

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

**Consolidated Financial Statements**  
Years Ended June 30, 2025 and 2024

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, 2025 and 2024

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

## **Contents**

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|  |            |
|--|------------|
| <b>Independent Auditor's Report</b>  | <b>3-4</b> |
| <b>Consolidated Financial Statements</b>   |            |
| Consolidated Statements of Financial Position<br>as of June 30, 2025 and 2024                | 6          |
| Consolidated Statements of Activities<br>for the Years Ended June 30, 2025 and 2024          | 7-8        |
| Consolidated Statements of Functional Expenses<br>for the Years Ended June 30, 2025 and 2024 | 9-10       |
| Consolidated Statements of Cash Flows<br>for the Years Ended June 30, 2025 and 2024          | 11         |
| Notes to Consolidated Financial Statements   | 12-41      |



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## **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, 2025 and 2024, 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, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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.*

December 17, 2025

## **Consolidated Financial Statements**

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

## Consolidated Statements of Financial Position

| <i>June 30,</i>  | <b>2025</b>           | <b>2024</b>           |
|--|-----------------------|-----------------------|
| <b>Assets</b>  |                       |                       |
| Cash and cash equivalents  | \$ 7,270,658          | \$ 10,170,569         |
| Investments, at fair value   | 142,252,159           | 130,992,863           |
| Annual campaign pledges receivable, net  | 13,582,764            | 13,714,283            |
| Designated campaign pledges receivable, net  | 10,579,520            | 11,428,681            |
| Capital campaign pledges receivable, net   | 10,759,894            | -                     |
| Priority fund pledges receivable, net  | 3,005,192             | 2,612,176             |
| Endowments pledges receivable, net   | 2,436,929             | 1,997,778             |
| Note receivable - Mandel Jewish Community Center, net  | 1,745,046             | 1,823,866             |
| Beneficial interest in trusts  | 2,717,495             | 2,664,975             |
| Due from estates   | 362,500               | 487,500               |
| Prepaid expenses and other assets  | 976,144               | 1,321,806             |
| Property and equipment, net  | 29,128,954            | 29,849,780            |
| <b>Total Assets</b>  | <b>\$ 224,817,255</b> | <b>\$ 207,064,277</b> |
| <b>Liabilities And Net Assets</b>  |                       |                       |
| <b>Liabilities</b>   |                       |                       |
| Accounts payable and other accrued liabilities   | \$ 1,413,893          | \$ 1,591,625          |
| Allocations payable - The Jewish Federations of North America                                    | 4,624,074             | 4,368,101             |
| Allocations payable - other beneficiary agencies   | 3,568,907             | 3,749,293             |
| Designated campaign gifts payable  | 2,403,532             | 2,298,245             |
| Split-interest agreements  | 1,153,874             | 1,409,404             |
| Obligations to affiliated agencies for assets held in trust                                      | 8,803,430             | 8,124,327             |
| Loan payable   | 9,736,842             | 10,263,158            |
| <b>Total Liabilities</b>   | <b>31,704,552</b>     | <b>31,804,153</b>     |
| <b>Commitments and Contingencies</b> (Notes 1, 2, 3, 5, 6, 9, 10, 11, 12, 13, 14, 15, 17 and 18) |                       |                       |
| <b>Net Assets</b>  |                       |                       |
| Without donor restrictions:  |                       |                       |
| Unrestricted   | 60,128,151            | 63,261,456            |
| Board designated   | 20,328,824            | 19,738,312            |
| <b>Total Without Donor Restrictions</b>  | <b>80,456,975</b>     | <b>82,999,768</b>     |
| With donor restrictions  | 112,655,728           | 92,260,356            |
| <b>Total Net Assets</b>  | <b>193,112,703</b>    | <b>175,260,124</b>    |
| <b>Total Liabilities and Net Assets</b>  | <b>\$ 224,817,255</b> | <b>\$ 207,064,277</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,*

|   | 2025                       |                         |                   | 2024                       |                         |                   |
|---|----------------------------|-------------------------|-------------------|----------------------------|-------------------------|-------------------|
|   | Without Donor Restrictions | With Donor Restrictions | Total             | Without Donor Restrictions | With Donor Restrictions | Total             |
| <b>Public Support and Operating Revenues</b>  |                            |                         |                   |                            |                         |                   |
| Public support:   |                            |                         |                   |                            |                         |                   |
| Annual campaign contributions, net  | \$ 17,372,401              | \$ 1,769,927            | \$ 19,142,328     | \$ 16,905,182              | \$ 3,848,374            | \$ 20,753,556     |
| Priority fund contributions, net  | -                          | 578,976                 | 578,976           | -                          | 360,326                 | 360,326           |
| Designated campaign contributions, net  | 910,508                    | 5,314,574               | 6,225,082         | 802,074                    | 9,191,358               | 9,993,432         |
| Capital campaign contributions, net   | -                          | 13,695,090              | 13,695,090        | -                          | -                       | -                 |
| Emergency campaign contributions, net   | -                          | 1,146,007               | 1,146,007         | 3,289,510                  | 3,645,232               | 6,934,742         |
| Grants from philanthropic funds and endowment funds   | (2,685,826)                | -                       | (2,685,826)       | (2,574,306)                | -                       | (2,574,306)       |
| <b>Campaign contributions, Net</b>  | <b>15,597,083</b>          | <b>22,504,574</b>       | <b>38,101,657</b> | <b>18,422,460</b>          | <b>17,045,290</b>       | <b>35,467,750</b> |
| Legacies, bequests and endowment funds including change in value of split-interest agreements | 8,075,120                  | 3,297,171               | 11,372,291        | 8,486,641                  | 2,626,646               | 11,113,287        |
| Net assets released from restrictions   | 10,366,743                 | (10,366,743)            | -                 | 8,079,458                  | (8,079,458)             | -                 |
| <b>Total Public Support</b>   | <b>34,038,946</b>          | <b>15,435,002</b>       | <b>49,473,948</b> | <b>34,988,559</b>          | <b>11,592,478</b>       | <b>46,581,037</b> |
| <b>Operating Revenues</b>   |                            |                         |                   |                            |                         |                   |
| Investment return appropriated for current operations   | 4,461,509                  | 1,738,710               | 6,200,219         | 4,585,954                  | 1,605,274               | 6,191,228         |
| Contributions of nonfinancial assets - In-kind rental income                                  | 3,028,000                  | -                       | 3,028,000         | 3,028,000                  | -                       | 3,028,000         |
| Program, event, and other revenues  | 1,913,029                  | -                       | 1,913,029         | 1,537,887                  | -                       | 1,537,887         |
| Rental income   | 409,196                    | -                       | 409,196           | 397,193                    | -                       | 397,193           |
| <b>Total Operating Revenue</b>  | <b>9,811,734</b>           | <b>1,738,710</b>        | <b>11,550,444</b> | <b>9,549,034</b>           | <b>1,605,274</b>        | <b>11,154,308</b> |
| <b>Total Public Support and Operating Revenue</b>   | <b>43,850,680</b>          | <b>17,173,712</b>       | <b>61,024,392</b> | <b>44,537,593</b>          | <b>13,197,752</b>       | <b>57,735,345</b> |

