

**JEWISH FAMILY SERVICES  
OF DELAWARE INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2020 AND 2019**

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
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BELFINT • LYONS • SHUMAN  
Certified Public Accountants

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*Independent Auditors' Report*

To the Board of Directors of  
Jewish Family Services of Delaware Inc.

We have audited the accompanying financial statements of Jewish Family Services of Delaware Inc. (nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

*Management's Responsibility for the Financial Statements*

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

*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 audit 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 of  
Jewish Family Services 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 Family Services of Delaware Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Business Combination***

On July 1, 2020, Jewish Family Services of Delaware Inc. was named sole corporate member of Cancer Care Connection, Inc., a separate nonprofit organization. This transaction was treated as an acquisition in accordance with Financial Accounting Standards Board Accounting Standards Codification 958-805, *Business Combination* (Note 20). As a result, the statement of financial position of Jewish Family Services of Delaware Inc. as of December 31, 2020 includes the accounts of Cancer Care Connection, Inc. and the statements of activities, functional expenses, and cash flows for the year ended December 31, 2020 include the activity of Cancer Care Connection, Inc. from July 1, 2020 through December 31, 2020.

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

May 28, 2021  
Wilmington, Delaware

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

**ASSETS**

	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,744,206	\$ 495,841
Patient Accounts Receivable - Net	141,833	185,865
Grants Receivable	220,827	130,507
Prepaid Expenses	<u>52,874</u>	<u>13,190</u>
<b>TOTAL CURRENT ASSETS</b>	<u>2,159,740</u>	<u>825,403</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture, Fixtures, and Equipment	625,076	521,082
Less: Accumulated Depreciation	<u>(542,153)</u>	<u>(408,929)</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<u>82,923</u>	<u>112,153</u>
<b>OTHER ASSETS</b>		
Security Deposits	2,250	4,250
Investments	474,619	417,068
Beneficial Interest in Funds Held at Delaware Community Foundation	<u>254,340</u>	<u>227,750</u>
<b>TOTAL OTHER ASSETS</b>	<u>731,209</u>	<u>649,068</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,973,872</u></u>	<u><u>\$ 1,586,624</u></u>

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

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**STATEMENTS OF FINANCIAL POSITION - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**LIABILITIES AND NET ASSETS**

	<b>2020</b>	<b>2019</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 161,499	\$ 136,053
Accrued Pension Expense	4,513	19,995
Current Maturities of Capital Lease Payable	-	748
Accrued Interest Payable	9,380	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>175,392</b>	<b>156,796</b>
<b>OTHER LIABILITIES</b>		
Conditional Grant - Paycheck Protection Program Loan	439,113	-
Economic Injury Disaster Loan	500,000	-
<b>TOTAL OTHER LIABILITIES</b>	<b>939,113</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>1,114,505</b>	<b>156,796</b>
<b>NET ASSETS</b>		
Without Donor Restrictions		
Undesignated	302,091	248,713
Board-Designated Operating Reserve	180,000	180,000
Board-Designated Endowment Funds	468,454	411,973
Total Without Donor Restrictions	950,545	840,686
With Donor Restrictions		
Purpose Restricted	648,317	356,297
Donor-Restricted Endowment Funds	260,505	232,845
Total With Donor Restrictions	908,822	589,142
<b>TOTAL NET ASSETS</b>	<b>1,859,367</b>	<b>1,429,828</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,973,872</b>	<b>\$ 1,586,624</b>

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

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE FROM OPERATIONS</b>			
Public Support			
Contributions	\$ 180,808	\$ 12,250	\$ 193,058
United Way of Delaware	38,019	-	38,019
Jewish Federation of Delaware Allocations	138,250	-	138,250
Grants from Government Agencies	1,079,424	33,343	1,112,767
Other Grants	169,934	999,201	1,169,135
Total Public Support	<u>1,606,435</u>	<u>1,044,794</u>	<u>2,651,229</u>
Program Fees			
Counseling Fees and Contract Revenue	1,315,522	-	1,315,522
Care Management	112,135	-	112,135
Total Program Fees	<u>1,427,657</u>	<u>-</u>	<u>1,427,657</u>
<b>TOTAL SUPPORT AND REVENUE FROM OPERATIONS</b>	<u>3,034,092</u>	<u>1,044,794</u>	<u>4,078,886</u>
<b>OPERATING EXPENSES</b>			
Program Services			
Counseling	2,165,461	-	2,165,461
Care Management	314,019	-	314,019
Youth and Family	564,927	-	564,927
Total Program Services	<u>3,044,407</u>	<u>-</u>	<u>3,044,407</u>
Supporting Services			
Management and General	735,796	-	735,796
Fundraising	220,856	-	220,856
Total Supporting Services	<u>956,652</u>	<u>-</u>	<u>956,652</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>4,001,059</u>	<u>-</u>	<u>4,001,059</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<u>(966,967)</u>	<u>1,044,794</u>	<u>77,827</u>
<b>NONOPERATING REVENUE (LOSS)</b>			
Investment Income - Net of Fees	5,385	742	6,127
Gains on Investments	52,535	27,238	79,773
Loss on Disposal of Property and Equipment	(7,033)	-	(7,033)
Excess of Assets Acquired Over Liabilities Assumed in Acquisition of Cancer Care Connection, Inc.	268,228	4,617	272,845
<b>TOTAL NONOPERATING REVENUE (LOSS)</b>	<u>319,115</u>	<u>32,597</u>	<u>351,712</u>
Net Assets Released from Restrictions	757,711	(757,711)	-
<b>CHANGE IN NET ASSETS</b>	<u>109,859</u>	<u>319,680</u>	<u>429,539</u>
<b>NET ASSETS - Beginning of Year</b>	<u>840,686</u>	<u>589,142</u>	<u>1,429,828</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 950,545</u>	<u>\$ 908,822</u>	<u>\$ 1,859,367</u>

