

JEWISH FEDERATION OF DELAWARE, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

JUNE 30, 2025 AND 2024

JEWISH FEDERATION OF DELAWARE, INC.
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JUNE 30, 2025 AND 2024

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Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of the Jewish Federation of Delaware, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jewish Federation of Delaware, Inc., as of June 30, 2025 and 2024, 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.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Jewish Federation of Delaware, Inc. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 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 the Jewish Federation of Delaware, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jewish Federation of Delaware, Inc.'s ability to continue as a going concern for a reasonable period of time.

To the Board of Directors
Jewish Federation 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.

February 20, 2026
Wilmington, Delaware

JEWISH FEDERATION OF DELAWARE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 1,077,143	\$ 1,262,552
Other Investments - Certificates and Treasury Bills	926,164	746,913
Pledges Receivable - Annual Campaigns, Net	566,193	412,145
Pledges Receivable - Capital Campaign, Net	57,588	57,588
Accounts Receivable	133,225	128,147
Grants Receivable	117,250	200,000
Prepaid Expenses	95,523	97,552
Notes Receivable	325,726	353,241
Right-of-Use Assets - Operating Leases	8,845	15,151
Endowment Investments - at Fair Value	35,006,575	32,056,350
Cash Surrender Value - Life Insurance	342,060	337,315
Property and Equipment, Net	10,099,805	10,428,062
TOTAL ASSETS	\$ 48,756,097	\$ 46,095,016

LIABILITIES AND NET ASSETS

LIABILITIES		
Allocations Payable	\$ 1,068,080	\$ 1,058,659
Accounts Payable and Accrued Expenses	309,205	273,277
Operating Lease Liability	8,845	15,151
Investments Held for Others	15,867,066	15,230,168
Loan Payable	24,000	49,000
TOTAL LIABILITIES	17,277,196	16,626,255
NET ASSETS		
Without Donor Restrictions		
Board Designated for Endowment	8,113,401	7,182,765
Undesignated	11,536,200	11,751,155
Total Net Assets Without Donor Restrictions	19,649,601	18,933,920
With Donor Restrictions	11,829,300	10,534,841
TOTAL NET ASSETS	31,478,901	29,468,761
TOTAL LIABILITIES AND NET ASSETS	\$ 48,756,097	\$ 46,095,016

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

JEWISH FEDERATION OF DELAWARE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions and Special Events	\$ 3,105,354	\$ 828,269	\$ 3,933,623
Rent	1,588,966	-	1,588,966
Advertising Income	83,536	-	83,536
Program Fees - Investment Management	112,758	-	112,758
Net Assets Released from Restrictions to Satisfy Programs	874,085	(874,085)	-
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	<u>5,764,699</u>	<u>(45,816)</u>	<u>5,718,883</u>
ALLOCATIONS AND EXPENSES			
Allocations to Local Agencies and Overseas - Program	1,016,323	-	1,016,323
Functional Expenses - Other			
Program Services	3,511,093	-	3,511,093
Supporting Services			
Management and General	270,429	-	270,429
Fundraising	471,785	-	471,785
Total Supporting Services	742,214	-	742,214
Total Functional Expenses	4,253,307	-	4,253,307
TOTAL ALLOCATIONS AND EXPENSES	<u>5,269,630</u>	<u>-</u>	<u>5,269,630</u>
OPERATING PROFIT	<u>495,069</u>	<u>(45,816)</u>	<u>449,253</u>
NONOPERATING REVENUE (EXPENSES)			
Government Grant	-	59,122	59,122
Employee Retention Credit	80,482	-	80,482
Building Insurance Proceeds	223,011	-	223,011
Net Gain on Endowment Investments - Realized and Unrealized	500,478	762,982	1,263,460
Net Gain on Other Investments - Realized and Unrealized	20,780	-	20,780
Interest and Dividend Income, Net - Endowment Investments	310,491	518,171	828,662
Interest and Dividend Income, Net - Other Investments	62,474	-	62,474
Endowment Fund Allocations	(977,104)	-	(977,104)
Net Assets Released from Restrictions to Satisfy Capital Restrictions	59,122	(59,122)	-
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>220,612</u>	<u>1,340,275</u>	<u>1,560,887</u>
CHANGE IN NET ASSETS	715,681	1,294,459	2,010,140
NET ASSETS - Beginning of Year	<u>18,933,920</u>	<u>10,534,841</u>	<u>29,468,761</u>
NET ASSETS - End of Year	<u><u>\$ 19,649,601</u></u>	<u><u>\$ 11,829,300</u></u>	<u><u>\$ 31,478,901</u></u>