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

## Consolidated Statements of Activities

Year ended June 30,

|  | 2025                       |                         |                       | 2024                       |                         |                       |
|--|----------------------------|-------------------------|-----------------------|----------------------------|-------------------------|-----------------------|
|  | Without Donor Restrictions | With Donor Restrictions | Total                 | Without Donor Restrictions | With Donor Restrictions | Total                 |
| <b>Expenses</b>  |                            |                         |                       |                            |                         |                       |
| Program expenses:  |                            |                         |                       |                            |                         |                       |
| Grants and Allocations                                       | \$ 22,369,064              | \$ -                    | \$ 22,369,064         | \$ 24,843,290              | \$ -                    | \$ 24,843,290         |
| Agency Services and Campus Operations                        | 6,305,159                  | -                       | 6,305,159             | 5,069,081                  | -                       | 5,069,081             |
| Federation Operating Programs                                | 4,106,028                  | -                       | 4,106,028             | 3,339,474                  | -                       | 3,339,474             |
| Community Program Center                                     | 4,483,450                  | -                       | 4,483,450             | 4,975,380                  | -                       | 4,975,380             |
| Jewish Community Engagement                                  | 426,156                    | -                       | 426,156               | 670,730                    | -                       | 670,730               |
| <b>Total Program Expenses</b>                                | <b>37,689,857</b>          | <b>-</b>                | <b>37,689,857</b>     | <b>38,897,955</b>          | <b>-</b>                | <b>38,897,955</b>     |
| Support services:  |                            |                         |                       |                            |                         |                       |
| Fundraising  | 5,792,215                  | -                       | 5,792,215             | 4,450,698                  | -                       | 4,450,698             |
| Management and General                                       | 4,430,132                  | -                       | 4,430,132             | 4,145,226                  | -                       | 4,145,226             |
| <b>Total Support Services</b>                                | <b>10,222,347</b>          | <b>-</b>                | <b>10,222,347</b>     | <b>8,595,924</b>           | <b>-</b>                | <b>8,595,924</b>      |
| <b>Total Expenses</b>  | <b>47,912,204</b>          | <b>-</b>                | <b>47,912,204</b>     | <b>47,493,879</b>          | <b>-</b>                | <b>47,493,879</b>     |
| <b>Change in Net Assets from Operations</b>                  | <b>(4,061,524)</b>         | <b>17,173,712</b>       | <b>13,112,188</b>     | <b>(2,956,286)</b>         | <b>13,197,752</b>       | <b>10,241,466</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                             | 1,518,731                  | 3,221,660               | 4,740,391             | 1,983,012                  | 3,960,458               | 5,943,470             |
| <b>Total Non-Operating Change in Net Assets</b>              | <b>1,518,731</b>           | <b>3,221,660</b>        | <b>4,740,391</b>      | <b>1,983,012</b>           | <b>6,306,249</b>        | <b>8,289,261</b>      |
| <b>Change in Net Assets</b>                                  | <b>(2,542,793)</b>         | <b>20,395,372</b>       | <b>17,852,579</b>     | <b>(973,274)</b>           | <b>19,504,001</b>       | <b>18,530,727</b>     |
| <b>Net Assets, beginning 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>    |
| <b>Net Assets, end of year</b>                               | <b>\$ 80,456,975</b>       | <b>\$ 112,655,728</b>   | <b>\$ 193,112,703</b> | <b>\$ 82,999,768</b>       | <b>\$ 92,260,356</b>    | <b>\$ 175,260,124</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, 2025*

