

HILLEL OF SAN DIEGO

FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023
(with supplementary information)

HILLEL OF SAN DIEGO

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Hillel of San Diego

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hillel of San Diego, 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 each of 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 Hillel of San Diego as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. 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 Hillel of San Diego to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, 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 Hillel of San Diego'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 U.S. 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 controls. 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.

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC and its subsidiary entities provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

In performing an audit in accordance with U.S. GAAS, 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 Hillel of San Diego's internal controls. 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 Hillel of San Diego'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Maccabee Task Force Grant Schedule on page 21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

EisnerAmper LLP

EISNERAMPER LLP
La Jolla, California
January 29, 2025



HILLEL OF SAN DIEGO

Statements of Financial Position

	June 30,	
	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,271,996	\$ 1,600,967
Restricted cash	715,872	1,285,126
Current portion of pledges receivable, net	342,305	576,483
Prepaid expenses and deposits	48,020	9,195
Other receivables	25,908	-
Total current assets	2,404,101	3,471,771
Noncurrent assets:		
Investments	4,661,411	2,308,952
Pledges receivable, net, less current portion	101,648	169,986
Property and equipment, net	18,474,463	18,834,760
Operating lease right-of-use asset	2,716	6,316
Total noncurrent assets	23,240,238	21,320,014
Total assets	\$ 25,644,339	\$ 24,791,785
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 192,870	\$ 85,224
Accrued payroll	73,646	72,433
Refundable advance	50,000	50,000
Deferred income	12,220	-
Current portion of operating lease liability	2,656	3,552
Total current liabilities	331,392	211,209
Line of credit	-	-
Operating lease liability, less current portion	-	2,625
Total liabilities	331,392	213,834
Net assets:		
Without donor restrictions	23,300,648	21,802,272
With donor restrictions	2,012,299	2,775,679
Total net assets	25,312,947	24,577,951
Total liabilities and net assets	\$ 25,644,339	\$ 24,791,785

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

HILLEL OF SAN DIEGO

Statement of Activities Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support:			
Contributions and pledges	\$ 1,177,875	\$ 1,534,831	\$ 2,712,706
Net assets released from restrictions	<u>2,351,234</u>	<u>(2,351,234)</u>	<u>-</u>
Total support	<u>3,529,109</u>	<u>(816,403)</u>	<u>2,712,706</u>
Net investment income:			
Interest and dividends	152,833	21,790	174,623
Net realized gain on sale of investments	12,995	18,069	31,064
Net unrealized gain on investments	234,494	76,392	310,886
Investment expenses	(10,521)	(5,708)	(16,229)
Net assets released from restrictions	<u>57,520</u>	<u>(57,520)</u>	<u>-</u>
Net investment income	<u>447,321</u>	<u>53,023</u>	<u>500,344</u>
Total support and net investment income	<u>3,976,430</u>	<u>(763,380)</u>	<u>3,213,050</u>
Expenses:			
Program services	<u>1,581,775</u>	-	<u>1,581,775</u>
Supporting services:			
Management and general	375,978	-	375,978
Fundraising	<u>587,214</u>	-	<u>587,214</u>
Total supporting services	<u>963,192</u>	-	<u>963,192</u>
Total expenses	<u>2,544,967</u>	-	<u>2,544,967</u>
Other:			
Other income	<u>66,913</u>	-	<u>66,913</u>
Total other	<u>66,913</u>	-	<u>66,913</u>
Change in net assets	1,498,376	(763,380)	734,996
Net assets, beginning of year	<u>21,802,272</u>	<u>2,775,679</u>	<u>24,577,951</u>
Net assets, end of year	<u><u>\$ 23,300,648</u></u>	<u><u>\$ 2,012,299</u></u>	<u><u>\$ 25,312,947</u></u>

