>(229,272)</u>	<u>4,776,801</u>
<b>ALLOCATIONS AND EXPENSES</b>			
Allocations to Local Agencies and Overseas - Program	<u>1,152,070</u>	<u>-</u>	<u>1,152,070</u>
Functional Expenses - Other			
Program Services	<u>2,483,118</u>	<u>-</u>	<u>2,483,118</u>
Supporting Services			
Management and General	159,021	-	159,021
Fundraising	<u>301,726</u>	<u>-</u>	<u>301,726</u>
Total Supporting Services	<u>460,747</u>	<u>-</u>	<u>460,747</u>
Total Functional Expenses	<u>2,943,865</u>	<u>-</u>	<u>2,943,865</u>
<b>TOTAL ALLOCATIONS AND EXPENSES</b>	<u>4,095,935</u>	<u>-</u>	<u>4,095,935</u>
<b>OPERATING PROFIT (LOSS)</b>	<u>910,138</u>	<u>(229,272)</u>	<u>680,866</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>			
Capital Campaign Contributions	-	180	180
Net Appreciation - Realized and Unrealized	85,716	143,777	229,493
Interest and Dividend Income, Net	86,917	159,075	245,992
Endowment Fund Allocations	(1,033,321)	-	(1,033,321)
Net Assets Released from Restrictions to Satisfy			
Capital Campaign Contributions	<u>180</u>	<u>(180)</u>	<u>-</u>
<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	<u>(860,508)</u>	<u>302,852</u>	<u>(557,656)</u>
<b>CHANGE IN NET ASSETS</b>	49,630	73,580	123,210
<b>NET ASSETS - Beginning of Year</b>	<u>18,869,774</u>	<u>7,913,173</u>	<u>26,782,947</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 18,919,404</u>	<u>\$ 7,986,753</u>	<u>\$ 26,906,157</u>

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

**JEWISH FEDERATION OF DELAWARE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Program and Supporting Services</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
<b>SALARIES AND RELATED EXPENSES</b>					
Salaries	\$ 436,034	\$ 87,935	\$ 196,690	\$ 284,625	\$ 720,659
Employee Benefits	42,894	13,352	23,404	36,756	79,650
Payroll Taxes	26,724	5,806	13,002	18,808	45,532
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<u>505,652</u>	<u>107,093</u>	<u>233,096</u>	<u>340,189</u>	<u>845,841</u>
<b>OTHER EXPENSES</b>					
Advertising	4,320	5,318	318	5,636	9,956
Bad Debt Expense (Decrease in Allowance)	(16,488)	-	-	-	(16,488)
Conferences and Travel	-	285	905	1,190	1,190
Emergency Fund Distributions	15,027	-	-	-	15,027
Facilities Management (FMB)	1,176,735	-	-	-	1,176,735
Insurance	-	6,855	-	6,855	6,855
Interest	12,851	-	-	-	12,851
Merchant Fees	216	-	6,562	6,562	6,778
Office Expenses, Subscriptions, Printing, and Dues	79,172	14,001	8,099	22,100	101,272
Postage	11,632	461	764	1,225	12,857
Professional Services	59,832	19,285	6,934	26,219	86,051
Program and Event Expenditures	30,308	-	2,500	2,500	32,808
Telephone	3,096	599	847	1,446	4,542
<b>TOTAL OTHER EXPENSES</b>	<u>1,376,701</u>	<u>46,804</u>	<u>26,929</u>	<u>73,733</u>	<u>1,450,434</u>
Depreciation	550,809	-	-	-	550,809
Allocations to Local Agencies and Overseas	1,229,099	-	-	-	1,229,099
Endowment Fund Allocations	1,280,322	-	-	-	1,280,322
<b>TOTAL EXPENSES</b>	<u>4,942,583</u>	<u>153,897</u>	<u>260,025</u>	<u>413,922</u>	<u>5,356,505</u>
Less: Allocations to Local Agencies and Overseas	(1,229,099)	-	-	-	(1,229,099)
Less: Endowment Fund Allocations	(1,280,322)	-	-	-	(1,280,322)
<b>TOTAL EXPENSES REPORTED ON STATEMENT OF ACTIVITIES</b>	<u>\$ 2,433,162</u>	<u>\$ 153,897</u>	<u>\$ 260,025</u>	<u>\$ 413,922</u>	<u>\$ 2,847,084</u>

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



**JEWISH FEDERATION OF DELAWARE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Program and Supporting Services</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
<b>SALARIES AND RELATED EXPENSES</b>					
Salaries	\$ 455,177	\$ 85,092	\$ 211,721	\$ 296,813	\$ 751,990
Employee Benefits	54,113	12,979	30,766	43,745	97,858
Payroll Taxes	27,864	5,476	13,815	19,291	47,155
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<u>537,154</u>	<u>103,547</u>	<u>256,302</u>	<u>359,849</u>	<u>897,003</u>
<b>OTHER EXPENSES</b>					
Advertising	6,608	5,001	440	5,441	12,049
Bad Debt Expense	25,000	-	-	-	25,000
Conferences and Travel	1,507	1,369	498	1,867	3,374
Emergency Fund Distributions	75,000	-	-	-	75,000
Facilities Management (FMB)	1,015,887	-	-	-	1,015,887
Insurance	-	5,850	-	5,850	5,850
Interest	28,437	-	-	-	28,437
Merchant Fees	108	-	7,983	7,983	8,091
Office Expenses, Subscriptions, Printing, and Dues	85,887	13,316	10,423	23,739	109,626
Postage	12,863	771	1,121	1,892	14,755
Professional Services	56,082	28,589	16,624	45,213	101,295
Program and Event Expenditures	53,284	-	7,461	7,461	60,745
Telephone	2,295	578	874	1,452	3,747
<b>TOTAL OTHER EXPENSES</b>	<u>1,362,958</u>	<u>55,474</u>	<u>45,424</u>	<u>100,898</u>	<u>1,463,856</u>
Depreciation	583,006	-	-	-	583,006
Allocations to Local Agencies and Overseas	1,152,070	-	-	-	1,152,070
Endowment Fund Allocations	1,033,321	-	-	-	1,033,321
<b>TOTAL EXPENSES</b>	<u>4,668,509</u>	<u>159,021</u>	<u>301,726</u>	<u>460,747</u>	<u>5,129,256</u>
Less: Allocations to Local Agencies and Overseas	(1,152,070)	-	-	-	(1,152,070)
Less: Endowment Fund Allocations	(1,033,321)	-	-	-	(1,033,321)
<b>TOTAL EXPENSES REPORTED ON STATEMENT OF ACTIVITIES</b>	<u>\$ 2,483,118</u>	<u>\$ 159,021</u>	<u>\$ 301,726</u>	<u>\$ 460,747</u>	<u>\$ 2,943,865</u>