|  | Program Services       |                                       |                               |                          |                             |                        | Supporting Services |                        |                        | Total Expenses       |
|--|------------------------|---------------------------------------|-------------------------------|--------------------------|-----------------------------|------------------------|---------------------|------------------------|------------------------|----------------------|
|  | 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 |                      |
| <b>Grants and Allocations</b>                                  |                        |                                       |                               |                          |                             |                        |                     |                        |                        |                      |
| Jewish Federations of North America and overseas partners      | \$ 4,040,895           | \$ -                                  | \$ -                          | \$ -                     | \$ -                        | \$ 4,040,895           | \$ -                | \$ -                   | \$ -                   | \$ 4,040,895         |
| Board approved allocations (including in-kind rent)            | 8,044,250              | -                                     | -                             | -                        | -                           | 8,044,250              | -                   | -                      | -                      | 8,044,250            |
| Planned giving, philanthropic and endowment fund distributions | 10,283,919             | -                                     | -                             | -                        | -                           | 10,283,919             | -                   | -                      | -                      | 10,283,919           |
| <b>Total Grants and Allocations</b>                            | <b>22,369,064</b>      | <b>-</b>                              | <b>-</b>                      | <b>-</b>                 | <b>-</b>                    | <b>22,369,064</b>      | <b>-</b>            | <b>-</b>               | <b>-</b>               | <b>22,369,064</b>    |
| <b>Salaries and Related Benefits</b>                           |                        |                                       |                               |                          |                             |                        |                     |                        |                        |                      |
| Salaries   | -                      | 1,184,227                             | 1,784,588                     | 2,031,918                | 140,038                     | 5,140,771              | 2,921,466           | 1,546,561              | 4,468,027              | 9,608,798            |
| Payroll taxes  | -                      | 86,617                                | 125,404                       | 142,598                  | 13,502                      | 368,121                | 194,286             | 110,177                | 304,463                | 672,584              |
| Retirement and health  | -                      | 205,683                               | 372,938                       | 520,706                  | 54,813                      | 1,154,140              | 643,677             | 342,762                | 986,439                | 2,140,579            |
| <b>Total Salaries and Related Benefits</b>                     | <b>-</b>               | <b>1,476,527</b>                      | <b>2,282,930</b>              | <b>2,695,222</b>         | <b>208,353</b>              | <b>6,663,032</b>       | <b>3,759,429</b>    | <b>1,999,500</b>       | <b>5,758,929</b>       | <b>12,421,961</b>    |
| <b>Operating Expenses</b>                                      |                        |                                       |                               |                          |                             |                        |                     |                        |                        |                      |
| Conferences, meetings and public relations                     | -                      | 39,959                                | 1,353,704                     | 986,770                  | 163,016                     | 2,543,449              | 1,089,019           | 108,640                | 1,197,659              | 3,741,108            |
| Office supplies, printing and postage                          | -                      | 13,827                                | 41,106                        | 43,813                   | 7,779                       | 106,525                | 171,259             | 50,282                 | 221,541                | 328,066              |
| Occupancy  | -                      | 372,266                               | -                             | 1,164                    | 235                         | 373,665                | -                   | 6,609                  | 6,609                  | 380,274              |
| Security   | -                      | 1,438,809                             | 82,716                        | 14,020                   | 526                         | 1,536,071              | 14,644              | 746                    | 15,390                 | 1,551,461            |
| Insurance  | -                      | 582,532                               | 198                           | 25                       | 6,025                       | 588,780                | -                   | 76,311                 | 76,311                 | 665,091              |
| Repairs and maintenance  | -                      | 598,032                               | 75,649                        | 91,418                   | 6,834                       | 771,933                | 120,230             | 115,854                | 236,084                | 1,008,017            |
| Telephone  | -                      | 19,159                                | 22,369                        | 22,959                   | 1,680                       | 66,167                 | 26,138              | 18,929                 | 45,067                 | 111,234              |
| Transportation   | -                      | 8,928                                 | 4,213                         | 13,877                   | 2,960                       | 29,978                 | 10,565              | 12,873                 | 23,438                 | 53,416               |
| Staffing and employee relocation                               | -                      | 29,194                                | 83,182                        | 129,392                  | 5,523                       | 247,291                | 81,104              | 70,692                 | 151,796                | 399,087              |
| Professional fees  | -                      | 130,076                               | 64,704                        | 330,402                  | 14,950                      | 540,132                | 283,151             | 282,184                | 565,335                | 1,105,467            |
| Bad debt expense   | -                      | -                                     | -                             | -                        | -                           | -                      | 27,810              | 1,361,089              | 1,388,899              | 1,388,899            |
| Interest   | -                      | 444,408                               | -                             | -                        | -                           | 444,408                | -                   | 20                     | 20                     | 444,428              |
| Miscellaneous  | -                      | 18,601                                | 4,593                         | 47,350                   | -                           | 70,544                 | 59,564              | 175,728                | 235,292                | 305,836              |
| <b>Total Operating Expenses</b>                                | <b>-</b>               | <b>3,695,791</b>                      | <b>1,732,434</b>              | <b>1,681,190</b>         | <b>209,528</b>              | <b>7,318,943</b>       | <b>1,883,484</b>    | <b>2,279,957</b>       | <b>4,163,441</b>       | <b>11,482,384</b>    |
| <b>Total Expenses, before depreciation and amortization</b>    | <b>22,369,064</b>      | <b>5,172,318</b>                      | <b>4,015,364</b>              | <b>4,376,412</b>         | <b>417,881</b>              | <b>36,351,039</b>      | <b>5,642,913</b>    | <b>4,279,457</b>       | <b>9,922,370</b>       | <b>46,273,409</b>    |
| Depreciation and amortization                                  | -                      | 1,132,841                             | 90,664                        | 107,038                  | 8,275                       | 1,338,818              | 149,302             | 150,675                | 299,977                | 1,638,795            |
| <b>Total Expenses</b>  | <b>\$ 22,369,064</b>   | <b>\$ 6,305,159</b>                   | <b>\$ 4,106,028</b>           | <b>\$ 4,483,450</b>      | <b>\$ 426,156</b>           | <b>\$ 37,689,857</b>   | <b>\$ 5,792,215</b> | <b>\$ 4,430,132</b>    | <b>\$ 10,222,347</b>   | <b>\$ 47,912,204</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 |                        |                        | Total Expenses       |
|--|------------------------|---------------------------------------|-------------------------------|--------------------------|-----------------------------|------------------------|---------------------|------------------------|------------------------|----------------------|
|  | 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 |                      |
| <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 and 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                               | -                      | 38,413.00                             | 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              |
| Bad debt expense   | -                      | -                                     | -                             | -                        | -                           | -                      | -                   | 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>     |
| <b>Total Expenses, before depreciation and amortization</b>    | <b>24,843,290</b>      | <b>4,019,005</b>                      | <b>3,257,705</b>              | <b>4,854,740</b>         | <b>651,570</b>              | <b>37,626,310</b>      | <b>4,327,348</b>    | <b>4,012,976</b>       | <b>8,340,324</b>       | <b>45,966,634</b>    |
| 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 Statements of Cash Flows

