

**THE JEWISH FEDERATION OF  
GREATER ORLANDO, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED  
August 31, 2021 and 2020**

## TABLE OF CONTENTS

	Page
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 21



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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
The Jewish Federation of Greater Orlando, Inc.

We have audited the accompanying financial statements of The Jewish Federation of Greater Orlando, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows 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.

**Auditors' 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 auditors' judgement, 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 that 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 Jewish Federation of Greater Orlando, Inc. as of August 31, 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.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
May 10, 2022

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.

STATEMENTS OF FINANCIAL POSITION

AUGUST 31, 2021 AND 2020

	<b>ASSETS</b>	
	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 593,963	\$ 497,340
Accounts receivable, primarily from local agencies, net	105,070	157,768
Contributions receivable, net	92,438	210,315
Other assets	31,196	88,133
Assets held by TOP Jewish Foundation	1,869,776	1,720,650
Interest in net assets of TOP Jewish Foundation	2,732,545	2,525,598
Assets held under charitable gift annuities	244,682	240,766
Property and equipment, net	<u>3,617,297</u>	<u>3,654,257</u>
<b>TOTAL ASSETS</b>	<u>\$ 9,286,967</u>	<u>\$ 9,094,827</u>
	<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 94,296	\$ 80,937
Grants and allocations payable to affiliates	-	41,685
Liability under charitable gift annuities	115,297	122,303
Deferred income	<u>40,145</u>	<u>190,400</u>
Total liabilities	<u>249,738</u>	<u>435,325</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Unrestricted	2,139,414	2,017,723
Unrestricted - Interest in net assets of TOP Jewish Foundation	2,527,292	2,343,011
Unrestricted - Designated for property and equipment	3,617,297	3,654,257
Unrestricted - Board designated	168,593	168,593
With donor restrictions	<u>584,633</u>	<u>475,918</u>
Total net assets	<u>9,037,229</u>	<u>8,659,502</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 9,286,967</u>	<u>\$ 9,094,827</u>

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

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED AUGUST 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>						
Contributions	\$ 449,831	\$ -	\$ 449,831	\$ 506,643	\$ -	\$ 506,643
Paycheck Protection Program loan	-	-	-	70,200	-	70,200
Program fees and sponsorships	420,887	99,562	520,449	148,350	35,190	183,540
Grant revenue	149,803	-	149,803	8,253	-	8,253
Rental income - local agencies	504,598	-	504,598	519,615	-	519,615
TOP management fee income	147,549	-	147,549	131,201	-	131,201
Investment income	109,049	22,666	131,715	77,158	1,571	78,729
Miscellaneous income	68,381	-	68,381	8,319	-	8,319
Change in value of charitable gift annuities	-	10,922	10,922	-	7,422	7,422
Net assets released from restrictions	24,435	(24,435)	-	32,172	(32,172)	-
Total revenues and support	<u>1,874,533</u>	<u>108,715</u>	<u>1,983,248</u>	<u>1,501,911</u>	<u>12,011</u>	<u>1,513,922</u>
<b>EXPENSES</b>						
Program services	722,427	-	722,427	611,460	-	611,460
Facility	653,372	-	653,372	550,927	-	550,927
Management and general	154,424	-	154,424	165,195	-	165,195
TOP management fees	141,745	-	141,745	110,555	-	110,555
Fundraising	263,405	-	263,405	257,532	-	257,532
Total expenses	<u>1,935,373</u>	<u>-</u>	<u>1,935,373</u>	<u>1,695,669</u>	<u>-</u>	<u>1,695,669</u>
<b>CHANGE IN NET ASSETS BEFORE CHANGE IN INTEREST IN NET ASSETS OF TOP JEWISH FOUNDATION</b>	(60,840)	108,715	47,875	(193,758)	12,011	(181,747)
Change in interest in net assets of TOP Jewish Foundation	<u>329,852</u>	<u>-</u>	<u>329,852</u>	<u>199,024</u>	<u>-</u>	<u>199,024</u>
<b>CHANGE IN NET ASSETS</b>	269,012	108,715	377,727	5,266	12,011	17,277
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>8,183,584</u>	<u>475,918</u>	<u>8,659,502</u>	<u>8,178,318</u>	<u>463,907</u>	<u>8,642,225</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 8,452,596</u>	<u>\$ 584,633</u>	<u>\$ 9,037,229</u>	<u>\$ 8,183,584</u>	<u>\$ 475,918</u>	<u>\$ 8,659,502</u>