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

JEWISH FEDERATION OF DELAWARE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions and Special Events	\$ 2,099,828	\$ 513,156	\$ 2,612,984
Rent	1,520,143	-	1,520,143
Advertising Income	97,574	-	97,574
Program Fees - Investment Management	107,793	-	107,793
Net Assets Released from Restrictions to Satisfy Programs	692,010	(692,010)	-
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	<u>4,517,348</u>	<u>(178,854)</u>	<u>4,338,494</u>
ALLOCATIONS AND EXPENSES			
Allocations to Local Agencies and Overseas - Program	1,001,453	-	1,001,453
Functional Expenses - Other			
Program Services	3,040,980	-	3,040,980
Supporting Services			
Management and General	266,097	-	266,097
Fundraising	404,276	-	404,276
Total Supporting Services	670,373	-	670,373
Total Functional Expenses	3,711,353	-	3,711,353
TOTAL ALLOCATIONS AND EXPENSES	<u>4,712,806</u>	<u>-</u>	<u>4,712,806</u>
OPERATING PROFIT	<u>(195,458)</u>	<u>(178,854)</u>	<u>(374,312)</u>
NONOPERATING REVENUE (EXPENSES)			
Government Grant	-	328,605	328,605
Employee Retention Credit	107,498	-	107,498
Building Insurance Proceeds	69,576	-	69,576
Loss on Disposal of Property and Equipment	(23,818)	-	(23,818)
Net Gain on Endowment Investments - Realized and Unrealized	581,972	865,265	1,447,237
Net Gain on Other Investments - Realized and Unrealized	51,012	-	51,012
Interest and Dividend Income, Net - Endowment Investments	160,393	269,060	429,453
Interest and Dividend Income, Net - Other Investments	24,380	-	24,380
Endowment Fund Allocations	(1,026,379)	-	(1,026,379)
Net Assets Released from Restrictions to Satisfy Capital Restrictions	328,605	(328,605)	-
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>273,239</u>	<u>1,134,325</u>	<u>1,407,564</u>
CHANGE IN NET ASSETS	77,781	955,471	1,033,252
NET ASSETS - Beginning of Year	<u>18,856,139</u>	<u>9,579,370</u>	<u>28,435,509</u>
NET ASSETS - End of Year	<u>\$ 18,933,920</u>	<u>\$ 10,534,841</u>	<u>\$ 29,468,761</u>

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

JEWISH FEDERATION OF DELAWARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Program and Supporting Services</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
SALARIES AND RELATED EXPENSES					
Salaries	\$ 498,713	\$ 138,165	\$ 229,079	\$ 367,244	\$ 865,957
Employee Benefits	75,850	29,133	27,604	56,737	132,587
Payroll Taxes	32,453	8,013	15,894	23,907	56,360
TOTAL SALARIES AND RELATED EXPENSES	607,016	175,311	272,577	447,888	1,054,904
OTHER EXPENSES					
Advertising	5,720	825	25,254	26,079	31,799
Bad Debt	-	11,312	-	11,312	11,312
Conferences and Travel	1,917	5,710	32,646	38,356	40,273
Facilities Management (FMB)	1,774,481	-	-	-	1,774,481
Insurance	118	12,603	51	12,654	12,772
Interest	3,128	249	-	249	3,377
Merchant Fees	2	-	9,801	9,801	9,803
Office Expenses, Subscriptions, Printing, and Dues	111,914	33,934	8,922	42,856	154,770
Postage	17,870	503	2,168	2,671	20,541
Professional Services	82,573	28,676	54,946	83,622	166,195
Program and Event Expenditures	310,449	253	63,772	64,025	374,474
Telephone	3,780	1,053	1,648	2,701	6,481
TOTAL OTHER EXPENSES	2,311,952	95,118	199,208	294,326	2,606,278
Depreciation	592,125	-	-	-	592,125
Allocations to Local Agencies and Overseas	1,016,323	-	-	-	1,016,323
Endowment Fund Allocations	977,104	-	-	-	977,104
TOTAL EXPENSES	5,504,520	270,429	471,785	742,214	6,246,734
Less: Allocations to Local Agencies and Overseas	(1,016,323)	-	-	-	(1,016,323)
Less: Endowment Fund Allocations	(977,104)	-	-	-	(977,104)
TOTAL EXPENSES REPORTED ON STATEMENT OF ACTIVITIES	\$ 3,511,093	\$ 270,429	\$ 471,785	\$ 742,214	\$ 4,253,307

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

JEWISH FEDERATION OF DELAWARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Program and Supporting Services</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
SALARIES AND RELATED EXPENSES					
Salaries	\$ 464,480	\$ 124,807	\$ 175,136	\$ 299,943	\$ 764,423
Employee Benefits	45,084	24,762	38,273	63,035	108,119
Payroll Taxes	29,693	8,446	11,547	19,993	49,686
TOTAL SALARIES AND RELATED EXPENSES	<u>539,257</u>	<u>158,015</u>	<u>224,956</u>	<u>382,971</u>	<u>922,228</u>
OTHER EXPENSES					
Advertising	861	3,606	4,868	8,474	9,335
Bad Debt	-	20,710	-	20,710	20,710
Conferences and Travel	7,712	853	11,996	12,849	20,561
Facilities Management (FMB)	1,581,415	-	-	-	1,581,415
Insurance	-	11,530	-	11,530	11,530
Interest	6,000	-	-	-	6,000
Merchant Fees	-	859	13,077	13,936	13,936
Office Expenses, Subscriptions, Printing, and Dues	134,634	25,536	10,601	36,137	170,771
Postage	14,904	811	1,375	2,186	17,090
Professional Services	75,899	43,272	113,167	156,439	232,338
Program and Event Expenditures	108,756	-	22,693	22,693	131,449
Telephone	2,874	905	1,543	2,448	5,322
TOTAL OTHER EXPENSES	<u>1,933,055</u>	<u>108,082</u>	<u>179,320</u>	<u>287,402</u>	<u>2,220,457</u>
Depreciation	568,668	-	-	-	568,668
Allocations to Local Agencies and Overseas	1,001,453	-	-	-	1,001,453
Endowment Fund Allocations	1,026,379	-	-	-	1,026,379
TOTAL EXPENSES	5,068,812	266,097	404,276	670,373	5,739,185
Less: Allocations to Local Agencies and Overseas	(1,001,453)	-	-	-	(1,001,453)
Less: Endowment Fund Allocations	(1,026,379)	-	-	-	(1,026,379)
TOTAL EXPENSES REPORTED ON STATEMENT OF ACTIVITIES	<u>\$ 3,040,980</u>	<u>\$ 266,097</u>	<u>\$ 404,276</u>	<u>\$ 670,373</u>	<u>\$ 3,711,353</u>

