

**Jewish Federation of Greater Naples, Inc.**

**Financial Statements**

**Years Ended June 30, 2022 and 2021**

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## Independent Auditor's Report

To the Board of Directors  
Jewish Federation of Greater Naples, Inc.  
Naples, Florida

### ***Opinion***

We have audited the accompanying financial statements of Jewish Federation of Greater Naples, Inc. (the "Organization") (a non-profit corporation), which comprise the statements of financial position as of June 30, 2022 and 2021 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Federation of Greater Naples, Inc. as of June 30, 2022 and 2021 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

### ***Affiliations***

American Institute of Certified Public Accountants ♦ Florida Institute of Certified Public Accountants

239-433-1002 ♦ [www.stroemercpa.com](http://www.stroemercpa.com)  
14030 Metropolis Avenue, Suite 200, Fort Myers, FL 33912

Fort Myers ♦ Jacksonville\* ♦ Miami ♦ Naples\* ♦ Orlando\* ♦ Sanibel ♦ Tampa\* ♦ West Palm Beach\*

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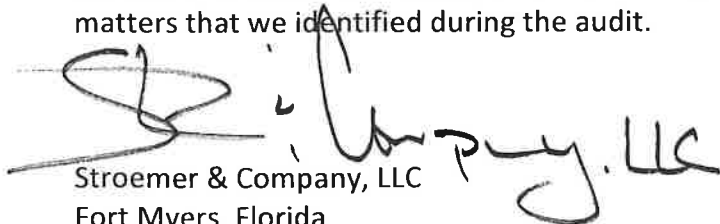
### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

A handwritten signature in black ink, appearing to read "Stroemer & Company, LLC", is written over the printed name of the firm.

Stroemer & Company, LLC  
Fort Myers, Florida  
August 31, 2022

**Jewish Federation of Greater Naples, Inc.**  
**Statements of Financial Position**  
**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,617,535	\$ 3,239,597
Investments	22,000	22,500
Beneficial interest in assets held by others	1,849,130	2,133,673
Pledges receivable - short term	2,287,737	1,190,920
Other receivables	49,138	2,946
<b>Total current assets</b>	<u>6,825,540</u>	<u>6,589,636</u>
Property and equipment, net	7,197,765	646,596
Pledges receivable - long term	1,841,833	2,503,076
Beneficial interest in charitable remainder unitrusts	1,901,937	2,785,622
Deposits and other assets	130,324	24,836
<b>Total assets</b>	<u><u>\$ 17,897,399</u></u>	<u><u>\$ 12,549,766</u></u>
<b>Liabilities and net assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,727,922	\$ 632,976
Accrued liabilities	15,308	5,809
Deferred revenue	168,876	149,291
<b>Total current liabilities</b>	<u>1,912,106</u>	<u>788,076</u>
Charitable gift annuities payable	20,000	60,000
<b>Total liabilities</b>	<u>1,932,106</u>	<u>848,076</u>
<b>Net assets</b>		
Net assets without donor restrictions	11,785,165	5,979,850
Net assets with donor restrictions	4,180,128	5,721,840
<b>Total net assets</b>	<u>15,965,293</u>	<u>11,701,690</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 17,897,399</u></u>	<u><u>\$ 12,549,766</u></u>

The accompanying notes are an integral part of this statement.

**Jewish Federation of Greater Naples, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating support and revenue</b>			
Contributions	\$ 2,212,355	\$ -	\$ 2,212,355
Special events revenue - net of cost of direct donor benefit	380,368	-	380,368
Advertising revenue	101,802	-	101,802
Investment gains/(losses) on beneficial interest in charitable remainder unitrusts - See Note C	(893,685)	-	(893,685)
Investment gains/(losses) on beneficial interest in assets held by others - See Note C	(220,070)	-	(220,070)
<b>Total operating support and revenue</b>	<b>1,580,770</b>	<b>-</b>	<b>1,580,770</b>
<b>Expenses</b>			
Program services	1,709,115	-	1,709,115
Fundraising expenses	396,266	-	396,266
Supporting services	223,026	-	223,026
<b>Total expenses</b>	<b>2,328,407</b>	<b>-</b>	<b>2,328,407</b>
<b>Capital campaign support and revenue</b>			
Capital campaign contributions	-	5,011,240	5,011,240
<b>Total capital campaign support and revenue</b>	<b>-</b>	<b>5,011,240</b>	<b>5,011,240</b>
Net assets released from restrictions	6,552,952	(6,552,952)	-
<b>Change in net assets</b>	<b>5,805,315</b>	<b>(1,541,712)</b>	<b>4,263,603</b>
Net assets, beginning of year	5,979,850	5,721,840	11,701,690
<b>Net assets, end of year</b>	<b>\$ 11,785,165</b>	<b>\$ 4,180,128</b>	<b>\$ 15,965,293</b>

