

*Jewish Community Federation
of Richmond*

FINANCIAL REPORT

JUNE 30, 2021

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**PILC &
MOSELEY, LLC**
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jewish Community Federation of Richmond
Richmond, Virginia

We have audited the accompanying financial statements of the Jewish Community Federation of Richmond, which comprise the statements of financial position as of June 30, 2021 and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Federation's June 30, 2020 financial statements and, in our report dated September 16, 2020, we expressed an unmodified opinion on those financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jewish Community Federation of Richmond as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of pledges receivable and collections history and the schedule of allocations and payments are presented for purposes of additional analysis and are not a required part 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 has been subjected to the auditing procedures applied in the audit 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 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.

Pike & Morley, LLC

Richmond, Virginia
November 12, 2021

FINANCIAL STATEMENTS

JEWISH COMMUNITY FEDERATION OF RICHMOND

Statement of Financial Position

June 30, 2021

With Comparative Amounts as of June 30, 2020

ASSETS	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 269,529	\$ -
Short-term investments, at market value	193,651	227,164
Accounts receivable	59,979	56,156
Contributions receivable		
Annual Welfare Fund Campaign, net of reserve of \$292,995 in 2021 and \$434,770 in 2020	1,520,822	1,675,665
Supplemental Campaign, net of reserve of \$0 in 2021 and 2020	-	58,841
Emergency Campaign, net of reserve of \$0 in 2021 and 2020	250	31,774
Notes receivable, current portion	-	5,000
Prepaid expenses	61,266	95,053
Restricted cash	<u>184,153</u>	<u>217,974</u>
 Total current assets	 <u>2,289,650</u>	 <u>2,367,627</u>
 FURNITURE AND EQUIPMENT, NET	 <u>32,054</u>	 <u>46,128</u>
 OTHER ASSETS		
Long-term investments, at market value	1,829,105	1,657,248
Long-term campaign endowments	26,779	25,400
Long-term operating endowment	108,522	-
Long-term notes receivable	<u>-</u>	<u>15,000</u>
 Total other assets	 <u>1,964,406</u>	 <u>1,697,648</u>
 Total assets	 <u>\$ 4,286,110</u>	 <u>\$ 4,111,403</u>

JEWISH COMMUNITY FEDERATION OF RICHMOND

Statement of Financial Position

June 30, 2021

With Comparative Amounts as of June 30, 2020

	<u>2021</u>	<u>2020</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 32,378	\$ 50,470
Paycheck Protection Program loan	-	118,253
Allocations payable	2,563,017	2,317,756
Deferred revenue	59,117	124,220
Defined benefit pension liability	<u>78,300</u>	<u>75,147</u>
 Total current liabilities	 <u>2,732,812</u>	 <u>2,685,846</u>
NET ASSETS		
Without donor restrictions		
Operating	921,484	623,384
Board designated for special programs	<u>447,661</u>	<u>447,661</u>
 Total without donor restrictions	 1,369,145	 1,071,045
 With donor restrictions	 <u>184,153</u>	 <u>354,512</u>
 Total net assets	 <u>1,553,298</u>	 <u>1,425,557</u>
 Total liabilities and net assets	 <u>\$ 4,286,110</u>	 <u>\$ 4,111,403</u>

See accompanying notes.