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

**JEWISH FEDERATION OF DELAWARE, INC.**

**STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributors	\$ 3,145,528	\$ 3,203,146
Interest and Dividends Received, Net	271,929	387,873
Cash Received from Advertisers and Subscribers	110,389	124,958
Rent Received	1,371,793	1,192,062
Cash Paid to Local Agencies and Overseas	(1,178,802)	(1,116,126)
Cash Paid to Employees and Suppliers	(3,485,935)	(3,364,206)
Interest Paid	(12,851)	(28,437)
	<u>222,051</u>	<u>399,270</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Sales of Investments	9,249,563	5,510,557
Net Purchase of Investments	(9,193,922)	(4,645,333)
Cash Paid for Property and Equipment	(158,923)	(215,041)
	<u>(101,674)</u>	<u>650,183</u>
<b>NET CASH PROVIDED (UTILIZED) BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Cash (Paid for) Received from Investments Held for Others	202,912	(447,138)
Cash Received (Paid) on Behalf of the Jewish Historical Society	(190,017)	190,129
Principal Payments from Loan Payable	(58,163)	(107,125)
	<u>(45,268)</u>	<u>(364,134)</u>
<b>NET CASH PROVIDED (UTILIZED) BY FINANCING ACTIVITIES</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	75,109	685,319
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<u>2,074,216</u>	<u>1,388,897</u>
<b>CASH AND CASH EQUIVALENTS - End of Year</b>	<u>\$ 2,149,325</u>	<u>\$ 2,074,216</u>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Increase in Investments and Investments Held for Others from		
Realized Gains on Investments	<u>\$ 1,018,413</u>	<u>\$ 36,558</u>
Unrealized Gains on Investments	<u>\$ 2,378,522</u>	<u>\$ 76,891</u>
Accounts Payable Incurred to Acquire Equipment	<u>\$ -</u>	<u>\$ 1,623</u>

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

**JEWISH FEDERATION OF DELAWARE, INC.**  
**STATEMENTS OF CASH FLOWS - CONTINUED**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 3,273,140	\$ 123,210
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	550,809	583,006
Realized Gain on Investments	(1,127,580)	(43,859)
Unrealized Gain on Investments	(2,642,386)	(43,753)
Fee Income - Allocated from Investments Held for Others	(106,802)	(96,637)
Bad Debt Expense (Decrease in Allowance)	(16,488)	25,000
Loss on Disposal of Property and Equipment	68,320	-
Decrease (Increase) in Cash Surrender Value - Life Insurance	(24,623)	10,426
Change in Assets		
Pledges Receivable	3,483	(82,070)
Accounts Receivable	99,582	(88,534)
Prepaid Expenses	24,267	19,888
Change in Liabilities		
Allocations Payable	50,297	35,944
Accounts Payable and Accrued Expenses	65,532	(48,426)
Deferred Revenue	4,500	5,075
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 222,051</b>	<b>\$ 399,270</b>

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

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities* - The Jewish Federation of Delaware, Inc. (Federation) is a nonprofit organization located in Wilmington, Delaware. The Federation's mission is to mobilize the Jewish Community to address issues, meet needs, and build an agenda for the future. The Federation is the central fundraising and community planning agency for the Jewish community of Delaware and the greater Brandywine Valley. One of the Federation's primary programs in furtherance of its mission is management of the Jewish Fund for the Future.

*Basis of Accounting* - The Federation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting. Revenue and gains are recognized when earned, and expenses and losses are recognized when incurred.

*Financial Statement Presentation* - In accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, *Not-for-Profit Entities*, the Federation is required to report information regarding its financial position and activities according to two classes of net assets: with or without donor restrictions.

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions, although their use may be limited by board designation.

*Net Assets With Donor Restrictions* - Net assets subject to donor- or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

*Revenue Recognition for Contracts with Customers* - In accordance with FASB ASC 606, *Revenue Recognition*, the Federation recognizes revenue resulting from contracts with customers when it satisfies its performance obligations by transferring control over a product or service to a customer. The following is a description of principal exchange transactions from which the Federation generates revenue:

*Advertising Income* - The Federation offers a monthly publication featuring stories of importance, encouraging editorials, international and national news highlighting the Jewish community. The Federation receives fees for advertising in the monthly publication. The Federation's performance

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Revenue Recognition for Contracts with Customers - Continued***

Advertising Income - Continued - obligation consists of delivering the publications to readers in print or online format and revenue is recognized at the point in time the publication is released. Amounts received in advance for future advertising represent contract liabilities and are recorded as deferred revenue on the statements of financial position.

