

# **Jewish Federation of Palm Beach County, Inc. and Affiliates**

**Consolidated Financial Statements**  
Years Ended June 30, 2024 and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



**Jewish Federation of Palm Beach County, Inc. and Affiliates**

Consolidated Financial Statements  
Years Ended June 30, 2024 and 2023

# Jewish Federation of Palm Beach County, Inc. and Affiliates

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Tel: 561-909-2100  
Fax: 561-392-3265  
www.bdo.com

225 NE Mizner Blvd, Suite 685  
Boca Raton, FL 33432

## **Independent Auditor's Report**

To the Board of Directors  
Jewish Federation of Palm Beach County, Inc. and Affiliates  
West Palm Beach, Florida

### ***Opinion***

We have audited the consolidated financial statements of the Jewish Federation of Palm Beach County, Inc. and Affiliates (the "Federation"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Federation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Federation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

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

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



### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Federation's ability to continue as a going concern for a reasonable period of time.

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

*BDO USA, P.C.*

Boca Raton, Florida  
December 13, 2024

## **Consolidated Financial Statements**

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# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Consolidated Statements of Financial Position

June 30,	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 10,170,569	\$ 7,382,552
Investments, at fair value	130,992,863	121,068,998
Annual campaign pledges receivable, net	13,714,283	13,559,786
Designated campaign pledges receivable, net	11,428,681	6,449,726
Capital campaign pledges receivable, net	-	12,617
Priority fund pledges receivable, net	2,612,176	2,555,490
Endowments pledges receivable, net	1,997,778	2,458,661
Note receivable - Mandel Jewish Community Center, net	1,823,866	5,359,568
Beneficial interest in trusts	2,664,975	2,476,214
Due from estates	487,500	568,950
Prepaid expenses and other assets	1,321,806	1,321,931
Property and equipment, net	29,849,780	30,243,147
<b>Total Assets</b>	<b>\$ 207,064,277</b>	<b>\$ 193,457,640</b>
<b>Liabilities And Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and other accrued liabilities	\$ 1,591,625	\$ 873,171
Line of credit	-	2,826,596
Allocations payable - The Jewish Federations of North America	4,368,101	4,274,702
Allocations payable - other beneficiary agencies	3,749,293	3,822,597
Designated campaign gifts payable	2,298,245	1,706,305
Split-interest agreements	1,409,404	1,505,966
Obligations to affiliated agencies for assets held in trust	8,124,327	10,929,432
Loan payable	10,263,158	10,789,474
<b>Total Liabilities</b>	<b>31,804,153</b>	<b>36,728,243</b>
<b>Commitments and Contingencies</b>		
(Notes 1, 2, 5, 6, 9, 10, 11, 12, 14, 13, 15, 17 and 18)		
<b>Net Assets</b>		
Without donor restrictions:		
Unrestricted	63,261,456	64,846,096
Board designated	19,738,312	19,126,946
<b>Total without donor restrictions</b>	<b>82,999,768</b>	<b>83,973,042</b>
With donor restrictions	92,260,356	72,756,355
<b>Total Net Assets</b>	<b>175,260,124</b>	<b>156,729,397</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 207,064,277</b>	<b>\$ 193,457,640</b>

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

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Consolidated Statements of Activities

Year ended June 30,	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Operating Revenues</b>						
<b>Public Support:</b>						
Annual campaign contributions, net	\$ 16,905,182	\$ 3,848,374	\$ 20,753,556	\$ 17,158,531	\$ 6,790,626	\$ 23,949,157
Priority fund contributions, net	-	360,326	360,326	-	2,491,452	2,491,452
Designated campaign contributions, net	802,074	9,191,358	9,993,432	568,219	6,628,529	7,196,748
Emergency campaign contributions, net	3,289,510	3,645,232	6,934,742	-	-	-
Grants from philanthropic funds and endowment funds	(2,574,306)	-	(2,574,306)	(2,259,865)	-	(2,259,865)
<b>Campaign contributions, net</b>	<b>18,422,460</b>	<b>17,045,290</b>	<b>35,467,750</b>	<b>15,466,885</b>	<b>15,910,607</b>	<b>31,377,492</b>
Legacies, bequests and endowment funds including change in value of split-interest agreements	8,486,641	2,626,646	11,113,287	6,904,766	4,096,442	11,001,208
Net assets released from restrictions	8,079,458	(8,079,458)	-	4,872,033	(4,872,033)	-
<b>Total Public Support</b>	<b>34,988,559</b>	<b>11,592,478</b>	<b>46,581,037</b>	<b>27,243,684</b>	<b>15,135,016</b>	<b>42,378,700</b>
<b>Operating Revenues:</b>						
Investment return appropriated for current operations	3,456,016	1,016,997	4,473,013	2,492,472	1,352,936	3,845,408
In-kind rental income - nonfinancial assets	3,028,000	-	3,028,000	3,028,000	-	3,028,000
Program, event, and other revenues	1,537,887	-	1,537,887	2,860,247	-	2,860,247
Rental income	397,193	-	397,193	385,707	-	385,707
<b>Total Operating Revenue</b>	<b>8,419,096</b>	<b>1,016,997</b>	<b>9,436,093</b>	<b>8,766,426</b>	<b>1,352,936</b>	<b>10,119,362</b>
<b>Total Public Support and Operating Revenue</b>	<b>\$ 43,407,655</b>	<b>\$12,609,475</b>	<b>\$ 56,017,130</b>	<b>\$ 36,010,110</b>	<b>\$16,487,952</b>	<b>\$ 52,498,062</b>

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



# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Consolidated Statements of Activities

<i>Year ended June 30,</i>	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Expenses:</b>						
<b>Program Expenses:</b>						
Grants and Allocations	\$ 24,843,290	\$ -	\$ 24,843,290	\$ 19,685,236	\$ -	\$ 19,685,236
Agency Services and Campus Operations	5,069,081	-	5,069,081	4,789,484	-	4,789,484
Federation Operating Programs	3,339,474	-	3,339,474	4,061,484	-	4,061,484
Community Program Center	4,975,380	-	4,975,380	3,141,739	-	3,141,739
Jewish Community Engagement	670,730	-	670,730	646,808	-	646,808
<b>Total Program Expenses</b>	<b>38,897,955</b>	<b>-</b>	<b>38,897,955</b>	<b>32,324,751</b>	<b>-</b>	<b>32,324,751</b>
<b>Support Services:</b>						
Fundraising	4,450,698	-	4,450,698	4,017,378	-	4,017,378
Management and General	4,145,226	-	4,145,226	4,056,072	-	4,056,072
<b>Total Support Services</b>	<b>8,595,924</b>	<b>-</b>	<b>8,595,924</b>	<b>8,073,450</b>	<b>-</b>	<b>8,073,450</b>
<b>Total Expenses</b>	<b>47,493,879</b>	<b>-</b>	<b>47,493,879</b>	<b>40,398,201</b>	<b>-</b>	<b>40,398,201</b>
<b>Change in Net Assets from Operations</b>	<b>(4,086,224)</b>	<b>12,609,475</b>	<b>8,523,251</b>	<b>(4,388,091)</b>	<b>16,487,952</b>	<b>12,099,861</b>
<b>Non-Operating Changes in Net Assets</b>						
Contribution received in donation of Herizon Inc. (Note 17)	-	2,345,791	2,345,791	-	-	-
Excess of investment return, net	3,112,950	4,548,735	7,661,685	1,522,821	2,635,468	4,158,289
<b>Total Non-Operating Change In Net Assets</b>	<b>3,112,950</b>	<b>6,894,526</b>	<b>10,007,476</b>	<b>1,522,821</b>	<b>2,635,468</b>	<b>4,158,289</b>
<b>Change In Net Assets</b>	<b>(973,274)</b>	<b>19,504,001</b>	<b>18,530,727</b>	<b>(2,865,270)</b>	<b>19,123,420</b>	<b>16,258,150</b>
<b>Net Assets - Beginning Of Year</b>	<b>83,973,042</b>	<b>72,756,355</b>	<b>156,729,397</b>	<b>86,838,312</b>	<b>53,632,935</b>	<b>140,471,247</b>
<b>Net Assets - End Of Year</b>	<b>\$ 82,999,768</b>	<b>\$ 92,260,356</b>	<b>\$ 175,260,124</b>	<b>\$ 83,973,042</b>	<b>\$ 72,756,355</b>	<b>\$ 156,729,397</b>

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

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Consolidated Statement of Functional Expenses