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

JEWISH FEDERATION OF DELAWARE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributors and Grantors	\$ 3,980,794	\$ 3,329,203
Interest and Dividends Received, Net	893,651	453,833
Cash Received from Advertisers and Subscribers	83,536	90,376
Rent Received	1,588,966	1,518,913
Cash Paid to Local Agencies and Overseas	(1,006,902)	(1,155,245)
Cash Paid to Employees and Suppliers	(4,495,345)	(4,189,878)
Interest Paid	(3,377)	(6,000)
	1,041,323	41,202
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Sales of Investments	6,291,035	14,865,102
Net Purchases of Investments	(6,927,744)	(13,951,780)
Cash Paid for Property and Equipment	(354,163)	(949,734)
Loan to Local Agency	-	(300,000)
Repayment of Loans to Local Agencies	25,000	45,759
Repayment of Advance to Local Agency	-	140,000
Insurance Proceeds from Casualty Loss	223,011	103,673
Net Withdrawals (Deposits) of Certificates and Treasury Bills	(158,471)	542,975
	(901,332)	495,995
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Paid for Investments Held for Others	(300,400)	(219,114)
Principal Payments from Loan Payable	(25,000)	(50,000)
	(325,400)	(269,114)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(185,409)	268,083
CASH AND CASH EQUIVALENTS - Beginning of Year	1,262,552	994,469
CASH AND CASH EQUIVALENTS - End of Year	\$ 1,077,143	\$ 1,262,552
NONCASH INVESTING AND FINANCING ACTIVITIES		
Increase in Investments and Investments Held for Others from Realized Gains on Investments	\$ 617,426	\$ 2,037,851
Increase (Decrease) in Unrealized Appreciation on Investments	\$ 431,832	\$ (730,503)
Accounts Payable Incurred to Acquire Equipment	\$ 38,058	\$ 128,353
Decrease in Notes Receivable from Change in Accrued Interest	\$ 2,515	\$ -

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

JEWISH FEDERATION OF DELAWARE, INC.
STATEMENTS OF CASH FLOWS - CONTINUED
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,010,140	\$ 1,033,252
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	592,125	568,668
Bad Debt	11,312	20,710
Realized Gain on Endowment Investments	(749,782)	(2,226,365)
Decrease (Increase) in Unrealized Appreciation on Endowment Investments	(513,678)	779,128
Realized Gain on Other Investments	(20,780)	(51,012)
Fee Income - Allocated from Investments Held for Others	(112,758)	(107,793)
Gain on Insurance Proceeds	(223,011)	(69,576)
Loss on Disposal of Property and Equipment	-	23,818
Increase in Cash Surrender Value - Life Insurance	(4,745)	(9,073)
Change in Assets		
Pledges Receivable	(165,360)	255,697
Accounts Receivable	(5,078)	(18,236)
Grants Receivable	82,750	43,300
Prepaid Expenses	2,029	(17,570)
Accrued Interest on Notes Receivable	2,515	-
Right-of-Use Assets - Operating Leases	6,306	6,820
Change in Liabilities		
Allocations Payable	9,421	(153,792)
Accounts Payable and Accrued Expenses	126,223	(29,954)
Operating Lease Liability	(6,306)	(6,820)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,041,323	\$ 41,202

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

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

Advertising Income - The Federation offers a monthly publication featuring stories of importance, encouraging editorials, and international and national news highlighting the Jewish community. The Federation receives fees for advertising in the monthly publication. The Federation's performance obligation consists of delivering the publications to readers in print or online format and revenue is recognized at the point in time the publication is

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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

Revenue Recognition for Contracts with Customers - Continued

Advertising Income - Continued - released. Amounts received in advance for future advertising represent contract liabilities and are recorded as deferred revenue on the statements of financial position.

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

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

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

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

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

All donor-restricted support is reported as an increase to net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

In-Kind Donations - Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Federation does not sell contributed goods. In addition, to contributed nonfinancial assets, volunteers contribute time to program services and administrative activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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

In-Kind Donations - Continued - principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended June 30, 2025 and 2024.

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

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

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

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

Income not related to the Federation’s tax-exempt purpose may be subject to taxation as unrelated business income. Accounting principles generally accepted in the United States of America impose a threshold for determining when an income tax benefit can be recognized in regard to uncertain tax positions. The Federation has determined that no liability for uncertain tax positions is required to be accrued and included in the statements of financial position as of June 30, 2025 and 2024.

The federal informational returns of the Federation for the years ended June 30, 2023, 2024, and 2025, are subject to examination by the tax authorities, generally for three years after they were filed.

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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

Advertising - Advertising costs are charged to operations when incurred.

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

Allowance for Credit Losses on Pledges Receivables - Pledges receivable are stated net of an allowance for uncollectible accounts. The Federation estimates the allowance based on its historical experience of the relationship between actual bad debt and net amount pledged. The Federation also takes into consideration an analysis of specific donors, the age of past due amounts, and an assessment of the donor's ability to pay. The allowance for uncollectible accounts for pledges receivable - annual campaigns was \$46,500 as of June 30, 2025 and 2024. The allowance for uncollectible accounts for pledges receivable - capital campaign was \$81,300 as of June 30, 2025 and 2024. During the years ended June 30, 2025 and 2024, bad debt expense associated with pledges receivable was \$11,312 and \$18,759, respectively.

Allowance for Credit Losses on Loan Receivables - The Federation accounts for loans receivable in accordance with ASC 326, *Financial Instruments-Credit Losses*. Management evaluates loans receivable for expected credit losses based on the borrower's credit quality, historical experience, current conditions, and reasonable and supportable forecasts. As of June 30, 2025 and 2024, the Federation had a loan receivable from an affiliated organization that is collateralized by investment funds held by the Federation. The Federation maintains control over the pledged collateral and may apply the collateral to satisfy the outstanding loan balance in the event of default. Based on the sufficiency of the collateral, management determined that expected credit losses are zero.