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

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2019**

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE FROM OPERATIONS</b>			
Public Support			
Contributions	\$ 124,902	\$ 71,900	\$ 196,802
United Way of Delaware	33,438	-	33,438
Jewish Federation of Delaware Allocations	71,056	-	71,056
Grants from Government Agencies	858,339	-	858,339
Other Grants	114,847	508,500	623,347
Total Public Support	<u>1,202,582</u>	<u>580,400</u>	<u>1,782,982</u>
Program Fees			
Counseling Fees and Contract Revenue	1,480,536	-	1,480,536
Care Management	106,792	-	106,792
Total Program Fees	<u>1,587,328</u>	<u>-</u>	<u>1,587,328</u>
Special Events - Net of Expenses	912	-	912
<b>TOTAL SUPPORT AND REVENUE FROM OPERATIONS</b>	<u>2,790,822</u>	<u>580,400</u>	<u>3,371,222</u>
<b>OPERATING EXPENSES</b>			
Program Services			
Counseling	1,558,820	-	1,558,820
Care Management	291,372	-	291,372
Youth and Family	634,485	-	634,485
Total Program Services	<u>2,484,677</u>	<u>-</u>	<u>2,484,677</u>
Supporting Services			
Management and General	694,749	-	694,749
Fundraising	192,544	-	192,544
Total Supporting Services	<u>887,293</u>	<u>-</u>	<u>887,293</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>3,371,970</u>	<u>-</u>	<u>3,371,970</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<u>(581,148)</u>	<u>580,400</u>	<u>(748)</u>
<b>NONOPERATING REVENUE</b>			
Investment Income - Net of Fees	4,939	1,409	6,348
Gains on Investments	63,927	31,567	95,494
<b>TOTAL NONOPERATING REVENUE</b>	<u>68,866</u>	<u>32,976</u>	<u>101,842</u>
Net Assets Released from Restrictions	350,595	(350,595)	-
<b>CHANGE IN NET ASSETS</b>	<u>(161,687)</u>	<u>262,781</u>	<u>101,094</u>
<b>NET ASSETS - Beginning of Year</b>	<u>1,002,373</u>	<u>326,361</u>	<u>1,328,734</u>
<b>NET ASSETS - End of Year</b>	<u>\$ 840,686</u>	<u>\$ 589,142</u>	<u>\$ 1,429,828</u>

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



**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Program Services</u>			<u>Supporting Services</u>				
	<u>Counseling</u>	<u>Care Management</u>	<u>Youth and Family</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total</u>
<b>SALARIES AND RELATED EXPENSES</b>								
Salaries	\$ 1,342,224	\$ 161,867	\$ 374,097	\$ 1,878,188	\$ 411,172	\$ 134,924	\$ 546,096	\$ 2,424,284
Employee Retirement Benefits	669	351	647	1,667	2,884	-	2,884	4,551
Employee Benefits	126,808	14,088	28,894	169,790	30,365	2,744	33,109	202,899
Payroll Taxes	93,550	13,964	28,633	136,147	30,875	10,252	41,127	177,274
Unemployment Insurance	5,947	14,540	-	20,487	-	-	-	20,487
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>1,569,198</b>	<b>204,810</b>	<b>432,271</b>	<b>2,206,279</b>	<b>475,296</b>	<b>147,920</b>	<b>623,216</b>	<b>2,829,495</b>
<b>OTHER EXPENSES</b>								
Advertising and Marketing	4,523	-	393	4,916	15,485	15,184	30,669	35,585
Bad Debt Expense	36,241	-	-	36,241	-	-	-	36,241
Bank, Payroll, and 401(k) Fees	10,473	1,552	3,879	15,904	20,462	1,037	21,499	37,403
Conferences and Staff Training	4,914	1,409	1,097	7,420	10,781	446	11,227	18,647
Contract Services	266,455	63,819	-	330,274	87,233	27,703	114,936	445,210
Dues and Subscriptions	591	-	-	591	7,259	525	7,784	8,375
Equipment Rental and Maintenance	3,157	-	1,278	4,435	21,084	-	21,084	25,519
Insurance	23,191	6,896	8,128	38,215	5,996	2,151	8,147	46,362
Interest	-	-	-	-	9,396	-	9,396	9,396
Janitorial and Maintenance	1,639	243	607	2,489	395	152	547	3,036
Mileage and Expense Allowances	5,754	644	3,518	9,916	477	264	741	10,657
Miscellaneous Expense	1,299	245	616	2,160	4,139	5,911	10,050	12,210
Office Supplies	2,023	245	206	2,474	20,378	243	20,621	23,095
Outside Printing and Publications	-	-	-	-	-	3,161	3,161	3,161
Postage	58	30	13	101	3,199	-	3,199	3,300
Program Supplies	20,313	920	7,048	28,281	-	-	-	28,281
Rent and Occupancy	67,885	11,748	25,839	105,472	27,314	7,448	34,762	140,234
Software Licenses	94,381	3,228	617	98,226	19,519	6,705	26,224	124,450
Special Assistance and Other Program Expenses	17,202	12,724	65,543	95,469	-	-	-	95,469
Telephone and Internet	22,357	3,602	9,351	35,310	4,764	1,054	5,818	41,128
<b>TOTAL OTHER EXPENSES</b>	<b>582,456</b>	<b>107,305</b>	<b>128,133</b>	<b>817,894</b>	<b>257,881</b>	<b>71,984</b>	<b>329,865</b>	<b>1,147,759</b>
Depreciation of Property and Equipment	13,807	1,904	4,523	20,234	2,619	952	3,571	23,805
<b>TOTAL EXPENSES</b>	<b>\$ 2,165,461</b>	<b>\$ 314,019</b>	<b>\$ 564,927</b>	<b>\$ 3,044,407</b>	<b>\$ 735,796</b>	<b>\$ 220,856</b>	<b>\$ 956,652</b>	<b>\$ 4,001,059</b>