| Year ended June 30,  | 2025                | 2024                 |
|--|---------------------|----------------------|
| <b>Cash Flows from Operating Activities</b>  |                     |                      |
| Change in net assets   | \$ 17,852,579       | \$ 18,530,727        |
| Adjustments to reconcile change in net assets to net cash<br>(used in) provided by operating activities: |                     |                      |
| Depreciation and amortization  | 1,638,795           | 1,527,245            |
| Change in discount on pledges receivable   | 217,789             | (126,000)            |
| Allowance for doubtful accounts  | 1,388,899           | 1,041,520            |
| Accretion of debt discount on note receivable  | (69,170)            | (41,309)             |
| Realized gains on investments  | (1,792,599)         | (1,081,402)          |
| Unrealized gains on investments  | (8,052,657)         | (10,086,360)         |
| Capital campaign contributions   | (15,830,003)        | -                    |
| Endowment contributions  | (2,715,052)         | (2,457,784)          |
| Change in split-interest agreements  | (129,102)           | 94,407               |
| (Increase) decrease in operating assets:   |                     |                      |
| Pledges receivable, net  | 522,013             | (6,195,158)          |
| Beneficial interest in trusts  | (52,520)            | (188,761)            |
| Due from estates   | 25,000              | 164,783              |
| Prepaid expenses and other assets  | 287,083             | 125                  |
| Increase (decrease) in operating liabilities:  |                     |                      |
| Accounts payable and other accrued liabilities   | (177,732)           | 718,454              |
| Allocations payable  | 75,587              | 685,538              |
| Designated campaign gifts payable and grants payable   | 105,287             | 591,940              |
| <b>Net Cash (Used in) Provided by Operating Activities</b>   | <b>(6,705,803)</b>  | <b>3,177,965</b>     |
| <b>Cash Flows from Investing Activities</b>  |                     |                      |
| Loan payments received from the Mandel Jewish Community Center   | 147,990             | 2,911,568            |
| Proceeds from sale of investments  | 15,113,499          | 16,358,547           |
| Purchases of investments   | (16,527,539)        | (15,114,650)         |
| Purchases of property and equipment  | (917,969)           | (1,133,878)          |
| <b>Net Cash (Used in) Provided by Investing Activities</b>   | <b>(2,184,019)</b>  | <b>3,021,587</b>     |
| <b>Cash Flows from Financing Activities</b>  |                     |                      |
| Decrease (increase) in trust assets held on behalf of agencies   | 679,103             | (2,805,105)          |
| Repayments on loan payable   | (526,316)           | (526,316)            |
| Repayments on line of credit   | -                   | (2,826,596)          |
| Payments on split-interest agreements  | (126,428)           | (190,969)            |
| Collections from capital campaign  | 3,612,000           | -                    |
| Endowment contributions  | 2,351,552           | 2,937,451            |
| <b>Net Cash Provided by (Used in) Financing Activities</b>   | <b>5,989,911</b>    | <b>(3,411,535)</b>   |
| <b>Net (Decrease) Increase in Cash And Cash Equivalents</b>  | <b>(2,899,911)</b>  | <b>2,788,017</b>     |
| <b>Cash And Cash Equivalents, beginning of year</b>  | <b>10,170,569</b>   | <b>7,382,552</b>     |
| <b>Cash And Cash Equivalents, end of year</b>  | <b>\$ 7,270,658</b> | <b>\$ 10,170,569</b> |
| <b>Supplemental Disclosure Of Cash Flow Information</b>  |                     |                      |
| Cash paid for interest   | \$ 444,428          | \$ 601,306           |
| <b>Supplemental Disclosure of Non-cash Investing and<br/>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 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

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

## **Notes to Consolidated Financial Statements**

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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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$4,514,000 and \$3,289,000, respectively.

#### *North Campus Administration and Operations*

The North Campus Administration and Operations program provides support services for information technology for the Mandel JCC. Total program expenses for the years ended June 30, 2025 and 2024 were approximately \$343,000 and \$288,000, respectively.

#### *Agency Services*

The Agency Services program provides support services for the marketing and fundraising program for the Mandel JCC, and the Academy. Total program expenses for the years ended June 30, 2025 and 2024 were approximately \$449,000 and \$370,000, respectively.

#### *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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$999,000 and \$1,044,000, respectively.

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

## Notes to Consolidated Financial Statements

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### *Federation Operating Programs*

#### *Missions*

Missions serve to connect community members by travelling domestically and globally to witness and experience Federation's impact firsthand. Total program expenses for the years ended June 30, 2025 and 2024 were approximately \$1,186,000 and \$443,000 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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$290,000 and \$277,000, 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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$441,000 and \$395,000, respectively.

#### *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 programs 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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$230,000 and \$148,000, respectively.

#### *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. There were no expenses for the year ended June 30, 2025. Total program expenses for the year ended June 30, 2024 were approximately \$476,000.

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

## Notes to Consolidated Financial Statements

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### *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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$1,371,000 and \$1,114,000, 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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$646,000 and \$531,000, 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.

Total program expenses for the years ended June 30, 2025 and 2024 were approximately \$303,000 and \$309,000, 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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$345,000 and \$465,000, 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,

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

## **Notes to Consolidated Financial Statements**

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inspire, train and retain leaders who have the values, commitment and skills to give high quality leadership to the Jewish Federation. Total program expenses for the years ended June 30, 2025 and 2024 were approximately \$877,000 and \$1,379,000, 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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$1,637,000 and \$1,406,000, 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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$1,258,000 and \$1,371,000, respectively.

### ***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). There were no expenses during the year ended June 30, 2025. Total program expenses for the year ended June 30, 2024 were approximately \$116,000.

#### ***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. There were no expenses during the year ended June 30, 2025. Total program expenses for the year ended June 30, 2024 were approximately \$159,000.

#### ***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,

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

## **Notes to Consolidated Financial Statements**

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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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$72,000 and \$37,000, 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 program expenses for the years ended June 30, 2025 and 2024 were approximately \$343,000 and \$358,000, 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 28% and 24% of net assets without donor restrictions as of June 30, 2025 and 2024, 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.

### ***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.

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

## **Notes to Consolidated Financial Statements**

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### ***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 multi-purpose cultural center which is expected to be constructed as of June 30, 2028.

### ***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.

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.

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

## **Notes to Consolidated Financial Statements**

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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 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.

### ***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.

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

## **Notes to Consolidated Financial Statements**

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### ***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 \$1,962,000 and \$2,332,000 as of June 30, 2025 and 2024, respectively. The liabilities of the split-interest agreements are approximately \$827,000 and \$1,409,000 as of June 30, 2025 and 2024, 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 \$(217,000) and \$(78,000) for the years ended June 30, 2025 and 2024, 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.

### ***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

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

## **Notes to Consolidated Financial Statements**

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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.

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 75% and 74% of total investments as of June 30, 2025 and 2024, 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, 2025 and 2024, 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

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

## Notes to Consolidated Financial Statements

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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, 2025 and 2024.

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, 2025 and 2024, the Federation was not subject to any examination by a taxing authority.

### **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*. 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 3.68% and 4.50% as of June 30, 2025 and 2024, 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.

### **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, 2025, the Federation has available a \$7,500,000 line of credit (Note 9).

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

## Notes to Consolidated Financial Statements

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.

