A BEACON
in times of uncertainty

2023 ANNUAL REPORT

RAYMOND JAMES *Charitable*

LETTER FROM THE CHAIRMAN OF THE BOARD OF TRUSTEES

As we reflect upon the life and work of Frances Z. Neu, we see a leader and philanthropist whose example was and will remain an enduring beacon of light. Frances passed in June. She leaves behind a tradition of service, having served this board of trustees since its founding in 2000. She was wholly committed to our purpose, and an integral driver of collaboration. The long-lasting partnerships she guided have helped empower your giving which has meaningfully touched so many lives.

She will be missed deeply. My gratitude to her goes beyond words.

As I reflect on our work together, I see how far we've come in the last two decades. From nothing when she started, Raymond James Charitable now serves more than 8,500 accounts, each representing a desire to make the world a better place, to be a beacon of goodwill.

For other reasons, too, this year has been a challenge for many – inflation and market uncertainty among them – and yet you continued to give. And while Giving USA reported that charitable giving was down by 3.4% in 2022, your unquenchable generosity shined through, with the number of checks distributed to charity having increased by 10%. So even in this rare decline of giving, we're already seeing our donors increase their activity.

Despite a comparatively smaller scale of giving from previous years, your contributions have remained consistent – truly reflecting the value and impact of donor advised funds. This fiscal year, together, we served over 21,000 charities. And with that, the DAF program at Raymond James Charitable has continued to grow. Even in challenging years like this one, you've unwaveringly and wholeheartedly supported your favorite charities at a time when they need it most.

Thank you for your partnership, your generous endeavors and your inspiring commitment to others.

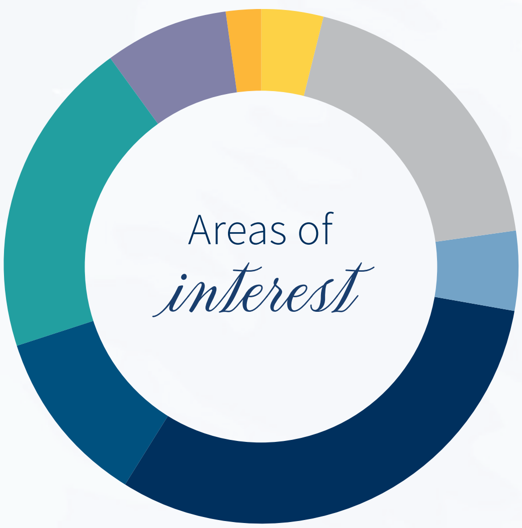
I look forward to seeing what we continue to achieve together.

Sincerely,

THOMAS WILKINS
Chairman, Board of Trustees
Raymond James Charitable

THE BOARD OF TRUSTEES

LIGHTING *the way*



- Arts & Museums **4%**
- Education & Schools **19%**
- Environment & Animal Care **5%**
- Faith Based **31%**
- Medical & Science **11%**
- Social Services **20%**
- Foundation **8%**
- Other **2%**

$1,424,410,756
Total grants since inception

1,080
Number of new accounts in 2023

$2,665,542,626
Total contributions since inception

61,900
Grants made in 2023

8,607
Number of DAF accounts managed in 2023

All data as of 3/31/2023, the end of RJ Charitable's fiscal year.

OPTIMIZING ILLIQUID ASSETS *to illuminate charitable opportunities*

To John Hearn, the sentiment “to whom much is given, much is required” is a driving force in his journey to charitable giving. A donor advised fund made his giving not only possible, but easier and more strategic.

A STRATEGY FOR GIVING

Hearn never thought he’d be in a position to give substantially. Midway through his career, however, he sold a stake in a private corporation that had significantly appreciated in value. During a visit with his Raymond James financial advisor, Charles Tumlin, Hearn shared his plan to sell his part of the business, as well as his desire to give back.

In line with his faith, he believes that giving away what he can and paying it forward are responsibilities – ones he doesn’t take lightly.

“We have a saying in the South: There are no pockets on caskets,” Hearn says.

The team at Tumlin Levin Sumner Wealth Management of Raymond James, located in Beaufort, South Carolina, quickly got to work. They were the first to advise Hearn about the tax benefits of gifting a portion of the business pre-sale, as well as the need for more sophisticated estate planning as a result of the sale. Hearn assembled his team of legal and accounting professionals, and they collaborated to ensure tax efficiency during the sale of his business while also incorporating his charitable ambitions in the process.

A donor advised fund (DAF) was the right tool for the job. Hearn was able to gift shares in his company to the DAF prior to the sale, which removed all capital gains tax for that gifted portion. Once in the DAF, the shares had the ability to grow tax-free. And because a donation to a DAF is considered a charitable gift, Hearn was able to recognize a tax deduction on the full fair market value of the shares and maximize the impact of the gift.