JEWISH COMMUNITY FEDERATION OF RICHMOND

Statement of Activities

For the Year Ended June 30, 2021

With Comparative Totals for the Year Ended June 30, 2020

	Without Donor Restrictions			Total	
	Operating Fund	Plant Fund	With Donor Restrictions	2021	2020
SUPPORT AND OTHER REVENUE					
Annual Welfare Campaign Fund - current year	\$ 2,777,181	\$ -	\$ 482,000	\$ 3,259,181	\$ 2,734,114
Annual Welfare Campaign Fund - future year	-	-	25,000	25,000	8,662
Supplemental Campaign - Local	94,055	-	107,022	201,077	142,177
Supplemental Campaign - Overseas	2,878	-	-	2,878	9,004
Emergency Campaign	18,288	-	15,732	34,020	178,246
Endowments	-	-	1,379	1,379	103,719
Prior years' pledges and collections over estimated value	82,614	-	-	82,614	63,837
Forgiven Payroll Protection Program loan	118,253	-	-	118,253	-
Program income	33,364	-	-	33,364	42,135
Reflector income	32,003	-	-	32,003	43,960
Investment income, net	248,638	-	-	248,638	2,850
Grants	59,842	-	-	59,842	18,181
Richmond Jewish Foundation reimbursement	27,757	-	-	27,757	37,204
Miscellaneous	54,151	-	-	54,151	29,132
In-kind contributions	390	-	-	390	740
Loss on disposal of property and equipment	-	(152)	-	(152)	-
Net assets released from restrictions	801,492	-	(801,492)	-	-
Total revenues and other support	<u>4,350,906</u>	<u>(152)</u>	<u>(170,359)</u>	<u>4,180,395</u>	<u>3,413,961</u>
EXPENSES AND OTHER DEDUCTIONS					
Allocations, organizations, and programs	2,677,254	-	-	2,677,254	2,109,542
Program services					
Jewish community relations	119,266	-	-	119,266	97,024
Richmond Jewish Foundation	24,845	-	-	24,845	37,299
Outreach and engagement	186,441	-	-	186,441	153,467
Reflector	76,152	-	-	76,152	88,542
Security and education	95,815	-	-	95,815	23,339
Management and general	221,961	-	-	221,961	212,154
Fundraising	630,137	-	-	630,137	606,077
Depreciation	20,783	-	-	20,783	20,165
Total expenses and other deductions	<u>4,052,654</u>	<u>-</u>	<u>-</u>	<u>4,052,654</u>	<u>3,347,609</u>

(Continued)

See accompanying notes.

JEWISH COMMUNITY FEDERATION OF RICHMOND

Statement of Activities

For the Year Ended June 30, 2021

With Comparative Totals for the Year Ended June 30, 2020

(Concluded)

	Without Donor Restrictions			Total	
	Operating Fund	Plant Fund	With Donor Restrictions	2021	2020
Support and other revenue over expenses and other deductions before transfers	<u>298,252</u>	<u>(152)</u>	<u>(170,359)</u>	<u>127,740</u>	<u>66,352</u>
TRANSFERS	<u>13,922</u>	<u>(13,922)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS					
Without donor restrictions	312,174	(14,074)	-	298,100	(107,066)
With donor restrictions	<u>-</u>	<u>-</u>	<u>(170,359)</u>	<u>(170,359)</u>	<u>173,418</u>
Increase (decrease) in net assets	312,174	(14,074)	(170,359)	127,741	66,352
Net assets at beginning of year	<u>1,024,917</u>	<u>46,128</u>	<u>354,512</u>	<u>1,425,557</u>	<u>1,359,205</u>
Net assets at end of year	<u>\$ 1,337,091</u>	<u>\$ 32,054</u>	<u>\$ 184,153</u>	<u>\$ 1,553,298</u>	<u>\$ 1,425,557</u>

See accompanying notes.

