



Greater Miami Jewish Federation, Inc. and Subsidiaries

Consolidated Financial Statements
Years Ended June 30, 2023 and 2022

Greater Miami Jewish Federation, Inc. and Subsidiaries

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Greater Miami Jewish Federation, Inc. and Subsidiaries

Contents

Independent Auditor's Report	3-4
Consolidated Financial Statements	
Consolidated Statements of Financial Position as of June 30, 2023 and 2022	6
Consolidated Statements of Activities for the Years Ended June 30, 2023 and 2022	7
Consolidated Statements of Functional Expenses for the Years Ended June 30, 2023 and 2022	8-9
Consolidated Statements of Cash Flows for the Years Ended June 30, 2023 and 2022	10
Notes to Consolidated Financial Statements	11-32



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Independent Auditor's Report

Board of Directors
Greater Miami Jewish Federation, Inc. and Subsidiaries
Miami, Florida

Opinion

We have audited the consolidated financial statements of Greater Miami Jewish Federation, Inc. and Subsidiaries (collectively referred to as the "Federation"), which comprise the statements of the consolidated financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the respective consolidated financial position of the Federation as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, P.C.

December 14, 2023
Boca Raton, Florida

Consolidated Financial Statements

Greater Miami Jewish Federation, Inc. and Subsidiaries

Consolidated Statements of Financial Position

<i>June 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 64,447,398	\$ 55,128,406
Investments	404,222,761	410,366,860
Pledges receivable, net	15,382,081	10,348,697
Due from beneficiary agencies, net	2,082,019	1,972,013
Property and equipment, net	5,361,538	4,186,414
Other assets	13,874,934	13,337,651
Total Assets	505,370,731	495,340,041
Liabilities And Net Assets		
Liabilities		
Allocations payable:		
The Jewish Federations of North America	8,965,878	8,596,324
Targeted grants for Israel	762,923	635,711
Beneficiary agencies	12,302,378	12,537,350
Other	448,318	564,880
Total Allocations Payable	22,479,497	22,334,265
Line of credit	3,230,000	3,230,000
Accounts payable and other liabilities	5,585,056	5,061,453
Obligations to affiliated agencies for assets held in trust	54,394,676	49,318,379
Split-interest agreements	1,854,551	2,014,983
Total Liabilities	87,543,780	81,959,080
Commitments and Contingencies (Note 12)		
Net Assets		
Without donor restrictions	348,421,551	350,260,254
With donor restrictions	69,405,400	63,120,707
Total Net Assets	417,826,951	413,380,961
Total Liabilities and Net Assets	\$ 505,370,731	\$ 495,340,041

See accompanying notes to consolidated financial statements.

Greater Miami Jewish Federation, Inc. and Subsidiaries

Consolidated Statements of Activities

<i>Years ended June 30,</i>	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, And Other Support:						
Campaign and other pledges, net	\$ 30,623,172	\$ 2,947,747	\$ 33,570,919	\$ 27,330,030	\$ 862,004	\$ 28,192,034
Less: Grants from Foundation	(5,475,701)	-	(5,475,701)	(4,797,267)	-	(4,797,267)
Net campaign and other pledges	25,147,471	2,947,747	28,095,218	22,532,763	862,004	23,394,767
Non-campaign contributions and bequests	41,510,351	984,778	42,495,129	17,587,827	3,048,859	20,636,686
Grants from government agencies	702,089	-	702,089	722,714	-	722,714
	67,359,911	3,932,525	71,292,436	40,843,304	3,910,863	44,754,167
Investment income (loss), net	22,949,949	5,304,259	28,254,208	(31,867,559)	(2,328,268)	(34,195,827)
In-kind rental income	435,600	-	435,600	435,600	-	435,600
Program fees and other income	2,448,509	-	2,448,509	1,596,822	-	1,596,822
Net assets released from restrictions	2,952,091	(2,952,091)	-	4,007,412	(4,007,412)	-
Total Revenues, Gains, and Other Support	96,146,060	6,284,693	102,430,753	15,015,579	(2,424,817)	12,590,762
Expenses						
Program services and allocations:						
Federation Community Programs	83,676,936	-	83,676,936	63,449,337	-	63,449,337
Jewish Community Relations Council	348,775	-	348,775	298,404	-	298,404
Center for the Advancement of Jewish Education	3,445,167	-	3,445,167	2,440,633	-	2,440,633
Holocaust Memorial Committee	1,036,314	-	1,036,314	770,829	-	770,829
Total program services and allocations	88,507,192	-	88,507,192	66,959,203	-	66,959,203
Supporting services:						
Fundraising	6,036,752	-	6,036,752	4,289,951	-	4,289,951
Management and general	3,440,819	-	3,440,819	2,943,403	-	2,943,403
Total supporting services	9,477,571	-	9,477,571	7,233,354	-	7,233,354
Total Expenses	97,984,763	-	97,984,763	74,192,557	-	74,192,557
Change in Net Assets	(1,838,703)	6,284,693	4,445,990	(59,176,978)	(2,424,817)	(61,601,795)
Net Assets at, beginning of year	350,260,254	63,120,707	413,380,961	409,437,232	65,545,524	474,982,756
Net Assets at, end of year	\$ 348,421,551	\$ 69,405,400	\$ 417,826,951	\$ 350,260,254	\$ 63,120,707	\$ 413,380,961

See accompanying notes to consolidated financial statements.

Greater Miami Jewish Federation, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses

Year ended June 30, 2023	Program Services					Supporting Services				
	Federation Community Programs	Jewish Community Relations Council	Center for the Advancement of Jewish Education	Holocaust Memorial Committee	Total Program Services and Allocations	Fundraising	Management and General	Total Supporting Services	Total	
Grants and allocations:										
The Jewish Federations of North America	\$ 8,453,855	\$ -	\$ -	\$ -	\$ 8,453,855	\$ -	\$ -	\$ -	\$ 8,453,855	
Agencies	12,230,315	-	-	-	12,230,315	-	-	-	12,230,315	
In-kind rental expense - Agencies	435,600	-	-	-	435,600	-	-	-	435,600	
Grants and designated purposes	56,079,433	-	-	-	56,079,433	-	-	-	56,079,433	
Total grants and allocations	77,199,203	-	-	-	77,199,203	-	-	-	77,199,203	
Salaries	3,298,691	241,957	1,651,488	520,600	5,712,736	2,765,261	2,034,610	4,799,871	10,512,607	
Employee benefits	705,534	46,130	346,760	75,350	1,173,774	741,711	449,666	1,191,377	2,365,151	
Total salaries and related expenses	4,004,225	288,087	1,998,248	595,950	6,886,510	3,506,972	2,484,276	5,991,248	12,877,758	
Audit and tax	-	-	11,100	-	11,100	-	83,945	83,945	95,045	
Donor relations	25,751	-	-	-	25,751	27,262	6,189	33,451	59,202	
Conferences	52,375	16,453	40,444	7,738	117,010	47,328	15,911	63,239	180,249	
Copying and duplicating	37,174	2,398	4,888	1,239	45,699	22,685	26,595	49,280	94,979	
Management information systems	79,268	-	35,758	5,719	120,745	185,233	78,664	263,897	384,642	
Insurance	68,770	-	13,265	42,054	124,089	108,067	19,649	127,716	251,805	
Campaign and community outreach	337,766	27,752	1,281,338	226,317	1,873,173	446,120	97,118	543,238	2,416,411	
Building services	420,904	-	-	130,076	550,980	214,270	83,173	297,443	848,423	
Office Services and equipment contracts	-	-	-	2,364	2,364	-	-	-	2,364	
Office supplies	46,758	154	1,906	3,842	52,660	60,899	41,121	102,020	154,680	
Legal services	12,313	-	14,500	-	26,813	21,349	4,276	25,625	52,438	
Postage and direct marketing	36,149	-	4,223	36	40,408	46,596	59,872	106,468	146,876	
Public relations and education	62,563	-	816	2,301	65,680	256,009	78,676	334,685	400,365	
Missions	959,515	-	-	-	959,515	959,515	79,960	1,039,475	1,998,990	
Subscriptions and dues	167,403	11,526	15,910	1,203	196,042	19,220	8,470	27,690	223,732	
Telephone	23,479	740	11,459	6,387	42,065	12,119	79,909	92,028	134,093	
Transportation and travel	45,851	-	2,988	589	49,428	22,041	5,319	27,360	76,788	
Interest expense	-	-	-	-	-	-	150,954	150,954	150,954	
Miscellaneous	29,518	1,665	8,324	5,896	45,403	8,394	12,430	20,824	66,227	
Total before depreciation and amortization	83,608,985	348,775	3,445,167	1,031,711	88,434,638	5,964,079	3,416,507	9,380,586	97,815,224	
Depreciation and amortization	67,951	-	-	4,603	72,554	72,673	24,312	96,985	169,539	
Total functional expenses	\$ 83,676,936	\$ 348,775	\$ 3,445,167	\$ 1,036,314	\$88,507,192	\$ 6,036,752	\$ 3,440,819	\$9,477,571	\$ 97,984,763	

See accompanying notes to consolidated financial statements.

Greater Miami Jewish Federation, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses

Year ended June 30, 2022	Program Services				Supporting Services				
	Federation Community Programs	Jewish Community Relations Council	Center for the Advancement of Jewish Education	Holocaust Memorial Committee	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Grants and allocations:									
The Jewish Federations of North America	\$ 7,923,814	\$ -	\$ -	\$ -	\$ 7,923,814	\$ -	\$ -	\$ -	\$ 7,923,814
Agencies	14,782,487	-	-	-	14,782,487	-	-	-	14,782,487
In-kind rental expense - Agencies	435,600	-	-	-	435,600	-	-	-	435,600
Grants and designated purposes	35,319,437	-	-	-	35,319,437	-	-	-	35,319,437
Total grants and allocations	58,461,338	-	-	-	58,461,338	-	-	-	58,461,338
Salaries	2,897,802	209,386	1,458,179	436,746	5,002,113	2,311,524	1,807,113	4,118,637	9,120,750
Employee benefits	653,899	43,742	324,783	54,440	1,076,864	659,686	403,508	1,063,194	2,140,058
Total salaries and related expenses	3,551,701	253,128	1,782,962	491,186	6,078,977	2,971,210	2,210,621	5,181,831	11,260,808
Audit and tax	-	-	13,800	-	13,800	-	81,500	81,500	95,300
Donor relations	17,238	-	-	-	17,238	18,613	4,101	22,714	39,952
Conferences	47,924	2,831	17,225	3,268	71,248	51,705	23,779	75,484	146,732
Copying and duplicating	36,516	2,412	3,454	1,242	43,624	22,803	24,762	47,565	91,189
Management information systems	69,634	-	38,203	-	107,837	152,040	65,148	217,188	325,025
Insurance	54,384	-	10,632	32,648	97,664	85,460	15,538	100,998	198,662
Campaign and community outreach	401,342	26,203	530,261	152,509	1,110,315	396,579	130,994	527,573	1,637,888
Building services	319,578	-	-	61,483	381,061	163,477	63,457	226,934	607,995
Office Services and equipment contracts	-	-	-	1,532	1,532	-	-	-	1,532
Office supplies	43,892	98	1,129	3,722	48,841	38,462	29,012	67,474	116,315
Legal services	9,618	-	12,154	-	21,772	15,581	2,925	18,506	40,278
Postage and direct marketing	22,324	28	4,756	139	27,247	28,959	30,709	59,668	86,915
Public relations and education	47,232	-	-	2,113	49,345	171,959	52,187	224,146	273,491
Missions	28,918	-	-	-	28,918	40,826	15,310	56,136	85,054
Subscriptions and dues	164,371	10,322	5,951	1,374	182,018	18,110	9,616	27,726	209,744
Telephone	22,138	1,647	12,735	6,245	42,765	12,178	66,139	78,317	121,082
Transportation and travel	46,686	-	2,756	777	50,219	17,245	3,550	20,795	71,014
Interest expense	-	-	-	-	-	-	81,647	81,647	81,647
Miscellaneous	29,827	1,735	4,257	2,174	37,993	9,330	6,096	15,426	53,419
Total before depreciation and amortization	63,374,661	298,404	2,440,275	760,412	66,873,752	4,214,537	2,917,091	7,131,628	74,005,380
Depreciation and amortization	74,676	-	358	10,417	85,451	75,414	26,312	101,726	187,177
Total functional expenses	\$63,449,337	\$ 298,404	\$ 2,440,633	\$770,829	\$66,959,203	\$4,289,951	\$2,943,403	\$7,233,354	\$74,192,557

See accompanying notes to consolidated financial statements.