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

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**

	Program Services			Supporting Services				Total
	Counseling	Care Management	Youth and Family	Total Program Services	Management and General	Fundraising	Total Supporting Services	
<b>SALARIES AND RELATED EXPENSES</b>								
Salaries	\$ 1,068,401	\$ 203,932	\$ 442,810	\$ 1,715,143	\$ 465,655	\$ 125,119	\$ 590,774	\$ 2,305,917
Employee Retirement Benefits	5,405	4,211	1,671	11,287	12,193	-	12,193	23,480
Employee Benefits	81,395	13,448	34,683	129,526	29,969	1,346	31,315	160,841
Payroll Taxes	79,883	14,264	43,167	137,314	27,506	9,694	37,200	174,514
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>1,235,084</b>	<b>235,855</b>	<b>522,331</b>	<b>1,993,270</b>	<b>535,323</b>	<b>136,159</b>	<b>671,482</b>	<b>2,664,752</b>
<b>OTHER EXPENSES</b>								
Advertising and Marketing	830	5,264	-	6,094	984	9,320	10,304	16,398
Bad Debt Expense	26,479	-	-	26,479	-	-	-	26,479
Bank, Payroll, and 401(k) Fees	11,007	3,001	5,574	19,582	18,856	1,708	20,564	40,146
Conferences and Staff Training	6,609	732	1,848	9,189	13,545	2,567	16,112	25,301
Contract Services	108,917	5,138	8,150	122,205	29,204	19,447	48,651	170,856
Dues and Subscriptions	-	-	-	-	4,600	-	4,600	4,600
Equipment Rental and Maintenance	3,082	818	-	3,900	5,828	-	5,828	9,728
Insurance	9,004	5,460	4,601	19,065	6,789	1,148	7,937	27,002
Interest	-	-	-	-	17	-	17	17
Janitorial and Maintenance	3,829	980	1,895	6,704	1,573	631	2,204	8,908
Mileage and Expense Allowances	15,290	3,287	13,832	32,409	1,798	-	1,798	34,207
Miscellaneous Expense	294	136	285	715	721	-	721	1,436
Office Supplies	-	376	305	681	11,435	-	11,435	12,116
Outside Printing and Publications	-	-	-	-	-	2,644	2,644	2,644
Postage	-	-	-	-	4,067	227	4,294	4,294
Program Supplies	5,608	3,857	4,663	14,128	-	-	-	14,128
Rent and Occupancy	63,169	16,047	30,712	109,928	44,090	10,203	54,293	164,221
Software Licenses	35,436	2,783	3,964	42,183	9,036	6,017	15,053	57,236
Special Assistance and Other Program Expenses	120	1,869	20,504	22,493	-	-	-	22,493
Special Events Expenses	-	-	-	-	-	29,495	29,495	29,495
Telephone and Internet	17,996	3,553	10,558	32,107	3,836	1,365	5,201	37,308
<b>TOTAL OTHER EXPENSES</b>	<b>307,670</b>	<b>53,301</b>	<b>106,891</b>	<b>467,862</b>	<b>156,379</b>	<b>84,772</b>	<b>241,151</b>	<b>709,013</b>
Depreciation of Property and Equipment	16,066	2,216	5,263	23,545	3,047	1,108	4,155	27,700
<b>TOTAL EXPENSES</b>	<b>1,558,820</b>	<b>291,372</b>	<b>634,485</b>	<b>2,484,677</b>	<b>694,749</b>	<b>222,039</b>	<b>916,788</b>	<b>3,401,465</b>
Less: Special Events Expense Netted with Revenue	-	-	-	-	-	(29,495)	(29,495)	(29,495)
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,558,820</b>	<b>\$ 291,372</b>	<b>\$ 634,485</b>	<b>\$ 2,484,677</b>	<b>\$ 694,749</b>	<b>\$ 192,544</b>	<b>\$ 887,293</b>	<b>\$ 3,371,970</b>

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

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Donors, Grantors, Third-Party Payers, and Patients	\$ 3,968,671	\$ 3,488,996
Cash Paid to Suppliers and Employees	(3,953,988)	(3,323,116)
Interest Paid	(16)	(17)
Interest and Dividends Received	13,457	13,316
	<u>28,124</u>	<u>179,179</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(1,608)	-
Amounts Withdrawn from Investments	320	12,000
Reinvested Earnings and Amounts Deposited into Investments	(4,688)	(15,834)
Cash Assumed in Acquisition of Cancer Care Connection, Inc.	287,852	-
	<u>281,876</u>	<u>(3,834)</u>
<b>NET CASH FROM INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligations	(748)	(2,352)
Proceeds from Conditional Grant - Paycheck Protection Program (PPP) Loan	439,113	-
Proceeds from Economic Injury Disaster Loan (EIDL)	500,000	-
	<u>938,365</u>	<u>(2,352)</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,248,365	172,993
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<u>495,841</u>	<u>322,848</u>
<b>CASH AND CASH EQUIVALENTS - End of Year</b>	<u>\$ 1,744,206</u>	<u>\$ 495,841</u>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Liabilities, Net of Operating Assets, Recognized in Acquisition of Cancer Care Connection, Inc. (See Note 20)	<u>\$ 15,007</u>	<u>\$ -</u>

