

# **Jewish Federation of Greater Dallas**

**Financial Statements**  
As of and for the Years Ended  
July 31, 2020 and 2019

# **Jewish Federation of Greater Dallas**

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**Financial Statements**  
As of and for the Years Ended July 31, 2020 and 2019

# Jewish Federation of Greater Dallas

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## **Independent Auditor's Report**

The Board of Directors  
Jewish Federation of Greater Dallas  
Dallas, Texas

We have audited the accompanying financial statements of the Jewish Federation of Greater Dallas (the "Federation") (a nonprofit organization), which comprise the statements of financial position as of July 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



***Basis for Qualified Opinion***

As described in Notes 1 and 9, the Federation has chosen not to combine the financial statements of Northaven Campus Facilities Corporation in its financial statements. This is consistent with the decision of the Federation from prior years. Under accounting principles generally accepted in the United States of America, a not-for-profit organization that has both an economic interest and control of another not-for-profit entity through a majority voting interest in the other entity's board should combine that entity's activities into its financial statements. However, the accompanying financial statements are not combined due to management's desire to present only the Federation's financial position and activities. Note 9 documents the unaudited financial statement impacts had the accounts of Northaven Campus Facilities Corporation been included in the accompanying financial statements.

***Qualified Opinion***

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Federation as of July 31, 2020 and 2019, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*BDO USA LLP*

Dallas, Texas  
December 22, 2020

## Financial Statements

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# Jewish Federation of Greater Dallas

## Statements of Financial Position

<i>July 31,</i>	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 5,875,038	\$ 3,826,721
Pledges receivable, net	5,410,469	5,536,674
Prepaid expenses and other assets	49,545	39,570
Investments	4,793,026	4,048,708
Interest in Marx Fund	275,316	281,064
Leasehold improvements and equipment, net	803,993	787,016
<b>Total assets</b>	<b>\$ 17,207,387</b>	<b>\$ 14,519,753</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and other liabilities	\$ 1,460,644	\$ 1,051,539
Agency liabilities	147,650	380,800
Allocations payable	7,372,303	7,536,427
Due to associated agencies	290,518	24,703
Notes payable	493,900	-
<b>Total current liabilities</b>	<b>9,765,015</b>	<b>8,993,469</b>
<b>Commitments and contingencies</b>		
<b>Net Assets:</b>		
Without donor restrictions:		
Undesignated	3,543,364	3,327,626
Board designated	1,497,297	1,644,432
<b>Total without donor restrictions</b>	<b>5,040,661</b>	<b>4,972,058</b>
<b>With donor restrictions</b>	<b>2,401,711</b>	<b>554,226</b>
<b>Total net assets</b>	<b>7,442,372</b>	<b>5,526,284</b>
<b>Total liabilities and net assets</b>	<b>\$ 17,207,387</b>	<b>\$ 14,519,753</b>

*See accompanying notes to financial statements.*

# Jewish Federation of Greater Dallas

## Statement of Activities - For the Year Ended July 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 10,386,568	\$ 2,202,361	\$ 12,588,929
Special event, net	244,721	-	244,721
Provisions for losses on uncollectable contributions	(309,781)	-	(309,781)
Investment income	82,058	-	82,058
Change in the value of assets held by DJCF	(22,888)	-	(22,888)
Other income	21,700	-	21,700
Net assets released from restrictions	354,876	(354,876)	-
<b>Total revenue and support</b>	<b>10,757,254</b>	<b>1,847,485</b>	<b>12,604,739</b>
<b>Expenses and Distributions</b>			
Program services:			
Allocations to National, International, and Local Agencies			
	5,283,667	-	5,283,667
Community engagement	880,005	-	880,005
Center for Jewish Education	552,612	-	552,612
Israel and Overseas	260,797	-	260,797
Shared and Other	247,830	-	247,830
Jewish Federations NA	360,000	-	360,000
Jewish Community Relations Council	290,803	-	290,803
Planning and Allocations	278,076	-	278,076
Other Programs	201,164	-	201,164
Missions and Leadership	11,415	-	11,415
<b>Total program services</b>	<b>8,366,369</b>	<b>-</b>	<b>8,366,369</b>
Fundraising - One Night	273,368	-	273,368
Fundraising - Other	1,111,215	-	1,111,215
General and Administrative	937,699	-	937,699
<b>Total expenses and distribution</b>	<b>10,688,651</b>	<b>-</b>	<b>10,688,651</b>
Change in net assets	68,603	1,847,485	1,916,088
Net assets at beginning of year	4,972,058	554,226	5,526,284
<b>Net assets at end of year</b>	<b>\$ 5,040,661</b>	<b>\$ 2,401,711</b>	<b>\$ 7,442,372</b>