JEWISH COMMUNITY FEDERATION OF RICHMOND

Statement of Functional Expenses

For the Year Ended June 30, 2021

With Comparative Totals for the Year Ended June 30, 2020

	Program		
	Jewish Community Relations	Richmond Jewish Foundation	Outreach and Engagement
Salaries			
Professional salaries	\$ 78,386	\$ -	\$ 64,503
Staff salaries	2,243	-	-
Total salaries	<u>80,629</u>	-	<u>64,503</u>
Defined benefit pension	-	-	-
Fringe benefits and related expenses	<u>14,353</u>	-	<u>10,844</u>
Total salaries and related expenses	<u>94,982</u>	-	<u>75,347</u>
Program/meetings	12,054	-	93,313
PJ Library program	-	-	8,845
Reflector publishing	-	-	-
Printing and photography	224	-	424
Information systems / technology	4,178	697	4,105
Leadership development	50	-	28
Postage	97	585	127
Missions	-	-	-
Telephone	566	1,668	556
Auto	240	-	240
Office supplies	588	887	427
Occupancy	2,801	17,046	2,801
Payroll preparation / bank fees	-	291	-
Marketing / website	-	-	-
Equipment maintenance	162	1,950	228
Staff / volunteer conferences	-	-	-
Professional fees	-	-	-
Insurance	-	1,721	-
Subscriptions	72	-	-
Dues / sponsorships	2,540	-	-
Staff recruiting	-	-	-
Security	712	-	-
Credit card fees	-	-	-
	<u>24,284</u>	<u>24,845</u>	<u>111,094</u>
Total functional expenses	<u>\$ 119,266</u>	<u>\$ 24,845</u>	<u>\$ 186,441</u>

JEWISH COMMUNITY FEDERATION OF RICHMOND

Statement of Functional Expenses

For the Year Ended June 30, 2021

With Comparative Totals for the Year Ended June 30, 2020

Services					Total	
Reflector	Security	Total Program Services	Management and General	Fundraising	2021	2020
\$ 6,791	\$ 11,090	\$ 160,770	\$ 122,890	\$ 370,966	\$ 654,626	\$ 553,344
25,244	-	27,487	15,700	4,486	47,673	73,816
32,035	11,090	188,257	138,590	375,452	702,299	627,160
-	-	-	23,290	54,342	77,632	75,147
3,105	2,227	30,529	23,463	55,156	109,148	96,195
35,140	13,317	218,786	185,343	484,950	889,079	798,502
-	17,875	123,242	66	35,116	158,424	141,093
-	-	8,845	-	-	8,845	12,440
32,709	-	32,709	-	-	32,709	40,385
1,279	-	1,927	1,028	7,069	10,024	10,265
1,542	-	10,522	15,775	24,675	50,972	38,621
-	-	78	1,100	1,113	2,291	109
195	-	1,004	585	4,827	6,416	9,034
-	-	-	-	-	-	10,948
278	-	3,068	834	1,668	5,570	5,745
-	-	480	480	3,600	4,560	5,040
229	-	2,131	533	1,595	4,259	4,456
2,801	-	25,449	5,782	24,789	56,020	54,740
-	-	291	1,649	1,774	3,714	4,099
-	-	-	-	15,181	15,181	15,430
354	-	2,694	1,464	2,653	6,811	7,719
-	-	-	-	-	-	8,143
980	-	980	4,370	5,350	10,700	10,600
574	-	2,295	2,897	4,044	9,236	7,079
71	-	143	-	22	165	110
-	-	2,540	-	2,500	5,040	13,000
-	-	-	55	586	641	5,785
-	64,623	65,335	-	-	65,335	5,854
-	-	-	-	8,625	8,625	8,705
41,012	82,498	283,733	36,618	145,187	465,538	419,400
\$ 76,152	\$ 95,815	\$ 502,519	\$ 221,961	\$ 630,137	\$ 1,354,617	\$ 1,217,902

See accompanying notes.

