

**The Jewish Federation of Sarasota-Manatee, Inc.**

Financial Statements,  
Supplemental Information,  
Contract Compliance and  
Independent Auditor's Report  
December 31, 2024 and 2023

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**Kerkering, Barberio & Co.**  
Certified Public Accountants

## Independent Auditor's Report

The Board of Directors  
The Jewish Federation of Sarasota-Manatee, Inc.  
Sarasota, Florida

### Opinion

We have audited the financial statements of The Jewish Federation of Sarasota-Manatee, Inc. (the Federation), which comprise the statements of financial position as of December 31, 2024 and 2023, the related statements of activities, changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Federation as of December 31, 2024 and 2023, and the changes in its net assets, cash flows and functional expenses 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 financial audits contained in *Government Auditing Standards*, issued by the Comptroller General 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 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 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 Federation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 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.

## **Supplemental 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 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General of the State of Florida* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2025 on our consideration of the Federation'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 Federation'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 Federation's internal control over financial reporting and compliance.

Kukuing Barbino & Co.

Sarasota, Florida  
April 29, 2025

# The Jewish Federation of Sarasota-Manatee, Inc.

Statements of Financial Position  
December 31, 2024 and December 31, 2023

<b>Assets</b>	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,889,710	\$ 4,300,520
Investments	24,334,156	21,534,431
Promises to give, current portion, net	1,890,466	1,310,870
Grants receivable	793,045	526,298
Prepaid expenses	131,328	68,359
Beneficial interest in lead trust, current portion	364,616	331,470
Other current assets	513,532	360,903
Total current assets	<u>29,916,853</u>	<u>28,432,851</u>
<b>Other Assets:</b>		
Promises to give, net of current portion, discount and allowance	1,843,781	1,628,097
Cash reserved for construction of noncurrent assets	1,117,017	4,758,140
Annuity insurance receivable	393,683	395,444
Beneficial interest in lead trust, net of current portion	1,263,904	1,596,839
Land, buildings and equipment, net	33,229,886	25,937,617
Total other assets	<u>37,848,271</u>	<u>34,316,137</u>
<b>Total Assets</b>	<u><u>\$ 67,765,124</u></u>	<u><u>\$ 62,748,988</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,677,572	\$ 2,646,372
Deferred revenue, current portion	221,924	266,097
Grants payable	37,500	45,842
Funds held on behalf of others	172,139	172,038
Annuities and trusts payable, current portion	90,604	91,148
Total current liabilities	<u>2,199,739</u>	<u>3,221,497</u>
Long-term debt, net of deferred loan costs	8,684,626	6,669,907
Deferred revenue, net of current portion	320,000	60,000
Annuities and trusts payable, net of current portion	439,615	445,858
Total liabilities	<u>11,643,980</u>	<u>10,397,262</u>
<b>Net Assets:</b>		
<b>Without donor restrictions:</b>		
Investment in land, buildings and equipment	33,229,886	25,937,617
Board designated quasi-endowments	4,686,039	4,202,051
Undesignated	2,265,401	6,167,274
Total net assets without donor restrictions	<u>40,181,326</u>	<u>36,306,942</u>
<b>With donor restrictions:</b>		
Purpose restricted	6,446,898	7,260,453
Endowments perpetual in nature	9,492,920	8,784,331
Total net assets with donor restrictions	<u>15,939,818</u>	<u>16,044,784</u>
<b>Total net assets</b>	<u>56,121,144</u>	<u>52,351,726</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 67,765,124</u></u>	<u><u>\$ 62,748,988</u></u>

See accompanying notes to financial statements.

# The Jewish Federation of Sarasota-Manatee, Inc.

Statement of Activities  
Year Ended December 31, 2024  
(With Summarized Totals for 2023)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2024 Total</b>	<b>2023 Total</b>
Revenue:				
Contributions	\$ 2,431,044	\$ 5,312,527	\$ 7,743,571	\$ 12,211,534
In-kind contributions	67,781	-	67,781	82,296
Grant revenue	2,258,784	-	2,258,784	1,471,126
Program revenue	186,645	-	186,645	190,522
Advertising revenue	253,797	-	253,797	239,250
Rental revenue	272,240	-	272,240	197,850
Special events revenue, net of direct costs of \$51,796	(13,249)	-	(13,249)	(6,422)
Miscellaneous revenue	149,702	-	149,702	366
Total revenue	<u>5,606,744</u>	<u>5,312,527</u>	<u>10,919,271</u>	<u>14,386,522</u>
Net investment return	<u>1,481,469</u>	<u>1,679,883</u>	<u>3,161,352</u>	<u>3,057,694</u>
Reclassifications:				
Net assets released from restrictions	7,097,376	(7,097,376)	-	-
Total revenue, investment returns and reclassifications	<u>14,185,589</u>	<u>(104,966)</u>	<u>14,080,623</u>	<u>17,444,216</u>
Expenses:				
Grants, allocations, scholarships and directed gifts	3,174,377	-	3,174,377	1,178,912
Other expenses:				
Programs	4,303,804	-	4,303,804	3,316,761
Fundraising	1,990,809	-	1,990,809	1,503,487
Administrative	848,456	-	848,456	646,535
Total expenses	<u>10,317,446</u>	<u>-</u>	<u>10,317,446</u>	<u>6,645,695</u>
Change in net assets before change in value of split interest agreements	3,868,143	(104,966)	3,763,177	10,798,521
Change in value of split interest agreements	<u>6,241</u>	<u>-</u>	<u>6,241</u>	<u>33,960</u>
Change in net assets	<u>\$ 3,874,384</u>	<u>\$ (104,966)</u>	<u>\$ 3,769,418</u>	<u>\$ 10,832,481</u>

See accompanying notes to financial statements.