*See accompanying notes to financial statements.*



## Jewish Federation of Greater Dallas

### Statement of Activities - For the Year Ended July 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 10,579,105	\$ 715,620	\$ 11,294,725
Special Event, net	209,170	-	209,170
Reversal of allowance for uncollectable contributions	340,488	-	340,488
Investment income	187,544	-	187,544
Change in the value of assets held by DJCF	(14,349)	-	(14,349)
Net assets released from restrictions	472,835	(472,835)	-
<b>Total revenue and support</b>	<b>11,774,793</b>	<b>242,785</b>	<b>12,017,578</b>
<b>Expenses and Distributions</b>			
Program services:			
Allocations to national, international, and local agencies			
	5,564,845	-	5,564,845
Community engagement	926,632	-	926,632
Center for Jewish Education	534,355	-	534,355
Israel and Overseas	404,445	-	404,445
Shared and other	190,507	-	190,507
Jewish Federations of North America	360,000	-	360,000
Jewish Community Relations Council	309,624	-	309,624
Planning and allocations	213,630	-	213,630
Other programs	171,531	-	171,531
Missions and Leadership	100,942	-	100,942
<b>Total program services</b>	<b>8,776,511</b>	<b>-</b>	<b>8,776,511</b>
Fundraising - One Night	271,644	-	271,644
Fundraising - other	1,245,245	-	1,245,245
General and administrative	963,387	-	963,387
<b>Total expenses and distribution</b>	<b>11,256,787</b>	<b>-</b>	<b>11,256,787</b>
Change in net assets	518,006	242,785	760,791
Net assets at beginning of year	4,454,052	311,441	4,765,493
<b>Net assets at end of year</b>	<b>\$ 4,972,058</b>	<b>\$ 554,226</b>	<b>\$ 5,526,284</b>

*See accompanying notes to financial statements.*

# Jewish Federation of Greater Dallas

## Statement of Functional Expenses for the Year Ended July 31, 2020

	Allocations to National, International and Local Agencies	Center for Jewish Education	Community Engagement	Israel and Overseas	Jewish Community Relations Council	Jewish Federations of North America	Missions and Leadership	Planning and Allocations	Shared and Other	Other Programs	Total Program Services	Fundraising One Night	Fundraising Other	General and Administrative	Total
Salaries	-	\$ 328,868	\$ 537,658	\$ 67,110	\$ 183,973	-	-	\$ 180,663	\$ 95,367	\$ 125,311	\$ 1,518,950	-	\$ 620,673	\$ 487,265	\$ 2,626,888
Employee benefits	-	7,494	59,324	8,639	12,805	-	-	17,386	14,743	4,999	125,390	-	71,507	57,369	254,266
Payroll taxes and related	-	22,236	37,308	5,023	14,047	-	-	13,247	6,955	9,498	108,314	-	43,465	31,726	183,505
<b>Total payroll expenses</b>	-	<b>358,598</b>	<b>634,290</b>	<b>80,772</b>	<b>210,825</b>	-	-	<b>211,296</b>	<b>117,065</b>	<b>139,808</b>	<b>1,752,654</b>	-	<b>735,645</b>	<b>576,360</b>	<b>3,064,659</b>
Allocations	5,283,117	-	-	85,000	-	-	-	-	-	-	5,368,117	-	-	10,000	5,378,117
Bank fees and credit card discount fees	-	-	-	-	-	-	-	-	-	-	-	-	-	95,457	95,457
Cell phone reimbursement	-	1,555	2,582	420	1,000	-	-	1,184	325	168	7,234	-	2,815	2,051	12,100
Dues and subscriptions	-	75,528	1,345	-	7,748	360,000	-	400	85	1,075	446,181	-	1,239	1,118	448,538
Equipment and maintenance	-	916	1,408	151	517	-	-	384	2,428	1,000	6,804	-	3,784	5,370	15,958
Insurance	-	-	4,653	479	1,692	-	-	1,269	2,610	649	11,352	7,518	7,094	19,568	45,532
Meetings and conferences	-	11,897	5,919	273	10,521	-	-	3,197	2,609	10,089	44,505	1,347	7,695	13,990	67,537
Missions	-	7,250	-	-	-	-	11,415	-	-	-	18,665	-	-	-	18,665
Occupancy	-	60,869	85,764	8,899	31,219	-	-	23,212	14,299	12,791	237,053	-	96,941	60,367	394,361
Office supplies and materials	-	1,113	1,696	-	316	-	-	651	364	156	4,296	541	3,151	24,999	32,987
Other	550	689	2,151	-	152	-	-	-	8,406	-	11,948	209	4,399	8,394	24,950
Postage and shipping	-	453	6,295	1	6	-	-	6	2,020	-	8,781	3,156	16,320	1,551	29,808
Printing and related	-	2,386	25,198	360	525	-	-	262	1,130	79	29,940	13,792	62,089	8,994	114,815
Professional services	-	9,722	34,725	80,161	9,598	-	-	20,322	24,872	28,334	207,734	129,966	73,589	56,424	467,713
Rentals, facilities and decorations for events	-	11,591	28,415	4,195	1,432	-	-	-	-	1,400	47,033	116,829	35,722	121	199,705
Software and licenses	-	225	9,558	-	303	-	-	959	12,371	-	23,416	-	20,171	26,815	70,402
Travel	-	490	915	86	912	-	-	430	150	-	2,983	10	1,025	385	4,403
<b>Total expense before depreciation and amortization</b>	<b>5,283,667</b>	<b>543,282</b>	<b>844,914</b>	<b>260,797</b>	<b>276,766</b>	<b>360,000</b>	<b>11,415</b>	<b>263,572</b>	<b>188,734</b>	<b>195,549</b>	<b>8,228,696</b>	<b>273,368</b>	<b>1,071,679</b>	<b>911,964</b>	<b>10,485,707</b>
Depreciation and amortization of leasehold improvements and equipment and loss on disposal of fixed assets	-	9,330	35,091	-	14,037	-	-	14,504	59,096	5,615	137,673	-	39,536	25,735	202,944
<b>Total expenses</b>	<b>\$ 5,283,667</b>	<b>\$ 552,612</b>	<b>\$ 880,005</b>	<b>\$ 260,797</b>	<b>\$ 290,803</b>	<b>\$ 360,000</b>	<b>\$ 11,415</b>	<b>\$ 278,076</b>	<b>\$ 247,830</b>	<b>\$ 201,164</b>	<b>\$ 8,366,369</b>	<b>\$ 273,368</b>	<b>\$ 1,111,215</b>	<b>\$ 937,699</b>	<b>\$ 10,688,651</b>
Participant meals and drinks netted against revenue from special event	-	2,969	19,964	-	975	-	-	-	-	-	23,908	33,805	53,355	-	111,068