Year ended June 30, 2024

	Program Services					Supporting Services				
	Grants and Allocations	Agency Services and Campus Operations	Federation Operating Programs	Community Program Center	Jewish Community Engagement	Total Program Services	Fundraising	Management and General	Total Support Services	Total Expenses
<b>Grants and allocations</b>										
Jewish Federations of North America and overseas partners	\$ 6,772,984	\$ -	\$ -	\$ -	\$ -	\$ 6,772,984	\$ -	\$ -	\$ -	\$ 6,772,984
Board approved allocations (including in-kind rent)	9,801,870	-	-	-	-	9,801,870	-	-	-	9,801,870
Planned giving, philanthropic and endowment fund distributions	8,268,436	-	-	-	-	8,268,436	-	-	-	8,268,436
<b>Total grants and allocations</b>	<b>24,843,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,843,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,843,290</b>
<b>Salaries &amp; Related Benefits</b>										
Salaries	-	688,202	1,570,512	2,347,328	329,549	4,935,591	2,378,338	1,637,750	4,016,088	8,951,679
Payroll taxes	-	51,818	125,282	162,460	23,218	362,778	156,044	117,063	273,107	635,885
Retirement and health	-	149,972	333,578	499,576	125,178	1,108,304	542,585	274,811	817,396	1,925,700
<b>Total salaries and related benefits</b>	<b>-</b>	<b>889,992</b>	<b>2,029,372</b>	<b>3,009,364</b>	<b>477,945</b>	<b>6,406,673</b>	<b>3,076,967</b>	<b>2,029,624</b>	<b>5,106,591</b>	<b>11,513,264</b>
<b>Operating Expenses</b>										
Conferences, meetings and public relations	-	23,834	841,519	1,047,827	128,952	2,042,132	709,665	106,710	816,375	2,858,507
Office supplies, printing and postage	-	11,309	45,618	54,413	10,340	121,680	165,457	57,310	222,767	344,447
Occupancy	-	333,576	-	901	-	334,477	-	7,162	7,162	341,639
Security	-	946,751	10,226	36,934	481	994,392	6,493	1,642	8,135	1,002,527
Insurance	-	593,935	4,047	-	6,025	604,007	-	55,863	55,863	659,870
Repairs and maintenance	-	558,119	51,042	77,369	12,103	698,633	77,002	80,177	157,179	855,812
Telephone	-	12,776	16,129	26,535	3,648	59,088	20,111	18,442	38,553	97,641
Transportation	-	2,715	19,094	19,273	2,594	43,676	6,980	14,374	21,354	65,030
Staffing and employee relocation	-	38,413	39,678	122,451	3,954	204,496	132,706	202,234	334,940	539,436
Professional fees	-	74,631	192,469	247,124	5,428	519,652	120,426	178,749	299,175	818,827
Allowance for doubtful accounts	-	-	-	-	-	-	-	1,041,520	1,041,520	1,041,520
Interest	-	514,029	-	-	-	514,029	-	87,277	87,277	601,306
Miscellaneous	-	18,925	8,511	212,549	100	240,085	11,541	131,892	143,433	383,518
<b>Total operating expenses</b>	<b>-</b>	<b>3,129,013</b>	<b>1,228,333</b>	<b>1,845,376</b>	<b>173,625</b>	<b>6,376,347</b>	<b>1,250,381</b>	<b>1,983,352</b>	<b>3,233,733</b>	<b>9,610,080</b>
Total expenses before depreciation and amortization	-	4,019,005	3,257,705	4,854,740	651,570	37,626,310	4,327,348	4,012,976	8,340,324	45,966,634
Depreciation and amortization	-	1,050,076	81,769	120,640	19,160	1,271,645	123,350	132,250	255,600	1,527,245
<b>Total expenses</b>	<b>\$ 24,843,290</b>	<b>\$ 5,069,081</b>	<b>\$ 3,339,474</b>	<b>\$ 4,975,380</b>	<b>\$ 670,730</b>	<b>\$ 38,897,955</b>	<b>\$ 4,450,698</b>	<b>\$ 4,145,226</b>	<b>\$ 8,595,924</b>	<b>\$ 47,493,879</b>

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

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Consolidated Statement of Functional Expenses

Year ended June 30, 2023

	Program Services						Supporting Services			
	Grants and Allocations	Agency Services and Campus Operations	Federation Operating Programs	Community Program Center	Jewish Community Engagement	Total Program Services	Fundraising	Management and General	Total Support Services	Total Expenses
<b>Grants and allocations</b>										
Jewish Federations of North America and overseas partners	\$ 3,966,738	\$ -	\$ -	\$ -	\$ -	\$ 3,966,738	\$ -	\$ -	\$ -	\$ 3,966,738
Board approved allocations (including in-kind rent)	7,199,803	-	-	-	-	7,199,803	-	-	-	7,199,803
Planned giving, philanthropic and endowment fund distributions	8,518,695	-	-	-	-	8,518,695	-	-	-	8,518,695
<b>Total grants and allocations</b>	<b>19,685,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,685,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,685,236</b>
<b>Salaries &amp; Related Benefits</b>										
Salaries	-	825,706	1,242,401	1,538,185	263,872	3,870,164	2,350,633	1,386,896	3,737,529	7,607,693
Payroll taxes	-	58,369	85,501	108,319	17,877	270,066	156,849	96,424	253,273	523,339
Retirement and health	-	181,396	284,447	342,751	101,836	910,430	589,005	278,843	867,848	1,778,278
<b>Total salaries and related benefits</b>	<b>-</b>	<b>1,065,471</b>	<b>1,612,349</b>	<b>1,989,255</b>	<b>383,585</b>	<b>5,050,660</b>	<b>3,096,487</b>	<b>1,762,163</b>	<b>4,858,650</b>	<b>9,909,310</b>
<b>Operating Expenses</b>										
Conferences, meetings and public relations	-	93,319	2,129,091	487,970	206,314	2,916,694	348,347	70,429	418,776	3,335,470
Office supplies, printing and postage	-	18,183	38,976	36,203	9,176	102,538	129,219	56,195	185,414	287,952
Occupancy	-	375,857	-	1,068	-	376,925	-	5,746	5,746	382,671
Security	-	611,652	3,700	10,496	1,432	627,280	4,133	1,859	5,992	633,272
Insurance	-	450,912	-	-	6,025	456,937	-	54,687	54,687	511,624
Repairs and maintenance	-	606,449	58,010	71,824	12,088	748,371	100,768	87,815	188,583	936,954
Telephone	-	14,503	15,742	20,619	3,136	54,000	21,854	17,919	39,773	93,773
Transportation	-	5,366	12,577	12,024	2,141	32,108	4,579	11,455	16,034	48,142
Staffing and employee relocation	-	1,756.00	2,658	23,248	632	28,294	12,605	89,328	101,933	130,227
Professional fees	-	63,846	101,890	114,188	4,341	284,265	147,742	133,744	281,486	565,751
Allowance for doubtful accounts	-	-	-	-	-	-	-	1,408,210	1,408,210	1,408,210
Interest	-	417,758	144	-	-	417,902	6,673	178,940	185,613	603,515
Miscellaneous	-	15,350	10,982	281,862	9	308,203	235	42,150	42,385	350,588
<b>Total operating expenses</b>	<b>-</b>	<b>2,674,951</b>	<b>2,373,770</b>	<b>1,059,502</b>	<b>245,294</b>	<b>6,353,517</b>	<b>776,155</b>	<b>2,158,477</b>	<b>2,934,632</b>	<b>9,288,149</b>
Total expenses before depreciation and amortization	19,685,236	3,740,422	3,986,119	3,048,757	628,879	31,089,413	3,872,642	3,920,640	7,793,282	38,882,695
Depreciation and amortization	-	1,049,062	75,365	92,982	17,929	1,235,338	144,736	135,432	280,168	1,515,506
<b>Total expenses</b>	<b>\$ 19,685,236</b>	<b>\$ 4,789,484</b>	<b>\$ 4,061,484</b>	<b>\$ 3,141,739</b>	<b>\$ 646,808</b>	<b>\$ 32,324,751</b>	<b>\$ 4,017,378</b>	<b>\$ 4,056,072</b>	<b>\$ 8,073,450</b>	<b>\$ 40,398,201</b>

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

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Consolidated Statements of Cash Flows

Year ended June 30,	2024	2023
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 18,530,727	\$ 16,258,150
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,527,245	1,515,506
Change in discount on pledges receivable	(126,000)	2,025,149
Allowance for doubtful accounts	1,041,520	1,408,210
Accretion of debt discount on note receivable	(41,309)	-
Realized gains on investments	(1,081,402)	(67,106)
Unrealized gains on investments	(10,086,360)	(7,039,104)
Endowment contributions	(2,457,784)	(4,013,937)
Change in split-interest agreements	94,407	1,014,061
(Increase) decrease in operating assets:		
Pledges receivable, net	(6,195,158)	(15,358,472)
Beneficial interest in trusts	(188,761)	(116,037)
Due from estates	164,783	(144,784)
Prepaid expenses and other assets	125	177,340
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued liabilities	718,454	(169,721)
Allocations payable	685,538	(69,867)
Designated campaign gifts payable and grants payable	591,940	938,909
<b>Net Cash Provided by (Used In) Operating Activities</b>	<b>3,177,965</b>	<b>(3,641,703)</b>
<b>Cash Flows From Investing Activities:</b>		
Receipts from the Mandel Jewish Community Center	2,911,568	-
Proceeds from sale of investments	16,358,547	14,840,890
Purchases of investments	(15,114,650)	(9,856,347)
Purchases of property and equipment	(1,133,878)	(329,031)
<b>Net Cash Provided by Investing Activities</b>	<b>3,021,587</b>	<b>4,655,512</b>
<b>Cash Flows From Financing Activities:</b>		
Principal payments on finance lease obligations	-	(29,578)
Decrease (increase) in trust assets held on behalf of agencies	(2,805,105)	9,480
Repayments on loan payable	(526,316)	(526,316)
Repayments on line of credit	(2,826,596)	-
Payments on split-interest agreements	(190,969)	(1,424,484)
Collections from capital campaign	-	207,870
Endowment contributions	2,937,451	877,771
<b>Net Cash Used in Financing Activities</b>	<b>(3,411,535)</b>	<b>(885,257)</b>
<b>Net Increase in Cash And Cash Equivalents</b>	<b>2,788,017</b>	<b>128,552</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>7,382,552</b>	<b>7,254,000</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 10,170,569</b>	<b>\$ 7,382,552</b>
<b>Supplemental Disclosure Of Cash Flow Information:</b>		
Cash paid for interest	\$ 601,306	\$ 603,515
<b>Supplemental disclosure of Non-cash Investing and Financing Activity</b>		
Grant to Mandel JCC through below market rate loan	\$ 665,443	\$ -

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

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 1. Purpose and Summary of Significant Accounting Policies

#### *Basis of Presentation*

The consolidated financial statements include the accounts of the Jewish Federation of Palm Beach County, Inc. and its Affiliates, the Palm Beach Jewish Community Campus Corporation, Inc. (“Campus Corporation”) and North Palm Beach County Jewish Community Campus Corporation (“North Campus”) (collectively the “Federation”), which are under common control. All intercompany accounts and transactions have been eliminated in the consolidation.