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

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

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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

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

NOTE 2: AVAILABILITY AND LIQUIDITY

The following reflects the Federation's financial assets as of the date of the 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:

	2025	2024
Financial Assets as of June 30		
Cash and Cash Equivalents	\$ 1,077,143	\$ 1,262,552
Other Investments - Certificates and Treasury Bills	926,164	746,913
Pledges Receivable - Annual Campaigns, Net	566,193	412,145
Pledges Receivable - Capital Campaign, Net	57,588	57,588
Accounts Receivable	133,225	128,147
Notes Receivable	325,726	353,241
Grants Receivable	117,250	200,000
Endowment Investments - at Fair Value	35,006,575	32,056,350
 Total Financial Assets as of June 30	 38,209,864	 35,216,936
	2025	2024
Less: Those Unavailable for General Expenditures Within One Year, Due to		
Investments and Cash Held for Others	\$ (15,867,066)	\$ (15,230,168)
Pledges Receivable - Capital Campaign, Net	(57,588)	(57,588)
Donor Restricted - Endowment Funds in Excess of Annual Spending Policy	(11,252,297)	(9,958,580)
Board Designated - Endowment Funds in Excess of Annual Spending Policy	(7,910,357)	(6,963,930)
Donor Restricted - Purpose Restricted for Program Initiatives	(284,994)	(301,110)
Notes Expected to be Received in Future Periods Beyond One Year	(24,000)	(49,000)
Financial Assets Available for General Expenditures Within One Year	\$ 2,813,562	\$ 2,656,560

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 2: AVAILABILITY AND LIQUIDITY - CONTINUED

The Federation has a goal to maintain financial assets on hand to meet its normal operating expenses. As described in Note 9, the Federation has a line of credit in the amount of \$2,000,000 that could be drawn upon in the event of an unanticipated liquidity need.

Donor-restricted and board-designated endowment funds are subject to an annual spending policy of 3% to 5% average fair value over the prior 12 quarters' rolling average in which the distribution is planned, unless otherwise documented in the endowment agreement, as described in Note 15. Endowment fund amounts in excess of the annual spending policy have been reflected as unavailable for general expenditures within one year in the chart on the previous page. Although the Federation does not intend to spend from the board-designated endowment funds (other than amounts appropriated for general expenditures through the annual spending policy), these amounts could be made available by a board resolution in the event of financial distress, or an immediate liquidity need.

NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	2025			2024		
	At a Point in Time	Over Time	Total	At a Point in Time	Over Time	Total
Advertising Income	\$ 83,536	\$ -	\$ 83,536	\$ 97,574	\$ -	\$ 97,574
Special Events	40,594	-	40,594	67,949	-	67,949
	<u>\$ 124,130</u>	<u>\$ -</u>	<u>\$ 124,130</u>	<u>\$ 165,523</u>	<u>\$ -</u>	<u>\$ 165,523</u>

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

	2025			2024		
	Accounts Receivable	Contract Assets	Contract Liabilities	Accounts Receivable	Contract Assets	Contract Liabilities
Beginning of Year	\$ 15,606	\$ -	\$ -	\$ 8,408	\$ -	\$ -
End of Year	8,880	-	-	15,606	-	-

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 4: INVESTMENT INCOME

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

	2025		
	Cost	Fair Value	Appreciation
Balance - End of Year	\$ 30,764,589	\$ 35,006,575	\$ 4,241,986
Balance - Beginning of Year	28,759,874	32,056,350	3,296,476
Increase in Net Unrealized Appreciation			945,510
Less: Increase in Net Unrealized Appreciation - Held for Others			431,832
Increase in Net Unrealized Appreciation Realized Net Gain			513,678 749,782
Net Gains on Investments			1,263,460
Interest and Dividends			883,884
Investment Fees			(55,222)
Total Endowment Investment Income, Net			\$ 2,092,122
	2024		
	Cost	Fair Value	Appreciation
Balance - End of Year	\$ 28,759,874	\$ 32,056,350	\$ 3,296,476
Balance - Beginning of Year	25,408,980	30,215,087	4,806,107
Decrease in Net Unrealized Appreciation			(1,509,631)
Less: Decrease in Net Unrealized Appreciation - Held for Others			(730,503)
Decrease in Net Unrealized Appreciation Realized Net Gain			(779,128) 2,226,365
Net Gains on Investments			1,447,237
Interest and Dividends			495,221
Investment Fees			(65,768)
Total Endowment Investment Income, Net			\$ 1,876,690

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 4: INVESTMENT INCOME - CONTINUED

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

	2025		
	Cost	Fair Value	Appreciation
Balance - End of Year	\$ 926,164	\$ 926,164	\$ -
Balance - Beginning of Year	746,913	746,913	-
Change in Net Unrealized Appreciation			-
Realized Net Gain			20,780
Net Gains on Investments			20,780
Interest			62,474
Total Other Investment Income, Net			<u>\$ 83,254</u>

	2024		
	Cost	Fair Value	Appreciation
Balance - End of Year	\$ 746,913	\$ 746,913	\$ -
Balance - Beginning of Year	1,232,444	1,238,876	6,432
Decrease in Net Unrealized Appreciation			(6,432)
Realized Net Gain			57,444
Net Gains on Investments			51,012
Interest			24,380
Total Other Investment Income, Net			<u>\$ 75,392</u>

NOTE 5: FAIR VALUE MEASUREMENTS

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

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 5: FAIR VALUE MEASUREMENTS - CONTINUED