The accompanying notes are an integral part of this statement.

**Jewish Federation of Greater Naples, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating support and revenue</b>			
Contributions	\$ 4,384,280	\$ -	\$ 4,384,280
Investment gains/(losses) on beneficial interest in assets held by others - See Note C	341,986	-	341,986
Special events revenue - net of cost of direct donor benefit	287,409	-	287,409
Advertising revenue	92,756	-	92,756
<b>Total operating support and revenue</b>	<b>5,106,431</b>	<b>-</b>	<b>5,106,431</b>
<b>Expenses</b>			
Program services	1,511,804	-	1,511,804
Fundraising expenses	341,335	-	341,335
Supporting services	188,743	-	188,743
<b>Total expenses</b>	<b>2,041,882</b>	<b>-</b>	<b>2,041,882</b>
<b>Capital campaign support and revenue</b>			
Capital campaign contributions	-	5,150,242	5,150,242
<b>Total capital campaign support and revenue</b>	<b>-</b>	<b>5,150,242</b>	<b>5,150,242</b>
Net assets released from restrictions	286,492	(286,492)	-
<b>Change in net assets</b>	<b>3,351,041</b>	<b>4,863,750</b>	<b>8,214,791</b>
Net assets, beginning of year	2,628,809	858,090	3,486,899
<b>Net assets, end of year</b>	<b>\$ 5,979,850</b>	<b>\$ 5,721,840</b>	<b>\$ 11,701,690</b>

The accompanying notes are an integral part of this statement.

**Jewish Federation of Greater Naples, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2022**

	<u>Program services</u>	<u>Supporting services</u>	<u>Fundraising expenses</u>	<u>Total</u>
<b><u>Expenses</u></b>				
Grants and scholarships	\$ 818,354	\$ -	\$ -	\$ 818,354
Salaries	295,052	104,498	215,143	614,693
Advertising expense	128,574	5,844	11,688	146,106
Other event expenses	127,334	-	12,594	139,928
Professional fees	33,410	53,207	37,121	123,738
Facilities and catering	105,466	-	13,384	118,850
Occupancy	65,542	16,386	27,309	109,237
Employee benefits	51,254	18,539	39,258	109,051
Office supplies	26,827	13,658	8,292	48,777
Payroll taxes	21,124	7,481	15,402	44,007
Speakers and entertainment	11,638	746	2,536	14,920
Printing	9,213	-	5,647	14,860
Telephone	4,799	1,067	1,752	7,618
Repairs and maintenance	4,413	972	2,094	7,479
Postage	2,946	218	2,291	5,455
Depreciation	891	357	535	1,783
Travel	1,582	-	-	1,582
Supplies	72	-	1,136	1,208
Dues and subscriptions	624	53	84	761
<b>Total expenses</b>	<b><u>\$ 1,709,115</u></b>	<b><u>\$ 223,026</u></b>	<b><u>\$ 396,266</u></b>	<b><u>\$ 2,328,407</u></b>

The accompanying notes are an integral part of this statement.



