



INSTITUTE FOR
**Jewish
Spirituality**

Institute for Jewish Spirituality, Inc.

Financial Statements

(Together with Independent Auditors' Report)

For the Years Ended June 30, 2024 and 2023

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

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Institute for Jewish Spirituality, Inc.
New York, NY

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, 2024 and 2023, 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, 2024 and 2023, 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.

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.

CBIZ CPAs P.C.

New York, NY
March 19, 2025

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents (Notes 2C and 10B)	\$ 318,524	\$ 550,369
Grants and pledges receivable, net (Notes 2D, 2E, 4 and 10A)	885,656	1,727,318
Accounts receivable (Notes 2E and 2F)	1,933	-
Investments (Notes 2I and 8)	334,255	347,205
Prepaid expenses and other assets	172,760	76,340
Operating lease right-of-use asset (Note 9)	55,549	114,486
Property and equipment, net (Notes 2H and 5)	14,819	102,936
TOTAL ASSETS	\$ 1,783,496	\$ 2,918,654
LIABILITIES		
Accounts payable and accrued expenses	\$ 289,733	\$ 371,397
Deferred revenue (Note 2F)	113,535	116,372
Operating lease liability (Note 9)	57,209	116,287
TOTAL LIABILITIES	460,477	604,056
COMMITMENTS AND CONTINGENCIES (Note 6)		
NET ASSETS (Note 2B)		
Without donor restrictions	40,517	272,343
With donor restrictions (Note 7)	1,282,502	2,042,255
TOTAL NET ASSETS	1,323,019	2,314,598
TOTAL LIABILITIES AND NET ASSETS	\$ 1,783,496	\$ 2,918,654

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, 2024 AND 2023

	<u>For the Year Ended June 30, 2024</u>			<u>For the Year Ended June 30, 2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2023</u>
REVENUE AND OTHER SUPPORT						
Contributions and grants (Notes 2D and 10A)	\$ 844,705	\$ 983,465	\$ 1,828,170	\$ 1,450,174	\$ 1,391,250	\$ 2,841,424
Employee retention tax credit (Note 2D)	103,649	-	103,649	-	-	-
Program service revenue (Note 2F)	1,051,747	-	1,051,747	980,021	-	980,021
Investment activity (Note 8)	21,771	-	21,771	12,298	-	12,298
In-kind contributions (Note 2G)	32,714	-	32,714	-	-	-
Other revenue	180	-	180	2,725	-	2,725
Net assets released from restrictions (Notes 2B and 7)	1,743,218	(1,743,218)	-	1,276,256	(1,276,256)	-
TOTAL REVENUE AND OTHER SUPPORT	<u>3,797,984</u>	<u>(759,753)</u>	<u>3,038,231</u>	<u>3,721,474</u>	<u>114,994</u>	<u>3,836,468</u>
EXPENSES (Note 2J):						
Program Services	<u>2,721,905</u>	<u>-</u>	<u>2,721,905</u>	<u>2,620,494</u>	<u>-</u>	<u>2,620,494</u>
Supporting Services						
Management and General	655,354	-	655,354	757,285	-	757,285
Fundraising	<u>652,551</u>	<u>-</u>	<u>652,551</u>	<u>574,859</u>	<u>-</u>	<u>574,859</u>
Total Supporting Services	<u>1,307,905</u>	<u>-</u>	<u>1,307,905</u>	<u>1,332,144</u>	<u>-</u>	<u>1,332,144</u>
TOTAL EXPENSES	<u>4,029,810</u>	<u>-</u>	<u>4,029,810</u>	<u>3,952,638</u>	<u>-</u>	<u>3,952,638</u>
CHANGE IN NET ASSETS	(231,826)	(759,753)	(991,579)	(231,164)	114,994	(116,170)
Net Assets - beginning of year	<u>272,343</u>	<u>2,042,255</u>	<u>2,314,598</u>	<u>503,507</u>	<u>1,927,261</u>	<u>2,430,768</u>
NET ASSETS - END OF YEAR	<u>\$ 40,517</u>	<u>\$ 1,282,502</u>	<u>\$ 1,323,019</u>	<u>\$ 272,343</u>	<u>\$ 2,042,255</u>	<u>\$ 2,314,598</u>