*See accompanying notes to financial statements.*

# Jewish Federation of Greater Dallas

## Statement of Functional Expenses for the Year Ended July 31, 2019

	Allocations to National, International and Local Agencies	Center for Jewish Education	Community Engagement	Israel and Overseas	Jewish Community Relations Council	Jewish Federations of North America	Missions and Leadership	Planning and Allocations	Shared and Other	Other Programs	Total Program Services	Fundraising One Night	Fundraising Other	General and Administrative	Total
Salaries	\$ -	\$ 187,997	\$ 616,853	\$ 54,311	\$ 188,327	\$ -	\$ -	\$ 160,046	\$ 91,683	\$ 110,420	\$ 1,409,637	\$ -	\$ 697,451	\$ 506,795	\$ 2,613,883
Employee benefits	-	6,386	55,688	7,949	12,340	-	-	13,671	12,650	3,629	112,313	-	65,805	54,075	232,193
Payroll taxes and related	-	15,541	41,209	3,886	14,282	-	-	11,983	6,591	8,974	102,466	-	47,214	31,046	180,726
<b>Total payroll expenses</b>	<b>-</b>	<b>209,924</b>	<b>713,750</b>	<b>66,146</b>	<b>214,949</b>	<b>-</b>	<b>-</b>	<b>185,700</b>	<b>110,924</b>	<b>123,023</b>	<b>1,624,416</b>	<b>-</b>	<b>810,470</b>	<b>591,916</b>	<b>3,026,802</b>
Allocations	5,554,875	-	-	135,913	-	-	-	-	-	-	5,690,788	-	-	10,850	5,701,638
Bank fees and credit card discount fees	-	-	-	-	-	-	-	-	-	-	-	-	-	105,583	105,583
Cell phone reimbursement	-	480	2,155	306	960	-	-	874	60	486	5,321	-	2,167	1,252	8,740
Dues and subscriptions	-	71,538	1,048	-	8,129	360,000	-	400	106	778	441,999	-	944	4,283	447,226
Equipment and maintenance	-	1,101	2,296	326	889	-	-	296	1,512	296	6,716	-	3,718	3,908	14,342
Insurance	-	-	4,295	610	1,663	-	-	554	2,334	554	10,010	1,504	6,463	19,069	37,046
Meetings and conferences	-	15,143	23,449	9,656	16,946	-	-	5,323	2,427	14,610	87,554	1,382	25,480	23,340	137,756
Missions	-	110,227	-	25,098	-	-	100,942	-	-	-	236,267	-	25,236	-	261,503
Occupancy	-	59,557	40,340	5,665	15,597	-	-	5,320	7,139	5,295	138,913	-	45,919	30,937	215,769
Office supplies and materials	-	3,334	1,855	42	1,598	-	-	727	298	1,853	9,707	2,104	2,098	24,357	38,266
Other	-	14,034	7,260	114	1,378	-	-	-	12,713	-	35,499	560	21,205	32,586	89,850
Postage and shipping	-	229	6,847	1	151	-	-	90	936	-	8,254	869	16,474	1,380	26,977
Printing and related	-	1,189	24,601	1,710	1,554	-	-	660	2,955	984	33,653	14,127	66,012	10,987	124,779
Professional services	-	34,223	41,425	113,451	5,252	-	-	4,002	23,795	18,951	241,099	138,171	105,027	51,128	535,425
Rentals, facilities and decorations for events	9,970	3,207	14,019	45,123	26,881	-	-	756	8,476	-	108,432	112,562	56,828	2,825	280,647
Software and licenses	-	126	8,425	193	48	-	-	-	11,080	327	20,199	-	17,982	23,865	62,046
Travel	-	703	1,073	91	1,337	-	-	332	120	275	3,931	365	1,026	743	6,065
<b>Total expense before depreciation and amortization</b>	<b>5,564,845</b>	<b>525,015</b>	<b>892,838</b>	<b>404,445</b>	<b>297,332</b>	<b>360,000</b>	<b>100,942</b>	<b>205,034</b>	<b>184,875</b>	<b>167,432</b>	<b>8702,758</b>	<b>271,644</b>	<b>1,207,049</b>	<b>939,009</b>	<b>11,120,460</b>
Depreciation and amortization of leasehold improvements and equipment	-	9,340	33,794	-	12,292	-	-	8,596	5,632	4,099	73,753	-	38,196	24,378	136,327
<b>Total expenses</b>	<b>\$ 5,564,845</b>	<b>\$ 534,355</b>	<b>\$ 926,632</b>	<b>\$ 404,445</b>	<b>\$ 309,624</b>	<b>\$ 360,000</b>	<b>\$ 100,942</b>	<b>\$ 213,630</b>	<b>\$ 190,507</b>	<b>\$ 171,531</b>	<b>\$ 8,776,511</b>	<b>\$ 271,644</b>	<b>\$ 1,245,245</b>	<b>\$ 963,387</b>	<b>\$ 11,256,787</b>
Participant meals and drinks netted against revenue from special event	\$ -	\$ 2,493	\$ 24,878	\$ -	\$ 15,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,913	\$ 26,844	\$ 62,790	\$ -	\$ 132,547