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

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**STATEMENTS OF CASH FLOWS - CONTINUED**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 429,539	\$ 101,094
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Depreciation	23,805	27,700
Bad Debt Expense	36,241	26,479
Loss on Disposals of Property and Equipment	7,033	-
Unrealized Gains on Investments	(39,928)	(59,370)
Realized Gains - Investments and Beneficial Interest in Funds at DCF	(39,845)	(36,124)
Grant Income from Forgiveness of CCC's PPP Loan	(47,847)	-
Excess of Assets Acquired Over Liabilities Assumed in Acquisition of Cancer Care Connection, Inc.	(272,845)	-
Change in Assets		
Patient Accounts Receivable	42,315	71,349
Grants Receivable	(90,320)	26,914
Prepaid Expenses	(39,684)	(9,245)
Security Deposits	2,000	1,150
Change in Liabilities		
Accounts Payable and Accrued Expenses	23,762	21,154
Accrued Pension Expense	(15,482)	8,078
Accrued Interest Payable	9,380	-
Total Adjustments	(401,415)	78,085
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 28,124</b>	<b>\$ 179,179</b>

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

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

*Nature of Activities* - The purpose of Jewish Family Services of Delaware Inc. (JFS), a nonprofit organization located in Wilmington, Delaware, is to strengthen individuals, families, and the community by providing counseling and support services, based on Jewish values.

On July 1, 2020, JFS was named sole corporate member of Cancer Care Connection, Inc., a separate nonprofit organization. This transaction was treated as an acquisition in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-805, *Business Combination* (Note 20). As a result, the statement of financial position of JFS as of December 31, 2020 includes the accounts of Cancer Care Connection, Inc., and the statements of activities, functional expenses, and cash flows for the year ended December 31, 2020 include the activity of Cancer Care Connection, Inc. from July 1, 2020 through December 31, 2020.

Cancer Care Connection, Inc. (CCC), is dedicated to being a comprehensive psychosocial resource for people affected by cancer. CCC pursues its mission by guiding individuals through the complex care delivery system and linking them to the services they seek, as well as providing therapeutic interventions to reduce cancer related distress. CCC's core program provides professionally staffed, phone-based support and in-person therapy at cancer center partner locations.

*Principles of Consolidation* - Transactions between JFS and CCC subsequent to the date of acquisition are eliminated. The term "Organization" in these financial statements is used to describe JFS prior to the date of acquisition and the consolidated reporting unit subsequent to the date of acquisition.

*Basis of Accounting* - The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting.

*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 and Cash Equivalents* - The Organization considers all cash and highly liquid investments with maturities of three months or less at the time acquired to be cash and cash equivalents.

*Patient Accounts Receivable* - Patient accounts receivable consist primarily of amounts due from patients and insurance companies. Accounts receivable are stated at estimated realizable value, with initial estimates of contract allowances and bad debts considered in determining the contract price. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

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

***Patient Accounts Receivable - Continued*** - other circumstances, which may affect the ability of patients to meet their obligations. The allowance for doubtful accounts was \$36,241 and \$0 as of December 31, 2020 and 2019, respectively. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

***Grants Receivable*** - Grants receivable represent pledged grants or amounts due from government agencies under cost-reimbursement grant contracts. There were no long-term contributions or grants receivable as of December 31, 2020 and 2019. As of December 31, 2020, management believes grants receivable will be fully collected within one year; therefore, no allowance has been recorded.

***Property and Equipment*** - Property and equipment are stated at cost when purchased by the Organization. The Organization's capitalization threshold is \$1,000. Acquisitions below this amount are expensed. The costs of capitalized assets are depreciated over the estimated useful lives of the assets on a straight-line basis. Useful lives range from 3 to 20 years.

***Donations of Property and Equipment*** - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

***Investments*** - Under ASC 958, investments are reported at their fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as net assets with donor restrictions and are then reclassified to net assets without donor restrictions upon expiration of the time or purpose restriction. Contributed securities are recorded at their fair value at date of receipt.

***Financial Statement Presentation*** - In accordance with FASB ASC 958, *Not-for-Profit Entities*, net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

***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.

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

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

***Financial Statement Presentation - Continued***

*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. 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.

The Organization has elected the simultaneous release accounting policy for cost-reimbursement government grants and, accordingly, reports such grants as increases in net assets without donor restrictions.

***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. Conditional promises to give, that is, those with a measurable performance barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. Certain government grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses for the Organization's programs. As of December 31, 2020 and 2019, conditional contributions of \$558,539 and \$521,009, respectively, for which no amounts have been received in advance, have not been recognized in the accompanying financial statements.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

***Donated Services*** - Donated services are recognized as contributions in accordance with FASB ASC 958 if they (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A substantial number of volunteers have donated significant amounts of time to the Organization's programs. The Organization has not recognized contribution revenue from donated services during the years ended December 31, 2020 and 2019 since the criteria for FASB ASC 958 were not met.