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

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

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

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

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

	2025			
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets				
Other Investments - Certificates and Treasury Bills	\$ 926,164	\$ -	\$ 926,164	\$ -
Endowment Investments				
Mutual Bond Funds	5,159,113	5,159,113	-	-
Mutual Equity Funds	28,688,275	28,688,275	-	-
Israel Bonds	1,159,187	-	1,159,187	-
Total Endowment Investments	35,006,575	33,847,388	1,159,187	-
Cash Surrender Value Life Insurance	342,060	-	342,060	-
Total Assets	<u>\$ 36,274,799</u>	<u>\$ 33,847,388</u>	<u>\$ 2,427,411</u>	<u>\$ -</u>
Liabilities				
Investments Held for Others	<u>\$ 15,867,066</u>	<u>\$ -</u>	<u>\$ 15,867,066</u>	<u>\$ -</u>

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 5: FAIR VALUE MEASUREMENTS - CONTINUED

	2024			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Other Investments - Certificates and Treasury Bills	\$ 746,913		\$ 746,913	\$ -
Endowment Investments				
Mutual Bond Funds	4,953,268	4,953,268	-	-
Mutual Equity Funds	25,929,414	25,929,414	-	-
Israel Bonds	1,173,668	-	1,173,668	-
Total Endowment Investments	32,056,350	30,882,682	1,173,668	-
Cash Surrender Value				
Life Insurance	337,315	-	337,315	-
Total Assets	\$ 33,140,578	\$ 30,882,682	\$ 2,257,896	\$ -
Liabilities				
Investments Held for Others	\$ 15,230,168	\$ -	\$ 15,230,168	\$ -

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

NOTE 6: PLEDGES RECEIVABLE

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

	2025	2024
Annual Pledges (Less than One Year)	\$ 612,693	\$ 458,645
Less: Estimated Uncollectible Amounts	(46,500)	(46,500)
	<u>\$ 566,193</u>	<u>\$ 412,145</u>

In 2000, the Federation initiated a capital campaign to fund several capital projects for the Delaware Jewish community, including a major expansion and renovation of the Bernard and Ruth Siegel Jewish Community Center, Inc.'s facility located on Garden of Eden Road in Wilmington.

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 6: PLEDGES RECEIVABLE - CONTINUED

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

	2025		2024	
	Amount of Pledge	Net Present Value	Amount of Pledge	Net Present Value
Within 1 Year	<u>\$ 138,888</u>	\$ 138,888	<u>\$ 138,888</u>	\$ 138,888
Less: Allowance for Uncollectibles		<u>(81,300)</u>		<u>(81,300)</u>
		<u>\$ 57,588</u>		<u>\$ 57,588</u>

NOTE 7: PROPERTY AND EQUIPMENT

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

	2025	2024
Land	\$ 634,486	\$ 634,486
Land Improvements	173,232	173,232
Buildings and Improvements	23,632,360	23,406,733
Furniture and Fixtures	1,576,825	1,538,584
Automobile	<u>20,723</u>	<u>20,723</u>
	26,037,626	25,773,758
Less: Accumulated Depreciation	<u>(15,937,821)</u>	<u>(15,345,696)</u>
Property and Equipment - Net	<u>\$ 10,099,805</u>	<u>\$ 10,428,062</u>

NOTE 8: NOTES RECEIVABLE

In February 2016, the Federation entered into a loan agreement with Albert Einstein Academy. The terms of the agreement include an effective interest rate commensurate with the interest assessed to the Federation on certain bank debt due by the Federation. During October 2022, the maturity date was extended from June 2023 to December 2026. The outstanding balance was \$24,000 and \$49,000 as of June 30, 2025 and 2024, respectively.

In January 2024, the Federation entered into a loan agreement with The Milton & Hattie Kutz Home, Inc. (Kutz Home). In accordance with the loan agreement the Federation disbursed \$300,000 to the Kutz Home. Through January 10, 2025, the loan accrued interest at a rate of 3%. Effective January 10, 2025, the loan accrues interest at a rate of 7%. The loan had an original maturity date in January 2025, at which time all outstanding principal and accrued interest were due. During the year ended June 30, 2025, the parties amended the loan agreement to extend the maturity date to April 2025. The loan was not repaid by the extended maturity date and continues to accrue interest. The loan is secured by assets of Kutz Home, including certain investment funds held in the Jewish Fund for the Future. The outstanding balance was \$301,726 and \$304,241 as of June 30, 2025 and 2024, respectively.

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 9: LOAN PAYABLE

The loan payable consists of a working capital line of credit of \$2,000,000 bearing interest at the SOFR plus 1.60%. The line's interest rate was 5.92% and 6.93% as of June 30, 2025 and 2024, respectively. Upon maturity in March 2024, the loan was renewed. The loan requires interest-only payments monthly with the balance due on demand. The loan is secured by a first mortgage on the property at 101 Garden of Eden Road, all assets of the Federation, and assignment of rents and leases. The outstanding balance was \$24,000 and \$49,000 as of June 30, 2025 and 2024, respectively.

NOTE 10: NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Subject to Endowment Spending Policy and Appropriations		
Endowment Funds Restricted for Specific Purposes	\$ 11,288,719	\$ 10,010,361
Legacy Funds Restricted to Specific Agencies	255,587	223,370
Subject to Endowment Spending Policy and Appropriations	11,544,306	10,233,731
Subject to Expenditure for Specified Purpose		
Purpose Restricted for Program Initiatives		
Holocaust Education - Committee	15,818	39,301
Kutz Connect	-	15,000
Kutz FMB Security Upgrades	360	8,000
Kutz Foundation JLD Grant	15,000	-
Harold Grinspoon Foundation PJ Library	1,500	1,500
Delaware Community Reinvestment	200,000	200,000
Dignity Grows	17,889	27,278
Parkwood for Leadership	25,574	804
Beau Biden Leadership	2,951	3,785
Richard Levine Community Leadership	4,442	4,442
Engelman SK Non Profit Grant	-	1,000
National Young Leadership Cabinet	1,460	-
Purpose Restricted for Program Initiatives	284,994	301,110
Total Donor Restricted Net Assets	\$ 11,829,300	\$ 10,534,841

Net assets with donor restrictions include endowment funds subject to spending policy and appropriation (Note 15) with cumulative endowment gifts of \$6,053,315 and \$5,633,394 as of June 30, 2025 and 2024, respectively.