*See accompanying notes to financial statements.*

# Jewish Federation of Greater Dallas

## Statements of Cash Flows

<i>For the years ended July 31,</i>	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 1,916,088	\$ 760,791
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	149,696	136,327
Loss on disposal of fixed assets	53,248	-
Provision for (reversal of) losses on uncollectible contributions receivable	309,781	(340,488)
Realized and unrealized losses (gains) on investments, net	46,596	(48,260)
Change in operating assets and liabilities		
Pledges receivable	(183,576)	(293,790)
Prepaid expenses and other assets	(9,975)	75,955
Accounts payable and other liabilities	409,105	(24,987)
Agency liabilities	(233,150)	(248,700)
Allocations payable	(164,124)	(97,711)
Due to associated agencies	265,815	(1,389)
<b>Net cash provided by (used in) operating activities</b>	<b>2,559,504</b>	<b>(82,252)</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(790,914)	(406,299)
Change in interest in Marx Fund	5,748	5,932
Purchases of fixed assets	(219,921)	(68,029)
<b>Net cash used in investing activities</b>	<b>(1,005,087)</b>	<b>(468,396)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from notes payable	493,900	-
<b>Net cash provided by financing activities</b>	<b>493,900</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents	2,048,317	(550,648)
Cash and cash equivalents at beginning of year	3,826,721	4,377,369
<b>Cash and cash equivalents at end of year</b>	<b>\$ 5,875,038</b>	<b>\$ 3,826,721</b>

*See accompanying notes to financial statements.*

# Jewish Federation of Greater Dallas

## Notes to Financial Statements

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### 1. Nature of Operations and Significant Accounting Policies

#### *Nature of Operations*

The Jewish Federation of Greater Dallas (the Federation) coordinates and implements fund-raising, planning, leadership development, education, and community relations for the Jewish community. Substantially all of the Federation's revenues are raised from individuals and organizations in the Dallas/Fort Worth area. The Federation is qualified as an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

The Federation's primary programs include:

***Allocations to national, international, and local agencies:*** Allocations to national, international, and local agencies are gifts and grants made by the Federation to various agencies and organizations in fulfillment of the Federation's mission.

***Center for Jewish Education:*** The Center for Jewish Education (CJE) serves as a resource, facilitator, and convener within the community; to enrich existing programs, and serve as a catalyst for new Jewish education initiatives; and to promote Jewish education as the critical link to ensuring Jewish continuity and the increased engagement of all members of the Greater Dallas Jewish community. CJE works with other Federation departments particularly in areas involving educational planning.

***Community Engagement:*** A main component of the mission of the Federation is to build community in addition to raising and allocating funds. Through engagement of hundreds of volunteers across various departments of the Federation, the Federation inspires and connects community members who might otherwise not be actively involved in the organized Jewish community including the Campaign department, Israel and Overseas, Planning and Allocations, Finance, Partnership 2Gether, Young Adult Division and others.

***Israel and Overseas:*** The Israel and Overseas program works to build awareness and momentum in Dallas around the case for Israel and Overseas by maintaining living connections between Dallas and Jewish communities in Israel and around the world. Israel and Overseas initiatives create meaningful program, travel, and engagement opportunities for the Dallas community.

***Jewish Community Relations Council:*** The Jewish Community Relations Council (JCRC) seeks to build understanding and generate support for Israel, public policy and social issues which are important to the Dallas Jewish community. As the public affairs division of the Federation, its scope encompasses public policy, communications, education, issue management, interfaith and interethnic relations, and social action.

***Jewish Federations of North America:*** The Jewish Federations of North America is the International umbrella organization for the North American Federations. They provide numerous services to each local Federation including consulting and recruitment, marketing and branding guidelines and tactics, national young adult and women's philanthropy programs, missions and VIP travel support, leadership development, financial resource development consulting and other vital programs and services that ultimately benefit the entire community through the success of the local Federations.

# Jewish Federation of Greater Dallas

## Notes to Financial Statements

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**Missions and Leadership:** Missions and leadership activities include programs and trips sponsored by the Federation to explore Jewish life in other communities, Israel and other countries, and to address ongoing communal needs by recruiting and educating young men and women to be active and effective participants in the Jewish community in the years to come.