# The Jewish Federation of Sarasota-Manatee, Inc.

## Statement of Activities Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue:			
Contributions	\$ 3,336,912	\$ 8,874,622	\$ 12,211,534
In-kind contributions	82,296	-	82,296
Grant revenue	1,321,126	150,000	1,471,126
Program revenue	190,522	-	190,522
Advertising revenue	239,250	-	239,250
Rental revenue	197,850	-	197,850
Special event revenue, net of direct costs of \$39,240	(6,422)	-	(6,422)
Miscellaneous revenue	366	-	366
Total revenue	<u>5,361,900</u>	<u>9,024,622</u>	<u>14,386,522</u>
Net investment return	<u>1,211,955</u>	<u>1,845,739</u>	<u>3,057,694</u>
Reclassifications:			
Net assets released from restrictions	<u>14,554,376</u>	<u>(14,554,376)</u>	<u>-</u>
Total revenue, investment returns and reclassifications	<u>21,128,231</u>	<u>(3,684,015)</u>	<u>17,444,216</u>
Expenses:			
Grants, allocations, scholarships and directed gifts	1,178,912	-	1,178,912
Other expenses:			
Programs	3,316,761	-	3,316,761
Fundraising	1,503,487	-	1,503,487
Administrative	646,535	-	646,535
Total expenses	<u>6,645,695</u>	<u>-</u>	<u>6,645,695</u>
Change in net assets before change in value of split interest agreements	14,482,536	(3,684,015)	10,798,521
Change in value of split interest agreements	<u>33,960</u>	<u>-</u>	<u>33,960</u>
Change in net assets	<u>\$ 14,516,496</u>	<u>\$ (3,684,015)</u>	<u>\$ 10,832,481</u>

See accompanying notes to financial statements.

# The Jewish Federation of Sarasota-Manatee, Inc.

## Statement of Changes In Net Assets Years Ended December 31, 2024 and 2023

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	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets at December 31, 2022	\$ 21,790,446	\$ 19,728,799	\$ 41,519,245
Change in net assets	<u>14,516,496</u>	<u>(3,684,015)</u>	<u>10,832,481</u>
Net assets at December 31, 2023	36,306,942	16,044,784	52,351,726
Change in net assets	<u>3,874,384</u>	<u>(104,966)</u>	<u>3,769,418</u>
Net assets at December 31, 2024	<u>\$ 40,181,326</u>	<u>\$ 15,939,818</u>	<u>\$ 56,121,144</u>

See accompanying notes to financial statements.

# The Jewish Federation of Sarasota-Manatee, Inc.

## Statements of Cash Flows Years Ended December 31, 2024 and 2023

	<b>2024</b>	<b>2023</b>
Cash Flows from Operating Activities:		
Change in net assets	\$ 3,769,418	\$ 10,832,481
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	843,973	369,488
Amortization of debt issuance costs	11,733	-
Loss on sale of fixed assets	3,070	-
Realized and unrealized gain on investments, net	(2,378,275)	(2,513,520)
Change in value of split interest agreements	(6,241)	(33,960)
Uncollectible pledges and bad debts	153,993	135,520
Change in discount of receivables	8,481	4,222
Contributions restricted for long-term purposes	100,000	-
Change in operating assets:		
Pledges receivable, net	(989,435)	(1,169)
Grants receivable	(266,747)	(526,298)
Beneficial interest in lead trust, net	331,470	301,336
Prepaid expenses	(62,969)	128,187
Other current assets	(152,629)	10,646
Change in operating liabilities:		
Accounts payable and accrued expenses	(1,569,770)	1,205,085
Deferred revenue	215,827	206,090
Grants payable	(8,342)	30,852
Funds held on behalf of others	(6,979)	49,771
Annuities and trusts payable	(62,640)	(101,415)
Total adjustments	(3,835,480)	(735,165)
Net cash provided by (used in) operating activities	(66,062)	10,097,316
Cash Flows from Investing Activities:		
Proceeds from the sale of investments	5,609,471	19,383,444
Purchase of investments	(6,023,841)	(20,245,946)
Quarterly reimbursement from gift annuity reinsurance	63,855	56,259
Purchase of fixed assets	(7,542,843)	(13,706,326)
Proceeds from the sale of fixed assets	4,500	-
Contributions restricted for long-term purposes	(100,000)	-
Net cash used in investing activities	(7,988,858)	(14,512,569)
Cash Flows from Financing Activities:		
Change in cash reserved for construction of noncurrent assets	3,641,123	(1,536,195)
Proceeds from debt	2,002,987	6,772,378
Net cash provided by financing activities	5,644,110	5,236,183
Change in cash and cash equivalents	(2,410,810)	820,930
Cash and cash equivalents - beginning of year	4,300,520	3,479,590
Cash and cash equivalents - end of year	\$ 1,889,710	\$ 4,300,520
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 246,409	\$ 95,786
Purchase of fixed assets included in accrued expenses at year-end	\$ 600,970	\$ -

See accompanying notes to financial statements.

## The Jewish Federation of Sarasota-Manatee, Inc.

Statement of Functional Expenses  
Year Ended December 31, 2024  
(With Summarized Totals For 2023)

	<b>Programs</b>	<b>Fundraising</b>	<b>Administrative</b>	<b>2024 Total</b>	<b>2023 Total</b>
Grants, allocations, scholarships and directed gi	\$ 3,174,377	\$ -	\$ -	\$ 3,174,377	\$ 1,178,912
<b>Other Expenses:</b>					
Building and grounds maintenance	104,803	65,195	30,619	200,617	85,779
Computer and office equipment maintenance	126,040	45,349	22,741	194,130	135,949
Conferences	15,374	5,737	2,377	23,488	10,277
Depreciation	420,872	287,892	135,209	843,973	357,755
Dues and subscriptions	36,434	18,729	2,460	57,623	40,997
Employee benefits	325,777	180,494	83,453	589,724	518,223
Food and beverage	117,872	14,049	3,215	135,136	129,453
Insurance	69,211	47,404	21,595	138,210	73,424
Interest	142,168	97,216	45,661	285,045	-
Bank fees	14,580	9,344	4,577	28,501	51,781
Layout and design	11,240	-	-	11,240	36,347
Marketing and development	154,665	16,578	248	171,491	143,835
Miscellaneous	54,252	4,690	843	59,785	21,237
Office supplies	59,173	16,029	4,547	79,749	49,383
Payroll tax	105,198	71,848	33,744	210,790	166,190
Postage	92,615	5,718	564	98,897	84,067
Printing	67,878	16,299	277	84,454	74,884
Professional fees and other fees for services	403,200	152,942	17,895	574,037	537,933
Real estate and intangible tax	10,547	7,214	3,388	21,149	18,818
Rental expense	91,687	1,395	655	93,737	86,463
Safety and security	130,406	2,646	968	134,020	54,141
Salaries	1,575,488	835,818	392,079	2,803,385	2,306,687
Telephone	10,569	7,222	3,392	21,183	17,367
Mission travel	48,217	1,976	834	51,027	285,824
Uncollectible pledges and bad debts, net	76,796	52,527	24,670	153,993	135,520
Utilities	38,742	26,498	12,445	77,685	44,449
Total other expenses	4,303,804	1,990,809	848,456	7,143,069	5,466,783
<b>Total Expenses</b>	<b>\$ 7,478,181</b>	<b>\$ 1,990,809</b>	<b>\$ 848,456</b>	<b>\$ 10,317,446</b>	<b>\$ 6,645,695</b>

See accompanying notes to financial statements.