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

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED AUGUST 31, 2021 AND 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 377,727	\$ 17,277
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	235,119	209,364
Noncash interest expense	-	29,805
Amortization of pledge discount	(144)	-
Bad debt expense	29,937	38,965
Income from assets held by TOP Jewish Foundation	(278,615)	(209,016)
Change in value of charitable gift annuities	(10,922)	(7,422)
Change in operating assets and liabilities:		
Decrease (increase) in accounts receivable, primarily from local agencies	52,698	(8,322)
Decrease (increase) in contributions receivable	88,084	(70,756)
Decrease (increase) in other assets	56,937	(49,006)
Increase in distributions from interest in net assets of TOP Jewish Foundation	131,336	138,322
Increase (decrease) in accounts payable and accrued expenses	13,359	(37,399)
Decrease in grants and allocations payable to affiliates	(41,685)	(79,898)
Increase (decrease) in deferred income	(150,255)	190,400
Net cash provided by operating activities	<u>503,576</u>	<u>162,314</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of assets held for sale, net	-	2,829,803
Increase in interest in net assets held by TOP Jewish Foundation	(338,283)	(228,847)
Net distributions (contributions) from assets held by TOP Jewish Foundation	129,489	(637,145)
Purchase of property and equipment	(198,159)	(62,411)
Net cash provided by (used in) investing activities	<u>(406,953)</u>	<u>1,901,400</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on long-term debt	-	(2,066,855)
Net increase (decrease) in cash and cash equivalents	96,623	(3,141)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>497,340</u>	<u>500,481</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 593,963</u>	<u>\$ 497,340</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Cash paid for interest	<u>\$ -</u>	<u>\$ 11,483</u>

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

**THE JEWISH FEDERATION OF GREATER ORLANDO, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED AUGUST 31, 2021**

	Program Services	Facility	Supporting Services			Total
			Management and General	TOP Management Fees	Fundraising	
Salaries	\$ 57,162	\$ 74,000	\$ 23,579	\$ -	\$ 87,038	\$ 241,779
Employee benefits	53	111	2,455	-	28	2,647
Payroll taxes	5,367	6,142	2,259	-	7,592	21,360
<b>Total salaries and benefits</b>	<b>62,582</b>	<b>80,253</b>	<b>28,293</b>	<b>-</b>	<b>94,658</b>	<b>265,786</b>
Grants and allocations to Jewish Academy of Orlando	74,606	-	-	-	-	74,606
Grants and allocations to affiliated organizations	258,100	-	-	-	-	258,100
Professional fees	72,412	86,382	56,174	-	88,822	303,790
Programs and events	97,966	-	359	-	13,385	111,710
Conferences	1,004	-	-	-	335	1,339
Advertising and marketing	1,383	-	937	-	18,865	21,185
Grants and awards	150,355	-	-	-	-	150,355
Occupancy costs	-	432	26,578	-	-	27,010
Facility administration	-	216,513	-	-	-	216,513
Bad debts	3,005	-	-	-	25,863	28,868
TOP management fees	-	-	-	141,745	-	141,745
Bank fees	814	-	5,440	-	7,558	13,812
Insurance	-	2,400	7,371	-	-	9,771
Miscellaneous	83	52,292	2,624	-	1,277	56,276
Office machines (purchase, rentals and maintenance) and other maintenance	-	674	471	-	5,841	6,986
Office supplies	94	-	1,293	-	127	1,514
Postage	23	-	-	-	5,909	5,932
Printing	-	-	60	-	765	825
Recruiting	-	-	-	-	-	-
Telephone and internet	-	1,663	2,468	-	-	4,131
<b>Total expenses before depreciation</b>	<b>659,845</b>	<b>360,356</b>	<b>103,775</b>	<b>141,745</b>	<b>168,747</b>	<b>1,434,468</b>
Depreciation and amortization	-	212,763	22,356	-	-	235,119
<b>Total</b>	<b>\$ 722,427</b>	<b>\$ 653,372</b>	<b>\$ 154,424</b>	<b>\$ 141,745</b>	<b>\$ 263,405</b>	<b>\$ 1,935,373</b>