**Planning and Allocations:** Planning and allocation activities are associated with identifying, selecting, and monitoring programs, agencies, and organizations requesting and receiving allocations as well as allocation of the dollars raised in the annual campaign.

**Shared and Other:** Occupancy, professional services, and other expenses shared by the major programs listed above and various smaller programmatic functions for which allocation to individual programs is not reasonably determinable or material to the financial statements.

**Other Programs:** Various activities related to other major programs for which the programs do not share expenses between other functions. Other Programs primarily includes the Community Security Initiative and special allocations.

Northaven Campus Facilities Corporation (NCFC) was established to oversee the maintenance, operation, and development of the property and buildings where the Federation and a separate entity are located. NCFC is a 501(c)(3) organization operating as a supporting agency of the Federation under the meaning of Section 509(a)(3). Under NCFC's articles of incorporation and by-laws, it operates with its own board of directors. Three of the five directors must be either serving members of the Federation board of directors or past chairmen of the Federation.

Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic *Not-for-Profit Entities Consolidation*, for a reporting organization that controls another organization, it is presumed that combined financial statements are more meaningful than separate statements and are usually necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. The accompanying financial statements are not combined due to management's desire to present a separate set of financial statements showing only the Federation's financial position and results of operations. No combined financial statements were prepared for the year ended July 31, 2020 and 2019; however, the combined statements of financial position in summary format for the Federation and NCFC are included in Note 9.

### ***Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States (GAAP). The Federation reports information regarding its financial position and activities according to two classes of net assets:

***Net Assets without Donor Restrictions*** - Represents resources that are generally not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors. Contributions received with time and/or purpose restrictions which are fully expended in the same period are classified as net assets without donor restrictions.

***Net Assets with Donor Restriction*** - Net assets whose use by the Federation is subject to donor-imposed restrictions that can be fulfilled by actions of the Federation pursuant to those restrictions, that expire by the passage of time, or net assets subject to donor-imposed restrictions that must be maintained in perpetuity by the Federation. The Federation has no net assets held in perpetuity as of July 31, 2020 and 2019.

# Jewish Federation of Greater Dallas

## Notes to Financial Statements

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### ***Revenue Recognition***

Gifts, grants and bequests are recorded as assets when unconditional pledge commitments are received. The related revenue is reported as an increase in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expirations of restrictions on net assets, either by fulfillment of the stipulated purpose or the passage of time, are reported as reclassifications (net assets released from restrictions) between the applicable classes of net assets. Contributions with donor-imposed restrictions that are met in the same year as the contributions are received are reported as revenues in the without donor restrictions classification. Contributions restricted for the acquisition of property and equipment are reported as net assets without donor restrictions upon acquisition of the assets and the assets being placed in service.

The Federation recognized revenue from special events in the period events happened. Collections for events which will happen in the subsequent fiscal year are recorded as deferred revenues amounting to zero and \$90,288 as of July 31, 2020 and 2019, respectively, which are included in accounts payable and other liabilities in the statements of financial position.

Contributions are recognized as support in the period unconditional pledges to give are received. Contributions of assets other than cash are sold immediately and recorded at the amount of cash received, which approximates the fair value of the contributions.

### ***Cash and Cash Equivalents***

For purposes of cash flows, the Federation considers cash, money market accounts, and all highly liquid debt instruments with original maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents held for long-term or restricted purposes are classified as investments.

### ***Pledges Receivable***

Pledges receivable consist of unconditional promises to give and are recognized in the year the unconditional promise is made. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

At July 31, 2020 and 2019, the Federation's pledges receivable consists of amounts which the Federation expects to be substantially collected in one year or less, less an allowance for uncollectible pledges for all current and prior campaigns of \$940,047 and \$1,062,793, respectively. Amounts written off in 2020 and 2019 were \$432,527 and \$291,152, respectively.

The allowance for doubtful pledges is based on the collection experience of the Federation and analysis of specific promises made.

Because substantially all pledges are due within one year, the effect of discounting future pledges to present value is insignificant. Therefore, no discount has been applied.

### ***Investments and Interest in Marx Fund***

Investments and interest in Marx Fund on the statements of financial position represents assets of the Federation that are primarily held by the Dallas Jewish Community Foundation (the Foundation). Investments held by the Foundation are diversified and include cash equivalents, mutual funds, debt securities, and equity securities.

# Jewish Federation of Greater Dallas

## Notes to Financial Statements

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### ***Leasehold Improvements and Equipment***

Leasehold improvements and equipment are stated at cost if purchased or at the estimated fair value at the date of donation if donated. The Federation capitalizes leasehold improvements and equipment with a cost or donated value of \$1,000 or more and an estimated life greater than one year.

For furniture and equipment, depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. For leasehold improvements, amortization is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the life of the lease, which range from twenty to thirty-one years.

### ***Impairment of Long-Lived Assets***

The Federation periodically reviews the carrying value of its long-lived assets, including leasehold improvements and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. To the extent fair value of a long-lived asset, determined based upon the estimated future cash inflows attributable to the asset, less estimated future cash outflows, are less than the carrying amount, an impairment loss is recognized. No such losses were recognized for the years ended July 31, 2020 and 2019.