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 11: PENSION

The Federation provides retirement benefits to its employees through a defined contribution plan covering all employees, at least 21 years of age, who have completed at least one year of service and work a minimum of 1,000 hours per year. For the years ended June 30, 2025 and 2024, the Federation contributed 5% of the employees' gross salaries to the pension fund; employees may contribute additional amounts at their discretion. The Federation's contributions to the plan amounted to \$37,760 and \$34,097 for the years ended June 30, 2025 and 2024, respectively.

NOTE 12: CONCENTRATION OF CREDIT RISK

The Federation maintains cash balances at several local financial institutions. As of June 30, 2025 and 2024, the Federal Deposit Insurance Corporation (FDIC) insured deposit accounts up to \$250,000 per institution. At various times during the year, certain amounts may exceed the insured limits. Uninsured balances as of June 30, 2025 and 2024, were \$273,166 and \$665,834, respectively.

NOTE 13: COMMITMENTS

During the year ended June 30, 2025, the Federation entered into a construction contract for renovations to the Bernard & Ruth Siegel Jewish Community Center (JCC) Recreation Building totaling \$847,515. As of June 30, 2025, the remaining committed balance totaled \$807,669 and is expected to be incurred during the year ending June 30, 2026. The contract for construction services was entered into by the Federation, however, payments on amounts due under the contract are being made by JCC as lessee.

During the year ended June 30, 2025, the Federation entered into a contract for property management services. As of June 2025, the Federation had commitments of approximately \$1,286,380 remaining which is expected to be incurred during the years ending June 30, 2026 through 2027.

NOTE 14: AGENCY SPACE LEASES

As of January 1, 2024, the Federation entered into one-year operating leases with the Bernard & Ruth Siegel Jewish Community Center (JCC) of Wilmington, Jewish Family Services of Delaware, and Albert Einstein Academy (Agencies) for space in the Harry and Jeanette Weinberg Jewish Community Campus Building (Building).

The Facilities Management Board (FMB) reviews the budget for repairs, maintenance, and utility costs for the upcoming year related to the Building. Rent is determined based upon the approved budget and the related Agencies' square foot usage. All rental payments are used for general building and utilities maintenance. If building expenses in any year exceed rental income for that year plus prior year residuals, if any, the excess will be recovered through increased rent in the subsequent year. If income exceeds expenses, surplus dollars will be returned to the

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 14: AGENCY SPACE LEASES - CONTINUED

lessee through rent reduction. Rental income totaled \$1,588,966 and \$1,520,143 for the years ended June 30, 2025 and 2024, respectively.

During the year ended June 30, 2025, the Federation entered into agreements to extend the above leases for periods ranging from 10 months to 4 years (including renewal periods). Future projected rental income to be received, including the lease extensions, is as follows for the years ending June 30:

2026	\$ 1,623,475
2027	1,587,515
2028	<u>793,758</u>
	<u>\$ 4,004,748</u>

As of December 15, 2011, the Federation entered into a 50-year ground lease with The Milton & Hattie Kutz Home, Inc. for \$10. The lease allows for four additional, separate, consecutive 10-year renewal periods.

NOTE 15: ENDOWMENT FUNDS

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

The Board of Directors of the Federation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Federation retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standards of prudence prescribed in UPMIFA. The donor-restricted endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Federation in a manner consistent with the standard prudence prescribed by UPMIFA. In accordance with UPMIFA, the Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the Federation and the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Federation, and (7) the investment policies of the Federation.

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 15: ENDOWMENT FUNDS - CONTINUED

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

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 11,544,306	\$ 11,544,306
Board-Designated Endowment Funds	8,113,401	-	8,113,401
Total	\$ 8,113,401	\$ 11,544,306	\$ 19,657,707

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 10,233,731	\$ 10,233,731
Board-Designated Endowment Funds	7,182,765	-	7,182,765
Total	\$ 7,182,765	\$ 10,233,731	\$ 17,416,496

Change in endowment net assets for the years ended June 30, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - July 1, 2024	\$ 7,182,765	\$ 10,233,731	\$ 17,416,496
Investment Return			
Interest and Dividend Income	365,713	518,171	883,884
Investment Fees	(55,222)	-	(55,222)
Net Gain - Realized and Unrealized	500,478	762,982	1,263,460
Total Investment Return	810,969	1,281,153	2,092,122
Contributions	970,473	419,921	1,390,394
Appropriation of Endowment Assets for Expenditure	(1,095,116)	(258,947)	(1,354,063)
Fee Income (Expense)	244,310	(131,552)	112,758
Endowment Net Assets - June 30, 2025	\$ 8,113,401	\$ 11,544,306	\$ 19,657,707

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 15: ENDOWMENT FUNDS - CONTINUED

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - July 1, 2023	\$ 7,239,290	\$ 9,238,826	\$ 16,478,116
Investment Return			
Interest and Dividend Income	226,161	269,060	495,221
Investment Fees	(65,768)	-	(65,768)
Net Gain - Realized and Unrealized	581,972	865,265	1,447,237
Total Investment Return	742,365	1,134,325	1,876,690
Contributions	582,388	391,629	974,017
Appropriation of Endowment Assets for Expenditure	(1,646,163)	(373,957)	(2,020,120)
Fee Income (Expense)	264,885	(157,092)	107,793
Endowment Net Assets - June 30, 2024	\$ 7,182,765	\$ 10,233,731	\$ 17,416,496

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Federation to retain as a fund of perpetual duration. As of June 30, 2024, a deficiency of this nature existed in one donor-restricted endowment fund, which has an original gift value of \$100,000, a current value of \$99,162 and deficiency of \$838. This deficiency resulted from unfavorable market fluctuations that occurred shortly after the initial contribution to establish the fund and continued appropriation for certain programs deemed prudent by the Federation. As of June 30, 2025, there were no funds with deficiencies.