**Jewish Federation of Greater Naples, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2021**

	<u>Program services</u>	<u>Supporting services</u>	<u>Fundraising expenses</u>	<u>Total</u>
<b><u>Expenses</u></b>				
Grants and scholarships	\$ 765,068	\$ -	\$ -	\$ 765,068
Salaries	272,297	96,439	198,550	567,286
Advertising expense	161,528	7,342	14,685	183,555
Other event expenses	119,984	-	11,867	131,851
Occupancy	64,594	16,149	26,914	107,657
Employee benefits	39,329	14,225	30,124	83,678
Professional fees	20,722	33,002	23,024	76,748
Payroll taxes	18,732	6,634	13,659	39,025
Office supplies	18,001	9,164	5,564	32,729
Printing	17,240	-	10,567	27,807
Telephone	4,597	1,022	1,678	7,297
Postage	2,930	217	2,278	5,425
Speakers and entertainment	4,000	256	872	5,128
Repairs and maintenance	2,356	519	1,118	3,993
Depreciation	-	3,745	-	3,745
Dues and subscriptions	337	29	45	411
Supplies	24	-	383	407
Facilities and catering	65	-	7	72
<b>Total expenses</b>	<b><u>\$ 1,511,804</u></b>	<b><u>\$ 188,743</u></b>	<b><u>\$ 341,335</u></b>	<b><u>\$ 2,041,882</u></b>

The accompanying notes are an integral part of this statement.

**Jewish Federation of Greater Naples, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Cash received from contributions	\$ 6,731,829	\$ 4,241,891
Cash received from special events	414,938	294,658
Cash received from advertising	101,802	92,756
Interest income received	43,082	45,299
Cash paid to suppliers and employees	(1,361,261)	(1,880,048)
<b>Net cash provided by operating activities</b>	<u>5,930,390</u>	<u>2,794,556</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(6,552,952)	(238,336)
Purchase of investments	-	(1,000)
Proceeds from the sale of investments	500	-
<b>Net cash used in investing activities</b>	<u>(6,552,452)</u>	<u>(239,336)</u>
<b>Net change in cash and cash equivalents</b>	(622,062)	2,555,220
Cash and cash equivalents at beginning of year	<u>3,239,597</u>	<u>684,377</u>
Cash and cash equivalents at end of period	<u><b>\$ 2,617,535</b></u>	<u><b>\$ 3,239,597</b></u>

The accompanying notes are an integral part of this statement.

**Jewish Federation of Greater Naples, Inc.**  
**Statements of Cash Flows (Continued)**  
**For the Years Ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Reconciliation of change in net assets to net cash provided by operating activities</b>		
Change in net assets	\$ 4,263,603	\$ 8,214,791
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,783	3,745
Unrealized losses/(gains)	247,819	(291,678)
Realized losses/(gains)	15,333	(5,009)
<b>(Increase)/decrease in assets:</b>		
Pledges receivable	448,111	(5,185,600)
Other receivables	(46,192)	13,499
Other assets	(105,488)	2,060
<b>Increase/(decrease) in liabilities:</b>		
Accounts payable	1,076,337	156,029
Accrued liabilities	9,499	-
Refundable advance	-	(120,530)
Deferred revenue	19,585	7,249
<b>Net cash provided by operating activities</b>	<b>\$ 5,930,390</b>	<b>\$ 2,794,556</b>

The accompanying notes are an integral part of this statement.

**Jewish Federation of Greater Naples, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2022 and 2021**

**Note A - Summary of Significant Accounting Policies**

**1. Organization and nature of operations**

Jewish Federation of Greater Naples, Inc. (the "Organization") is a Florida nonprofit corporation founded in 1981 to enhance and enrich the quality of Jewish life by recognizing and supporting the charitable, educational, humanitarian and social service needs of the Jewish community locally, nationally, overseas and in the State of Israel.

**2. Basis of accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The accounting and reporting policies of the Organization are in accordance with the accounting standards issued by the Financial Accounting Standards Board ("FASB") in the Accounting Standards Codification ("ASC").

**3. Financial statement presentation**

The Organization prepares its financial statements in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. In accordance with this topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**4. Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**5. Concentration of credit risk**

The Organization maintains its cash and cash equivalents balances at various financial institutions in deposit accounts which at times may exceed federally-insured limits. The Organization has not experienced any economic losses on such account balances and believes it is not exposed to any significant credit risk on its cash and cash equivalent balances.

**6. Investments**

The Organization accounts for investments in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. The realized and unrealized gain and loss on investments is reflected in the statement of activities.

**7. Pledges and other receivables**

Pledges and other receivables are stated at the amounts that management expects to be collected from donors and other organizations. Management assesses the current status of the

**Jewish Federation of Greater Naples, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2022 and 2021**

**Note A - Summary of Significant Accounting Policies (continued)**

**7. Pledges and other receivables (continued)**

receivables and determines if any amounts are uncollectible. Once determined, management provides an estimate for an allowance for doubtful accounts.

