

TOP JEWISH FOUNDATION, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

As of and for the Years Ended June 30, 2021 and 2020

And Report of Independent Auditor

TOP JEWISH FOUNDATION, INC.

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Report of Independent Auditor

To the Trustees
TOP Jewish Foundation, Inc.
Tampa, Florida

We have audited the accompanying financial statements of TOP Jewish Foundation, Inc. (the "Foundation") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2021 and 2020, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of changes in funds held for the benefit of others on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cherry Bekkert LLP

Tampa, Florida
October 12, 2021

TOP JEWISH FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 5,583,574	\$ 4,455,804
Investments	60,950,661	50,521,619
Total Assets	<u>\$ 66,534,235</u>	<u>\$ 54,977,423</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 964	\$ 1,527
Note payable	-	52,150
Charitable gift annuity obligations	52,531	57,679
Funds held for benefit of others	29,388,292	24,114,542
Total Liabilities	<u>29,441,787</u>	<u>24,225,898</u>
Net Assets:		
Without donor restrictions	24,053,825	19,505,743
With donor restrictions	13,038,623	11,245,782
Total Net Assets	<u>37,092,448</u>	<u>30,751,525</u>
Total Liabilities and Net Assets	<u>\$ 66,534,235</u>	<u>\$ 54,977,423</u>

TOP JEWISH FOUNDATION, INC.
STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support:						
Contributions	\$ 5,792,615	\$ 662,412	\$ 6,455,027	\$3,268,409	\$702,909	\$ 3,971,318
Operating support from Federations and TOP Communities	425,634	-	425,634	367,053	-	367,053
Investment income	3,889,043	2,156,030	6,045,073	885,552	356,268	1,241,820
Gain on extinguishment of debt	52,594	-	52,594	-	-	-
Other income	79,631	-	79,631	103,058	-	103,058
Net assets released from purpose restrictions:						
Grants to beneficiaries	912,990	(912,990)	-	509,682	(509,682)	-
Investment management fees	112,611	(112,611)	-	100,721	(100,721)	-
Total Revenues and Support	<u>11,265,118</u>	<u>1,792,841</u>	<u>13,057,959</u>	<u>5,234,475</u>	<u>448,774</u>	<u>5,683,249</u>
Expenses:						
Philanthropic support	6,101,991	-	6,101,991	5,213,950	-	5,213,950
Management and general	584,320	-	584,320	511,999	-	511,999
Fundraising	30,725	-	30,725	31,115	-	31,115
Total Expenses	<u>6,717,036</u>	<u>-</u>	<u>6,717,036</u>	<u>5,757,064</u>	<u>-</u>	<u>5,757,064</u>
Change in net assets	4,548,082	1,792,841	6,340,923	(522,589)	448,774	(73,815)
Net assets, beginning of year	<u>19,505,743</u>	<u>11,245,782</u>	<u>30,751,525</u>	<u>20,028,332</u>	<u>10,797,008</u>	<u>30,825,340</u>
Net assets, end of year	<u>\$ 24,053,825</u>	<u>\$ 13,038,623</u>	<u>\$ 37,092,448</u>	<u>\$ 19,505,743</u>	<u>\$ 11,245,782</u>	<u>\$ 30,751,525</u>

The accompanying notes to the financial statements are an integral part of these statements.

TOP JEWISH FOUNDATION, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 6,340,923	\$ (73,815)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized gains on investments	(5,216,920)	(416,304)
Charitable gift annuity obligations	(45,698)	83,679
Gain on extinguishment of debt	(52,594)	-
Cash used for (provided by):		
Other assets	-	1,169
Accounts payable	(119)	(11,872)
Charitable gift annuity obligation payments	40,550	(26,000)
Funds held for the benefit of others	5,273,750	745,277
Net cash flows provided by operating activities	<u>6,339,892</u>	<u>302,134</u>
Cash flows from investing activities:		
Purchases of investments	(14,741,784)	(8,265,420)
Proceeds from sales of investments	9,529,662	7,796,146
Net cash flows from investing activities	<u>(5,212,122)</u>	<u>(469,274)</u>
Cash flows from financing activities:		
Proceeds from note payable	-	52,150
Net cash flows provided by financing activities	<u>-</u>	<u>52,150</u>
Net change in cash and cash equivalents	1,127,770	(114,990)
Cash and cash equivalents, beginning of year	4,455,804	4,570,794
Cash and cash equivalents, end of year	<u>\$ 5,583,574</u>	<u>\$ 4,455,804</u>
Supplemental disclosure of cash flow information:		
Loan and accrued interest extinguished through forgiveness	<u>\$ 52,594</u>	<u>\$ -</u>

