



INSTITUTE FOR
**Jewish
Spirituality**

Institute for Jewish Spirituality, Inc.

Financial Statements

(Together with Independent Auditors' Report)

For the Years Ended June 30, 2025 and 2024

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

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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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, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as 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, 2025 and 2024, 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
January 16, 2026

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and cash equivalents (Notes 2C and 10B)	\$ 824,740	\$ 318,524
Grants and pledges receivable, net (Notes 2D, 2E, 4 and 10A)	3,184,650	885,656
Accounts receivable (Notes 2E and 2F)	6,851	1,933
Investments (Notes 2I and 8)	297,891	334,255
Prepaid expenses and other assets	195,117	172,760
Operating lease right-of-use asset (Note 9)	173,492	55,549
Property and equipment, net (Notes 2H and 5)	5,415	14,819
TOTAL ASSETS	\$ 4,688,156	\$ 1,783,496
LIABILITIES		
Accounts payable and accrued expenses (Note 12)	\$ 234,565	\$ 289,733
Deferred revenue (Note 2F)	489,320	113,535
Operating lease liability (Note 9)	173,492	57,209
TOTAL LIABILITIES	897,377	460,477
COMMITMENTS AND CONTINGENCIES (Note 6)		
NET ASSETS (Note 2B and 13)		
Without donor restrictions	(214,375)	40,517
With donor restrictions (Note 7)	4,005,154	1,282,502
TOTAL NET ASSETS	3,790,779	1,323,019
TOTAL LIABILITIES AND NET ASSETS	\$ 4,688,156	\$ 1,783,496

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, 2025 AND 2024

	For the Year Ended June 30, 2025		For the Year Ended June 30, 2024	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	Total 2025		Total 2024	
REVENUE AND OTHER SUPPORT				
Contributions and grants (Notes 2D and 10A)	\$ 1,087,686	\$ 4,240,271	\$ 844,705	\$ 983,465
Employee retention tax credit (Note 2D)	170,121	-	103,649	-
Program service revenue (Note 2F)	934,378	-	1,051,747	-
Investment activity (Note 8)	32,685	-	21,771	-
In-kind contributions (Note 2G)	56,288	-	32,714	-
Other revenue	6,926	-	180	-
Net assets released from restrictions (Notes 2B and 7)	1,517,619	(1,517,619)	1,743,218	(1,743,218)
	3,805,703	2,722,652	3,797,984	(759,753)
TOTAL REVENUE AND OTHER SUPPORT	3,805,703	2,722,652	3,797,984	(759,753)
EXPENSES (Note 2J):				
Program Services	2,776,142	-	2,721,904	-
Supporting Services				
Management and General	585,985	-	655,355	-
Fundraising	698,468	-	652,551	-
Total Supporting Services	1,284,453	-	1,307,906	-
TOTAL EXPENSES	4,060,595	-	4,029,810	-
CHANGE IN NET ASSETS	(254,892)	2,722,652	(231,826)	(759,753)
Net Assets - beginning of year	40,517	1,282,502	272,343	2,042,255
NET ASSETS - END OF YEAR	\$ (214,375)	\$ 4,005,154	\$ 40,517	\$ 1,282,502
				\$ 1,323,019