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

**THE JEWISH FEDERATION OF GREATER ORLANDO, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED AUGUST 31, 2020**

	Program Services	Facility	Supporting Services			Total
			Management and General	TOP Management Fees	Fundraising	
Salaries	\$ 108,732	\$ 72,000	\$ 30,834	\$ -	\$ 27,106	\$ 238,672
Employee benefits	4,259	148	3,324	-	1,330	9,061
Payroll taxes	9,413	5,800	2,897	-	2,218	20,328
<b>Total salaries and benefits</b>	<b>122,404</b>	<b>77,948</b>	<b>37,055</b>	<b>-</b>	<b>30,654</b>	<b>268,061</b>
Grants and allocations to Jewish Academy of Orlando	181,380	-	-	-	-	181,380
Grants and allocations to affiliated organizations	159,418	-	-	-	-	159,418
Professional fees	59,103	81,100	31,107	-	126,574	297,884
Programs and events	77,334	248	3,036	-	50,041	130,659
Conferences	5,272	-	739	-	143	6,154
Advertising and marketing	999	-	350	-	1,469	2,818
Grants and awards	983	-	877	-	2,119	3,979
Occupancy costs	-	596	24,831	-	-	25,427
Facility administration	203	160,839	8,928	-	-	169,970
Bad debts	3,451	40	-	-	35,474	38,965
TOP management fees	-	-	-	110,555	-	110,555
Bank fees	8	-	10,164	-	9	10,181
Insurance	197	2,400	6,323	-	-	8,920
Interest	-	11,483	-	-	-	11,483
Miscellaneous	-	2,798	3,735	-	320	6,853
Office machines (purchase, rentals and maintenance) and other maintenance	-	489	471	-	-	960
Office supplies	-	1,835	2,666	-	712	5,213
Postage	45	-	-	-	951	996
Printing	450	-	851	-	8,202	9,503
Recruiting	213	-	2,193	-	864	3,270
Telephone and internet	-	1,787	2,064	-	-	3,851
<b>Total expenses before depreciation</b>	<b>489,056</b>	<b>263,615</b>	<b>98,335</b>	<b>110,555</b>	<b>226,878</b>	<b>1,188,439</b>
Depreciation and amortization	-	209,364	29,805	-	-	239,169
<b>\$ 611,460</b>	<b>\$ 550,927</b>	<b>\$ 165,195</b>	<b>\$ 110,555</b>	<b>\$ 257,532</b>	<b>\$ 1,695,669</b>	

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

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

**NOTE A – DESCRIPTION OF THE ORGANIZATION**

The Jewish Federation of Greater Orlando, Inc. (the "Federation") is a not-for-profit organization formed to provide social, financial, and human resource services to affiliated Jewish organizations in the Central Florida Jewish Community. The Federation's primary mission is to foster and enhance the Jewish Community's relationship with the State of Israel while promoting both the welfare and education of Jews in Central Florida.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Net assets and revenues, expenses, gains, and losses are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

See Note J for more information on the composition of net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

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

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Federation to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy. The Federation did not have any of these net assets at August 31, 2021 and 2020.

See Note K for more information on the composition of net assets with donor restrictions.

2. Liquidity

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and liabilities according to their nearness of their maturity and resulting use of cash.

3. Cash and Cash Equivalents

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

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

4. Financial Instruments

The Federation reports its financial assets and liabilities using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

*Level 2* - Valuation based on observable quoted prices 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. These financial instruments include cash and cash equivalents, accounts receivable, contributions receivable due in one year or less, accounts payable and accrued expenses and grants and allocations payable to affiliates. The fair value of long-term debt is estimated based on the current rates that would be available for debt of similar terms which is not significantly different from its stated value.

Level 1 financial assets include assets held under charitable gift annuities held by Jewish Federation of North America (see Note M) and consist of pooled investments in money market funds, bonds and equity securities.