“This was an opportunity for our client to gift a percentage of the private business to a donor advised fund prior to sale and then convert that into charitable funds,” Tumlin says. “He would not only reduce his taxes on the gain from the sale – he’d be able to grant funds from the DAF directly to the charities he cares about.”

Charles Tumlin

Hearn can issue grants from the DAF at any point in the future – making it a flexible and ongoing way to give. He appreciates the commitment that comes with establishing a donor advised fund.

"Now that I have a DAF, there's almost a compulsory discipline around donating since it is already up and funded – it also provides flexibility for me to donate down the road," he says.

PEOPLE-FIRST PHILOSOPHY

Hearn's giving philosophy is focused on getting to know the people who run an organization. He believes in looking for a great mission, a professional and disciplined board and a well-run organization.

As someone who sits on several non-profit boards, he believes in giving unrestricted funds to deserving organizations that align with his values. Freeing the nonprofit from having to spend the money in a specific way, he thinks, is a powerful way to get the funds working in a much more effective manner.

Share the Magic, a reading and literacy nonprofit located in Atlanta, met his criteria. Hearn believes strongly in its mission and personally knows the founder, Malcolm Mitchell.

For Hearn, giving to worthy causes is his "haven for purpose in the middle of chaos." Through the process of selling his business and donating shares pre-sale, he not only achieved his admirable goal of supporting a variety of deserving causes, but also did so using a tax-efficient and strategic approach – making the situation a win-win. A win for avoiding capital gains and earning a tax deduction, and an even bigger win to support a charity near and dear to his heart.

"FOR HEARN, GIVING TO WORTHY CAUSES IS HIS 'HAVEN FOR PURPOSE IN THE MIDDLE OF CHAOS.'"

SHARE THE MAGIC FOUNDATION

Share the Magic Foundation was founded by author and professional football champion Malcom Mitchell. During his freshman year in college, Malcom developed a love of reading and dramatically increased his reading ability by joining a local book club while a college athlete at the University of Georgia. His career as a wide receiver was cut short by injuries, but he has made it his mission to help children in underserved communities excel at reading and embrace the magic that literacy can bring to their lives. Share the Magic Foundation brings the excitement of reading to life, helping to connect the dots between the value of literacy and long-term success through global virtual reading challenges, in-school programs and engagement with local corporations.

"As a child, if I could have convinced my entire community to read, we would have all made more productive choices." – Malcom Mitchell, founder of Share the Magic Foundation, to the Wall Street Journal

Learn more at readwithmalcolm.com

Photo courtesy of Share the Magic.

LIGHTENING THE LOAD *to light a new path for giving*

When generations of dynamic giving through the Sigety family foundation were in danger of being disrupted because of administrative burdens and differing opinions, donor advised funds offered a solution.

MULTIGENERATIONAL GENEROSITY

The Sigety family has been committed to giving back for more than 80 years, through three generations. Charles Sigety began his career in the military in World War II, used his GI Bill funds to get a degree at Harvard, and earned advanced degrees at Yale and Columbia. He became assistant director of the Federal Housing Authority under President Eisenhower, but for the majority of his career was an entrepreneur.

"Throughout his life, the marriage and interplay of the public and private were very much on his mind," his grandson, Austin Sigety, says. "His great passion was education, and anything related to learning."

Charles married Kit Snell, who pioneered home cooking shows during the 1950s in creating, producing and hosting her own national show on NBC. Charles lived to be 91 and Kit 99 – with both involved in hands-on giving until the end of their lives.

Their five children – C. Birge, Kinne, Robert, Cornelius and Elizabeth – continued their legacy of giving through the family foundation started by Charles and Kit, involving their own children as they got older.

FOUNDATIONAL BURDENS

While the Sigety siblings were committed to giving, they wanted to encourage the grandchildren generation and beyond to continue to understand the benefits and difficulty of philanthropy. Board meetings, attorney and tax professional fees for the separate tax return, a requirement to distribute 5% every year – these added up to a considerable investment. In addition, the siblings had different goals and priorities when it came to giving, often wanting to give to different charities. Complexity only continued when the private foundation grew to involve more than just the five siblings – with their spouses, children and spouses of those children there were more than 20 people involved, all with their own goals, priorities and different charities they wanted to support.

There were several operational considerations, too. How would the family scale up their giving? Would they need a full-time staff member to run it? What role would technology play in the future of the foundation? How could the foundation give anonymously if desired? And how would they navigate moving forward?

Jeff Locker

Enter Jeff Locker, an advisor from CrossBay Wealth Management of Raymond James based in Tampa, Florida.

“The benefit of an advisor, in addition to their skills and knowledge, is that they’re a third party who can go in and ask questions and quarterback,” says Austin, the grandson. “It’s nice to have someone that isn’t a family member and isn’t a staff member.”

Locker was able to ask the questions that might have resulted in friction among family members and instead work through their goals and gather the information in an impartial way. Once he understood their main goals, as well as what was weighing the foundation down, he recommended a donor advised fund.