**8. Property and equipment**

Property and equipment are recorded at cost, or if donated, at fair market value on the date of donation. Such donations are recorded as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without restrictions at that time.

Depreciation is computed using the straight-line method over the estimated useful lives of five (5) to ten (10) years for furniture, fixtures, equipment and improvements. The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss from disposition is credited or charged to the change in net assets.

**9. Impairment of long-lived assets**

The Organization adheres to the "Property, Plant and Equipment" topic of the FASB ASC to account for the impairment of long-lived assets. This topic requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on the Organization's financial statements resulting from this topic for the years ended June 30, 2022 and 2021.

**10. Promises to give**

Conditional promises to give are not recognized by the Organization until the conditions are substantially met. 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 in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included as contribution revenue.

**11. Other assets**

Other assets consists of prepaid fees and deposits paid by the Organization for future events, campaigns and programs that will become expenses more than one year subsequent to the Organization's year end. The amount of other assets as of June 30, 2022 and 2021 was \$130,324

Jewish Federation of Greater Naples, Inc.  
Notes to the Financial Statements  
For the Years Ended June 30, 2022 and 2021

**Note A - Summary of Significant Accounting Policies (continued)**

**11. Other assets (continued)**

and \$24,836, respectively.

**12. Deferred revenue**

Deferred revenue consists of fees and donations prepaid for future events, campaigns and programs that will become earned revenue subsequent to the Organization's year end. The amount of deferred revenue as of June 30, 2022 and 2021 was \$168,876 and \$149,291, respectively.

**13. Fair value of financial instruments**

The "Financial Instruments" topic of the FASB ASC clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

The Organization's financial instruments consist of cash and cash equivalents, investments, beneficial interest in assets held by others, receivables, beneficial interest in charitable remainder unitrusts, deposits, payables, accruals, deferred revenue, and advances. The Organization estimates that the fair value of all financial instruments as of June 30, 2022 and 2021 do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

**14. Contributions**

The Organization accounts for its contributions in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. In accordance with this topic, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

**15. In-kind contributions, donated materials, and services**

In-kind contributions are recorded as contributions at their estimated current value at the date of the contribution.

A number of volunteers, including the Board of Trustees, donate significant amounts of their time and expertise to the Organization and its programs. No amounts have been recorded for donated services inasmuch as no objective basis is available to measure the value of such services and/or such volunteer hours do not meet the criteria required to record such amounts under the "Not-For-Profit Entities" topic of the FASB ASC.

**16. Recognition of donor restrictions**

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions.

**Jewish Federation of Greater Naples, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2022 and 2021**

**Note A - Summary of Significant Accounting Policies (continued)**

**16. Recognition of donor restrictions (continued)**

When the purpose of the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

When both net assets without donor restrictions and net assets with donor restrictions are available for use, it is the Organization's policy to first apply the net assets without donor restrictions resources, followed by the use of net assets with donor restrictions resources.

**17. Revenue recognition**

**Revenue from Exchange Transactions:**

The Organization recognizes revenue from these types of transactions in accordance with FASB Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its statements of activities for the years ended June 30, 2022 and 2021:

**Special Events**

The Organization conducts special events in which a portion of the proceeds paid by a donor represents payment for the direct cost of the benefits received by the donor at the event - the exchange component, and a portion represents a contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of the benefit is measured at cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the benefit received by the donor. The direct costs of the special event are recorded as direct donor benefits in the statement of activities. The performance obligation is the delivery of the event. The event fee is set by the Organization. FASB ASU 2014-09 requires the Organization to allocate the transaction price to the performance obligations. As such, the Organization presents in the notes to the financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Organization in advance of its delivery are initially recognized as deferred revenue and recognized as special event revenue after the delivery of the event. For special event fees received before year-end for an event that will occur after year-end, the Organization follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as deferred revenue along with the exchange component.

**Advertising Revenue**

The Organization has a monthly newspaper, The Federation Star, in which advertising revenue is generated. The advertising fees are set by the Organization. The Organization recognizes revenues from advertising as the Organization's obligation for the advertising services are satisfied. This is generally at a point in time when the advertising services are provided.