Subscription Income - The Federation recognizes subscription revenue from its monthly publications over the term of the subscription period, which is generally one year. The Federation's performance obligation consists of delivering the publication to subscribers in print or online format. Amounts received in advance of a given subscription period represent contract liabilities and are recorded as deferred revenue on the statements of financial position.

Fundraising Income - Special Events - The Federation recognizes special event revenue equal to the cost of direct benefits provided to the donor, and contribution revenue for the difference. Special event revenue equal to the cost of direct benefits provided to the donor is recognized at the time the benefit is delivered, generally when the event occurs. Contribution revenue resulting from special events is recognized upon receipt. At times, the Federation may receive payments prior to the period in which the special event will occur. These payments represent contract liabilities and are recorded as deferred revenues on the statements of financial position.

Due to the nature and timing of the performance obligations and transfer of services, substantially all contract liabilities at June 30 of each year are recognized as revenue in the following year.

***Revenue Recognition for Contributions and Grants*** - Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Unconditional promises to give (pledges receivable) are recorded as support in the period the Federation receives the promise. Pledges receivable that are expected to be received over a period in excess of one year are discounted and recorded at their present value.

Conditional contributions, grants, and promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Revenue Recognition for Contributions and Grants - Continued***

During the year ended June 30, 2020, the Federation received a conditional grant under the Paycheck Protection Program totaling \$125,907. The Federation satisfied its performance requirements during the year ended June 30, 2020 and recognized this grant as income.

All donor-restricted support is reported as an increase to net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, 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.

***Functional Allocation of Expenses*** - The costs of providing the various programs have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on a reasonable basis that is consistently applied. Salaries and related expenses are allocated based on time and effort. All other shared expenses are allocated based on direct cost.

***Use of 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Cash Equivalents*** - The Federation considers all highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents.

***Property and Equipment*** - Property and equipment with a cost of \$1,000 and greater and an estimated useful life in excess of one year are capitalized at cost if purchased and at fair value if donated. Depreciation of property and equipment is provided by use of the straight-line method over the estimated useful lives of the related assets, ranging from three to forty years.

***Income Taxes*** - The Federation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Federation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been determined by the Internal Revenue Service (IRS) not to be a “private foundation” within the meaning of Section 509(a)(2) of the IRC.

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Income Taxes - Continued***

Income not related to the Federation's tax-exempt purpose may be subject to taxation as unrelated business income. Accounting principles generally accepted in the United States of America impose a threshold for determining when an income tax benefit can be recognized in regard to uncertain tax positions. The Federation has determined that no liability for uncertain tax positions is required to be accrued and included in the statements of financial position as of June 30, 2021 and 2020.

The federal informational returns of the Federation for the years ended June 30, 2019, 2020, and 2021, are subject to examination by the tax authorities, generally for three years after they were filed.

***Advertising*** - Advertising costs are charged to operations when incurred.

***Operating and Nonoperating Classifications*** - Revenue, gains, support, and expenses are classified in the statements of activities as operating and nonoperating. The operating classification includes contributions, rental income, advertising and subscription income, and expenses of operating the Federation. The nonoperating classification includes capital contributions, interest and dividend income, realized gains and losses on investments, unrealized gains and losses on investments, endowment fund allocations, and gains (losses) on the disposal of property and equipment.

***Allowance for Uncollectible Receivables*** - Pledges receivable are stated net of an allowance for uncollectible accounts. The Federation estimates the allowance based on its historical experience of the relationship between actual bad debt and net amount pledged. The Federation also takes into consideration an analysis of specific donors, the age of past due amounts, and an assessment of the donor's ability to pay. The allowance for uncollectible accounts for pledges receivable was \$33,500 and \$83,750 as of June 30, 2021 and 2020, respectively. The allowance for uncollectible accounts for pledges receivable - capital campaign was \$81,300 as of June 30, 2021 and 2020.

***Investments*** - In accordance with FASB ASC 958-320, *Investments - Debt and Equity Securities*, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains and losses restricted by a donor are reported as increases or decreases in net assets with donor restrictions in the reporting period in which the income and gains or losses are recognized.

***Allocations Payable*** - The Federation awards allocations (grants) to other organizations. The allocations are recognized as an expense in the period the allocation is determined and approved by the Federation. Approval traditionally occurs at the end of the fiscal year for the subsequent year's allocations; therefore, the upcoming year's

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Allocations Payable - Continued* - allocations are included in allocations payable on the statements of financial position. Impacts of the COVID pandemic forced the administrative task of approving the allocation beyond June 30, 2020. However, the Federation believes that the allocations, determined prior to June 30, 2020, should be recognized as of June 30, 2020, to improve the comparability and usefulness of its financial statements to the readers.

*Subsequent Events* - The Federation's policy is to evaluate events and transactions subsequent to its year end for potential recognition in the financial statements or disclosure in the notes to the financial statements. Management has evaluated events and transactions through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