TOP JEWISH FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021					2020				
	Program Expenses	Supporting Expenses			Total	Program Expenses	Supporting Expenses			Total
	Philanthropic Support	Management and General	Fundraising	Supporting Services		Philanthropic Support	Management and General	Fundraising	Supporting Services	
Expenses:										
Grant to beneficiaries	\$ 5,615,511	\$ -	\$ -	\$ -	\$ 5,615,511	\$ 4,757,624	\$ -	\$ -	\$ -	\$ 4,757,624
Investment management fees:										
Federations	-	352,094	-	352,094	352,094	-	292,431	-	292,431	292,431
Investment Manager	201,944	86,547	-	86,547	288,491	190,128	81,484	-	81,484	271,612
Payroll	248,746	106,606	-	106,606	355,352	237,470	101,773	-	101,773	339,243
Office	14,692	6,296	-	6,296	20,988	5,617	2,407	-	2,407	8,024
Accounting	-	23,735	-	23,735	23,735	-	24,000	-	24,000	24,000
Promotion	-	-	30,725	30,725	30,725	-	-	31,115	31,115	31,115
Rent	9,240	3,960	-	3,960	13,200	9,240	3,960	-	3,960	13,200
Insurance	6,449	2,764	-	2,764	9,213	4,626	1,983	-	1,983	6,609
Training and travel	1,480	634	-	634	2,114	5,191	2,225	-	2,225	7,416
Telephone	1,819	780	-	780	2,599	2,195	941	-	941	3,136
Other	2,110	904	-	904	3,014	1,859	795	-	795	2,654
Total Expenses	<u>\$ 6,101,991</u>	<u>\$ 584,320</u>	<u>\$ 30,725</u>	<u>\$ 615,045</u>	<u>\$ 6,717,036</u>	<u>\$ 5,213,950</u>	<u>\$ 511,999</u>	<u>\$ 31,115</u>	<u>\$ 543,114</u>	<u>\$ 5,757,064</u>

The accompanying notes to the financial statements are an integral part of these statements.

TOP JEWISH FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 1—Nature of activities

The TOP Jewish Foundation, Inc. (the “Foundation” or “TOP”) was established in 1980 as a nonprofit corporation to support the Jewish and non-Jewish communities through creative philanthropy. TOP’s mission is to secure the future of our community using Jewish-inspired values, innovative philanthropy and extraordinary service. TOP accomplishes its mission by providing philanthropic services, promoting charitable giving, increasing permanent financial support of the community, and by effectively administering philanthropic assets entrusted to its care.

TOP receives funding for its operational needs from The Tampa JCC/Federation, Inc., The Jewish Federation of Greater Orlando, Inc. and The Jewish Federation of Pinellas & Pasco Counties, Inc. (collectively, “the founding Federations”). TOP, in turn, supports the founding Federations through the receipt of contributions, which are invested and/or distributed for the fulfillment of the missions of the founding Federations. The founding Federations are considered financially related entities since they have the ability to influence the operating and financial decisions at TOP and they have an ongoing economic interest in the net assets of TOP. However, none of the founding Federations individually has the ability to control TOP’s operations.

TOP offers its philanthropic services to other Jewish Federations and nonprofit organizations too small to sustain their own foundation departments.