**Jewish Federation of Greater Naples, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2022 and 2021**

**Note A - Summary of Significant Accounting Policies (continued)**

**Revenue recognition (continued)**

**Revenue from Non-Exchange Transactions:**

The Organization recognizes revenue from these types of transactions in accordance with FASB ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 applies to non-exchange transactions. The Organization records the following non-exchange transaction revenue in its statements of activities for the years ended June 30, 2022 and 2021:

**Contributions**

Revenue from contributions is recognized at the time the support or contribution is made.

**18. Functional expenses**

The Organization allocates its expenses on a functional basis among its various program and supporting services. Expenses that can be identified with a specific program service are allocated directly according to their natural expenditure classification. Substantially all the supporting services expenses incurred by the Organization directly benefit the programs.

**19. Advertising costs**

It is the policy of the Organization to expense advertising costs when incurred. Advertising costs for the years ended June 30, 2022 and 2021 were \$146,106 and \$183,555, respectively.

**20. Income taxes**

The Internal Revenue Service has determined that the Organization is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Organization is a not-for-profit Florida corporation and therefore is not subject to state income taxes. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Organization reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

The Organization's tax filings are subject to audit by various taxing authorities. Certain income tax returns filed by the Organization remain open to examination by these government agencies. The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes and the Organization adopted this guidance. The Organization has evaluated its tax positions and any estimates utilized in its tax returns, and concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expense, if required.



**Jewish Federation of Greater Naples, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2022 and 2021**

**Note A - Summary of Significant Accounting Policies (continued)**

**21. Management estimates**

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

**22. Reclassifications**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation of the current-year financial statements.

**Note B - Liquidity and Availability of Financial Assets**

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows as of June 30, 2022 and 2021:

	2022	2021
Cash and cash equivalents	\$ 2,617,535	\$ 3,239,597
Investments	22,000	22,500
Beneficial interest in assets held by others	1,849,130	2,133,673
Other receivables	49,138	2,946
Pledges receivable - short term	2,287,737	1,190,920
Less amounts restricted for future use	(4,180,128)	(5,721,840)
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$ 2,645,412</b>	<b>\$ 867,796</b>

The Organization manages its financial assets in accordance with the "Not-For-Profit Entities" topic of the FASB ASC. This topic requires that the Organization maintains sufficient resources to meet the responsibilities of its donors. Therefore financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**Note C - Investments**

Investments consisted of the following as of June 30, 2022 and 2021:

	2022		2021	
	Cost	Fair value	Cost	Fair value
Israeli bonds	\$ 22,000	\$ 22,000	\$ 22,500	\$ 22,500

The following schedules summarize the investment gain/(loss) and its classification in the

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**Note C - Investments (continued)**

statements of activities for the years ending June 30, 2022 and 2021:

	2022	2021
Unrealized gains (losses)	\$ (893,685)	\$ -
<b>Total investments gains/(losses) on beneficial interest in charitable remainder unitrusts</b>	<b>\$ (893,685)</b>	<b>\$ -</b>

	2022	2021
Interest and dividends	\$ 43,082	\$ 45,299
Unrealized gains (losses)	(247,819)	291,678
Realized gains (losses)	(15,333)	5,009
<b>Total investment gains/(losses) on beneficial interest in assets held by others</b>	<b>\$ (220,070)</b>	<b>\$ 341,986</b>

Management does not have control of the underlying investments related to their beneficial interest in charitable remainder unitrusts, and as such, does not have control over investment gains or losses that are generated from those assets.

**Note D - Beneficial Interest in Assets Held by Others**

TOP Jewish Foundation (the "Foundation") maintains agency endowment funds (the "Funds") in the name of the Organization. The Foundation holds discretionary investment power over the funds and are held for the benefit of the Organization. During the years ended June 30, 2022 and 2021 additions, accumulated interest, market fluctuations, fees, and distributions have resulted in net changes totaling \$(284,543) and \$265,076, respectively. As of June 30, 2022 and 2021, the balance of the funds was \$1,849,130 and \$2,133,673, respectively.