THE RESULTS

The family foundation was dissolved into individual donor advised funds for each sibling and their family, empowering each in turn to give to their favorite charities – but without the administrative issues. They can also choose to remain anonymous on any grant issued and can each establish their own succession plan by naming either their children or charities to take over their fund.

Sigety family

BLAIR ACADEMY

The Sigety’s have an affinity for education and generations have attended Blair Academy, a private boarding school in New Jersey. Founded by local Presbyterian elders in the spring of 1848 in Blairstown in the northwestern part of the state, Blair Academy is a dynamic, coeducational boarding school where 470 students pursue a superior college preparatory education amid an inclusive, vibrant community. Strong faculty-student relationships lead to exceptional learning and empower students to become persons of great accomplishment and character.

At Blair, students learn to more fully understand themselves and the world, and leadership and service are woven into the Blair experience throughout the curriculum, as well as co-curricular activities, such as our annual Day of Service and community service club that support a host of nonprofits and other causes in the local community.

Learn more at blair.edu

Photo courtesy of Blair Academy.

CHANNELING THE LIGHT OF A LEGACY *through tax-efficient planning*

A surviving spouse wanted to honor her husband's longstanding legacy of giving. A donor advised fund helped maximize the value of donating highly appreciated company shares.

PHILANTHROPY FUELED BY ASSET APPRECIATION

Jimmy Stevenson spent his career working for the United Parcel Service (UPS). Away from the job, he was a patriotic, generous family man who frequently donated to his community to help those in need.

When Jimmy passed away, his wife Donna wanted to continue his legacy of giving and turned to her financial advisor. Drew McMillin of the Dobyns McMillin Wealth Team suggested creating a donor advised fund with Raymond James Charitable.

Over the years, Jimmy and Donna accumulated a sizeable amount of UPS stock that had significantly appreciated, so by gifting those shares to the donor advised fund, Donna was able to avoid capital gains associated with the shares and receive a tax deduction for the full fair market value of what was donated.

"The donor advised fund was such a sweet strategy to marry Donna's desire to give with my concern about some of her tax exposure, so we were able to get a lot of savings," Drew explains. "She's making a huge impact with the fund, which is just beautiful.

Drew McMillin

"There are more efficient ways to give than just donating the cash from selling an asset, which is actually the least efficient way to give. Our clients with donor advised funds get really excited about all the potential tax savings, and those savings power additional donations."

FAMILY AND COMMUNITY CONNECTIONS

Since opening her fund in 2020, Donna has supported over 15 charities. That number is likely to grow.

"As I'm out in the community volunteering, I find out about needs and new ways to give," Donna says. "Plus, once you say yes to one organization, others find out you're open to helping, and they come to you with opportunities."

Other charities aren't the only ones who've taken note of her generosity; it's also made an impression on her grandchildren. "I do talk to them about it, and I do let them know why I'm doing it, and I try to encourage them to work hard and be wise with their money so that they can be givers too," Donna says.

At the same time, her family's own volunteer efforts inspire her giving. "My granddaughter is a leader with the Fellowship of Christian Athletes, so that's a cause that's near and dear to my heart and one I happily support."

AN UNCOMPLICATED, JOYFUL PROCESS

Helping these charities is a breeze through her donor advised fund. Donna just picks up the phone and asks her Raymond James team to issue grants to particular organizations for specific amounts. While she could also do the same through her online account, she enjoys the friendliness and quick action of Drew and his team.

One charity Donna especially loves supporting is Second Harvest Food Bank of Middle Tennessee, which is one of the largest and most comprehensive food banks nationwide. The food bank runs multiple feeding programs, including one that provides students facing hunger with backpacks containing easy-to-prepare food to meet their weekend needs.

"In working with so many people, I've observed that families who are generous with their resources have more fulfillment in life and are just generally happier," Drew says.

That happy generosity radiates into the community, impacting those helped in more ways than one. Like her husband before her, Donna is delivering tangible assistance and the intangible relief that comes from knowing there are caring people in your community ready to help.

"Having financial planners has been a blessing," she says. "And using the donor advised fund has been a great way to bless other people. When people receive a grant, they'll call me and they're just blown away."

> **"HAVING FINANCIAL PLANNERS HAS BEEN A BLESSING. AND USING A DONOR ADVISED FUND HAS BEEN A GREAT WAY TO BLESS OTHER PEOPLE."**

SECOND HARVEST FOOD BANK of MIDDLE TENNESSEE

SECOND HARVEST FOOD BANK OF MIDDLE TENNESSEE

Being organized is essential to the mission of Second Harvest Food Bank of Middle Tennessee. According to the charity's website, "Massive quantities of food get dumped into landfills, yet 1 in 8 Middle Tennesseans is at risk of hunger. This is partially a logistics problem. Thanks to our donors and volunteers, Second Harvest has the space and manpower to manage large shipments, break them into smaller units, and send them at the right time and in the right quantity to our network of Partner Agencies across 46 counties."