In May 2018, TOP entered into an Alliance Agreement with the Jewish Federation of Greater Naples, Inc. (“JFGN”), under which TOP invests all of JFGN’s investment, endowment and donor-advised funds consistent with TOP’s investment policy. TOP provides philanthropic consulting services to the JFGN donors, beneficiary and partner agencies. In accordance with the Alliance Agreement, TOP receives fees from JFGN based on the value of the funds managed by TOP on behalf of JFGN, which is included in the accounting and management fees in the accompanying statements of functional expenses.

In April 2019, TOP entered into an Alliance Agreement with the Jewish Federation of Lee & Charlotte Counties, Inc. (“JFLCC”), under which TOP invests all of JFLCC’s investment, endowment and donor-advised funds consistent with TOP’s Investment policy. TOP provides philanthropic consulting services to the JFLCC donors, beneficiary and partner agencies. In accordance with the Alliance Agreement, TOP receives fees from JFLCC based on the value of the funds managed by TOP on behalf of JFLCC, which is included in the accounting and management fees in the accompanying statements of functional expenses.

Funds received directly from all Federations and certain funds received from other nonprofits that specify themselves or their affiliates as beneficiaries are considered managed funds and are classified as a liability, shown as funds held for the benefit of others in the accompanying statement of financial position. In addition, each of the founding Federations holds an agency fund with TOP which is also classified as funds held for the benefit of others. Other funds received from third parties are classified as donor-advised funds or endowment funds and are recorded in net assets as either net assets without donor restriction or net assets with donor restriction based on donor intent and whether TOP has variance power.

Change in Reporting Entity – Effective July 1, 2020 the Foundation changed its legal name from Tampa-Orlando-Pinellas Jewish Foundation, Inc. to TOP Jewish Foundation, Inc.

TOP JEWISH FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 2—Summary of significant accounting policies

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as without donor restrictions or with donor restrictions.

When a donor restriction expires, that is when a stipulated purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restriction.

Use of Estimates – The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing coronavirus pandemic (“COVID-19”) and the COVID-19 control responses.

Cash and Cash Equivalents – Cash equivalents includes all highly-liquid debt instruments purchased with a maturity of three months or less.

Concentration of Credit Risk – TOP’s financial instruments that are exposed to concentrations of credit risk include cash and cash equivalents, which are held with various financial institutions. Accounts at the Foundation are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation’s bank balances at June 30, 2021 exceeded federally insured limits by approximately \$5,290,000. Management believes these institutions have strong credit ratings and that the credit risk related to these deposits is minimal. TOP has not experienced any losses on such accounts.

TOP has significant investments subject to concentrations of credit risk. Although the market value of investments is subject to fluctuations on a day-to-day basis, management believes their investment policy is prudent for the long-term welfare of TOP and its beneficiaries.

Investments – TOP’s investment portfolio is managed by outside investment managers who invest according to the investment guidelines established by TOP’s investment policy and approved by the Board of Trustees. The Foundation records certain investment assets at fair value. Amounts paid to the investment managers are included in investment management fees – investment manager in the accompanying statement of activities. Realized gains and losses are included in investment income in the statement of activities.

TOP has adopted investment and spending policies that attempt to safeguard its assets, preserve the real purchasing power of its assets, and earn investment returns that are commensurate with TOP’s risk tolerance and the risk tolerance of its investment pools, and sufficient to meet its operational requirements and the needs of its administered funds. The investment and spending policies work together to achieve these objectives.

TOP has adopted an anti-terror, anti-BDS (boycott, divestment, and sanctions), and pro-Israel Investment policy. While focusing on competitive returns, the investment policy supports TOP’s commitment to stop community resources from supporting terrorism. Additionally, the investment policy prohibits investment in companies that boycott, divest from or sanction Israel.

TOP JEWISH FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 2—Summary of significant accounting policies (continued)

The investment policy establishes an achievable rate of return objective through diversification of asset classes. The current long-term objective is to attain an average annual real total return that will maintain adequate liquidity to meet its operational requirements and the needs of its respective administered funds. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, TOP relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The overall portfolio is to be diversified into six Investment Pools (the Money Market Investment Pool, the Fixed Income Investment Pool, the Balanced Investment Pool, the Israel Bond Pool, the Equity Investment Pool, and the Charitable Gift Annuity Pool.” Each of the Investment Pools presents a different set of investment objectives designed to match the targeted risk characteristics of the respective Investment Pool, although certain investment objectives are common to all three Investment Pools.