JEWISH COMMUNITY FEDERATION OF RICHMOND

Statement of Cash Flows

For the Year Ended June 30, 2021

With Comparative Amounts for the Year Ended June 30, 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 127,741	\$ 66,352
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Depreciation	20,783	20,165
Forgiven Payroll Protection Program loan	(118,253)	-
Unrealized (gain) loss on investments	(179,893)	21,853
Realized (gain) loss on sale of investments	(42,381)	4,212
Loss on disposal of property and equipment	152	-
Changes in assets and liabilities:		
Campaign endowments	(1,379)	(1,158)
Accounts receivable	(3,823)	21,030
Contributions receivable		
Annual Welfare Fund Campaign	154,843	(18,074)
Supplemental Campaign	58,841	(12,121)
Emergency Campaign	31,524	(31,524)
Prepaid expenses and other current assets	33,787	(59,655)
Notes receivable interest	-	(563)
Accounts payable and accrued expenses	(18,092)	33,717
Allocations payable	245,261	(183,207)
Deferred revenue	(65,103)	97,220
Defined benefit pension liability	3,153	2
Net cash provided by (used in) operating activities	<u>247,161</u>	<u>(41,751)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Principal payments on notes receivable	20,000	5,563
Proceeds from maturity of investments	403,763	731,097
Purchase of investments	(430,602)	(629,252)
Investment fees paid	2,247	1,830
Proceeds from sale of furniture and equipment	823	-
Purchase of furniture and equipment	(7,684)	(39,430)
Net cash provided by (used in) investing activities	<u>(11,453)</u>	<u>69,808</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	-	118,253
Net cash provided by financing activities	<u>-</u>	<u>118,253</u>
Net increase in cash and cash equivalents	<u>235,708</u>	<u>146,310</u>

(Continued)

See accompanying notes.

JEWISH COMMUNITY FEDERATION OF RICHMOND

Statement of Cash Flows

For the Year Ended June 30, 2021

With Comparative Amounts for the Year Ended June 30, 2020

(Concluded)

	<u>2021</u>	<u>2020</u>
CASH AND CASH EQUIVALENTS		
Beginning	<u>217,974</u>	<u>71,664</u>
Ending	<u>\$ 453,682</u>	<u>\$ 217,974</u>
CASH , CASH EQUIVALENTS AND RESTRICTED CASH ARE COMPRISED OF THE FOLLOWING:		
Cash and cash equivalents	<u>\$ 269,529</u>	\$ -
Restricted cash	<u>184,153</u>	<u>217,974</u>
	<u>\$ 453,682</u>	<u>\$ 217,974</u>

See accompanying notes.

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2021

NOTE 1. ORGANIZATION AND NATURE OF ACTIVITIES

The Jewish Community Federation of Richmond (the “Federation”) is a nonprofit corporation organized under the laws of the State of Virginia for the purpose of fund-raising. The federation responds to the community’s evolving needs by planning strategically with ongoing evaluations, raising, and allocating funds for communal priorities and building community relations.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Accordingly, these financial statements reflect all significant receivables, payables, and other liabilities. Revenues are recognized when earned, and expenses are recognized when incurred.

Information regarding the Federation’s financial position and activities are reported according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Federation. These net assets may be used at the discretion of the Federation’s management and the board of directors.

Net assets with donor restrictions: Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Federation or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Federation, its accounts are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund, however in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

(Continued)

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Federation considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Restricted Cash

The Federation's restricted cash deposits include unspent contributions with donor restrictions to be used in the next fiscal year.

Contributions Receivable, Allocations, and Expenses

Contributions receivable are recorded when made, and an allowance is provided for estimated uncollectible campaign pledges (i.e. reserve). Collections on contributions receivable in excess of estimated collectible amounts are recorded as additional public support in the year received. Allocations to agencies, other organizations and programs of the Federation are recorded when the commitment is made. Other expenses are recorded when incurred.

Investments

Investments are carried in the financial statements at fair value. Investments held to maturity in excess of one year are reported as long-term investments. Unrealized holding gains and losses are reported in net investment income.

Furniture, and Equipment

Equipment and furniture are stated at cost if purchased or at the approximate fair market value at the date of donation for contributed assets. Depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

<u>Assets</u>	<u>Estimated Useful Life</u>
Furniture and equipment	5-7 years

(Continued)

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Federation reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations. When a donor restriction expires, that is, when a purpose restriction is accomplished or a time restriction passes, net assets with donor restrictions are reported in the statement of activity as net assets released from restrictions.

Conditional gifts are recognized only when the conditions on which they depend are substantially met and the gift becomes unconditional.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), which replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Federation adopted the new standard effective July 1, 2020, the first day of the Federation's fiscal year, using the modified retrospective approach. There was not a material impact on the financial statements as a result of this adoption.

The Federation has adopted ASU No. 2018-08: Not-for-profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The Update addresses the evaluation of whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions, and determining whether a contribution is conditional.