#### *Purpose*

The Jewish Federation of Palm Beach County, Inc. was incorporated in 1962 as a not-for-profit organization under the laws of the State of Florida to support Jewish social service, cultural and educational programs through its fundraising efforts. These fundraising activities provide financial support to numerous not-for-profit beneficiary agencies. In addition, the Jewish Federation of Palm Beach County, Inc. is a Section 501(c)(3) organization, as defined in the Internal Revenue Code (“IRC”), and is, therefore, not a private foundation and qualifies for the maximum charitable deduction for a donor.

The Campus Corporation was incorporated in 1986 as a not-for-profit organization under the laws of the State of Florida to own property used for the purpose of providing educational, cultural, recreational and social service programming for the local community.

The North Campus was incorporated in 2012 as a not-for-profit organization under the laws of the State of Florida to own property used for the purpose of providing educational, cultural, recreational and social service programming for the local community.

In addition to providing financial support to outside agencies, the Federation also supports program services for which the purposes are described by management as follows.

#### *Israel and Overseas*

##### *Jewish Federations of North America (“JFNA”)*

The JFNA is the umbrella organization representing a network of Jewish Federation communities that provide the planning and resources to support causes that are important to the Jewish community that reflect Jewish values. The Federation system provides resources and leadership in the areas of anti-Semitism and the holocaust, caregiving, aging, philanthropy, volunteerism, education, Jewish family life and creating connections between local and global Jewish communities and Israel.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### *Jewish Agency for Israel (“JAFI”)*

The JAFI for Israel serves as the main link between Israel and Jewish communities in North America and around the world. The JAFI connects the global Jewish family, bringing Jews to Israel and Israel to Jews by providing meaningful Israel engagement and facilitating immigration to Israel. The JAFI builds a better society in Israel - and beyond - energizing young Israelis and their worldwide peers to rediscover a collective sense of Jewish purpose. The JAFI continues to be the Jewish world’s first responder, prepared to address emergencies in Israel, and to rescue Jews from countries where they are at risk.

### *American Jewish Joint Distribution Committee (“JDC”)*

The JDC is dedicated to strengthening the Jewish community by helping Jews in distress around the world. The JDC focuses on alleviating hunger and hardship, rescuing Jews in danger, creating lasting connections to Jewish life and helping Israel overcome the social challenges of its most vulnerable citizens. The JDC works to foster a sense of Jewish identity in Eastern Europe and the former Soviet Union and provides an innovative welfare and relief system for needy elderly and Holocaust survivors. The JDC’s reach extends beyond the global Jewish community by providing high-impact disaster relief and long-term development assistance worldwide.

### *Agency Services and Campus Operations*

#### *Campus Corporation Administration and Operations*

The Campus Corporation Administration and Operations program owns and maintains the real estate and facilities that are provided to affiliated and non-affiliated agencies to run their specific programs. The Campus Corporation houses and or supports the following organizations: Jack, Joseph and Morton Mandel Building (the “Jewish Federation”), the Arthur I. Meyer Jewish Academy (“Academy”), and the Mandel Jewish Community Center of the Palm Beaches, Inc. (“Mandel JCC”). In the future, the Campus Corporation may own and maintain the property in West Palm Beach and/or Palm Beach Gardens which are now owned by the Jewish Federation of Palm Beach County, Inc. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$3,289,000 and \$3,166,000, respectively.

#### *North Campus Administration and Operations*

The North Campus Administration and Operations program provides support services for information technology for the Mandel JCC. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$288,000 and \$248,000, respectively.

#### *Agency Services*

The Agency Services program provides support services for the marketing and fundraising program for the Mandel JCC, and the Academy. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$370,000 and \$428,000, respectively.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### *Hood Road Campus*

The Hood Road Campus program maintains the real estate and facilities owned by the Federation in Palm Beach Gardens, which includes land as well as the building for the Academy. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$1,044,000 and \$947,000, respectively.

### ***Federation Operating Programs***

#### *Missions*

Missions serve to connect community members by travelling domestically and globally to witness and experience Federation's impact firsthand. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$443,000 and \$1,544,000 respectively.

#### *Mosaic*

The Mosaic program produces the television show, Mosaic, which consists of informational interviews related to local, national and international Jewish issues and their impact on the local Jewish community. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$277,000 and \$257,000, respectively.

#### *Israel and Overseas*

The Israel & Overseas Department of the Federation oversees and evaluates a comprehensive spectrum of partnership programs that directly impact and benefit the lives of thousands of Jews throughout the world. Specifically, the Federation provides funding, oversight and direct involvement in the following partnerships: in the TZAHAR (Tzfat, Hatzor and Rosh Pina) region in Israel through programs focusing on economic development, education, and assistance for at-risk youth (Youth Futures); in the city of Ramla, Israel through PACT (Parents and Children Together) and ENP (Ethiopian National Project) offering after-school enrichment programs; and in St. Petersburg, Russia and Budapest, Hungary through an array of welfare and Jewish renewal initiatives. Also, the volunteer shaliach's (emissary from Israel) goal is to work throughout the local community in a variety of settings and with all age groups to provide opportunities for community members to strengthen their connection to Israel and embed their sense of belonging to the people of Israel. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$395,000 and \$273,000, respectively.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### *Jewish Women's Foundation*

The Jewish Women's Foundation is a network of women who envision a world where all women and girls have equal social, political, economic, and religious opportunities. This program was started by the Federation during the year ended June 30, 2024, as a result of the merger with Herizon (Note 17). The program's membership is comprised of trustees empowered to take a hands-on approach to the grantmaking process, including voting on and funding programs they believe will have the greatest impact to advance the status of women and girls in the United States and Israel. Total expenses for the year ended June 30, 2024 were approximately \$148,000. There were no expenses for the year ended June 30, 2023.

### *William A. Meyer Jewish Community Foundation Programs*

The programming of the William A. Meyer Jewish Community Foundation is to perpetuate permanent financial support to sustain a vibrant Jewish community locally, in Israel and throughout the world. This is accomplished through meaningful partnerships with donors, Jewish community organizations and synagogues. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$476,000 and \$163,000, respectively.

### *Outreach*

The Outreach program serves as the education and engagement arm of the Financial Resource Development department by offering programs and events that highlight the Federation's mission. Fundraising is not part of these programs; rather the goal is to share the reasons why it is important to be involved with the Federation. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$1,114,000 and \$1,144,000, respectively.

### *Strategic Community Relations and Planning*

The Strategic Community Relations program creates strategic partnerships with agencies and other not-for-profit organizations whose mission aligns with the mission of the Federation. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$531,000 and \$681,000, respectively.

### *Community Program Center*

#### *Jewish Community Relation Council*

The Federation's Jewish Community Relation Council (JCRC) is a gateway to advocating for the Jewish people and Israel while building connections with other faiths and communities. JCRC ensures a vibrant Jewish future by convening, educating, and mobilizing the Jewish community to:

- Promote a secure Jewish and democratic state of Israel
- Combat antisemitism, discrimination, and bigotry
- Foster understanding within and beyond the Jewish community
- Champion a just and pluralistic society



# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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Total expenses for the years ended June 30, 2024 and 2023 were approximately \$309,000 and \$293,000, respectively.

### *Career Connections and Community Resources*

Career Connections and Community Resources (CCR) includes Career Connections, a collaborative program between Jewish Federation of Palm Beach County and Alpert Jewish Family Service. Launched in 2020, Career Connections offers fee employment related support services and resources to job seekers of all faiths and backgrounds living in Palm Beaches and Treasure Coast. CCR also manages Federation's financial assistance programs and the Jewish Disabilities Community Navigator program. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$465,000 and \$415,000, respectively.

### *Mandel Center for Leadership Development*

The vision of the Mandel Center for Leadership Development (the "Mandel Center") is to build a community in which the Jewish Federation of Palm Beach County creates and nourishes a culture of strong leadership. The Mandel Center encourages community members to serve as leaders for the Jewish Federation and to seek ongoing learning and development. The mission of the Mandel Center is to engage and develop high performance volunteer and professional leaders. Its goal is to recruit, inspire, train and retain leaders who have the values, commitment and skills to give high quality leadership to the Jewish Federation. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$1,379,000 and \$1,190,000, respectively.

### *Commission for Jewish Education*

The Commission for Jewish Education ("CJE") provides education, support services, and other resources to individuals, families, and institutions in order to connect community members with Jewish learning opportunities to strengthen Jewish education, and to enrich the lives of Jewish families throughout the Greater Palm Beaches. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$1,406,000 and \$1,130,000, respectively.

