



Institute for Jewish Spirituality™

Cultivating Mindfulness. Deepening Connection. Enlivening Jewish Life.

Institute for Jewish Spirituality, Inc.

Financial Statements

(Together with Independent Auditors' Report)

For the Years Ended June 30, 2022 and 2021

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities.....	4
Statements of Functional Expenses.....	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7-11



INDEPENDENT AUDITORS' REPORT

The Board of Directors
Institute for Jewish Spirituality, Inc.

Opinion

We have audited the financial statements of the Institute for Jewish Spirituality, Inc. (the "Institute"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows 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 Institute as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Institute 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 Institute's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Mayer Hoffman McCann CPAs

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An Independent CPA Firm

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Institute'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 Institute'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.

Mayer Hoffman McCann CPAs

New York, NY
January 2, 2024

**INSTITUTE FOR JEWISH SPIRITUALITY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021**

	2022	2021
ASSETS		
Cash and cash equivalents (Note 2C)	\$ 555,154	\$ 322,758
Grants and pledges receivable, net (Notes 2D, 2E, 4 and 10)	1,611,660	752,884
Accounts receivable (Notes 2E and 2F)	9,394	26,671
Investments (Notes 2I and 8)	305,422	305,142
Prepaid expenses and other assets	75,256	38,374
Property and equipment, net (Notes 2G and 5)	196,493	282,239
TOTAL ASSETS	\$ 2,753,379	\$ 1,728,068
LIABILITIES		
Accounts payable and accrued expenses	\$ 251,062	\$ 184,647
Deferred revenue (Note 2F)	70,685	4,400
Paycheck Protection Program loan payable (Note 9)	-	450,889
Deferred rent (Note 2H)	864	9,075
TOTAL LIABILITIES	322,611	649,011
COMMITMENTS AND CONTINGENCIES (Note 6)		
NET ASSETS (Note 2B)		
Without donor restrictions	503,507	40,716
With donor restrictions (Note 7 and 11)	1,927,261	1,038,341
TOTAL NET ASSETS	2,430,768	1,079,057
TOTAL LIABILITIES AND NET ASSETS	\$ 2,753,379	\$ 1,728,068

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

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>For the Year Ended June 30, 2022</u>			<u>For the Year Ended June 30, 2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2022</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>
REVENUE AND OTHER SUPPORT						
Contributions and grants (Notes 2D and 10)	\$ 1,561,435	\$ 1,687,820	\$ 3,249,255	\$ 1,033,213	\$ 617,050	\$ 1,650,263
Program service revenue (Note 2F)	610,910	-	610,910	556,698	-	556,698
Other revenue	485,256	-	485,256	363	-	363
Net assets released from restrictions (Notes 2B and 7)	<u>798,900</u>	<u>(798,900)</u>	<u>-</u>	<u>584,550</u>	<u>(584,550)</u>	<u>-</u>
TOTAL REVENUE AND OTHER SUPPORT	<u>3,456,501</u>	<u>888,920</u>	<u>4,345,421</u>	<u>2,174,824</u>	<u>32,500</u>	<u>2,207,324</u>
EXPENSES (Note 2J):						
Program Services	<u>2,112,745</u>	<u>-</u>	<u>2,112,745</u>	<u>1,825,678</u>	<u>-</u>	<u>1,825,678</u>
Supporting Services						
Management and General	391,466	-	391,466	365,802	-	365,802
Fundraising	<u>489,499</u>	<u>-</u>	<u>489,499</u>	<u>367,758</u>	<u>-</u>	<u>367,758</u>
Total Supporting Services	<u>880,965</u>	<u>-</u>	<u>880,965</u>	<u>733,560</u>	<u>-</u>	<u>733,560</u>
TOTAL EXPENSES	<u>2,993,710</u>	<u>-</u>	<u>2,993,710</u>	<u>2,559,238</u>	<u>-</u>	<u>2,559,238</u>
CHANGE IN NET ASSETS	462,791	888,920	1,351,711	(384,414)	32,500	(351,914)
Net Assets - beginning of year	<u>40,716</u>	<u>1,038,341</u>	<u>1,079,057</u>	<u>425,130</u>	<u>1,005,841</u>	<u>1,430,971</u>
NET ASSETS - END OF YEAR	<u>\$ 503,507</u>	<u>\$ 1,927,261</u>	<u>\$ 2,430,768</u>	<u>\$ 40,716</u>	<u>\$ 1,038,341</u>	<u>\$ 1,079,057</u>