The Federation has adopted Accounting Standards Update (ASU) No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which requires amounts generally described as restricted cash and restricted cash equivalents to be included with cash and cash equivalents while reconciling the beginning-of-period and end-of-period total amounts shown on the Statement of Cash Flows. This guidance is intended to improve the classification and presentation changes in restricted cash on the Statement of Cash Flows and will provide more consistent application of U.S. GAAP by reducing diversity in practice. The ASU also requires an entity to disclose information about the nature of restricted cash.

(Continued)

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services and Materials

Contributions of services shall be recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

No amounts have been reflected in the financial statements for donated services. The Federation pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Federation with campaign solicitations and various committee assignments.

\$390 has been recorded for in-kind materials for the year ended June 30, 2021.

Functional Expenses

The cost of providing the various services and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated on the basis of time and effort.

Income Taxes

The Federation is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code.

The Federation follows Financial Accounting Standards Board ("FASB") guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. Management evaluated the Federation's tax position and concluded that the Federation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Federation is no longer subject to examination by tax authorities for periods before 2017. The Federation is not currently under audit by any tax jurisdiction.

Concentration of Credit Risk

The Federation's financial instruments that are exposed to concentrations of credit risk consist of cash, cash equivalents, and investments. The Federation maintains cash equivalents in excess of federally insured limits. The Federation's cash, cash equivalents, and investments are in institutions whose credit ratings are monitored by the Federation. This policy limits exposure to concentrations of credit risk.

(Continued)

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the June 30, 2021 presentation.

Subsequent Events

Subsequent events were evaluated through November 12, 2021, which is the date the financial statements were available to be issued.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

At June 30, 2021, net assets with donor restrictions are available for their intended purposes as such expenditures are incurred, except for contributions receivable which are available when the receivable is collected which is expected within the next year and the expenditure is incurred. Likewise, as of June 30, 2021, all net assets without donor restrictions are available to meet cash needs for general expenditures of the organization within one year.

NOTE 4. FURNITURE AND EQUIPMENT

The cost of furniture and equipment and accumulated depreciation thereon is as follows at June 30, 2021.

Furniture and equipment	\$ 137,371
Less: Accumulated depreciation	<u>(105,317)</u>
Furniture and equipment, net	<u>\$ 32,054</u>

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2021

NOTE 5. SHORT-TERM INVESTMENTS

Short-term investments at June 30, 2021, consist of the following.

	Available for	Held for	Held for	
	Operations	Campaign	Operating	
	<u>Operations</u>	<u>Endowments</u>	<u>Endowment</u>	<u>Total</u>
Money market funds	\$ 193,651	\$ -	\$ -	\$ 193,651
Corporate bonds	302,923	-	-	302,923
Government agency bonds	416,400	-	-	416,400
Israel bonds	26,600	-	-	26,600
Other investments	1,083,182	-	108,522	1,191,704
Cash surrender value of life insurance	<u>-</u>	<u>26,779</u>	<u>-</u>	<u>26,779</u>
	2,022,756	26,779	108,522	2,158,057
Less: long-term investments	<u>1,829,105</u>	<u>26,779</u>	<u>108,522</u>	<u>1,964,406</u>
	<u>\$ 193,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,651</u>

The stated cost for investments is \$2,019,384 at June 30, 2021.

Investment income for the year ended June 30, 2021 consists of the following:

Interest and dividend income	\$ 35,051
Net realized gain	42,381
Net unrealized gain	179,893
Investment fees – Caprin	(2,247)
Investment fees – RJF	<u>(6,440)</u>
	<u>\$ 248,638</u>

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2021

NOTE 6. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2021 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Corporate bonds	\$ 302,923	\$ 302,923	\$ -	\$ -
Government agency bonds	416,400	416,400	-	-
Israel bonds	26,600	-	26,600	-
Other investments	1,191,704	917,352	205,733	68,619
Cash surrender value of life insurance	<u>26,779</u>	<u>-</u>	<u>-</u>	<u>26,779</u>
	<u>\$ 1,964,406</u>	<u>\$ 1,636,675</u>	<u>\$ 232,333</u>	<u>\$ 95,398</u>

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<u>Cash surrender value of life insurance</u>	<u>Private equity investments</u>
July 1, 2020	\$ 25,400	\$ 38,453
Unrealized gain	<u>1,379</u>	<u>30,166</u>
June 30, 2021	<u>\$ 26,779</u>	<u>\$ 68,619</u>

Unrealized gains and losses included in unrestricted net assets for the year are reported in investment income.

Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Fair values of level 3 assets were determined by direct confirmation with the annuity insurance company and the brokerage firm.

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2021

NOTE 7. CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2021 from the annual welfare fund campaign are as follows:

Receivable in less than one year	\$ 1,813,817
Less: allowance for uncollectible pledges	<u>(292,995)</u>
Net contributions receivable at June 30, 2021	<u>\$ 1,520,822</u>

It is management's policy to report the allowance for uncollectible pledges cumulatively, regardless of the year the pledge was signed, until there is a determination that the pledge is uncollectible. Of the amount shown as "Net Contributions Receivable at June 30, 2021," a significant portion (\$600,000) is from five donors. These donors have a history of fulfilling their commitments in a timely fashion and management is confident in its ability to collect.

NOTE 8. NOTES RECEIVABLE

The Federation originated an unsecured note receivable on June 30, 2013 with an unrelated party in the amount of \$50,000 with interest at 2.25% per annum. Principal payments of \$5,000 and accrued interest were payable annually. As of June 30, 2021 the balance on this note receivable is \$0 as the note was collected in its entirety during the year.

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2021

NOTE 9. PAYCHECK PROTECTION PROGRAM LOAN

The Federation was granted a loan under the Payroll Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan of \$118,253 was granted in April 2020. The Federation initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barriers and right of return of the PPP loan no longer existed.

The Federation has recognized \$118,253 as grant revenue for the year ended June 30, 2021. The Federation has elected to follow the simultaneous release policy for donor restricted contributions that were initially conditional contributions independent of any election for other donor-restricted contributions.

NOTE 10. ALLOCATIONS PAYABLE

Allocations payable as of June 30, 2021 consist of the following:

Overseas	\$	969,213
Local		1,028,477
Non-local		162,000
Other allocations (donor restricted)		<u>403,327</u>
	\$	<u>2,563,017</u>

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2021

NOTE 11. NET ASSETS

Net assets with and without donor restrictions at June 30, 2021 are available for the following purposes:

Net assets without donor restrictions

Board Designated		
2021-2022 operating budget	\$	340,000
Richmond Community Jewish Education		32,867
Navigating the Future Initiative		50,000
Indigent funds		5,000
Teen Mission scholarships		5,000
Local agency capital need		<u>14,794</u>
		447,661
 Operating		 <u>921,484</u>
	\$	<u>1,369,145</u>

Net assets with donor restrictions

H. J. Levinson Maimonides Fund	\$	8,503
Campaign endowments		26,779
Special projects		16,849
Annual Welfare Fund Campaign - 2021		25,000
Supplemental Campaign – Local		<u>107,022</u>
	\$	<u>184,153</u>

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2020

NOTE 12. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors at June 30, 2021 are as follows:

Donor designated gifts	\$	482,000
Annual Welfare Fund Campaign – 2021		8,663
Endowment		102,561
Supplemental Local		114,958
Supplemental Overseas		2,378
Emergency Campaign		<u>90,932</u>
	\$	<u>801,492</u>

NOTE 13. PENSION RETIREMENT PLANS

Between 1970 and 2007, the Federation participated in a Mutual of America defined benefit pension plan administered by United Way of Greater Richmond and Petersburg to participating affiliated agencies. In 2007, United Way of Greater Richmond and Petersburg terminated this plan. On October 17, 2007, the Federation's Board of Directors approved a resolution to stop accruing employee benefits in this plan as of December 31, 2007.

