Gulf Coast Jewish Family and Community Services, Inc. and Affiliates

Consolidated Financial and Compliance Report
June 30, 2023

Contents

Independent Auditor's Report

Board of Directors
Gulf Coast Jewish Family and Community Services, Inc.

Report on the Audit of the Financial Statements

Opinion
We have audited the consolidated financial statements of Gulf Coast Jewish Family and Community Services, Inc. and Affiliates (the Organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, 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 (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in their net assets and their 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) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Emphasis of Matter
As discussed in Note 1 to the financial statements, effective July 1, 2022, the Organization adopted Financial Accounting Standards Board Accounting Standards Codification Topic 842, Leases. Our opinion is not modified with respect to this matter.

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Grant Requirements, Cost Principles, and Audit Requirements of Federal Awards* and State of Florida Chapter 10.650, *Rules of the Auditor General,* respectively, consolidating information, and other supplementary information as indicated in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 29, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

RSM US LLP

St. Petersburg, Florida
March 29, 2024

Gulf Coast Jewish Family and Community Services, Inc. and Affiliates

Consolidated Statements of Financial Position
June 30, 2023 and 2022

		2023		2022
Assets				
Current assets:				
Cash and cash equivalents	$	**5,389,864**	$	4,663,264
Restricted cash		**290,260**		338,290
		5,680,124		5,001,554
Accounts receivable, net		**697,862**		843,003
Grants receivable		**7,160,165**		7,362,244
Contributions receivable		**106,985**		114,185
Short-term investments		**278,164**		242,212
Prepaid expenses		**1,021,700**		492,148
Total current assets		**14,945,000**		14,055,346
Property and equipment, net		**6,500,686**		6,781,419
Right-of-use lease assets—operating		**2,117,682**		-
Long-term investments		**5,931,527**		5,671,229
Beneficial interest in assets held by foundations		**1,254,437**		1,184,466
Other assets		**107,684**		108,828
Total assets	$	**30,857,016**	$	27,801,288
Liabilities and Net Assets				
Current liabilities:				
Current maturities of long-term debt	$	**175,165**	$	170,582
Accounts payable		**761,596**		606,499
Accrued expenses		**2,353,315**		2,005,000
Estimated provision for third-party payor liabilities		**50,000**		50,000
Refundable advances		**3,505,987**		2,168,240
Lease liabilities—operating		**789,762**		-
Total current liabilities		**7,635,825**		5,000,321
Tenant deposits held in trust		**32,286**		31,101
Lease liabilities—operating, net of current maturities		**1,309,742**		-
Long-term debt, net of current maturities		**6,550,105**		8,371,906
Total liabilities		**15,527,958**		13,403,328
Contingencies and commitments (Note 8)				
Net assets:				
Without donor restrictions:				
Undesignated		**7,015,643**		6,581,557
Board designated		**2,182,346**		2,134,856
		9,197,989		8,716,413
With donor restrictions		**6,131,069**		5,681,547
Total net assets		**15,329,058**		14,397,960
Total liabilities and net assets	$	**30,857,016**	$	27,801,288

See notes to consolidated financial statements.

Gulf Coast Jewish Family and Community Services, Inc. and Affiliates

Consolidated Statement of Activities
Year Ended June 30, 2023
(With Comparative Totals for 2022)

	2023			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	2022 Total
Revenues and support:				
Grants and contracts:				
Governmental and other agencies	**$ 41,008,435**	**$ -**	**$ 41,008,435**	$ 34,746,940
Medicaid and Medicare	**136,257**	**-**	**136,257**	362,709
Local grants	**6,713,439**	**-**	**6,713,439**	5,982,978
Contributions	**654,388**	**229,494**	**883,882**	791,280
Special events revenue, net of $103,209 of expenses	**511,331**	**-**	**511,331**	326,702
United Way and Jewish Federation allocations	**378,328**	**-**	**378,328**	310,407
Contributions of nonfinancial assets	**464,398**	**-**	**464,398**	317,270
Investment return designated for current operations	**225,000**	**-**	**225,000**	225,000
Program service fees	**315,838**	**-**	**315,838**	357,234
Rental income	**953,083**	**-**	**953,083**	961,482
Other income	**287,408**	**-**	**287,408**	345,037
Net assets released from restrictions:				
Expiration of time restrictions on capital assets	**16,110**	**(16,110)**	**-**	-
Expiration of other time restrictions	**46,945**	**(46,945)**	**-**	-
	63,055	**(63,055)**	**-**	-
Total revenues and support	**51,710,960**	**166,439**	**51,877,399**	44,727,039
Expenses:				
Program services	**46,997,887**	**-**	**46,997,887**	39,636,309
Supporting services	**6,186,943**	**-**	**6,186,943**	5,500,208
Total expenses	**53,184,830**	**-**	**53,184,830**	45,136,517
Change in net assets before other changes	**(1,473,870)**	**166,439**	**(1,307,431)**	(409,478)
Other changes:				
Acquisition of TampaBay-Job-Links	**-**	**-**	**-**	438,951
Investment return (loss), net	**106,268**	**384,628**	**490,896**	(898,443)
Less investment return appropriated under the endowment spending rate	**(60,287)**	**(164,713)**	**(225,000)**	(225,000)
Change in the value of beneficial interest in assets held by foundations	**9,465**	**63,168**	**72,633**	(146,431)
Forgiveness of PPP loan	**1,900,000**	**-**	**1,900,000**	-
	1,955,446	**283,083**	**2,238,529**	(830,923)
Change in net assets	**481,576**	**449,522**	**931,098**	(1,240,401)
Net assets:				
Beginning	**8,716,413**	**5,681,547**	**14,397,960**	15,638,361
Ending	**$ 9,197,989**	**$ 6,131,069**	**$ 15,329,058**	$ 14,397,960

See notes to consolidated financial statements.