**NOTE 2: AVAILABILITY AND LIQUIDITY**

The following reflects the Federation's financial assets as of the date of the statement of financial position, reduced by amounts not available for general use because of contractual, board-designated, or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2021</u>	<u>2020</u>
Financial Assets as of June 30		
Cash and Cash Equivalents	\$ 2,149,325	\$ 2,074,216
Pledges Receivable - Annual Campaigns, Net	524,061	503,056
Pledges Receivable - Capital Campaign, Net	283,373	291,373
Accounts Receivable	14,190	113,772
Notes Receivable	208,392	210,000
Investments - at Fair Value	<u>34,724,214</u>	<u>27,612,954</u>
Total Financial Assets as of June 30	37,903,555	30,805,371
Less: Those Unavailable for General Expenditures Within One Year, Due to		
Investments and Cash Held for Others	(16,612,215)	(13,309,187)
Donor Restricted - Endowment Funds in Excess of Annual Spending Policy	(9,577,514)	(7,720,537)
Board Designated - Endowment Funds in Excess of Annual Spending Policy	(8,689,568)	(6,954,269)
Board Designated for Capital Reserve	(974,592)	(685,960)
Donor Restricted - Purpose Restricted for Program Initiatives	(26,305)	(32,657)
Pledges Expected to be Received in Future Periods Beyond One Year	(225,784)	(225,784)
Notes Expected to be Received in Future Periods Beyond One Year	<u>(208,392)</u>	<u>(210,000)</u>
Financial Assets Available for General Expenditures Within One Year	<u>\$ 1,589,185</u>	<u>\$ 1,666,977</u>



**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 2: AVAILABILITY AND LIQUIDITY - CONTINUED**

The Federation has a goal to maintain financial assets on hand to meet its normal operating expenses. As described in Note 10, the Federation has a line of credit in the amount of \$2,000,000 that could be drawn upon in the event of an unanticipated liquidity need.

Donor-restricted and board-designated endowment funds are subject to an annual spending policy of 3% to 5% average fair value over the prior 12 quarters' rolling average in which the distribution is planned, unless otherwise documented in the endowment agreement, as described in Note 16. Endowment fund amounts in excess of the annual spending policy have been reflected as unavailable for general expenditures within one year in the chart above. Although the Federation does not intend to spend from the board-designated endowment funds (other than amounts appropriated for general expenditures through the annual spending policy), these amounts could be made available by a board resolution in the event of financial distress or an immediate liquidity need.

**NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following tables disaggregate the Federation's revenue based on the timing of satisfaction of performance obligations for the years ended June 30:

	2021			2020		
	At a Point in Time	Over Time	Total	At a Point in Time	Over Time	Total
Advertising Income	\$ 103,174	\$ -	\$ 103,174	\$ 124,850	\$ -	\$ 124,850
Subscription Income	-	162	162	-	3,225	3,225
Special Events	-	-	-	20,403	-	20,403
	<u>\$ 103,174</u>	<u>\$ 162</u>	<u>\$ 103,336</u>	<u>\$ 145,253</u>	<u>\$ 3,225</u>	<u>\$ 148,478</u>

Accounts receivable and contract balances from contracts with customers are as follows:

	2021			2020		
	Accounts Receivable	Contract Assets	Contract Liabilities	Accounts Receivable	Contract Assets	Contract Liabilities
Beginning of Year	\$ 8,081	\$ -	\$ 6,900	\$ 4,964	\$ -	\$ 1,825
End of Year	908	-	11,400	8,081	-	6,900

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 4: INVESTMENT INCOME**

The following tables detail the components of investment income for the years ended June 30:

	2021		
	Cost	Fair Value	Appreciation
Balance - End of Year	\$ 24,816,000	\$ 34,724,214	\$ 9,908,214
Balance - Beginning of Year	22,725,648	27,612,954	<u>4,887,306</u>
Increase in Unrealized Appreciation			5,020,908
Less: Increase in Net Unrealized Appreciation - Held for Others			<u>2,378,522</u>
Unrealized Gain			2,642,386
Realized Net Gain			<u>1,127,580</u>
Net Gain on Investments			3,769,966
Interest			138,924
Dividends			185,855
Investment Fees			<u>(52,850)</u>
Total Investment Income, Net			<u><u>\$ 4,041,895</u></u>

	2020		
	Cost	Fair Value	Appreciation
Balance - End of Year	\$ 22,725,648	\$ 27,612,954	\$ 4,887,306
Balance - Beginning of Year	23,126,070	27,892,732	<u>4,766,662</u>
Increase in Unrealized Appreciation			120,644
Less: Increase in Net Unrealized Appreciation - Held for Others			<u>(76,891)</u>
Unrealized Gain			43,753
Realized Net Gain			<u>185,740</u>
Net Gain on Investments			229,493
Interest			106,435
Dividends			192,844
Investment Fees			<u>(53,287)</u>
Total Investment Income, Net			<u><u>\$ 475,485</u></u>

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 5: FAIR VALUE MEASUREMENTS**

The Federation follows the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. FASB ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

*Level 1* - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Federation has the ability to access. Since valuations are based on quoted market prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

*Level 2* - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

*Level 3* - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair values of assets and liabilities measured on a recurring basis as of June 30 were as follows:

	2021			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
<b>Investments</b>				
Mutual Bond Funds	\$ 7,892,594	\$ 7,892,594	\$ -	\$ -
Mutual Equity Funds	26,676,620	26,676,620	-	-
Israel Bonds	155,000	-	155,000	-
Total Investments	34,724,214	34,569,214	155,000	-
<b>Cash Surrender Value</b>				
Life Insurance	504,431	-	504,431	-
Total Assets	<u>\$ 35,228,645</u>	<u>\$ 34,569,214</u>	<u>\$ 659,431</u>	<u>\$ -</u>
<b>Liabilities</b>				
Investments Held for Others	<u>\$ 16,612,103</u>	<u>\$ -</u>	<u>\$ 16,612,103</u>	<u>\$ -</u>

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 5: FAIR VALUE MEASUREMENTS - CONTINUED**

	2020			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
<b>Investments</b>				
Mutual Bond Funds	\$ 7,031,760	\$ 7,031,760	\$ -	\$ -
Mutual Equity Funds	20,421,122	20,421,122	-	-
Israel Bonds	<u>160,072</u>	<u>-</u>	<u>160,072</u>	<u>-</u>
Total Investments	27,612,954	27,452,882	160,072	-
<b>Cash Surrender Value</b>				
Life Insurance	<u>479,808</u>	<u>-</u>	<u>479,808</u>	<u>-</u>
Total Assets	<u>\$ 28,092,762</u>	<u>\$ 27,452,882</u>	<u>\$ 639,880</u>	<u>\$ -</u>
<b>Liabilities</b>				
Investments Held for Others	<u>\$ 13,119,058</u>	<u>\$ -</u>	<u>\$ 13,119,058</u>	<u>\$ -</u>

Fair values measured using level 1 inputs are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values measured using level 2 inputs are based on investment pool unitization percentages, which are considered observable level 2 inputs, and estimated values of life insurance contracts.