Greater Miami Jewish Federation, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

<i>Years ended June 30,</i>	2023	2022
Cash Flows From Operating Activities:		
Change in net assets	\$ 4,445,990	\$ (61,601,795)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	169,539	187,177
Net realized gains on investments	(4,981,874)	(15,675,484)
Net unrealized (gains) losses on investments	(17,447,109)	54,112,533
Provision for estimated uncollectible pledges, net	1,727,997	221,196
Change in split-interest agreements	(425,464)	(58,535)
Endowment contributions	(963,242)	(3,170,862)
Change in pledge discount	(210,820)	(23,611)
(Increase) decrease in operating assets:		
Pledges receivable, net	(6,550,561)	537,084
Due from beneficiary agencies, net	(110,006)	575,149
Other assets	(537,283)	(133,341)
Increase (decrease) in operating liabilities:		
Allocations payable - The Jewish Federations of North America	369,554	668,743
Allocations payable - Targeted grants for Israel	127,212	77,280
Allocations payable - Beneficiary agencies	(234,972)	2,896,080
Allocations payable - Other	(116,562)	5,561
Accounts payable and other liabilities	523,603	(154,649)
Total Adjustments	(28,659,988)	40,064,321
Net Cash Used In Operating Activities	(24,213,998)	(21,537,474)
Cash Flows From Investing Activities:		
Purchases of property and equipment	(1,344,663)	(252,242)
Purchases of investments	(183,889,031)	(90,363,728)
Sales of investments	212,462,113	98,496,547
Net Cash Provided By Investing Activities	27,228,419	7,880,577
Cash Flows From Financing Activities:		
Obligations to affiliated agencies for assets held in trust	5,076,297	2,762,106
Proceeds from (payments on) split-interest agreements	265,032	(312,736)
Endowment contributions	963,242	3,170,862
Net Cash Provided By Financing Activities	6,304,571	5,620,232
Net Increase (Decrease) In Cash And Cash Equivalents	9,318,992	(8,036,665)
Cash And Cash Equivalents, at beginning of year	55,128,406	63,165,071
Cash And Cash Equivalents, at end of year	\$ 64,447,398	\$ 55,128,406
Supplemental Disclosure Of Cash Flow Information:		
Cash paid for interest	\$ 150,954	\$ 81,647

See accompanying notes to consolidated financial statements.

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of Federation and Significant Accounting Policies

Nature of Federation

Greater Miami Jewish Federation, Inc. is a nonprofit Federation whose mission is to mobilize human and financial resources to care for those in need, strengthen Jewish life and advance unity, values and shared purpose of the Jewish people in Miami, in Israel and around the world and funds a safety net of more than 160 vital programs, services and agencies.

Basis of Consolidation

The consolidated financial statements include the accounts of Greater Miami Jewish Federation, Inc., Center for the Advancement of Jewish Education, Inc. (CAJE), Holocaust Memorial Committee, Inc. (HMC), and sixteen supporting Federations (collectively referred to as the Federation). Significant transactions between the entities, including all intercompany balances, have been eliminated.

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions also include board designated funds. Gifts to donor advised funds are classified as support without restrictions.

Net assets with donor restrictions: Net assets that are subject to explicit donor-imposed restrictions such as time and/or purpose restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Federation or by the passage of time. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently while permitting the Federation to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or the Board approved spending policy. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions.

Cash and Cash Equivalents

The Federation considers all liquid investments with a maturity of three months or less at purchase to be cash equivalents.

Pledges Receivable, net

Pledges receivable are unconditional promises to give and primarily consist of annual gifts from private donors. Pledges, less a provision for estimated uncollectible amounts and unamortized discounts, are recorded as a receivable and revenue when pledges are made. Pledges determined to be uncollectible during the year in which such pledges are received are shown as a reduction of contributions. Pledges determined to be uncollectible subsequent to the year in which such pledges are received are charged to bad debt expense. The allowance for uncollectible pledges is based, among other things, on the Federation's past collection experience and the impact of changes in current economic conditions. Account balances are charged off against the allowance after all

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

means of collection have been exhausted and the potential for recovery is considered remote. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in more than one year are discounted using a market rate of return and are recorded at net present value.

Investments and Fair Value Measurements

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the consolidated statements of financial position. Realized and unrealized gains on investments are reflected in the consolidated statements of activities within "Investment income, net." Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income recognized.

Fair values of financial instruments are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular instruments. Changes in assumptions or in market conditions could significantly affect the estimates and those differences could be material. The carrying amount of all financial assets and liabilities approximates fair value.

Property and Equipment, net

Property and equipment are recorded at cost at the date of purchase or, if contributed, the fair value at the date of donation. The Federation capitalizes expenditures for property and equipment in excess of \$5,000. Depreciation and amortization is computed on the straight-line method over the estimated useful life of the assets.

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows or material adverse changes in the Federation's operations, indicate that they may be impaired. If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets are adjusted to reflect such impairment based on the fair value of the impaired assets or an estimate of fair value based on discounted cash flows.

Leases

In the ordinary course of business, the Federation enters into agreements for its various office equipment. The Federation reviews all agreements to determine if a leasing arrangement exists. When a leasing arrangement is identified, a determination is made at inception as to whether the lease is an operating or a finance lease.

A lease exists when a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In determining whether a lease exists, the Federation considers whether a contract provides both the right to obtain substantially all of the economic benefits from the use of an asset and the right to direct the use of the asset. Right-of-use assets (ROU) and lease liabilities are recognized at the lease commencement date based on the present value of the minimum future lease payments over the expected term of the lease.

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Leases with an initial term of twelve months or less are classified as short-term leases and the lease payments are recognized on a straight-line basis over the lease term. Lease determinations are reassessed in the event of a change in lease terms.

Split-Interest Gifts

The Federation is trustee and remainder beneficiary of various charitable remainder unitrusts and charitable annuity trusts. Trust assets are stated at fair market value. Liabilities are determined using Internal Revenue Service (IRS) actuarial assumptions, discounted using the applicable federal rate in effect at the date of the gift.

A contribution is recorded at the time of the gift as the difference between the fair value of the assets received and the liabilities incurred in the exchange portion of the agreement for these irrevocable transfers of assets. Contribution revenue and the net changes in the value of these split-interest agreements amounted to approximate gains (losses) of \$21,500 and (\$722,000) during the years ended June 30, 2023 and 2022, respectively, and are included in “non-campaign contributions and bequests” in the consolidated statements of activities.