### *Palm Beach Center to Combat Antisemitism and Hatred*

The Center to Combat Antisemitism and Hatred aims to expand Federation's leadership role in addressing acts of hatred against the Jewish community. The Palm Beach Center will significantly impact and influence both the Jewish and general Palm Beach Jewish communities by taking a proactive stance against antisemitism. The Center's programs will serve as a model for other Jewish communities across North America. Activities include strengthening communal security and building relationships throughout the community to proactively end hate through legislation, educational policy and curricula, and other programming. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$1,371,000 and \$113,000, respectively.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### *Jewish Community Engagement*

#### *Literacy*

The Anne & Sam Klein Jewish Coalition for Literacy (the “Coalition for Literacy”) identifies and develops a network of volunteers and programs that support educational and recreational literacy efforts in the community, inspire children to love reading, and encourage confidence building through skill development. The programs within the Coalition for Literacy offer volunteers multiple options for participation and offer services to the most vulnerable students in Palm Beach County through our collaboration with Title I schools (those with limited resources). Total expenses for the years ended June 30, 2024 and 2023 were approximately \$116,000 and \$112,000, respectively.

#### *Jewish Teen Initiative (“JTI”)*

The JTI leads the teen engagement efforts for the Federation to build a strong foundation of Jewish experiences for teens that lead to a lifetime of connection to Judaism, the State of Israel, and the Jewish people. The JTI connects teens to a community ecosystem with a diverse network of programming for local teens to connect to the Jewish community through efforts that are multifaceted and ongoing from middle school through high school, allowing teens to build on activity after activity, shaping unique, lifelong Jewish identities. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$159,000 and \$170,000, respectively.

#### *Young Adult Engagement*

The Young Adult Engagement program, or NextGen, focuses on cultivation and philanthropic journeys of young adults ages 22-45. Through a variety of programs, including but not limited to, volunteer opportunities, social outings, and immersive experiences. The department’s end goal is to ensure the future of Jewish leadership in the Palm Beaches. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$37,000 and \$44,000, respectively.

#### *Jewish Volunteer Center*

The Jewish Volunteer Center (“Volunteer Center”) is the center for Jewish community engagement through volunteerism. It demonstrates the Federation’s role as a community builder committed to Tikkun Olam and making a difference in the world. It identifies, cultivates, and develops a network of people and opportunities that provide volunteer experiences both in and beyond the Jewish community. The Volunteer Center convenes and strengthens relationships with partner agencies, synagogues, and other organizations. It connects individuals, families, and groups with meaningful volunteer opportunities. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$358,000 and \$311,000, respectively.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### *Synagogue Engagement*

The Synagogue Engagement program strengthens synagogues as gateway institutions of Jewish life and deepens the level of engagement between community synagogues and the Federation. This is achieved by supporting the development of synagogues' efforts to engage and stimulate local Jewish life; committing to collaborations that will result in building capacity with synagogue organizations; supporting new standards of synagogue life that will renew and sustain congregations for future generations. The Synagogue Engagement program is dedicated to partnering with synagogues to advance their ability to connect with people, creating opportunities for community members to experience the sense of belonging, meaning and purpose that participation in synagogue life brings. Total expenses for the years ended June 30, 2024 and 2023 were approximately \$0 and \$10,000, respectively.

### *Basis of Accounting*

The Federation prepares its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

### *Consolidated Financial Statement Presentation*

Net assets and revenues, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions also include board designated funds. Gifts to donor advised funds are classified as support without restrictions. Donor advised funds comprised approximately 29% and 24% of net assets without donor restrictions as of June 30, 2024 and 2023, respectively.

*Net assets with donor restrictions:* Net assets that are subject to explicit donor-imposed restrictions such as time and/or purpose restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Federation or by the passage of time. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently while permitting the Federation to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or the Board approved spending policy. 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.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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

The Federation considers all highly liquid investments held at financial institutions with a maturity of three months or less when purchased to be cash equivalents. This excludes all highly liquid investments held with investment custodians or advisors.

### ***Annual Campaign***

The Federation conducts annual fundraising campaigns each fiscal year. Pledges made during the Federation's twelve-month fiscal year, regardless of campaign years, are recorded as public support in the fiscal year the pledge is made. Fundraising campaigns may cross fiscal years.

### ***Capital Campaigns***

Cash and pledges receivable pertaining to the capital campaign fund include commitments with donor restrictions from various individuals to fund the construction of a school in Palm Beach Gardens for the Academy and the headquarters for the Federation. The amounts with donor restrictions expired since construction has been completed.

### ***Priority Fund***

The Priority Fund includes donations which provide donors with the opportunity to support emerging needs within the community locally and overseas.

### ***Endowment Campaign***

The Endowment Campaign includes donations that the donor intends to be utilized to establish endowments at the Federation to support the Federation in the future.

### ***Designated Campaign***

Designated campaign revenue includes donations that are restricted for various programs of the Federation, and emergency campaigns during the fiscal year.

### ***Contributions and Pledges Receivable***

Contributions received including unconditional promises to give are recorded at their fair value and are reported as an increase in net assets. The Federation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as without donor restrictions. Conditional promises to give are not included as support until such time as the conditions are substantially met.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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Pledges determined to be uncollectible during the year in which such pledges are received are shown as a reduction of contributions. Pledges determined to be uncollectible subsequent to are the year in which such pledges are received are charged to the allowance for uncollectible pledges. The allowance for uncollectible pledges is based on the Federation's historical pledge collection experience and management's evaluation of other pertinent factors. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in more than one year are discounted using a market rate of return and are recorded at net present value.

### *Investments at Fair Value*

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Consolidated Statements of Financial Position. Realized and unrealized gains on investments are reflected in the Consolidated Statements of Activities within "Investment return appropriated for current operations" and "Excess (Deficiency) of investment return, net." Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

Fair values of financial instruments are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular instruments. Changes in assumptions or in market conditions could significantly affect the estimates and those differences could be material. The carrying amount of all financial assets and liabilities approximates fair value.

### *Investment Return Appropriated for Current Operations and Excess of Investment Return, Net*

The Federation liquidates its endowment funds from its investments based upon a spending policy of 5%, unless stipulated otherwise by the donor, or in the case of board designated net assets as designated by the board. These amounts are made available for operations over the course of the fiscal year and are subject to donor restrictions where applicable. Amounts liquidated from endowment funds are presented within "Investment return appropriated for current operations" on the Consolidated Statements of Activities. The remaining investment return is presented within non-operating changes in net assets in the caption "Excess of investment return, net" in the Consolidated Statements of Activities. These amounts are further described within Note 3.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### ***Property and Equipment, Net***

Property and equipment are recorded at cost as of the date of purchase or, if contributed, the fair value as of the date of donation. The Federation capitalizes purchases and expenditures that extend the useful life for property and equipment that have a cost in excess of \$5,000. Depreciation and amortization is computed on the straight-line method over the estimated useful life of the assets. Construction in progress is depreciated once the work is complete and placed into service.

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows or material adverse changes in the Federation's operations, indicate that they may be impaired. If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets are adjusted to reflect such impairment based on the fair value of the impaired assets or an estimate of fair value based on discounted cash flows.

### ***Prepaid Expenses and Other Assets***

Prepaid expenses and other assets represents prepaid insurance included in prepaids and deposits, receivables related to insurance policies at cash surrender value, and other receivables.

### ***Split-Interest Agreements***

The Federation is the trustee and remainder beneficiary of various charitable remainder trusts and charitable gift annuity agreements. Trust assets are stated at fair market value. Split-interest agreement liabilities are determined using Internal Revenue Service ("IRS") actuarial assumptions, discounted using the applicable federal rate in effect as of the date of the gift.

The assets related to the split-interest agreements, included in investments, amount to approximately \$2,332,000 and \$2,050,000 as of June 30, 2024 and 2023, respectively. The liabilities of the split-interest agreements are approximately \$1,409,000 and \$1,506,000 as of June 30, 2024 and 2023, respectively. Increases and decreases in the present value obligation are presented in the accompanying Consolidated Statements of Activities under public support as "Legacies, bequests and endowment funds including change in value of split-interest agreements."

A contribution is recorded as of the date of the gift as the difference between the fair value of the assets received and the liabilities incurred in the exchange portion of the agreement for these irrevocable transfers of assets. The net changes in the value of these split-interest agreements amounted to (losses) of approximately \$(78,000) and \$(9,000) for the years ended June 30, 2024 and 2023, respectively, and are included within the caption "Legacies, bequests and endowment funds including change in value of split-interest agreements" on the Consolidated Statements of Activities.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### *Contributions of Non-financial Assets*

#### *Contributed Services*

The Federation recognizes the fair value of contributed services received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. In addition, the Federation receives services from a large number of volunteers who give significant amounts of their time to the Federation's programs, fundraising campaigns and management that do not meet the criteria for financial statement recognition.

#### *Contributed Facilities*

The Federation contributes the use of facilities, certain utilities, and common area maintenance to its beneficiary agencies. The Federation records in-kind transactions at fair value as rental income and corresponding board approved annual allocation expense in the Consolidated Statements of Activities.

### *Accounting Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date the consolidated financial statements and the reported amounts of public support and revenues during the reporting period. Actual results could differ from these estimates and those differences could be material. Material estimates that are particularly susceptible to change include the fair value of investments, the allowance for uncollectible pledges, and the functional allocation of expenses.

### *Concentrations of Credit and Market Risk*

Financial instruments which potentially subject the Federation to concentrations of credit and market risk consist primarily of cash and cash equivalents, pledges receivable and investments. The Federation maintains cash balances at several financial institutions in South Florida. Accounts in each institution are insured by the Federal Deposit Insurance Corporation in accordance with current regulations, which provides for insurance up to \$250,000. Cash equivalents are maintained at high-quality financial institutions. The Federation has not experienced any losses on its cash and cash equivalents.