**NOTE 6: PLEDGES RECEIVABLE**

Pledges receivable related to the Federation's annual campaigns consisted of the following as of June 30:

	2021	2020
Annual Pledges (Less than One Year)	\$ 557,561	\$ 586,806
Less: Estimated Uncollectible Amounts	<u>(33,500)</u>	<u>(83,750)</u>
	<u>\$ 524,061</u>	<u>\$ 503,056</u>

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 6: PLEDGES RECEIVABLE - CONTINUED**

In 2000, the Federation initiated a capital campaign to fund several capital projects for the Delaware Jewish community, including a major expansion and renovation of the Bernard and Ruth Siegel Jewish Community Center, Inc.'s (Center) facility located on Garden of Eden Road in Wilmington (Project). A mortgage was secured to facilitate the completion of the Project (Note 10).

In May 2010, the Center passed the Capital Campaign Commitment Agreement resolution to fund up to \$250,000 of any resulting shortfall after collection of all current and future pledges receivable related to the capital campaign. On July 12, 2021, the Center made a payment to the Federation in the amount of \$96,056 to fully satisfy its obligations under this agreement.

The Federation is the owner of a \$500,000 life insurance policy whose proceeds will be used to reduce any outstanding capital campaign debt upon the death of the insured. The pledged insurance proceeds reduced by the cash value is included in campaign pledges receivable.

Below is a summary of campaign pledges receivable by anticipated maturity as of June 30:

	2021		2020	
	Amount of Pledge	Net Present Value	Amount of Pledge	Net Present Value
Under 1 Year	\$ 138,889	\$ 138,889	\$ 146,889	\$ 146,889
1 Year to 5 Years	288,165	225,784	288,165	225,784
	<u>\$ 427,054</u>	<u>364,673</u>	<u>\$ 435,054</u>	<u>372,673</u>
Less: Allowance for Uncollectibles		(81,300)		(81,300)
		<u>\$ 283,373</u>		<u>\$ 291,373</u>

The net present value for pledges to be received in periods greater than one year was calculated using a discount rate of 5% as of June 30, 2021 and 2020. As of June 30, 2021 and 2020, the discount totaled \$62,381.

**NOTE 7: INTENTIONS TO GIVE**

During fiscal year 1999, the Federation received notification that it had been designated as a charitable organization under two Charitable Remainder Unitrusts (CRUTs). The trust agreements clearly state that the donors have the right to substitute other organizations as beneficiaries. Since these CRUTs do not meet criteria for revenue recognition under FASB ASC 958, they are not reflected as contributions in the statements of activities until the funds are distributed.

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 8: PROPERTY AND EQUIPMENT**

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

	2021	2020
Land	\$ 634,486	\$ 634,486
Land Improvements	173,232	173,232
Buildings and Improvements	24,015,819	23,998,318
Furniture and Fixtures	644,860	604,434
	25,468,397	25,410,470
Less: Accumulated Depreciation	(14,992,086)	(14,472,330)
Property and Equipment - Net	\$ 10,476,311	\$ 10,938,140

**NOTE 9: LOAN RECEIVABLE**

In February 2016, the Federation entered into a loan agreement with Albert Einstein Academy. The terms of the agreement include a maturity date of June 2023 and an effective interest rate commensurate with the interest assessed to the Federation on certain bank debt due by the Federation. The outstanding balance was \$208,392 and \$210,000 as of June 30, 2021 and 2020, respectively. Subsequent to June 30, 2021, the Federation received an additional \$50,000 payment of principal from Albert Einstein Academy.

**NOTE 10: LOAN PAYABLE**

The loan payable consists of a working capital line of credit of \$2,000,000 bearing interest at the 30-day LIBOR plus 175 basis points (1.85% and 1.91% as of June 30, 2021 and 2020, respectively). The loan requires interest only payments monthly with the balance due in full at maturity. During the year ended June 30, 2021, the maturity date was extended from March 2021 to March 2023. The loan is secured by a first mortgage on the property at 101 Garden of Eden Road, all assets of the Federation, and assignment of rents and leases. The outstanding balance was \$758,431 and \$816,594 as of June 30, 2021 and 2020, respectively.

As of June 30, 2021, future maturities were as follows:

2023	\$ 758,431
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**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 11: NET ASSETS WITH DONOR RESTRICTIONS**

Donor restricted net assets consist of amounts restricted by donors for the following purposes as of June 30:

	<u>2021</u>	<u>2020</u>
Subject to Endowment Spending Policy and Appropriations		
Endowment Funds Restricted for Specific Purposes	\$ 9,623,872	\$ 7,797,226
Legacy Funds Restricted to Specific Agencies	<u>199,831</u>	<u>156,870</u>
Subject to Endowment Spending Policy and Appropriations	<u>9,823,703</u>	<u>7,954,096</u>
Subject to Expenditure for Specified Purpose		
Purpose Restricted for Program Initiatives		
Holocaust Education - Committee	24,428	28,280
Parkwood for Leadership	<u>1,877</u>	<u>4,377</u>
Purpose Restricted for Program Initiatives	<u>26,305</u>	<u>32,657</u>
Total Donor Restricted Net Assets	<u>\$ 9,850,008</u>	<u>\$ 7,986,753</u>

Net assets with donor restrictions include endowment funds subject to spending policy and appropriation (Note 16) with cumulative endowment gifts of \$4,303,775 and \$4,200,300 as of June 30, 2021 and 2020, respectively.