Gulf Coast Jewish Family and Community Services, Inc. and Affiliates

Consolidated Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Grants and contracts:			
Governmental and other agencies	$ 34,746,940	$ -	$ 34,746,940
Medicaid and Medicare	362,709	-	362,709
Local grants	5,982,978	-	5,982,978
Contributions	545,296	245,984	791,280
Special events revenue, net of $110,469 of expenses	326,702	-	326,702
United Way and Jewish Federation allocations	310,407	-	310,407
Contributions of nonfinancial assets	317,270	-	317,270
Investment return designated for current operations	225,000	-	225,000
Program service fees	357,234	-	357,234
Rental income	961,482	-	961,482
Other income	345,037	-	345,037
Net assets released from restrictions:			
Expiration of time restrictions on capital assets	7,860	(7,860)	-
Expiration of other time restrictions	1,000	(1,000)	-
	8,860	(8,860)	-
Total revenues and support	44,489,915	237,124	44,727,039
Expenses:			
Program services	39,636,309	-	39,636,309
Supporting services	5,500,208	-	5,500,208
Total expenses	45,136,517	-	45,136,517
Changes in net assets before other changes	(646,602)	237,124	(409,478)
Other changes:			
Acquisition of TampaBay-Job-Links	438,951	-	438,951
Investment loss, net	(279,080)	(619,363)	(898,443)
Less investment return appropriated under the endowment spending rate	(2,388)	(222,612)	(225,000)
Change in the value of beneficial interest in assets held by foundations	(23,849)	(122,582)	(146,431)
	133,634	(964,557)	(830,923)
Change in net assets	(512,968)	(727,433)	(1,240,401)
Net assets:			
Beginning	9,229,381	6,408,980	15,638,361
Ending	$ 8,716,413	$ 5,681,547	$ 14,397,960

See notes to consolidated financial statements.

Gulf Coast Jewish Family and Community Services, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services									Supporting Services			
	Children and Family Services	Elder and Disabled Services	Employment Services	Jewish Family Services	Mental Health Services	Refugee Programs	Program Maintenance	Housing	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	$ 13,308,887	$ 1,438,994	$ 1,304,442	$ 428,169	$ 3,877,186	$ 3,937,251	$ 63,646	$ 94,333	$ 24,452,908	$ 3,218,043	$ 472,316	$ 3,690,359	$ 28,143,267
Payroll taxes	1,044,472	113,646	103,310	34,103	303,930	312,093	4,922	5,890	1,922,366	244,447	37,277	281,724	2,204,090
Employee benefits	1,293,676	154,855	114,450	35,311	447,524	362,061	13,048	4,408	2,425,333	339,723	37,910	377,633	2,802,966
Total salaries and related expenses	15,647,035	1,707,495	1,522,202	497,583	4,628,640	4,611,405	81,616	104,631	28,800,607	3,802,213	547,503	4,349,716	33,150,323
Occupancy	609,339	26,696	145,364	25,079	268,602	786,150	(124,965)	176,491	1,912,756	149,252	8,506	157,758	2,070,514
Professional services	234,224	15,116	33,059	4,255,043	224,931	156,202	2,507	236,992	5,158,074	263,327	50,971	314,298	5,472,372
Travel	1,017,419	28,809	51,634	9,933	93,716	146,133	49	-	1,347,693	35,427	3,007	38,434	1,386,127
Equipment costs	102,592	23,949	66,048	10,811	78,684	166,263	4,686	-	453,033	423,784	24,992	448,776	901,809
Food	1,954	-	-	28,482	154,720	214,241	-	-	399,397	1,670	91	1,761	401,158
Medical and pharmacy	114	531	-	1,838	9,245	16,122	-	-	27,850	4,873	-	4,873	32,723
Subcontractors	232,382	-	-	-	-	-	-	-	232,382	-	-	-	232,382
Insurance	178,522	22,079	22,850	11,236	211,304	121,583	33,232	284,048	884,854	126,952	3,363	130,315	1,015,169
Interest	-	-	-	-	10,693	-	-	-	10,693	-	-	-	10,693
Adult family stipends	180	-	-	-	1,317,185	-	-	-	1,317,365	-	-	-	1,317,365
Operating supplies and expenses	771,909	66,717	178,912	481,522	399,033	3,526,800	1,553	46,289	5,472,735	414,374	45,072	459,446	5,932,181
Nonfinancial contribution expenses	457,217	2,392	-	-	1,845	-	-	-	461,454	2,944	-	2,944	464,398
Other	18,395	598	533	417	3,994	1,135	-	52,466	77,538	183,842	1,852	185,694	263,232
Total expenses before before depreciation and amortization	19,271,282	1,894,382	2,020,602	5,321,944	7,402,592	9,746,034	(1,322)	900,917	46,556,431	5,408,658	685,357	6,094,015	52,650,446
Depreciation and amortization	31,041	13,329	1,047	12,809	188,493	21,590	1,376	171,771	441,456	89,908	3,020	92,928	534,384
Total expenses	$ 19,302,323	$ 1,907,711	$ 2,021,649	$ 5,334,753	$ 7,591,085	$ 9,767,624	$ 54	$ 1,072,688	$ 46,997,887	$ 5,498,566	$ 688,377	$ 6,186,943	$ 53,184,830

See notes to consolidated financial statements.

Gulf Coast Jewish Family and Community Services, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services									Supporting Services			
	Children and Family Services	Elder and Disabled Services	Employment Services	Jewish Family Services	Mental Health Services	Refugee Programs	Program Maintenance	Housing	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	$ 12,195,809	$ 1,345,246	$ 1,165,942	$ 417,875	$ 2,700,568	$ 2,689,742	$ 82,110	$ 198,936	$ 20,796,228	$ 2,723,772	$ 375,746	$ 3,099,518	$ 23,895,746
Payroll taxes	958,590	105,334	94,161	33,160	212,955	213,254	6,224	12,683	1,636,361	208,923	30,155	239,078	1,875,439
Employee benefits	1,402,313	180,325	123,274	41,343	324,851	261,077	19,438	5,786	2,358,407	378,048	25,814	403,862	2,762,269
Total salaries and related expenses	14,556,712	1,630,905	1,383,377	492,378	3,238,374	3,164,073	107,772	217,405	24,790,996	3,310,743	431,715	3,742,458	28,533,454
Occupancy	576,271	32,715	128,915	21,444	243,487	803,886	(144,484)	67,047	1,729,281	158,401	4,937	163,338	1,892,619
Professional services	199,514	18,449	58,887	3,679,960	230,552	142,232	437	91,693	4,421,724	499,494	38,243	537,737	4,959,461
Travel	941,890	32,980	24,008	8,962	59,747	148,160	-	-	1,215,747	39,293	498	39,791	1,255,538
Equipment costs	147,731	25,632	24,390	8,765	102,811	124,788	6,821	-	440,938	485,799	16,883	502,682	943,620
Food	1,893	-	88	55,381	127,541	126,455	-	-	311,358	2,437	39	2,476	313,834
Medical and pharmacy	1,533	-	-	-	17,494	25,697	-	-	44,724	-	-	-	44,724
Subcontractors	279,620	-	-	-	-	-	-	-	279,620	-	-	-	279,620
Insurance	123,852	16,280	12,533	8,377	167,038	48,278	29,357	215,202	620,917	97,709	1,417	99,126	720,043
Interest	-	-	-	-	15,234	-	-	-	15,234	39,384	-	39,384	54,618
Adult family stipends	-	-	-	-	1,227,029	-	-	-	1,227,029	(144,134)	-	(144,134)	1,082,895
Operating supplies and expenses	716,062	68,809	200,726	515,043	341,611	1,533,496	2,215	66,026	3,443,988	255,864	88,154	344,018	3,788,006
Nonfinancial contribution expenses	290,456	11,540	-	8,540	5,590	760	-	-	316,886	-	384	384	317,270
Other	16,658	787	3,535	341	730	548	58	295,393	318,050	43,852	393	44,245	362,295
Total expenses before before depreciation and amortization	17,852,192	1,838,097	1,836,459	4,799,191	5,777,238	6,118,373	2,176	952,766	39,176,492	4,788,842	582,663	5,371,505	44,547,997
Depreciation and amortization	31,548	18,761	1,348	17,096	191,446	21,378	2,919	175,321	459,817	124,770	3,933	128,703	588,520
Total expenses	$ 17,883,740	$ 1,856,858	$ 1,837,807	$ 4,816,287	$ 5,968,684	$ 6,139,751	$ 5,095	$ 1,128,087	$ 39,636,309	$ 4,913,612	$ 586,596	$ 5,500,208	$ 45,136,517