In fiscal 2022, Second Harvest donated over 35.2 million meals. Each week that year, through its BackPack program, the organization provided more than 5,400 children with backpacks filled with food for the weekend. In operating this and other programs, Second Harvest uses donated funds very efficiently, with 96 cents of every dollar going to its feeding programs.

Learn more at secondharvestmidtn.org

Photos courtesy of Second Harvest Food Bank of Middle Tennessee.

Report of Independent Certified Public Accountants

Independent Auditor's Report

Board of Trustees
Raymond James Charitable Endowment Fund
St. Petersburg, Florida

Opinion

We have audited the accompanying financial statements of Raymond James Charitable Endowment Fund (RJCEF, a nonprofit organization), which comprise the statement of financial position as of March 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RJCEF as of March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RJCEF and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe 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 RJCEF's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RJCEF'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 RJCEF'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.

Cherry Bekaert LLP

Tampa, Florida
August 28, 2023

RAYMOND JAMES CHARITABLE ENDOWMENT FUND

STATEMENT OF FINANCIAL POSITION

Year ended March 31, 2023

ASSETS	
Cash	$966,646
Investments, at fair value	1,480,885,857
Contributions receivable	14,758,714
Interest and dividends receivable	1,784,125
Pooled income funds	2,791,391
Beneficial interest in charitable remainder and lead trusts	7,684,443
Insurance policies	839,322
Other assets	100,690
Total assets	**$1,509,811,188**

LIABILITIES AND NET ASSETS	
Liabilities:	
Accounts payable	$2,639,230
Grants payable	4,621,513
Contract liability – pooled income funds	607,839
Charitable gift annuity obligations	839,322
Total liabilities	8,707,904
Net assets:	
Without donor restrictions	$1,473,687,462
With donor restrictions:	
Passage of time or purpose	23,834,197
Perpetual in nature	3,581,625
Total with donor restrictions	27,415,822
Total net assets	1,501,103,284
Total liabilities and net assets	$1,509,811,188

See notes to the financial statements.

The accompanying notes to the financial statements are an integral part of this statement.

RAYMOND JAMES CHARITABLE ENDOWMENT FUND
STATEMENT OF ACTIVITIES
Year ended March 31, 2023

	Without donor restrictions	With donor restrictions	Total
Revenues:			
Contributions	$374,281,578	–	$374,281,578
Investment return, net	(65,888,025)	(787,499)	(66,675,524)
Other income	470,453	–	470,453
Change in fair value of:			
Pooled income funds and contract liabilities	–	(34,035)	(34,035)
Charitable lead and remainder trusts	–	(1,255,595)	(1,255,595)
Charitable gift annuities and insurance policies	(12,028)	–	(12,028)
Net assets released from passage of purpose restrictions	279,012	(279,012)	–
Total revenues	**$309,130,990**	**$(2,356,141)**	**$306,774,849**
Expenses:			
Grants	$248,418,808	–	$248,418,808
Services fees	4,904,863	–	4,904,863
Other expenses	379,573	–	379,573
Total expenses	**$253,703,244**	**–**	**$253,703,244**
Change in net assets	55,427,746	(2,356,141)	53,071,605
Net assets, beginning of year	1,418,259,716	29,771,963	1,448,031,679
Net assets, end of year	**$1,473,687,462**	**$27,415,822**	**$1,501,103,284**

The accompanying notes to the financial statements are an integral part of this statement.

RAYMOND JAMES CHARITABLE ENDOWMENT FUND

STATEMENT OF CASH FLOWS

Year ended March 31, 2023

Cash flows from operating activities:	
Increase in net assets	$53,071,605
Adjustments to reconcile increase in net assets to net cash from operating activities:	
Investment return, net	113,956,434
Noncash contributions of securities	(185,735,306)
Change in fair value of beneficial interest in charitable remainder and lead trusts	1,255,595
Insurance policies	178,695
Pooled income funds	260,466
(Increase) decrease in assets:	
Contributions receivable	9,279,592
Interest and dividends receivable	**(1,243,607)**
Other assets	33,344
Increase (decrease) in liabilities:	
Accounts payable	(373,994)
Grants payable	(3,623,427)
Split interests agreement obligations	(44,461)
Charitable gift annuity obligations	(173,458)
Net cash from operating activities	**$(13,158,522)**
Cash flows from investing activities:	
Proceeds from sale of investments	1,374,744,445
Purchases of investments	(1,361,501,196)
Net cash from investing activities	**$13,243,249**
Net change in cash	84,727
Cash, beginning of year	881,919
Cash, end of year	**$966,646**

The accompanying notes to the financial statements are an integral part of this statement.