The spending policy is consistent with the investment objective of achieving long-term real growth in TOP’s assets. In order to achieve such long-term real growth, TOP’s expenditures must be less than, over the long-term investment horizon, TOP’s total inflation-adjusted return on investments. The Board of Trustees is responsible for setting the spending rate from time to time on the recommendation of the Investment Committee.

Investment Management Fees Paid to the Federations (Excluding TOP Communities) – TOP transfers 1% per annum of the fund balances of each of the philanthropic funds, endowment funds, and managed funds into the agency funds of the Federations, which amounted to a total of approximately \$516,000 and \$455,000 during the years ended June 30, 2021 and 2020, respectively. Of the totals transferred, approximately \$352,000 and \$292,000, respectively, related to TOP investments was paid to the Federations and, therefore, reported as investment management fees – Federations in the accompanying statements of functional expenses. The remaining approximately \$164,000 and \$163,000, respectively, in investment fees relate to investments held for the benefit of others and accordingly, TOP did not receive or expend any funds in connection with this transfer.

Funds Held for the Benefit of Others – Transfers of assets to TOP by the Federations and others who specify themselves or their affiliates as the beneficiaries are not considered contributions because TOP has agreed to transfer those assets, the return on investment of those assets, or both back to the Federations or other organizations. These transfers of funds are recorded as a liability by TOP which is presented as funds held for the benefit of others on the accompanying statements of financial position.

Functional Allocation of Expenses – The financial statements report certain categories of expenses that are attributable to program and supporting activities. Expenses are allocated between program services and supporting services based upon time and effort incurred with the exception of rent costs which is allocated based on square footage utilized for certain functions.

Contributions and Donor-Imposed Restrictions – Unconditional promises to give are recognized as contributions in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions other than cash are recorded at their estimated fair value on the date received.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. TOP records contributions of donor advised funds and certain endowment funds as unrestricted support when the donor provides TOP with variance power to accept or reject recommendations from the donor for distributions from the fund. Contributions of certain other endowment funds where there is a third-party beneficiary and TOP has variance power; where a financially interrelated Federation is the beneficiary and TOP does not have variance power; or where contributions of endowment funds where TOP is the beneficiary and does not have variance power are reported as support without donor restrictions.

TOP JEWISH FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 2—Summary of significant accounting policies (continued)

When net assets with donor restrictions are paid to specified beneficiaries and the purpose restriction is accomplished, related amounts are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction. If a donor restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as without donor restrictions.

Contributions of donated services from independent service providers that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Unpaid officers, board members, and other volunteers conduct significant portions of TOP's operations. The value of the contributed time is not reflected in the accompanying financial statements because the volunteers' time does not meet the criteria set forth in the preceding paragraph.

Grants to Beneficiaries – Grants to beneficiaries are unconditional and are recognized when they are approved by TOP's Board of Trustees and the funds have been appropriated.

Charitable Gift Annuities – A charitable gift annuity is an arrangement between a donor and TOP in which the donor contributes assets to TOP in exchange for a promise by TOP to pay a fixed amount for a specified period of time to the donor or to stated annuitants. The assets are held as general assets of TOP and the annuity liability is a general obligation of the TOP. TOP records these assets in the statement of financial position at their estimated fair value using the present value of the revenue stream to be received by TOP under the terms of the policies. The discount rate and actuarial assumptions used in determining the present value of the expected future receipts are based on the actuarial tables and discount rates established by the Internal Revenue Service ("IRS").

Payments due to beneficiaries of charitable gift annuities are recorded as liabilities in the statement of financial position at estimated fair value using present value calculations based on actuarial tables and discount rates established by the IRS.

Fair Value of Financial Instruments – The Foundation records certain assets at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price). A fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset, and the risk of nonperformance. A fair value hierarchy is utilized which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The three levels of the fair value hierarchy are described below:

Level 1 – Valuation based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Valuation based on observable quoted for similar assets and liabilities in active markets.