The Federation's Level 2 financial assets include contributions receivable due in more than one year, as shown in Note D, which are recorded at their net present value using U.S. Treasury rates in effect at the date the contribution was made based on the number of years the pledge will be paid. Level 2 financial assets also include assets held by TOP Jewish Foundation and an interest in net assets of TOP Jewish Foundation as shown in Note E. These assets are held by TOP Jewish Foundation and consist of pooled investments in money market funds, bonds and equity securities.

Level 2 financial liabilities include the liability under charitable gift annuities which are recorded at their net present value based on future estimated cash flows and actuarial assumptions.

The Federation has no Level 3 financial assets or liabilities.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Charitable Gift Annuities

Assets held under charitable gift annuities are held and invested by the Jewish Federation of North America and are recorded at fair value when received. The present value of the estimated future payments to the named beneficiaries is recorded as a liability under charitable gift annuities. The difference between these amounts is recorded as with donor restriction contributions. Income earned on charitable gift annuities, including realized and unrealized gains and losses, and adjustments to the liability to reflect amortization of the discount and changes in actuarial assumptions are recorded as change in value of charitable gift annuities in the statements of activities. Upon death of the beneficiaries, the assets, net of any related liabilities, are released from with donor restrictions and reclassified to without donor restrictions.

6. Accounts Receivable

Accounts receivable primarily represent amounts due from local agencies for rental income and is recognized and billed on a monthly basis based on tenant occupancy. The Federation periodically evaluates collections based on historical experience and records an allowance when necessary. As of August 31, 2021 and 2020, \$74,606 and \$181,380, respectively, was gifted to JAO as a grant.

7. Property and Equipment

Property and equipment are stated at cost except for donated property which is stated at the estimated fair value at the date of the gift. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and the related accumulated depreciation account are relieved, and any gain or loss included in operations.

It is the Federation's policy to capitalize additions that are greater than \$1,000 and have a useful life of at least two years individually. Depreciation is determined on the straight-line method over the estimated useful lives of the respective assets as follows:

Land and improvements	15 – 30 years
Buildings and improvements	5 – 40 years
Furniture and equipment	3 – 40 years

8. Impairment of Long-Lived Assets and Assets Held for Sale

The Federation reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Impairment of Long-Lived Assets and Assets Held for Sale (continued)

In August 2017, the Federation's Board of Directors made the decision to sell a portion of the land and building and equipment on the Federation's campus. As a result, the Federation recorded an impairment loss of \$1,911,873 related to this property held for sale, which was included in the statement of activities during the year ended August 31, 2017. Fair value for this property was based on a sales offer for the property. In October 2019, the assets held for sale were sold for \$2,850,000.

9. Grants and Allocations Payable and Affiliates

Grants and allocations payable to affiliates represent grants approved by the Board of Directors to affiliated Jewish organizations overseas based on allocations of the organization's fair share dues required by the Jewish Federation of North America.

10. Loan Costs

Loan costs are amortized using the straight-line method which approximates the effective interest method, over the term of the debt instrument and are presented as a direct deduction from the debt liability, consistent with the presentation of a debt discount. For the years ended August 31, 2021 and 2020, amortization expense totaled \$0 and \$29,805, respectively.

11. Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which prescribes a single, common revenue standard to replace most existing revenue recognition guidance, including most industry-specific requirements. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Federation adopted ASC 606 and all related amendments effective September 1, 2020. The adoption had no significant impact on the Federation's financial statements.

The Federation follows FASB issued ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958-605), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

Unconditional promises to give are recognized as contributions in the period received at their fair value. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value on the date received. Contributions to be received beyond one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Revenue Recognition (continued)

Revenues and support are considered to be available for general expenditures unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as with donor restricted support that increases those net asset classes.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the Federation reports the support as without donor restrictions.

Program fees and sponsorships are recognized as revenue when the related program or event takes place.