Management considers credit risk associated with annual campaign, priority fund, capital campaign, endowment, and designated campaign pledge receivables to be low due to the diversity of the donors and the recurring nature of many donations.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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Investments are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. The Federation's investments are valued at Net Asset Value ("NAV"), which include some Bond Mutual funds, Equity Mutual funds, Private Equity, Multi-Asset/Opportunistic funds and Real Asset funds (Notes 3 and 4), comprise approximately 74% and 75% of total investments as of June 30, 2024 and 2023, respectively. The Federation has an investment policy and utilizes management oversight, and periodically reviews its investment portfolios to monitor these risks.

### ***Functional Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Overhead expenses, which include occupancy, depreciation and amortization, as well as salaries, payroll taxes, retirement and health, and other expenses of the Federation's staff, are allocated based upon total direct expenses for each program. There is a description of each of the program expense categories presented in the Consolidated Statements of Functional Expenses under the "Purpose" heading in Note 1 to the consolidated financial statements.

### ***Income Taxes***

The Federation is exempt from federal income taxes under Section 501(c)(3) of the IRC and sales and use tax under the laws of the State of Florida. During the years ended June 30, 2024 and 2023, the Federation generated net unrelated business losses from certain alternative investments. No provisions for Federal or State income taxes was determined necessary as a result of the losses.

The Federation recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available as of the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively. The Federation does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Federation did not incur any tax expenses during the years ended June 30, 2024 and 2023.

The U.S. Federal jurisdiction and Florida are the major tax jurisdictions where the Federation files income tax returns. Additionally, the Federation has filed IRS Form 990 tax returns, as required, and all other applicable returns in jurisdictions where it is required. The Federation is subject to routine audits by a taxing authority. As of June 30, 2024 and 2023, the Federation was not subject to any examination by a taxing authority.



# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### *Revenue Recognition*

Revenues from donors are recognized in accordance with Accounting Standards Update (“ASU”) 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (“ASU 2018-08”). Accordingly, the Federation evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be a contribution, the Federation evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Federation is entitled to the assets transferred and promised and (2) a right of return of assets or a right of release of a promisor’s obligation to transfer assets. Revenues which are deemed to be unconditional are considered to be available for general purposes (without donor restrictions) unless specifically restricted by the donor. Unconditional contributions, including promises to give cash and other assets, are reported at fair value as of the date the contribution is received. The gifts are reported within net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected after one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a market rate of interest (approximately 4.50% and 4.28% as of June 30, 2024 and 2023, respectively). Amortization of the discount is included in contribution revenue. Conditional promises to give are not recognized until the conditions are substantially met.

In accordance with Accounting Standards Codification (“ASC”) 606, the Federation recognizes revenues from conference, missions, and other programs when the performance obligations are satisfied in accordance with a five-step model.

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# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### *Adopted Accounting Pronouncements*

#### *Measurement of Credit Losses on Financial Instruments*

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, Financial Instruments - Credit Losses (Topic 326). The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to-maturity securities, and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk.

This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. The Federation adopted ASU 2016-13 on July 1, 2023. The adoption of this update did not have a material effect on the Federation’s consolidated financial statements.

## **2. Liquidity Management and Availability of Resources**

The Federation maintains a policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. The Federation considers all expenditures related to its ongoing activities to accomplish its mission as well as the conduct of services undertaken to support those activities to be general expenditures. Board designated reserves can be released upon resolution of the board and used for general expenditures. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Federation holds cash in various interest-bearing bank accounts with well-known financial institutions. In addition, as of June 30, 2024, the Federation has available a \$7,500,000 line of credit (Note 9).

The Federation engages qualified third-party investment advisors to invest excess cash net of working capital in instruments as stipulated under the Investment Policy. The Investment Policy is reviewed quarterly by the Investment Committee. Market performance is monitored continuously including review of quarterly reports and a watch list of invested funds. Furthermore, the Executive Committee as well as the Board reviews the Consolidated Statements of Financial Position and Consolidated Statements of Activities periodically.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

The Federation's financial assets available within one year of the Consolidated Statement of Financial Position date for general expenditures are as follows:

<i>June 30,</i>	2024	2023
Cash and cash equivalents	\$ 10,170,569	\$ 7,382,552
Investments at fair value	130,992,863	121,068,998
Annual campaign pledges receivable, net	13,714,283	13,559,786
Designated campaign pledges receivable, net	11,428,681	6,449,726
Capital campaign pledges receivable, net	-	12,617
Priority fund pledges receivable, net	2,612,176	2,555,490
Endowments pledges receivable, net	1,997,778	2,458,661
Note receivable from Mandel Jewish Community Center	1,823,866	5,359,568
Other receivables	-	34,768
Due from estates	487,500	136,666
<b>Total financial assets</b>	<b>173,227,716</b>	<b>159,018,832</b>
Less amounts not available to be used within one year:		
Endowments with donor restrictions	54,912,059	49,565,157
Donor advised funds	23,731,980	18,884,019
Campaign pledges, net	16,592,186	15,798,348
Funds held for others and programs	12,952,333	15,536,609
Note receivable from Mandel Jewish Community Center	1,675,866	2,532,972
Split interest agreements	2,332,039	2,050,937
<b>Total financial assets not available to be used for general expenditures within one year</b>	<b>112,196,463</b>	<b>104,368,042</b>
<b>Total financial assets available for general expenditures within one year</b>	<b>\$ 61,031,253</b>	<b>\$ 54,650,790</b>

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### 3. Investments, at Fair Value

Investments, at fair value, consists of the following:

*June 30, 2024*

	Level 1 and Level 2 Investments	Investments Measured at Net Asset Value	Total
Money market mutual funds	\$ 10,285,445	\$ -	\$ 10,285,445
Bond mutual funds	5,512,545	10,217,334	15,729,879
Equity mutual funds	14,857,984	54,822,264	69,680,248
Private equity	-	22,568,255	22,568,255
Multi-asset/opportunistic	-	6,032,208	6,032,208
State of Israel debt securities	100,000	-	100,000
Real asset funds	-	3,790,560	3,790,560
Common stocks	2,758,317	-	2,758,317
Bonds	47,951	-	47,951
	<b>\$ 33,562,242</b>	<b>\$ 97,430,621</b>	<b>\$ 130,992,863</b>

*June 30, 2023*

	Level 1 and Level 2 Investments	Investments Measured at Net Asset Value	Total
Money market mutual funds	\$ 7,412,434	\$ -	\$ 7,412,434
Bond mutual funds	6,853,201	10,751,301	17,604,502
Equity mutual funds	11,881,104	51,222,196	63,103,300
Private equity	-	19,678,917	19,678,917
Multi-asset/opportunistic	-	5,232,159	5,232,159
State of Israel debt securities	220,000	-	220,000
Real asset funds	-	4,076,034	4,076,034
Common stocks	3,693,811	-	3,693,811
Bonds	47,841	-	47,841
	<b>\$ 30,108,391</b>	<b>\$ 90,960,607</b>	<b>\$ 121,068,998</b>

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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The Federation entered into agreements with certain beneficiary agencies to hold assets of the agencies in the Federation's general pool and/or fund for income pool and to provide the agencies with an annual return that mirrors the performance of the Federation's pooled investments. These funds are being held in the Federation's fiduciary capacity; as such, agencies have a right to withdraw all or any part of the funds upon request in accordance with the management fund agreement between the Federation and the agencies.

As of June 30, 2024 and 2023, total investments include approximately \$8,124,000 and \$10,929,000 respectively, of investments that are held in trust for these agencies and are also included as a liability in the Consolidated Statements of Financial Position under the caption "Obligations to affiliated agencies for assets held in trust".

Investment income, net is shown net of custodial fees and investment management fees of approximately \$443,000 and \$436,000 for the years ended June 30, 2024 and 2023, respectively. Investment income, net from cash equivalents and investments is comprised of the following:

<i>Year ended June 30,</i>	<b>2024</b>	<b>2023</b>
Dividends and interest, net of fees	\$ 966,936	\$ 897,487
Net realized gains	1,081,402	67,106
Net unrealized gains	10,086,360	7,039,104
<b>Total investment income, net</b>	<b>12,134,698</b>	<b>8,003,697</b>
Less: investment return used for operations	4,473,013	3,845,408
<b>Excess of investment returns, net</b>	<b>\$ 7,661,685</b>	<b>\$ 4,158,289</b>

The Federation has unfunded commitments in its Private Equity and Real Assets portfolio of approximately \$12,818,000 as of June 30, 2024. In general, the private equity partnerships have a 10-year investment period and will call capital over this time period. With the exception of some private equity funds, which are illiquid, the Federation has the right to withdraw its investments after the expiration of "lock-up" periods of one to two years. As of June 30, 2024, there are no investments subject to lock-up.

The Federation uses the NAV to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

The following table lists such investments:

	Net Asset Value as of 6/30/2024	Net Asset Value as of 6/30/2023	Unfunded Commitments as of 6/30/2024	Redemption Frequency	Redemption Notice Period
Multi-Asset/Oppportunistic - A	\$ 6,032,208	\$ 5,232,159	\$ -	From daily to quarterly	3 to 90 days
Private Equity - B	22,568,255	19,678,917	12,236,855	None*	N/A*
Real Assets- C	3,790,560	4,076,034	581,155	Daily to monthly	2 to 30 days
Bond Mutual Funds - D	10,217,334	10,751,301	-	Daily	5 days
Equity Mutual Funds - E	54,822,264	51,222,196	-	Daily to quarterly	2 to 60 days
<b>Total</b>	<b>\$ 97,430,621</b>	<b>\$ 90,960,607</b>	<b>\$ 12,818,010</b>		

\*- Private Equity and a portion of Real Assets represent private commitments that are illiquid. The Federation is not able to redeem the investments as they are committed until capital is returned, which is currently estimated between 1 and 10 years.