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

HILLEL OF SAN DIEGO

Statement of Activities Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support:			
Contributions and pledges	\$ 875,371	\$ 2,072,337	\$ 2,947,708
Net assets released from restrictions	<u>6,747,276</u>	<u>(6,747,276)</u>	<u>-</u>
Total support	<u>7,622,647</u>	<u>(4,674,939)</u>	<u>2,947,708</u>
Net investment income:			
Interest and dividends	51,333	21,553	72,886
Net realized gain on sale of investments	1,012	13,183	14,195
Net unrealized gain on investments	69,065	51,265	120,330
Investment expenses	(7,102)	(6,621)	(13,723)
Net assets released from restrictions	<u>56,964</u>	<u>(56,964)</u>	<u>-</u>
Net investment income	<u>171,272</u>	<u>22,416</u>	<u>193,688</u>
Total support and net investment income	<u>7,793,919</u>	<u>(4,652,523)</u>	<u>3,141,396</u>
Expenses:			
Program services	<u>1,338,713</u>	<u>-</u>	<u>1,338,713</u>
Supporting services:			
Management and general	402,646	-	402,646
Fundraising	<u>292,355</u>	<u>-</u>	<u>292,355</u>
Total supporting services	<u>695,001</u>	<u>-</u>	<u>695,001</u>
Total expenses	<u>2,033,714</u>	<u>-</u>	<u>2,033,714</u>
Other:			
Gain on sale of assets	564,292		564,292
Employee retention credit income	56,053	-	56,053
Other income	<u>67,561</u>	<u>-</u>	<u>67,561</u>
Total other	<u>687,906</u>	<u>-</u>	<u>687,906</u>
Change in net assets	6,448,111	(4,652,523)	1,795,588
Net assets, beginning of year	<u>15,354,161</u>	<u>7,428,202</u>	<u>22,782,363</u>
Net assets, end of year	<u>\$ 21,802,272</u>	<u>\$ 2,775,679</u>	<u>\$ 24,577,951</u>

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

HILLEL OF SAN DIEGO

Statements of Functional Expenses

Year Ended
June 30, 2024

	Year Ended June 30, 2024			
	Program Services	Supporting Services		Total
	Student Opportunities	Management and General	Fundraising	
Expenses:				
Salaries and benefits	\$ 679,965	\$ 98,187	\$ 303,087	\$ 1,081,239
Depreciation	281,126	86,894	143,119	511,139
Student activity costs	413,815	-	-	413,815
Occupancy	136,165	42,088	69,320	247,573
Professional fees	-	124,000	-	124,000
Office	29,397	9,086	14,966	53,449
Insurance	27,753	8,578	14,129	50,460
Advertising and promotion	-	-	28,733	28,733
Information technology	7,915	2,446	4,029	14,390
Bank fees	-	-	9,831	9,831
Travel	5,639	-	-	5,639
Administration	-	4,620	-	4,620
Interest	-	79	-	79
	<u>\$ 1,581,775</u>	<u>\$ 375,978</u>	<u>\$ 587,214</u>	<u>\$ 2,544,967</u>
Total expenses	<u>\$ 1,581,775</u>	<u>\$ 375,978</u>	<u>\$ 587,214</u>	<u>\$ 2,544,967</u>

Year Ended
June 30, 2023

	Year Ended June 30, 2023			
	Program Services	Supporting Services		Total
	Student Opportunities	Management and General	Fundraising	
Expenses:				
Salaries and benefits	\$ 557,319	\$ 209,044	\$ 84,714	\$ 851,077
Student activity costs	510,934	-	-	510,934
Depreciation	178,469	55,163	90,857	324,489
Professional fees	-	106,431	-	106,431
Occupancy	49,879	15,417	25,393	90,689
Advertising and promotion	-	-	65,030	65,030
Office	16,092	4,974	8,192	29,258
Insurance	15,732	4,863	8,009	28,604
Information technology	6,869	2,123	3,497	12,489
Bank fees	-	740	6,663	7,403
Administration	-	3,808	-	3,808
Travel	3,419	-	-	3,419
Interest	-	83	-	83
	<u>\$ 1,338,713</u>	<u>\$ 402,646</u>	<u>\$ 292,355</u>	<u>\$ 2,033,714</u>
Total expenses	<u>\$ 1,338,713</u>	<u>\$ 402,646</u>	<u>\$ 292,355</u>	<u>\$ 2,033,714</u>