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

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

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

*Counseling Fees and Contract Revenues* - The Organization provides a network of support to provide counseling and care services to strengthen individuals, families, and the community. These services are generally provided on demand, and revenue is recognized at a point in time when services are provided. Counseling fees are comprised of direct payments from patients, insurance payments, as well as subsidy payments made on behalf of families from the State of Delaware's Division of Prevention and Behavioral Health.

*Care Management* - Revenue from care management consists primarily of services provided to assist and advocate for older or physically disabled individuals. Services provided include social and wellness activities, assistance with application for benefits and medical care, as well as mental health, legal or financial services. The Organization also provides dementia-specific medical care to individuals with dementia and social support for their caregivers.

In June 2018, the Organization entered into a contract with a local senior housing facility to provide care management services to residents. The contract term was 24 months and continued on a month-to-month basis through November 2020. In December 2020, the contract was renewed for a term of 24 months. The contract for services has the same timing and pattern of transfer and is a series of distinct services that are considered one performance obligation that is satisfied over a period of time. Accordingly, revenue is recognized on a monthly basis over the contract period. In addition, care management services are offered to individuals. These services are generally provided on demand, and revenue is recognized at the point in time services are provided.

Care management includes services provided under the former JFS Village Network program that provides older adults the services needed to enhance quality of life, remain active, and encourage independence. Revenue from membership fees is recognized on a monthly basis over the membership period. The Organization also provides transportation services to older adults and recognizes revenue at the point in time the related services are delivered.



**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

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

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

*Care Management - Continued*

Program fees received in advance of satisfying performance obligations are deferred to the applicable period in which the related service obligations are performed.

*Fundraising Income - Special Events* - The Organization 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 benefits are delivered, generally when the event occurs. Contribution revenue resulting from special events is recognized upon receipt. The Organization reports special event revenue on the statements of activities net of direct expenses.

***Functional Allocation of Expenses*** - The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the 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. Salary and related expenses are allocated based on time and effort. Insurance, rent and occupancy, telephone and internet, janitorial and maintenance, depreciation, and conferences and staff training expenses are allocated based on full time equivalent and direct costs.

***Advertising*** - The Organization expenses the cost of advertising when incurred.

***Income Taxes*** - JFS and CCC are nonprofit organizations exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC); therefore, no provision for income taxes has been made in the accompanying financial statements. The organizations have also been classified as entities that are not private foundations within the meaning of Section 509(a) and qualify for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Income not related to the organizations' 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 Organization has determined that no liability for uncertain tax positions is required to be accrued and included in the statements of financial position as of December 31, 2020 and 2019. The federal informational returns of JFS and CCC are subject to examination by the tax authorities, generally for three years after they are filed.

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

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

*Subsequent Events* - The Organization'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.

*Reclassifications* - Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported total net assets or change in net assets.

**NOTE 2: AVAILABILITY AND LIQUIDITY**

The following reflects the Organization's financial assets as of the date of the statements 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 statements of financial position date:

	2020	2019
Financial Assets as of December 31		
Cash and Cash Equivalents	\$ 1,744,206	\$ 495,841
Patient Accounts Receivable - Net	141,833	185,865
Grants Receivable	220,827	130,507
Investments	474,619	417,068
Beneficial Interests in Funds Held at Delaware Community Foundation	254,340	227,750
Total Financial Assets as of December 31	2,835,825	1,457,031
Less: Amounts Not Available for General Expenditures Within One Year		
Board-Designated Operating Reserve	(180,000)	(180,000)
Board-Designated Endowment Funds in Excess of Annual Spending Policy	(453,981)	(399,596)
Donor-Imposed Purpose Restrictions	(648,317)	(356,297)
Donor-Restricted Endowment Funds in Excess of Annual Spending Policy	(230,699)	(213,247)
EIDL Loan Proceeds Returned Subsequent to Year End	(500,000)	-
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 822,828	\$ 307,891

The Organization has a goal to maintain financial assets on hand to meet 90 days of normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

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

As described in Note 10, as of December 31, 2020, the Organization had available lines of credit totaling \$150,000 that could be drawn upon in the event of an unanticipated liquidity need. As noted in the chart above, the Organization also has a \$180,000 board-designated operating reserve that could be used in the event of financial distress.

All donor-restricted and board-designated endowment funds held in investments are subject to an annual spending policy of 3%, and all donor-restricted and board-designated endowment funds held at Delaware Community Foundation are subject to an annual spending policy of 5%, as described in Note 8. Endowment fund amounts in excess of the annual spending policy have been reflected as unavailable for general expenditures within one year in the preceding chart.

Although the Organization 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: CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances at various financial institution, which at times exceed federally insured limits. Although the Organization's cash balances may exceed insured limits in the normal course of business, in management's opinion, there is no substantial risk associated with this concentration. The amount of credit exposure in excess of federally insured limits for cash and cash equivalents as of December 31, 2020 and 2019 was \$1,352,585 and \$257,805, respectively.