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>   | <b>2025</b>          | <b>2024</b>          |
|---|----------------------|----------------------|
| Cash and cash equivalents   | \$ 7,270,658         | \$ 10,170,569        |
| Investments at fair value   | 142,252,159          | 130,992,863          |
| Annual campaign pledges receivable, net   | 13,582,764           | 13,714,283           |
| Designated campaign pledges receivable, net   | 10,579,520           | 11,428,681           |
| Capital campaign pledges receivable, net  | 10,759,894           | -                    |
| Priority fund pledges receivable, net   | 3,005,192            | 2,612,176            |
| Endowments pledges receivable, net  | 2,436,929            | 1,997,778            |
| Note receivable from Mandel Jewish Community Center   | 1,745,046            | 1,823,866            |
| Due from estates  | 362,500              | 487,500              |
| <b>Total Financial Assets</b>   | <b>191,994,662</b>   | <b>173,227,716</b>   |
| Less: amounts not available to be used within one year:   |                      |                      |
| Endowments with donor restrictions  | 60,689,041           | 54,912,059           |
| Donor advised funds   | 25,385,619           | 23,731,980           |
| Campaign pledges, net   | 45,350,985           | 16,592,186           |
| Funds held for others and programs  | 13,803,391           | 12,952,333           |
| Note receivable from Mandel Jewish Community Center   | 1,594,046            | 1,675,866            |
| Split interest agreements   | 1,962,169            | 2,332,039            |
| <b>Total Financial Assets Not Available to be Used for<br/>General Expenditures Within One Year</b> | <b>148,785,251</b>   | <b>112,196,463</b>   |
| <b>Total Financial Assets Available for General Expenditures<br/>Within One Year</b>                | <b>\$ 43,209,411</b> | <b>\$ 61,031,253</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, 2025*

|                                 | Level 1 and<br>Level 2<br>Investments | Investments<br>Measured at<br>Net Assets<br>Value | Total                 |
|---------------------------------|---------------------------------------|---|-----------------------|
| Money market mutual funds       | \$ 7,024,984                          | \$ -  | \$ 7,024,984          |
| Bond mutual funds               | 6,530,378                             | 12,122,069  | 18,652,447            |
| Equity mutual funds             | 16,194,702                            | 55,500,751  | 71,695,453            |
| Private equity                  | -                                     | 26,144,301  | 26,144,301            |
| Multi-asset/opportunistic       | -                                     | 6,456,506   | 6,456,506             |
| State of Israel debt securities | 1,051,583                             | -   | 1,051,583             |
| Real asset funds                | -                                     | 4,046,349   | 4,046,349             |
| Common stocks                   | 4,552,213                             | -   | 4,552,213             |
| Bonds                           | 2,628,323                             | -   | 2,628,323             |
|                                 | <b>\$ 37,982,183</b>                  | <b>\$ 104,269,976</b>                             | <b>\$ 142,252,159</b> |

*June 30, 2024*

|                                 | Level 1 and<br>Level 2<br>Investments | Investments<br>Measured at<br>Net Assets<br>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> |

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, 2025 and 2024, total investments include approximately \$8,803,000 and \$8,124,000 respectively, of investments that are held in trust for these agencies and are also included as a

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

## Notes to Consolidated Financial Statements

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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 \$479,000 and \$443,000 for the years ended June 30, 2025 and 2024, respectively. Investment income, net from cash equivalents and investments is comprised of the following:

| <i>Year ended June 30,</i>                  | <b>2025</b>         | <b>2024</b>         |
|---|---------------------|---------------------|
| Dividends and interest, net of fees         | \$ 1,459,813        | \$ 966,936          |
| Net realized gains                          | 1,833,899           | 1,081,402           |
| Net unrealized gains                        | 7,646,898           | 10,086,360          |
| <b>Total Investment Income, Net</b>         | <b>10,940,610</b>   | <b>12,134,698</b>   |
| Less: investment return used for operations | 6,200,219           | 6,191,228           |
| <b>Excess of Investment Returns, Net</b>    | <b>\$ 4,740,391</b> | <b>\$ 5,943,470</b> |

The Federation has unfunded commitments in its Private Equity and Real Assets portfolio of approximately \$17,628,000 as of June 30, 2025. 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, 2025, 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.

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

## Notes to Consolidated Financial Statements

The following table lists such investments:

|                               | Net Asset Value<br>as of<br>June 30, 2025 | Net Asset Value<br>as of<br>June 30, 2024 | Unfunded<br>Commitments as<br>of June 30, 2025 | Redemption<br>Frequency    | Redemption<br>Notice Period |
|-------------------------------|---|---|--|----------------------------|-----------------------------|
| Multi-Asset/Opportunistic - A | \$ 6,456,506                              | \$ 6,032,208                              | \$ -   | From daily to<br>quarterly | 3 to 90 days                |
| Private Equity - B            | 26,144,301                                | 22,568,255                                | 15,198,763                                     | None*                      | N/A*                        |
| Real Assets- C                | 4,046,349                                 | 3,790,560                                 | 2,429,544                                      | Daily to monthly           | 2 to 30 days                |
| Bond Mutual Funds - D         | 12,122,069                                | 10,217,334                                | -  | Daily                      | 5 days                      |
| Equity Mutual Funds - E       | 55,500,751                                | 54,822,264                                | -  | Daily to quarterly         | 2 to 60 days                |
| <b>Total</b>                  | <b>\$ 104,269,976</b>                     | <b>\$ 97,430,621</b>                      | <b>\$ 17,628,307</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 one and ten 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.

### 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.

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

## Notes to Consolidated Financial Statements

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*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, 2025 and 2024.

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.

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.

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

## Notes to Consolidated Financial Statements

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.