The economic recession depreciated the pension plan assets while at the same time the pension liability continues to grow as employees age in the plan and become closer to receiving a benefit. Additionally, at the direction of the United Way, the Federation did not make any contributions to the plan between 2003 and 2008. The July 1, 2002 funded status report calculates \$36.9M in assets and \$42.6M in liabilities resulting in a \$5.7M under funding. Contributions are required by each agency until the appropriate funding level is obtained. The underfunded amount will be re-calculated each year as market interest rates change. The Federation's share of the underfunded liability payable for its 2020-2021 fiscal year is \$78,300. From 2021 through 2023, it is projected by the pension administrator that the annual pension liability will remain static, assuming no other participating agencies cease operations. If another agency were to shut down, the remaining participating agencies would absorb the underfunded liability of the defunct agency.

On July 1, 1998, the Federation established a defined contribution retirement plan. Currently, the Federation matches up to 4% of an employee's salary. Those employed on July 1, 1998 who were eligible for benefits were fully vested. New employees become fully vested in three years. The Federation's contributions to this plan were \$19,248 and \$19,394 for 2021 and 2020, respectively.

JEWISH COMMUNITY FEDERATION OF RICHMOND

Notes to Financial Statements

June 30, 2020

NOTE 14. COMMITMENTS AND CONTINGENCIES

The Federation has an agreement with the Richmond Jewish Foundation whereby on an annual basis the Federation allocates a portion of certain overhead expenses to the Foundation. The Federation received \$27,757 for the year ended June 30, 2021, which includes dues to the Jewish Federations of North America.

Effective September 1, 2006, the Federation and the Weinstein Jewish Community Center entered into a formal lease agreement. The Federation will pay the Weinstein Jewish Community Center a yearly base rent of \$40,000. On September 1, 2008 and each September 1 thereafter for a period of twenty years, the base will increase by 2.5% annually to absorb any increased fixed or variable costs. Such charges amounted to \$56,020 for the year ended June 30, 2021

Following is a schedule of future lease commitments:

2022	56,189
2023	57,594
2024	59,034
2025	60,510
2026	62,023
Thereafter	<u>141,294</u>
	<u>\$ 436,644</u>

On March 31, 2020, the Federation entered into a computer services agreement with an unrelated local corporation for computer hardware and software support. This agreement currently requires monthly payments of \$1,386 through February 28, 2023. For the year ended June 30, 2021, the expense for these computer services was \$16,632.

On May 30, 2018, the Federation entered into an operating lease agreement with an unrelated corporation for office equipment. This agreement requires monthly payments of \$311 through April 30, 2023. For the year ended June 30, 2021, the expense for these services was \$3,731.

NOTE 8. UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") a pandemic, with the outbreak widespread across the world. The Board and management of the Federation are actively monitoring the ongoing impact of COVID-19 on its operations, investments and liquidity.

SUPPLEMENTARY INFORMATION

JEWISH COMMUNITY FEDERATION OF RICHMOND

Schedule of Pledges Receivable and Collections History

June 30, 2021

<u>Year</u>	<u>Total Campaign Pledges</u>	<u>Total Collections</u>	<u>Cancellations and Adjustments</u>
2021	\$ 3,369,110	\$ 1,747,365	\$ -
2020	3,144,936	3,060,269	(1,598)
2019	2,936,880	2,884,288	(1,531)
2018	2,825,143	2,783,920	(31,041)
2017 and prior	115,622,460	113,787,059	(1,787,391)

JEWISH COMMUNITY FEDERATION OF RICHMOND

Schedule of Pledges Receivable and Collections History

June 30, 2021

Pledges Receivable at June 30, 2021

Gross	Reserve Allowance	Net	Percentage Collected To Date
\$ 1,621,745	\$ 96,840	\$ 1,524,905	52.0%
83,069	86,902	(3,833)	97.0%
51,061	51,061	-	98.0%
10,182	10,182	-	99.0%
48,010	48,010	-	97.0%