### ***Agency Liabilities***

Agency liabilities represent assets held for the benefit of other agencies. See Note 5.

### ***Allocations Payable***

The Federation makes allocations to constituents within the Jewish community. Allocations are recognized as allocations to other organizations in the statements of activities at the time the Federation's Board of Directors approves specific allocations. Annual allocations are accrued upon approval by the Board of Directors. The meeting to approve allocations is held following the close of the annual campaign and prior to the close of the Federation's fiscal year.

### ***Functional Allocation of Expenses***

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function.

Certain costs are jointly shared by programs, fundraising, and general and administrative functions and, accordingly, have been allocated among the functions benefited based on management's estimates, primarily based on estimates of time and effort. Management reviews its functional allocation estimates annually, or more often if changes in circumstances indicate changes to the functional expense allocations may be necessary.

### ***Concentrations of Credit Risk***

Concentrations of credit risk consist primarily of cash, pledges, invested assets, and interest in net assets of a foundation. The Federation places its cash with quality financial institutions. At times cash held in banks exceeds insured limits. The Federation has never experienced any loss to date on these financial instruments. Pledges receivable are due from individuals and organizations concentrated in the Dallas/Fort Worth area.



# Jewish Federation of Greater Dallas

## Notes to Financial Statements

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Investments and interest in Marx Fund are invested by the Foundation as part of a pooled, diversified investment portfolio.

### ***Donated Materials and Services***

Many individuals volunteer their time to assist the Federation with specific assistance programs, campaign solicitations and various committee assignments. The Federation receives thousands of volunteer hours per year; however, these services do not meet the requirements of FASB ASC topics, *Not-for-Profit Entities Revenue Recognition* and, therefore, are not included in the financial statements. Donated materials and services meeting the requirements of this ASC topic were not recorded as the amount were not material during fiscal years 2020 or 2019.

### ***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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### ***Federal Income Taxes***

The Federation is exempt for federal income tax purposes under Internal Revenue Code Section 501(c) (3). Therefore, no tax provision or liability has been reported in the accompanying financial statements.

The Federation follows FASB ASC topic *Accounting for Uncertainty in Income Taxes*. Under this ASC topic, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. This ASC topic had no impact on the financial statements. The Federation does not believe there are any unrecognized tax benefits that should be recorded.

For the years ended July 31, 2020 and 2019, there were no interest or penalties recorded or included in the statements of activities related to taxes. The Federation is not under examination for tax purposes by any jurisdiction. Tax filings for fiscal year 2016 through present are subject to examination.

### ***Fair Value of Financial Instruments***

FASB ASC topic *Financial Instruments* requires disclosure of an estimate of fair value of certain financial instruments. The Federation's significant financial instruments are cash and cash equivalents, pledges receivable, and other short-term assets and liabilities, which are all stated at cost which approximates fair value in the Federations financial statements. Note 3 provides further details regarding fair value.

### ***Risk and Uncertainties***

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

# Jewish Federation of Greater Dallas

## Notes to Financial Statements

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The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, to date it has not had a significant impact on the Federation's financial position, liquidity, or results of operations. It is uncertain as to the full magnitude that the pandemic will have on the Federation's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Federation is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity.

### ***New Accounting Pronouncements***

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), with the intended purpose of improving financial reporting relating to revenue from contracts with customers. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. In May 2020, the FASB deferred the effective date of ASU 2014-09 for non-public entities to annual periods beginning after December 15, 2019. The Federation is currently evaluating the impact of the new guidance on its financial statements and will adopt the new guidance when required.

In February 2016, the FASB issued new accounting guidance on lease arrangements, which, in an effort to increase transparency and comparability among organizations utilizing leasing, requires an entity that is a lessee to recognize the assets and liabilities arising from operating leases on the balance sheet. This guidance also requires disclosures about the amount, timing and uncertainty of cash flows arising from leases. In transition, the entity is required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Per *ASU 2020-05, Leases (Topic 842) Effective Dates for Certain Entities*, the effective date of this guidance has been extended for non-public entities for annual periods beginning after December 15, 2021. Early adoption is permitted. The Federation is currently evaluating the impact of the new guidance on its financial statements and will adopt the new guidance when required.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments" (Topic 326), which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. Topic 326 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. Topic 326 is effective for non-public entities for annual periods beginning after December 15, 2022. The Federation is currently evaluating the impact of the new guidance on its financial statements and will adopt the new guidance when required.

### ***Accounting Pronouncements Adopted***

In August 2016, the FASB issued ASU 2016-14, "Presentation of Financial Statements for Not-for-Profit Entities" (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by

# Jewish Federation of Greater Dallas

## Notes to Financial Statements

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function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expense, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method). The Federation has chosen to adopt this ASU for the year ended July 31, 2019 going forward.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) - Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves current guidance by providing criteria for determining whether a resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. The ASU also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The ASU is effective for fiscal years beginning after December 15, 2018, though early adoption is permitted. The Federation has elected to early adopt this ASU in its financial statements for the year ended July 31, 2019.