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:

### ***June 30, 2025***

| Description                                     | Fair Value            | Level 1              | Level 2             | Level 3     |
|---|-----------------------|----------------------|---------------------|-------------|
| Money market mutual funds                       | \$ 7,024,984          | \$ 7,024,984         | \$ -                | \$ -        |
| Bond mutual funds                               | 6,530,378             | 6,530,378            | -                   | -           |
| Equity mutual funds                             | 16,194,702            | 16,194,702           | -                   | -           |
| State of Israel debt securities                 | 1,051,583             | -                    | 1,051,583           | -           |
| Common stocks                                   | 4,552,213             | 4,552,213            | -                   | -           |
| Bonds   | 2,628,323             | 2,628,323            | -                   | -           |
| <b>Total assets in the fair value hierarchy</b> | <b>37,982,183</b>     | <b>36,930,600</b>    | <b>1,051,583</b>    | <b>-</b>    |
| Investments measured at net asset value         | 104,269,976           | -                    | -                   | -           |
|   | <b>\$ 142,252,159</b> | <b>\$ 36,930,600</b> | <b>\$ 1,051,583</b> | <b>\$ -</b> |

### ***June 30, 2024***

| Description                                     | Fair Value            | Level 1              | Level 2           | Level 3     |
|---|-----------------------|----------------------|-------------------|-------------|
| 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> |

# 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>                                | 2025                 | 2024                 |
|--|----------------------|----------------------|
| Gross pledges receivable                       | \$ 15,762,201        | \$ 16,179,278        |
| Less: allowance for doubtful accounts          | (1,439,212)          | (1,389,053)          |
| Less: discount on long-term pledges            | (740,225)            | (1,075,942)          |
| <b>Annual Campaign Pledges Receivable, Net</b> | <b>\$ 13,582,764</b> | <b>\$ 13,714,283</b> |

Payments due on annual campaign pledges receivable as of June 30, 2025 are as follows:

| <i>June 30,</i> |                      |
|-----------------|----------------------|
| 2026            | \$ 8,347,270         |
| 2027-2031       | 6,758,931            |
| Thereafter      | 656,000              |
|                 | <b>\$ 15,762,201</b> |

During the years ended June 30, 2025 and 2024, the Federation recorded bad debt expense of approximately \$492,000 and \$658,000, respectively, on annual campaign pledges receivable.

#### *Designated Campaign*

Designated campaign pledges receivable are as follows:

| <i>June 30,</i>                                 | 2025                 | 2024        |
|---|----------------------|-------------|
| Gross pledges receivable                        | \$ 12,220,000        | \$ 13,643   |
| Less: discount on long-term pledges             | (724,909)            | -           |
| Less: allowance for doubtful accounts           | (735,197)            | (13,643)    |
| <b>Capital Campaign Pledges Receivable, Net</b> | <b>\$ 10,759,894</b> | <b>\$ -</b> |

Payments due on designated campaign pledges receivable as of June 30, 2025 are as follows:

| <i>June 30,</i> |                      |
|-----------------|----------------------|
| 2026            | \$ 3,903,333         |
| 2027-2031       | 7,583,333            |
| Thereafter      | 733,334              |
|                 | <b>\$ 12,220,000</b> |

During the years ended June 30, 2025 and 2024, the Federation recorded bad debt expense of approximately \$55,000 and \$423,000, respectively, on designated campaign pledges receivable.

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

## Notes to Consolidated Financial Statements

### ***Priority Fund***

Priority fund pledges receivable are summarized as follows:

| <i>June 30,</i>                              | 2025                | 2024                |
|--|---------------------|---------------------|
| Gross pledges receivable                     | \$ 3,685,800        | \$ 3,319,800        |
| Less: allowance for doubtful accounts        | (221,148)           | (199,188)           |
| Less: discount on long-term pledges          | (459,460)           | (508,436)           |
| <b>Priority Fund Pledges Receivable, Net</b> | <b>\$ 3,005,192</b> | <b>\$ 2,612,176</b> |

Payments due on priority fund pledges receivable as of June 30, 2025 are as follows:

| <i>June 30,</i> |                     |
|-----------------|---------------------|
| 2026            | \$ 944,000          |
| 2027-2031       | 2,226,800           |
| Thereafter      | 515,000             |
|                 | <b>\$ 3,685,800</b> |

During the years ended June 30, 2025, and 2024, the Federation recorded bad debt expense (recovery) of approximately \$22,000 and \$(6,000), respectively, on priority fund pledges receivable.

### ***Endowment Pledges***

Endowment pledges receivable are summarized as follows:

| <i>June 30,</i>                          | 2025                | 2024                |
|--|---------------------|---------------------|
| Gross pledges receivable                 | \$ 2,900,000        | \$ 2,436,500        |
| Less: allowance for doubtful accounts    | (174,000)           | (146,190)           |
| Less: discount on long-term pledges      | (289,071)           | (292,532)           |
| <b>Endowment Pledges Receivable, Net</b> | <b>\$ 2,436,929</b> | <b>\$ 1,997,778</b> |

Payments due on endowment pledges receivable as of June 30, 2025 are as follows:

| <i>June 30,</i> |                     |
|-----------------|---------------------|
| 2026            | \$ 910,000          |
| 2027-2031       | 1,740,000           |
| Thereafter      | 250,000             |
|                 | <b>\$ 2,900,000</b> |

During the years ended June 30, 2025 and 2024, the Federation recorded bad debt expense (recovery) of approximately \$28,000 and \$(34,000), respectively related to endowment pledges receivable.

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

## Notes to Consolidated Financial Statements

### *Capital Campaign Pledges*

Capital campaign pledges receivable are summarized as follows:

| <i>June 30,</i>                                    | 2025                 | 2024                 |
|--|----------------------|----------------------|
| Gross pledges receivable                           | \$ 11,603,676        | \$ 12,877,385        |
| Less: allowance for doubtful accounts              | (667,873)            | (834,394)            |
| Less: discount on long-term pledges                | (356,283)            | (614,310)            |
| <b>Designated Campaign Pledges Receivable, Net</b> | <b>\$ 10,579,520</b> | <b>\$ 11,428,681</b> |

Payments due on capital campaign pledges receivable as of June 30, 2025 are as follows:

| <i>June 30,</i> |                      |
|-----------------|----------------------|
| 2026            | \$ 5,080,546         |
| 2027-2031       | 6,523,130            |
|                 | <b>\$ 11,603,676</b> |

During the years ended June 30, 2025 and 2024, the Federation recorded bad debt expense of approximately \$733,000 related to capital campaign pledges receivable. There was no bad debt expense on capital campaign pledges as of June 30, 2024.

Pledges receivable with payment terms in excess of one year have been discounted using a market rate of interest ranging from 3.68% to 4.24% to reflect their estimated present value.

### *Conditional Promises to Give*

As of June 30, 2025, and 2024, the Federation has received conditional promises to give of approximately \$103,000,000 and \$67,000,000, respectively. Due to the conditional nature of these promises to give the Federation has not recorded these promises.