**NOTE 4: FURNITURE, FIXTURES, AND EQUIPMENT**

Furniture, fixtures, and equipment consisted of the following as of December 31:

	2020	2019
Improvements	\$ 171,309	\$ 109,745
Furniture and Fixtures	226,697	169,359
Office Equipment	227,070	241,978
	625,076	521,082
Less: Accumulated Depreciation	(542,153)	(408,929)
Furniture, Fixtures, and Equipment - Net	\$ 82,923	\$ 112,153

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 5: INVESTMENTS**

The Organization has invested funds with Jewish Fund for the Future. The underlying investments are marketable debt and equity securities. Investments are marked to market on a regular basis by Jewish Fund for the Future, and the Organization recognizes its investments at fair value accordingly. Cost and fair value of the investments were as follows as of December 31:

Jewish Fund for the Future	Cost	Fair Value
2020	\$ 366,793	\$ 474,619
2019	349,170	417,068

**NOTE 6: BENEFICIAL INTEREST IN FUNDS HELD AT DELAWARE COMMUNITY FOUNDATION**

The Organization established a fund at Delaware Community Foundation (DCF) and designated itself as the beneficiary subject to the terms of the fund agreement. The purpose of the Jewish Family Services of Delaware Fund (Fund) is to provide for the long-term stability of the Organization. In order to carry out the purpose and objective of the Fund, the Organization and DCF must agree upon a percentage of principal assets of the Fund to be distributed to the Organization annually. The Organization recognizes its investments held by DCF in accordance with FASB ASC 958. The Organization is entitled to receive quarterly distributions of income. The investment balance at DCF was \$254,340 and \$227,750 as of December 31, 2020 and 2019, respectively. There were no distributions from the Fund during the years ended December 31, 2020 and 2019.

**NOTE 7: FAIR VALUE MEASUREMENTS**

The Organization 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 Organization 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.

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 7: FAIR VALUE MEASUREMENTS - CONTINUED**

*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 measured on a recurring basis were as follows as of December 31:

	2020			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments	\$ 474,619	\$ -	\$ 474,619	\$ -
Beneficial Interest in Funds Held at Delaware Community Foundation	<u>254,340</u>	<u>-</u>	<u>254,340</u>	<u>-</u>
Total Investments	<u>\$ 728,959</u>	<u>\$ -</u>	<u>\$ 728,959</u>	<u>\$ -</u>
	2019			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments	\$ 417,068	\$ -	\$ 417,068	\$ -
Beneficial Interest in Funds Held at Delaware Community Foundation	<u>227,750</u>	<u>-</u>	<u>227,750</u>	<u>-</u>
Total Investments	<u>\$ 644,818</u>	<u>\$ -</u>	<u>\$ 644,818</u>	<u>\$ -</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 8: ENDOWMENT**

The Organization's endowment consists of approximately 15 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 Organization 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, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of the initial gift amount donated to the fund (including promises to give net of discount and allowance for doubtful accounts), (b) the original value of subsequent gifts donated to the fund, and (c) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization 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 Organization 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 Organization, and (7) the investment policies of the Organization.

The fund's net asset composition based on the existence or absence of donor-imposed restrictions was as follows as of December 31:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 468,454	\$ -	\$ 468,454
Donor-Restricted Endowment Funds			
Original Gift Amounts Required to be Retained in Perpetuity	-	127,656	127,656
Accumulated Investment Gains	-	132,849	132,849
Total Donor-Restricted Endowment Funds	-	260,505	260,505
Total Endowment Funds	\$ 468,454	\$ 260,505	\$ 728,959

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 8: ENDOWMENT - CONTINUED**

	2019		Total
	Without Donor Restrictions	With Donor Restrictions	
Board-Designated Endowment Funds	\$ 411,973	\$ -	\$ 411,973
Donor-Restricted Endowment Funds			
Original Gift Amounts Required to be Retained in Perpetuity	-	127,656	127,656
Accumulated Investment Gains	-	105,189	105,189
Total Donor-Restricted Endowment Funds	-	232,845	232,845
Total Endowment Funds	<u>\$ 411,973</u>	<u>\$ 232,845</u>	<u>\$ 644,818</u>

Changes in endowment net assets for the years ended December 31, 2020 and 2019 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - January 1, 2019	<u>\$ 355,621</u>	<u>\$ 189,869</u>	<u>\$ 545,490</u>
Investment Return			
Investment Income - Net of Fees	4,425	1,409	5,834
Net Gains - Realized and Unrealized	63,927	31,567	95,494
Total Investment Return	68,352	32,976	101,328
Contributions	-	10,000	10,000
Appropriation of Endowment Assets for Expenditure	(12,000)	-	(12,000)
Endowment Net Assets - December 31, 2019	<u>411,973</u>	<u>232,845</u>	<u>644,818</u>
Investment Return			
Investment Income - Net of Fees	3,946	742	4,688
Net Gains - Realized and Unrealized	52,535	27,238	79,773
Total Investment Return	56,481	27,980	84,461
Contributions	-	-	-
Appropriation of Endowment Assets for Expenditure	-	(320)	(320)
Endowment Net Assets - December 31, 2020	<u>\$ 468,454</u>	<u>\$ 260,505</u>	<u>\$ 728,959</u>

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 8: ENDOWMENT - CONTINUED**

*Spending Policy* - The Organization's policy is to appropriate for distribution each year 3% of the fund's prior year fair value that is held in investments and 5% of the fund's prior year fair value that is held at Delaware Community Foundation. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to continue to grow. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional growth through new gifts and investment return.

*Investment Return Objectives and Risk Parameters* - The Organization 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 Organization 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 Organization 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 Organization 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 Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**NOTE 9: CAPITAL LEASES**

During the years ended December 31, 2020 and 2019, the Organization leased office equipment under a capital lease agreement. During the year ended December 31, 2020, the agreement expired, and the office equipment was returned to the lessor. The asset and liability under the capital lease were originally recorded at the fair market value of the equipment. Amortization of assets under the capital lease is included in depreciation expense.

