

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

TOP JEWISH FOUNDATION, INC.

June 30, 2024 and 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
TOP Jewish Foundation, Inc.

### **Opinion**

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, 2024 and 2023, 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 the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Foundation 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **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 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 the Foundation'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 the Foundation'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.

## Report on Supplementary Information

Our audit was 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 25 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.

Tampa, Florida  
December 4, 2024

*Bucio, Gordinier & Company, P.A.*

TOP Jewish Foundation, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9,322,851	\$ 5,166,372
Investments	77,329,753	68,702,553
Receivables	16,401	13,794
Prepaid expenses	<u>6,400</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 86,675,405</u></u>	<u><u>\$ 73,882,719</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 10,761	\$ 1,880
Line of credit	10,134	10,134
Charitable gift annuity obligations	43,127	46,042
Funds held for the benefit of others	<u>46,503,026</u>	<u>34,436,334</u>
Total Liabilities	<u>46,567,048</u>	<u>34,494,390</u>
<b>Net Assets</b>		
Without donor restrictions	24,368,154	24,556,791
With donor restrictions	<u>15,740,203</u>	<u>14,831,538</u>
Total Net Assets	<u>40,108,357</u>	<u>39,388,329</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 86,675,405</u></u>	<u><u>\$ 73,882,719</u></u>

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

TOP Jewish Foundation, Inc.

STATEMENTS OF ACTIVITIES

For the year ended June 30,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support						
Contributions	\$ 4,430,515	\$ 1,452,942	\$ 5,883,457	\$ 4,915,389	\$ 2,663,711	\$ 7,579,100
Operating support from Federations and TOP communities	609,710	-	609,710	563,429	-	563,429
Investment returns, net	3,036,353	1,605,189	4,641,542	2,488,545	1,215,196	3,703,741
Other income	106,667	-	106,667	54,437	-	54,437
Net assets released from purpose restrictions						
Grants to beneficiaries	2,019,111	(2,019,111)	-	1,029,840	(1,029,840)	-
Investment management fees	130,355	(130,355)	-	112,033	(112,033)	-
Total revenues and support	<u>10,332,711</u>	<u>908,665</u>	<u>11,241,376</u>	<u>9,163,673</u>	<u>2,737,034</u>	<u>11,900,707</u>
Expenses						
Philanthropic support	9,826,253	-	9,826,253	6,062,527	-	6,062,527
Management and general	665,232	-	665,232	639,096	-	639,096
Fundraising	29,863	-	29,863	42,983	-	42,983
Total expenses	<u>10,521,348</u>	<u>-</u>	<u>10,521,348</u>	<u>6,744,606</u>	<u>-</u>	<u>6,744,606</u>
Change in net assets	(188,637)	908,665	720,028	2,419,067	2,737,034	5,156,101
Net assets, beginning of year	<u>24,556,791</u>	<u>14,831,538</u>	<u>39,388,329</u>	<u>22,137,724</u>	<u>12,094,504</u>	<u>34,232,228</u>
Net assets, end of year	<u>\$ 24,368,154</u>	<u>\$ 15,740,203</u>	<u>\$ 40,108,357</u>	<u>\$ 24,556,791</u>	<u>\$ 14,831,538</u>	<u>\$ 39,388,329</u>