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

HILLEL OF SAN DIEGO

Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 734,996	\$ 1,795,588
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Depreciation	511,139	324,489
Net realized gain on investments	(31,064)	(14,195)
Net unrealized gain on investments	(310,886)	(120,330)
Gain on sale of fixed assets	-	(564,292)
Amortization of operating lease right-of-use asset	3,600	3,575
Amortization of discount on pledges receivable	14,734	858
Decrease (increase) in:		
Pledges receivable	287,782	1,042,658
Prepaid expenses and deposits	(38,825)	21,865
Other receivables	(25,908)	127,655
Increase (decrease) in:		
Accounts payable and accrued expenses	107,646	(87,471)
Accrued payroll	1,213	27,291
Deferred income	12,220	-
Operating lease liability	(3,521)	(3,498)
Net cash flows provided by operating activities	<u>1,263,126</u>	<u>2,554,193</u>
Cash flows from investing activities:		
Purchases of investments	(2,191,067)	(96,636)
Proceeds from sales of investments	180,558	112,744
Proceeds from sales of property and equipment	-	1,965,450
Purchases of property and equipment	(150,842)	(6,063,444)
Net cash flows used in investing activities	<u>(2,161,351)</u>	<u>(4,081,886)</u>
Cash flows from financing activities:		
Payments made on finance lease liability	-	(9,815)
Repayments made on line of credit	-	(772,437)
Net cash flows used in financing activities	<u>-</u>	<u>(782,252)</u>
Net change in cash, cash equivalents, and restricted cash	<u>(898,225)</u>	<u>(2,309,945)</u>
Cash, cash equivalents, and restricted cash:		
Beginning of year	<u>2,886,093</u>	<u>5,196,038</u>
End of year	<u>\$ 1,987,868</u>	<u>\$ 2,886,093</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest related to leases	<u>\$ 31</u>	<u>\$ 59</u>
Cash paid for interest capitalized in property and equipment, net	<u>\$ -</u>	<u>\$ 41,972</u>

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

HILLEL OF SAN DIEGO

Notes to Financial Statements June 30, 2024 and 2023

NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES

[1] Organization:

Hillel of San Diego ("Hillel") is a private, non-profit 501(c)(3) organization founded in 1977 as the Jewish Campus Centers and incorporated in California in July 1992 as Hillel.

[2] Nature of Activities:

Hillel, accredited by Hillel: The Foundation for Jewish Campus Life, builds Jewish community on campuses in San Diego for more than 2,500 Jewish students each year. Students from all backgrounds are invited to participate in Jewish life on campus. Social, cultural, educational, religious, and community service programs provide opportunities for students to build relationships with each other and develop Jewish community. Hillel's mission is to be a vibrant Jewish campus presence and to involve the maximum number of university-age Jewish people in ways that foster a lasting commitment to Jewish life.

To further this mission, Hillel is committed to the following goals:

- Serving the needs of individual Jewish students
- Creatively engaging and empowering Jewish students through personal interactions and compelling programs
- Building a strong sense of belonging and Jewish identity
- Nurturing intellectual and spiritual growth in a pluralistic community
- Advocating for Jewish student needs on campus and in the community
- Linking the campus community to the larger Jewish community locally and globally
- Helping students cultivate a closer connection to Israel
- Developing a campus and organizational culture in which the quality of the relationships attract involvement

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

[2] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

[3] Cash and cash equivalents and restricted cash:

Cash and cash equivalents consist of cash and money market funds with original maturities of three months or less at the date of acquisition. The carrying value of cash approximates fair value because of the short maturities of those financial instruments. Restricted cash on the statements of financial position represents cash received with donor-imposed restrictions of \$715,872 and \$1,285,126 as of June 30, 2024 and 2023, respectively.

HILLEL OF SAN DIEGO

**Notes to Financial Statements
June 30, 2024 and 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[4] Pledges receivable:

Pledges receivable represent a donor’s promise to give to Hillel and are reported at the amount Hillel expects to collect from outstanding balances. Management determines the reserve for uncollectible pledges by specific identification of delinquent accounts, history of collections, past write-offs, and estimated uncollectible balances. Pledges receivable are written off when deemed uncollectible. The balance at fiscal year-end reflects pledges due from donors and is expected to be fully collected within one year. Pledges that are expected to be collected in future years are recorded at the net present value of estimated future cash receipts. Pledges receivable are discounted using a risk-adjusted rate of return. Conditional pledges are not reported as income until the conditions are substantially met.

[5] Investments:

Hillel maintains its investments at the Jewish Community Foundation (“JCF”) in investment pools. Hillel reports its investments in these pools at fair value based on the underlying assets as reported by the fund manager. Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost at the time of acquisition to the proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment’s cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

Investment expenses include the services of investment managers and custodians. The balances of investment management fees disclosed in Note D are those specific fees charged by Hillel’s investment manager in each fiscal year; however, they do not include those fees that are embedded in various other investment accounts and transactions.

[6] Property and equipment:

Hillel’s policy is to capitalize assets with a useful life greater than one year and a value of \$500 or more. Depreciation related to construction in progress begins when the asset is placed in service.

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives are as follows:

<u>Description</u>	<u>Useful Life</u>
Buildings	7 to 40 years
Furniture, fixtures and equipment	3 to 7 years
Vehicles	5 years

Hillel reviews its property and equipment for impairment when events or changes in business circumstances indicate the carrying amount of the assets may not be fully recoverable or that the useful lives of the assets are no longer appropriate. No impairment was recognized for the fiscal years ended June 30, 2024 and 2023.