The following is a summary of the equipment held under the capital lease as of December 31:

	<u>2020</u>	<u>2019</u>
Equipment	\$ -	\$ 9,862
Less: Accumulated Depreciation	-	7,890
	<u>\$ -</u>	<u>\$ 1,972</u>



**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 10: LINE OF CREDIT**

JFS had an available line of credit from TD Bank of \$100,000 as of December 31, 2020 and 2019. The line of credit bears interest at a rate equal to the *Wall Street Journal* prime rate plus 1%, with a floor of 4.25%. The effective rate of the line of credit as of December 31, 2020 and 2019 was 4.25% and 5.75%, respectively. The line is secured by all assets of JFS. As of December 31, 2020 and 2019, there was no outstanding balance.

CCC had an available line of credit from M&T Bank of \$50,000 as of December 31, 2020. Interest is charged at the rate of 8.25%. As of December 31, 2020, there was no outstanding balance.

**NOTE 11: CONDITIONAL CONTRIBUTION - PAYCHECK PROTECTION PROGRAM LOAN**

In May 2020, JFS received a loan from WSFS Bank in the amount of \$439,113, pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which was enacted March 27, 2020.

PPP loans contain provisions to forgive all or a portion of the funds borrowed based on a calculation that considers the borrower's incurrence of eligible costs and maintaining employee and salary levels for a period of time after receipt of the loan funds. PPP loans have a maturity of two years and incur interest at a rate of 1%. During the year ended December 31, 2020, JFS utilized the loan proceeds for purposes consistent with the PPP and submitted an application for forgiveness. JFS was notified on March 7, 2021 that its PPP loan was forgiven in full. As a result, \$439,113 will be recognized as grants from government agencies in the statement of activities during the year ending December 31, 2021.

In April 2020, CCC received a PPP loan from M&T Bank in the amount of \$47,847. During the year ended December 31, 2020, CCC utilized the loan proceeds for purposes consistent with the PPP and submitted an application for forgiveness. CCC was notified on November 25, 2020 that its PPP loan was forgiven in full. As a result, \$47,847 is recognized as grants from government agencies in the statement of activities for the year ended December 31, 2020.

**NOTE 12: ECONOMIC INJURY DISASTER LOAN**

In April 2020, JFS received a \$500,000 Economic Injury Disaster Loan (EIDL) from the United States Small Business Administration (SBA) under its EIDL assistance program. The loan has a maturity of 30 years, incurs interest at a rate of 2.75%, and requires monthly payments of principal and interest in the amount of \$2,136

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 12: ECONOMIC INJURY DISASTER LOAN - CONTINUED**

commencing 12 months after the date of the loan. Payments are first applied to accrued interest, and then the balance, if any, will be applied to principal. The EIDL loan proceeds are to be used solely as working capital to alleviate the economic injury caused by the COVID-19 pandemic, and the loan is secured by all collateral of JFS. JFS did not utilize any of the loan proceeds during or subsequent to the year ended December 31, 2020. On March 24, 2021, JFS returned the EIDL loan proceeds of \$500,000 plus accrued interest of \$11,452 to the SBA.

**NOTE 13: NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions consisted of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Undesignated	<u>\$ 302,091</u>	<u>\$ 248,713</u>
Board-Designated for Specific Purposes		
Operating Reserve	<u>180,000</u>	<u>180,000</u>
Board-Designated Endowment Funds		
Pizer Fund	43,046	37,803
JFF General Fund	334,604	293,848
Jewish Volunteer Network	12,999	11,415
Barrett Fund	7,250	6,338
Engelmann Fund	7,648	6,717
Blumberg Fund	5,899	5,180
Weiss Fund	2,783	2,444
Zatuchni Family Endowment Fund	6,463	5,675
Tanny Fund	12,525	11,000
General Fund - Held at DCF	22,880	20,488
Grayson Fund - Held at DCF	3,356	3,005
Tanny Fund - Held at DCF	<u>9,001</u>	<u>8,060</u>
Total Board-Designated Endowment Funds	<u>468,454</u>	<u>411,973</u>
Total Net Assets Without Donor Restrictions	<u><u>\$ 950,545</u></u>	<u><u>\$ 840,686</u></u>

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 14: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Purpose		
Village Garden	\$ 22,952	\$ 28,552
Addiction Support, Counseling and Barriers to Treatment	63,000	100,000
COMPASS Program	67,748	203,245
Electronic Health Record System	-	24,500
Employment Support Network	490,000	-
CCC - Technology	4,617	-
	<u>648,317</u>	<u>356,297</u>
Subject to Endowment Spending Policy and Appropriation		
Donor-Restricted Endowment Funds to Support the Organization's Operational Sustainability	<u>260,505</u>	<u>232,845</u>
Total Net Assets With Donor Restrictions	<u>\$ 908,822</u>	<u>\$ 589,142</u>

Net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors.