## The Jewish Federation of Sarasota-Manatee, Inc.

### Statement of Functional Expenses Year Ended December 31, 2023

	<u>Programs</u>	<u>Fundraising</u>	<u>Administrative</u>	<u>Total</u>
Grants, allocations, scholarships and directed gifts	\$ 1,178,912	\$ -	\$ -	\$ 1,178,912
Other Expenses				
Building and grounds maintenance	42,778	29,259	13,742	85,779
Computer and office equipment maintenance	69,275	48,359	18,315	135,949
Conferences	5,259	3,897	1,121	10,277
Depreciation	178,412	122,030	57,313	357,755
Dues and subscriptions	29,776	7,635	3,586	40,997
Employee benefits	256,563	180,214	81,446	518,223
Food and beverage	113,562	11,896	3,995	129,453
Insurance	37,278	25,050	11,096	73,424
Bank fees	25,703	17,596	8,482	51,781
Layout and design	35,918	292	137.00	36,347
Marketing and development	129,475	14,294	66	143,835
Miscellaneous	16,246	3,714	1,277	21,237
Office supplies	36,353	10,210	2,820	49,383
Payroll tax	82,832	56,703	26,655	166,190
Postage	75,187	7,545	1,335	84,067
Printing	67,929	6,432	523	74,884
Professional fees and other fees for services	340,265	157,544	40,124	537,933
Real estate and intangible tax	9,384	6,419	3,015	18,818
Rental expense	84,550	1,302	611	86,463
Safety and security	39,505	9,959	4,677	54,141
Salaries	1,260,451	711,891	334,345	2,306,687
Telephone	8,730	5,877	2,760	17,367
Mission travel	281,579	3,982	263.00	285,824
Uncollectible pledges and bad debts, net	67,584	46,226	21,710	135,520
Utilities	22,167	15,161	7,121	44,449
Total other expenses	3,316,761	1,503,487	646,535	5,466,783
Total Expenses	\$ 4,495,673	\$ 1,503,487	\$ 646,535	\$ 6,645,695

See accompanying notes to financial statements.

# The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements

December 31, 2024 and 2023

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## I. Operations

The Jewish Federation of Sarasota-Manatee, Inc. (the Federation) is a not-for-profit organization established to cultivate Jewish continuity and provide a safety net for Jewish people in Sarasota-Manatee, Israel and worldwide. This is accomplished primarily by conducting fundraising activities, the proceeds of which are used to create programs and provide grants to other organizations that support the Federation's mission.

For over 60 years, the Federation has been committed to a vision of a vibrant Jewish community. In 2018, the Federation contracted with the Cohen Center at Brandeis University - one of the country's leading research entities - to create a comprehensive Jewish community study of Sarasota and Manatee counties. Completed in 2019, the study showed significant changes in the community, indicating the Jewish community has doubled in size since the last study in 2001 (from 17,500 to 35,000). With such a large, diverse, and growing Jewish population wanting an even more vibrant community, the Federation began a new era of Jewish life with a currently estimated \$43 million renovation and expansion of the campus (Capital Project), now named the Greenspon Family Campus for Jewish Life. The Federation looks forward to serving the Jewish and general communities for many years to come.

## 2. Summary of Significant Accounting Policies

### Financial Statements

The financial statements and notes are representations of the Federation's management, which is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

### Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates and assumptions.

### Income Tax Status

The Federation is considered a not-for-profit corporation by the Internal Revenue Service and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Federation qualify as charitable deductions under applicable IRS regulations. Certain operations of the Federation, unrelated to its stated exempt purpose, may be subject to Federal income taxes.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, the Federation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Federation.

The Federation files income tax returns on IRS form 990, Return of Organization Exempt from Income Tax, and IRS form 990T, Exempt Organization Business Income Tax Return in the U.S. federal jurisdiction. In addition, the Federation files an income tax return on Florida Tax form F-1120, Florida Corporate Income/Franchise Tax return. There was no tax due on all the returns filed. The tax periods open to examination by the major taxing jurisdictions to which the Federation is subject include years ended December 31, 2021 through December 31, 2024.

# The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

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## 2. Summary of Significant Accounting Policies (Continued)

### Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Federation and changes therein are classified and reported as follows:

**Net assets without donor restrictions** - net assets that are not subject to donor-imposed restrictions and Board designated funds, established by the Board of Directors, are classified as net assets without donor restrictions.

**Net assets with donor restrictions** - net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When a restriction expires, these net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Other donor-imposed restrictions are perpetual in nature. Generally, the donors of these assets permit the Federation to use all or part of the income earned on any related investment for general or specific purposes.

### Revenue Recognition

Contributions consist of campaign revenue and general contributions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions and grants received with donor and grantor stipulations that limit the use of donated assets are treated as net assets with donor restrictions as determined by the donor. Contributions restricted by the donor for endowment purposes are treated as net assets with donor restrictions, where the fund stays intact in perpetuity.

After receipt of contributions without donor restrictions, the Board, at its discretion, may designate how the contributions are to be expended. Contributions of cash, restricted for the purpose of acquiring or constructing long-lived assets that will become the property of the Federation, are recorded as net assets with donor restrictions until the long-lived assets are acquired or constructed at which time the net assets are released from restriction and are reclassified to net assets without donor restrictions. Revenue without donor restrictions is recognized when earned.