HILLEL OF SAN DIEGO

Notes to Financial Statements June 30, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Leases:

Hillel determines if an arrangement is a lease at inception.

Operating Leases

Operating leases are recorded as operating lease right-of-use (“ROU”) assets and operating lease liabilities on the accompanying statements of financial position. Operating lease ROU assets and the related lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The operating lease ROU assets also include lease incentives and initial direct costs incurred. For operating leases, interest on the lease liability and the amortization of the ROU asset result in straight-line rent expense over the lease term.

Leases may include options to extend or terminate the lease, which are included in the operating lease ROU assets and operating lease liability when they are reasonably certain of exercise. Certain leases include lease and non-lease components, which are accounted for as one single lease component. Operating lease expense associated with minimum lease payments is recognized on a straight-line basis over the lease term. When additional payments are based on usage or vary based on other factors, they are considered variable lease payments and are excluded from the measurement of the ROU asset and lease liability. These payments are recognized as an expense in the period in which the related obligation was incurred.

Finance Leases

Finance leases are recorded as finance lease ROU assets and finance lease liabilities on the accompanying statements of financial position. Finance lease ROU assets and the related lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The finance lease ROU assets are amortized on a straight-line basis over the lease term, with the related interest expense of the lease liability payment recognized over the lease term using the effective interest method.

[8] Net assets:

Hillel reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Hillel. These net assets may be used at the discretion of Hillel’s management and the Board of Directors (the “Board”).

Net assets 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 Hillel or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

The Financial Accounting Standards Board (“FASB”) has issued reporting standards for endowments of not-for-profit organizations subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) and enhanced disclosures for all endowment funds. The standards provide guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of UPMIFA, which serves as a model act for states to modernize their laws governing donor-restricted endowment funds.

The standards also require additional disclosures about endowments (both donor-restricted funds and board-designated funds) to enable users of financial statements to understand the net asset classification, net composition, changes in net asset composition, spending policies, and related investment policies of its endowment funds (see Note K).

HILLEL OF SAN DIEGO

**Notes to Financial Statements
June 30, 2024 and 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[9] Contributions:

Contributions are recognized when the donor makes a promise to give to Hillel that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions to be received in future periods are discounted at a risk-adjusted rate. Amortization of discounts are recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Investments acquired by gift are recorded at fair value on the date of gift. Realized and unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

[10] Functional expense allocation:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of management. The expenses that are allocated and their method of allocation include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Depreciation	Use of expense
Student activity costs	Use of expense
Occupancy	Use of expense
Professional fees	Time and effort and use of expense
Office	Use of expense
Insurance	Use of expense
Advertising and promotion	Time and effort and use of expense
Information technology	Use of expense
Bank fees	Use of expense
Travel	Use of expense
Administration	Time and effort and use of expense
Interest	Use of expense

[11] Income taxes:

Hillel is a public charity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and Section 23701(d) of the California Revenue and Taxation Code except for taxes on net unrelated business income. Since Hillel has no obligation for unrelated business income tax for the fiscal years ended June 30, 2024 and 2023, no provisions for federal or state income taxes have been made.

In accordance with FASB Accounting Standards Codification ("ASC") 740, *Accounting for Uncertainty in Income Taxes*, Hillel evaluates annually any uncertain tax positions taken or expected to be taken in a tax return by applying a threshold of more likely than not for recognition. Management evaluated its tax positions and determined that it has no uncertain tax positions at June 30, 2024 and 2023. There have been no related tax penalties or interest, which would be classified as tax expense in the statements of activities.

HILLEL OF SAN DIEGO

Notes to Financial Statements June 30, 2024 and 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[12] Reclassification:

Certain items from prior year have been reclassified to conform to current year presentation.

NOTE C - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following represents Hillel's financial assets at June 30, 2024 and 2023:

	June 30,	
	2024	2023
Financial assets at year-end:		
Cash and cash equivalents and restricted cash	\$ 1,987,868	\$ 2,886,093
Pledges receivable, net	443,953	746,469
Investments	4,661,411	2,308,952
	<u>7,093,232</u>	<u>5,941,514</u>
Less: amounts not available to be used within one year		
Cash with donor restrictions	715,872	1,285,126
Pledges receivable with donor restrictions	154,493	401,642
Quasi-endowment board-designated funds	1,186,798	1,125,885
Investments with donor restrictions	1,141,933	1,088,911
	<u>3,894,136</u>	<u>2,039,950</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,894,136</u>	<u>\$ 2,039,950</u>

As part of Hillel's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Hillel maintains cash without donor restrictions, which account for 4.49% and 6.46% of total assets for the fiscal years ended June 30, 2024 and 2023, respectively, to help manage unanticipated liquidity needs. At the Board's discretion, distributions may be made from the quasi-endowment to help manage unanticipated liquidity needs, but it is Hillel's intent to retain the quasi-endowment.