The assets related to the split-interest agreements, included in cash and investments in the consolidated statements of financial position, amount to approximately \$3,017,000 and \$3,064,000, and amounts included in other assets amount to approximately \$1,641,000 and \$1,676,000 at June 30, 2023 and 2022, respectively. The liabilities of the split-interest agreements, included in the consolidated statements of financial position, total \$1,854,551 and \$2,014,983 at June 30, 2023 and 2022, respectively.

Contributions

Transfer of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Federation fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Contributions are considered to be available for general operations of the Federation unless specifically restricted by the donor. The Federation reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

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

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

from restrictions”. Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions.

The Federation has been allocated \$1,059,275 and \$1,115,871 from the United Way of Miami-Dade on behalf of affiliated agencies for the years ended June 30, 2023 and 2022, respectively. As a fiduciary, these funds are passed through to affiliated agencies where they are recorded as revenue in the affiliated agencies’ statements of activities. These activities are not reflected in the Federation’s consolidated financial statements for the years ended June 30, 2023 and 2022.

Significant Donors

During the year ended June 30, 2023, one donor made substantial gifts, totaling approximately \$21,842,000, which are included in the caption “Non-campaign contributions and bequests” in the consolidated statements of activities. The gifts accounted for approximately 21% of total revenues, gains, and other support for the year ended June 30, 2023. There were no substantial gifts for the year ended June 30, 2022.

During the years ended June 30, 2023 and 2022, the Federation made two substantial grants, which are included in the caption “Federation community programs” in the consolidated statements of activities totaling \$35,400,000 and \$10,000,000, respectively. The grants accounted for approximately 36% and 13% of total expenses for the years ended June 30, 2023 and 2022, respectively.

Donated Services

A substantial number of volunteers have donated time to the Federation’s program services and fundraising campaigns during the years ended June 30, 2023 and 2022; however, these donated services are not reflected in the consolidated financial statements since the services do not meet recognition requirements under current pronouncements. Additionally, certain professional services were donated during the years ended June 30, 2023 and 2022. These donated services are also not reflected as contributions in the accompanying consolidated financial statements as management believes they are not material to the consolidated financial statements.

Concentrations of Credit and Market Risk

Financial instruments which potentially subject the Federation to concentrations of credit and market risk consist primarily of cash and cash equivalents, pledges receivable and investments. The Federation maintains cash balances at several financial institutions in South Florida. Accounts in each institution are insured by the Federal Deposit Insurance Corporation in accordance with current regulations, which provides for insurance up to \$250,000. Cash equivalents are maintained at high-quality financial institutions. The Federation has not experienced any losses on its cash and cash equivalents.

Management considers credit risk associated with pledges receivable to be low due to the diversity of the donors and the recurring nature of many donations. Investments are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. The Federation has an investment policy, utilizes management oversight, and periodically reviews its investment portfolios to monitor these risks.

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Use of Estimates

In preparing the consolidated financial statements in conformity with U.S. GAAP, management is required 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material. Material estimates that are particularly susceptible to change include the fair value of investments, the allowance for uncollectible pledges, the functional allocation of expenses, and obligations for allocations payable.

Income Taxes

The Federation is a nonprofit corporation whose revenue is derived from contributions and other fundraising activities. The Federation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and sales and use tax under the laws of the State of Florida. During the Years Ended June 30, 2023 and 2022, the Federation generated net unrelated business income from certain alternative investments. No provisions for Federal or State income taxes were recorded as management believes the amounts are immaterial to these consolidated financial statements.

The Federation recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction and Florida are the major tax jurisdictions where the Federation files income tax returns. The Federation is generally no longer subject to U.S. Federal or State examinations by tax authorities for fiscal years before 2020.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Personnel and all other expenses are allocated among program and supporting services based on estimated time and effort.

Adopted Accounting Pronouncements

Lease Accounting

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* and issued subsequent amendments to the initial guidance, collectively referred to as "Topic 842". Topic 842 replaces the guidance in former ASC Topic 840, *Leases*. The new lease guidance increases transparency and comparability among organizations by requiring the recognition of the following for all leases (with the exception of short-term leases) at the commencement date: (1) a lease liability, which is a lessee's future obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) a ROU asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Topic 842 allows entities to adopt with one of two methods: the modified retrospective transition method or the alternative transition method.

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The Federation adopted Topic 842 on July 1, 2022. The adoption of this update did not have a material effect on the Federation's consolidated financial statements.

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022.

The Federation adopted ASU 2020-07 on July 1, 2021. The adoption of this update did not have a material effect on the Federation's consolidated financial statements.

Accounting Pronouncement to be Adopted

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The update is intended to provide financial statement users with more decision-useful information about expected credit losses. Also, the FASB has issued amendments to the update with transition relief intended to improve comparability of financial statement information for some entities, to decrease costs for some financial statement preparers, and to clarify some disclosures. The ASU changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. The ASU includes financial assets recorded at amortized cost basis such as loan receivables, trade and certain other receivables as well as certain off-balance sheet credit exposures such as loan commitments and financial guarantees.

The ASU does not apply to financial assets measured at fair value, and loans and receivables between entities under common control. An entity must apply the amendments in the ASU through a cumulative-effect adjustment to net assets as of the beginning of the first reporting period in which the guidance is effective except for certain exclusions. This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018 including interim periods in those fiscal years. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

2. Liquidity and Availability of Resources

The Federation maintains a policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. The Federation considers all expenditures related to its ongoing activities to accomplish its mission as well as the conduct of services undertaken to support those activities to be general expenditures. Board designated reserves can be released upon resolution of the board and used for general expenditures. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Federation holds cash in various interest-bearing bank accounts with high-quality financial institutions. In

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

addition, the Federation has an \$8,000,000 line of credit, with an available balance of \$4,770,000 to meet cash flow needs.

Included in the Federation's total financial assets as of June 30, 2023 and 2022, respectively, are donor advised and supporting Federation funds amounting to approximately \$211,060,000 and \$219,180,000. The Federation serves as the sponsoring Federation, in accordance with IRS regulations, to separately identified donor advised fund accounts comprised of contributions made by donors and related earnings from investments. Once donors make contributions, the Federation has exclusive legal control over the funds. The donor, or the donor's named representatives, retains advisory privileges with respect to the distribution of funds and, in a limited manner, the investment of assets in the account. The Federation typically honors donors' grant recommendations for grants to 501(c)(3) public charities, in good standing with the IRS, for charitable purposes that are not in conflict with the Federation's mission, subject to the Federation's review and approval, and considers these assets to be available for general expenditures.