See notes to consolidated financial statements.

Gulf Coast Jewish Family and Community Services, Inc. and Affiliates

Consolidated Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	**$ 931,098**	$ (1,240,401)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	**534,384**	588,520
Acquisition of TampaBay-Job-Links, Inc. (noncash portion)	**-**	(214,812)
Forgiveness of PPP loan	**(1,642,167)**	-
Realized and unrealized (gains) losses on investments	**(347,372)**	1,038,254
Change in value of beneficial interest in assets held by foundations	**(72,633)**	146,431
(Increase) decrease in operating assets		
Accounts receivable, net	**145,872**	(372,025)
Grants receivable	**202,079**	(1,891,694)
Contributions receivable	**7,200**	69,015
Prepaid expenses	**(529,552)**	277,026
Right-of-use lease assets - operating	**1,078,258**	-
Other assets	**1,144**	51,151
Increase (decrease) in operating liabilities		
Accounts payable	**115,739**	(17,111)
Accrued expenses	**348,315**	301,586
Refundable advances	**1,376,382**	(1,260,381)
Lease liabilities—operating	**(1,096,449)**	-
Tenant deposits held in trust	**1,185**	4,928
Net cash provided by (used in) operating activities	**1,053,483**	(2,519,513)
Cash flows from investing activities:		
Purchases of property and equipment	**(253,647)**	(86,450)
Purchases of investments	**(165,079)**	(194,106)
Proceeds from sale of investments	**216,201**	247,026
Transfers of assets to community foundations	**(31,151)**	(4,548)
Distributions from assets held by others	**33,814**	36,603
Net cash used in investing activities	**(199,862)**	(1,475)
Cash flows from financing activities:		
Principal payments on long-term debt	**(175,051)**	(419,226)
Net cash used in financing activities	**(175,051)**	(419,226)
Net increase (decrease) in cash and cash equivalents and restricted cash	**678,570**	(2,940,214)
Cash and cash equivalents and restricted cash:		
Beginning	**5,001,554**	7,941,768
Ending	**$ 5,680,124**	$ 5,001,554
Supplemental disclosure of cash flow information:		
Cash payments for interest	**$ 10,791**	$ 54,488
Supplemental schedule of noncash investing and financing activities:		
Property, plant and equipment acquired from TampaBay-Job-Links	**$ -**	$ 36,909
Forgiveness of PPP Loan	**$ 1,642,167**	$ -
Operating lease right-of-use assets obtained and liabilities incurred as a result of adoption of ASC 842	**$ 1,776,513**	$ -
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	**$ 1,419,427**	$ -
Cash payments made for operating leases	**$ 1,083,397**	$ -

See notes to consolidated financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Gulf Coast Jewish Family and Community Services, Inc. (or Gulf Coast JFCS or the Agency) has been serving Florida since 1960. The Agency is non-religious, and its mission is to protect the vulnerable and help people achieve fulfilling lives by empowering individuals and strengthening families. When the agency began in 1960, its core programming was to provide counseling and family support services to the Jewish community in Pinellas County. The agency was incorporated as a 501(c)(3) organization in 1974. At that time, Gulf Coast JFCS began to diversify its array of services through public funding and broadened its scope to serve people of all backgrounds. Today, Gulf Coast JFCS has more than 500 employees and annually supports more than 37,000 people in 40 Florida Counties. The agency interacts with virtually every area of social services to provide a wide range of family support.

An affiliated organization, Gulf Coast Cares, Inc. (GCC) was formed in 2016 for the purpose of managing investments and providing financial support to Gulf Coast JFCS through annual distributions.

Additionally, Gulf Coast JFCS sponsors Gulf Coast Heron Housing, Inc. (Heron) and Gulf Coast Egret Housing, Inc. (Egret) (collectively, the Projects), which provide housing for low income seniors and low income individuals with disabilities under Section 202 of the National Housing Act. The projects are regulated by the U.S. Department of HUD with respect to rental charges and operating methods. The projects are also subject to either Project Rental Assistance Agreements with HUD or Section 8 Housing Assistance Payments agreements with HUD, and a significant portion of the project's rental income is received from HUD.

The following are the significant policies used in the preparation of the accompanying consolidated financial statements:

Principles of consolidation: The accompanying consolidated financial statements include the accounts for Gulf Coast JFCS, GCC and the Projects (collectively, the Organization), which are nonprofit corporations. The entities comprising the Organization are related through a controlling financial interest and Gulf Coast JFCS's direct and indirect ability to determine the direction of management. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of presentation: A nonprofit organization is required to report information regarding its financial position and activities in accordance with two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Contributions and other inflows of assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the Board of Directors (Board). Net assets without donor restrictions include expendable funds available to support operations as well as net assets invested in property and equipment.