Level 3 – Valuation based on inputs that are unobservable and are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

TOP JEWISH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 2—Summary of significant accounting policies (continued)

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximates their fair values due to the short-term nature of these instruments.

The following methods and assumptions were used to estimate the fair value of other financial instruments:

TOP's Level 1 investments include those described in Note 3 and are valued at quoted prices reported on the active market on which the individual securities are traded.

TOP's Level 2 investments include the cash surrender value of life insurance policies and are valued based on current cash surrender values as quoted by insurance carriers, and certain corporate, government, and other bonds which are valued by discounting the related cash flows based on stated yields.

TOP's Level 3 investments include State of Israel bonds which are valued by discounting the related cash flows based on stated yields.

In addition to the assets held at fair value, the Foundation also invests in private Limited Partnership Vehicles which invests in private real estate. The fair value of these underlying partnerships are based on capital account balances reported by the underlying partnerships, which are subject to management review and adjustment. This fair value is determined using the net asset value ("NAV") per percentage of ownership as a practical expedient. NAV is excluded from the valuation hierarchy. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

Income Taxes – TOP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes. Accordingly, no provision for income taxes has been made.

Subsequent Events – The Foundation has evaluated subsequent events through October 12, 2021 in connection with the preparation of these financial statements, which is the date the financial statements are available to be issued.

TOP JEWISH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 3—Fair value measurements

The following tables present the assets and liabilities measured at fair value on a recurring basis on the statement of financial position for the years ended June 30, 2021 and 2020. Investments calculated using NAV per share are listed separately for reconciliation to the balances on the statements of financial position.

	2021				Total
	Level 1	Level 2	Level 3	Investments at NAV	
Assets:					
Equity	\$ 29,844,304	\$ -	\$ -	\$ -	\$ 29,844,304
Mutual funds	5,680,717	-	-	-	5,680,717
Corporate securities	10,327,141	-	-	-	10,327,141
U.S. Treasuries	7,300,669	-	-	-	7,300,669
Government sponsored entities	2,383,628	-	-	-	2,383,628
Cash surrender value of					
life insurance policies	-	908,144	-	-	908,144
State of Israel Bonds	-	-	2,904,723	-	2,904,723
Partnership investment - real estate	-	-	-	1,587,001	1,587,001
Limited partnership interest	-	-	-	14,334	14,334
Total assets in fair value hierarchy	<u>\$ 55,536,459</u>	<u>\$ 908,144</u>	<u>\$ 2,904,723</u>	<u>\$ 1,601,335</u>	<u>\$ 60,950,661</u>
Liabilities:					
Charitable gift annuity obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,531)</u>	<u>\$ -</u>	<u>\$ (52,531)</u>
2020					
	Level 1	Level 2	Level 3	Investments at NAV	Total
Assets:					
Equity	\$ 23,154,408	\$ -	\$ -	\$ -	\$ 23,154,408
Mutual funds	7,514,446	-	-	-	7,514,446
Corporate securities	5,773,923	-	-	-	5,773,923
U.S. Treasuries	5,962,259	-	-	-	5,962,259
Government sponsored entities	2,460,125	-	-	-	2,460,125
Real estate investments trusts	506,187	-	-	-	506,187
Cash surrender value of					
life insurance policies	-	860,768	-	-	860,768
Other securities	316,176	-	-	-	316,176
State of Israel Bonds	-	-	2,910,226	-	2,910,226
Partnership investment - real estate	-	-	-	1,048,767	1,048,767
Limited partnership interest	-	-	-	14,334	14,334
Total assets in fair value hierarchy	<u>\$ 45,687,524</u>	<u>\$ 860,768</u>	<u>\$ 2,910,226</u>	<u>\$ 1,063,101</u>	<u>\$ 50,521,619</u>
Liabilities:					
Charitable gift annuity obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57,679)</u>	<u>\$ -</u>	<u>\$ (57,679)</u>

TOP JEWISH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 3—Fair value investments (continued)

The following is a reconciliation of TOP’s Level 3 investments and liabilities:

	State of Israel Bonds	Charitable Gift Annuity Obligations
Fair value, July 1, 2019	\$ 2,936,162	\$ -
Additions to charitable gift annuity liability	-	(83,679)
Beneficiary payments	-	26,000
Purchases	175,000	-
Sales and maturities	(247,958)	-
Net unrealized gains on investments	47,022	-
Fair value, June 30, 2020	2,910,226	(57,679)
Beneficiary payments	-	(40,550)
Purchases	156,150	-
Sales and maturities	(165,212)	-
Net unrealized gains (losses) on investments	3,559	45,698
Fair value, June 30, 2021	<u>\$ 2,904,723</u>	<u>\$ (52,531)</u>

Investment income is comprised of the following:

	2021	2020
Dividends and interest	\$ 828,153	\$ 825,516
Net realized and unrealized gains	5,216,920	416,304
	<u>\$ 6,045,073</u>	<u>\$ 1,241,820</u>

Note 4—Note payable

TOP received a loan under the Paycheck Protection Program (“PPP”) for an amount of approximately \$52,000, which was established under the CARES Act and administered by the Small Business Administration (“SBA”). The application for the PPP loan requires TOP to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operation of TOP. This certification further requires TOP to take into account current activity and ability to access other sources of liquidity sufficient to support the ongoing operations in a manner that is not significantly determinantal to our operations. The receipt of the funds from the PPP loan and forgiveness of the PPP loan is dependent on TOP having initially qualified for the PPP loan and qualifying for the forgiveness of such PPP loan based on funds being used for certain expenditures such as payroll costs and rent, as required by the terms of the PPP loan. TOP applied for forgiveness with the SBA in May 2021. The SBA has forgiven the PPP loan in full, including accrued interest (approximately \$500). As a result, TOP recognized approximately \$53,000 as a gain on extinguishment of debt on the accompanying 2021 statement of activities.

TOP JEWISH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 5—Funds held for the benefit of others

TOP invests its own funds and funds held for the benefit of others on a pooled or segregated basis as appropriate. Transfers of assets to TOP by others who specify themselves or their affiliates as the beneficiaries are not considered contributions and are recorded as a liability by TOP. Funds held for the benefit of others are designated by TOP to the following Federations, however, some of these funds are not assets of the designated Federation but are assets of others in the respective Federation’s community:

	2021	2020
The Tampa JCC/Federation, Inc.	\$ 12,839,394	\$ 10,829,419
The Jewish Federation of Greater Orlando, Inc.	7,541,185	6,315,911
Jewish Federation of Pinellas & Pasco Counties FL, Inc.	5,892,468	4,820,109
Jewish Federation of Greater Naples, Inc.	2,613,103	1,695,802
Jewish Federation of Lee and Charlotte Counties, Inc.	502,142	453,301
Total Funds held for benefit of others*	<u>\$ 29,388,292</u>	<u>\$ 24,114,542</u>

* Certain funds included above are designated by TOP to the Federations noted above; however, some of the funds are not assets of the designated Federation but are assets of others in the respective Federation’s community.

Note 6—Net assets with donor restrictions

Assets with Donor Restrictions – Assets with donor restriction are restricted for the following Federations, however, some of these funds are not assets of the designated Federation but are assets of others in the respective Federation’s community. Amounts are restricted by donors as endowments, the earnings of which may be released upon distributions to the beneficiary or paying related investment management fees.

	2021	2020
The Tampa JCC/Federation, Inc.	\$ 7,200,167	\$ 6,345,168
The Jewish Federation of Greater Orlando, Inc.	3,445,635	2,926,549
Jewish Federation of Pinellas & Pasco Counties FL, Inc.	2,377,887	1,966,546
TOP Communities	14,934	7,519
	<u>\$ 13,038,623</u>	<u>\$ 11,245,782</u>

During the years ended June 30, 2021 and 2020, net assets with donor restrictions of approximately \$1,026,000 and \$610,000, respectively were released from restriction upon payment of grants to beneficiaries of approximately \$913,000 and \$510,000, respectively, and incurring investment management fees of approximately \$113,000 and \$100,000, respectively.