**Note E - Pledges Receivable, Net**

Pledges receivable consisted of the following as of June 30, 2022 and 2021:

	2022	2021
Due in one year or less	\$ 2,287,737	\$ 1,190,920
Due in more than one year	\$ 1,928,933	\$ 2,603,076
Allowance for uncollectible amounts	(87,100)	(100,000)
<b>Total due in one year or more</b>	<b>\$ 1,841,833</b>	<b>\$ 2,503,076</b>

**Note F - Charitable Gift Annuities**

The Organization received two charitable gift annuities during the year ended June 30, 2020. The first charitable gift annuity was in the amount of \$100,000 payable in semiannual installments of

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**Note F - Charitable Gift Annuities (continued)**

\$6,000 over the life of the annuity. The second charitable gift annuity was in the amount of \$200,000 payable in semiannual installments of \$14,000 over the life of the annuity. The remaining asset balance of both of the charitable gift annuities as of June 30, 2022 and 2021 was \$199,635 and \$265,482, respectively and is included in beneficial interest in assets held by others on the statements of financial position.

**Note G - Property and Equipment**

Property and equipment consisted of the following as of June 30, 2022 and 2021:

	2022	2021
Construction in progress	\$ 7,195,208	\$ 642,256
Leasehold improvements	131,780	131,780
Furniture and fixtures	99,040	99,040
Computers and equipment	47,623	47,623
	<u>7,473,651</u>	<u>920,699</u>
Less: accumulated depreciation	(275,886)	(274,103)
	<u><u>\$ 7,197,765</u></u>	<u><u>\$ 646,596</u></u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$1,783 and \$3,745, respectively.

**Note H - Construction In Progress**

In furtherance of its mission, the Organization has initiated an endeavor that will provide enhanced facilities for the effective development, presentation and administration of its programs. Financial feasibility for this project has been studied, and provisions for long-term land lease have been negotiated which will ultimately provide for the construction of a multi-purpose building to be used primarily by the Organization. The Organization has developed the framework for a capital fundraising campaign, the inception of which began during the year ended June 30, 2020.

Costs associated with this project which were incurred and paid during the years ended June 30, 2022 and 2021 have been capitalized as follows:

	2022	2021
Construction in progress	<u><u>\$ 7,195,208</u></u>	<u><u>\$ 642,256</u></u>

As of June 30, 2022 and 2021, no obligations related to this project, beyond those that were paid and capitalized, were incurred that would require the recognition of additional liabilities by the Organization.

In October 2021, the Organization applied and was approved for a construction loan in the amount of \$4,675,000 through a financial institution. In accordance with the loan agreement, the Organization had to fund \$90,000 to an interest reserve account. As of June 30, 2022, the

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**Note H - Construction In Progress (continued)**

Organization had not drawn down on this loan.

**Note I - Beneficial Interest in Charitable Remainder Unitrusts**

Charitable remainder unitrusts receivable consists of funds held in trust and represent unconditional promises to give under legal documents created by donors independent of the Organization. These funds are neither in the possession nor under the control of the Organization but are held and administered by outside agents. Upon the death of the donor and survivor beneficiary, if applicable, the remainder of the trust reverts to the Organization. Certain trust agreements include distributions to beneficiaries equal to a specified percentage of the trust's fair value. The charitable remainder unitrusts receivable has been recorded at the present value of future cash flows of the trust's remainder interest. Present value factors used to arrive at such amounts are based on respective life expectancies of donors at corresponding discount rates.

Beneficial interest in charitable remainder unitrusts consisted of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
<b>Total</b>	<b>\$ 1,901,937</b>	<b>\$ 2,785,622</b>

**Note J - Refundable Advance**

As a result of the COVID-19 pandemic, the Organization applied for a forgivable loan under the Paycheck Protection Program (PPP) through the U.S. Small Business Administration (SBA). The Organization received \$120,530 in April 2020 from the PPP. During the year ended June 30, 2021 the Organization met the loan forgiveness criteria and as such has recognized the transaction as a contribution to the Organization on the statement of activities.