Net assets with donor restrictions: Contributions and other inflows of assets subject to donor-imposed stipulations that may or will be met by actions of the Organization or the passage of time or are permanently maintained by the Organization. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Use of estimates: The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash balances at several financial institutions which, at times, may exceed federally insured limits. The Organization monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

Restricted cash: Restricted cash includes security deposits held, replacement reserves and residual receipt accounts required by HUD. Restricted cash is included in cash when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statements of cash flows.

Accounts receivable: Accounts receivable are stated at cost, less an allowance for doubtful accounts. Management's determination of an allowance is based on historical experience, third-party contracts and other circumstances which may affect the ability of payors to meet their obligations. It is the Organization's policy to write-off uncollectible accounts receivable when management determines the receivable will not be collected. Management has set an allowance for approximately $14,000 and $20,000 as of June 30, 2023 and 2022, respectively.

Contributions receivable: Contributions receivable due in one year or less are reported at net realizable value. Amounts due under contributions receivable over a period of more than one year at the date of donation are reported at net present value using the market discount rate in effect at the date of the unconditional promise to give. Receivables are stated less an allowance for doubtful accounts. Management's determination of an allowance is based on historical experience, knowledge of donor and other circumstances. Management believes contributions receivable to be fully collectible as of June 30, 2023 and 2022. All contribution receivables as of June 30, 2023 and 2022 are due within one year.

Investments: Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their estimated fair values in the consolidated statements of financial position. Investment income is reported in the consolidated statements of activities and consists of interest and dividend income and realized and unrealized gains and losses, less external investment expenses.

Fair value measurements: The Organization measures investments and beneficial interests in assets held by others at fair value on a recurring basis. The Organization follows accounting guidance which defines fair value and specifies a hierarchy of valuation techniques used to measure fair value. The disclosure of fair value estimates is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs.

The following is a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by the Organization.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Level 2: Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

Level 3: Unobservable inputs based on the Organization's own judgement as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

The Organization evaluates the various types of financial assets and liabilities to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs. The Organization employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third-party sources.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the report date.

During the years ended June 30, 2023 and 2022, there were no changes in the Organization's valuation techniques that had, or are expected to have, a material impact on its consolidated statements of financial position or activities.

Property and equipment: Property and equipment is stated at cost if purchased, or at estimated market value at date of receipt if acquired by gift. Expenditures for property and equipment in excess of $5,000 are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets.

Leasehold improvements are amortized over the shorter of their useful life or the lease term. Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition, as well as the ownership of any proceeds therefrom, is subject to applicable regulations.

Expenditure for renewals and improvements that significantly add to the productive capacity to extend the useful life of the asset are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred. Upon retirement, sale or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included within the consolidated statements of activities.

Impairment of long-lived assets: The Organization evaluates the recoverability of its property and equipment and right-of-use (ROU) leased assets whenever adverse events and changes in the business climate indicate that the expected undiscounted future cash flows from the related asset may be less than previously anticipated. If the net book value of the related asset exceeds the undiscounted future cash flows of the asset, the carrying amount would be reduced to the present value of its expected future cash flows and an impairment loss would be recognized. Management believes no indication of impairment existed at June 30, 2023 and 2022.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Leases: The Organization determines if an arrangement is or contains a lease at inception, which is the date in which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under Accounting Standards Codification (ASC) 842, Leases (Topic 842), a contract is or contains a lease when: (1) explicitly or implicitly identified assets have been deployed in the contract and (2) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

To reduce the burden of adoption and ongoing compliance with Topic 842, a number of practical expedients and policy elections are available under the new guidance. The Organization elected the package of practical expedients permitted under the transition guidance, which among other things, did not require reassessment of whether contracts entered into prior to adoption are or contain leases, and allowed carryforward of the historical lease classification for existing leases. The Organization elected to adopt the hindsight practical expedient, and therefore measured the ROU lease asset and lease liability using the remaining portion of the lease term at adoption on July 1, 2022.

The Organization made an accounting policy election under Topic 842 to not recognize ROU lease assets and lease liabilities for leases with a term of 12 months or less, or for cancelable leases. Any renewal options were evaluated to determine if it was reasonably certain they would be taken at the inception of the lease. For all other leases, the Organization recognizes ROU lease assets and lease liabilities based on the present value of lease payments over the lease term at the commencement date of the lease (or July 1, 2022 for existing leases upon the adoption of Topic 842). The ROU lease assets also include any initial directs costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index). Subsequent changes to an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Payments for terminating the lease are included in the lease payments only when it is probable they will be incurred. The Organization’s leases may include a nonlease component representing additional services transferred to the Organization, such as common area maintenance for real estate. The Organization made an accounting policy election to account for each separate lease component and the nonlease components associated with that lease component as a single lease component. Nonlease components that are variable in nature are recorded in variable lease expense in the period incurred.

A lessee that is not a public business entity, such as the Organization, is permitted to use a risk-free discount rate for its leases, determined using a period comparable with that of the lease term, as an accounting policy election for all leases. In order to ease the accounting burden of determining incremental borrowing rates under Topic 842, the Organization has made this accounting policy election for all leases. The risk-free discount rates were obtained using U.S. Treasury securities as posted on the Federal Reserve website. The Organization uses the implicit rate when readily determinable.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Revenue recognition: The Organization first determines if a transaction represents an exchange transaction and, if so, accounts for the transaction in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers (Topic 606), which provides a five-step model for recognizing revenue from contracts with customer as follows:

- Identify the contact with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Organization’s revenue from contracts with customers consists of providing Medicaid and Medicare eligible services and other program service fees. The Organization’s contracts have a single performance obligation. The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for transferring goods to the customer. Revenue is recorded based on transaction price, which is a fixed consideration. Performance obligations are satisfied at a point in time, at which point revenue is recognized. Revenue recognized at a point in time from reimbursements of direct and indirect costs of providing services by Medicaid and Medicare totaled $136,257 and $362,709 for the years ended June 30, 2023 and 2022, respectively, while revenue recognized at a point in time for program service fees totaled $315,838 and $357,234 for the years ended June 30, 2023 and 2022, respectively.

There were no receivables or deferred revenues for program service fees as of June 30, 2023, June 30, 2022 and July 1, 2021. Medicaid and Medicare receivable balances were $639,177, $662,202 and $458,184 as of June 30, 2023, June 30, 2022 and July 1, 2021, respectively. These balances are included in accounts receivable, net on the consolidated statements of financial position. There were no deferred revenue balances for Medicaid and Medicare as of June 30, 2023, June 30, 2022 and July 1, 2021.