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	For the Year Ended June 30, 2024				For the Year Ended June 30, 2023			
	Program	Management and General	Fundraising	Total 2024	Program	Management and General	Fundraising	Total 2023
Salaries	\$ 1,258,577	\$ 207,665	\$ 421,623	\$ 1,887,865	\$ 1,269,154	\$ 377,926	\$ 383,566	\$ 2,030,646
Payroll taxes and employee benefits (Note 11)	185,276	30,571	62,068	277,915	206,464	61,480	62,398	330,342
Total Salaries and Related Costs	1,443,853	238,236	483,691	2,165,780	1,475,618	439,406	445,964	2,360,988
Professional fees (Note 2G)	718,099	374,768	107,994	1,200,861	619,846	205,517	60,205	885,568
Occupancy (Note 10)	47,331	7,810	15,856	70,997	50,111	14,922	15,144	80,177
Travel and meetings	258,338	13,450	10,545	282,333	250,832	55,301	32,109	338,242
Office expense	94,132	12,240	24,851	131,223	81,982	16,727	16,977	115,686
Insurance, fees and other	38,675	3,940	9,445	52,060	48,026	7,777	4,460	60,263
Miscellaneous	27,398	2,290	169	29,857	-	644	-	644
Bad debt	-	-	-	-	-	2,884	-	2,884
Depreciation and amortization (Note 5)	94,079	2,620	-	96,699	94,079	14,107	-	108,186
TOTAL EXPENSES	\$ 2,721,905	\$ 655,354	\$ 652,551	\$ 4,029,810	\$ 2,620,494	\$ 757,285	\$ 574,859	\$ 3,952,638

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (991,579)	\$ (116,170)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Operating lease right-of-use assets amortization	58,937	57,312
Depreciation and amortization expense	96,699	108,186
Net realized and unrealized gain on investments	(2,686)	(10,959)
Bad debt expense	-	2,884
Subtotal	(838,629)	41,253
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Grants and pledges receivable	841,662	(115,658)
Accounts receivable	(1,933)	6,510
Prepaid expenses and other assets	(96,420)	(1,084)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(81,664)	120,335
Operating lease liability	(59,078)	(55,511)
Deferred revenue	(2,837)	45,687
Deferred rent	-	(864)
	(238,899)	40,668
Net Cash (Used in) Provided by Operating Activities	(238,899)	40,668
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(8,582)	(14,629)
Purchases of investments	(10,264)	(31,638)
Proceeds from sale of investments	25,900	814
	7,054	(45,453)
Net Cash Provided by (Used in) Investing Activities	7,054	(45,453)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(231,845)	(4,785)
Cash and cash equivalents - beginning of year	550,369	555,154
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 318,524	\$ 550,369

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

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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 for Jewish Spirituality's mission is to develop and teach Jewish spiritual practices so that individuals and communities may experience greater awareness, purpose, and interconnection. 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. The Institute's support comes primarily from contributions and grants and program service fees.

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 that 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, except for cash equivalents held as part of the Institute's investment portfolio.
- D. ***Contributions and Grants*** – Contributions and grants are nonexchange transactions and accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 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.

The Institute received Employee Retention Credits ("ERC"), a fully refundable payroll tax credit for qualified wages paid (including allocable qualified health plan expenses), for the period of January 1, 2021 through March 31, 2021 under the federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") (enacted March 2020), the Consolidated Appropriations Act, 2021 ("Relief Act") (enacted December 2020) and the American Rescue Plan Act of 2021 ("American Rescue Plan Act") (enacted March 2021). Under the terms of the program, the Institute must incur qualifying wage or health insurance costs and have either suspended operations under governmental order or experienced specified declines in gross receipts. If conditions are not met, any amount of credit received is refundable to the government and the Institute may be subject to fines and penalties. The Institute recorded an ERC totaling \$103,649 reflected as revenue in the accompanying financial statements for the year ended June 30, 2024 since the Institute met the conditions for decline in gross receipts.