RAYMOND JAMES CHARITABLE ENDOWMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

Note 1 – Organization

Raymond James Charitable Endowment Fund (RJCEF) is a public charity that primarily operates donor advised funds. The RJCEF was formed through the Declaration of Trust dated June 19, 2000, (date of inception). The RJCEF administers approximately 8,600 individual donor advised accounts, each established with an instrument of gift describing either the advised general or specific purposes for which grants are to be made. The RJCEF is organized as a Florida charitable trust and Raymond James Trust, N.A. (the "service provider") has been retained as a service provider and investment agent.

Note 2 – Summary of significant accounting policies

Basis of Presentation – The financial statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP") and in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification ("ASC") 958, Not-for-Profit Entities.

Revenue Recognition – Contributions are recognized as revenue when cash, securities or other assets, or notification of beneficial interest is unconditionally received. Contributions of securities are recognized when the transfer is executed and provided that the RJCEF accepts the gift. Contributions of securities are recorded at fair value using the average of the high and low price for the security on the day of contribution. Investment return and other income categories are not within the scope of ASC 606.

Split Interest Agreement Obligations – Split interest agreement obligations on the accompanying statement of financial position totaled approximately $608,000 as of March 31, 2023 and primarily represents the difference between the fair value of the investment assets and the discounted present value of the contributions relating to pooled income funds, which are deferred and recognized over the beneficiary's life.

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

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities at the reporting date and revenue and expenses during the reporting period. Actual results could differ from these estimates. Estimates are used in the financial statements for, among other things, the RJCEF's beneficial interest in charitable remainder and lead trusts, as well as liabilities under charitable gift annuities.

Federal Income Taxes – The RJCEF is exempt from income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service (IRS) as other than a private foundation. On occasion, certain investment contributions received by the RJCEF may result in federal unrelated business income tax. Such activity is generally immaterial. There were no unrelated business income tax balances as of March 31, 2023. Management believes the RJCEF continues to satisfy the requirements of a tax-exempt organization as of March 31, 2023.

The RJCEF follows the guidance of FASB ASC 740 - Income Taxes. The RJCEF maintains tax-exempt status and has no uncertain tax positions as of March 31, 2023.

Note 2 – Summary of significant accounting policies (continued)

Investment Transactions and Income – Investment transactions are recorded on the trade date. Realized and unrealized gains or losses on investments are determined on the identified cost basis. Dividend income is recognized on the ex-dividend date. Interest income is recorded on the accrual basis. Net investment return or loss consists of interest and dividend income as well as realized and unrealized capital gains and losses. Investment return or loss is reported on the statement of activities, less external and direct internal investment expenses, and as changes in net assets as either increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations or by law.

Net assets – Net assets of the RJCEF and changes therein are classified and reported as follows:

With donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the RJCEF or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the RJCEF. Net assets voluntarily designated by the RJCEF's board for specific purposes are reported as without donor restrictions.

Split interest agreements – Represent trust agreements or other arrangements under which the RJCEF receives benefits that are shared with other beneficiaries. The revenue recognition and measurement principles for each type of split interest agreement follows:

Pooled income funds – Represent trust agreements for which the RJCEF maintains custody of the related asset and makes specified distributions to a designated beneficiary or beneficiaries over the term of the trust. The pooled income funds are recorded at fair value and the funds are invested in mutual funds with investment objectives similar to those available to donors through the RJCEF.

Gifts to the pooled income funds are recognized by the RJCEF as contribution revenue for the remainder interest in the assets using a discounted value of the assets for the estimated time period until the beneficiary's death. The difference between the fair value of the contributed assets to the pooled income funds and the contribution revenue associated with the gift is recognized by the RJCEF as contract liabilites for the discounted value of the future interest.

Upon termination of the income interest, the value of the assigned units reverts to RJCEF whereby the donor may recommend that the remainder interest be placed in a donor-advised account with the RJCEF or a grant be made to one or more charities recommended by the donor.

Charitable lead trusts – The RJCEF has beneficial interests in various charitable lead trusts, whereby the RJCEF receives distributions from the charitable lead trust which are administered by a third party or the service provider. The beneficial iterest in charitable lead trusts is recorded at the present value of management's estimate of the expected future cash receipts. They are classified as net assets with donor restrictions and are adjusted annually through the statement of activities to reflect estimated fair value at March 31, 2023.

Charitable remainder trusts – The RJCEF has irrevocable beneficial interests in certain charitable remainder trusts that are held by a third party or the service provider. Pursuant to these trusts, a designated beneficiary or beneficiaries are entitled to a life income interest calculated pursuant to the terms of each trust. Upon the death of the last individual beneficiary of each trust, the remaining corpus is payable to the RJCEF for its unrestricted use.

The beneficial interest in these trusts is measured based on the discounted, present value of the remainder interest for each charitable remainder trust based on the actuarial tables established by the IRS. They are classified as net assets with donor restrictions and are adjusted annually through the statement of activities to reflect estimated fair value at March 31, 2023.