### Cash and Cash Equivalents

The Federation considers all highly liquid investments with an original maturity of three months or less, including money market funds within investment accounts, to be cash equivalents. Cash and cash equivalents reserved for the construction of noncurrent assets as part of the Capital Project are not considered cash and cash equivalents for purposes of the Statements of Cash Flows.

### Receivables

The Federation records pledges as contributions when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances (fair value). Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support. Management evaluates receivables regularly and establishes reserves for uncollectible accounts and pledges receivable based on past history and estimated collectability.

# The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

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## 2. Summary of Significant Accounting Policies (Continued)

### Land, Buildings and Equipment

Land, buildings and equipment are stated at historical cost at the date of acquisition. Gifts are recognized at fair value on the date of donation. Expenditures equal to or exceeding \$5,000 that significantly add to productivity or extend the useful lives of property and equipment are capitalized. Other expenditures for maintenance and repairs are charged to operations in the year the costs are incurred. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets, which range from 4 to 40 years. Upon sale or retirement, the respective asset and accumulated depreciation is written off the books. The difference between the net disposal proceeds, if any, and the net carrying amount is recognized as a gain or loss on disposal of assets.

### Investments

The Federation records investments at fair market value, which represents the value on the date of donation or cost on the date of purchase plus reinvested earnings and appreciation or depreciation. Net investment return (loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

### Deferred Revenue and Expenses

The Federation offers individuals and business partners the opportunity to sponsor events that are hosted by the Federation throughout the year. In return for the sponsorship, event sponsors receive benefits including recognition in various forms and event tickets, for which the fair market value of the benefit is a taxable exchange transaction. The remainder is considered a non-taxable contribution. Revenue received for sponsorships and expenses incurred prior to the conduct of the associated event are deferred until the event takes place.

### Bequests

The Federation has been named beneficiary in a number of bequests. Bequests that have not been recorded in the accompanying financial statements are those where the donors' wills have not yet been declared valid by the probate court and the value of the amounts to be received is not yet determinable.

### Funds Held on Behalf of Others

Constituent agency funds are invested with the Federation along with funds received by the Federation as a conduit for individuals who may ultimately contribute these funds to other charitable organizations or programs.

### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include depreciation, salaries and wages, benefits, payroll taxes, and other expenses for services which are allocated on the basis of estimated time and effort.

# The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

## 2. Summary of Significant Accounting Policies (Continued)

### Donated Assets and Services

The Federation recognizes the fair value of contributed services received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Contributed services are recorded at fair value using current rates normally charged to consumers for similar services. The Federation recognized \$68,781 and \$82,296 in advertising and marketing services during the years ended December 31, 2024 and 2023, respectively. In addition, the Federation receives services from a large number of volunteers who give significant amounts of their time to the Federation's programs, fundraising campaigns and management that do not meet the criteria for financial statement recognition.

### Debt Issuance Costs

The Federation presents debt issuance costs in accordance with FASB Accounting Standards Update (ASU) No. 2015-03, *Interest-Imputation of Interest (Subtopic 835-30)*. Accordingly, the Federation presents these costs, net of accumulated amortization, as a direct reduction from long-term debt after draws are taken on the loan. Costs incurred related to debt financing have been capitalized and are amortized over the term of the respective debt using the straight-line method. Amortization expense related to debt issuance costs was \$11,733 and \$11,733 for the years ended December 31, 2024 and 2023, respectively, and is included as interest expense in 2024 and as capitalized interest in 2023.

### Financial Instruments Not Measured at Fair Value

Certain Federation financial instruments are not measured at fair value on a recurring basis. However, they are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, grants receivable, prepaid expenses, other current assets, accounts payable and accrued expenses, deferred revenue, grants payable and funds held on behalf of others.

## 3. Liquidity and Availability

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,889,710	\$ 4,300,520
Investments	24,334,156	21,534,431
Pledges receivable, current and long-term	3,734,247	2,938,967
Grants receivable	793,045	526,298
Beneficial interest in lead trust, current and long-term	1,628,520	1,928,309
Total financial assets available	<u>32,379,678</u>	<u>31,228,525</u>
Less: Amounts unavailable for general expenditures due to:		
Restricted by donors with purpose restrictions	(6,446,898)	(7,260,453)
Restricted by donors in perpetuity	(9,492,920)	(8,784,331)
Total amounts unavailable for general expenditures	<u>(15,939,818)</u>	<u>(16,044,784)</u>
Amounts unavailable to management without Board approval:		
Board designated for quasi-endowments	(4,686,039)	(4,202,051)
Total financial assets available to management for general expenditure within one year	<u>\$ 11,753,821</u>	<u>\$ 10,981,690</u>

# The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

### 3. Liquidity and Availability (Continued)

The Federation manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Monthly reporting by management to those charged with governance helps ensure the results from operating activities are monitored closely.

Endowment funds consist of donor-restricted endowments (perpetual in nature) and funds designated by the Board of Directors as endowments (quasi-endowments). Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment of \$4,686,039 and \$4,202,051 as of December 31, 2024 and 2023, respectively, is subject to an annual spending rate as described in Note 8. The Federation anticipates future expenditures from these funds.

### 4. Investments

Investments consisted of the following as of December 31:

	Market Value	
	2024	2023
Mutual funds	\$ 7,816,387	\$ 6,825,144
Exchange traded funds	15,682,613	14,263,240
Private capital	629,047	236,547
Israel bonds	206,109	209,500
	<u>\$ 24,334,156</u>	<u>\$ 21,534,431</u>

Investment activity consisted of the following for the years ended December 31:

	2024	2023
Interest and dividend income	\$ 790,532	\$ 588,072
Unrealized gains	1,915,041	3,577,874
Realized gains (losses)	463,234	(1,064,354)
Investment fees	(7,455)	(43,898)
Total	<u>\$ 3,161,352</u>	<u>\$ 3,057,694</u>

### 5. Fair Value of Financial Assets and Liabilities

The Federation values certain assets and liabilities in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. The Fair Value Measurements and Disclosures Topic provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

## The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

### 5. Fair Value of Financial Assets and Liabilities (Continued)

The following table presents information about the classes of assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2024 and 2023, and indicates the fair value hierarchy of the valuation techniques used to determine such fair value.