The Organization performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. If a performance obligation meets certain specific criteria, the related revenue is recognized over time as the customer consumes and receives the benefit of the Organization’s services as they are performed. If certain criteria is not met, the revenue is recognized at a point in time.

The revenue streams noted above do not include significant financing components as the performance obligations are typically satisfied within a year of receipt of payment. Economic downturns can affect the level of revenue for all the revenue streams or can have a positive impact on cash flows in good economic times.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Public support: The Organization recognizes unconditional contributions when cash, securities, promises to give or other assets; or notification of a beneficial interest is received. Unconditional contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or a 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 from restrictions.

Conditional contributions are those contributions that certain donor-imposed rights of refund/return and barriers (performance obligations and/or controlling stipulations). Conditional contributions are recorded as revenue when conditions are satisfied. Conditional contributions received in advance of satisfying conditions are recorded as refundable advances. If a conditional contribution with donor restrictions becomes unconditional in the same period that the donor restrictions are satisfied, it is reported as an increase in net assets without donor restrictions.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Amounts received are recognized as revenue when the Organization has provided certain services and incurred expenditures in compliance with specific contract or grant provisions. Cash received in excess of revenue recognized is recorded as refundable advances. There were refundable advances of $3,505,987 and $2,168,240 at June 30, 2023 and 2022, respectively.

Donated materials and services: Donated materials are reflected in the accompanying consolidated financial statements at their estimated fair market value at date of receipt. Donations of services are recorded as support at their estimated fair value if the services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization estimates the fair value on the basis of estimates of wholesale values that would be received from selling similar products, renting similar spaces, or acquiring similar services in the United States in line with FASB Topic 820, Fair Value Measurement. The Organization utilizes donated materials for their mission and does not monetize or sell the goods.

Rental income: Rent charges are based on a HUD-approved rate schedule. The Projects are eligible to receive a monthly rental supplement in an amount equal to the difference between the fair rental value of its project units (as determined by HUD) and the amount charged to its tenants. The total amount of tenant assistance payments from HUD included in rental income in the accompanying consolidated statements of activities totaled approximately $613,000 and $624,000 for the years ended June 30, 2023 and 2022, respectively. Rental revenue is recognized in income monthly as earned under the terms of the lease agreement. Rental payments received in advance are deferred and classified as a liability until earned.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Functional expense allocations: The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. The consolidated statements of functional expenses presents the natural classification detail of expenses by function. Expenses that can be identified with a specific program or support service are charged directly to the function. Certain other costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis that is consistently applied. Personnel costs have been allocated to functional classifications based on the reporting of time spent on each by the employees. Building depreciation, insurance, maintenance and other related costs have been allocated to functional classifications based on square footage. Equipment depreciation, maintenance and related costs have been allocated based upon the location of the equipment and usage.

Advertising expenses: Advertising costs are expensed as incurred. Total advertising costs approximated $7,700 and $14,000 for the years ended June 30, 2023 and 2022, respectively.

Income taxes: Gulf Coast JFCS, GCC, Heron and Egret are recognized by the Internal Revenue Service (IRS) as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. Income earned in furtherance of these entities' tax-exempt purposes is exempt from federal and state income taxes. As such, no provision for income tax expense has been made in the accompanying consolidated financial statements.

The Organization follows the accounting standard on accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying consolidated financial statements. Generally, the Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for three years from the filing date of the respective returns.

Recently adopted accounting pronouncement: In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether the lease is effectively a financed purchase by the lessee. This classification determines whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a ROU asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less are accounted for similar to existing guidance for operating leases. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales type leases, direct financing leases and operating leases. The Organization adopted ASU 2016-02 on July 1, 2022, using the optional transition method to the modified retrospective approach. Under this transition provision, results for the reporting periods beginning on July 1, 2022, are presented under Topic 842, while prior period amounts continue to be reported and disclosed in accordance with the Organization's historical accounting treatment under ASC Topic 840, Leases. Adoption of Topic 842 resulted in the recording of ROU assets and lease liabilities related to the Organization's operating leases of $1,776,513 and $1,419,427, respectively, as of July 1, 2022. The adoption of the new lease standard did not materially impact the consolidated change in net assets or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Pending accounting pronouncement: In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 amends guidance on reporting credit losses for assets held at amortized cost basis and available for sale debt securities. For assets held at amortized cost basis, ASU 2016-13 eliminates the probable initial recognition threshold in current U.S. GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected. This ASU affects entities holding financial assets and net investment in leases that are not accounted for at fair value through changes in net assets. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in ASU 2016-13 are effective for the Organization's fiscal year 2024. The Organization believes the adoption of this standard will not have a material effect on its consolidated financial statements.

Subsequent events: The Organization has evaluated subsequent events through March 29, 2024, the date on which the consolidated financial statements were available to be issued.

Note 2. Business Acquisition

On July 1, 2021, the Organization entered into an Asset Purchase Agreement (the Agreement) with TampaBay-Job-Links, Inc. (TBJL), a nonprofit organization that provides individuals with career guidance and job-search coaching along with providing employers with qualified pre-screened candidates. The programs operated by TBJL directly aligned to the Organization's mission and allowed the Organization to expand its impact within Tampa Bay.

Effective July 1, 2021, the Organization acquired substantially all of the assets used in connection with the operations of TBJL. No liabilities were assumed with the exception of future commitments relating to a pre-established lease agreement.

The acquisition was deemed an inherent contribution, as TBJL voluntarily transferred its assets to the Organization. No consideration was transferred by the Organization in the acquisition of TBJL. The Organization has accounted for the acquisition by recording the assets acquired at fair value, which approximated $439,000.

Acquired property and equipment was recorded at estimated fair value using unobservable inputs. Management valued these assets based on replacement cost of comparable assets which approximates fair value. Acquired beneficial interests in assets held by foundations were valued utilizing the valuation techniques discussed in Note 1 and Note 13. All other assets acquired were recorded at their net realizable value at the date of acquisition with approximates fair value.

The following table summarizes the estimated fair values of assets as of July 1, 2021 (acquisition date):

Cash and cash equivalents	$ 224,141
Beneficial interest in assets held by foundations	166,091
Accounts receivable	5,170
Prepaid expenses	2,521
Other assets	4,121
Property and equipment	36,909
	$ 438,953

Note 3. Investments

Short-term investments consist of certificates of deposits with an original maturity date greater than three months and equity securities available to liquidate for current needs. The certificates of deposit are recorded at cost and were $242,517 and $242,212 at June 30, 2023 and 2022, respectively. Short-term equity securities are recorded at fair value and were $35,647 and $50 at June 30, 2023 and 2022, respectively.