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

<i>June 30,</i>	2023	2022
Cash and cash equivalents	\$ 64,447,398	\$ 55,128,406
Investments	404,222,761	410,366,860
Pledges receivable, net	15,382,081	10,348,697
Due from beneficiary agencies, net	2,082,019	1,972,013
Cash surrender value of life insurance policies (NOTE 8)	3,393,952	3,192,602
Other receivables (NOTE 8)	2,161,000	2,299,045
Due from estates (NOTE 8)	2,756,884	1,453,347
Total financial assets	494,446,095	484,760,970
Less amounts not available to be used within one year or without board approval:		
Obligations to affiliated agencies for assets held in trust	54,394,676	49,318,379
Time restrictions greater than one year	8,835,645	5,778,892
Endowed in perpetuity	17,612,333	16,186,739
Board designated endowment	5,070,521	6,735,380
All other illiquid investments	54,943,800	51,461,514
Split-interest agreements	3,017,477	3,064,214
Long-term portion of due from beneficiary agencies, net	577,500	660,000
Total financial assets not available to be used for general expenditures within one year or without board approval	144,451,952	133,205,118
Total financial assets available to management for general expenditures within one year	\$ 349,994,143	\$ 351,555,852

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

3. Investments

Investments include the following:

<i>June 30,</i>	2023	2022
Mutual funds	\$ 172,726,748	\$ 182,534,971
Equity securities	38,818,572	33,105,720
Commodities funds	176,428	874,408
State of Israel bonds	11,501,722	11,744,147
Corporate debt securities	2,937,135	1,186,467
Government securities	5,122	5,308
Alternative strategies	178,057,034	180,915,839
	\$ 404,222,761	\$ 410,366,860

<i>June 30, 2023</i>	Investments Measured at Fair Value	Investments Measured at NAV	Total
Mutual funds	\$ 172,726,748	\$ -	\$ 172,726,748
Equity securities	38,818,572	-	38,818,572
Commodities funds	176,428	-	176,428
State of Israel bonds	11,501,722	-	11,501,722
Corporate debt securities	2,937,135	-	2,937,135
Government securities	5,122	-	5,122
Alternative strategies	-	178,057,034	178,057,034
	\$ 226,165,727	\$ 178,057,034	\$ 404,222,761

<i>June 30, 2022</i>	Investments Measured at Fair Value	Investments Measured at NAV	Total
Mutual funds	\$ 182,534,971	\$ -	\$ 182,534,971
Equity securities	33,105,720	-	\$ 33,105,720
Commodities funds	874,408	-	\$ 874,408
State of Israel bonds	11,744,147	-	\$ 11,744,147
Corporate debt securities	1,186,467	-	\$ 1,186,467
Government securities	5,308	-	\$ 5,308
Alternative strategies	-	180,915,839	\$ 180,915,839
	\$ 229,451,021	\$ 180,915,839	\$ 410,366,860

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

4. Fair Value Measurements

The FASB established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Federation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

The *Mutual Funds* and *Equity Securities* portfolios consist of mutual funds and equity securities managed by independent investment managers with discretionary investment authority. Equity securities consist primarily of common stocks. Mutual Funds and Equity Securities portfolio investments are valued at the closing price reported in the active market in which the individual securities are traded.

The *Commodities Funds* consist of actively traded commodities investments held by independent investment advisors. These investments are valued at their current market value determined on the basis of quotations. The investment objective of these funds are to outperform major commodities indices with a lower volatility. There are no funding commitments, and the funds are redeemable upon demand.

The *State of Israel Bonds* consist of individual bonds issued by the State of Israel. These securities are held to maturity. State of Israel Bonds are valued at fair value by discounting the related cash flows based on current yields of similar investments with comparable duration considering the credit-worthiness of the issuer (an amount which approximates the fair value).

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The *Corporate Debt* and *Government Securities* portfolios consist of investments in securities issued by corporations and the U.S. government. These investments are valued at the closing price reported in the active market in which the individual securities are traded.

The *Alternative Strategies* portfolio is comprised of investments in limited partnership funds where the Federation has the right to withdraw its investments at least quarterly or annually after the expiration of “lock-up” periods of one to three years. These investments are funded not just by an initial contribution but also by periodic capital calls. The Federation’s interests in alternative investment funds are generally reported at net asset value (“NAV”) reported by the fund managers, which is used as a practical expedient to estimate the fair value of the Federation’s interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. As of June 30, 2023 and 2022, the Federation had no plans or intentions to sell investments at amounts different from NAV.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Federation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The values assigned to certain investments are based upon currently available information and do not necessarily represent amounts that may ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be material.

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Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The following tables represent the Federation's financial instruments measured at fair value on a recurring and nonrecurring basis for each of the fair value hierarchy levels or net asset value:

Description	Fair Value	Fair Value Measurement at Reporting Date Using:			Investments Measured at NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<i>June 30, 2023</i>					
Recurring basis:					
Mutual funds	\$ 172,726,748	\$ 172,726,748	\$ -	\$ -	\$ -
Equity securities	38,818,572	38,818,572	-	-	-
Commodities funds	176,428	176,428	-	-	-
State of Israel bonds	11,501,722	-	11,501,722	-	-
Corporate debt securities	2,937,135	2,937,135	-	-	-
Government securities	5,122	-	5,122	-	-
Alternative strategies	178,057,034	-	-	-	178,057,034
Total investments	\$ 404,222,761	\$ 214,658,883	\$ 11,506,844	\$ -	\$ 178,057,034

<i>June 30, 2022</i>					
Recurring basis:					
Mutual funds	\$ 182,534,971	\$ 182,534,971	\$ -	\$ -	\$ -
Equity securities	33,105,720	33,105,720	-	-	-
Commodities funds	874,408	874,408	-	-	-
State of Israel bonds	11,744,147	-	11,744,147	-	-
Corporate debt securities	1,186,467	1,186,467	-	-	-
Government securities	5,308	-	5,308	-	-
Alternative strategies	180,915,839	-	-	-	180,915,839
Total investments	\$ 410,366,860	\$ 217,701,566	\$ 11,749,455	\$ -	\$ 180,915,839

Investments measured at net asset value:

	Net Asset Value as of June 30, 2023	Net Asset Value as of June 30, 2022	Unfunded Commitments as of June 30, 2023	Redemption Frequency	Redemption
Hedge Funds:					
Credit/Distressed (a)	\$ 9,343,864	\$ 8,807,729	\$ -	Ranges between monthly redemption to a reemption with a 1-year lock up period.	30-90 days notice.
Event Driven (b)	10,267,628	5,212,041	-		
Hedged Equity/Long Short (c)	50,008,962	64,083,767	-		
Global Macro (d)	8,766,809	9,075,257	-		
Private Equity/Venture Capital					
Buyout (e)	42,074,142	36,014,387	27,293,579	Closed end investment funds not eligible for redemption.	Not redeemable
Private Debt (e)	31,599,322	31,928,044	17,269,776		
Venture Capital (e)	16,225,710	15,641,184	5,525,000		
Private Real Assets (f)	9,770,597	10,153,430	1,475,018	Closed end investment funds not eligible for redemption.	Not redeemable
Total	\$ 178,057,034	\$ 180,915,839	\$ 51,563,373		

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The Federation's financial assets are invested in publicly traded equities that are listed on national exchanges, treasury and agency bonds of the United States of America and International Governments, and investment grade corporate bonds for which active trading markets exist. Such assets are valued at quoted closing prices at year end.