### ***Investment Strategies***

- A. This category includes investments in a variety of alternative investment strategies which include but are not limited to long/short, distressed, event-driven and merger arbitrage. The objective of these strategies is to provide attractive risk adjusted returns as well as diversification benefits relative to traditional investments.
- B. This category includes investments in limited partnerships that seek capital appreciation through various strategies. Private equity investments generally have long investment holding periods and are considered illiquid.
- C. This category includes both public and private investments in real estate and resource related equities, as well as public investments in treasury inflated-protected securities and commodity futures contracts. The objective of the category is to contribute to the long-term investment return objective of the portfolio while also providing protection against inflation as well as correlation benefits.
- D. This category includes investments in publicly traded fixed income mutual funds, which are intended to provide risk reduction and correlation benefits as well as a source of liquidity during periods of decline in risk assets.
- E. This category includes investments in publicly traded global equity mutual funds, which are intended to be the primary source of portfolio growth over long-term periods.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 4. Fair Value Measurements

The FASB established 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 are described as follows:

- 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's 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. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2024 and 2023.

The money market and equity mutual funds are managed primarily through investments held by independent investment advisors with discretionary investment authority. These investments are valued at the closing price reported in the active market in which the individual securities are traded or at net asset value.

The bond mutual funds and individual bonds are managed primarily through investments held by independent investment advisors with discretionary investment authority. These securities include U.S. and non-U.S. debt instruments. These investments are valued at the closing price reported in the active market in which the individual securities are traded or at the net asset value.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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The private equity funds and multi-asset opportunistic funds are managed primarily through investments held by independent investment advisors with discretionary investment authority. These investments include private capital limited partnerships, which are illiquid, and hedge fund limited partnerships, which can be withdrawn in accordance with the funds redemption notice period. The underlying investments of the funds are valued at net asset value on a monthly or quarterly basis by the entity. These investments are funded not just by an initial contribution but also by periodic capital calls.

The State of Israel debt securities consist of individual bonds issued by the State of Israel. These securities are held to maturity. Because the Federation holds these instruments to maturity, the valuation in the consolidated financial statements is equal to the face value which approximates fair value.

The real asset funds are managed primarily through investments held by independent investment advisors with discretionary investment authority. Investments in real assets include real estate, treasury inflation-protected securities, commodities and global equity natural resource companies. These investments are valued at their current market value determined on the basis of quotations or at their net asset value.

The common stocks are valued at the closing price reported in the active market on which the individual securities are traded.

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 measurement as of the reporting date. The values assigned to certain investments are based upon currently available information and do not necessarily represent amounts that may ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

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# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

The following tables represent the Federation's financial instruments measured at fair value on a recurring basis for each of the fair value hierarchy levels:

Description	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
<b>June 30, 2024</b>				
Money market mutual funds	\$ 10,285,445	\$ 10,285,445	\$ -	\$ -
Bond mutual funds	5,512,545	5,512,545	-	-
Equity mutual funds	14,857,984	14,857,984	-	-
State of Israel debt securities	100,000	-	100,000	-
Common stocks	2,758,317	2,758,317	-	-
Bonds	47,951	47,951	-	-
<b>Total assets in the fair value hierarchy</b>	<b>33,562,242</b>	<b>33,462,242</b>	<b>100,000</b>	<b>-</b>
Investments measured at net asset value	97,430,621	-	-	-
	<b>\$ 130,992,863</b>	<b>\$ 33,462,242</b>	<b>\$ 100,000</b>	<b>\$ -</b>
<b>June 30, 2023</b>				
Money market mutual funds	\$ 7,412,434	\$ 7,412,434	\$ -	\$ -
Bond mutual funds	6,853,201	6,853,201	-	-
Equity mutual funds	11,881,104	11,881,104	-	-
State of Israel debt securities	220,000	-	220,000	-
Common stocks	3,693,811	3,693,811	-	-
Bonds	47,841	47,841	-	-
<b>Total assets in the fair value hierarchy</b>	<b>30,108,391</b>	<b>29,888,391</b>	<b>220,000</b>	<b>-</b>
Investments measured at net asset value	90,960,607	-	-	-
	<b>\$ 121,068,998</b>	<b>\$ 29,888,391</b>	<b>\$ 220,000</b>	<b>\$ -</b>

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### 5. Annual, Designated, Priority, Endowment and Capital Campaign Pledges Receivable, Net

#### *Annual Campaign*

Annual campaign pledges receivable are as follows:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
Gross pledges receivable	\$ 16,179,278	\$ 16,215,453
Less: Allowance for doubtful accounts	(1,389,053)	(1,635,266)
Less: Discount on long-term pledges	(1,075,942)	(1,020,401)
<b>Annual campaign pledges receivable, net</b>	<b>\$ 13,714,283</b>	<b>\$ 13,559,786</b>

Payments due on annual campaign pledges receivable as of June 30, 2024 are as follows:

<i>June 30,</i>		
2025		\$ 7,636,240
2026-2030		7,323,398
Thereafter		1,219,640
		<b>\$ 16,179,278</b>

During the years ended June 30, 2024 and 2023, the Federation recorded bad debt expense of approximately \$658,000 and \$676,000, respectively, on annual campaign pledges receivable.

#### *Designated Campaign*

Designated campaign pledges receivable are as follows:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
Gross pledges receivable	\$ 12,877,385	\$ 7,445,185
Less: Allowance for doubtful accounts	(834,394)	(424,301)
Less: Discount on long-term pledges	(614,310)	(571,158)
<b>Designated campaign pledges receivable, net</b>	<b>\$ 11,428,681</b>	<b>\$ 6,449,726</b>

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

Payments due on designated campaign pledges receivable as of June 30, 2024 are as follows:

*June 30,*

2025	\$	5,402,145
2026-2030		7,317,240
Thereafter		158,000
		\$ 12,877,385

During the years ended June 30, 2024 and 2023, the Federation recorded bad debt expense of approximately \$423,000 and \$377,000, respectively, on designated campaign pledges receivable.

### **Priority Fund**

Priority fund pledges receivable are summarized as follows:

<i>June 30,</i>	2024	2023
Gross pledges receivable	\$ 3,319,800	\$ 3,425,800
Less: Allowance for doubtful accounts	(199,188)	(205,548)
Less: Discount on long-term pledges	(508,436)	(664,762)
<b>Priority fund pledges receivable, net</b>	<b>\$ 2,612,176</b>	<b>\$ 2,555,490</b>

Payments due on priority fund pledges receivable as of June 30, 2024 are as follows:

*June 30,*

2025	\$	136,000
2026-2030		2,253,800
Thereafter		930,000
		\$ 3,319,800

During the years ended June 30, 2024, and 2023, the Federation recorded bad debt expense (recovery) of approximately \$(6,000) and \$186,000, respectively, on priority fund pledges receivable.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### *Endowment pledges*

Endowment pledges receivable are summarized as follows:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
Gross pledges receivable	\$ 2,436,500	\$ 2,999,500
Less: Allowance for doubtful accounts	(146,190)	(179,940)
Less: Discount on long-term pledges	(292,532)	(360,899)
<b>Endowment pledges receivable, net</b>	<b>\$ 1,997,778</b>	<b>\$ 2,458,661</b>

Payments due on endowment pledges receivable as of June 30, 2024 are as follows:

<i>June 30,</i>	
2025	\$ 386,500
2026-2030	1,550,000
Thereafter	500,000
	<b>\$ 2,436,500</b>

During the years ended June 30, 2024 and 2023, the Federation recorded bad debt expense (recovery) of approximately \$(34,000) and \$180,000, respectively related to endowment pledges receivable.

Annual campaign, priority fund pledges and endowment campaign receivable with payment terms in excess of one year have been discounted using a market rate of interest (approximately 4.55% and 4.28% as of June 30, 2024 and 2023, respectively) to reflect their estimated present value. Annual campaign, priority fund, and capital campaign pledges receivable are unsecured and are primarily from South Florida residents.

### *Conditional Promises to Give*

As of June 30, 2024, and 2023, the Federation has received conditional promises to give of approximately \$67,000,000 and \$44,000,000, respectively. Due to the conditional nature of these promises to give the Federation has not recorded these promises.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 6. Transactions With Agencies

#### *Mandel Jewish Community Center of the Palm Beaches, Inc.*

In November 2023, the Mandel JCC entered into an amended and restated promissory note in the amount of approximately \$2,533,000. At the time of execution, the Mandel JCC repaid to the Federation approximately \$2,827,000 of amounts due to the Federation. The restated promissory note Federation requires the Mandell JCC to make monthly fixed payments of principal and interest in the amount of \$16,300. The loan matures on November 1, 2028. The interest rate under the new loan is 2% which is below prevailing market rates for a similar loans. As a result of providing the Mandel JCC with a loan below market interest rate, the Federation recognized a grant to the Mandel JCC in the amount of \$665,000 and a corresponding discount on the note receivable for the year ended June 30, 2024. The debt discount of the Consolidated Statements of Financial Position and is being amortized over the life of the loan. During the year ended June 30, 2024, the Federation amortized approximately \$41,000 of the debt discount and recognized interest income. The note is collateralized by Mandel JCC's building and building improvements located in Palm Beach Gardens. The balance due from Mandel JCC, net of the debt discount was approximately \$1,824,000 and \$5,360,000 as of June 30, 2024 and 2023.