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

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	For the Year Ended June 30, 2025			For the Year Ended June 30, 2024				
	Program	Management and General	Fundraising	Total 2025	Program	Management and General	Fundraising	Total 2024
Salaries (Note 12)	\$ 996,332	\$ 145,000	\$ 414,464	\$ 1,555,796	\$ 1,233,481	\$ 203,524	\$ 413,216	\$ 1,850,221
Payroll taxes and employee benefits (Note 11)	173,603	25,265	72,217	271,085	181,820	30,000	60,910	272,730
Total Salaries and Related Costs	1,169,935	170,265	486,681	1,826,881	1,415,301	233,524	474,126	2,122,951
Faculty	609,784	-	-	609,784	396,442	-	-	396,442
Training & development	6,383	1,109	2,655	10,147	5,177	854	1,734	7,765
Operational Consultants	326,343	54,508	108,055	488,906	220,226	1,838	107,994	330,058
Program contracted services	93,098	-	-	93,098	36,749	-	-	36,749
Professional fees (Note 2G)	59,906	258,958	8,545	327,409	25,095	377,072	8,407	410,574
Occupancy (Note 9)	46,861	6,820	19,494	73,175	47,331	7,810	15,856	70,997
Program delivery	215,104	6,289	2,397	223,790	183,700	3,975	7,705	195,380
Communications & marketing	42,782	1,045	15,016	58,843	25,758	958	1,946	28,662
Travel and meetings	55,047	44,796	7,707	107,550	92,418	12,408	8,796	113,622
Office expense	5,534	821	2,746	9,101	9,548	1,575	3,199	14,322
Technology expense	79,751	9,692	27,708	117,151	100,550	5,919	12,016	118,485
Fees & bank charges	49,196	19,884	10,634	79,714	28,976	2,340	6,196	37,512
Insurance	9,961	1,450	4,144	15,555	10,287	1,697	3,446	15,430
Miscellaneous	6,457	944	2,686	10,087	30,267	2,765	1,130	34,162
Depreciation and amortization (Note 5)	-	9,404	-	9,404	94,079	2,620	-	96,699
TOTAL EXPENSES	\$ 2,776,142	\$ 585,985	\$ 698,468	\$ 4,060,595	\$ 2,721,904	\$ 655,355	\$ 652,551	\$ 4,029,810

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,467,760	\$ (991,579)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Operating lease right-of-use assets amortization	60,802	58,937
Depreciation and amortization expense	9,404	96,699
Change in discount on grants and pledges receivable	123,658	(7,192)
Net realized and unrealized gain on investments	(13,636)	(2,686)
Subtotal	2,647,988	(845,821)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Grants and pledges receivable	(2,422,652)	848,854
Accounts receivable	(4,918)	(1,933)
Prepaid expenses and other assets	(22,357)	(96,420)
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(55,168)	(81,664)
Operating lease liability	(62,462)	(59,078)
Deferred revenue	375,785	(2,837)
Net Cash Provided by (Used in) Operating Activities	456,216	(238,899)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(8,582)
Purchases of investments	(280,000)	(10,264)
Proceeds from sale of investments	330,000	25,900
Net Cash Provided by Investing Activities	50,000	7,054
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	506,216	(231,845)
Cash and cash equivalents - beginning of year	318,524	550,369
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 824,740	\$ 318,524

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

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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 assets that are subject to donor-imposed stipulations. 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.

As of June 30, 2025 and 2024, the Institute was awarded conditional contributions and grants totaling \$600,000 and \$0, respectively, which have not been recognized in the accompanying financial statements as they have not been earned.

The Institute has made claims for refundable credits under the Employee Retention Credit ("ERC") program of \$246,000 for the year ended June 30, 2022 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and subsequently amended by the Consolidated Appropriations Act, 2021. The Institute received 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 accounted for the ERC as a conditional contribution. The first ERC payment of \$103,649 was received on October 3, 2023, the second ERC payment of \$110,610 was received on January 16, 2025 and the third ERC payment of \$59,511 was received on June 4, 2025.

**INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the years ended June 30, 2025 and 2024, the Institute recorded ERC revenue of \$170,121 and \$103,649, respectively, which included ERC interest paid amounting to \$22,121 and \$5,649, respectively.

Further, the Institute has evaluated the potential need to record a liability for interest and penalties if the entity is determined to not be in compliance with this program. Based upon that evaluation, the Institute has concluded that a liability for such interest and penalties does not meet the recognition criteria of a loss contingency under FASB ASC 450, Contingencies, and therefore no liability has been recorded.