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

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 15: ENDOWMENT FUNDS - CONTINUED

Investment Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Federation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Federation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy - Unless otherwise specified in an endowment fund's agreement, the Federation has a policy of appropriating for distribution each year an amount based on a percentage of its endowment fund's average fair value over the prior 12 quarters' rolling average in which the distribution is planned. The approved distribution percentage for the years ended June 30, 2025 and 2024, was 3%. In establishing this policy, the Federation considers the long-term expected return on its endowment, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The spending policy is reviewed regularly by the Board of Directors to allow its endowment funds to grow annually while maintaining the purchasing power of the endowment assets as well as to provide additional growth through new gifts and investment returns.

NOTE 16: LEASE AGREEMENTS AS LESSEE

The Federation leases office equipment under agreements that are classified as operating leases. The leases expire in various periods through February 2027.

As of June 30, 2025, future minimum lease payments under noncancelable leases with terms greater than one year are as follows:

	Operating Leases
2026	\$ 5,220
2027	3,915
Total Future Minimum Lease Payments	9,135
Less: Amount Representing Imputed Interest	290
Present Value of Future Minimum Lease Payments	8,845
Less: Current Maturities	4,987
Lease Obligations - Net of Current Maturities	\$ 3,858

JEWISH FEDERATION OF DELAWARE, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

NOTE 16: LEASE AGREEMENTS AS LESSEE - CONTINUED

The following are required lease disclosures as of and for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Cash Paid for Amounts in the Measurement of Lease Liabilities		
Operating Cash Flows for Operating Leases	<u>\$ 7,488</u>	<u>\$ 7,488</u>
Operating Lease Cost	<u>\$ 7,488</u>	<u>\$ 7,488</u>
Weighted-Average Remaining Lease Term - Operating Leases	1.75 Years	2.54 Years
Weighted-Average Discount Rate - Operating Leases	3.54%	3.54%

During the year ended June 30, 2023, the Federation leased an apartment unit located in Wilmington, Delaware. The lease had an initial term of one year. During the year ended June 30, 2024, the lease was renewed for an additional one-year term. Required monthly payments are \$1,695 under the new term. During the year ended June 30, 2025, the lease was renewed for an additional one-year term. Required monthly payments remained \$1,695 under the new term.

The Federation has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

The Federation elected the practical expedient to not separate lease and non-lease components.

NOTE 17: NET BUILDING INSURANCE PROCEEDS

During the years ended June 30, 2025 and 2024, the Federation received insurance proceeds of \$260,615 and \$103,673, respectively. The proceeds related to casualty losses incurred on capital assets. Insurance recoveries are recognized in the period received and are reported in the statements of activities in accordance with their nature.



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Independent Auditor's Report on Additional Information

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

We have audited the financial statements of the Jewish Federation of Delaware, Inc. as of and for the years ended June 30, 2025 and 2024, and our report thereon dated February 20, 2026, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of allocations, schedules of donor-restricted endowment funds, supplemental statements of financial position of the Jewish Fund for the Future, and supplemental statements of activities of the Jewish Fund for the Future, as of and for the years ended June 30, 2025 and 2024, are presented for purposes of additional analysis and are not required parts of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for the information marked "unaudited" on the schedules of allocations, has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Belfint, Lyons & Shuman, P.A.

February 20, 2026
Wilmington, Delaware

JEWISH FEDERATION OF DELAWARE, INC.
SCHEDULES OF ALLOCATIONS
JUNE 30, 2025 AND 2024

	2025	2024
ACCRUED ALLOCATIONS PAYABLE		
<u>NATIONAL AGENCIES</u>		
Jewish Council for Public Affairs (JCPA)	\$ 1,200	\$ 1,200
Jewish Communal Services Association (JPRO)	600	600
Leket Israel National Food Bank	10,000	7,500
<u>OVERSEAS AGENCIES</u>		
Jewish Federations of North America and Other Overseas Initiatives	414,633	402,432
Birthright Israel	15,000	15,000
<u>LOCAL ALLOCATIONS</u>		
Albert Einstein Academy	115,720	118,000
Siegel Jewish Community Center	214,997	214,997
Hillel Center at University of Delaware	92,000	92,000
Jewish Family Services of Delaware	80,000	80,000
Jewish Historical Society	4,980	4,980
Rehoboth Beach Festival	1,000	1,000
Seaside Jewish Community	4,950	4,950
Chabad at the University of Delaware	4,000	6,000
Chabad C-Teen	4,000	5,000
Milton and Hattie Kutz Home, Inc.	99,000	99,000
B'nai B'rith Youth Organization	3,000	3,000
CBS Dover	3,000	3,000
TOTAL ACCRUED ALLOCATIONS PAYABLE	1,068,080	1,058,659
COMMITTED ALLOCATIONS NOT ACCRUED <i>{b}</i>		
<u>LOCAL ALLOCATIONS</u>		
Community Outreach	333,364	251,097
Board Jewish Education and Identity Initiatives <i>{a}</i>	5,000	9,000
TOTAL COMMITTED ALLOCATIONS NOT ACCRUED <i>{b}</i>	338,364	260,097
TOTAL ALLOCATIONS	\$ 1,406,444	\$ 1,318,756