The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The inputs reflect the Federation's assumptions based on the best information available in the circumstance.

Description	Balance 12/31/2024	Level 1	Level 2	Level 3
Investments:				
Mutual funds:				
Global equity - large cap	\$ 153,201	\$ 153,201	\$ -	\$ -
Small blend	1,510,206	1,510,206	-	-
Multisector bond	1,958,995	1,958,995	-	-
Immediate core bond	3,184,285	3,184,285	-	-
Global fixed income	18,668	18,668	-	-
Preferred stock	480,672	480,672	-	-
Diversified emerging markets	429,295	429,295	-	-
Mid cap value fund	45,483	45,483	-	-
Convertible fund	35,582	35,582	-	-
Total mutual funds	<u>7,816,387</u>	<u>7,816,387</u>	<u>-</u>	<u>-</u>
Exchange traded funds:				
Global equity - large cap	2,117,294	2,117,294	-	-
Global fixed income	9,945,894	9,945,894	-	-
Large growth	552,542	552,542	-	-
Foreign large blend	2,037,614	2,037,614	-	-
Derivative income	1,029,269	1,029,269	-	-
Total exchange traded funds	<u>15,682,613</u>	<u>15,682,613</u>	<u>-</u>	<u>-</u>
Private capital	629,047	-	-	629,047
Israel bonds	206,109	-	206,109	-
Total investments	<u>\$ 24,334,156</u>	<u>\$ 23,499,000</u>	<u>\$ 206,109</u>	<u>\$ 629,047</u>

## The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

### 5. Fair Value of Financial Assets and Liabilities (Continued)

Description	Balance 12/31/2023	Level 1	Level 2	Level 3
Investments:				
Mutual funds:				
Global equity - large cap	\$ 150,258	\$ 150,258	\$ -	\$ -
Small blend	1,388,802	1,388,802	-	-
Multisector bond	2,204,137	2,204,137	-	-
Immediate core bond	2,148,880	2,148,880	-	-
Global fixed income	21,224	21,224	-	-
Preferred stock	425,448	425,448	-	-
Diversified emerging markets	403,642	403,642	-	-
Mid cap value fund	47,003	47,003	-	-
Convertible fund	35,750	35,750	-	-
Total mutual funds	<u>6,825,144</u>	<u>6,825,144</u>	<u>-</u>	<u>-</u>
Exchange traded funds:				
Global equity - large cap	2,846,325	2,846,325	-	-
Global fixed income	7,898,218	7,898,218	-	-
Foreign large blend	2,549,015	2,549,015	-	-
Derivative income	969,682	969,682	-	-
Total exchange traded funds	<u>14,263,240</u>	<u>14,263,240</u>	<u>-</u>	<u>-</u>
Private capital	236,547	-	-	236,547
Israel bonds	209,500	-	209,500	-
Total investments	<u>\$ 21,534,431</u>	<u>\$ 21,088,384</u>	<u>\$ 209,500</u>	<u>\$ 236,547</u>

The Federation purchased \$318,500 and \$175,500 in level 3 private capital for the years ended December 31, 2024 and 2023, respectively. There were no transfers in or out of level 3 investments.

The following table presents information about the Federation's assets which have unfunded commitments and redemption restrictions at December 31, 2024:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Capital (a)	\$ 629,047	\$ 741,000	n/a	n/a

(a) Private capital consists of FEG Private Opportunities Fund VI-A and FEG Private Opportunities Fund VI-D. Each fund requires a total committed capital of \$650,000 (\$1,300,000 in the aggregate). Fair market value is estimated based on the most recent valuation, adjusted for capital calls and distributions after the valuation date.

## The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

### 6. Net Assets With Donor Restrictions

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

	2024	203
Purpose restriction:		
Designated gifts	\$ 321,855	\$ 1,399,923
Scholarships and other purposes	4,635,309	3,835,510
Programs	1,489,734	1,011,183
Capital fund	-	1,013,837
Total purpose restriction	6,446,898	7,260,453
Endowments perpetual in nature:		
Annual campaign	7,656,482	7,030,161
Scholarships and other purposes	1,836,438	1,754,170
Total endowments perpetual in nature	9,492,920	8,784,331
 Total net assets with donor restrictions	 \$ 15,939,818	 \$ 16,044,784

The Federation received contributions for the capital campaign totaling \$1,856,536 and \$6,488,081 for the years ended December 31, 2024 and 2023, respectively.

### 7. Net Assets Released from Donor Restrictions

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by the donor are as follows as of December 31:

	2024	2023
Purpose restriction:		
Designated gifts	\$ 1,399,923	\$ 127,885
Scholarships and other purposes	289,664	379,738
Programs	2,147,488	891,397
Capital Fund	2,870,373	12,741,634
Total purpose restriction releases	6,707,448	14,140,654
Endowments perpetual in nature:		
Annual campaign	293,152	313,596
Scholarships and other purposes	96,776	100,126
Total releases of endowments perpetual in nature	389,928	413,722
 Total net assets released from donor restrictions	 \$ 7,097,376	 \$ 14,554,376

### 8. Endowments

The Federation's endowment consists of various funds established for a variety of purposes. Its endowment includes both donor restricted endowment funds and funds designated by the Federation to function as endowments (quasi-endowments). As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

## The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

### 8. Endowments (Continued)

#### Change in Endowment Net Assets

Changes in the endowment funds for the year ended December 31, 2024, consisted of the following:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Beginning of the year	\$ 4,202,051	\$ 8,784,331	\$ 12,986,382
Contributions	93,465	100,000	193,465
Net gains	573,393	998,517	1,571,910
Less: Appropriations	(182,870)	(389,928)	(572,798)
End of year	<u>\$ 4,686,039</u>	<u>\$ 9,492,920</u>	<u>\$ 14,178,959</u>

Changes in the endowment funds for the year ended December 31, 2023, consisted of the following:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Beginning of the year	\$ 3,783,813	\$ 8,169,604	\$ 11,953,417
Contributions	23,896	-	23,896
Net gains	582,587	1,028,449	1,611,036
Less: Appropriations	(188,245)	(413,722)	(601,967)
End of year	<u>\$ 4,202,051</u>	<u>\$ 8,784,331</u>	<u>\$ 12,986,382</u>

#### Interpretation of Relevant Law

The Board of Directors of the Federation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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. Endowments perpetual in nature with individual Endowment Agreements allow the transfer of ¼ of 1% of the fund's quarterly balance to the Federation to partially defray its administrative costs. In addition, the agreement states that up to a 5% annual distribution to the campaign is allowable, and any net investment results during any given year will be added to or deducted from the corpus of the fund.