## **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 requires the Mandel 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, 2025 and 2024, the Federation amortized approximately \$69,000 and \$41,000 of the debt discount and recognized interest income, respectively. The note is collateralized by Mandel JCC's building and building improvements located

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

## Notes to Consolidated Financial Statements

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in Palm Beach Gardens. The balance due from Mandel JCC, net of the debt discount was approximately \$1,745,000 and \$1,824,000 as of June 30, 2025 and 2024.

Approximate future principal payments on the note receivable as of June 30, 2025 are due as follows:

*Year ending June 30,*

|  |    |                     |
|--|----|---------------------|
| 2026   | \$ | 151,000             |
| 2027   |    | 156,000             |
| 2028   |    | 158,000             |
| 2029   |    | 162,000             |
| 2030   |    | 165,000             |
| Thereafter   |    | 1,508,010           |
| <b>Required Principal Payments</b>                           |    | <b>2,300,010</b>    |
| Less: debt discount  |    | (554,964)           |
| <b>Note Receivable - Mandel Jewish Community Center, Net</b> |    | <b>\$ 1,745,046</b> |

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 Mandel 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, 2025 and 2024, respectively. During each of the years ended June 30, 2025 and 2024, 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, 2025 and 2024, respectively. During each of the years ended June 30, 2025 and 2024, 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

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

## Notes to Consolidated Financial Statements

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.

### 7. Property and Equipment, Net

Property and equipment, net consists of the following:

*June 30,*

|   | Useful Lives | 2025                 | 2024                 |
|---|--------------|----------------------|----------------------|
| Land  | -            | \$ 6,805,073         | \$ 6,805,073         |
| Land improvements                               | 10-15 years  | 3,897,485            | 3,897,485            |
| Buildings and improvements                      | 30 years     | 34,627,517           | 34,602,967           |
| Furniture and equipment                         | 5-10 years   | 3,871,613            | 3,007,157            |
| Computer software                               | 5 years      | 375,478              | 346,515              |
| <b>Total</b>                                    |              | <b>49,577,166</b>    | <b>48,659,197</b>    |
| Less: accumulated depreciation and amortization |              | (20,448,212)         | (18,809,417)         |
|   |              | <b>\$ 29,128,954</b> | <b>\$ 29,849,780</b> |

Depreciation and amortization expense on property and equipment was approximately \$1,639,000 and \$1,527,000 for the years ended June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, the Federation disposed of fully depreciated equipment in the amount of approximately \$191,000 and \$92,000, respectively.

### 8. Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist of the following:

|   | 2025              | 2024                |
|---|-------------------|---------------------|
| Insurance policies - cash surrender value | \$ 389,942        | \$ 635,129          |
| Prepays and deposits                      | 539,384           | 601,488             |
| Other receivables                         | 46,818            | 26,610              |
| Employee loans                            | -                 | 58,579              |
|   | <b>\$ 976,144</b> | <b>\$ 1,321,806</b> |

### 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 SOFR plus 1.13%. The interest rate under the line of credit was 5.46% and 6.43% as of June 30, 2025 and 2024, respectively. The line of credit is set to mature on March 31, 2027. The credit line is unsecured and guaranteed by the Campus Corporation and the North Campus. As of June 30, 2025 and 2024, there was no balance under the line of credit. There was no interest expense under the line of credit for the year

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

## Notes to Consolidated Financial Statements

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ended June 30, 2025. Interest expense under the line of credit for the year ended June 30, 2024 was \$87,000. The line of credit agreement requires the Federation to meet certain financial covenants. As of June 30, 2025, 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 and calculated based on 71% of the one-month term SOFR plus 1.02%. The interest rate associated with the loan payable was 4.04 % and 4.75% as of June 30, 2025 and 2024, 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, 2025 and 2024, the outstanding balance on this loan was approximately \$9,737,000 and \$10,263,000, respectively.

Approximate future principal payments on the loan payable as of June 30, 2025 are due as follows:

#### *Year ending June 30,*

|            |    |           |
|------------|----|-----------|
| 2026       | \$ | 526,000   |
| 2027       |    | 526,000   |
| 2028       |    | 526,000   |
| 2029       |    | 526,000   |
| Thereafter |    | 7,633,000 |
|            | \$ | 9,737,000 |

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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, 2025. During the years ended June 30, 2025 and 2024, interest and administrative fees of approximately \$444,000 and \$514,000, respectively, related to the loan payable was expensed and is reflected in the Consolidated Statements of Functional Expenses within the caption "Interest."

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

## Notes to Consolidated Financial Statements

### 11. Net Assets with Donor Restrictions

Net assets with donor restrictions consists of the following:

| <i>June 30,</i>  | <b>2025</b>           | <b>2024</b>          |
|--|-----------------------|----------------------|
| <b>Net Assets With Time or Purpose Restrictions</b>              |                       |                      |
| Cash surrender values of donated life insurance policies         | \$ 161,572            | \$ 268,353           |
| Appreciation in designated endowment funds not appropriated      | 3,861,958             | 2,432,143            |
| Appreciation in annual campaign endowment funds not appropriated | 6,190,383             | 5,864,255            |
| Split-interest agreements and interest in trusts                 | 3,133,561             | 3,053,821            |
| Annual campaign contributions for future years                   | 9,735,063             | 10,642,904           |
| Capital campaign contributions for future years                  | 13,695,090            | -                    |
| Priority fund contributions                                      | 3,390,340             | 2,811,364            |
| Designated contributions   | 15,134,097            | 13,437,081           |
| Israel emergency contributions                                   | 3,396,395             | 3,707,865            |
| Jewish Women's Foundation  | 2,549,973             | 2,526,343            |
| Other funds  | 771,031               | 741,840              |
| <b>Net Assets to be Held in Perpetuity</b>                       |                       |                      |
| Cash surrender values of donated life insurance policies         | 378,369               | 366,777              |
| Split-interest agreements  | 392,227               | 533,789              |
| Designated endowment funds                                       | 30,873,522            | 27,599,536           |
| Annual campaign endowment funds                                  | 18,992,147            | 18,274,285           |
|  | <b>\$ 112,655,728</b> | <b>\$ 92,260,356</b> |

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.