The Institute believes it has appropriately calculated and claimed the ERC based on the qualifying criteria as per the relevant tax regulations; however, there is inherent uncertainty regarding the interpretation and application of tax laws, and tax authorities may conduct audits to assess the accuracy of, and compliance with, the ERC claimed.

**INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 for both June 30, 2024 and 2023 was \$0. As of June 30, 2024 and 2023, the Institute determined that no allowance for credit losses was necessary for accounts receivable.

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 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.

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. The beginning and ending contract balances related to program revenue were as follows as of June 30:

	2024	2023	2022
Deferred revenue	\$ 113,535	\$ 116,372	\$ 70,685
	\$ 113,535	\$ 116,372	\$ 70,685
	2024	2023	2022
Accounts receivable	\$ 1,933	\$ -	\$ 9,394
	\$ 1,933	\$ -	\$ 9,394

G. **In-Kind Contributions** – For the year ended June 30, 2024, the Institute recorded income and expense for contributed services of \$32,714. There were no in contributions for the year ended June 30, 2023.

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Pro bono legal services	\$ 32,714	General administration/management	No associated donor restriction	Based on billing rates for similar services provided by firms
Total	\$ 32,714			

H. **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 and amortization is recognized using the straight-line method over the estimated useful lives of the respective assets.

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.

**INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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 expense, 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.
- L. **Recently Adopted Accounting Standards** – On July 1, 2023, the Institute adopted FASB Accounting Standards Update (“ASU”) 2016-03, *Financial Instruments – Credit Losses, (Topic 326), Measurement of Credit Losses on Financial Instruments (ASC 326)*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of the credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost and will be presented at the net amount expected to be collected by using an allowance for credit losses. The Institute adopted ASC 326 and all related subsequent amendments thereto effective July 1, 2023, using the modified retrospective approach for all financial assets measured at amortized costs. The adoption had no effect on the change in net assets as previously reported.

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 as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 318,524	\$ 550,369
Grants and pledges receivable, net	885,656	1,727,318
Accounts receivable	1,933	-
Investments	334,255	347,205
Less: net assets with donor restrictions	<u>(1,282,502)</u>	<u>(2,042,255)</u>
	<u>\$ 257,866</u>	<u>\$ 582,637</u>

The Institute also has a line of credit available to meet short-term needs. See Note 6B for information about this line of credit.

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 – GRANTS AND PLEDGES RECEIVABLE

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

	<u>2024</u>	<u>2023</u>
Collectible in:		
Less than one year	\$ 547,348	\$ 910,500
One to five years	<u>345,500</u>	<u>841,000</u>
	892,848	1,751,500
Less: discount to present value (.05% to 2.8%)	<u>(7,192)</u>	<u>(24,182)</u>
	<u>\$ 885,656</u>	<u>\$ 1,727,318</u>

NOTE 5 – PROPERTY AND EQUIPMENT

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

	<u>2024</u>	<u>2023</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	\$ 23,212	\$ 14,630	5 years
Website and software	<u>480,397</u>	<u>480,397</u>	5 years
	503,609	495,027	
Less: accumulated depreciation and amortization	<u>(488,790)</u>	<u>(392,091)</u>	
	<u>\$ 14,819</u>	<u>\$ 102,936</u>	

Depreciation and amortization expense amounted to \$96,699 and \$108,186 for the years ended June 30, 2024 and 2023, respectively.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

- A. The Institute believes it had no uncertain tax positions as of June 30, 2024 and 2023, 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 line of credit of \$300,000 limit renewable annually. The line is secured by the assets of the Institute. Under the terms of the agreement, borrowings have an interest rate of the upper end of Fed Funds, which as of June 30, 2024, is 5.5% plus 0.5%. As of June 30, 2024 and 2023, there was no balance due on the line of credit. There were no borrowings through March 19, 2025.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Time Restrictions	\$ 827,849	\$ 1,751,500
Program Access	<u>454,653</u>	<u>290,755</u>
	<u>\$ 1,282,502</u>	<u>\$ 2,042,255</u>

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets of \$1,743,218 and \$1,276,256, respectively, were released from restrictions during the years ended June 30, 2024 and 2023, by incurring expenses or by the passage of time.