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

TOP Jewish Foundation, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30,

	2024					2023				
	Program Expenses	Supporting Expenses				Program Expenses	Supporting Expenses			
	Philanthropic Support	Management and General	Fundraising	Total Supporting Services	Total	Philanthropic Support	Management and General	Fundraising	Total Supporting Services	Total
Expenses										
Grant to beneficiaries	\$ 9,138,299	\$ -	\$ -	\$ -	\$ 9,138,299	\$ 5,436,588	\$ -	\$ -	\$ -	\$ 5,436,588
Investment management fees										
Federations	-	338,421	-	338,421	338,421	-	334,727	-	334,727	334,727
Administration	267,490	114,639	-	114,639	382,129	241,703	103,587	-	103,587	345,290
Payroll	345,547	148,091	-	148,091	493,638	320,680	137,434	-	137,434	458,114
Office	42,627	18,268	-	18,268	60,895	40,123	17,196	-	17,196	57,319
Accounting	-	31,975	-	31,975	31,975	-	32,678	-	32,678	32,678
Promotion	-	-	25,863	25,863	25,863	-	-	24,011	24,011	24,011
Marketing - Life & Legacy	-	-	4,000	4,000	4,000	-	-	18,972	18,972	18,972
Rent	9,240	3,960	-	3,960	13,200	9,240	3,960	-	3,960	13,200
Insurance	13,283	5,693	-	5,693	18,976	7,551	3,236	-	3,236	10,787
Training and travel	5,027	2,154	-	2,154	7,181	4,868	2,086	-	2,086	6,954
Telephone	1,807	774	-	774	2,581	1,774	760	-	760	2,534
Other	2,933	1,257	-	1,257	4,190	-	3,432	-	3,432	3,432
Total Expenses	<u>\$ 9,826,253</u>	<u>\$ 665,232</u>	<u>\$ 29,863</u>	<u>\$ 695,095</u>	<u>\$ 10,521,348</u>	<u>\$ 6,062,527</u>	<u>\$ 639,096</u>	<u>\$ 42,983</u>	<u>\$ 682,079</u>	<u>\$ 6,744,606</u>

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



TOP Jewish Foundation, Inc.

STATEMENTS OF CASH FLOWS

For the year ended June 30,

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 720,028	\$ 5,156,101
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized gains on investments	(3,478,680)	(2,735,862)
Net unrealized gains from charitable gift annuity obligations	(42,915)	(43,145)
Increase in interest payable	-	57
Change in operating assets and liabilities		
Receivables	(2,607)	(1,375)
Prepaid expenses	(6,400)	-
Accounts payable	8,881	(2,091)
Charitable gift annuity obligation	40,000	40,000
Funds held for the benefit of others	12,066,692	2,265,472
Net cash flows from operating activities	<u>9,304,999</u>	<u>4,679,157</u>
Cash flows from investing activities		
Purchases of investments	(23,799,331)	(16,521,718)
Proceeds from sales of investments	18,650,811	11,846,986
Net cash flows from investing activities	<u>(5,148,520)</u>	<u>(4,674,732)</u>
Net change in cash and cash equivalents	4,156,479	4,425
Cash and cash equivalents, beginning of year	<u>5,166,372</u>	<u>5,161,947</u>
Cash and cash equivalents, end of year	<u>\$ 9,322,851</u>	<u>\$ 5,166,372</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 679</u>	<u>\$ 480</u>

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

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the organization and a summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

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. 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., Shalom 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 TOP communities, other Jewish Federations, nonprofit organizations, and to individuals outside of its founding federations.

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.

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 statements 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.

2. 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 restrictions.

3. 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.

4. Cash and Cash Equivalents

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

5. 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 exceeded federally insured limits by approximately \$9,315,000, and \$4,879,000 at June 30, 2024 and 2023, respectively. 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 Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. 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 statements of activities. Realized and unrealized gains and losses are included in investment returns, net in the statements of functional expenses.

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.

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 seven Investment Pools (the Money Market Investment Pool, the Fixed Income Investment Pool, the Balanced Investment Pool, the Israel Bond Pool, the Equity Investment Pool, Term Deposit 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.

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

TOP transfers 1%, or a portion thereof defined by a sliding fee schedule, per annum of the fund balances of each of the philanthropic funds, endowment funds, and managed funds invested in TOP into the agency funds of the Federations, which amounted to a total of approximately \$570,000 and \$519,000 during the years ended June 30, 2024 and 2023 respectively. Of the totals transferred, approximately \$338,000 and \$335,000, respectively, related to TOP investments paid to the Federations and, therefore, reported as investment management fees – Federations in the accompanying statements of functional expenses. The remaining approximately \$232,000 and \$184,000, 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.

7. In-Kind Contributions

Donated materials are recognized at their estimated fair market value at the date of receipt. Donated services are recorded at their estimated fair value if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteers have donated substantial time to the Foundation in various capacities. The value of this contributed time is not reflected in the financial statements because it does not meet the above recognition criteria.

8. 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.

9. 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.

10. 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.

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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 statements 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 nonfinancial 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.

11. 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.

12. 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 statements 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").

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

13. 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.

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 B and are valued at quoted prices reported on the active market on which the individual securities are traded.

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 and a partnership interest which management valued utilizing what was considered the most readily available information.

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.

14. 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.



TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE B - FAIR VALUE MEASUREMENTS

The following tables present the assets and liabilities measured at fair value on a recurring basis on the statements of financial position for the years ended June 30, 2024 and 2023. Investments calculated using NAV per share are listed separately for reconciliation to the balances on the statements of financial position.

	2024			Investments at NAV	Total
	Level 1	Level 2	Level 3		
<b>Assets</b>					
Equity securities	\$ 42,197,870	\$ 109,442	\$ -	\$ -	\$ 42,307,312
Money Market Funds	124,607	-	-	-	124,607
Corporate securities	19,218,815	-	-	-	19,218,815
Fixed income securities	1,566,308	5,482,334	-	-	7,048,642
Cash surrender value of life insurance policies	-	1,133,460	-	-	1,133,460
State of Israel Bonds	-	-	5,854,808	-	5,854,808
Partnership investment - real estate	-	-	-	1,627,775	1,627,775
Limited partnership interest	-	-	-	14,334	14,334
Total assets in fair value hierarchy	<u>\$ 63,107,600</u>	<u>\$ 6,725,236</u>	<u>\$ 5,854,808</u>	<u>\$ 1,642,109</u>	<u>\$ 77,329,753</u>
<b>Liabilities</b>					
Charitable gift annuity obligations	<u>\$ -</u>	<u>\$ -</u>	<u>(43,127)</u>	<u>\$ -</u>	<u>\$ (43,127)</u>
	2023			Investments at NAV	Total
	Level 1	Level 2	Level 3		
<b>Assets</b>					
Equity securities	\$ 37,267,414	\$ 109,442	\$ -	\$ -	\$ 37,376,856
Money Market Funds	134,646	-	-	-	134,646
Corporate securities	16,706,740	-	-	-	16,706,740
Fixed income securities	1,532,326	4,653,380	-	-	6,185,706
Cash surrender value of life insurance policies	-	1,143,525	-	-	1,143,525
State of Israel Bonds	-	-	5,008,951	-	5,008,951
Partnership investment - real estate	-	-	-	1,945,358	1,945,358
Limited partnership interest	-	-	186,437	14,334	200,771
Total assets in fair value hierarchy	<u>\$ 55,641,126</u>	<u>\$ 5,906,347</u>	<u>\$ 5,195,388</u>	<u>\$ 1,959,692</u>	<u>\$ 68,702,553</u>
<b>Liabilities</b>					
Charitable gift annuity obligations	<u>\$ -</u>	<u>\$ -</u>	<u>(46,042)</u>	<u>\$ -</u>	<u>\$ (46,042)</u>

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE B - FAIR VALUE MEASUREMENTS - Continued

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

	Limited Partnership	State of Israel Bonds	Charitable Gift Annuity Obligations
Fair value, June 30, 2022	\$ 186,437	\$ 4,726,423	\$ (49,187)
Beneficiary payments	-	-	(40,000)
Purchases and contributions	-	702,939	-
Sales and maturities	-	(418,945)	-
Net unrealized gains on investments	-	(1,466)	43,145
Fair value, June 30, 2023	<u>\$ 186,437</u>	<u>\$ 5,008,951</u>	<u>\$ (46,042)</u>
Fair value, June 30, 2023	\$ 186,437	\$ 5,008,951	\$ (46,042)
Beneficiary payments	(186,437)	-	(40,000)
Purchases and contributions	-	2,058,616	-
Sales and maturities	-	(1,290,458)	-
Net unrealized gain (loss) on investments	-	77,699	42,915
Fair value, June 30, 2024	<u>\$ -</u>	<u>\$ 5,854,808</u>	<u>\$ (43,127)</u>

Investment income (loss) is comprised of the following for the year ended June 30,:

	2024	2023
Dividends and interest	\$ 1,162,862	\$ 967,879
Net realized and unrealized gains	3,478,680	2,735,862
	<u>\$ 4,641,542</u>	<u>\$ 3,703,741</u>

NOTE C - LINE OF CREDIT

In February 2022, TOP obtained a revolving margin line of credit with Goldman Sachs, bearing interest at the Secured Overnight Finance Rate ("SOFR") plus 1.25% (6.58% at June 30, 2024), payable on demand. Available borrowings are based on the collateralized margin pool of investment accounts held by TOP with the maximum amount allowed to be borrowed based on factors including but not limited to account balances and investment ratings. Maximum borrowings available to TOP as of June 30, 2024 is approximately \$12,851,000.