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. While the Institute believes its position is supportable, there can be no assurance that the outcome of any audit will not result in adjustments to the ERC claimed, which could materially impact the financial statements in future periods. The Institute will continually monitor changes in tax laws and regulations until resolved and, if necessary, will adjust the ERC recognized in the financial statements in accordance with any updated guidance or audit outcomes.

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. Grant and pledges 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 at both June 30, 2025 and 2024 was \$0. As of June 30, 2025 and 2024, 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:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Deferred revenue	\$ 489,320	\$ 113,535	\$ 116,372
	<u>\$ 489,320</u>	<u>\$ 113,535</u>	<u>\$ 116,372</u>
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 6,851	\$ 1,933	\$ -
	<u>\$ 6,851</u>	<u>\$ 1,933</u>	<u>\$ -</u>

G. **In-Kind Contributions** – For the years ended, June 30, 2025 and 2024, the Institute recorded income and expense for contributed services of \$56,288 and \$32,714, respectively.

**INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Nonfinancial Asset 2025</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Pro bono legal services	\$ 56,288	General administration/program	No associated donor restriction	Based on billing rates for similar services provided by firms
Total	<u>\$ 56,288</u>			
<u>Nonfinancial Asset 2024</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	<u>\$ 32,714</u>			

- 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.
- 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. **Reclassification** – Certain line items in the June 30, 2024 financial statements were reclassified to conform to June 30, 2025 presentation. These changes had no impact on the change in net assets for the year ended June 30, 2024.

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.

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

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>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 824,740	\$ 318,524
Grants and pledges receivable, net	3,184,650	885,656
Accounts receivable	6,851	1,933
Investments	297,891	334,255
Less: net assets with donor restrictions	<u>(4,005,154)</u>	<u>(1,282,502)</u>
	<u>\$ 308,978</u>	<u>\$ 257,866</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.

NOTE 4 – GRANTS AND PLEDGES RECEIVABLE

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

	<u>2025</u>	<u>2024</u>
Collectible in:		
Less than one year	\$ 1,234,500	\$ 547,348
One to five years	<u>2,081,000</u>	<u>345,500</u>
	3,315,500	892,848
Less: discount to present value (3.68% to 4.22%)	<u>(130,850)</u>	<u>(7,192)</u>
	<u>\$ 3,184,650</u>	<u>\$ 885,656</u>

NOTE 5 – PROPERTY AND EQUIPMENT

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

	<u>2025</u>	<u>2024</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	\$ 23,212	\$ 23,212	5 years
Website and software	<u>480,397</u>	<u>480,397</u>	5 years
	503,609	503,609	
Less: accumulated depreciation and amortization	<u>(498,194)</u>	<u>(488,790)</u>	
	<u>\$ 5,415</u>	<u>\$ 14,819</u>	

Depreciation and amortization expense amounted to \$9,404 and \$96,699 for the years ended June 30, 2025 and 2024, respectively.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

- A. The Institute believes it had no uncertain tax positions as of June 30, 2025 and 2024, in accordance with FASB ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 – COMMITMENTS AND CONTINGENCIES (Continued)

B. The Institute has a margin loan agreement which is determined by the investment account's underlying holdings. U.S. equities allow for borrowing of approximately 50-60% of their value, while U.S. Treasuries allow for borrowing of up to 75%. The maximum borrowing capacity is driven by the account's market value rather than a predetermined ceiling. Under the terms of the agreement, borrowings have an interest rate of the upper end of Federal Funds plus 50 basis points. As of June 30, 2025 and 2024, there was no balance due on the agreement. There were no borrowings through January 16, 2026.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Time Restrictions	\$ 1,681,500	\$ 827,849
Program Access	2,323,654	454,653
	\$ 4,005,154	\$ 1,282,502

Net assets of \$1,517,619 and \$1,743,218, respectively, were released from restrictions during the years ended June 30, 2025 and 2024, by incurring expenses or by the passage of time.