JEWISH COMMUNITY FEDERATION OF RICHMOND

Schedule of Allocations and Payments

June 30, 2021

	<u>Allocation Payable June 30, 2020</u>	<u>2020-2021 Allocated</u>	<u>2020-2021 Payments and Unused Allocations</u>	<u>Allocation Payable June 30, 2021</u>
OVERSEAS				
JFNA Welfare Fund	\$ 1,060,362	\$ 633,140	\$ 763,911	\$ 929,591
Overseas Electives	16,843	106,656	113,000	10,499
I & O US Based	11,243	25,417	7,537	29,123
	<u>1,088,448</u>	<u>765,213</u>	<u>884,448</u>	<u>969,213</u>
NON-LOCAL				
Aleph Bet Pre-school	15,000	15,000	15,000	15,000
Aleph Bet Pre-school Grant	10,000	-	10,000	-
BBYO	15,000	15,000	15,000	15,000
Chabad Holiday Awareness Grant	3,000	-	3,000	-
Chabad Mezuzah Grant	1,000	-	1,000	-
Congregation Brith Achim	-	1,500	-	1,500
Congregation Or Atid	-	10,000	-	10,000
Emek Sholom Cemetary Grant	2,500	-	2,500	-
Friendship Circle Inclusion Grant	2,000	-	2,000	-
Friendship Circle Day at Diamond Grant	5,000	5,000	5,000	5,000
Friendship Circle Birthday Circle Grant	5,000	-	5,000	-
Friendship Circle Friends at Home	-	5,000	-	5,000
GMU Hillel	5,000	5,000	5,000	5,000
JELF	540	1,000	540	1,000
Jewish Student Union	15,000	15,000	15,000	15,000
Jewish VCU	10,500	10,500	10,500	10,500
Jewish VCU Impact Grant	25,000	25,000	25,000	25,000
JMU Hillel	-	2,000	-	2,000
KBI/JSU Impact Grant	-	15,000	-	15,000
KBI Women's Leadership Grant	5,000	-	5,000	-
Radford Hillel	1,000	1,000	1,000	1,000
Taglit-Birthright Israel	1,000	1,000	1,000	1,000
Temple Beth-El Impact Grant	4,000	8,000	4,000	8,000
UVA Hillel	5,000	5,000	5,000	5,000
VA Tech Hillel	5,000	5,000	5,000	5,000
VAAD	500	-	500	-
VHM	-	15,000	-	15,000
William & Mary Hillel	1,000	2,000	1,000	2,000
	<u>137,040</u>	<u>162,000</u>	<u>137,040</u>	<u>162,000</u>

(Continued)

JEWISH COMMUNITY FEDERATION OF RICHMOND

Schedule of Allocations and Payments

June 30, 2021

(Concluded)

	Allocation Payable <u>June 30, 2020</u>	2020-2021 Allocated	2020-2021 Payments and Unused Allocations	Allocation Payable <u>June 30, 2021</u>
LOCAL				
Beth Sholom Home	170,000	258,410	170,000	258,410
Jewish Family Services	155,000	170,000	155,000	170,000
Rudlin Torah Academy	196,942	188,000	173,608	211,334
Weinstein Jewish Community Center	287,000	347,900	246,167	388,733
	<u>808,942</u>	<u>964,310</u>	<u>744,775</u>	<u>1,028,477</u>
RESTRICTED				
American Red Magen David	-	8,000	8,000	-
Chabad Lubavitch	-	60,000	60,000	-
Haifa Women's Shelter	-	5,000	5,000	-
Interfaith Programming	8,327	-	-	8,327
JFNA - Neve Michael	-	5,000	5,000	-
Local Agency Specific	275,000	395,000	275,000	395,000
Richmond Ballet - Minds in Motion	-	5,000	5,000	-
Yad Vashem	-	4,000	4,000	-
	<u>283,327</u>	<u>482,000</u>	<u>362,000</u>	<u>403,327</u>
	<u>\$ 2,317,757</u>	<u>\$ 2,373,523</u>	<u>\$ 2,128,263</u>	<u>\$ 2,563,017</u>