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE C - LINE OF CREDIT - Continued

There was approximately \$10,000 outstanding on the revolving margin line of credit, at June 30, 2024 and 2023, respectively.

NOTE D - NOTE RECEIVABLE

In February 2022, TOP entered into a revolving credit loan agreement with a donor who holds funds at the Foundation of up to \$780,000, with certain limitations as defined in the agreement. The note bears interest at SOFR plus 2.50% (7.83% at June 30, 2024) and is due on demand. The note receivable of approximately \$10,000 is collateralized by the investor's funds held at TOP and is included in receivables on the statements of net position at June 30, 2024 and 2023, respectively.

NOTE E - 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:

	2024	2023
The Tampa JCC/Federation, Inc.	\$ 11,928,131	\$ 11,120,490
Shalom Orlando, Inc.	10,967,860	8,855,390
Jewish Federation of Pinellas & Pasco Counties FL, Inc.	15,716,748	11,162,332
Jewish Federation of Greater Naples, Inc.	2,488,600	1,682,286
The Jewish Federation of Volusia and Flagler Counties, Inc.	2,678,665	-
TOP Communities	<u>2,723,022</u>	<u>1,615,836</u>
Total Funds held for benefit of others	<u>\$ 46,503,026</u>	<u>\$ 34,436,334</u>

NOTE F - 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. Restrictions by donors include endowments, the earnings of which may be released upon distributions to the beneficiary or paying related investment management fees.

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS - Continued

Net assets with donor restrictions are designated by TOP to the following Federations as of June 30,:

	2024	2023
The Tampa JCC/Federation, Inc.	\$ 6,390,793	\$ 6,814,420
Shalom Orlando, Inc.	4,966,601	4,379,819
Jewish Federation of Pinellas & Pasco Counties FL, Inc.	4,065,181	3,588,639
TOP Communities	317,628	48,660
	<u>\$ 15,740,203</u>	<u>\$ 14,831,538</u>

Net assets with donor restrictions of approximately \$3,243,000, and \$1,142,000 were released from restriction upon payment of grants to beneficiaries of approximately \$2,019,000, and \$1,030,000, and incurring investment management fees of approximately \$130,000, and \$112,000 for the year ended June 30, 2024 and 2023, respectively.

*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, 2024 or 2023.

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS - Continued

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.

The following tables present the changes in TOP's endowment net assets on the statements of financial position:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2022	\$ 3,536,078	\$ 12,094,504	\$ 15,630,582
Contributions	5,696	2,663,711	2,669,407
Investment return, net	318,225	1,215,196	1,533,421
Grants to beneficiaries	(179,334)	(1,029,840)	(1,209,174)
Appropriated for expenditure	-	(112,033)	(112,033)
Endowment net assets, June 30, 2023	<u>\$ 3,680,665</u>	<u>\$ 14,831,538</u>	<u>\$ 18,512,203</u>
Endowment net assets, June 30, 2023	\$ 3,680,665	\$ 14,831,538	\$ 18,512,203
Contributions	-	1,452,942	1,452,942
Investment return, net	327,794	1,605,189	1,932,983
Grants to beneficiaries	(160,969)	(2,019,111)	(2,180,080)
Appropriated for expenditure	-	(130,355)	(130,355)
Endowment net assets, June 30, 2024	<u>\$ 3,847,490</u>	<u>\$ 15,740,203</u>	<u>\$ 19,587,693</u>

The endowment corpus is approximately \$9,815,000, and \$9,844,000 with accumulated gains of approximately \$2,296,000, and \$2,256,000, as of June 30, 2024 and 2023, respectively.

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE G - TRANSACTIONS WITH RELATED PARTIES

TOP received operating support from the Federations of approximately \$610,000, and \$563,000 for the years ended June 30, 2024 and 2023, respectively.

TOP paid a management fee to The Tampa JCC/Federation, Inc. for the use of their certain operating costs. Management fees for operations of approximately \$5,000 is included in office expense in the accompanying statements of functional expenses for the years ended June 30, 2024 and 2023, respectively.

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 the years ended June 30, 2024 and 2023, respectively.