Prior to the amendment in November 2023, the note receivable required interest payments which accrued at the same rate as the Federation's line of credit with its financial institution 6.29% as of June 30, 2023, respectively. The note did not require principal payments. Total interest income for the years ended June 30, 2024 and 2023 was approximately \$181,000 and \$261,000, respectively.

Approximate future principal payments on the note receivable as of June 30, 2024 are due as follows:

*Years ending June 30,*

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2025	\$	148,000
2026		151,000
2027		154,000
2028		157,000
2029		160,000
Thereafter		1,678,000
<b>Required principal payments</b>		<b>2,448,000</b>
<b>Less: debt discount</b>		<b>(624,134)</b>
<b>Note receivable - Mandel Jewish Community Center, net</b>		<b>\$ 1,823,866</b>

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# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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In July 2009, the Federation and Mandel JCC's entered into an agreement whereby the Mandel JCC would occupy the Mandel JCC's Boynton Beach location. The Mandel JCC occupies the following site under an agreement, which allows either party to terminate the agreement with 60-days' notice.

During the year ended June 30, 2013, the Federation and the Mandel JCC entered a 25-year land lease, of which the Federation is the lessor, and the Mandel JCC is the lessee for the facility Mandel JCC occupies in Palm Beach Gardens. The Mandell JCC shares this land with the Arthur I. Meyer Academy. The lease has an option to extend the lease for a total of ninety-nine years. Due to the conditional nature of the ninety-nine-year lease, the donated use of land is evaluated on an annual basis by the Federation to determine if the Mandel JCC has met the conditions stipulated in the lease agreement. On October 12, 2017, the Federation and the Mandel JCC amended the ground lease which specified that if there was any default under any term, covenant or condition with the note receivable agreement, then the lease shall terminate and ownership of all fixtures and improvements, including the building shall immediately become the property of the Federation.

The Federation estimated the fair market value of the leases to be \$1,478,000 for each of the years ended June 30, 2024 and 2023, respectively. During each of the years ended June 30, 2024 and 2023, the Federation recorded in-kind income of \$1,478,000, which is included within "In-kind rental income- nonfinancial assets," and a corresponding expense, which is included within "Grants and Allocations," on the Consolidated Statements of Activities.

### ***Arthur Meyer Academy***

On October 10, 2013, the Federation and the Academy entered into an annual lease with automatic renewals, based on certain conditions, for a new building in Palm Beach Gardens, whereby the Federation is the lessor, and the Academy is the lessee. The initial term of the lease may extend to June 30, 2112. The Federation has estimated the fair market value of the lease to be \$1,550,000 for the years ended June 30, 2024 and 2023, respectively. During each of the years ended June 30, 2024 and 2023, the Federation recorded in-kind rent income of \$1,550,000, respectively, which is included within "In-kind rental income -nonfinancial assets," and a corresponding expense, which is included within "Grants and allocations," on the Consolidated Statements of Activities. Due to the conditional nature of the ninety-nine-year lease, the donated use of the property is evaluated on an annual basis by the Federation to determine if the Academy has met the conditions stipulated in the lease agreement.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### 7. Property and Equipment, net

Property and equipment, net consists of the following:

<i>June 30,</i>	<b>Useful Lives</b>	<b>2024</b>	<b>2023</b>
Land	-	\$ 6,805,073	\$ 6,805,073
Land improvements	10-15 years	3,897,485	3,740,361
Buildings and improvements	30 years	34,602,967	34,417,725
Furniture and equipment	5-10 years	3,007,158	2,307,788
Computer software	5 years	346,515	346,515
<b>Total</b>		<b>48,659,198</b>	<b>47,617,462</b>
Less: Accumulated depreciation and amortization		<b>(18,809,417)</b>	<b>(17,374,315)</b>
		<b>\$ 29,849,781</b>	<b>\$ 30,243,147</b>

Depreciation and amortization expense on property and equipment was approximately \$1,527,000 and \$1,516,000 for the years ended June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, the Federation disposed of fully depreciated equipment in the amount of approximately \$92,000 and \$60,000, respectively.

### 8. Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist of the following:

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
Insurance policies - cash surrender value	\$ 635,129	\$ 630,347
Prepays and deposits	601,488	598,237
Other receivables	26,610	34,768
Employee loans	58,579	58,579
	<b>\$ 1,321,806</b>	<b>\$ 1,321,931</b>

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 9. Line of Credit

The Federation has a revolving line of credit. The credit line has a borrowing capacity up to \$7,500,000. Bank advances under the credit line carried an interest rate of 1.02% per annum plus the one-month LIBOR rate. On March 23, 2023, the Federation entered into a modification with its lender and amended the interest rate to the SOFR plus 1.13%. The interest rate under the line of credit was 6.43% and 6.29% as of June 30, 2024 and 2023, respectively. The original maturity date on the line of credit was March 31, 2014; however, the line was extended and is now set to mature on March 31, 2025. The credit line is unsecured and guaranteed by the Campus Corporation and the North Campus. As of June 30, 2024, there was no balance under the line of credit. As of June 30, 2023, the Federation had an outstanding balance under the line of credit of approximately \$2,827,000. Interest expense under the line of credit for the years ended June 30, 2024 and 2023 was approximately \$87,000 and \$130,000, respectively. The line of credit agreement requires the Federation to meet certain financial covenants. As of June 30, 2024, the Federation was in compliance with all of these covenants.

### 10. Loan Payable

#### *Colorado Educational and Cultural Facilities Authority, Series P-2 Loan*

On September 10, 2013, the Federation entered into an agreement with the Colorado Education and Cultural Facilities Authority (the "Issuer") for the purpose of issuing Colorado Educational and Cultural Facilities Authority Variable Rate Demand Tax Exempt Loan Series P-2 in the aggregate principal amount of \$15,000,000 ("Series P-2"). The Series P-2 loan is provided by a financial institution. The proceeds were loaned by the Issuer to the Federation to pay for the constructing and equipping of the Academy, and to pay certain costs of issuance.

Principal is paid in semi-annual principal installments and runs through September 2043. Interest is paid monthly until the loan maturity date at which time all outstanding and unpaid principal and all accrued but unpaid interest shall be due and payable in full. The interest rate was variable at 71% of the one-month LIBOR rate plus .89%. On March 17, 2023, the Federation entered into an amendment to the loan agreement which converted the loans from paying an interest rate based upon a LIBOR benchmark to a SOFR benchmark. As a result of the amendment, the interest rate is calculated based upon 71% of the one-month term SOFR plus 1.02%. The interest rate associated with the loan payable was 4.75% and 4.64% as of June 30, 2024 and 2023, respectively.

The financial institution has the option to call the loan in the three-month period preceding and succeeding the 7th anniversary, the 14th anniversary, the 21st anniversary, and the 28th anniversary of the loan. As of June 30, 2024 and 2023, the outstanding balance on this loan was approximately \$10,263,000 and \$10,789,000, respectively.



# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

Approximate future principal payments on the loan payable as of June 30, 2024 are due as follows:

*Years ending June 30,*

2025	\$	526,000
2026		526,000
2027		526,000
2028		526,000
2029		526,000
Thereafter		7,633,000
		<b>\$ 10,263,000</b>

The series P-2 loan requires the Federation to meet certain financial covenants. The Federation must maintain a ratio of unrestricted liquid assets to the aggregate principal amount of all outstanding indebtedness of not less than 1.00 to 1.00. The Federation was in compliance with this covenant as of June 30, 2024. During the years ended June 30, 2024 and 2023, interest and administrative fees of approximately \$502,000 and \$417,000, respectively, related to the loan payable was expensed and is reflected in the Consolidated Statements of Functional Expenses within the caption "Interest."

### 11. Net Assets with Donor Restrictions

Net assets with donor restrictions consists of the following:

<i>June 30,</i>	2024	2023
<b>Net assets with time or purpose restrictions:</b>		
Cash surrender values of donated life insurance policies	\$ 268,353	\$ 273,390
Appreciation in designated endowment funds not appropriated	2,432,143	1,125,117
Appreciation in annual campaign endowment funds not appropriated	5,864,255	4,184,961
Split-interest agreements and interest in trusts	3,053,821	2,836,778
Annual campaign contributions for future years	10,642,904	9,249,930
Priority fund contributions	2,811,364	2,761,038
Designated contributions	13,437,081	7,114,147
Israel emergency contributions	3,707,865	-
Jewish Women's Foundation	2,526,343	-
Other funds	741,840	925,148
<b>Net assets to be held in perpetuity:</b>		
Cash surrender values of donated life insurance policies	366,777	356,957
Split-interest agreements	533,789	560,895
Designated endowment funds	27,599,536	25,848,018
Annual campaign endowment funds	18,274,285	17,519,976
		<b>\$ 92,260,356</b>
		<b>\$ 72,756,355</b>

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

A designated endowment fund is established for specific charitable purposes. An annual campaign endowment fund is established to allow the donor to make annual campaign contributions, in perpetuity, while the corpus remains permanently invested.