12. Rental Income and Commitments

The Federation acts as a landlord and rents space in its buildings on the Maitland campus to other Jewish non-profit affiliates under lease agreements which mature on various dates from 2025 to 2027. Operating rent is charged based on square footage occupied and other costs are charged related to debt service on the buildings, major reserves for capital replacement and information technology expenses. Rental income from local agencies consists of the following:

<i>Year Ended August 31,</i>	<u>2021</u>	<u>2020</u>
Operating and maintenance	\$ 396,408	\$ 394,343
Debt service costs	-	23,201
Major reserves	<u>108,190</u>	<u>102,071</u>
	<u>\$ 504,598</u>	<u>\$ 519,615</u>

The debt service costs were reduced in 2020 due to the assets held for sale being sold in October 2019. These costs were derived from the loan amount that was subsequently paid off after the sale.

In the year ended August 31, 2021, the JAO's share of the above allocated cost was \$122,247, of which \$74,606 was provided as a grant to the JAO. In the year ended August 31, 2020, the JAO's share of the above allocated cost was \$132,687, of which \$124,190 was provided as a grant to the JAO.

13. Functional Expenses

Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent relative to each function. All other expenses are allocated based on their relative functional activity.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

14. Income Taxes

The Federation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Federation identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the statements of financial position. The Federation has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Federation would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Federation's tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

15. Use of 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 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.

16. Recent Accounting Pronouncements

*Leases*

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Federation is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

17. Risks and Uncertainty

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

**THE JEWISH FEDERATION OF GREATER ORLANDO, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2021**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

18. Risks and Uncertainty (continued)

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Federation's financial condition, liquidity, and future results of operations. Management is actively monitoring the global pandemic situation. #

**NOTE C – INVESTMENT INCOME**

Investment income consists of the following:

	2021	2020
Investment income from assets held by TOP Jewish Foundation:		
Interest Income	\$ 20,750	\$ 23,849
Net realized and unrealized gain	110,316	53,966
Total	131,066	77,815
Other interest income	649	914
Total investment income	\$ 131,715	\$ 78,729

**NOTE D – CONTRIBUTIONS RECEIVABLE**

Contributions receivable are unconditional promises to give and are recorded when the promises to contribute are made. Contributions receivable which are expected to be collected in more than one year are stated at the present value of estimated future receipts. The Federation provides an allowance for uncollectible contributions at the time revenues are recorded and re-evaluates and adjusts the allowance periodically based on historical collection experience. Contributions receivable are due as follows:

<i>August 31,</i>	2021	2020
Less than one year	\$ 96,681	\$ 215,718
One to five years	-	-
	96,681	215,718
Less: allowance for doubtful accounts	(4,243)	(5,259)
Less: present value discount at 4.9%	-	(144)
	\$ 92,438	\$ 210,315

**THE JEWISH FEDERATION OF GREATER ORLANDO, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2021**

**NOTE E – TOP JEWISH FOUNDATION**

TOP Jewish Foundation, Inc., is a financially interrelated organization established by the Jewish Federations of Tampa, Orlando and Pinellas to enhance fundraising for the three federations. TOP Jewish Foundation receives gifts, bequests and contributions for the purpose of using, distributing and investing the principal and/or income for charitable, educational and religious purposes within the Jewish community. Each of the three federations is represented on the Board of TOP Jewish Foundation and appoints trustees to serve on the grant committee.

The three federations share in certain expenses of TOP Jewish Foundation. The Federation recorded \$141,745 and \$110,555 of management fee expense for their share during the years ended August 31, 2021 and 2020, respectively, and is shown as TOP Jewish Foundation management fees in the accompanying statements of functional expenses.

The Federation received distributions totaling \$81,537 and \$54,981 from funds held at TOP Jewish Foundation during the years ended August 31, 2021 and 2020. These are distributions of assets, therefore they are not included as a contribution on the Statements of Activities.

The Federation accounts for assets transferred to TOP Jewish Foundation and its interest in the net assets of TOP Jewish Foundation in accordance with FASB Accounting Standards "Transfers of Assets to a Not-for-Profit Entity or Charitable Trust that Raises or Holds Contributions for Others" as follows:

*Assets held by TOP Jewish Foundation*

The Federation has transferred assets to TOP Jewish Foundation for which the principal and investment returns are to be used for various operating needs. These are considered managed funds and are recorded as Assets Held by TOP Jewish Foundation on the accompanying statements of financial position. The Federation earns management fees and investment income on these managed funds which are recorded as investment income (see Note C).