NOTE 8 – INVESTMENTS

Investments consisted of the following as of June 30:

	2025	2024
Money Market	\$ 297,891	\$ -
Equity	-	7,413
U.S. Treasury Bills	-	326,842
	\$ 297,891	\$ 334,255

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, 2025:

	Level 1	Total
Money Market	\$ 297,891	\$ 297,891
	\$ 297,891	\$ 297,891

INSTITUTE FOR JEWISH SPIRITUALITY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 – INVESTMENTS (Continued)

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>

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

	<u>2025</u>	<u>2024</u>
Net realized and unrealized gain on investments	\$ (13,636)	\$ 2,686
Interest and dividends	<u>46,321</u>	<u>19,085</u>
	<u>\$ 32,685</u>	<u>\$ 21,771</u>

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, 2025, the operating ROU asset had a balance of \$173,492. The operating lease liability totaled \$173,492, as shown in the statement of financial position.

As of June 30, 2024, the operating ROU asset had a balance of \$55,549. The operating lease liability totaled \$57,209, 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 years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 62,462	\$ 59,078
Non-cash ROU assets obtained in exchange for new operating liabilities	178,912	-

The following summarizes the weighted-average remaining lease term and weighted-average discount rate for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Weighted average remaining operating lease term in years	2.92	0.84
Weighted average discount rate	3.91%	2.84%

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NOTE 9 – LEASES (Continued)

Future minimum payments for the non-cancelable lease for the next three years ending after June 30, 2025 are as follows:

2026	\$ 63,036
2027	63,036
2028	<u>57,783</u>
Total lease payments	183,855
Less: present value discount	<u>(10,363)</u>
Present value of lease liabilities	<u>\$ 173,492</u>

For the years ended June 30, 2025 and 2024, operating lease expense amounted to \$73,175 and \$70,997, respectively. Such amounts are included in occupancy in the accompanying statements of functional expenses.

NOTE 10 – CONCENTRATIONS

- A. As of June 30, 2025 and 2024, grants and pledges receivable from three donors represented approximately 60% and 27%, respectively, of the total grants and pledges receivable. For the years ended June 30, 2025 and 2024, approximately 22% and 38%, respectively, of contribution revenue is from three donors.
- 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, 2025 and 2024, there was approximately \$561,000 and \$45,000, respectively, of cash equivalents held by one bank that exceeded FDIC limits.

NOTE 11 – PENSION

The Institute maintains a 401(k) plan covering all eligible employees immediately upon hire. The Institute makes a matching contribution, dollar for dollar, up to 3% of salary to each participant who makes salary deferrals to the plan. For the years ended June 30, 2025 and 2024, the Institute’s contributions amounted to \$32,697 and \$29,492, respectively.

NOTE 12 – DEFERRED COMPENSATION

Under the Employment Agreement (“Contract”) between the Institute and its Chief Executive Officer (“CEO”), dated December 9, 2024, the Institute is obligated to pay an additional 2% of the CEO’s current salary at the end of each full year of service. In addition, for each year of service under the Contract, the CEO will accrue an additional compensation amount equal to 5% of their then-current salary, provided they remain employed through the end of the Contract term on June 30, 2029, and fulfill all other contractual conditions. The Contract period runs from July 1, 2024 to June 30, 2029. The deferred compensation payable amounted to \$10,112 as of June 30, 2025.

NOTE 13 – DEFICIT

The Institute’s net deficit without donor restrictions amounted to \$214,375 as of June 30, 2025. This deficit is primarily attributable to retreat program cancellations resulting from fires in California and the timing of revenue recognition during the fiscal year. The total net assets amounted to \$3,790,779 as of June 30, 2025.

There are a variety of factors that led to this deficit. As a result of fires in California, one in-person retreat was canceled, and one 18-month cohort program was delayed until fiscal year 2026. In addition, management made strategic decisions to invest in infrastructure to meet the growth of the organization. Management is closely monitoring expenditures and has introduced new tracking and reporting tools, enabling timely adjustments and informed financial decisions.

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NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through January 16, 2026, the date the financial statements were available to be issued.