#### Return Objectives and Risk Parameters

The Federation has adopted investment policies and spending policies for endowment assets that attempt to provide a predictable stream of funding 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. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a long-term rate of return on assets of not less than 5%-8%, which is equal to or greater than the level of distributions, administrative fees, and inflation, while assuming a moderate level of investment risk.

#### Strategies Employed for Achieving Objectives

The Federation's investment policies are founded on the following philosophical beliefs. Investment decisions should be made with a long-term perspective; portfolio's should be constructed to achieve diversification by global risk factors; investment decisions consider a variety of factors including valuation, fundamentals and sentiment; and skillful active management has the potential to add value.

# The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

## 8. Endowments (Continued)

### Spending Policy and How the Investment Objectives Relate to Spending Policy

The Federation, pursuant to the individual Endowment Agreements (the Agreements), appropriates for distribution each year amounts totaling 5% of the last three years average of the fund's balance. During 2019, the Board of Directors approved a change to the spending policy which will be effective in future years. Unless otherwise required by an agreement, in 2020 a distribution equal to 4.75% of the 3-year rolling average was made. In 2021 and thereafter, the annual distribution will be equal to 4.5% of the 3-year rolling average. In establishing these agreements, the Federation considered the long-term expected return on its endowment.

## 9. Promises to Give

Promises to give consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Promises to give	\$ 4,527,325	\$ 3,552,008
Less: discount to net present value (rates ranging 0.17% to 4.27%)	(366,557)	(180,925)
Less: allowance for uncollectible promises to give	(426,521)	(432,116)
Promises to give, net	<u>3,734,247</u>	<u>2,938,967</u>
Less: current portion	1,890,466	1,310,870
Amount collectible in 1-12 years	<u>\$ 1,843,781</u>	<u>\$ 1,628,097</u>

## 10. Land, Buildings and Equipment

Land, buildings and equipment consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,022,395	\$ 1,022,395
Land improvements	5,127,250	306,580
Buildings and improvements	26,592,017	10,529,294
Furniture and equipment	1,479,532	1,218,122
Fine arts and satellite equipment	50,650	43,731
Vehicles	73,192	29,975
Construction in progress	4,834,589	18,007,783
Total cost	<u>39,179,625</u>	<u>31,157,880</u>
Less: accumulated depreciation	(5,949,739)	(5,220,263)
Net book value	<u>\$ 33,229,886</u>	<u>\$ 25,937,617</u>

Depreciation expense totaled \$843,973 and \$357,755 for the years ended December 31, 2024 and 2023, respectively.

## 11. Long Term Debt

### Tax Exempt Loan

In June 2022, the Federation entered into an agreement with Synovus Bank for a tax exempt draw down loan facilitated by the Colorado Educational and Cultural Facilities Authority to finance a portion of the campus renovation and expansion (the Campus Expansion Plan). Under the terms of the loan, the Federation can borrow up to \$18,000,000 by submitting draw requests to finance the campus expansion. Payment of interest must be made monthly beginning August 1, 2022. For the first \$13,000,000 in advances, interest shall accrue at a fixed rate of 3.54%. For advances over \$13,000,000, interest shall accrue at a fixed interest rate equal to, at the option of the Federation, either (1) 79% of the 5-year Treasury Constant Maturity plus 1.91% and adjusting every 5 years according to said formula, or (2) 79% of the 10-year Treasury Constant Maturity plus 1.91%.

# The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

## 11. Long Term Debt (Continued)

### Tax Exempt Loan (Continued)

Principal payments begin on February 1, 2026 and shall be the greater of 90% of pledge payments received during the immediate preceding year not used in costs related to the Campus Expansion Plan or previously used to repay a portion of the loan or the amount specified in the amortization schedule in the loan agreement. The loan matures on October 1, 2052 and is collateralized by the campus building and the Federation's pledge receivables. In the event that less than \$13,000,000 of the loan is drawn, the principal payment due on October 1, 2052 shall be reduced by \$5,000,000 and the amortization schedule adjusted based upon the actual amount drawn. If amounts over \$13,000,000 are drawn, all such amounts shall be repaid on October 1, 2052 unless the Federation and lender agree on another amortization schedule for repayment. The Federation may prepay all or part of the draw down loan with 15 days notice to the lender without penalty. The loan is also subject to terms related to an initial fixed mandatory repurchase date of October 1, 2037.

The loan agreement includes a financial covenant that requires the Federation to maintain a debt service coverage ratio of not less than 1.00:1.00 beginning with the year ending December 31, 2025. If the ratio falls under 1.00:1.00, an event of default is not deemed to occur as long as the Federation notifies the lender in writing within 30 days and selects and engages a qualified independent consultant to make recommendations to improve its financial condition to meet the covenant requirement for the following year.

Long-term debt consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Tax exempt loan	\$ 8,825,366	\$ 6,822,379
Less: deferred loans costs, net	(140,740)	(152,472)
Total long-term debt, net	<u>\$ 8,684,626</u>	<u>\$ 6,669,907</u>

## 12. Allocations and Grants to the Jewish Federations of North America

The Federation participates with other Jewish Federations in certain activities administered by the Jewish Federations of North America, Inc. (JFNA). JFNA's mission is "Protecting and enhancing the well-being of Jews and Jewish communities in North America, Israel and around the world." Each year the Federation is asked to participate in a fair share contribution to JFNA, and annually allocates a certain amount from the annual campaign to fund JFNA programs. For the years ended December 31, 2024 and 2023, the Federation agreed to participate in the fair share contribution to JFNA in the amount of \$125,774 and \$104,148, respectively.