Note 2 – Summary of significant accounting policies (continued)

Charitable gift annuities – A charitable gift annuity is an arrangement between a donor and the RJCEF in which the donor contributes assets to the RJCEF in exchange for a promise by the RJCEF to pay a fixed amount for a specified period of time to the donor or to stated annuitants. The assets are held as general assets of the RJCEF and the annuity liability is a general obligation of the RJCEF. To fund these annuity obligations, the RJCEF purchases two types of insurance policies. The first has no cash-back guarantee, meaning if the annuitant dies prior to the return of the premium, the remaining amount is lost. The second type has a cash-back guarantee, meaning the RJCEF will receive the total premium regardless of when the annuitant dies. Both types of insurance policies are recorded as assets in the statement of financial position at their estimated fair value using the present value of the revenue stream to be received by the RJCEF under the terms of the policies. The discount rate and actuarial assumptions used in determining the present value of the expected, future receipts are based on the actuarial tables and discount rates established by the IRS.

A donor to a charitable gift annuity may recommend that the remainder interest be placed in a donor-advised account with the RJCEF or a grant be made to one or more charities recommended by the donor.

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

Grant expense – Grants to qualified charities are expensed upon approval by the Board of Trustees of the RJCEF. The RJCEF policy is to distribute at least 5% of its board operating fund balances on a five-fiscal-year rolling basis as grants to qualified charities. Board operating fund balances are included as a part of unrestricted net assets.

Functional allocation of expenses – The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The RJCEF allocates service provider fees and other expenses on the basis of estimates of time and effort.

Subsequent events – The RJCEF has considered subsequent events through August 25, 2022, which represents the date the financial statements were issued.

Note 3 – Concentrations

Financial holdings that potentially subject RJCEF to concentrations of risk consist principally of: cash and cash equivalents, investments (see Note 5), contributions receivable (see Note 2) and beneficial interests in charitable remainder and lead trusts (see Note 6).

The RJCEF places its cash and cash equivalents on deposit with financial institutions in the United States of America. The Federal Deposit Insurance Corporation ("FDIC") covers up to $250,000 for substantially all depository accounts. The RJCEF from time to time may have amounts on deposit in excess of the insured limits. As of March 31, 2023, the RJCEF held cash balances of $6,363,000 that were not covered by FDIC deposit insurance.

The RJCEF investments, including those held related to pooled income funds and beneficial interests in charitable remainder trusts are exposed to interest rate risk, credit risk and market risk. The value, liquidity, and related income of these investments are sensitive to changes in economic conditions and may be adversely affected by shifts in the market and changes in interest rates.

Note 4 – Fair value measurements

The RJCEF records certain assets at fair value in accordance with the current accounting standards on fair value measurements. The standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard also established a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Note 4 – Fair value measurements (continued)

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date and fair value can be determined through the use of models or other valuation methodologies.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability, including assumptions regarding risk.

The following table summarizes financial instruments, other assets and liabilities measured at fair value at March 31, 2023:

Fair value measurements using:

Assets:	Level 1	Level 2	Level 3	Total fair value
Equities	$175,849,484	$ –	$ –	$175,849,484
Exchange traded funds	111,002,585	–	–	111,002,585
Mutual funds	899,099,969	–	–	899,099,969
Money market funds	244,474,589	–	–	244,474,589
Fixed income	–	50,459,230	–	50,459,230
Total assets in fair value hierarchy	**$1,430,426,627**	**$50,459,230**	**–**	**$1,480,885,857**
Pooled income funds**	$2,791,391	–	–	$2,791,391
Beneficial interest in charitable remainder and lead trusts	–	–	$7,684,443	$7,684,443
Insurance policies	–	–	$839,322	$839,322
Liabilities:				
Deferred revenue – pooled income funds	–	–	$(607,839)	$(607,839)
Charitable gift annuity obligations	–	–	$(839,322)	$(839,322)

**Consist of investments similar to those held by the RJCEF as investments.

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis are summarized as follows:

Fair value measurements using:

	Beneficial interest in charitable remainder and lead trusts	Insurance policies	Contract liabilites-pooled income funds	Charitable gift annuity obligation
Balance, April 1, 2021	$9,936,424	$1,253,179	$(828,248)	$(1,217,467)
Additions to split interest agreements in liability	–	–	78,496	–
Change in fair value	(1,255,595)	(56,919)	(34,035)	44,891
Beneficiary payments	–	(121,776)	-	128,567
Balance, March 31, 2023	**$7,684,443**	**$839,322**	**$(607,839)**	**$(839,322)**

Valuation methodology of assets and liabilities are disclosed in Note 2.

