

**JEWISH FAMILY SERVICES
OF DELAWARE INC.**

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2021 AND 2020

JEWISH FAMILY SERVICES OF DELAWARE INC.
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Independent Auditors' Report

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

Opinion

We have audited the accompanying consolidated financial statements of Jewish Family Services of Delaware Inc. and affiliate (nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Services of Delaware Inc. and affiliate as of December 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Jewish Family Services of Delaware Inc. and affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Family Services of Delaware Inc. and affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Jewish Family Services of Delaware Inc. and affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Family Services of Delaware Inc. and affiliate's ability to continue as a going concern for a reasonable period of time.

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Belfint, Lyons & Shuman, P.A.

May 13, 2022

Wilmington, Delaware

JEWISH FAMILY SERVICES OF DELAWARE INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,009,871	\$ 1,744,206
Patient Accounts Receivable - Net	166,102	141,833
Grants Receivable	413,163	220,827
Prepaid Expenses	27,158	52,874
TOTAL CURRENT ASSETS	1,616,294	2,159,740
PROPERTY AND EQUIPMENT		
Furniture, Fixtures, and Equipment	625,076	625,076
Less: Accumulated Depreciation	(563,401)	(542,153)
NET PROPERTY AND EQUIPMENT	61,675	82,923
OTHER ASSETS		
Security Deposits	2,250	2,250
Investments	533,061	474,619
Beneficial Interest in Funds Held at Delaware Community Foundation	286,820	254,340
TOTAL OTHER ASSETS	822,131	731,209
TOTAL ASSETS	\$ 2,500,100	\$ 2,973,872

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

JEWISH FAMILY SERVICES OF DELAWARE INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2021 AND 2020

LIABILITIES AND NET ASSETS

	2021	2020
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 207,536	\$ 161,499
Accrued Pension Expense	-	4,513
Accrued Interest Payable	-	9,380
TOTAL CURRENT LIABILITIES	207,536	175,392
OTHER LIABILITIES		
Conditional Grant - Paycheck Protection Program Loan	-	439,113
Economic Injury Disaster Loan	-	500,000
TOTAL OTHER LIABILITIES	-	939,113
TOTAL LIABILITIES	207,536	1,114,505
NET ASSETS		
Without Donor Restrictions		
Undesignated	723,814	302,091
Board-Designated Operating Reserve	230,000	180,000
Board-Designated Endowment Funds	526,260	468,454
Total Without Donor Restrictions	1,480,074	950,545
With Donor Restrictions		
Purpose Restricted	518,869	648,317
Donor-Restricted Endowment Funds	293,621	260,505
Total With Donor Restrictions	812,490	908,822
TOTAL NET ASSETS	2,292,564	1,859,367
TOTAL LIABILITIES AND NET ASSETS	\$ 2,500,100	\$ 2,973,872

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

JEWISH FAMILY SERVICES OF DELAWARE INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE FROM OPERATIONS			
Public Support			
Contributions	\$ 267,344	\$ 133,005	\$ 400,349
United Way of Delaware	43,698	-	43,698
Jewish Federation of Delaware Allocations	100,000	-	100,000
Grants from Government Agencies	1,341,748	31,633	1,373,381
Government Grant - PPP Loan Forgiveness	439,113	-	439,113
Other Grants	211,176	400,366	611,542
Total Public Support	<u>2,403,079</u>	<u>565,004</u>	<u>2,968,083</u>
Program Fees			
Counseling Fees and Contract Revenue	1,786,348	-	1,786,348
Care Management	184,227	-	184,227
Total Program Fees	<u>1,970,575</u>	<u>-</u>	<u>1,970,575</u>
Special Events - Net of Expenses	27,676	-	27,676
TOTAL SUPPORT AND REVENUE FROM OPERATIONS	<u>4,401,330</u>	<u>565,004</u>	<u>4,966,334</u>
OPERATING EXPENSES			
Program Services			
Counseling	2,581,131	-	2,581,131
Care Management	396,918	-	396,918
Youth and Family	560,993	-	560,993
Total Program Services	<u>3,539,042</u>	<u>-</u>	<u>3,539,042</u>
Supporting Services			
Management and General	898,091	-	898,091
Fundraising	187,382	-	187,382
Total Supporting Services	<u>1,085,473</u>	<u>-</u>	<u>1,085,473</u>
TOTAL OPERATING EXPENSES	<u>4,624,515</u>	<u>-</u>	<u>4,624,515</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(223,185)</u>	<u>565,004</u>	<u>341,819</u>
NONOPERATING REVENUE			
Interest and Dividends - Net of Fees	5,848	2,370	8,218
Gains on Investments	52,414	30,746	83,160
TOTAL NONOPERATING REVENUE	<u>58,262</u>	<u>33,116</u>	<u>91,378</u>
Net Assets Released from Restrictions	694,452	(694,452)	-
CHANGE IN NET ASSETS	529,529	(96,332)	433,197
NET ASSETS - Beginning of Year	<u>950,545</u>	<u>908,822</u>	<u>1,859,367</u>
NET ASSETS - End of Year	<u>\$ 1,480,074</u>	<u>\$ 812,490</u>	<u>\$ 2,292,564</u>