### 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<i>July 31,</i>	2020	2019
Cash and cash equivalents	\$ 5,875,038	\$ 3,826,721
Investments appropriated for current use	4,793,026	4,048,708
Less: Board designated net assets	(1,497,297)	(1,644,432)
Total financial assets available for general expenditures within one year	\$ 9,170,767	\$ 6,230,997

The Federation strives to run a balanced budget where its cash inflows equal its cash outflows on an annual basis. As part of the liquidity management plan, the Federation invest cash in excess of daily requirements in short-term investments, mutual funds, bond funds, and equity securities. For the year ended July 31, 2020, there was no significant adverse impact from COVID-19 outbreak on the Federation's liquidity and availability of resources.

### 3. Fair Value Measurements

FASB ASC topic, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this topic are described as follows:

# Jewish Federation of Greater Dallas

## Notes to Financial Statements

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Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Federation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets measured at fair value on a recurring basis include investments and interest in net assets of a foundation.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at July 31, 2020 and 2019.

Investments and investments held by other foundation are carried at fair market value as reported by the Foundation and are classified in level 2 of the fair value hierarchy because all material inputs into the investment pools are observable. Assets measured at fair value on a recurring basis were as following for the years ended July 31, 2020 and 2019:

Description	Fair Value at July 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Investments</b>				
Cash and cash equivalents	\$ 1,249,892	\$	\$ -	\$ 1,249,892
Equity fund		1,806,054		1,806,054
Bond fund		887,261		887,261
Liquid alternative fund		849,819		849,819
<b>Interest in Marx Fund</b>				
Equity fund		114,009		114,009
Bond fund		52,801		52,801
Liquid alternative fund		30,365		30,365
Illiquid alternative fund		78,141		78,141
	\$ 1,249,892	\$ 3,818,450	\$ -	\$ 5,068,342

# Jewish Federation of Greater Dallas

## Notes to Financial Statements

Description	Fair Value at July 31, 2019			Total
	Level 1	Level 2	Level 3	
<b>Investments</b>				
Cash and cash equivalents	\$ 34,759		\$ -	\$ 34,759
Equity fund		1,999,107		1,999,107
Bond fund		990,886		990,886
Liquid alternative fund		1,023,956		1,023,956
<b>Interest in Marx Fund</b>				
Equity fund		111,682		111,682
Bond fund		54,297		54,297
Liquid alternative fund		42,314		42,314
Illiquid alternative fund		72,771		72,771
	\$ 34,759	\$ 4,295,013	\$ -	\$ 4,329,772

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Federation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measure at the reporting date.

Investment income for the years ended July 31 consists of:

	2020	2019
Interest and dividend income	\$ 128,654	\$ 139,284
Realized and unrealized (losses) gains, net	(46,596)	48,260
	\$ 82,058	\$ 187,544

#### 4. Leasehold Improvements and Equipment

Leasehold improvements and equipment at July 31 consist of:

	2020	2019
Leasehold improvements	\$ 1,551,373	\$ 1,551,373
Furniture and equipment:		
Computers	394,541	332,741
Telephone system	26,627	18,754
Office furniture and equipment	260,293	336,217
	2,232,834	2,239,085
Less accumulated depreciation and amortization	(1,428,841)	(1,452,069)
	\$ 803,993	\$ 787,016

Depreciation and amortization expense for the years ended July 31, 2020 and 2019 amounted to \$149,696 and \$136,327, respectively.

# Jewish Federation of Greater Dallas

## Notes to Financial Statements

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### 5. Agency Liabilities and Transfers

The Federation follows the provisions of FASB ASC topic *Not-for-Profit Entities Revenue Recognition*. This topic specifically requires that if the Federation accepts assets from a resource provider which are designated for the benefit of another not-profit-organization or individual, and the recipient organization does not maintain variance power over such transfers, the Federation must account for the transfer of such assets as a liability. Accordingly, such donations of \$147,650 and \$380,800 are reflected as agency liabilities as of July 31, 2020 and 2019, respectively. These amounts are due to national, international, and local agencies supported by the Federation. For the years ended July 31, 2020 and 2019, the total amount of agency transactions paid out by the Federation was \$135,075 and \$254,100 respectively.

### 6. Joint Cost Allocation

The Federation operates an annual campaign. Costs associated with operating the campaign were allocated approximately between fundraising and program expense in the statements of functional expenses. Similarly, the Federation operates various events throughout the year which have joint program and fundraising functions. For fiscal year 2020, total expense related to joint activities was approximately \$2.5 million of which approximately \$1.0 million was allocated to fundraising. For fiscal year 2019, total expense related to joint activities was approximately \$2.8 million of which approximately \$1.1 million was allocated to fundraising. The amounts not allocated to fundraising were primarily allocated to program functions.