**INSTITUTE FOR JEWISH SPIRITUALITY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2022</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2021</u>
Salaries	\$ 1,100,654	\$ 249,017	\$ 343,643	\$ 1,693,314	\$ 1,027,685	\$ 207,048	\$ 276,568	\$ 1,511,301
Payroll taxes and employee benefits	<u>160,630</u>	<u>36,342</u>	<u>50,151</u>	<u>247,123</u>	<u>129,450</u>	<u>26,081</u>	<u>34,837</u>	<u>190,368</u>
Total Salaries and Related Costs	1,261,284	285,359	393,794	1,940,437	1,157,135	233,129	311,405	1,701,669
Grants	-	-	-	-	43,000	-	-	43,000
Professional fees	329,218	49,227	27,310	405,755	387,968	88,824	21,962	498,754
Occupancy (Notes 2H and 6B)	60,324	13,648	18,834	92,806	60,520	12,193	16,287	89,000
Travel and meetings	233,212	9,331	12,876	255,419	16,470	2,815	3,760	23,045
Office expense	67,050	15,170	20,937	103,157	49,311	8,471	11,315	69,097
Insurance, fees and other	67,578	11,688	15,748	95,014	23,442	4,688	3,029	31,159
Miscellaneous	-	1,717	-	1,717	-	2,492	-	2,492
Bad debt	-	3,659	-	3,659	-	13,190	-	13,190
Depreciation and amortization (Note 5)	<u>94,079</u>	<u>1,667</u>	<u>-</u>	<u>95,746</u>	<u>87,832</u>	<u>-</u>	<u>-</u>	<u>87,832</u>
TOTAL EXPENSES	<u>\$ 2,112,745</u>	<u>\$ 391,466</u>	<u>\$ 489,499</u>	<u>\$ 2,993,710</u>	<u>\$ 1,825,678</u>	<u>\$ 365,802</u>	<u>\$ 367,758</u>	<u>\$ 2,559,238</u>

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

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,351,711	\$ (351,914)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Forgiveness of Paycheck Protection Program loan	(450,889)	-
Depreciation and amortization expense	95,746	87,832
Bad debt expense	3,659	13,190
Subtotal	1,000,227	(250,892)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Grants and pledges receivable	(862,435)	(53,402)
Accounts receivable	17,277	(22,432)
Prepaid expenses and other assets	(36,882)	3,637
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	66,415	63,426
Deferred revenue	66,285	(300)
Deferred rent	(8,211)	(5,897)
Net Cash Provided by (Used in) Operating Activities	242,676	(265,860)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(10,000)	-
Purchases of investments	(280)	(305,142)
Net Cash Used in Investing Activities	(10,280)	(305,142)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loan payable	-	239,014
Net Cash Provided by Financing Activities	-	239,014
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	232,396	(331,988)
Cash and cash equivalents - beginning of year	322,758	654,746
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 555,154	\$ 322,758

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

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Institute for Jewish Spirituality, Inc. (the "Institute") is a non-profit corporation that was incorporated on May 14, 2003. The Institute helps religious leaders explore and discover their own inner lives through prayer, meditation, study and companionship so that they might lead from a place of greater wisdom and authenticity. The Institute is registered in New York and is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code ("IRC") and from state and local taxes under comparable laws.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting*** – The Institute prepares its financial statements using the accrual basis of accounting. The Institute adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").
- B. ***Net Assets*** – Net assets and revenues are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:
- Net Assets Without Donor Restrictions – represents net assets not subject to donor-imposed stipulations and are available for the general support of the Institute's operations.
- Net Assets With Donor Restrictions – represents gifts of cash and other assets received with donor stipulations that limit the use of donated assets, including requirements to hold assets in perpetuity. When a donor restriction expires or a purpose of the restriction is accomplished or endowment assets are appropriated for expenditures, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.
- C. ***Cash and Cash Equivalents*** – Cash equivalents include all highly liquid instruments purchased with maturities of 90 days or less.
- D. ***Contributions and Grants*** – Contributions and grants are nonexchange transactions and accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958. Contributions and grants are recognized as revenue when barriers within grants are overcome and there is no right of return or release from obligations. Unconditional promises to give are recognized as revenues in the appropriate category of net assets in the period received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, if material. The discounts on those amounts are computed using risk adjusted interest rates applicable to the years in which the promises are received.
- E. ***Allowance for Doubtful Accounts*** – The Institute bases its allowance for doubtful accounts on its historical loss experience considering the age of its receivables and other factors. Pledges receivable and accounts receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. The allowance for doubtful grants and pledges receivable as of June 30, 2022 was \$3,200. No allowance was necessary as of June 30, 2021.
- F. ***Program Service Revenue*** – Program service revenue consists of fees for retreats and other programs that are paid by participants. The Institute recognizes this revenue under the FASB ASC Topic 606, *Revenue from Contracts with Customers*. Revenue is reported at the amount that reflects the consideration to which the Institute expects to be entitled in exchange for providing the contracted services. Performance obligations are determined based on the nature of the services provided by the Institute in accordance with the agreement. Revenue for performance obligations is recognized at the point in time the services are provided.

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Institute's performance obligations are primarily satisfied at a point in time during the fiscal year. The performance obligations for these contracts are completed when the service is completed. The Institute determines the transaction price based on the agreed-upon program fees. Amounts collected before performance obligations are satisfied are reflected as deferred revenue on the accompanying statements of financial position.