TOP JEWISH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 6—Net assets with donor restrictions (continued)

Endowment Funds – The Board of Trustees of TOP has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (“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, TOP classifies as either net assets with donor restrictions or without donor restrictions: (a) the original value of the gift donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with FUPMIFA, TOP 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 TOP 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 TOP; and
- (7) The investment policies of TOP.

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 TOP to retain as a fund of perpetual duration. TOP has interpreted FUPMIFA to permit spending from underwater endowments in accordance with prudent measures required under the law. There were no underwater endowments as of June 30, 2021 or 2020.

The Board of Trustees, on the advice of legal counsel, has determined that the Foundation’s contributions are subject to the terms of the Foundation’s fund agreements. Certain of the fund agreements include a variance power. The variance power allows the Foundation to modify any restriction or condition on the distribution of the funds for any specified charitable purpose or to specified organizations if, in the sole judgement of the Foundation, such restriction or condition becomes, in effect, unpredictable, impossible, unnecessary, undesirable, incapable of fulfillment or inconsistent with the charitable needs of the beneficiary or the community or area served.

Net assets without donor restriction consist of endowments that provide the Foundation with variance power. Net assets with donor restrictions consist of endowments where the beneficiary is the Foundation, financially interrelated Federation or designated third party and the Foundation does not have variance power or the grants distribution committee representing the Federation has variance power.

TOP JEWISH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 6—Net assets with donor restrictions (continued)

Changes in TOP's endowment net assets are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment net assets, July 1, 2019	\$ 3,755,180	\$ 10,797,008	\$ 14,552,188
Contributions	832	702,909	703,741
Investment return, net	(14,748)	356,268	341,520
Grants to beneficiaries	(698,435)	-	(698,435)
Release of restrictions	610,403	(610,403)	-
Endowment net assets, June 30, 2020	<u>3,653,232</u>	<u>11,245,782</u>	<u>14,899,014</u>
Contributions	55,669	662,412	718,081
Investment return, net	681,380	2,156,030	2,837,410
Grants to beneficiaries	(195,464)	-	(195,464)
Release of restrictions	-	(1,025,601)	(1,025,601)
Endowment net assets, June 30, 2021	<u>\$ 4,194,817</u>	<u>\$ 13,038,623</u>	<u>\$ 17,233,440</u>

Note 7—Transactions with related parties

TOP received operating support from the Federations of approximately \$426,000 and \$367,000 for the years ended June 30, 2021 and 2020, respectively.

TOP paid a management fee to The Tampa JCC/Federation, Inc. for the use of their certain operating costs. Management fees for operations were approximately \$5,000 for both the years ended June 30, 2021 and 2020, included in office expense in the accompanying statements of functional expenses.

TOP rents office and storage space on a month-to-month basis from The Tampa JCC/Federation, Inc. for approximately \$1,100 per month. Total rent expense was approximately \$13,000 for both the years ended June 30, 2021 and 2020.

TOP paid grants totaling approximately \$2,893,000 and \$2,773,000 to the Federations during the years ended June 30, 2021 and 2020, respectively, of which approximately \$1,328,000 and \$1,107,000, respectively, is included in grants to beneficiaries in the accompanying statements of functional expenses and approximately \$1,565,000 and \$1,666,000, respectively, was a reduction in funds held for the benefit of others.

TOP JEWISH FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

Note 8—Liquidity and availability of resources

Management has budgeted approximately \$586,000 of operating expenses to be paid within one year of the statement of financial position date (excluding grants to beneficiaries). The Foundation has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses and may invest cash in excess of requirements in a short-term money market investment. Budget and overall operations may be impacted by COVID-19. In order to meet operating needs, the Foundation relies on contributions, investment returns, and annual income generated from its Federations which totaled approximately \$6,455,000, \$6,045,000, and \$426,000, respectively, during the year ended June 30, 2021.

