

**Tanenbaum Center for
Interreligious Understanding**

Audited Financial Statements

December 31, 2023

Tanenbaum Center for Interreligious Understanding

Audited Financial Statements

December 31, 2023

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Independent Auditor's Report

Board of Directors
Tanenbaum Center for Interreligious Understanding

Opinion

We have audited the accompanying financial statements of Tanenbaum Center for Interreligious Understanding (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities, functional expenses, and cash flows for the year 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 Organization as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 14, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects with the audited financial statements from which they were derived.

Sax CPAs LLP

New York, NY
June 17, 2024

Tanenbaum Center for Interreligious Understanding

Statement of Financial Position

As of December 31, 2023
(With comparative totals as of December 31, 2022)

	December 31,	
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 441,827	\$ 170,211
Investments	3,178,577	3,057,282
Pledges receivable	322,584	290,500
Other receivables	83,398	24,739
Prepaid expenses and other assets, current portion	32,165	53,414
Total current assets	4,058,551	3,596,146
LONG TERM ASSETS		
Pledges receivable for future programs and time periods	-	150,000
Security deposits	-	26,961
Property and equipment	20,990	26,655
Pledges receivable, net restricted for endowment	373,626	358,395
Investments restricted for endowment	135,455	116,698
Total long term assets	530,071	678,709
TOTAL ASSETS	\$ 4,588,622	\$ 4,274,855
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 90,252	\$ 120,600
Deferred revenue, current portion	53,542	327,292
Total current liabilities	143,794	447,892
LONG TERM LIABILITIES		
Deferred revenue, net of current portion	347,583	10,833
Total long term liabilities	347,583	10,833
Total liabilities	491,377	458,725
NET ASSETS		
Without donor restrictions	2,912,266	2,757,516
With donor restrictions		
For future programs and time periods	675,898	583,521
Donor restricted endowment	509,081	475,093
Total net assets with donor restrictions	1,184,979	1,058,614
Total net assets	4,097,245	3,816,130
TOTAL LIABILITIES AND NET ASSETS	\$ 4,588,622	\$ 4,274,855

The attached notes and auditor's report are an integral part of these financial statements.

Tanenbaum Center for Interreligious Understanding

Statement of Activities

For the Year Ended of December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions		Total With Donor Restrictions	Total 12/31/23	Total 12/31/22
		Programs and Time	Endowment			
REVENUE AND SUPPORT						
Contributions	\$ 224,547	\$ 492,388	\$ 15,231	\$ 507,619	\$ 732,166	\$ 983,847
Employee Retention Tax Credit ("ERTC")	282,718	-	-	-	282,718	-
Donated services	133,642	-	-	-	133,642	53,135
Special event income (net of expenses with a direct benefit to donor)	367,207	-	-	-	367,207	549,505
Corporate fees	761,667	-	-	-	761,667	677,363
Program fees and other income	280,730	-	-	-	280,730	158,794
Investment return, net of fee	270,598	-	18,757	18,757	289,355	(410,310)
Net assets released from restrictions	400,011	(400,011)	-	(400,011)	-	-
Total revenue and support	2,721,120	92,377	33,988	126,365	2,847,485	2,012,334
EXPENSES						
Program services:	1,825,796	-	-	-	1,825,796	1,659,185
Supporting services:						
Management and general	307,157	-	-	-	307,157	326,872
Fundraising	433,417	-	-	-	433,417	496,077
Total supporting services	740,574	-	-	-	740,574	822,949
Total expenses	2,566,370	-	-	-	2,566,370	2,482,134
Change in net assets	154,750	92,377	33,988	126,365	281,115	(469,800)
NET ASSETS, beginning of year	2,757,516	583,521	475,093	1,058,614	3,816,130	4,285,930
NET ASSETS, end of year	\$ 2,912,266	\$ 675,898	\$ 509,081	\$ 1,184,979	\$ 4,097,245	\$ 3,816,130

The attached notes and auditor's report are an integral part of these financial statements.