In addition, the Federation periodically remits funds to JFNA to support certain programs in Israel and other overseas locations. The funds come from both specific donor recommendations and the Federation's undesignated funds. For the years ended December 31, 2024 and 2023, the Federation remitted to JFNA from specific donor recommendations \$1,427,332 and \$35,233, respectively. For the years ended December 31, 2024 and 2023, the Federation remitted to JFNA from its undesignated funds \$12,500 and \$30,000, respectively.

## The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

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### 13. Tax Deferred Annuity Retirement Plan

The Federation has a tax deferred annuity insurance plan (403b Plan) which covers all full-time employees with more than one year of service. The 403b Plan is funded by voluntary employee contributions, as well as contributions from the Federation as either a uniform percentage of plan compensation or a uniform dollar amount at the discretion of management.

The Federation also offers a non-qualified tax deferred compensation plan (457b Plan) with participation that is limited to certain executives. The Federation reports the amount deferred and related earnings in other assets and accrued expenses on the statement of financial position. Total investments held under the deferred compensation plan, as well as the related liability, as of December 31, 2024 and 2023 were \$195,403 and \$176,029, respectively.

The Federation's combined contributions to both plans for the years ended December 31, 2024 and 2023 totaled \$249,763 and \$161,796, respectively.

### 14. Split Interest Agreements

The Federation has entered into charitable remainder trust and gift annuity agreements, whereby the donor receives payments for life with any remainder at death reverting to the Federation or another designated organization. Many of the trust agreements require these assets to be segregated from the other assets of the Federation. The liability for future payments to annuitants is determined based upon actuarial assumptions, the fair market value of the assets received, and the interest rate stated in the agreement and is included in the liability section of the accompanying financial statements. As of December 31, 2024 and 2023, the discount rates used to value liabilities under charitable gift annuities and charitable remainder trusts was 5.0% and 5.8%, respectively. The amount of the contribution recorded by the Federation as revenue is the fair value of the trust assets received less the present value of the estimated annuity payments. Change in split interest agreements includes annuity payments and the change in actuarial present value of the annuity payable and is included in the accompanying statement of activities. Annuities and trusts payable as of December 31, 2024 and 2023 totaled \$530,219 and \$537,006, respectively. Of these amounts, \$90,604 and \$91,148 represent the portion to be paid within the following year.

The Federation has reinsured four gift annuities with highly rated life insurance companies. Estimated future payments related to the reinsured gift annuities totaled \$393,683 and 395,444 as of December 31, 2024 and 2023, respectively, and is recorded in the statement of financial position under annuities and trusts payable, as well as annuity insurance receivable.

The Federation is a beneficiary of a certain irrevocable Charitable Lead Annuity Trust that is held by a third party. Under the agreement, the Federation receives annual distributions from the trust through 2028 and is recorded at net present value in the statement of financial position under beneficial interest in trust. As a result of the agreement, the Federation recognized \$3,280,185 in contribution revenue for the year ended December 31, 2019. Annual distributions received during the years ended December 31, 2024 and 2023 totaled \$331,470 and \$301,336, respectively.

# The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

## 14. Split Interest Agreements (Continued)

Future annual distributions under the terms of the Charitable Lead Annuity Trust agreement as of December 31, 2024, are as follows:

2025	\$	364,616
2026		401,078
2027		441,186
2028		485,305
Total future payments		<u>1,692,185</u>
Less: discount to net present value (rate of 1.62%)		(63,665)
Present value of Charitable Lead Annuity Trust	\$	<u><u>1,628,520</u></u>

## 15. Operating Leases

### Lessee Leases

The Federation has entered sixty-three month lease for a postage meter expiring in 2024 and a sixty-month lease for a dishwasher and dish dryer expiring in 2028. Lease expense totaled \$6,484 and \$8,892 for the years ended December 31, 2024 and 2023, respectively.

### Lessor Leases

The Federation has entered into a fifteen-year agreement to rent out the use of certain facilities through the year 2037. Future non-cancelable minimum rental payments to be received are due as follows at December 31, 2024:

2025	\$	300,000
2026		300,000
2027		300,000
2028		313,200
2029		313,200
Thereafter		<u>2,739,600</u>
Total	\$	<u><u>4,266,000</u></u>

Rental income from this lease totaled \$200,000 and \$197,850 for the years ended December 31, 2024 and 2023, respectively. Rental income resulting from non-lease venue renting arrangements totaled \$72,240 for the year ended December 31, 2024.

## 16. Commitments

### Capital Expansion Plan

As of December 31, 2024, contractual commitments of the Capital Expansion Plan totaled approximately \$43,019,000, with approximately \$32,226,000 completed as of December 31, 2024.

# The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

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## 16. Commitments (Continued)

### Catering Partner Contract

The Federation entered into a ten-year Catering Partner Contract during December 2023. The agreement provides the Catering Partner with two five-year extension options. As part of the agreement, the Catering Partner agreed to donate \$400,000 (the investment) towards furniture, fixtures and equipment. The Federation received \$200,000 of the investment and recognized this amount as deferred revenue on the accompanying Statement of Financial Position. The remaining investment will be paid in installments with monthly \$4,000 payments scheduled to begin on January 1, 2025. The investment will be amortized over the ten-year term on a straight line basis. In the event that the agreement is terminated by either party for any reason, the Federation will reimburse the Catering Partner the unamortized balance of the investment. In addition, the agreement requires the Catering Partner to pay a commission to the Federation based on a percentage of gross revenues earned from beverage and food sales during the ten-year period.

## 17. Concentration of Risk

Financial instruments that potentially subject the Federation to concentrations of credit risk consist principally of cash and cash equivalents and investments. Cash accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC). The Federation has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents, which at times, exceeds federally insured limits.

The Federation's investments are primarily invested in mutual funds and exchange traded funds. The investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Federation's assets, which could materially affect amounts reported in the financial statements.

## 18. Related Party Transactions

The Federation has a policy in place to identify transactions with related parties and determines that they are at or below market value. The Federation provides various scholarships to teens including college scholarships and camp scholarships. The scholarships are offered to the entire community and relatives of the Federation's board members, employees and donors are not excluded from receiving these scholarships.