TOP paid grants totaling approximately \$3,600,000, and \$4,975,000 to the Federations, of which approximately \$2,417,000, and \$1,302,000 is included in grants to beneficiaries in the accompanying statements of functional expenses and approximately \$1,183,000, and \$3,673,000 was a reduction in funds held for the benefit of others for the years ended June 30, 2024 and 2023, respectively.

NOTE H - LIQUIDITY AND AVAILABILITY OF RESOURCES

Management has budgeted approximately \$774,000 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.

In order to meet operating needs, the Foundation relies on contributions and annual income generated from its Federations. Contributions and income from its Federations totaled approximately \$5,883,000, and \$7,579,000 and income from its Federations totaled approximately \$610,000, and \$563,000 for the years ended June 30, 2024 and 2023, respectively. The Foundation additionally had an investment return of approximately \$4,642,000, and \$3,704,000 for the years ended June 30, 2024 and 2023, respectively.

TOP Jewish Foundation, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

NOTE H - LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

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

	<u>2024</u>	<u>2023</u>
Financial assets as of year-end		
Cash and cash equivalents	\$ 9,322,851	\$ 5,166,372
Investments, net of amounts held for the benefit of others	30,826,727	34,266,219
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions	(15,740,203)	(14,831,538)
Less endowment funds without donor restrictions	<u>(3,847,490)</u>	<u>(3,680,665)</u>
Financial assets available to meet short term needs for general expenditures within one year	<u>\$ 20,561,885</u>	<u>\$ 20,920,388</u>

NOTE I - SUBSEQUENT EVENTS

TOP has evaluated events and transactions occurring subsequent to June 30, 2024 as of December 4, 2024 which is the date the financial statements were available to be issued.

## SUPPLEMENTARY INFORMATION



TOP Jewish Foundation, Inc.

SCHEDULE OF CHANGES IN FUNDS HELD FOR THE BENEFIT OF OTHERS

For the years ended June 30, 2024 and 2023

	The Tampa JCC/Federation, Inc.	Shalom Orlando, Inc.	Jewish Federation of Pinellas & Pasco Counties FL, Inc.	Jewish Federation of Greater Naples, Inc.	The Jewish Federation of Volusia and Flagler Counties, Inc.	TOP Communities	Total
Funds held for benefit of others, July 1, 2022*	\$ 12,233,513	\$ 7,192,817	\$ 9,275,540	\$ 1,850,017	\$ -	\$ 1,618,975	\$ 32,170,862
Contributions	1,672,900	1,570,902	2,763,195	-	-	170,185	6,177,182
Interest and dividends	215,266	166,718	203,702	30,828	-	27,592	644,106
Realized and unrealized gains	728,603	440,072	743,970	120,977	-	147,561	2,181,183
Management and bank fees	127,175	124,292	102,039	(14,455)	-	(14,875)	324,176
Grants/distributions	(3,856,967)	(639,411)	(1,926,114)	(305,081)	-	(333,602)	(7,061,175)
Funds held for benefit of others, June 30, 2023*	<u>\$ 11,120,490</u>	<u>\$ 8,855,390</u>	<u>\$ 11,162,332</u>	<u>\$ 1,682,286</u>	<u>\$ -</u>	<u>\$ 1,615,836</u>	<u>\$ 34,436,334</u>
Funds held for benefit of others, July 1, 2023*	\$ 11,120,490	\$ 8,855,390	\$ 11,162,332	\$ 1,682,286	\$ -	\$ 1,615,836	\$ 34,436,334
Contributions	476,987	2,915,205	3,418,775	914,491	2,500,000	1,101,733	11,327,191
Interest and dividends	288,335	264,477	313,862	49,262	28,293	49,054	993,283
Realized and unrealized gains	868,457	522,472	996,985	185,003	161,458	230,019	2,964,394
Management and bank fees	128,330	137,676	110,030	(16,556)	(11,086)	(43,995)	304,399
Grants/distributions	(954,468)	(1,727,360)	(285,236)	(325,886)	-	(229,625)	(3,522,575)
Funds held for benefit of others, June 30, 2024*	<u>\$ 11,928,131</u>	<u>\$ 10,967,860</u>	<u>\$ 15,716,748</u>	<u>\$ 2,488,600</u>	<u>\$ 2,678,665</u>	<u>\$ 2,723,022</u>	<u>\$ 46,503,026</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.