Long-term investments consist of the following at June 30, 2023 and 2022:

	2023	2022
Money market fund	$ 986	$ 1,463
Real estate investment trusts	262,458	273,225
Fixed income securities	2,311,164	2,329,831
Equity securities	3,356,919	3,066,710
	$ 5,931,527	$ 5,671,229

The Organization's investments in money market funds, real estate investment trusts, fixed income securities and equity securities are not concentrated in a single entity or in a few entities, nor are there any specific industry concentrations. Annually, the Board approves an annual appropriation from its donor restricted endowment and board designated endowment in accordance with the Organization's spending policy to support current operations.

Note 4. Beneficial Interest in Assets Held by Foundations

In 2002, the Organization established a fund with the use of net assets with donor restrictions with Tampa-Orlando-Pinellas Jewish Foundation, Inc. (the Foundation) in the amount of $500,000 and named the Organization as beneficiary of the Fund. In 2015, the Organization established an additional fund with the use of net assets without donor restrictions in the amount of $25,000 with the Foundation and also named the Organization as the beneficiary for the benefit of its food pantry. Under the terms of these transfers, the Foundation has no variance power over the funds.

In 2017, the Organization transferred $25,000 to the Community Foundation of Tampa Bay (the Community Foundation) and named itself as the beneficiary.

During the year ended June 30, 2022, the Organization acquired TBJL (see Note 2), which included transferring beneficiary rights of $116,327 from the Community Foundation and $49,764 from the Foundation to the Organization. The use of these funds are donor restricted.

The terms of the fund agreements are considered reciprocal in nature and, therefore, the assets are recorded in the consolidated statements of financial position of the Organization.

For the years ended June 30, 2023 and 2022, the change in the value of assets held by foundations was an increase of $100,784 and a decrease of $146,431, respectively. As of June 30, 2023 and 2022, the Organization's investment in beneficial interest is assets held by foundations totaled $1,254,437 and $1,184,466, respectively.

Note 5. Property and Equipment

Property and equipment consist of the following at June 30, 2023 and 2022:

	2023	2022	Estimated Useful Lives (in Years)
Land	$ 1,592,537	$ 1,592,537	
Buildings and improvements	13,431,808	13,216,871	10-30
Leasehold improvements	57,637	57,637	5-7
Vehicles	222,803	222,803	5-7
Furniture and fixtures	333,973	333,973	5-7
Computer hardware and software	1,161,150	1,528,884	5-7
	16,799,908	16,952,705	
Less accumulated depreciation and amortization	(10,299,222)	(10,171,286)	
	$ 6,500,686	$ 6,781,419	

Depreciation and amortization expense for the years ended June 30, 2023 and 2022, was approximately $534,000 and $589,000, respectively.

Note 6. Line of Credit

The Organization has a line of credit from a commercial bank which allows the Organization to borrow up to $2 million at the prime rate per *The Wall Street Journal*, with a floor of 3.75%, (8.5% and 5% at June 30, 2023 and 2022, respectively), and is secured by substantially all assets of the Organization. Amounts drawn on the line of credit are due on demand and, the agreement expires in December 2045. There was no balance outstanding under the line of credit at June 30, 2023 and 2022.

Note 7. Long-Term Debt

Long-term debt consists of the following at June 30, 2023 and 2022:

	2023	2022
2.64% mortgage note payable due in monthly installments of $15,105, including interest through May 2025; secured by substantially all assets.	$ 309,878	$ 480,347
Interest free deferred mortgage in the form of a capital advance provided by HUD. The capital advance bears no interest and is not required to be repaid as long as the housing remains available to eligible low-income elderly individuals for a period of 40 years in accordance with Section 202. The capital advance is secured by a mortgage on the property and matures on June 1, 2038.	5,693,300	5,693,300
Interest free loan with no principal payments required as long as Heron continues to comply with various affordability and other requirements through 2031, at which point the note will be forgiven. The loan is secured by a second mortgage on the property.	139,092	139,092
Interest free deferred mortgage in the form of a capital advance provided by HUD. The capital advance bears no interest and is not required to be repaid as long as the housing remains available to eligible low-income individuals with disabilities for a period of 40 years in accordance with Section 202. The capital advance is secured by a mortgage on the property and matures on May 1, 2036.	583,000	583,000
Paycheck Protection Program loan with a fixed interest rate of 1% payable in monthly installments, including interest, beginning October 2021 through May 2022. Loan and accrued interest were fully forgiven in September 2022.	-	1,646,749
Total long-term debt	6,725,270	8,542,488
Less current maturities	175,165	170,582
Long-term debt, excluding current maturities	$ 6,550,105	$ 8,371,906

The 2.64% mortgage note payable agreement includes affirmative and negative covenants.

The Organization applied for and received a forgivable Paycheck Protection Program loan of $1,900,000 as provided under the Federal Coronavirus Aid, Relief and Economic Security (CARES) Act, and the loan was funded on May 26, 2020. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs for the 24-week period through November 10, 2020, and that certain employment levels are maintained. To the extent a portion of the loan does not meet the criteria to be forgiven, such amount is due and payable in monthly installments beginning October 2021. As of June 30, 2022, the outstanding balance on the loan was $1,646,749. The Organization received notice in September 2022 that the entire balance, plus accrued interest, had been forgiven and the Organization recorded a gain on forgiveness of PPP loan in the amount of $1,900,000 during the year ended June 30, 2023. The Organization had elected to account for this loan as debt under ASC 470, Debt.

Note 7. Long-Term Debt (Continued)

The aggregate maturities of long-term debt for each of the five years subsequent to June 30, 2023, and thereafter are as follows:

	Principal	Expected Forgiveness	Total
Years ending June 30:			
2024	$ 175,165	$ -	$ 175,165
2025	134,713	-	134,713
2026	-	-	-
2027	-	-	-
2028	-	-	-
Thereafter	-	6,415,392	6,415,392
Total debt	$ 309,878	$ 6,415,392	$ 6,725,270

Note 8. Contingencies

The Organization routinely enters into grant agreements and contracts with governmental agencies that provide for reimbursement of the eligible direct and indirect costs of providing certain of the Organization's program services. The grants and contracts are subject to audit or review and retroactive adjustment based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Organization's consolidated financial statements cannot be determined at this time, and no provision has been made for any such adjustment in the accompanying consolidated financial statements.