NOTE D - ANALYSIS OF INVESTMENTS AND NET INVESTMENT RETURN

Hillel maintains its investments at the JCF. The funds held at the JCF are invested in two investment pools, the Endowment Pool and the Long-Term Index Pool. The Endowment Pool invests in domestic and international equities, fixed income, real assets, and alternative investments consisting of commodities and hedge funds of funds. The Long-Term Index Pool invests in equity and fixed income securities. Hillel's investments as of June 30, 2024 and 2023 total \$4,661,411 and \$2,308,952, respectively.

HILLEL OF SAN DIEGO

Notes to Financial Statements June 30, 2024 and 2023

NOTE D - ANALYSIS OF INVESTMENTS AND NET INVESTMENT RETURN (CONTINUED)

Net investment return is classified as follows for the fiscal years ended June 30, 2024 and 2023:

	Year Ended June 30,	
	2024	2023
Interest and dividends	\$ 174,623	\$ 72,886
Net realized gain on sale of investments	31,064	14,195
Net unrealized gain on investments	310,886	120,330
Investment fees	(16,229)	(13,723)
Total net investment income	<u>\$ 500,344</u>	<u>\$ 193,688</u>

NOTE E - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The provisions of FASB ASC 820 establish a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that observable inputs be used when available.

The three-level hierarchy for fair value measurements is defined as follows:

Level 1 - quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - observable market-based inputs or unobservable inputs that are corroborated by market data. May include quoted prices in a market that is not active.

Level 3 - unobservable inputs that cannot be corroborated by market data. These inputs reflect management's best estimate of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Hillel's statements of financial position include the following financial instruments that are required to be measured at fair value on a recurring basis. Investments held at JCF in the investment pool are considered Level 3 assets and are reported at fair value based on the fair value of the underlying assets in the funds as reported by the fund manager, JCF.

The availability of market data is monitored by Hillel to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

HILLEL OF SAN DIEGO

Notes to Financial Statements
June 30, 2024 and 2023

NOTE E - FAIR VALUE MEASUREMENTS (CONTINUED)

The following are summaries of Hillel's assets measured at fair value within the fair value hierarchy as of June 30, 2024 and 2023:

Assets at Fair Value as of June 30, 2024

Description	Unadjusted Quoted Prices (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Balance as of June 30, 2024
Investments:				
JCF endowment pool	\$ -	\$ -	\$ 3,608,149	\$ 3,608,149
JCF long-term index pool	-	-	1,053,262	1,053,262
Total	\$ -	\$ -	\$ 4,661,411	\$ 4,661,411

Assets at Fair Value as of June 30, 2023

Description	Unadjusted Quoted Prices (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Balance as of June 30, 2023
Investments:				
JCF endowment pool	\$ -	\$ -	\$ 2,308,952	\$ 2,308,952
Total	\$ -	\$ -	\$ 2,308,952	\$ 2,308,952

For the fiscal years ended June 30, 2024 and 2023, purchases of Level 3 investments were \$2,121,236 and \$65,943, respectively. There were no transfers of Level 3 assets.

NOTE F - PLEDGES RECEIVABLE, NET

Pledges receivable are valued at the net present value of expected future cash inflows which approximates fair value. In accordance with FASB ASC 820, *Fair Value Measurement*, pledges receivable due in less than one year are considered short term and not discounted for present value purposes. Pledges receivable due in greater than one year are discounted using the applicable discount rate.