As a practical expedient, the Federation relies on the NAVs of certain investments as their fair value. The NAVs that have been provided by investees are derived from their values of the underlying investments as of the reporting date. The tables above summarize, as of June 30, 2023 and 2022, the nature of these investments and any related liquidation restrictions or other factors, which may impact the ultimate value realized.

Included in alternative strategies are investments in offshore funds that include investments in hedge funds. The offshore funds are located primarily in the Cayman and British Virgin Islands. As part of the alternative strategy investment structure, initial capital commitments are required. Reflected at net asset value above are the amounts that have been funded toward the capital commitments.

- (a) The investment objective of the funds is to obtain a positive return regardless of fluctuations in the capital markets through, long/short equity positions, distressed securities, fixed income arbitrage and other derivative instruments.
- (b) A hedge fund style that aims to profit from the mispricing of securities related to hard and/or soft catalysts. Examples include mergers (merger arbitrage), restructurings, bankruptcies, litigation, regulatory and legislative changes. Activist investors who seek value creation through board participation or management changes are also included in this category.
- (c) The investment objective of the funds is to seek maximum capital while incurring reasonable risk appreciation primarily by using a variety of investment techniques, including employing three event-driven investment strategies: merger arbitrage; distressed securities, special situations and other funds.
- (d) A hedge fund style focused on employing a top-down approach to invest in any market in order to capture extended market movements. Global macro managers generally have broad mandates to invest globally across all asset classes. These managers tend to employ leverage and have exposure to global interest rates, currencies, commodities and equities.
- (e) A hedge fund style that opportunistically allocates capital to various hedge fund strategies and uses diversification to reduce asset-class and single-strategy risks. Ideally, multi-strategy portfolio managers tactically shift capital among strategies in order to capitalize on current market opportunities. Some multi-strategy funds act as a collection of traders, while others have a more formal organizational structure.
- (f) The investment objective of the funds is to obtain significant returns for its partners through capital appreciation. Partnerships pursue an investment strategy of making private equity investments in the following categories: venture capital, buyout, mezzanine financing and distressed securities in a variety of industries.

As of June 30, 2023 and 2022, the Federation investment in Israel Bonds totaled approximately \$11,502,000 and \$11,744,000, respectively. The bonds consist of various maturities and interest rates. It is the Federation's policy to hold Israel Bonds to maturity. Bonds held in the Federation's investment pool, within the Foundation, are renewed upon maturity, while bonds held by the Federation in its general fund are redeemed for cash at maturity. There is no active trading market

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

for Israel Bonds, although there is a secondary market. Because the Federation holds Israel Bonds to maturity, the valuation on the books of Federation is equal to the purchase price of the bond.

Certain investments have been made on behalf of affiliated agencies. These investments are reflected as investments and obligations to affiliated agencies for assets held in trust in the consolidated statements of financial position. As of June 30, 2023 and 2022, total investments of \$53,560,302 and \$48,618,456, respectively, are held in trust for affiliated agencies and are reflected in the consolidated statements of financial position.

Investment return, net of expenses, consists of the following:

<i>Year ended June 30, 2023</i>	Without donor restrictions	With donor restrictions	Total
Dividends and interest	\$ 4,754,955	\$ 1,070,271	\$ 5,825,226
Net realized gains	4,704,625	277,248	4,981,873
Net unrealized gains	13,490,369	3,956,740	17,447,109
	\$ 22,949,949	\$ 5,304,259	\$ 28,254,208

<i>Year ended June 30, 2022</i>	Without donor restrictions	With donor restrictions	Total
Dividends and interest	\$ 3,557,541	\$ 683,681	\$ 4,241,222
Net realized gains	12,952,202	2,723,282	15,675,484
Net unrealized losses	(48,377,302)	(5,735,231)	(54,112,533)
	\$(31,867,559)	\$ (2,328,268)	\$ (34,195,827)

5. Pledges Receivable, Net

<i>June 30,</i>	2023	2022
Amounts due in less than one year	\$ 16,496,080	\$ 12,830,046
Amount due in one to five years	3,492,075	994,864
Gross pledges receivable	19,988,155	13,824,910
Less: Allowance for uncollectible pledges	(4,330,111)	(3,411,070)
Unamortized discount	(275,963)	(65,143)
Pledges receivable, net	\$15,382,081	\$10,348,697

Included in net campaign and other current pledges revenue of \$28,095,218 is \$5,409,286 related to Supplemental Campaign Income for the year ended June 30, 2023. Included in net campaign and other current pledges revenue of \$22,457,179 is \$2,382,560 related to Supplemental Campaign Income for the year ended June 30, 2022. Bad debt expense on pledges totaled \$1,727,997 and \$221,196 for the years ended June 30, 2023 and 2022, respectively.

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Pledges receivable with payment terms in excess of one year have been discounted using an average market rate of interest (approximately 4.27% and 2.98% as of June 30, 2023 and 2022, respectively) to reflect their estimated present value.

6. Due From Beneficiary Agencies, Net

Due from beneficiary agencies, net consisted of the following:

<i>June 30,</i>	2023	2022
Due from beneficiary agencies	\$ 2,130,481	\$ 2,036,915
Less: Unamortized discount and allowance for uncollectible accounts	(48,462)	(64,902)
Due from beneficiary agencies, net	\$2,082,019	\$ 1,972,013

Due from beneficiary agencies represents non-interest-bearing advances and interest-bearing loans to various beneficiary agencies in addition to their annual allocations. The Federation anticipates that these amounts due will be collected from these beneficiary agencies in the ordinary course of business through fundraising efforts. These advances are due between one and sixteen years and have been discounted to their present value. At June 30, 2023 and 2022, a receivable from Jewish Community Services of South Florida, Inc. and Affiliate in the amount of \$660,000 and \$742,500, respectively, has been discounted over the remaining period, using the U.S. Treasury risk-free rate of return of approximately 3%.