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

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

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
SUPPORT AND REVENUE FROM OPERATIONS			
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	1,031,577	33,343	1,064,920
Government Grant - PPP Loan Forgiveness	47,847	-	47,847
Other Grants	169,934	999,201	1,169,135
Total Public Support	1,606,435	1,044,794	2,651,229
Program Fees			
Counseling Fees and Contract Revenue	1,315,522	-	1,315,522
Care Management	112,135	-	112,135
Total Program Fees	1,427,657	-	1,427,657
TOTAL SUPPORT AND REVENUE FROM OPERATIONS	3,034,092	1,044,794	4,078,886
OPERATING EXPENSES			
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	3,044,407	-	3,044,407
Supporting Services			
Management and General	735,796	-	735,796
Fundraising	220,856	-	220,856
Total Supporting Services	956,652	-	956,652
TOTAL OPERATING EXPENSES	4,001,059	-	4,001,059
CHANGE IN NET ASSETS FROM OPERATIONS	(966,967)	1,044,794	77,827
NONOPERATING REVENUE			
Interest and Dividends - 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
TOTAL NONOPERATING REVENUE	319,115	32,597	351,712
Net Assets Released from Restrictions	757,711	(757,711)	-
CHANGE IN NET ASSETS	109,859	319,680	429,539
NET ASSETS - Beginning of Year	840,686	589,142	1,429,828
NET ASSETS - End of Year	\$ 950,545	\$ 908,822	\$ 1,859,367