**NOTE 12: PENSION**

The Federation provides retirement benefits to its employees through a defined contribution plan covering all employees, at least 21 years of age, who have completed at least one year of service and work a minimum of 1,000 hours per year. For the years ended June 30, 2021 and 2020, the Federation contributed 5% of the employees' gross salaries to the pension fund; employees may contribute additional amounts at their discretion. The Federation's contributions to the plan amounted to \$26,689 and \$33,340 for the years ended June 30, 2021 and 2020, respectively.

**NOTE 13: CONCENTRATION OF CREDIT RISK**

The Federation maintains cash balances at several local financial institutions. As of June 30, 2021 and 2020, the Federal Deposit Insurance Corporation (FDIC) insured deposit accounts up to \$250,000 per institution. At various times during the year, certain amounts may exceed the insured limits. Uninsured balances as of June 30, 2021 and 2020, were \$1,743,978 and \$947,139, respectively.

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 14: COMMITMENTS**

The Federation leases office equipment under operating leases which expire in various periods through February 2024.

Future minimum rental payments under the operating lease are as follows for the years ending June 30:

2022	\$	8,163
2023		2,268
2024		<u>1,323</u>
	\$	<u><u>11,754</u></u>

Total rental expense related to these operating leases was \$10,128 for the years ended June 30, 2021 and 2020.

During June 2019, the Federation entered into a one-year lease agreement for an apartment unit located at Garden of Eden apartments. The lease required monthly payments of \$1,080 beginning July 1, 2019 and ending June 30, 2020. In May 2020, the lease was renewed for an additional one-year term. The lease requires monthly payments of \$1,105 beginning July 1, 2020 and ending June 30, 2021.

**NOTE 15: AGENCY SPACE LEASES**

As of January 1, 2020, the Federation entered into three-year operating leases with the Bernard & Ruth Siegel Jewish Community Center (JCC) of Wilmington, Jewish Family Services of Delaware, and Albert Einstein Academy (Agencies) for the Harry and Jeanette Weinberg Jewish Community Campus Building (Building) for a three-year term through December 31, 2022.

The Facilities Management Board (FMB) reviews the budget for repairs, maintenance, and utility costs for the upcoming year related to the Building. Rent is determined based upon the approved budget and the related Agencies' square foot usage. All rental payments are used for general building and utilities maintenance. If building expenses in any year exceed rental income for that year plus prior year residuals, if any, the excess will be recovered through increased rent in the subsequent year. If income exceeds expenses, surplus dollars will be returned to the lessee through rent reduction. Rental income totaled \$1,279,264 and \$1,277,479 for the years ended June 30, 2021 and 2020, respectively.



**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 15: AGENCY SPACE LEASES - CONTINUED**

Future projected rental income to be received based on the most recent approved budget is as follows for the years ending June 30:

2022	\$ 1,261,208
2023	<u>630,604</u>
	<u>\$ 1,891,812</u>

As of December 15, 2011, the Federation entered into a fifty-year ground lease with The Milton & Hattie Kutz Home, Inc. for \$10. The lease allows for four additional, separate, consecutive ten-year renewal periods.

**NOTE 16: ENDOWMENT FUNDS**

The Federation's endowment consists of several individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Federation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 Federation retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standards of prudence prescribed in UPMIFA. The donor-restricted endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Federation in a manner consistent with the standard prudence prescribed by UPMIFA. In accordance with UPMIFA, the Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the Federation and the donor-restricted endowment funds, (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 Federation, and (7) the investment policies of the Federation.

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 16: ENDOWMENT FUNDS - CONTINUED**

Endowment by net assets composition by type of fund for the years ended June 30:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 9,823,703	\$ 9,823,703
Board-Designated Endowment Funds	8,910,172	-	8,910,172
Total	<u>\$ 8,910,172</u>	<u>\$ 9,823,703</u>	<u>\$ 18,733,875</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 7,954,096	\$ 7,954,096
Board-Designated Endowment Funds	7,191,543	-	7,191,543
Total	<u>\$ 7,191,543</u>	<u>\$ 7,954,096</u>	<u>\$ 15,145,639</u>

Change in endowment net assets for the years ended June 30, 2021 and 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - June 30, 2020	<u>\$ 7,191,543</u>	<u>\$ 7,954,096</u>	<u>\$ 15,145,639</u>
Investment Return			
Interest and Dividend Income	152,917	171,862	324,779
Investment Fees	(52,850)	-	(52,850)
Net Appreciation - Realized and Unrealized	1,738,101	2,031,865	3,769,966
Total Investment Return	<u>1,838,168</u>	<u>2,203,727</u>	<u>4,041,895</u>
Contributions	<u>1,043,889</u>	<u>103,475</u>	<u>1,147,364</u>
Appropriation of Endowment Assets for Expenditure	<u>(1,412,407)</u>	<u>(295,418)</u>	<u>(1,707,825)</u>
Fee Income	<u>248,979</u>	<u>(142,177)</u>	<u>106,802</u>
Endowment Net Assets - June 30, 2021	<u>\$ 8,910,172</u>	<u>\$ 9,823,703</u>	<u>\$ 18,733,875</u>

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 16: ENDOWMENT FUNDS - CONTINUED**

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - July 1, 2019	\$ 7,439,347	\$ 7,879,436	\$ 15,318,783
Investment Return			
Interest and Dividend Income	140,204	159,075	299,279
Investment Fees	(53,287)	-	(53,287)
Net Appreciation - Realized and Unrealized	85,716	143,777	229,493
Total Investment Return	172,633	302,852	475,485
Contributions	1,221,189	179,717	1,400,906
Appropriation of Endowment Assets for Expenditure	(1,865,116)	(281,056)	(2,146,172)
Fee Income	223,490	(126,853)	96,637
Endowment Net Assets - June 30, 2020	\$ 7,191,543	\$ 7,954,096	\$ 15,145,639

***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 Federation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are to be reported in net assets without donor restrictions. There were no deficiencies in funds as of June 30, 2021 and 2020.