Pledges receivable, net of discount and reserve for uncollectible pledges, consisted of the following at June 30, 2024 and 2023:

Description	June 30,	
	2024	2023
Receivables due in less than one year	\$ 380,661	\$ 655,283
Receivables due in more than one year	114,800	185,000
Less: discount on pledges receivable	(13,152)	(15,014)
Less: reserve for uncollectible pledges	(38,356)	(78,800)
Pledges receivable, net	\$ 443,953	\$ 746,469

HILLEL OF SAN DIEGO

**Notes to Financial Statements
June 30, 2024 and 2023**

NOTE F - PLEDGES RECEIVABLE, NET (CONTINUED)

The following future expected payments on pledges receivable due over the next five as of June 30, 2024 and 2023 is as follows:

<u>Fiscal Years Ended June 30,</u>	<u>Year Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
2024	\$ -	\$ 576,483
2025	309,161	55,000
2026	81,200	80,000
2027	11,200	50,000
2028	11,200	-
2029	11,200	-
Thereafter	33,144	-
	<hr/>	<hr/>
Total	457,105	761,483
Less: discount on pledges receivable	(13,152)	(15,014)
Pledges receivable, net	443,953	746,469
Less: current portion of pledges receivable	(309,161)	(576,483)
	<hr/>	<hr/>
Receivables due in more than one year	\$ 134,792	\$ 169,986
	<hr/> <hr/>	<hr/> <hr/>

The reserve for uncollectible pledges receivable is recognized on the allowance method based on historical experience and management's evaluation of outstanding pledges receivable. The reserve for uncollectible pledges receivable and recoveries and provisions for uncollectible pledges consisted of the following as of and for the fiscal years ended June 30, 2024 and 2023:

	<u>Year Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Reserve at beginning of year	\$ (78,800)	(182,000)
Less: write-offs of receivables against reserve	-	-
Decrease in provision for uncollectible pledges	40,444	103,200
	<hr/>	<hr/>
Reserve at end of year	\$ (38,356)	\$ (78,800)
	<hr/> <hr/>	<hr/> <hr/>

HILLEL OF SAN DIEGO

Notes to Financial Statements June 30, 2024 and 2023

NOTE G - PROPERTY AND EQUIPMENT, NET

Property and equipment, net of accumulated depreciation, consisted of the following at June 30, 2024 and 2023:

<u>Description</u>	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Buildings	\$ 17,605,282	\$ 17,554,479
Land	2,098,378	2,098,378
Furniture, fixtures and equipment	980,666	880,627
Vehicles	24,522	24,522
	<u>20,708,848</u>	20,558,006
Less: accumulated depreciation	<u>(2,234,385)</u>	<u>(1,723,246)</u>
Total property and equipment, net	<u>\$ 18,474,463</u>	<u>\$ 18,834,760</u>

Depreciation expense was \$511,139 and \$324,489 for the fiscal years ended June 30, 2024 and 2023, respectively.

NOTE H - OPERATING LEASE

Hillel leases office equipment under an operating lease. The lease is non-interest bearing and matures in April 2025. In accordance with FASB ASC 842, Hillel recognizes a ROU asset and lease liability in the statements of financial position related to the operating lease. The liabilities under operating leases are recorded at the present value of the minimum lease payments. Lease expense relating to operating leases, consisting of ROU asset amortization and lease liability interest, is included in Office on the accompanying statements of functional expenses.

The following maturity analysis of the annual undiscounted cash flows of the operating lease liability as of June 30, 2024 and 2023 is as follows:

<u>Fiscal Years Ended June 30,</u>	<u>Year Ended</u> <u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
2024	\$ -	\$ 3,552
2025	2,664	2,664
	<u>2,664</u>	6,216
Less: amount representing interest	<u>(8)</u>	<u>(39)</u>
Present value of minimum lease payments	2,656	6,177
Less: current portion of operating lease	<u>(2,656)</u>	<u>(3,552)</u>
Operating lease liability, noncurrent portion	<u>\$ -</u>	<u>\$ 2,625</u>

HILLEL OF SAN DIEGO

Notes to Financial Statements June 30, 2024 and 2023

NOTE H - OPERATING LEASE (CONTINUED)

Total operating lease costs totaled \$3,631 for the years ended June 30, 2024 and 2023, respectively. Cash paid for the operating lease totaled \$3,552 for the years ended June 30, 2024 and 2023, respectively. The weighted average remaining lease term is .75 years and 1.75 years, respectively, and the weighted average discount rate is .68% at June 30, 2024 and 2023.

NOTE I - EMPLOYEE BENEFIT PLAN

Hillel offers employees who have completed two years of service the opportunity to participate in a retirement 403(b) plan. Employees may contribute to the plan up to the maximum amount allowed by the Code. Hillel matches up to 4% of employee contributions. Employees who contribute 2% or more of their salary to the retirement plan will receive an additional employer contribution of 1% of their salary. Hillel contributed \$24,889 and \$21,146 to the plan for the fiscal years ended June 30, 2024 and 2023, respectively.