The Organization is also subject to Medicare and Medicaid audits. As of June 30, 2023 and 2022, the Organization has included a provision for any potential third-party payor liabilities in the amount of $50,000. The effect of an adjustment, if any, resulting from future audits cannot be determined at this time, and no provision above these reserves has been made for any such adjustment in the accompanying consolidated financial statements.

Various lawsuits and claims arising in the ordinary course of the Organization's operations are pending. While the ultimate effect of such litigation cannot be ascertained at this time, management intends to vigorously defend these claims.

The Organization received Paycheck Protection Program (PPP) loans that have been forgiven as of June 30, 2023. The U.S. Small Business Administration (SBA) has the ability to review the original PPP loan applications and forgiveness applications for six years to assess compliance with the Federal Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Management believes the Organization is in compliance with the CARES Act and does not anticipate repayment of any amounts forgiven.

Note 9. Leases

The Organization leases premises for general office uses, from unrelated parties under operating lease agreements that have terms from transition of 1.25 to 4.17 years. The Organization's leases generally do not contain any material restrictive covenants.

Note 9. Leases (Continued)

Operating lease cost	$	1,098,372
Variable lease expense		136,039
Short-term lease expense		110,815
Total lease expense	$	1,345,226

Total rent expense was approximately $1,345,000 and is included in occupancy costs in the consolidated statement of functional expenses.

Lease expense for operating leases is reported in occupancy costs in the accompanying consolidated statements of functional expenses.

Supplemental statement of financial position information related to leases is as follows:

Operating leases:	
Weighted-average remaining lease term:	2.28
Weighted-average discount rate:	3.06%

Future undiscounted cash flows for each of the next five years and thereafter and reconciliation to the lease liabilities recognized on the consolidated statement of financial position as of June 30, 2023, is as follows:

		Operating Leases
Years ending June 30:		
2024		837,448
2025		652,638
2026		566,823
2027		131,225
Total lease payments		2,188,134
Less imputed interest		(88,630)
Total present value of lease liabilities	$	2,099,504

Future minimum lease commitments, as determined under Topic 840, for all noncancelable leases were as follows as of June 30, 2022:

Years ending June 30:		
2023	$	1,159,098
2024		394,473
2025		129,370
2026		72,775
	$	1,755,716

Note 10. Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows as of June 30, 2023 and 2022:

	2023	2022
Subject to the passage of time:		
Facilities	$ 26,287	$ 34,147
Other time restrictions	106,985	114,185
	133,272	148,332
Subject to expenditure for specific purpose:		
Programmatic purposes	72,377	72,377
Trokey loan fund	9,476	15,476
Jewish Federation	669,810	482,311
	751,663	570,164
Subject to the Organization's spending policy and appropriation:		
Investments in perpetuity (including original corpus totaling $3,979,420 as of June 30, 2023 and 2022) and the net investment return from which is expendable to support:		
General operations:		
Weinberg endowment	1,374,858	836,846
Ohlhausen endowment	3,289,986	3,098,317
Yad b Yad endowment	50,000	50,000
	4,714,844	3,985,163
Beneficial interest in assets held by foundations (including original corpus totaling $500,000 as of June 30, 2023 and 2022)—Weinberg endowment	531,290	977,888
	5,246,134	4,963,051
	$ 6,131,069	$ 5,681,547

Note 11. Endowment Funds

The Organization's endowment funds are comprised of investments held in donor-restricted endowments and funds designated by the Board to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Effective July 1, 2012, the State of Florida adopted the Uniform Prudent Management of Institutional Funds Act (FUPMIFA). Absent explicit donor restrictions to the contrary, the Board has interpreted FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restriction related to the endowment to be held in perpetuity is classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Organization is a manner consistent with the standard of prudence prescribed by that standard.

Note 11. Endowment Funds (Continued)

The Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the endowment fund
- The purpose of the institution and the endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- Historical and expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policy of the Organization

Return objectives and risk parameters: The Board has adopted an investment policy approved by the Board. The policy stipulates that the endowment investments should be managed as a long-term goal designed to maintain the purchasing power of the endowment assets as well as to provide additional growth through investment return. To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation protected rate of return and grow the fund. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. The Organization will pursue a strategy seeking a long-term rate of return of between 5.85% and 8.5%.

Spending policy and how the investment objectives relate to spending policy: The Organization's spending policy is based on actual investment returns and is annually determined and approved by the Board. Currently, the Board has determined that the Organization's annual appropriations from endowment shall not exceed 5% without specific recommendation from the Organization's Investment Committee and without the affirmative vote of 75% of the Board.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted FUPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law. The Organization's policy is to allow spending from underwater endowments.

Donor endowment funds with deficiencies were reported in net assets with donor restrictions at June 30 as follows:

	2023	2022
Fair value of underwater endowment funds	$ 3,289,986	$ 3,098,317
Original endowment gift amount	3,319,178	3,319,178
Underwater endowment	$ (29,192)	$ (220,861)

Approximately $102,000 and $159,000 was spent from underwater endowment funds during the fiscal years ended June 30, 2023 and 2022, respectively.

Note 11. Endowment Funds (Continued)

The board designated endowment fund was established by the Board to benefit the Organization by providing regular, predictable operating income that will help fill gaps caused by increasing costs, demands and the possibility of diminishing government support. Management expects the principal to be preserved; however, the principal and earnings are available to provide support to the Organization's programs and facilities.

Endowment net assets by type of fund consist of the following at June 30, 2023 and 2022:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Board-designated endowment funds	$ 2,182,346	$ -	$ 2,182,346
Donor-restricted endowment funds	-	5,246,134	5,246,134
	$ 2,182,346	$ 5,246,134	$ 7,428,480

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Board-designated endowment funds	$ 2,134,856	$ -	$ 2,134,856
Donor-restricted endowment funds	-	4,963,051	4,963,051
	$ 2,134,856	$ 4,963,051	$ 7,097,907

Changes in endowment net assets for the years ended June 30, 2023 and 2022, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at June 30, 2021	$ 2,273,868	$ 5,927,608	$ 8,201,476
Contributions	166,305	-	166,305
Investment loss, net	(279,080)	(619,363)	(898,443)
Change in value beneficial interest of assets held by foundation	(23,849)	(122,582)	(146,431)
Appropriation of endowment assets for expenditure	(2,388)	(222,612)	(225,000)
Balance at June 30, 2022	2,134,856	4,963,051	7,097,907
Contributions	4,881	-	4,881
Investment return, net	90,983	384,628	475,611
Change in value beneficial interest of assets held by foundation	11,913	63,168	75,081
Appropriation of endowment assets for expenditure	(60,287)	(164,713)	(225,000)
Balance at June 30, 2023	$ 2,182,346	$ 5,246,134	$ 7,428,480

Note 12. Concentrations

Substantially all of the Organization's activities are supported by funds provided by the United States federal government and the state of Florida. As of June 30, 2023 and 2022, the Organization's receivables from these funding sources were approximately $3,603,000 and $4,370,000, respectively.