NOTE 8 – INVESTMENTS

Investments consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Mutual Fund	\$ -	\$ 14,216
Equity	7,413	30,009
U.S. Treasury Bills	<u>326,842</u>	<u>302,980</u>
	<u>\$ 334,255</u>	<u>\$ 347,205</u>

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, 2024:

	<u>Level 1</u>	<u>Total</u>
Equity	\$ 7,413	\$ 7,413
U.S. Treasury Bills	<u>326,842</u>	<u>326,842</u>
	<u>\$ 334,255</u>	<u>\$ 334,255</u>

Financial assets carried at fair value are as follows as of June 30, 2023:

	<u>Level 1</u>	<u>Total</u>
Mutual Fund	\$ 14,216	\$ 14,216
Equity	30,009	30,009
U.S. Treasury Bills	<u>302,980</u>	<u>302,980</u>
	<u>\$ 347,205</u>	<u>\$ 347,205</u>

Investment activity consisted of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Net realized and unrealized gain on investments	\$ 2,686	\$ 10,959
Interest and dividends	<u>19,085</u>	<u>1,339</u>
	<u>\$ 21,771</u>	<u>\$ 12,298</u>

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 9 – LEASES

The Institute leases a certain facility under a long-term non-cancelable operating lease agreement. As of July 1, 2022, the Institute adopted FASB ASC 842 for its leases.

As of June 30, 2024, the ROU asset had a balance of \$55,549. The lease liability totaled \$57,209, as shown in the statement of financial position.

As of June 30, 2023, the ROU asset had a balance of \$114,486. The lease liability totaled \$116,287, as shown in the statement of financial position.

The weighted-average discount rate is based on the risk-free rate. The Institute has elected the option to use the risk-free rate determined by using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The Institute has elected the short-term exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

The following summarizes the supplemental cash flow information for the year ended June 30, 2024:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 59,078

The following summarizes the supplemental cash flow information for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 55,551
Noncash financing and investing cash flow (ASC 842 adoption)	
Right-of-use assets obtained in exchange for lease liabilities	
Operating leases	\$ 171,798

The following summarizes the weighted-average remaining lease term and weighted-average discount rate for the year ended June 30, 2024:

Weighted average remaining operating lease term in years	0.84
Weighted average discount rate	2.84%

The following summarizes the weighted-average remaining lease term and weighted-average discount rate for the year ended June 30, 2023:

Weighted-average remaining operating lease term in years	1.84
Weighted-average discount rate	2.84%

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 9 – LEASES (Continued)

Future minimum payments for the non-cancelable lease for the next two years ending after June 30, 2024 are as follows:

2025	\$ 58,025
2026	-
Total lease payments	<u>58,025</u>
Less: present value discount	<u>(816)</u>
Present value of lease liabilities	<u>\$ 57,209</u>

For the years ended June 30, 2024 and 2023, operating lease expense amounted to \$70,997 and \$80,177, respectively. Such amounts are included in occupancy in the accompanying statements of functional expenses.

NOTE 10 – CONCENTRATIONS

- A. As of June 30, 2024 and 2023, grants and pledges receivable from three and four donors represented approximately 27% and 64%, respectively, of the total grants and pledges receivable. For the years ended June 30, 2024 and 2023, approximately 38% and 18%, respectively, of contribution revenue is from three and one donors, respectively.
- B. Cash and equivalents that potentially subject the Institute to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Accounts are insured up to \$250,000 per depositor, per insured financial institution. As of June 30, 2024 and 2023, there was approximately \$45,000 and \$297,000, respectively, of cash equivalents held by one bank that exceeded FDIC limits.

NOTE 11 – PENSION

The Institute maintains a qualified contribution pension plan covering all eligible employees immediately upon hire. The Institute makes a matching contribution of 2% of salary to each participant who makes salary deferrals to the plan. For the years ended June 30, 2024 and 2023, the Institute’s contributions amounted to \$29,492 and \$28,497, respectively.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through March 19, 2025, the date the financial statements were available to be issued.