The following represents the gross estimated collections from beneficiary agencies to be received by the Federation as of June 30, 2023:

<i>Years ending June 30,</i>	
2023	\$ 1,552,981
2024	82,500
2025	82,500
2026	82,500
2027	82,500
Thereafter	247,500
	\$ 2,130,481

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Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

7. Property And Equipment, Net

Property and equipment, net, consisted of the following:

<i>June 30,</i>	2023	2022	Estimated useful lives
Land	\$ 2,659,951	\$ 2,659,951	N/A
Buildings	1,434,261	1,434,261	40 years
Improvements	5,349,212	4,090,466	10 to 36 years
Office furniture, equipment and software	3,716,747	3,707,272	3 to 9 years
	13,160,171	11,891,950	
Less: accumulated depreciation	(7,798,633)	(7,705,536)	
	\$ 5,361,538	\$ 4,186,414	

Depreciation and amortization expense for the years ended June 30, 2023 and 2022 was \$169,539 and \$187,177, respectively.

8. Other Assets

<i>June 30,</i>	2023	2022
Cash surrender value of life insurance policies	\$ 3,393,952	\$ 3,192,602
Other receivables	2,161,000	2,299,045
Due from estates	2,756,884	1,453,347
Due from JAFI	1,071,390	1,135,605
Prepaid expenses	303,163	992,377
Other assets	2,547,654	2,588,432
Due from charitable trusts (Federation not trustee)	1,640,891	1,676,243
	\$ 13,874,934	\$13,337,651

9. Accounts Payable And Other Liabilities

Accounts payable and other liabilities consisted of the following:

<i>June 30,</i>	2023	2022
Accounts payable	\$ 3,686,656	\$ 2,307,522
Deferred liabilities, refundable advances, and deferred compensation	1,898,400	2,753,931
	\$ 5,585,056	\$5,061,453

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

10. Summary Of Allocations And Grants For Designated Purposes

Allocations and grants of net assets without donor restrictions categorized by type of program are as follows:

<i>June 30,</i>	2023	2022
The Jewish Federations of North America	\$ 8,453,855	\$ 7,923,814
Annual campaign education and culture	4,194,127	3,504,500
Services to the aged	896,945	665,311
Youth services and recreation	2,787,270	2,777,634
Counseling services	823,313	733,134
Surfside emergency relief fund	1,225,814	2,650,466
Health services	241,184	227,654
Other community programming	1,742,927	2,447,466
Target grants for Israel and overseas	754,336	2,211,922
Total allocations to agencies	12,665,916	15,218,087
Donor advised and other designated funds:		
Federation and beneficiary agencies	6,603,191	3,280,497
Jewish charitable purposes	8,044,819	16,380,139
Organizations serving Florida	38,553,540	12,790,517
Organizations outside Florida	1,722,823	1,063,638
Other	100,410	145,447
	55,024,783	33,660,238
Supporting Foundations:		
Federation and beneficiary agencies	457,104	576,206
Jewish charitable purposes	291,495	324,640
Organizations serving Florida	82,750	124,953
Organizations outside Florida	223,300	633,400
	1,054,649	1,659,199
Total allocations for grants and designated purposes	56,079,432	35,319,437
Total allocations	\$ 77,199,203	\$ 58,461,338

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

11. Endowments

The Federation's endowments consist of individual funds established for a variety of purposes. Its endowments are comprised of funds with no donor restriction, donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA). The Federation has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Federation classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund earnings:

1. The duration and preservation of the fund.
2. The purpose of the Federation and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effects of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Federation.
7. The investment policies of the Federation.

For the years ended June 30, 2023 and 2022, the Federation has elected not to add appreciation for cost of living or spending to its endowment funds with donor restrictions.

A summary of endowment assets at June 30, 2023 is as follows:

<i>June 30, 2023</i>	Without donor restrictions	With donor restrictions	Total
Donor restricted endowment funds	\$ -	\$ 60,137,026	\$ 60,137,026
Board designated endowment funds	5,070,521	-	5,070,521
Total endowment net assets	\$ 5,070,521	\$ 60,137,026	\$ 65,207,547

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

A summary of endowment assets at June 30, 2022 is as follows:

<i>June 30, 2022</i>	Without donor restrictions	With donor restrictions	Total
Donor restricted endowment funds	\$ -	\$ 56,909,086	\$ 56,909,086
Board designated endowment funds	6,735,380	-	6,735,380
Total endowment net assets	\$ 6,735,380	\$ 56,909,086	\$ 63,644,466

The change in endowment assets for the year ended June 30, 2023 is as follows:

<i>Year ended June 30, 2023</i>	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 6,735,380	\$ 56,909,086	\$ 63,644,466
Investment change	413,495	5,277,237	5,690,732
Contributions	-	963,242	963,242
Amounts appropriated for expenditure	(2,078,354)	(3,012,539)	(5,090,893)
Endowment net assets, end of year	\$ 5,070,521	\$ 60,137,026	\$ 65,207,547

The change in endowment assets for the year ended June 30, 2022 is as follows:

<i>Year ended June 30, 2022</i>	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 5,254,485	\$ 59,441,871	\$ 64,696,356
Investment change	(135,505)	(2,181,425)	(2,316,930)
Contributions	1,855,400	3,170,862	5,026,262
Amounts appropriated for expenditure	(239,000)	(3,522,222)	(3,761,222)
Endowment net assets, end of year	\$ 6,735,380	\$ 56,909,086	\$ 63,644,466

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Federation to retain as a fund of perpetual duration. As of June 30, 2023 and 2022, the fair market value of these donor restricted endowment funds was approximately \$17,612,000 and \$16,187,000, respectively. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restriction and amounted to approximately \$681,000 and \$1,129,000 as of June 30, 2023 and 2022, respectively. These deficiencies resulted from unfavorable market fluctuations.

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Return Objectives and Risk Parameters

The Federation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Federation must hold in perpetuity or for a donor- specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that are equivalent to the spending policy of 5 percent plus inflation while assuming a moderate level of investment risk. The Federation expects its endowment funds, over time, to provide a rate of return in excess of the original permanently restricted principal. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Federation 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 Federation targets a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Federation has a general policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 6 calendar years through the calendar year- end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Federation considered the long-term expected return on its endowment. Accordingly, over the long term, the Federation expects the current spending policy to allow its endowment to grow. The Board of Directors approved a constant spending policy of 5 percent.