NOTE J - NET ASSETS

Net assets without donor restrictions at June 30, 2024 and 2023 are as follows:

	June 30,	
	2024	2023
Board restricted - quasi-endowment	\$ 1,186,798	\$ 1,125,885
Undesignated	22,113,850	20,676,387
Total net assets without donor restrictions	<u>\$ 23,300,648</u>	<u>\$ 21,802,272</u>

Net assets with donor restrictions at June 30, 2024 and 2023 are as follows:

	June 30,	
	2024	2023
Capital campaign	\$ 627,047	\$ 1,593,167
Program services	243,319	93,601
Funds held at JCF subject to spending policy and appropriation	1,141,933	1,088,911
Total net assets with donor restrictions	<u>\$ 2,012,299</u>	<u>\$ 2,775,679</u>

Net assets released from net assets with donor restrictions during the fiscal years ended June 30, 2024 and 2023 are as follows:

	June 30,	
	2024	2023
Capital campaign	\$ 1,601,244	\$ 6,098,012
Program services	749,990	649,264
Funds held at JCF subject to spending policy and appropriation	57,520	56,964
Total net assets released from donor restrictions	<u>\$ 2,408,754</u>	<u>\$ 6,804,240</u>

HILLEL OF SAN DIEGO

Notes to Financial Statements June 30, 2024 and 2023

NOTE K - ENDOWMENT NET ASSETS

As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions. Hillel's endowment consists of three individual funds with such restrictions.

Hillel has interpreted the enacted version of the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Hillel classifies as net assets with donor restrictions (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts donated to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by Hillel in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

1. The duration and preservation of the fund,
2. The purpose of Hillel and the donor-restricted endowment fund,
3. General economic conditions,
4. The possible effect of inflation and deflation,
5. The expected total return from income and the appreciation of investments,
6. Other resources of Hillel, and
7. The investment policies of Hillel.

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires Hillel to retain as a fund of perpetual duration. There were no deficiencies of this nature identified as of June 30, 2024 and 2023.

Hillel has adopted investment and spending policies for endowment funds that:

1. Protect the invested asset,
2. Preserve spending capacity of the fund income,
3. Maintain a diversified portfolio of assets that meet investment return objectives while keeping risk at a minimal level, and
4. Comply with applicable laws.

Hillel's endowment funds are invested at JCF in the Endowment Pool, which is structured for long-term total return.

Hillel expects its endowment funds over time to provide an average rate of return of approximately 5% annually.

Hillel has a policy of appropriating for distribution each fiscal year an amount up to 5% of the fair value on March 31 to be applied to the following fiscal year's operating budget; however, disbursements shall be limited to the extent it would reduce the fund balances below the amounts required to be held in perpetuity. Actual returns in any given year may vary from this amount. During the fiscal years ended June 30, 2024 and 2023, \$57,520 and \$56,964, respectively, was distributed from the endowment fund balances.

Hillel's Board voted to earmark a portion of net assets without donor restrictions as a board-designated quasi-endowment. The earmarked funds are to be invested with earnings available for unrestricted use by Hillel.

The Board can elect to end its restriction on these assets and remove the assets from the quasi-endowment at any time it chooses. The Board performs an annual analysis of its designated assets in comparison to the assets available for designation to determine if restrictions should be amended.

HILLEL OF SAN DIEGO

**Notes to Financial Statements
June 30, 2024 and 2023**

NOTE K - ENDOWMENT NET ASSETS (CONTINUED)

During the fiscal years ended June 30, 2024 and 2023, the Board released \$53,375 and \$54,408, respectively, from the quasi-endowment to operations.

Endowment composition by type of fund as of June 30, 2024 and 2023:

	June 30,	
	2024	2023
Board restricted - quasi-endowment	\$ 1,186,798	\$ 1,125,885
Donor-restricted endowment funds	1,141,933	1,088,911
Total endowment net assets	\$ 2,328,731	\$ 2,214,796

Changes in endowment net assets at June 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at June 30, 2023	\$ 1,125,885	\$ 1,088,911	\$ 2,214,796
Investment return:			
Interest and dividends	22,531	21,790	44,321
Net realized gains	6,881	18,069	24,950
Net unrealized gains	90,777	76,392	167,169
Investment expenses	(5,901)	(5,709)	(11,610)
Total net investment gain	114,288	110,542	224,830
Transfers:			
Board-designated transfers	(53,375)	-	(53,375)
Appropriation of endowment net assets	-	(57,520)	(57,520)
Endowment net assets at June 30, 2024	\$ 1,186,798	\$ 1,141,933	\$ 2,328,731