Financial assets available to meet short-term needs for general expenditures within one year as of June 30, 2021 consist of the following:

Financial assets as of year-end:

Cash	\$ 5,583,574
Investments, net of amounts held for the benefit of others	31,562,369

Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions	<u>(13,038,623)</u>
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Financial assets available to meet short term needs for general expenditures within one year	<u><u>\$ 24,107,320</u></u>
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Note 9—Deepwater Horizon Oil Spill

During 2010, the Deepwater Horizon Oil Spill in the Gulf of Mexico greatly impacted TOP's ability to solicit contributions from donors and revenues were negatively impacted as a result, and TOP filed a claim for business economic loss (the "Claim") with the Deepwater Horizon Court Supervised Settlement Program (the "CSSP"). In March 2018, TOP reached a settlement with the CSSP in which TOP would receive a total settlement of \$1,750,000 as a result of the Claim. In May 2018, TOP received a cash settlement of approximately \$1,313,000, net of attorney's fees of approximately \$438,000, related to its business economic claim.

In conjunction with these proceeds, TOP distributed \$912,000 equally to the Tampa, Orlando, and Pinellas/Pasco Federations in the amount of \$304,167 to support their respective communities. Tampa, Orlando and Pinellas/Pasco Federations agreed to support TOP's operating reserve by paying \$100,000 total to be paid equally by each member Federation in three installments of \$11,111 on December 31, 2018, 2019, and 2020. For the year ended June 30, 2020, TOP received an additional \$11,111 from The Orlando Federation, as such, this amount was not paid to TOP during the year ended June 30, 2021. The Foundation received approximately \$22,000 and \$44,000 of these proceeds for the years ended June 30, 2021 and 2020, respectively, which is included in contributions revenue in the accompanying statements of activities.

Note 10—Contingencies and uncertainties/COVID-19 Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus "COVID-19" outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines, or "stay-at-home" restrictions in certain areas and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets globally, including the geographical areas in which the TOP operates. TOP is closely monitoring the impact of the COVID-19 pandemic on all aspects of operations.

SUPPLEMENTARY INFORMATION

TOP JEWISH FOUNDATION, INC.
SCHEDULE OF CHANGES IN FUNDS HELD FOR THE BENEFIT OF OTHERS

JUNE 30, 2021 AND 2020

	The Tampa JCC/ Federation, Inc.	The Jewish Federation of Greater Orlando, Inc.	Jewish Federation of Pinellas and Pasco Counties FL., Inc.	Jewish Federation of Greater Naples, Inc.	Jewish Federation of Lee and Charlotte Counties, Inc.	Total
Funds held for benefit of others, July 1, 2019*	\$ 11,261,226	\$ 5,668,800	\$ 4,808,859	\$ 1,516,042	\$ 114,338	\$ 23,369,265
Contributions	1,030,572	942,391	257,827	179,424	389,530	2,799,744
Interest and dividends	193,029	107,705	82,506	27,974	8,974	420,188
Realized and unrealized gains	131,498	71,325	64,218	47,683	143	314,867
Management and bank fees	111,655	99,953	102,522	(17,297)	(4,399)	292,434
Grants/distributions	(1,898,561)	(574,263)	(495,823)	(58,024)	(55,285)	(3,081,956)
Funds held for benefit of others, June 30, 2020*	10,829,419	6,315,911	4,820,109	1,695,802	453,301	24,114,542
Contributions	2,402,312	1,221,318	699,031	714,828	16,469	5,053,958
Interest and dividends	150,175	106,920	82,922	34,309	8,917	383,243
Realized and unrealized gains	1,316,497	839,500	831,585	319,792	46,203	3,353,577
Management and bank fees	136,106	105,976	115,507	(17,393)	(5,416)	334,780
Grants/distributions	(1,995,115)	(1,048,440)	(656,686)	(134,235)	(17,332)	(3,851,808)
Funds held for benefit of others, June 30, 2021*	<u>\$ 12,839,394</u>	<u>\$ 7,541,185</u>	<u>\$ 5,892,468</u>	<u>\$ 2,613,103</u>	<u>\$ 502,142</u>	<u>\$ 29,388,292</u>

*Certain funds included above are designated by TOP to the Federations noted above, however, some of the funds are not assets of the designated Federation but are assets of others in the respective Federation's community.