## 19. Employee Retention Tax Credit

Under the provisions of the extension of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) passed by the United States Congress and signed by the President, the Federation was eligible for a refundable employee retention credit subject to certain criteria. The Federation recorded the employee retention credit in accordance with ASC 958-605 *Not-for-Profit Entities Revenue Recognition*, under which the employee retention credit was accounted for as a conditional contribution. In order to claim the credit, the Federation was required to meet certain conditions.

When those conditions were met, the refund was recorded in Other Current Assets on the accompanying Statement of Financial Position, as well as Grant Revenue on the accompanying Statement of Activities. The Federation filed for refunds of the employee retention credit and received \$0 and \$150,730 during the year ended December 31, 2024 and 2023, respectively.

## The Jewish Federation of Sarasota-Manatee, Inc.

Notes to Financial Statements (Continued)

December 31, 2024 and 2023

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### **20. Subsequent Events**

The Federation has evaluated events subsequent to the statement of financial position date of December 31, 2024 through the date these financial statements were available to be issued, April 29, 2025, and have determined that there were no subsequent events that require disclosure under the FASB Accounting Standards Codification, except as noted below:

During January 2025, the Federation received an additional draw down on the tax-exempt loan described in Note 11 for \$2,102,740.

During February 2025, the Federation received a \$4,000,000 promise to give for use as part of the Federation's Capital Project.

## **Supplemental Information**

## The Jewish Federation of Sarasota-Manatee, Inc.

Schedule of Expenditures of Federal Awards and

State Financial Assistance

Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-through Entity Identification or Contract Number	Total Reimbursable Expenditures
<b>FEDERAL GRANTS AND CONTRACTS</b>			
<b>U.S. Department of Housing and Urban Development</b>			
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	B-22-CP-FL-0258	1,098,142
<b>U.S. Department of Homeland Security</b>			
Non-Profit Security Program	97.008	EMV-2022-UA-00018-S01	61,545
<b>Total Federal Grants and Contracts</b>			\$ 1,159,687
<b>STATE GRANTS AND CONTRACTS</b>			
<b>State of Florida</b>			
<b>Department of Education</b>			
Holocaust Education Center - Jewish Federation Sarasota Manatee - FCO	48.999	89T-91830-5D001	290,000
Holocaust Education Center - Jewish Federation Sarasota Manatee	48.999	89T-91830-5P001	41,183
Total Department of Education			331,183
<b>Department of Commerce</b>			
Division of Housing and Community Development	40.038	HL231	456,361
Total Department of Commerce			456,361
<b>Total State Contracts and Grants</b>			\$ 787,544
<b>Total Federal and State Contracts and Grants</b>			\$ 1,947,231

### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award and state financial assistance activity of The Jewish Federation of Sarasota-Manatee, Inc. under programs of the federal government and State of Florida for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General* of the State of Florida. Because the Schedule presents only a selected portion of the operations of The Jewish Federation of Sarasota-Manatee, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Jewish Federation of Sarasota-Manatee, Inc.

### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## **Contract Compliance**



**Kerkering, Barberio & Co.**  
Certified Public Accountants

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

### **Independent Auditor's Report**

The Board of Directors  
The Jewish Federation of Sarasota-Manatee, Inc.  
Sarasota, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The Jewish Federation of Sarasota-Manatee, Inc. (Federation), which comprise the statement of financial position as of December 31, 2024, and the changes in its net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 29, 2025.

#### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Federation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Federation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Federation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KUKUING BARONIO & CO.

Sarasota, Florida  
April 29, 2025

**Report on Compliance for Each Major Federal Program and State Project; and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General of the State of Florida**

**Independent Auditor's Report**

The Board of Directors  
The Jewish Federation of Sarasota-Manatee, Inc.  
Sarasota, Florida

**Report on Compliance for Each Major Federal Program and State Financial Assistance Project**

***Opinion on Each Major Federal Program and State Financial Assistance Project***

We have audited The Jewish Federation of Sarasota-Manatee, Inc.'s (Federation) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the Federation's major federal programs and state financial assistance projects for the year ended December 31, 2024. The Federation's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Federation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program and State Financial Assistance Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General* of the State of Florida. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Federation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state financial assistance project. Our audit does not provide a legal determination of the Federation's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Federation's federal programs and state financial assistance projects.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Federation's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 *Rules of the Auditor General* of the State of Florida, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Federation's compliance with the requirements of each major federal program and state financial assistance project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 *Rules of the Auditor General* of the State of Florida we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Federation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Federation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

**Report on Internal Control over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Chapter 10.650, *Rules of the Auditor General* of the State of Florida. Accordingly, this report is not suitable for any other purpose.

*Kerkuing Barbarino & Co.*

Sarasota, Florida  
April 29, 2025

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**The Jewish Federation of Sarasota-Manatee, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2024**

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**Section I - Summary of Auditor's Results**

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**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_yes        x   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_yes        x   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_yes        x   no

**Federal and State Awards**

Internal control over major programs and projects:

- Material weakness(es) identified? \_\_\_\_\_yes        x   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_yes        x   none reported

Type of auditor's report issued on compliance for major programs and projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) and the provisions of the Florida Single Audit Act in accordance with Chapter 10.650 of the Rules of the Auditor General \_\_\_\_\_ yes        x   no

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**The Jewish Federation of Sarasota-Manatee, Inc.**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2024**

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**Section I - Summary of Auditor's Results (Continued)**

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Identification of major programs and projects:

**CFDA Number**

14.251

**Name of Federal Program**

Economic Development Initiative, Community  
Project Funding, and Miscellaneous Grants

**CFSA Number**

40.038

**Name of State Project**

Division of Housing and Community Development

Dollar threshold used to distinguish between type A and type B Federal programs: \$ 750,000

Dollar threshold used to distinguish between type A and type B State projects: \$ 300,000

Auditee qualified as low-risk auditee?

yes     no

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**Section II - Financial Statement Findings**

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None

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**Section III - Federal and State Award Findings and Questioned Costs**

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None

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**Section IV - Summary Schedule of Prior Audit Findings and Questioned Costs**

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No prior audit findings or questioned costs to be addressed

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**Section V - Other**

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No management letter is required because there were no findings to be reported in a management letter as required by Section 215.97 (9)(f) and 215.97 (10)(d) of the Florida Statutes, Auditor General Rule 10.654 (1)(e) or 10.656 (3)(e).