In 2014, TOP Jewish Foundation filed a claim with the Deepwater Horizon Court Supervised Settlement Program ("BP Settlement Program"), due to the adverse effect the 2010 BP Gulf Spill had on TOP Jewish Foundation. In December of 2018, the TOP Jewish Foundation board approved the distribution of \$912,500 of the Settlement proceeds equally to the member communities (i.e. \$304,167 each). In addition, each member agreed to fund "The Al Schiff Operating Reserve Fund" \$33,333 in three annual installments of \$11,111 beginning in December 31, 2018, with the remaining installments on or before December 31, 2019 and December 31, 2020.

Assets held by TOP Jewish Foundation include \$168,593 as of August 31, 2021 and 2020, designated by the Board of Directors for certain programs.

**THE JEWISH FEDERATION OF GREATER ORLANDO, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2021**

**NOTE E – TOP JEWISH FOUNDATION (continued)**

*Interest in Net Assets of TOP Jewish Foundation*

The Federation's interest in the net assets of TOP Jewish Foundation as recorded on the accompanying statements of financial position includes assets received and held by TOP Jewish Foundation for which the Federation is specified as the beneficiary and are accounted for similar to the equity method since the Federation and TOP Jewish Foundation are considered financially interrelated organizations for accounting purposes. These assets include donor advised or endowment funds from which the Federation or a third party receives distributions as specified by the donor. The change in interest in net assets is recorded as without donor restrictions if the Federation has variance power or is the party designated to receive distributions without donor restrictions and as with donor restrictions if the distributions are restricted for third parties or a specific purpose. The change in value of these assets is recorded as change in interest in net assets of TOP Jewish Foundation on the accompanying statements of activities.

Changes in the Federation's assets held by TOP Jewish Foundation and interest in net assets of TOP Jewish Foundation are as follows:

	Assets Held By TOP Jewish Foundation	Interest in Net Assets of TOP Jewish Foundation
Balance, August 31, 2019	\$ 874,489	\$ 2,435,073
Contributions	848,181	29,823
Net realized / unrealized gains	53,966	182,172
Interest income	23,849	52,333
Management fee income (expense)	131,201	(35,481)
Distributions to the Federation	(211,036)	(138,322)
Balance, August 31, 2020	1,720,650	2,525,598
Contributions	187,201	8,431
Net realized / unrealized gains	110,316	316,234
Interest income	20,750	51,581
Management fee income (expense)	147,549	(37,963)
Distributions to the Federation	(316,690)	(131,336)
Balance, August 31, 2021	\$ 1,869,776	\$ 2,732,545

*Philanthropic Funds of TOP Jewish Foundation*

The Federation is also specified as the beneficiary in certain philanthropic funds received by TOP Jewish Foundation. However, TOP Jewish Foundation has variance power over these funds which gives TOP Jewish Foundation the ability to distribute these funds to beneficiaries other than the Federation. Therefore, the Federation does not record the beneficial interest in these funds in its financial statements until they are distributed to the Federation, at which time they are recorded as contributions.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

**NOTE F – PROPERTY AND EQUIPMENT**

Property, furniture, and equipment and accumulated depreciation at August 31, 2021 and 2020 are summarized by major classifications as follows:

	2021	2020
Land and improvements	\$ 720,654	\$ 720,654
Buildings and improvements	10,480,008	10,442,720
Furniture and equipment	839,542	678,670
	12,040,204	11,842,044
Less: accumulated depreciation	(8,422,907)	(8,187,787)
	<u>\$ 3,617,297</u>	<u>\$ 3,654,257</u>

**NOTE G – LONG-TERM DEBT**

In April 2013, the Federation refinanced the principal balances of a tax-exempt bond of \$4,070,000, a taxable bond of \$750,000, an interest rate swap termination fee of \$857,657 and closing costs of \$112,343 into two notes payable ("Term Loan A and Term Loan B") with a bank (the "Term Loans"). The original principal amounts for Term Loan A and Term Loan B were \$4,070,000 and \$1,720,000, respectively, and accrue interest at rates of 2.45% and at 3.75%, respectively. Principal payments under the term loans are due monthly with a balloon payment due when the Term Loans mature on March 31, 2023. There is no prepayment penalty. The Term Loans are subject to certain financial covenants and are collateralized by property and equipment of the Federation.