***Investment Return Objectives and Risk Parameters*** - The Federation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Federation 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 Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Federation expects its endowment funds, over time, to provide an average rate of return that is sufficient to offset normal inflation plus the spending policy. Actual returns in any given year may vary from this amount.

***Investment Strategies Employed for Achieving Objectives*** - To satisfy its long-term rate-of-return objectives, the Federation 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 Federation targets a diversified

**JEWISH FEDERATION OF DELAWARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2021**

**NOTE 16: ENDOWMENT FUNDS - CONTINUED**

*Investment Strategies Employed for Achieving Objectives - Continued* - asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

*Spending Policy* - Unless otherwise specified in an endowment fund's agreement, the Federation has a policy of appropriating for distribution each year an amount based on a percentage of its endowment fund's average fair value over the prior 12 quarters' rolling average in which the distribution is planned. The approved distribution percentage for the years ended June 30, 2021 and 2020, was 3%. In establishing this policy, the Federation considers the long-term expected return on its endowment, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The spending policy is reviewed regularly by the Board of Directors to allow its endowment funds to grow annually while maintaining the purchasing power of the endowment assets as well as to provide additional growth through new gifts and investment return.

**NOTE 17: RECLASSIFICATION**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. The reclassifications had no changes to prior year total net assets or changes in net assets.



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*Independent Auditors' Report on Additional Information*

To the Board of Directors  
Jewish Federation of Delaware, Inc.

We have audited the financial statements of Jewish Federation of Delaware, Inc. as of and for the years ended June 30, 2021 and 2020, and our report thereon dated December 17, 2021, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of allocations, schedules of donor-restricted endowment funds, supplemental statements of financial position of the Jewish Fund for the Future, and supplemental statements of activities of the Jewish Fund for the Future, as of and for the years ended June 30, 2021 and 2020, are presented for purposes of additional analysis and are not required parts of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for the information marked "unaudited" on the schedules of allocations, has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Belfint, Lyons & Shuman, P.A.*

December 17, 2021  
Wilmington, Delaware

**JEWISH FEDERATION OF DELAWARE, INC.**  
**SCHEDULES OF ALLOCATIONS**  
**JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ACCRUED ALLOCATIONS PAYABLE</b>		
<u>NATIONAL AGENCIES</u>		
Jewish Council for Public Affairs (JCPA)	\$ 1,200	\$ 1,000
Jewish Communal Services Association (JPRO)	500	500
<u>OVERSEAS AGENCIES</u>		
Jewish Federations of North America and Other Overseas Initiatives	514,600	509,600
Birthright Israel	18,776	15,021
<u>LOCAL ALLOCATIONS</u>		
Albert Einstein Academy	124,500	124,500
Siegel Jewish Community Center	218,000	215,000
Hillel Center at University of Delaware	95,000	89,000
Jewish Family Services of Delaware	100,000	100,000
Jewish Historical Society	5,000	2,000
Southern Delaware Community	7,842	2,000
Rehoboth Beach Festival	1,000	-
Seaside Jewish Community	-	4,000
Chabad at the University of Delaware	7,000	6,000
Milton and Hattie Kutz Home, Inc.	100,000	80,000
Burial Fund	10,000	5,000
B'nai B'rith Youth Organization	8,000	7,500
	<b>1,211,418</b>	<b>1,161,121</b>
<b>COMMITTED ALLOCATIONS NOT ACCRUED {b}</b>		
<u>OVERSEAS AGENCIES</u>		
Jewish Federations of North America - Mission and Programming	36,430	5,000
<u>LOCAL ALLOCATIONS</u>		
Community Outreach	189,333	220,334
Board Jewish Education and Identity Initiatives {a}	30,000	12,500
	<b>255,763</b>	<b>237,834</b>
<b>TOTAL ALLOCATIONS</b>	<b>\$ 1,467,181</b>	<b>\$ 1,398,955</b>

{a} Fiscal year 2021 and 2020, Board Jewish Education and Identity Initiatives were not allocated to specific agencies and, therefore, were not included as liabilities in the statements of financial position.

{b} Committed Allocations Not Accrued did not meet the criteria to be recognized as a cost and liability in the corresponding financial statements. As a result, Committed Allocations Not Accrued were not subject to the auditing procedures applied to the financial statements.