12. Commitments And Contingencies

Guarantees of Indebtedness

Pursuant to certain guaranty agreements, the Federation guarantees debt of certain beneficiary agencies. Should these agencies default on their debt payments, the Federation is responsible for the payment. On an ongoing basis, the Federation reviews its debt guarantees.

The nature of the guarantees as of June 30, 2023 is as follows:

Borrower	Amount	Nature of Debt	Maturity Date	Letter of Credit Expiration Date
Michael-Ann Russell JCC	\$ 9,000,000	Tax exempt bonds	January 29, 2039	January 20, 2025
Michael-Ann Russell JCC	3,827,364	Tax exempt loan	October 1, 2036	N/A
Dave and Mary Alper JCC	5,695,000	Tax exempt bonds	April 11, 2032	April 15, 2026
Gainesville Hillel, Inc.	5,000,000	Tax exempt bonds	May 8, 2033	May 15, 2026
Miami Beach JCC	8,060,000	Tax exempt bonds	July 1, 2041	July 1, 2027
	\$ 31,582,364			

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The plan for the agencies is to raise money through fundraising efforts to satisfy their debt. The fair market value of the borrowers' or the right to use properties is in excess of the outstanding debt.

Where indicated, the tax-exempt bonds are credit enhanced by a letter of credit from a lender. If the letters are not renewed prior to their expiration dates, in certain circumstances the bonds may be payable on the letter of credit expiration date. The Federation has no reason to believe that any of the letters of credit will not be renewed.

Michael-Ann Russell JCC

The Federation administers Michael-Ann Russell JCC's ("MARJCC") endowment funds totaling \$3,200,000, which are reflected in the consolidated statements of financial position at June 30, 2023. Additionally, MARJCC will continue fundraising to retire the debt when it becomes due. MARJCC has and is expected to continue to meet its interest and principal obligations in the near future.

Dave and Mary Alper JCC

Regarding Dave and Mary Alper JCC ("Alper"), the Federation administers the agency's endowment funds totaling approximately \$1,800,000, which are reflected in the consolidated statements of financial position at June 30, 2023. Alper continues to pursue capital contributions to pay off the tax-exempt bonds when they become due. Alper has and is expected to continue to meet its interest obligations in the near future.

Gainesville Hillel, Inc.

Regarding Gainesville Hillel, Inc. ("Hillel"), the Federation administers the agency's endowment funds totaling approximately \$2,000,000, which are reflected in the consolidated statements of financial position at June 30, 2023. Additionally, Hillel continues to actively pursue capital contributions to pay off the tax-exempt bonds when they become due. Hillel has and is expected to continue to meet its interest obligations in the near future.

Miami Beach Jewish Community Center, Inc.

Regarding Miami Beach Jewish Community Center, Inc. ("MBJCC"), the Federation administers endowment funds totaling approximately \$5,200,000, which are reflected in the consolidated statements of financial position at June 30, 2023. MBJCC will continue fundraising to retire the debt when it becomes due. MBJCC has annual debt amortization of \$260,000. MBJCC has and is expected to continue to meet its interest and principal obligations in the near future.

Holocaust Memorial Center

The Federation is in the process of constructing a 7,400 square foot Education Center at the Holocaust Memorial Center. The Center will have three theaters, which will use state of the art technology to provide students with Holocaust survivors testimonies. The project is in the permitting stage and is estimated at approximately \$15,000,000.

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

13. Line of Credit

Federation has a line of credit with a financial institution to borrow up to \$8,000,000 in order to provide liquidity for the working capital needs. The line matures on December 29, 2023. The outstanding balance is \$3,230,000 as of June 30, 2023 and 2022.

The line of credit bears interest at the 30-day LIBOR rate plus 100 basis points, with LIBOR floor of 1.5%. The interest rate was 6.17% as of June 30, 2023 and 2.5% as of June 30, 2022. Effective with the first day after June 30, 2023, the LIBOR index will be replaced with one month CME Term SOFR, plus the Tenor spread adjustment of 0.11448 percent.

The agreement requires maintenance of certain liquidity ratios; GMJF was in compliance with such requirements at both June 30, 2023 and 2022.

14. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

<i>June 30,</i>	2023	2022
Time restricted	\$ 8,835,645	\$ 5,778,892
Agency programs	427,580	282,736
Annual campaign	7,071,247	6,312,462
Community programs	15,821,975	15,343,790
Education programs	3,252,843	3,151,525
Support for the elderly	7,401,237	7,153,513
Holocaust survivors support	135,039	131,383
Israel programs	17,060,490	16,162,397
Leadership programs	805,601	746,781
Medical assistance programs	668,358	646,686
Support for the needy	3,571,624	3,194,896
Scholarships	4,353,761	4,215,646
	\$ 69,405,400	\$63,120,707

Included within net assets with donor restrictions are funds held in perpetuity of \$17,612,333 and \$16,186,739 as of June 30, 2023 and 2022, respectively.

15. Land Leases

As of March 19, 1989, the Federation entered into a ninety-nine year lease with Alper for the land which is now occupied by Alper at an annual rental of \$1. The Federation has recognized the market value of the lease, estimated at \$225,600 annually, as rent income and allocation expense. As of January 25, 1977, the Federation entered into a ninety-nine year lease with the MARJCC for the land which is now occupied by MARJCC. The Federation has recognized the market value of the lease, estimated at \$210,000 annually, as rent income and allocation expense. Due to the restricted and conditional nature of the ninety-nine year leases, the donated use of the properties are

Greater Miami Jewish Federation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

evaluated on an annual basis by the Federation to determine if Alper and MARJCC have met the conditions stipulated in the lease agreements.

16. Subsequent Events

The Federation has evaluated events and transactions occurring subsequent to June 30, 2023 and through December 14, 2023, which is the date the consolidated financial statements were available to be issued.

On October 19, 2023, the Federation paid off its outstanding balance on the line of credit.

In addition, on November 14, 2023, the Federation entered into an agreement with the City of Miami Beach to undertake agreed upon extensive repairs, upgrades and improvements to the Holocaust Memorial Center. The City will reimburse the Federation up to \$7,150,000 from its general obligation bonds.

Also, on November 16, 2023, the Federation's Board approved for Federation to put up for sale approximately 11 acres of land occupied by Alper JCC, which is leasing the land from the Federation.