HILLEL OF SAN DIEGO

Notes to Financial Statements June 30, 2024 and 2023

NOTE K - ENDOWMENT NET ASSETS (CONTINUED)

Changes in endowment net assets at June 30, 2023 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets at June 30, 2022	\$ 1,098,406	\$ 1,066,495	\$ 2,164,901
Investment return:			
Interest and dividends	22,201	21,553	43,754
Net realized gains	880	13,183	14,063
Net unrealized gains	65,627	51,265	116,892
Investment expenses	(6,821)	(6,621)	(13,442)
Total net investment gain	<u>81,887</u>	<u>79,380</u>	<u>161,267</u>
Transfers:			
Board-designated transfers	(54,408)	-	(54,408)
Appropriation of endowment net assets	<u>-</u>	<u>(56,964)</u>	<u>(56,964)</u>
Endowment net assets at June 30, 2023	<u><u>\$ 1,125,885</u></u>	<u><u>\$ 1,088,911</u></u>	<u><u>\$ 2,214,796</u></u>

NOTE L - EMPLOYEE RETENTION TAX CREDIT

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides an Employee Retention Tax Credit ("ERTC"), which is a refundable tax credit against certain employment taxes, subject to certain criteria. Hillel was eligible for the ERTC and claimed \$0 and \$56,053 for the fiscal years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, no amounts were outstanding.

NOTE M - RELATED PARTY TRANSACTIONS

During the fiscal years ended June 30, 2024 and 2023, pledges totaling \$155,766 and \$144,101 were recognized from twenty-one and thirty Board members, respectively. Pledges receivable from Board members totaled \$139,233 and \$233,566 as of June 30, 2024 and 2023, respectively, and consist of balances from nine Board members.

NOTE N - RISKS AND UNCERTAINTIES

Hillel invests in an investment pool which is exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with the investment pool, it is at least reasonably possible that changes in the value of the investment pool will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

Hillel maintains its cash balance at three financial institutions which are secured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2024 and 2023, there were no uninsured cash balances. Hillel has not historically experienced any losses in these accounts.

NOTE O - SUBSEQUENT EVENTS

Hillel has evaluated subsequent events through January 29, 2025, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

HILLEL OF SAN DIEGO

Supplemental Schedule Maccabee Task Force Grant Schedule

Below is the detail of all Maccabee Task Force (“MTF”) transactions related to the grant for the fiscal year ended June 30, 2024.

MTF grant income for the fiscal year ended June 30, 2024:

MTF Grant	\$	264,000.00
MTFLI		10,000
Microgrant		3,500
	<u>\$</u>	<u>277,500.00</u>

MTF grant funds released from restrictions during the fiscal year ended June 30, 2024:

MTF Grant	\$	149,611.54
MTFLI		1,964.92
Microgrant		3,500.00
	<u>\$</u>	<u>155,076.46</u>

Unexpended restricted grant funds due to MTF at June 30, 2024:

MTF Grant	\$	114,388.46
MTFLI		8,035.08
	<u>\$</u>	<u>122,423.54</u>

MTF grant funds released from restrictions from July 1, 2024 to August 31, 2024:

Date	Payee	Purpose	Amount
07/01/2024	Real Israel Tours	Reimbursement	\$ (196.56)
08/23/2024	Real Israel Tours	International Payment Fees	20.00
08/23/2024	Real Israel Tours	SDSU MTF Deposit	5,000.00
08/29/2024	Or Amrani	Food for Fact Finders Reunion	236.41
08/29/2024	Or Amrani	Venue for Fact Finders Reunion	342.13
08/29/2024	Or Amrani	Reunion	108.49
08/29/2024	Or Amrani	Food for Fact Finders Reunion	223.31
08/29/2024	Or Amrani	Reunion	45.45
08/30/2024	Chiefly Cafe	Recruitment Meal	15.37
07/23/2024	Real Israel Tours	International Payment Fees	20.00
07/23/2024	Real Israel Tours	UCSD MTF Trip 2nd Deposit	69,120.00
Total MTF grant funds released from restrictions from July 1, 2024 to August 31, 2024			<u>\$ 74,934.60</u>

Total MTF grant funds released by August 31, 2024:

MTF Grant	\$	224,546.14
MTFLI		1,964.92
Microgrant		3,500.00
	<u>\$</u>	<u>230,011.06</u>

Unexpended restricted grant funds due to MTF at August 31, 2024:

MTF Grant	\$	39,453.86
MTFLI		8,035.08
	<u>\$</u>	<u>47,488.94</u>