The outstanding balance of Term Loan B was paid off during fiscal 2017. The outstanding balance of Term Loan A was \$2,066,855 as of August 31, 2019. The balance of Term Loan A was paid off during fiscal 2020.

**NOTE H – PAYCHECK PROTECTION PROGRAM LOAN**

On March 27, 2020, the Coronavirus Aid Relief, and Economic Security Act ("CARES Act") was enacted in response to the COVID-19 pandemic. Under the CARES Act, the Paycheck Protection Program ("PPP") was established to provide assistance to small businesses with resources needed to maintain payroll and cover applicable overhead. On April 22, 2020, the Federation, through a financial institution, was approved for and received a loan in the amount of \$70,200. On December 29, 2020, the Federation obtained formal forgiveness of the loan as it met all of the conditions for forgiveness of the loan.

**THE JEWISH FEDERATION OF GREATER ORLANDO, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2021**

**NOTE I – SOUTH ORLANDO CAMPUS SALE**

On October 8, 2014, the Federation sold assets located at 11184 S. Apopka-Vineland in Orlando (the "Jewish Community Center in South Orlando") to the Harris Rosen Foundation (the "Foundation") for \$500,000. These assets included land, a building to be operated as a Jewish Community Center in perpetuity and all furniture, fixtures and equipment. At the date of sale, these assets had a net book value of \$4,996,631. The difference between the sales price and the net book value of \$4,496,631 was recorded in fiscal year 2015 as a grant to the Foundation, The Foundation was the largest and main contributor to the capital campaign that built the Jewish Community Center in South Orlando, donating \$5,108,712. The Center has been named after Harris Rosen's parents and is known as the -"Rosen JCC."

In connection with the sale, the Foundation and the Federation agreed to the following:

*Restriction on Future Debt*

The Federation agreed to not incur any additional capital debt after the initial debt has been retired for a period of 10 years on the Maitland Campus, with the exception of unforeseen events or emergencies as defined by the agreement. The debt was retired with the proceeds of the assets held for sale (See Note B-8) on October 18, 2019.

*Conditional Pledge from the Foundation*

The Foundation agreed and promised to contribute \$1,000,000 to the Federation, to be paid on a dollar-for-dollar matching basis as the Federation raised \$1,000,000 in capital contributions by the Orlando Jewish Community through the Federation within three years from the public announcement of the start of the capital campaign which was April 2016. The campaign ended in fiscal year 2019 and raised a total of \$754,293 in matching contributions from the Foundation.

*Right of First Refusal*

In the event that the Foundation receives an offer to purchase the property that the Foundation is willing to accept, the Federation shall have the right of first refusal to purchase the property at a price equal to \$500,000, plus applicable cost of living increase from the date of closing.

**THE JEWISH FEDERATION OF GREATER ORLANDO, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2021**

**NOTE J – NET ASSETS WITHOUT DONOR RESTRICTIONS**

The net assets without donor restrictions is comprised of undesignated, interest in net assets of TOP Jewish Foundation, designated for property and equipment, and Board designated amounts for the following purposes as of August 31:

	2021	2020
Undesignated	\$ 2,139,414	\$ 2,017,723
Interest in net assets of TOP Jewish Foundation	2,527,292	2,343,011
Designated for property and equipment	3,617,297	3,654,257
Board designated	168,593	168,593
	\$ 8,452,596	\$ 8,183,584

*Undesignated*

Net assets without donor restrictions are considered as undesignated and used at the discretion of the Board and/or management for general operating purposes. Expenditures from the years ended August 31, 2021 and 2020 are included in the statements of functional expenses.

*Interest in Net Assets of TOP Jewish Foundation*

The change in interest in net assets is recorded as without donor restrictions if the Federation has variance power or is the party designated to receive distributions without donor restriction.

*Board Designated*

The Board has designated a specific amount of assets held by TOP Jewish Foundation to be used for certain programs in the future.