Note 5 – Investments and pooled income funds

Investments consist of various mutual funds and privately managed portfolios principally invested in the following at March 31, 2023:

Equities:	
Domestic	$151,911,958
International	23,937,526
	175,849,484
Exchange traded funds ("ETF"):	
ETF closed end equity	91,955,876
ETF closed end fixed	19,046,709
	111,002,585
Mutual funds:	
Mutual funds – equity	581,740,523
Mutual funds – fixed income	311,840,673
Mutual funds – balanced	5,518,773
	899,099,969
Money market funds	**244,474,589**
Fixed Income:	
U.S. Government	2,578,528
U.S. Treasury	21,491,408
Asset backed	5,244,174
Municipal	1,752,848
Corporate	19,392,272
	50,459,230
	$1,480,885,857

Pooled income funds consist of various mutual funds and privately managed portfolios principally invested in the following at March 31, 2023:

Domestic equities:	
Large cap	$317,504
Small/mid cap	106,384
	423,888
International equities:	
Large cap	124,316
Small/mid cap	31,952
	156,268
Fixed income:	
Domestic fixed income	1,798,247
International fixed income	201,073
High yield	211,915
	2,211,235
	$2,791,391

Note 6 – Beneficial interest in charitable remainder trusts

The RJCEF is the beneficiary of various charitable remainder and lead trusts administered by an external trustee. Under the terms of these agreements, the RJCEF irrevocably has the right to either receive all or a portion of the remaining principal and income of the trusts upon termination or receive income over the life term of the trust, respectively. The RJCEF does not control the assets held by the outside trusts. Although the RJCEF has no control over the administration of the assets held in these term trusts, the estimated fair value of the expected future cash flows from the trusts is recognized as an asset in the accompanying financial statements as follows:

Beneficial interest in charitable remainder trusts held by others: $958,802

Beneficial interest in charitable lead trusts held by others: $6,752,641

The RJCEF may be the beneficiary of additional charitable remainder and lead trusts administered by an external trustee which has not yet been conveyed to the RJCEF or the external trustee cannot provide to the RJCEF the necessary information to make a reasonable estimate of the fair value of the expected future cash flows. The RJCEF financial statements do not reflect these uncertain beneficial interests.

Note 7 – Net assets with donor restrictions

Net assets with donor restrictions at March 31, 2023, have been restricted by the donor for the following:

Passage of time or purpose:	
Donor advised fund	$12,575,092
Endowment – scholarships and hospice	1,391,110
Pooled income funds	2,183,552
Charitable lead and remainder trusts	7,684,443
	23,834,197
Perpetual in nature:	
Endowment	3,581,625
	$27,415,822

Note 8 – Net assets released from donor restrictions

Net assets released from donor restrictions during the year ended March 31, 2023, consisted of the following:

Purpose restrictions accomplished:	
Donor advised fund	$108,589
Endowment – scholarships and hospice	146,644
Pooled income funds	23,779
	$279,012

Note 9 – Endowment funds

In July 2012, Florida passed a version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). UPMIFA removes historic dollar value measurement of endowments established by the Uniform Management of Institutional Funds Act. Accounting standards require organizations functioning under an enacted version of UPMIFA to recognize endowment earnings as with donor restrictions until appropriated.

Note 9 – Endowment funds (continued)

The RJCEF follows all applicable Florida law with respect to donor-restricted endowment funds. The RJCEF complies with any donor-imposed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted permanent endowment funds. However, when there is an absence of donor restrictions on the use of the investment income or net appreciation, the RJCEF follows applicable law. The RJCEF interprets Florida law as requiring the RJCEF to maintain the historic dollar value of donor-restricted endowments as net assets with donor restrictions, absent explicit donor stipulations to the contrary. Therefore, the RJCEF 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 of the permanent endowment made in accordance with the direction of the applicable donor-gift instrument at the time the accumulations are made to the fund.

In accordance with Florida law, the RJCEF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the RJCEF and donor restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the RJCEF
- The investment policy of the RJCEF

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the applicable state law requires the RJCEF to retain as a fund of perpetual duration. The RJCEF has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments as of March 31, 2023.

Endowment investment and spending policies – The RJCEF has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment, including those endowments deemed to be underwater (if any), while seeking to maintain the purchasing power of these endowment assets over long term. The RJCEF's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective seeks a return in excess of inflation, net of investment fees. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the RJCEF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The RJCEF targets a diversified asset allocation that places an emphasis on high-quality, fixed income and equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the RJCEF's endowed funds for grant making. The current spending policy is to distribute an amount at least equal to the donor-designated amount. To the extent the RJCEF, in the aggregate, does not meet its overall distribution goal through donor designations, it would expend the endowment's pro-rated portion. Accordingly, over the long term, the RJCEF expects its current spending policy to allow its endowment principal to grow. This is consistent with the RJCEF's objective to preserve the fair values of the original gift of endowment assets as well as to provide additional real growth through investment return.