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

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

JEWISH FEDERATION OF DELAWARE, INC.
SCHEDULES OF DONOR-RESTRICTED ENDOWMENT FUNDS
JUNE 30, 2025 AND 2024

	2025	2024
Endowment Funds Restricted for Specific Purposes		
Lion of Judah Endowment (LOJE) Funds	\$ 778,673	\$ 721,857
JFD Legacy Funds	510,424	412,886
Perpetual Annual Campaign Endowment (PACE) Funds	705,657	671,270
Hillel at University of Delaware	60,551	60,891
Adult Education	43,796	42,079
Eldercare	12,882	12,026
Delaware Jewish Agencies	2,499,727	1,839,270
Holocaust Education	583,914	536,057
Teen Philanthropy	10,889	9,593
Jerusalem Education	42,437	38,531
Kutz Home	51,151	48,729
Community and Leadership	711,658	671,199
Capital Maintenance	2,697,818	2,547,142
Educational Loans	93,777	85,148
General Israel Orphan	1,608	1,629
Fine Arts and Music	141,618	143,497
Women of Valor	8,653	7,243
Scholarship Funds	1,400,896	1,329,484
Science Education	5,416	5,399
JFD Programmatic Support	915,915	826,431
Campus Security	11,259	-
	11,288,719	10,010,361
Legacy Funds Restricted to Specific Agencies		
Bernard and Ruth Siegel Jewish Community Center	11,960	11,051
Jewish Family Services	80,487	74,368
Kristol Center for Jewish Life (Hillel)	14,376	13,269
Milton and Hattie Kutz Home	10,111	9,342
Chabad	1,264	1,168
Temple Beth El	61,921	57,211
Multiple Designation Funds	75,468	56,961
	255,587	223,370
Legacy Funds Restricted to Specific Agencies		
Total Donor-Restricted Endowment Funds	\$ 11,544,306	\$ 10,233,731

JEWISH FUND FOR THE FUTURE
SUPPLEMENTAL STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 252,876	\$ 252,999
Investments at Fair Value		
Equity Securities	28,688,275	25,929,414
Fixed Income Securities	5,159,113	4,953,268
Israel Bonds	1,159,187	1,173,668
	<u>35,006,575</u>	<u>32,056,350</u>
Cash Surrender Value - Life Insurance	342,060	337,315
TOTAL ASSETS	\$ 35,601,511	\$ 32,646,664

LIABILITIES AND NET ASSETS

LIABILITIES		
Due to Operating Fund	\$ 76,738	\$ -
TOTAL LIABILITIES	<u>76,738</u>	<u>-</u>
NET ASSETS		
Jewish Federation of Delaware, Inc.	19,657,707	17,416,496
Others	15,867,066	15,230,168
TOTAL NET ASSETS	<u>35,524,773</u>	<u>32,646,664</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 35,601,511	\$ 32,646,664

JEWISH FUND FOR THE FUTURE
SUPPLEMENTAL STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Funds Managed For		
	Total	Jewish Federation of Delaware, Inc.	Other
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions/Grant Revenue	\$ 1,755,299	\$ 1,390,394	\$ 364,905
Fee Income	112,758	112,758	-
Interest and Dividends	1,637,269	883,884	753,385
Investment Fees	(55,222)	(55,222)	-
Realized Gain	1,367,208	749,782	617,426
Increase in Unrealized Appreciation	945,510	513,678	431,832
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	5,762,822	3,595,274	2,167,548
EXPENSES			
Grant and Other Program Disbursements	2,491,279	1,073,387	1,417,892
Salaries	196,946	196,946	-
Employee Benefits and Payroll Taxes	53,703	53,703	-
Fee Expense	112,758	-	112,758
Professional Fees	12,408	12,408	-
Office Expenses	17,619	17,619	-
TOTAL EXPENSES	2,884,713	1,354,063	1,530,650
CHANGE IN NET ASSETS	2,878,109	2,241,211	636,898
NET ASSETS - Beginning of Year	32,646,664	17,416,496	15,230,168
NET ASSETS - End of Year	\$ 35,524,773	\$ 19,657,707	\$ 15,867,066

JEWISH FUND FOR THE FUTURE
SUPPLEMENTAL STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Funds Managed For		
	Total	Jewish Federation of Delaware, Inc.	Other
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions/Grant Revenue	\$ 1,033,141	\$ 974,017	\$ 59,124
Fee Income	107,793	107,793	-
Interest and Dividends	904,149	495,221	408,928
Investment Fees	(65,768)	(65,768)	-
Realized Gain	4,264,216	2,226,365	2,037,851
Decrease in Unrealized Appreciation	(1,509,631)	(779,128)	(730,503)
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	4,733,900	2,958,500	1,775,400
EXPENSES			
Grant and Other Program Disbursements	2,472,333	1,785,167	687,166
Salaries	164,804	164,804	-
Employee Benefits and Payroll Taxes	27,195	27,195	-
Fee Expense	107,793	-	107,793
Professional Fees	13,020	13,020	-
Office Expenses	29,934	29,934	-
TOTAL EXPENSES	2,815,079	2,020,120	794,959
CHANGE IN NET ASSETS	1,918,821	938,380	980,441
NET ASSETS - Beginning of Year	30,727,843	16,478,116	14,249,727
NET ASSETS - End of Year	\$ 32,646,664	\$ 17,416,496	\$ 15,230,168