Note 13. Fair Value Measurements

The following table summarizes major categories of the Organization's assets measured at fair value on a recurring basis at June 30, 2023 and 2022:

	2023			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Money market funds	$ 986	$ 986	$ -	$ -
Real estate investment trusts	262,458	-	262,458	-
Fixed income securities:				
Long-term	212,308	-	212,308	-
Intermediate-term	219,865	-	219,865	-
Short-term	514,045	-	514,045	-
International taxable	458,359	-	458,359	-
U.S. government bonds	906,587	-	906,587	-
Equity securities:				
Domestic funds	2,058,008	2,058,008	-	-
International funds	1,298,911	1,298,911	-	-
Total investments	5,931,527	3,357,905	2,573,622	-
Beneficial interest in assets held by foundations	1,254,437	-	-	1,254,437
Total assets	$ 7,185,964	$ 3,357,905	$ 2,573,622	$ 1,254,437

	2022			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Money market funds	$ 1,463	$ 1,463	$ -	$ -
Real estate investment trusts	273,225	-	273,225	-
Fixed income securities:				
Long-term	213,422	-	213,422	-
Intermediate-term	215,088	-	215,088	-
Short-term	531,028	-	531,028	-
International taxable	455,617	-	455,617	-
U.S. government bonds	914,676	-	914,676	-
Equity securities:				
Domestic funds	1,823,077	1,823,077	-	-
International funds	1,243,633	1,243,633	-	-
Total investments	5,671,229	3,068,173	2,603,056	-
Beneficial interest in assets held by foundations	1,184,466	-	-	1,184,466
Total assets	$ 6,855,695	$ 3,068,173	$ 2,603,056	$ 1,184,466

Note 13. Fair Value Measurements (Continued)

There were no liabilities measured at fair value on a recurring basis at June 30, 2023 and 2022.

Level 1 investments are classified as such due to their closeness to cash or being valued based on quoted market prices. Investments classified as Level 2 in the fair value hierarchy include fixed income bonds which are measured at fair value based on market prices provided by recognized broker dealers which are based on observable prices in active markets for similar assets, when available.

The beneficial interest in assets held by foundations are managed by an independent third-party trustee, and the Organization has no authority over investment decisions. Thus, the assets are classified as Level 3 within the fair value hierarchy level.

There were no transfers into or out of Level 3 investments and no issues of Level 3 investments for the years ending June 30, 2023 and 2022. Purchases of Level 3 investments totaled $0 for the year ended June 30, 2023. Purchases of Level 3 investments totaled $166,305 for the year ended June 30, 2022.

Note 14. Pension Plan

Effective July 1, 2005, the Organization adopted a 403(b) retirement plan (the Plan) administered by Mutual of America. Employees are eligible to participate once they attain the age of 18 and complete one year of service. The Organization matches contributions equal to the lesser of 25% of participant contributions or 2% of participant earnings. For the years ended June 30, 2023 and 2022, total contributions were approximately $80,000 and $93,000, respectively. Participants' rights to employer contributions fully vest after five years of service, as defined in the Plan.

Note 15. Contributions of Nonfinancial Assets

The values of nonfinancial contributions (i.e., donated materials and services) included in the consolidated financial statements, and the corresponding expenses for the years ended June 30, 2023 and 2022, is as follows:

	2023	2022
Clothes and household items	$ 56,893	$ 58,073
Office space	285,682	147,441
Food	3,014	10,896
Supplies and other	118,809	100,860
	$ 464,398	$ 317,270

No donated materials received during the years ended June 30, 2023 and 2022, were restricted for use.

In addition, donated services for the years ended June 30, 2023 and 2022, with an estimated value of approximately $261,000 and $353,000, respectively, were not recognized in the consolidated financial statements because they did not meet the criteria for recognition.

Note 16. Liquidity and Availability of Resources

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The following represents the Organization's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general use because of contractual, donor imposed or board reserve designations within one year of the consolidated statements of financial position date. Those amounts not available include amounts set aside for longer-term investing in the endowments.

	2023	2022
Financial assets:		
Cash	$ 5,389,864	$ 4,663,264
Restricted cash	290,260	338,290
Accounts receivable, net	697,862	843,003
Grants receivable	7,160,165	7,362,244
Contributions receivable	106,985	114,185
Short-term investments	278,164	242,212
Long-term investments	5,931,527	5,671,229
Beneficial interest in assets held by foundations	1,254,437	1,184,466
Total financial assets	21,109,264	20,418,893
Less amounts unavailable for general expenditure within one year due to:		
Restricted cash	(290,260)	(338,290)
Board-imposed restrictions:		
Board-designated endowment	(2,182,346)	(2,134,856)
Contractual or donor-imposed restrictions:		
Donor-restricted endowments	(5,246,134)	(4,963,051)
Less budgeted endowment appropriation for next fiscal year 2024	300,000	196,000
Restricted for specific purpose or time	(751,663)	(570,164)
Financial assets available to meet cash needs for general expenditures within one year	$ 12,938,861	$ 12,608,532

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The Organization's board has designated a portion of its unrestricted resources for endowment purposes (see Note 11). Those amounts are identified as board-designated in the table above. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board. The Organization also has a line of credit available to meet short-term liquidity needs (see Note 6).

Note 17. Related Party

During the years ended June 30, 2023 and 2022, the Board provided the Organization with approximately $37,000 and $0 in contributions, respectively.

During 2023 and 2022, certain board members were employed by companies providing services to the Organization including insurance and investment management services for assets held at community foundations. In accordance with the Organization's bylaws and policies, board members do not have voting rights on any matters related to the board members' respective companies.

Note 18. Conditional Promises to Give From Donors and Grantors

The Organization has conditional promises to give from donors and grantors of approximately $10,745,000 and $8,644,000 as of June 30, 2023 and 2022, respectively. Future payments or recognition of conditional promises to give are contingent upon the Organization carrying out certain stipulations of the grant or contract.