	<u>2020</u>	<u>2019</u>
Purpose Restrictions Accomplished		
JFS Village Network Program	\$ -	\$ 500
Community Education and Outreach	35,000	27,000
Support for Vulnerable Persons	-	10,000
Work Force Development	35,000	79,580
Village Garden	5,600	27,460
Lewes Office	-	8,800
Refugee Resettlement	14,250	5,000
Addiction Support, Counseling, and Barriers to Treatment	258,000	44,500
Capital Project - Counseling Program	-	10,000
Play Therapy, COMPASS, and Care Navigation	193,997	135,255
Memory Café	-	2,500
Long-Term Continuance of the Organization	320	-
Electronic Health Record System	24,500	-
Technology Upgrades	10,000	-
COVID-19 Support and Assistance	136,044	-
Employment Support Network	20,000	-
Cancer Care Connection, Inc. Acquisition	25,000	-
	<u>\$ 757,711</u>	<u>\$ 350,595</u>
Total Restrictions Released	<u>\$ 757,711</u>	<u>\$ 350,595</u>

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 15: REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following tables disaggregate the Organization's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	2020		
	Services Provided		
	At a Point in Time	Over Time	Total
Counseling Fees and Contract Revenue	\$ 1,315,522	\$ -	\$ 1,315,522
Care Management	40,145	71,990	112,135
	<u>\$ 1,355,667</u>	<u>\$ 71,990</u>	<u>\$ 1,427,657</u>
	2019		
	Services Provided		
	At a Point in Time	Over Time	Total
Counseling Fees and Contract Revenue	\$ 1,480,536	\$ -	\$ 1,480,536
Care Management	21,695	85,097	106,792
Special Events	30,407	-	30,407
	<u>\$ 1,532,638</u>	<u>\$ 85,097</u>	<u>\$ 1,617,735</u>

Accounts receivable from contracts with customers as of December 31, are as follows:

	2020	2019
Beginning of Year	\$ 185,865	\$ 283,693
End of Year	141,833	185,865

**NOTE 16: INVESTMENT GAINS**

Investment gains consisted of the following for the years ended December 31:

	2020	2019
Realized Gains - Beneficial Interest in Funds at DCF	\$ 26,156	\$ 31,469
Realized Gains - Investments	13,689	4,655
Unrealized Gains - Investments	39,928	59,370
Total	<u>\$ 79,773</u>	<u>\$ 95,494</u>

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 17: PENSION PLAN**

The Organization sponsors a 401(k) retirement plan with a safe harbor, employer-matching feature. The safe harbor contributions are a 100% match on employee salary deferrals up to 4% of compensation. Additional matching contributions and qualified non-elective contributions are made at the discretion of the Organization. Eligible employees may participate in elective deferrals on the date of employment. Eligible employees may participate in the safe harbor matching contributions and discretionary employer contributions after completing 1 year of service and attaining the age of 21.

Contributions to the plan for the years ended December 31, 2020 and 2019 were \$22,252 and \$23,480, respectively. Pension plan expense for the years ended December 31, 2020 and 2019 were net of plan forfeitures and totaled \$4,551 and \$23,480, respectively.

**NOTE 18: OPERATING LEASES**

JFS leased approximately 2,000 square feet of office space for its satellite office in Newark, Delaware. The most recent lease term was set to expire in December 2020 and required monthly payments of \$2,533. During the year ended December 31, 2020, JFS entered into an agreement with the landlord to terminate the lease early and moved out of the space on May 31, 2020. JFS forfeited a \$2,000 security deposit.

JFS leases approximately 1,800 square feet of office space for its satellite office in Lewes, Delaware. The lease term expires in November 2023 and requires monthly payments of \$2,500, with a 3% increase in the annual base rent each December. The lease agreement offers an option of renewing for an additional term of four years.

JFS leases 7,287 square feet of office space from the Jewish Federation of Delaware (Federation) at the Harry & Jeanette Weinberg Jewish Community Campus, located in Wilmington, Delaware. The lease term expires on December 31, 2022, with the option of one three-year renewal. Annual rent is determined on a yearly basis according to the Federation's facilities management budget. The monthly rent required during the years ended December 31, 2020 and 2019 was \$6,986 and \$6,783, respectively.

During the year ended December 31, 2018, JFS entered into an operating lease agreement for office equipment which expires May 2023.

CCC leases office space in Newark, Delaware under a license agreement, on a month-to-month basis.

Total rental expense was \$136,353 and \$140,423 for the years ended December 31, 2020 and 2019, respectively.

**JEWISH FAMILY SERVICES OF DELAWARE INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 18: OPERATING LEASES - CONTINUED**

Future minimum lease payments are as follows for years ending December 31:

2021	\$ 122,714
2022	123,644
2023	<u>33,341</u>
	<u>\$ 279,699</u>

**NOTE 19: COMMITMENTS**

In November 2019, the Organization entered into a contract to license the use of an electronic medical record and practice management software. The contract requires monthly payments of \$2,103 and expires April 2025. Future minimum payments under this contract are as follows for the years ending December 31:

2021	\$ 25,236
2022	25,236
2023	25,236
2024	25,236
2025	<u>8,412</u>
	<u>\$ 109,356</u>

**NOTE 20: BUSINESS COMBINATION**

In May 2020, the JFS entered into an agreement to combine with CCC, a separate nonprofit organization, with an effective date of July 1, 2020. In accordance with the agreement, CCC retained its current organizational structure as a nonprofit corporation without capital stock. CCC believes this agreement provides operational efficiencies and programmatic synergies while increasing the community visibility of CCC's program. The articles of incorporation were amended and restated to make JFS the sole corporate member of CCC with the ability to appoint CCC's board of directors.

The following table summarizes the assets acquired and liabilities assumed at the acquisition date:

Cash and Cash Equivalents	\$ 287,852
Patient Accounts Receivable - Net	34,524
Accounts Payable and Accrued Expenses	(1,684)
Conditional Grant - Paycheck Protection Loan Program Loan	<u>(47,847)</u>
Excess of Assets Acquired Over Liabilities Assumed in Acquisition of Cancer Care Connection, Inc.	<u>\$ 272,845</u>