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

JEWISH FAMILY SERVICES OF DELAWARE INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services			Supporting Services			Total	
	Counseling	Care Management	Youth and Family	Total Program Services	Management and General	Fundraising		Total Supporting Services
SALARIES AND RELATED EXPENSES								
Salaries	\$ 1,819,327	\$ 199,232	\$ 353,751	\$ 2,372,310	\$ 410,186	\$ 140,219	\$ 550,405	\$ 2,922,715
Employee Retirement Benefits	13,185	1,642	2,916	17,743	3,261	1,036	4,297	22,040
Employee Benefits	120,911	12,696	21,360	154,967	40,110	7,324	47,434	202,401
Payroll Taxes	135,834	15,447	26,325	177,606	23,442	10,971	34,413	212,019
Unemployment Insurance	-	-	-	-	16,368	-	16,368	16,368
TOTAL SALARIES AND RELATED EXPENSES	2,089,257	229,017	404,352	2,722,626	493,367	159,550	652,917	3,375,543
OTHER EXPENSES								
Advertising and Marketing	6,278	-	234	6,512	15,783	1,833	17,616	24,128
Bad Debt Expense	-	-	-	-	116,525	-	116,525	116,525
Bank, Payroll, and 401(k) Fees	6,884	1,135	1,511	9,530	23,483	337	23,820	33,350
Conferences and Staff Training	7,966	100	361	8,427	7,428	300	7,728	16,155
Contract Services	206,935	138,990	13,795	359,720	80,868	20,296	101,164	460,884
Dues and Subscriptions	1,310	300	-	1,610	11,501	175	11,676	13,286
Equipment Rental and Maintenance	76	32	2,320	2,428	30,717	-	30,717	33,145
Insurance	13,366	4,857	1,914	20,137	11,644	693	12,337	32,474
Interest	-	-	-	-	2,072	-	2,072	2,072
Janitorial and Maintenance	-	-	-	-	1,400	-	1,400	1,400
Mileage and Expense Allowances	7,147	752	1,452	9,351	970	-	970	10,321
Miscellaneous Expense	3,908	222	462	4,592	13,948	-	13,948	18,540
Office Supplies	854	749	465	2,068	6,138	162	6,300	8,368
Outside Printing and Publications	230	-	11	241	3,026	-	3,026	3,267
Postage	388	193	155	736	1,978	-	1,978	2,714
Program Supplies	2,077	-	60	2,137	-	-	-	2,137
Rent and Occupancy	74,294	11,498	13,531	99,323	29,098	119	29,217	128,540
Software Licenses	118,155	3,912	3,323	125,390	38,285	266	38,551	163,941
Special Assistance and Other Program Expenses	-	-	107,644	107,644	-	-	-	107,644
Special Events Expenses	-	-	-	-	-	40,662	40,662	40,662
Telephone and Internet	29,682	3,461	5,366	38,509	7,523	2,801	10,324	48,833
TOTAL OTHER EXPENSES	479,550	166,201	152,604	798,355	402,387	67,644	470,031	1,268,386
Depreciation of Property and Equipment	12,324	1,700	4,037	18,061	2,337	850	3,187	21,248
TOTAL EXPENSES	2,581,131	396,918	560,993	3,539,042	898,091	228,044	1,126,135	4,665,177
Less: Special Events Expense Netted with Revenue	-	-	-	-	-	(40,662)	(40,662)	(40,662)
ACTIVITIES	\$ 2,581,131	\$ 396,918	\$ 560,993	\$ 3,539,042	\$ 898,091	\$ 187,382	\$ 1,085,473	\$ 4,624,515

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

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

	Program Services			Supporting Services				
	Counseling	Care	Youth	Total	Management and General	Fundraising	Total	Total
		Management	and Family	Program Services			Supporting Services	
SALARIES AND RELATED EXPENSES								
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
TOTAL SALARIES AND RELATED EXPENSES	1,569,198	204,810	432,271	2,206,279	475,296	147,920	623,216	2,829,495
OTHER EXPENSES								
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
TOTAL OTHER EXPENSES	582,456	107,305	128,133	817,894	257,881	71,984	329,865	1,147,759
Depreciation of Property and Equipment	13,807	1,904	4,523	20,234	2,619	952	3,571	23,805
TOTAL EXPENSES	\$ 2,165,461	\$ 314,019	\$ 564,927	\$ 3,044,407	\$ 735,796	\$ 220,856	\$ 956,652	\$ 4,001,059

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

JEWISH FAMILY SERVICES OF DELAWARE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Donors, Grantors, Third-Party Payers, and Patients	\$ 4,185,173	\$ 3,968,671
Cash Paid to Suppliers and Employees	(4,417,430)	(3,953,988)
Interest Paid	(11,452)	(16)
Interest and Dividends Received	17,136	13,457
	(226,573)	28,124
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	-	(1,608)
Amounts Withdrawn from Investments	-	320
Reinvested Earnings and Amounts Deposited into Investments	(7,762)	(4,688)
Cash Assumed in Acquisition of Cancer Care Connection, Inc.	-	287,852
	(7,762)	281,876
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations	-	(748)
Proceeds from Conditional Grant - Paycheck Protection Program (PPP) Loan	-	439,113
Proceeds from Economic Injury Disaster Loan (EIDL)	-	500,000
Repayment of Economic Injury Disaster Loan (EIDL)	(500,000)	-
	(500,000)	938,365
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(734,335)	1,248,365
CASH AND CASH EQUIVALENTS - Beginning of Year	1,744,206	495,841
CASH AND CASH EQUIVALENTS - End of Year	\$ 1,009,871	\$ 1,744,206
NONCASH INVESTING AND FINANCING ACTIVITIES		
Liabilities, Net of Operating Assets, Recognized in Acquisition of Cancer Care Connection, Inc. (See Note 19)	\$ -	\$ 15,007