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

## Notes to Consolidated Financial Statements

### 12. Grants and Allocations

Grants and allocations include the following:

| <i>Year ended June 30,</i>  | <b>2025</b>          | <b>2024</b>          |
|---|----------------------|----------------------|
| <b>The Jewish Federation of North America</b>   | <b>\$ 5,525,110</b>  | <b>\$ 6,772,984</b>  |
| <b>Board Approved Agency Allocations</b>  |                      |                      |
| Mandel Jewish Community Center of the Palm Beaches, Inc.  | 2,616,542            | 3,823,326            |
| Arthur I. Meyer Jewish Academy, Inc.  | 2,235,840            | 2,119,840            |
| Jewish Family and Children's Service of Palm Beach County, Inc.   | 690,351              | 831,390              |
| Senior Service Subsidies  | 493,710              | 736,257              |
| Various other agencies  | 2,929,527            | 2,291,057            |
| <b>Total Board Approved Allocations</b> (including in-kind rent allocation of approximately \$3,028,000 for each year ended 2025 and 2024.) | <b>14,491,080</b>    | <b>16,574,854</b>    |
| <b>Grants from Planned Giving, Philanthropic and Endowment Funds</b>  |                      |                      |
| Overseas Jewish organizations   | 2,552,424            | 2,552,872            |
| Local beneficiary agency  | 1,356,576            | 2,492,144            |
| Other local Jewish organizations  | 1,236,154            | 649,192              |
| Local secular organizations   | 508,726              | 391,992              |
| National Jewish organizations   | 901,937              | 1,039,850            |
| National secular organizations  | 1,322,167            | 1,142,386            |
| <b>Total Grants from Planned Giving, Philanthropic and Endowment Funds</b>  | <b>7,877,984</b>     | <b>8,268,436</b>     |
| <b>Total Grants and Allocations</b>   | <b>\$ 22,369,064</b> | <b>\$ 24,843,290</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 \$581,000 and \$520,000 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, 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.

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

## Notes to Consolidated Financial Statements

Summary of endowment net assets:

### *June 30, 2025*

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|---|-------------------------------|----------------------------|----------------------|
| Perpetual endowment funds                                       | \$ -                          | \$ 49,865,669              | \$ 49,865,669        |
| Accumulated investment earnings on perpetual<br>endowment funds | -                             | 10,052,341                 | 10,052,341           |
| Board-designated endowment funds                                | 20,328,824                    | -                          | 20,328,824           |
| <b>Total Endowment Net Assets</b>                               | <b>\$ 20,328,824</b>          | <b>\$ 59,918,010</b>       | <b>\$ 80,246,834</b> |

### *June 30, 2024*

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|---|-------------------------------|----------------------------|----------------------|
| Perpetual endowment funds                                       | \$ -                          | \$ 45,873,822              | \$ 45,873,822        |
| Accumulated investment earnings on perpetual<br>endowment funds | -                             | 8,296,398                  | 8,296,398            |
| Board-designated endowment funds                                | 19,738,312                    | -                          | 19,738,312           |
| <b>Total Endowment Net Assets</b>                               | <b>\$ 19,738,312</b>          | <b>\$ 54,170,220</b>       | <b>\$ 73,908,532</b> |

Changes in endowment net assets:

### *June 30, 2025*

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|--|-------------------------------|----------------------------|----------------------|
| <b>Endowment Net Assets, June 30, 2024</b> | <b>\$ 19,738,313</b>          | <b>\$ 54,170,220</b>       | <b>\$ 73,908,533</b> |
| Investment income, net                     | 1,677,708                     | 4,637,932                  | 6,315,640            |
| Contributions                              | 181,576                       | 3,991,847                  | 4,173,423            |
| Amounts appropriated for expenditure       | (1,246,639)                   | (2,630,019)                | (3,876,658)          |
| Investment fees                            | (22,134)                      | (251,970)                  | (274,104)            |
| <b>Endowment Net Assets, June 30, 2025</b> | <b>\$ 20,328,824</b>          | <b>\$ 59,918,010</b>       | <b>\$ 80,246,834</b> |

### *June 30, 2024*

|  | Without Donor<br>Restrictions | With Donor<br>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> |

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

## Notes to Consolidated Financial Statements

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### *Endowment Net Assets to be Held in Perpetuity*

| <i>June 30,</i>   | <i>2025</i>   | <i>2024</i>   |
|---|---------------|---------------|
| The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by FUPMIFA | \$ 49,865,669 | \$ 45,873,822 |

### *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, 2025 and 2024, the fair market value of donor restricted endowments that fell below the amount required to be held in perpetuity was approximately \$2,280,000 and \$3,656,000, respectively. These donor restricted endowments were below the amount required to be held in perpetuity by approximately \$672,000 and \$861,000 as of June 30, 2025 and 2024, 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

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

## Notes to Consolidated Financial Statements

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.

### 15. Contributions of Nonfinancial Assets

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

| Nonfinancial Asset | Revenue Recognized |               | Utilization in Programs/ Activities | Donor Restrictions         | Valuation Techniques and Inputs  |
|--------------------|--------------------|---------------|-------------------------------------|----------------------------|--|
|                    | June 30, 2025      | June 30, 2024 |                                     |                            |  |
| 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, 2027. The monthly base rent is approximately \$32,000. Rental income related to this tenant was approximately \$409,000 and \$397,000 for the years ended June 30, 2025 and 2024, respectively, which is reflected within "Rental income" on the Consolidated Statements of Activities.

Approximate future rental income as of June 30, 2025 is as follows:

#### *Year ending June 30,*

|      |    |         |
|------|----|---------|
| 2026 | \$ | 421,000 |
| 2027 |    | 323,000 |
|      | \$ | 744,000 |

#### *Shared Insurance Premium Commitments*

In March 2016, the Federation established a shared premium insurance policy program. As of June 30, 2025, there were eleven universal life insurance policies for the benefit of the Federation with a collective face value of approximately \$3,648,000. 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 \$439,000 as of June 30, 2025. These policies have no cash surrender value.

#### *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.

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

## Notes to Consolidated Financial Statements

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### 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:

| <i>Year ended June 30,</i>                |    | <b>2024</b>      |
|---|----|------------------|
| Cash                                      | \$ | 2,344,711        |
| Investments                               |    | 1,080            |
| <b>Total Assets</b>                       |    | <b>2,345,791</b> |
| <b>Net Assets With Donor Restrictions</b> | \$ | <b>2,345,791</b> |

### 18. Subsequent Events

The Federation has evaluated subsequent events through December 17, 2025, which is the date the consolidated financial statements are available to be issued.