**Note K - Net Assets**

Net assets consisted of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
<b>Without donor restrictions:</b>		
Undesignated	<u>\$ 11,785,165</u>	<u>\$ 5,979,850</u>
<b>With donor restrictions:</b>		
Capital campaign	<u>\$ 4,180,128</u>	<u>\$ 5,721,840</u>

**Note L - Net Assets Released from Donor Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Net assets released from donor restrictions during the years ended June 30, 2022 and 2021 were:

<u>2022</u>	<u>2021</u>
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**Note L - Net Assets Released from Donor Restrictions (continued)**

	2022	2021
Expenditure for specific purpose accomplished	\$ 6,552,952	\$ 286,492

**Note M - Special Events**

Gross receipts from special events recorded by the Organization consists of exchange transaction revenue and contribution revenue. As a result of adopting FASB ASU 2014-09, the Organization is required to separately present the components of this revenue for the years ended June 30, 2022 and 2021 as follows:

	2022	2021
Contributions	\$ 380,368	\$ 287,409
Direct donor benefit	14,985	-
<b>Special events - gross</b>	<b>\$ 395,353</b>	<b>\$ 287,409</b>

**Note N - Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 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 Organization has the ability to access.

*Level 2* - Inputs to the valuation methodology include:

- \*Quoted prices for similar assets or liabilities in active markets.
- \*Quoted prices for identical or similar assets or liabilities in inactive markets.
- \*Inputs other than quoted prices that are observable for the assets 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 measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets for the Organization measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

**Jewish Federation of Greater Naples, Inc.**  
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**Note N - Fair Value Measurements (continued)**

Bonds - These investments are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond value is valued under a discounted cash flows approach that maximizes observable inputs.

Beneficial interest in assets held by others - The fair value of the beneficial interest in assets held by others was not readily determinable through an outside source independent of the Organization. The Fair value is based on amounts reported to the Organization by the Community Foundation

Charitable Gift Annuities - These investments are held by others of which the Organization has no authority or control over. As such, these investments are classified within level 3 of the valuation hierarchy.

The following tables set forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2022 and 2021. The Organization had no financial liabilities as of June 30, 2022 and 2021.

Assets at Fair Value as of June 30, 2022				
	(Level 1)	(Level 2)	(Level 3)	Total
Beneficial interest in assets held by others	\$ -	\$ -	\$ 1,849,130	\$ 1,849,130
Bonds	22,000	-	-	22,000
	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ 1,849,130</u>	<u>\$ 1,871,130</u>
Assets at Fair Value as of June 30, 2021				
	(Level 1)	(Level 2)	(Level 3)	Total
Beneficial interest in assets held by others	\$ -	\$ -	\$ 2,133,673	\$ 2,133,673
Bonds	22,500	-	-	22,500
	<u>\$ 22,500</u>	<u>\$ -</u>	<u>\$ 2,133,673</u>	<u>\$ 2,156,173</u>

The fair value of the beneficial interest in assets held by others was not readily determinable through an outside source independent of the Organization. The fair value is based on amounts reported to the Organization by the community foundation.

The following represents a fair value roll forward of the beneficial interest in assets held by others measured at Level 3:

	2022	2021
Balance, beginning of year	\$ 2,133,673	\$ 1,868,597
Realized and unrealized gains (losses)	(252,109)	291,784
Interest and dividends	41,451	43,547
Fees and expenses	(73,885)	(70,255)

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**Note N - Fair Value Measurements (continued)**

	2022	2021
	<u>\$ 1,849,130</u>	<u>\$ 2,133,673</u>

**Note O - Commitments**

The Organization leases office space under an extended operating lease which will expire December 31, 2022 and requires minimum monthly payments of \$4,985 through the lease term.

Expense incurred under the lease for the years ended June 30, 2022 and 2021 was \$59,825 and \$58,673, respectively.

Future minimum lease payments are as follows:

**Year ended June 30,**

2023	<u>\$ 29,910</u>
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**Note P - Retirement Plan**

The Organization sponsors a 403(b) pension plan for all eligible employees. The plan year is from January 1 through December 31. Employer base contributions are fixed at 6% of participant's compensation received for that plan year and are 100% vested at all times. Participation in employer base contributions require completion of 1,000 hours of service during a plan year. Total employer base contributions for the years ended June 30, 2022 and 2021 were \$37,360 and \$34,697, respectively.

**Note Q - Subsequent Events**

Management has assessed subsequent events through August 31, 2022, the date on which the financial statements were available to be issued.