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

JEWISH FAMILY SERVICES OF DELAWARE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES		
Change in Net Assets	<u>\$ 433,197</u>	<u>\$ 429,539</u>
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Depreciation	21,248	23,805
Bad Debt Expense	116,525	36,241
Loss on Disposals of Property and Equipment	-	7,033
Unrealized Gains on Investments	(16,161)	(39,928)
Realized Gains - Investments and Beneficial Interest in Funds at DCF	(66,999)	(39,845)
Grant Income from Forgiveness of PPP Loans	(439,113)	(47,847)
Excess of Assets Acquired Over Liabilities Assumed in Acquisition of Cancer Care Connection, Inc.	-	(272,845)
Change in Assets		
Patient Accounts Receivable	(138,499)	42,315
Grants Receivable	(194,631)	(90,320)
Prepaid Expenses	25,716	(39,684)
Security Deposits	-	2,000
Change in Liabilities		
Accounts Payable and Accrued Expenses	46,037	23,762
Accrued Pension Expense	(4,513)	(15,482)
Accrued Interest Payable	(9,380)	9,380
Total Adjustments	<u>(659,770)</u>	<u>(401,415)</u>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ (226,573)</u></u>	<u><u>\$ 28,124</u></u>

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

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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 19). As a result, the consolidated statements of financial position of JFS as of December 31, 2021 and 2020, include the accounts of Cancer Care Connection, Inc. The consolidated 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. The consolidated statements of activities, functional expenses, and cash flows for the year ended December 31, 2021, include the activity of Cancer Care Connection, Inc. from January 1, 2021 through December 31, 2021.

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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

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

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 other circumstances, which may affect the ability of patients to meet their obligations. The allowance for doubtful accounts was \$133,890 and \$36,241 as of December 31, 2021 and 2020, 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, 2021 and 2020. As of December 31, 2021, 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 consolidated 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:

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

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

Financial Statement Presentation - Continued

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. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated 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, 2021 and 2020, conditional contributions of \$822,625 and \$558,539, respectively, for which no amounts have been received in advance, have not been recognized in the accompanying consolidated 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, 2021 and 2020, since the criteria for FASB ASC 958 were not met.

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

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.

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

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

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

Revenue Recognition for Contracts with Customers - Continued

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 consolidated 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 consolidated statements of activities and in the consolidated 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 consolidated 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 consolidated statements of financial position as of December 31, 2021 and 2020. The federal informational returns of JFS and CCC are subject to examination by the tax authorities, generally for three years after they are filed.

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

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 2: AVAILABILITY AND LIQUIDITY

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

	<u>2021</u>	<u>2020</u>
Financial Assets as of December 31		
Cash and Cash Equivalents	\$ 1,009,871	\$ 1,744,206
Patient Accounts Receivable - Net	166,102	141,833
Grants Receivable	413,163	220,827
Investments	533,061	474,619
Beneficial Interests in Funds Held at Delaware Community Foundation	<u>286,820</u>	<u>254,340</u>
 Total Financial Assets as of December 31	 2,409,017	 2,835,825
Less: Amounts Not Available for General Expenditures Within One Year		
Board-Designated Operating Reserve	(230,000)	(180,000)
Board-Designated Endowment Funds in Excess of Annual Spending Policy	(503,089)	(453,981)
Donor-Imposed Purpose Restrictions	(518,869)	(648,317)
Donor-Restricted Endowment Funds in Excess of Annual Spending Policy	(259,485)	(230,699)
EIDL Loan Proceeds Returned Subsequent to Year End	<u>-</u>	<u>(500,000)</u>
 Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	 <u>\$ 897,574</u>	 <u>\$ 822,828</u>

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.

As described in Note 9, as of December 31, 2021, 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 board-designated operating reserve that could be used in the event of financial distress. The Organization has a policy to budget in a manner to build the operating reserve by a minimum of \$50,000 each year.

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.