### 7. Restrictions and Board Designations on Net Assets

With donor restrictions net assets of the Federation were available for the following purposes at July 31:

	2020	2019
Schulz Educators	\$ 87,340	\$ 99,044
Honey Israel	78,000	78,000
Center for Jewish Education Tribute Event	98,800	118,800
Community Security Initiative	171,368	65,665
Jewish Community Relations Council Community Missions	24,500	24,500
Jewish Community Relations Council Public Education Initiative / BDS Program	43,271	58,673
Insurance premiums	-	6,398
One table	65,000	60,000
Tycher Library	28,962	27,905
PJ Library	10,372	-
Covid-19 emergency campaign	139,862	-
JFGD building renovations	400,000	-
Restricted Pace gift	1,250,000	-
Other	4,236	15,241
	<b>\$ 2,401,711</b>	<b>\$ 554,226</b>

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For the years ended July 31, 2020 and 2019, the Federation released the net assets from restrictions as follows: Schulz Educators of \$11,704 and \$119,621, Center for Jewish Education Tribute Event of \$20,000 and \$20,000, Community Security Initiative of \$165,547 and \$121,432, Jewish Community Relations Council Public Education Initiative / BDS Program of \$15,402 and \$24,290, One table of \$0

# Jewish Federation of Greater Dallas

## Notes to Financial Statements

and \$25,000, Tycher Library of \$13,859 and \$22,219, PJ Library of \$106,526 and \$107,303, COVID-19 emergency campaign of \$2,469 and \$0, and Other of \$19,369 and \$32,970, respectively.

Board designated net assets of the Federation were available for the following purposes established by the Board of Directors of the Federation as of July 31:

	2020	2019
Center for Jewish Education "What If?" fund	\$ 23,622	\$ 23,428
Israel and Overseas	70,000	70,000
Israel Independence Day	25,000	25,000
Jewish Community Relations Council	12,123	23,399
Jewish Education	12,725	16,225
Rabbinical Association	10,000	10,000
Marx Fund	275,317	281,064
Partnership 2gether	525,925	496,828
Stabilization Fund	542,585	537,799
Outreach & Engagement Initiative	-	130,689
Community Security Initiative	-	30,000
	\$ 1,497,297	\$ 1,644,432

### 8. Retirement Plan

An Internal Revenue Code Section 403(b) retirement plan was implemented on October 1, 1995. This plan authorizes the employees to make pre-tax contributions to the plan. Effective May 20, 2009, the plan was amended to revise the Federation matching contribution to a discretionary contribution. The Federation's discretionary contributions in 2020 and 2019 were \$55,373 and \$61,471, respectively.

### 9. NCFC Combined Financial Information

As further discussed in Note 1, NCFC is a supporting organization of the Federation at July 31, 2020 and 2019. NCFC and the Federation have shared control at the board level. Had the assets, liabilities, and net assets of NCFC and the Federation been combined at July 31, 2020 and 2019, the statements of financial position (in summary format) would have been as follows:

2020	Federation	(Unaudited) NCFC	Total
<b>Assets</b>	\$ 17,207,387	\$ 18,786,350	\$ 35,993,737
<b>Liabilities</b>	9,765,015	-	9,765,015
<b>Net Assets</b>	7,442,372	18,786,350	26,228,722
<b>Total Liabilities and Net Assets</b>	\$ 17,207,387	\$ 18,786,350	\$ 35,993,737

# Jewish Federation of Greater Dallas

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2019	Federation	(Unaudited) NCFC	Total
Assets	\$ 14,519,753	\$ 18,453,303	\$ 32,973,056
Liabilities	8,993,469	-	8,993,469
Net Assets	5,526,284	18,453,303	23,979,587
Total Liabilities and Net Assets	\$ 14,519,753	\$ 18,453,303	\$ 32,973,056

The assets of NCFC at July 31, 2020 and 2019 are primarily land, building, and building improvements.

The Federation leases office space from NCFC under a 50-year lease, at substantially no cost to the Federation. Maintenance and operating costs of the office space is borne by the Federation. Management estimates the value of this donated rent for 2020 and 2019 to be approximately \$165,000 per year; however, in kind income and expense for this donated facility use is excluded from the Federation's financial statements due to the nature of the relationship between NCFC and the Federation. Similarly, NCFC leases space to the Jewish Community Center of Dallas, Inc. under a 50-year lease commencing April 2004 at substantially no cost. This lease commitment, estimated at \$1,870,000 per year, is not reflected in the NCFC liabilities or net assets above.

### 10. Notes Payable

Notes payable at July 31, consist of the following:

<i>July 31,</i>	2020	2019
Paycheck Protection Program (the "PPP" loan)	\$ 493,900	\$ -
	\$ 493,900	\$ -

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

It also appropriated funds for the SBA Paycheck Protection Program ("PPP") loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. The Federation applied for and received \$493,900 of PPP loan on April 28, 2020. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred. The Federation has estimated that the entire amount will be eligible for forgiveness under the terms of the PPP. The ultimate amount of forgiveness is subject to evaluation by the SBA and will be determined at some time during 2021.



# Jewish Federation of Greater Dallas

## Notes to Financial Statements

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### 11. Intentions to Give

The Federation receives indications from donors of their intention to make recommendations to provide funding to the Federation through independent philanthropic funds. The Federation has not recognized these intentions to give in the accompanying financial statements since they are not unconditional pledges. The total of these intentions to give excluded from the financial statements were \$1,566,701 and \$1,792,613 as of July 31, 2020 and 2019, respectively.

### 12. Subsequent Events

On October 14, 2020, the Federation executed a promissory note with a bank for \$500,000 with maturity date of October 2023.

The date to which events occurring after July 31, 2020 the date of the most recent statement of financial position, have been evaluated by management for possible adjustment to the financial statements or disclosure is December 22, 2020, which is the date on which the financial statements were available to be issued.