**NOTE K – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes as of August 31:

	2021	2020
RAISE Program	\$ 227,745	\$ 152,618
Beit Hamadrash Travel Program	18,500	18,500
Charitable gift annuities (Note M)	129,385	118,463
Campus 2020 contributions receivable	3,750	3,750
Interest in net assets of TOP Jewish Foundation:		
Jewish Family Services	94,112	84,056
JFS Scholarship Fund	46,672	42,921
Ohev Shalom Memorial Fund	25,117	21,304
Holocaust Memorial Resource and Education Central Florida	20,630	18,426
Jewish Academy of Orlando Judaica Collection Endowment Fund	18,722	15,880
	\$ 584,633	\$ 475,918

**THE JEWISH FEDERATION OF GREATER ORLANDO, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2021**

**NOTE L – NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor-imposed restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2021	2020
RAISE Program	\$ 35,357	\$ 39,394
Transfer of charitable gift annuities from net assets without donor restrictions	(10,922)	(7,222)
	\$ 24,435	\$ 32,172

**NOTE M – ASSETS HELD UNDER CHARITABLE GIFT ANNUITIES**

The assets and liabilities related to the charitable gift annuities are as follows:

	Assets Held Under Charitable Gift Annuities	Liabilities Under Charitable Gift Annuities	With Donor Restrictions Net Assets
August 31, 2021	\$ 244,682	\$ 115,297	\$ 129,385
August 31, 2020	\$ 240,766	\$ 122,303	\$ 118,463

During fiscal 2021 and 2020, there were no releases from restrictions upon the death of beneficiary and the value of charitable gift annuities increased by \$10,922 and \$7,422, respectively.

**NOTE N – GRANTS AND ALLOCATIONS TO AFFILIATED ORGANIZATIONS**

The Federation receives grants throughout the year that are earmarked for specific affiliated organizations. Grants and allocations to affiliated organization consists of the following:

	2021	2020
Year Ended August 31,		
Grants and donations paid through T.O.P.	\$ 75,500	\$ 105,257
Jewish Family Services Community Rabbi Grant	20,000	20,000
Human Services grant expense	90,000	-
Sister City allocation	-	18,062
Jewish education program grants	9,100	10,900
Coleman Scholarship Fund	7,000	1,250
Other	6,500	3,949
Holocaust Memorial Resource and Education Center	50,000	-
	\$ 258,100	\$ 159,418

**THE JEWISH FEDERATION OF GREATER ORLANDO, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2021**

**NOTE O – SUBSEQUENT EVENTS**

The Federation has evaluated events and transactions occurring subsequent to August 31, 2021 as of May 10, 2022, which is the date the financial statements were available to be issued. Subsequent events occurring after May 10, 2022 have not been evaluated by management. No material events have occurred since August 31, 2021 that require recognition or disclosure in the financial statements.

**NOTE P – FUNCTIONAL EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related payroll expense which are allocated based on the estimated portion of time spent relative to each function. All other expenses are allocated based on their relative functional activity.

**THE JEWISH FEDERATION OF GREATER ORLANDO, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2021**

**NOTE Q – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Federation's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	2021	2020
Cash and cash equivalents	\$ 593,963	\$ 497,340
Accounts receivable, primarily from local agencies, net	105,070	157,768
Contributions receivable, net	92,438	210,315
Asset held by TOP Jewish Foundation	1,869,776	1,720,650
Total financial assets available within one year	2,661,247	2,586,073
Less:		
Amounts unavailable for general expenditures within one year due to:		
Accounts payable and accrued expenses	94,296	80,937
Grants and allocations payable to affiliates	-	41,685
Deferred income	40,145	190,400
Total amounts unavailable for general expenditures within one year	134,441	313,022
Amounts unavailable to management without Board's approval:		
Board designated funds	168,593	168,593
Facility Management Committee reserve	891,532	887,811
Total amounts unavailable to management without Board's approval	1,060,125	1,056,404
Amounts restricted by donors with purpose restrictions:		
RAISE Program	227,745	152,618
Total amounts restricted by donors with purpose restrictions	227,745	152,618
Total financial assets available within one year	<u>\$ 1,238,936</u>	<u>\$ 1,064,029</u>

As part of the Federation'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. The Federation has board designated net assets without donor restrictions that, while the Federation does not intend to spend for these purposes other than those identified, the amounts could be made available for current operations, if necessary.