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 2: AVAILABILITY AND LIQUIDITY - CONTINUED

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 institutions, 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, 2021 and 2020, was \$533,891 and \$1,352,585, respectively.

NOTE 4: FURNITURE, FIXTURES, AND EQUIPMENT

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

	2021	2020
Improvements	\$ 171,309	\$ 171,309
Furniture and Fixtures	226,697	226,697
Office Equipment	227,070	227,070
	625,076	625,076
Less: Accumulated Depreciation	(563,401)	(542,153)
Furniture, Fixtures, and Equipment - Net	\$ 61,675	\$ 82,923

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
2021	\$ 409,074	\$ 533,061
2020	366,793	474,619

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

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 \$286,820 and \$254,340 as of December 31, 2021 and 2020, respectively. There were no distributions from the Fund during the years ended December 31, 2021 and 2020.

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.

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.

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 7: FAIR VALUE MEASUREMENTS - CONTINUED

Fair values of assets measured on a recurring basis were as follows as of December 31:

	2021			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments	\$ 533,061	\$ -	\$ 533,061	\$ -
Beneficial Interest in Funds Held at Delaware Community Foundation	<u>286,820</u>	<u>-</u>	<u>286,820</u>	<u>-</u>
Total Investments	<u>\$ 819,881</u>	<u>\$ -</u>	<u>\$ 819,881</u>	<u>\$ -</u>
	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>

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 CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

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:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 526,260	\$ -	\$ 526,260
Donor-Restricted Endowment Funds			
Original Gift Amounts Required to be Retained in Perpetuity	-	127,656	127,656
Accumulated Investment Gains	-	165,965	165,965
Total Donor-Restricted Endowment Funds	-	293,621	293,621
Total Endowment Funds	\$ 526,260	\$ 293,621	\$ 819,881

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 8: ENDOWMENT - CONTINUED

	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

Changes in endowment net assets for the years ended December 31, 2021 and 2020, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - January 1, 2020	\$ 411,973	\$ 232,845	\$ 644,818
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	468,454	260,505	728,959
Investment Return			
Investment Income - Net of Fees	5,392	2,370	7,762
Net Gains - Realized and Unrealized	52,414	30,746	83,160
Total Investment Return	57,806	33,116	90,922
Contributions	-	-	-
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets - December 31, 2021	\$ 526,260	\$ 293,621	\$ 819,881

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 8: ENDOWMENT - CONTINUED

Spending Policy - The Organization's policy allows annual distributions up to 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: LINE OF CREDIT

JFS had an available line of credit from TD Bank of \$100,000 as of December 31, 2021 and 2020. 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, 2021 and 2020, was 4.25%. The line is secured by all assets of JFS. As of December 31, 2021 and 2020, there was no outstanding balance.

CCC had an available line of credit from M&T Bank of \$50,000 as of December 31, 2021 and 2020. The interest rate as of December 31, 2021 and 2020 was 6.75% and 8.25%, respectively. As of December 31, 2021 and 2020, there was no outstanding balance.

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 10: 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 is recognized as government grant - PPP loan forgiveness in the consolidated statement of activities for the year ended 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 was recognized as government grant - PPP loan forgiveness in the consolidated statement of activities for the year ended December 31, 2020.

NOTE 11: 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 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 the years ended December 31, 2021 and 2020. On March 24, 2021, JFS returned the EIDL loan proceeds of \$500,000 plus accrued interest of \$11,452 to the SBA.

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 12: NET ASSETS WITHOUT DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Undesignated	<u>\$ 723,814</u>	<u>\$ 302,091</u>
Board-Designated for Specific Purposes		
Operating Reserve	<u>230,000</u>	<u>180,000</u>
Board-Designated Endowment Funds		
Pizer Fund	48,345	43,046
JFF General Fund	375,807	334,604
Jewish Volunteer Network	14,599	12,999
Barrett Fund	8,105	7,250
Engelmann Fund	8,590	7,648
Blumberg Fund	6,626	5,899
Weiss Fund	3,126	2,783
Zatuchni Family Endowment Fund	7,258	6,463
Tanny Fund	14,067	12,525
General Fund - Held at DCF	25,802	22,880
Grayson Fund - Held at DCF	3,784	3,356
Tanny Fund - Held at DCF	<u>10,151</u>	<u>9,001</u>
Total Board-Designated Endowment Funds	<u>526,260</u>	<u>468,454</u>
Total Net Assets Without Donor Restrictions	<u><u>\$ 1,480,074</u></u>	<u><u>\$ 950,545</u></u>