### 12. Grants and Allocations

Grants and allocations include the following:

<i>Year ended June 30,</i>	<b>2024</b>	<b>2023</b>
<b>The Jewish Federation of North America</b>	<b>\$ 6,772,984</b>	<b>\$ 3,966,738</b>
<b>Board approved agency allocations:</b>		
Mandel Jewish Community Center of the Palm Beaches, Inc.	3,823,326	2,997,741
Arthur I. Meyer Jewish Academy, Inc.	2,119,840	2,155,840
Jewish Family and Children’s Service of Palm Beach County, Inc.	831,390	721,696
Senior Service Subsidies	736,257	652,449
Various other agencies	2,291,057	672,077
<b>Total board approved allocations (including in-kind rent allocation of approximately \$3,028,000 for each year ended 2024 and 2023.)</b>	<b>16,574,854</b>	<b>11,166,541</b>
<b>Grants from Planned Giving, Philanthropic and Endowment Funds:</b>		
Overseas Jewish organizations	2,552,872	4,006,677
Local beneficiary agency	2,492,144	1,113,409
Other local Jewish organizations	649,192	729,581
Local secular organizations	391,992	504,981
National Jewish organizations	1,039,850	1,038,171
National secular organizations	1,142,386	1,125,876
<b>Total grants from Planned Giving, Philanthropic and Endowment Funds:</b>	<b>8,268,436</b>	<b>8,518,695</b>
<b>Total Grants and Allocations</b>	<b>\$ 24,843,290</b>	<b>\$ 19,685,236</b>

### 13. Employee Benefit Plan

The Federation sponsors a 401(k)-plan covering substantially all employees. Employees are eligible to participant in the plan on the 1st of the month following their date of employment.

In addition to a 3% safe harbor non-elective contribution, the Federation contributes 2% to the employee 401(k) with an additional 3% dollar for dollar match. For new staff, contributions start on January 1 or July 1 after the person has completed 6 months of employment. All employee contributions and safe harbor contributions vest immediately. Matching and employer contributions vest after three years of service. The amount of expense related to the Money Purchase Plan and Safe Harbor Plan amounted to approximately \$520,000 and \$497,000 for the years ended June 30, 2024 and 2023, respectively, and are included in the caption “Retirement and health” in the accompanying Consolidated Statements of Functional Expenses.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### 14. Endowments

The Federation's endowments consist of individual funds established for a variety of purposes. Its endowments are comprised of funds without donor restrictions, including funds designated by the board of directors to function as endowments, and funds with donor restrictions. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Federation has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Federation classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Federation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Federation
- (7) The investment policy of the Federation

For the years ended June 30, 2024 and 2023, the Federation has elected not to add appreciation for cost of living or other spending policies to its permanently restricted endowment for inflation and other economic conditions.

Summary of endowment net assets:

<i>June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Perpetual endowment funds	\$ -	\$ 45,873,822	\$ 45,873,822
Accumulated investment earnings on perpetual endowment funds	-	8,296,397	8,296,397
Board-designated endowment funds	19,738,312	-	19,738,312
<b>Total endowment net assets</b>	<b>\$ 19,738,312</b>	<b>\$ 54,170,219</b>	<b>\$ 73,908,531</b>

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

<i>June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
Perpetual endowment funds	\$ -	\$ 43,367,994	\$ 43,367,994
Accumulated investment earnings on perpetual endowment funds	-	5,310,078	5,310,078
Board-designated endowment funds	19,126,947	-	19,126,947
<b>Total endowment net assets</b>	<b>\$ 19,126,947</b>	<b>\$ 48,678,072</b>	<b>\$ 67,805,019</b>

### Changes in endowment net assets:

<i>Year ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Endowment net assets, June 30, 2023</b>	<b>\$ 19,126,947</b>	<b>\$ 48,678,072</b>	<b>\$ 67,805,019</b>
Investment income, net	2,002,090	5,402,239	7,404,329
Contributions	102,766	2,457,784	2,560,550
Amounts appropriated for expenditure	(1,472,626)	(2,142,549)	(3,615,175)
Investment fees	(20,864)	(225,326)	(246,190)
<b>Endowment net assets, June 30, 2024</b>	<b>\$ 19,738,313</b>	<b>\$ 54,170,220</b>	<b>\$ 73,908,533</b>

<i>Year ended June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Endowment net assets, June 30, 2022</b>	<b>\$ 19,136,510</b>	<b>\$ 43,651,866</b>	<b>\$ 62,788,376</b>
Investment income, net	1,142,439	3,802,909	4,945,348
Contributions	233,661	3,652,538	3,886,199
Amounts appropriated for expenditure	(1,365,262)	(2,215,517)	(3,580,779)
Investment fees	(20,401)	(213,724)	(234,125)
<b>Endowment net assets, June 30, 2023</b>	<b>\$ 19,126,947</b>	<b>\$ 48,678,072</b>	<b>\$ 67,805,019</b>

### ***Endowment net assets to be held in perpetuity:***

<i>June 30,</i>	2024	2023
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by FUPMIFA	<b>\$ 45,873,822</b>	<b>\$ 43,367,994</b>

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### ***Other Assets Held in Perpetuity***

Split-interest agreements and cash surrender values of donated life insurance policies are part of permanently restricted net assets but are managed separately from permanent fund endowments. Therefore, these instruments are not included in the spending calculation for the permanent fund or in the endowment net assets reported.

### ***Funds with Deficiencies***

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Federation to retain as a fund of perpetual duration. As of June 30, 2024 and 2023, the fair market value of donor restricted endowments that fell below the amount required to be held in perpetuity was approximately \$3,656,000 and \$12,727,000, respectively. These donor restricted endowments were below the amount required to be held in perpetuity by approximately \$861,000 and \$906,000 as of June 30, 2024 and 2023, respectively. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain programs that was deemed prudent by the Federation.

### ***Return Objectives and Risk Parameters***

The Federation has adopted investment policies for endowment assets with its primary objective to provide for long-term growth of principal and income within reasonable risk tolerances enabling the Federation to make grants on a continuing and consistent basis. The focus is on reasonable and consistent long-term capital appreciation. Primary emphasis is placed on maintaining real growth of assets net of inflation and fees.

### ***Strategies Employed for Achieving Objectives***

To satisfy its investment objectives, the Federation has adopted an investment strategy emphasizing broad diversification. Diversification helps to reduce portfolio volatility (variability of returns) and maximize investment returns at appropriate levels of risk over time. Diversification of assets are achieved by allocating assets to multiple asset classes, allocating assets among various investment styles and retaining investment management firms with complementary investment philosophies, styles and approaches.

### ***Spending Policy and How the Investment Objectives Relate to Spending Policy***

The Federation has a policy of appropriating distributions based on written agreements with the donors. In most, but not all cases, the agreements reflect distributions each year of 5% of the average fair value of a thirty-six-month period through the period preceding when the distributions will be made. In establishing this 5% spending policy, the Federation considered the long-term growth of assets. Accordingly, over the long term, the Federation expects the current spending policy to allow its endowment to maintain real growth of assets.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

### 15. Contributions of Nonfinancial Assets

Contributed nonfinancial assets (in-kind donations) were as follows:

Nonfinancial Asset	Revenue Recognized June 30, 2024	Revenue Recognized June 30, 2023	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Facility	\$ 3,028,000	\$ 3,028,000	Grants and Allocations	Without Donor Restrictions	The Federation estimated the fair value of the space contributed based on rent per square foot. This value is comparable to rental prices in the area.

### 16. Commitments and Contingencies

#### *Operating Leases - Lessor*

In August 2016, the Federation inherited a lease agreement with a tenant who was leasing space in the building that was purchased at One Harvard Circle. The lease was set to expire on March 31, 2021; however, on September 24, 2020, the tenant exercised an option, and the lease was extended through March 31, 2024. The tenant has an additional 3-year option to extend the lease through March 31, 2027. The monthly base rent is approximately \$32,000. Rental income related to this tenant was approximately \$397,000 and \$386,000 for the years ended June 30, 2024 and 2023, respectively, which is reflected within “Rental income” on the Consolidated Statements of Activities.

Approximate future rental income as of June 30, 2024 is as follows:

<i>Years ending June 30,</i>	
2025	\$ 409,000
2026	421,000
2027	323,000
	<b>\$ 1,153,000</b>

#### *Shared Insurance Premium Commitments*

In March 2016, the Federation established a shared premium insurance policy program. As of June 30, 2024, there were eleven universal life insurance policies for the benefit of the Federation with a collective face value of approximately \$4,798,000. In total, there are twelve required premium payments of approximately \$200,000. The donor pays the first five years of annual life insurance premiums, and the subsequent five annual premiums will be paid by the Federation as long as the insurance policies continue to be in force. In the event the policies remain in force, the Federation is committed to pay a maximum of approximately \$544,000 as of June 30, 2024. These policies have no cash surrender value.

# Jewish Federation of Palm Beach County, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### *Litigation*

The Federation is exposed to various asserted and un-asserted potential claims encountered in the normal course of business. In the opinion of management, the resolution will not have a material effect on the Federation's Consolidated Statements of Financial Position or Consolidated Statements of Activities.

### **17. Acquisition of Herizon, Inc.**

Effective on October 3, 2023, the Federation merged with Herizon, inc. ("Herizon"), a Florida not-for-profit corporation whose mission is to create long-lasting social change to advance the status of all women and girls in Florida, Israel and overseas. The following transition was treated as an acquisition in accordance with U.S. GAAP, where the Federation will be the surviving corporation and Herizon Inc. will cease to exist. Upon merger, Herizon's operations will become a program within the Federation and operate under program name "Jewish Women's Foundation".

The fair values of Herizon's assets and liabilities at the acquisition date are as follows:

Cash	\$ 2,344,711
Investments	1,080
<hr/>	
<b>Total assets</b>	<b>\$ 2,345,791</b>
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<b>Net assets with donor restrictions</b>	<b>\$ 2,345,791</b>

### **18. Subsequent Events**

The Federation has evaluated subsequent events through December 13, 2024, which is the date the consolidated financial statements are available to be issued.