- G. **Property and Equipment** – The Institute capitalizes property and equipment having a cost of \$1,000 or more and a useful life of one year or more. Depreciation is recognized using the straight-line method over the estimated useful lives of the respective assets.
- H. **Deferred Rent** – The Institute leases real property. For the years ended June 30, 2022 and 2021, the Institute recorded a decrease to rent expense to reflect its straight-lining policy that amounted to \$8,211 and \$5,897, respectively. Straight-lining of rent expense gives rise to a timing difference that is reflected as deferred rent on the accompanying statements of financial position.
- I. **Investments** – Investments are carried at fair value. Unrealized and realized gains and losses are reported in the accompanying statements of activities as increases or decreases in net assets without donor restrictions unless there are donor restrictions for the use of investment income. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 8.
- J. **Functional Allocation of Expenses** – The costs of providing the various program services and supporting services of the Institute have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited based on estimates made by management. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Allocated expenses include salaries, payroll taxes and employee benefits, professional fees, travel and meetings, and office supplies, which are allocated based on estimates of time and effort.
- K. **Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Institute's liquidity management strategy, the Institute structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Institute's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of grants and contributions from donors.

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 555,154	\$ 322,758
Grants and pledges receivable	1,611,660	752,884
Accounts receivable	9,394	26,671
Investments	305,422	305,142
Less: net assets with donor restrictions	<u>(1,927,261)</u>	<u>(1,038,341)</u>
	<u>\$ 554,369</u>	<u>\$ 369,114</u>

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 – GRANTS AND PLEDGES RECEIVABLE

Grants and pledges receivable consist of the following as of June 30:

	2022	2021
Collectible in:		
Less than one year	\$ 750,000	\$ 752,974
One to five years	880,828	-
	1,630,828	752,974
Less: discount to present value (.05% to 2.8%)	(15,968)	(90)
Less: allowance for doubtful accounts	(3,200)	-
	\$ 1,611,660	\$ 752,884

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	2022	2021	Estimated Useful Lives
Furniture and equipment	\$ 8,638	\$ 11,088	5 years
Website and software	480,397	470,397	5 years
	489,035	481,485	
Less: accumulated depreciation and amortization	(292,542)	(199,246)	
	\$ 196,493	\$ 282,239	

Depreciation expense amounted to \$95,746 and \$87,832 for the years ended June 30, 2022 and 2021, respectively. Fully-depreciated leasehold improvements of \$2,450 were written off during the year ended June 30, 2022.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

- A. The Institute believes it had no uncertain tax positions as of June 30, 2022 and 2021, in accordance with FASB ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- B. The Institute has a lease agreement for the rental of its New York office. Minimum annual rentals are as follows for the year ended subsequent to June 30, 2022:

2023	\$ <u>7.068</u>
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Rent expense amounted to \$89,397 and \$86,703 for the years ended June 30, 2022 and 2021, respectively. Such amounts are included in occupancy expense in the accompanying statements of functional expenses.

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of June 30:

	2022	2021
Time Restrictions	\$ 1,475,000	\$ 732,500
Program Access	452,261	305,841
	\$ 1,927,261	\$ 1,038,341

Net assets of \$798,900 and \$584,550, respectively, were released from restrictions during the years ended June 30, 2022 and 2021, by incurring expenses or by the passage of time.

NOTE 8 – INVESTMENTS

Investments consisted of the following as of June 30:

	2022	2021
U.S. Treasury Bills	\$ 305,422	\$ 305,142

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Financial assets carried at fair value are as follows as of June 30, 2022:

	Level 1	Total
U.S. Treasury Bills	\$ 305,422	\$ 305,422

Financial assets carried at fair value are as follows as of June 30, 2021:

	Level 1	Total
U.S. Treasury Bills	\$ 305,142	\$ 305,142

NOTE 9 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (“SBA”). If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven.

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 9 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE (Continued)

During the year ended June 30, 2020, the Institute applied for this loan through an SBA authorized lender. The loan, amounting to \$211,875, was approved and received in April 2020. The Institute opted to account for the proceeds as a loan under FASB ASC Topic 470 *Debt*, until the loan was, in part or wholly forgiven and the Institute was “legally released”. The Institute received full forgiveness on the loan in July 2021.

In March 2021, the Institute applied for and received a second PPP loan amounting to \$236,520. This loan, and accrued interest, was subsequently forgiven in March 2022.

NOTE 10 – CONCENTRATIONS

As of June 30, 2022 and 2021, grants and pledges receivable from four donors represented approximately 89% and 90%, respectively, of the total grants and pledges receivable. For the years ended June 30, 2022 and 2021, approximately 34% and 12%, respectively, of contribution revenue is from two donors.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated, for potential accrual or disclosure, events subsequent to the date of the statement of financial position through January 2, 2024, the date the financial statements were available to be issued.