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 13: NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for Specified Purpose		
Village Garden	\$ -	\$ 22,952
Addiction Support, Counseling and Barriers to Treatment	-	63,000
COMPASS Program	-	67,748
Employment Support Network	69,387	490,000
CCC - Technology	4,547	4,617
Maternal Mental Health Program	215,146	-
Refugee Resttlement and Support	85,641	-
Substance Use Disorder/Anxiety Program	50,000	-
Outpatient Behavioral Health	24,670	-
Technology Upgrades	<u>69,478</u>	<u>-</u>
Total Subject to Expenditure for Specified Purpose	518,869	648,317
Subject to Endowment Spending Policy and Appropriation		
Donor-Restricted Endowment Funds to Support the Organization's Operational Sustainability	<u>293,621</u>	<u>260,505</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 812,490</u></u>	<u><u>\$ 908,822</u></u>

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 13: NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

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

	<u>2021</u>	<u>2020</u>
Purpose Restrictions Accomplished		
Community Education and Outreach	\$ -	\$ 35,000
Work Force Development	-	35,000
Village Garden	22,952	5,600
Refugee Resettlement and Support	52,007	14,250
Addiction Support, Counseling, and Barriers to Treatment	63,000	258,000
Play Therapy, COMPASS, and Care Navigation	105,657	193,997
Long-Term Continuance of the Organization	-	320
Electronic Health Record System	-	24,500
Technology Upgrades	14,270	10,000
COVID-19 Support and Assistance	-	136,044
Employment Support Network	420,613	20,000
Cancer Care Connection, Inc. Acquisition	-	25,000
CCC - Technology	70	-
Maternal Mental Health Program	15,553	-
Outpatient Behavioral Health	330	-
	<u> </u>	<u> </u>
Total Restrictions Released	<u>\$ 694,452</u>	<u>\$ 757,711</u>

NOTE 14: 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:

	<u>2021</u>		
	<u>Services Provided</u>		
	<u>At a Point in Time</u>	<u>Over Time</u>	<u>Total</u>
Counseling Fees and Contract Revenue	\$ 1,786,348	\$ -	\$ 1,786,348
Care Management	112,940	71,287	184,227
Special Events	5,544	-	5,544
	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 1,904,832</u>	<u>\$ 71,287</u>	<u>\$ 1,976,119</u>

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 14: REVENUE FROM CONTRACTS WITH CUSTOMERS - CONTINUED

	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>

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

	2021	2020
Beginning of Year	\$ 141,833	\$ 185,865
End of Year	166,102	141,833

NOTE 15: INVESTMENT GAINS

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

	2021	2020
Realized Gains - Beneficial Interest in Funds at DCF	\$ 30,299	\$ 26,156
Realized Gains - Investments	36,700	13,689
Unrealized Gains - Investments	16,161	39,928
Total	<u>\$ 83,160</u>	<u>\$ 79,773</u>

NOTE 16: 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.

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 16: PENSION PLAN - CONTINUED

Contributions to the plan for the years ended December 31, 2021 and 2020, were \$34,976 and \$22,252, respectively. Pension plan expenses for the years ended December 31, 2021 and 2020, were net of plan forfeitures and totaled \$22,040 and \$4,551, respectively.

NOTE 17: 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, 2021 and 2020, was \$6,986.

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 \$123,799 and \$136,353 for the years ended December 31, 2021 and 2020, respectively.

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

2022	\$	123,644
2023		<u>33,341</u>
	\$	<u><u>156,985</u></u>

JEWISH FAMILY SERVICES OF DELAWARE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021 AND 2020

NOTE 18: 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:

2022	\$ 25,236
2023	25,236
2024	25,236
2025	<u>8,412</u>
	<u>\$ 84,120</u>

NOTE 19: 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>