**JEWISH FEDERATION OF DELAWARE, INC.**  
**SCHEDULES OF DONOR-RESTRICTED ENDOWMENT FUNDS**  
**JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Endowment Funds Restricted for Specific Purposes		
Lion of Judah Endowment (LOJE) Funds	\$ 774,224	\$ 551,247
JFD Legacy Funds	321,900	260,865
Perpetual Annual Campaign Endowment (PACE) Funds	786,319	654,612
Hillel at University of Delaware	69,022	60,520
Adult Education	43,823	34,859
Eldercare	13,262	10,858
Delaware Jewish Agencies	1,163,054	948,831
Holocaust Education	516,591	406,274
Teen Philanthropy	11,328	9,470
Jerusalem Education	43,794	34,836
Kutz Home	142,060	117,288
Community and Leadership	541,639	439,725
Capital Maintenance	2,887,128	2,378,266
Educational Loans	85,706	68,176
General Israel Orphan	1,640	1,459
Fine Arts and Music	196,276	171,070
Women of Valor	7,291	5,800
Scholarship Funds	1,181,615	964,083
Science Education	7,800	6,688
JFD Programmatic Support	<u>829,400</u>	<u>672,297</u>
Endowment Funds Restricted for Specific Purposes	<u>9,623,872</u>	<u>7,797,226</u>
Legacy Funds Restricted to Specific Agencies		
Bernard and Ruth Siegel Jewish Community Center	11,808	9,545
Jewish Family Services	79,471	64,385
Kristol Center for Jewish Life (Hillel)	11,525	9,257
Milton and Hattie Kutz Home	9,991	8,097
Chabad	1,250	1,013
Temple Beth El	51,017	41,164
Multiple Designation Funds	<u>34,769</u>	<u>23,409</u>
Legacy Funds Restricted to Specific Agencies	<u>199,831</u>	<u>156,870</u>
Total Donor-restricted Endowment Funds	<u>\$ 9,823,703</u>	<u>\$ 7,954,096</u>

**JEWISH FUND FOR THE FUTURE**  
**SUPPLEMENTAL STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

**ASSETS**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 329,169	\$ 383,770
Investments at Fair Value		
Equity Securities	26,676,620	20,421,122
Fixed Income Securities	7,892,594	7,031,760
Israel Bonds	155,000	160,072
	34,724,214	27,612,954
Cash Surrender Value - Life Insurance	292,595	267,973
<b>TOTAL ASSETS</b>	<b>\$ 35,345,978</b>	<b>\$ 28,264,697</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	-	-
<b>NET ASSETS</b>		
Jewish Federation of Delaware, Inc.	18,733,875	15,145,639
Others	16,612,103	13,119,058
<b>TOTAL NET ASSETS</b>	<b>35,345,978</b>	<b>28,264,697</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 35,345,978</b>	<b>\$ 28,264,697</b>



**JEWISH FUND FOR THE FUTURE**  
**SUPPLEMENTAL STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	<u>Total</u>	<u>Funds Managed For</u>	
		<u>Jewish Federation of Delaware, Inc.</u>	<u>Other</u>
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Contributions/Grant Revenue	\$ 1,508,044	\$ 1,147,364	\$ 360,680
Fee Income	106,802	106,802	-
Interest	258,175	138,924	119,251
Dividends	352,372	185,855	166,517
Investment Fees	(52,850)	(52,850)	-
Realized Gain	2,145,993	1,127,580	1,018,413
Unrealized Gain	<u>5,020,908</u>	<u>2,642,386</u>	<u>2,378,522</u>
<b>TOTAL REVENUE, GAINS, AND OTHER SUPPORT</b>	<u>9,339,444</u>	<u>5,296,061</u>	<u>4,043,383</u>
<b>EXPENSES</b>			
Grant and Other Program Disbursements	1,932,215	1,488,679	443,536
Salaries	149,147	149,147	-
Employee Benefits and Payroll Taxes	23,488	23,488	-
Fee Expense	106,802	-	106,802
Professional Fees	14,077	14,077	-
Marketing and Promotion	6,460	6,460	-
Office Expenses	25,353	25,353	-
Meetings and Travel	<u>621</u>	<u>621</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<u>2,258,163</u>	<u>1,707,825</u>	<u>550,338</u>
<b>CHANGE IN NET ASSETS</b>	7,081,281	3,588,236	3,493,045
<b>NET ASSETS - Beginning of Year</b>	<u>28,264,697</u>	<u>15,145,639</u>	<u>13,119,058</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 35,345,978</u>	<u>\$ 18,733,875</u>	<u>\$ 16,612,103</u>

**JEWISH FUND FOR THE FUTURE**  
**SUPPLEMENTAL STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**

	<u>Funds Managed For</u>		
	<u>Total</u>	<u>Jewish Federation of Delaware, Inc.</u>	<u>Other</u>
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Contributions/Grant Revenue	\$ 1,426,884	\$ 1,400,906	\$ 25,978
Fee Income	96,637	96,637	-
Interest	200,644	106,435	94,209
Dividends	362,301	192,844	169,457
Investment Fees	(53,287)	(53,287)	-
Realized Gain	343,017	185,740	157,277
Unrealized Gain	120,644	43,753	76,891
<b>TOTAL REVENUE, GAINS, AND OTHER SUPPORT</b>	<u>2,496,840</u>	<u>1,973,028</u>	<u>523,812</u>
<b>EXPENSES</b>			
Grant and Other Program Disbursements	2,368,369	1,895,253	473,116
Salaries	184,454	184,454	-
Employee Benefits and Payroll Taxes	33,984	33,984	-
Fee Expense	96,637	-	96,637
Professional Fees	15,229	15,229	-
Marketing and Promotion	6,460	6,460	-
Office Expenses	10,171	10,171	-
Meetings and Travel	621	621	-
<b>TOTAL EXPENSES</b>	<u>2,715,925</u>	<u>2,146,172</u>	<u>569,753</u>
<b>CHANGE IN NET ASSETS</b>	(219,085)	(173,144)	(45,941)
<b>NET ASSETS - Beginning of Year</b>	<u>28,483,782</u>	<u>15,318,783</u>	<u>13,164,999</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 28,264,697</u>	<u>\$ 15,145,639</u>	<u>\$ 13,119,058</u>