Note 9 – Endowment funds (continued)

Changes to the endowment for the year ended March 31, 2023, are as follows:

	Perpetual in nature**	With donor restrictions total
Endowment, beginning of year	$1,706,799	$5,288,424
Investment return, net	(169,045)	(22,326)
Appropriation of endowment earnings for expenditure	(146,644)	(293,363)
Endowment, end of year	**$3,581,625**	**$4,972,735**

**Endowments were established by donors to support grant expenses, in perpetuity.

Note 10 – Related party transactions

Raymond James Trust, N.A. (RJTNA), provides administrative and investment management services to the RJCEF. The cost of such services totaled approximately $9,270,000. A portion of these service fees, which include the monitoring of donor advised funds for compliance with the RJCEF Board of Trustees Investment Policies, are allocable as investment management fees and, thus, are reported within investment return, net on the statement of activities.

Raymond James & Associates, Inc. (RJA), provides clearing brokerage services to the RJCEF. The regulatory trading fees of such services for the year ended March 31, 2023 was approximately $5,000, net.

Approximately $33,000 in Section 12(b)-1 fees were earned for the year ended March 30, 2022, as a result of mutual fund shares owned by the RJCEF, which were credited to RJCEF by RJA and RJFS and are reported in other income on the statement of activities.

Separately managed portfolio services are provided to the RJCEF by Eagle Asset Management, Inc., an affiliate of Carillon Tower Advisers, and Asset Management Services, a division of RJA, both affiliated entities of the service provider. Investment management fees paid to these affiliated entities was approximately $513,545 for the year ended March 31, 2023.

Note 11 – Liquidity and availability of financial assets

The following reflects the RJCEF's financial assets as of the statement of financial position date, March 31, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets, at year-end	$1,509,811,188
Less those unavailable for general expenditure within one year, due to contractual or donor-imposed restrictions:	
Perpetual and term endowments and accumulated earnings subject to appropriation beyond one year	(4,972,735)
Restricted by donor with time restriction	(12,575,092)
Beneficial interest in annuity or charitable trusts, pooled income funds, and insurance policies	(11,315,156)
Other assets	(100,690)
Board designated annual distribution	(150,000)
Financial assets available to meet cash needs for general expenditure within one year	**$1,480,697,515**

The RJCEF management monitors its liquidity so it is able to cover operating expenses and grants. The RJCEF is substantially supported by contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the RJCEF must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. In the calculation of financial assets, the RJCEF includes the portion of the donor-restricted endowment funds that is available for expenditure per the RJCEF's spending policy (see Note 2). The RJCEF also includes assets from donor advised funds because these do not have donor restrictions and are available to meet the RJCEF's general expenditures, which predominately consist of grants. Donor-restricted endowment funds are not considered to be available for general expenditures.

The RJCEF has a general operating fund to meet daily working capital needs and invests cash in excess of daily requirements in a Government and Treasury money market fund.

Note 12 – Functional expense classification

The following table presents the RJCEF's expenses by program or supporting function for the year ended March 31, 2023:

		Support Services			
	Program services	Management and general	Fundraising and development	Total Support services	Total
Grants	$248,418,808	$–	$–	$–	$248,418,808
Trustee fees	4,071,036	686,681	147,146	833,827	4,904,863
Other expenses *		379,573		379,573	379,573
Total functional expenses	**$252,489,844**	**$1,066,254**	**$147,146**	**$1,213,400**	**$253,703,244**

*Other expenses consist primarily of trustee's fees, as well as audit, legal and consulting fees, professional liability insurance premium expenses as well as various miscellaneous expenses incurred in the ordinary course of administering program services and support services.

Note 12 – Contingency

In the ordinary course of its business, the RJCEF may be subjected from time to time to loss contingencies arising from general business matters or litigation in the ordinary course of third-party administration of trusts or estates that have designated the RJCEF as a beneficiary. Management believes the outcome of such matters, if any, will not have a material impact on the RJCEF's financial position or results of future operation.

Raymond James Charitable

Raymond James Charitable was established to give donors an easy and convenient way to support their favorite charities. The donor simply makes a contribution to establish a donor advised fund and then acts as advisor to the account. As advisor, the donor can recommend when and to what charities a grant is distributed, how the account balance will be invested, and who will be the successor donor advisors.

There are several tax advantages with a donor advised fund account. In addition to the immediate tax deduction that can be taken on contributions, all investment earnings are tax-free. Capital gains taxes can be reduced on the contribution of long-term appreciated securities, and estate taxes can be eliminated on assets contributed. Of course, the advice of a tax professional should be sought to learn more about these tax-saving strategies.

Through the generous contributions of our donors, Raymond James Charitable has been able to help a multitude of nonprofit organizations, including social service groups, faith-based organizations, medical and research facilities, schools, museums and many others.

ANY QUESTIONS?

Please contact your financial advisor or you can contact Raymond James Charitable directly at **727.567.7221** or **866.687.3863**.

Mailing address:
P.O. Box 23559 // St. Petersburg, FL 33742

Physical address:
880 Carillon Parkway // St. Petersburg, FL 33716

RaymondJamesCharitable.org

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P.O. BOX 23559, ST. PETERSBURG, FL 33742 // 866.687.3863 // FAX: 727.567.8040

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