Tanenbaum Center for Interreligious Understanding

Statement of Functional Expenses

For the Year Ended of December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	Supporting Services			Total Supporting Services	Total Expenses 12/31/23	Total Expenses 12/31/22
	Program Services	Management and General	Fundraising			
Salaries	\$ 1,300,539	\$ 76,943	\$ 300,626	\$ 377,569	\$ 1,678,108	\$ 1,490,404
Payroll taxes and benefits	161,417	9,550	37,313	46,863	208,280	205,980
Total salaries and related costs	<u>1,461,956</u>	<u>86,493</u>	<u>337,939</u>	<u>424,432</u>	<u>1,886,388</u>	<u>1,696,384</u>
Professional fees	89,242	139,906	63,601	203,507	292,749	297,016
Donated services	88,422	39,084	6,136	45,220	133,642	53,135
Occupancy	11,647	1,060	2,930	3,990	15,637	126,636
Supplies	7,866	622	1,719	2,341	10,207	13,460
Printing and reproduction	26,384	1,516	64	1,580	27,964	17,480
Postage and mailing	1,281	2,562	-	2,562	3,843	5,769
Events	23,406	5,595	166,719	172,314	195,720	156,506
Telephone	53,473	3,156	8,728	11,884	65,357	68,496
Travel	34,631	3,046	4,600	7,646	42,277	34,053
Equipment and rental	-	-	-	-	-	13,746
Insurance	11,525	1,049	2,900	3,949	15,474	13,909
Dues and subscriptions	5,554	1,283	329	1,612	7,166	3,497
Depreciation	-	5,665	-	5,665	5,665	4,750
Bad debt expense	-	-	-	-	-	3,000
Other	10,409	16,120	2,538	18,658	29,067	30,941
Total expenses	<u>1,825,796</u>	<u>307,157</u>	<u>598,203</u>	<u>905,360</u>	<u>2,731,156</u>	<u>2,538,778</u>
Less: direct special event expenses netted with revenue	<u>-</u>	<u>-</u>	<u>(164,786)</u>	<u>(164,786)</u>	<u>(164,786)</u>	<u>(56,644)</u>
Total expenses	<u>\$ 1,825,796</u>	<u>\$ 307,157</u>	<u>\$ 433,417</u>	<u>\$ 740,574</u>	<u>\$ 2,566,370</u>	<u>\$ 2,482,134</u>

The attached notes and auditor's report are an integral part of these financial statements.

Tanenbaum Center for Interreligious Understanding

Statement of Cash Flows

For the Year Ended of December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	Years Ended Dec 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 281,115	\$ (469,800)
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities		
Depreciation	5,665	4,750
Bad debt expense	-	3,000
Realized and unrealized (gain)/loss on investments	(214,712)	492,898
Changes in assets and liabilities		
Pledges receivable	341,871	(387,376)
Other receivables	(297,845)	65,821
Prepaid expenses and other assets	21,249	71,003
Security deposits	26,961	-
Accounts payable and accrued expenses	(30,348)	62,491
Deferred rent	-	(8,005)
Deferred revenue	63,000	76,708
Total adjustments	(84,159)	381,290
Net cash provided by/(used for) operating activities	196,956	(88,510)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(952,811)	(1,265,382)
Sale of investments	1,027,471	1,426,171
Purchase of fixed assets	-	(11,988)
Net cash provided by investing activities	74,660	148,801
Net increase in cash and cash equivalents	271,616	60,291
CASH AND CASH EQUIVALENTS - <i>beginning of year</i>	170,211	109,920
CASH AND CASH EQUIVALENTS - <i>end of year</i>	\$ 441,827	\$ 170,211
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest and taxes	\$ -	\$ -

The attached notes and auditor's report are an integral part of these financial statements.

Tanenbaum Center for Interreligious Understanding

Notes to Financial Statements

December 31, 2023

Note 1 - Organization

The Tanenbaum Center for Interreligious Understanding (alternatively, “Tanenbaum” and the “Organization”) is an international not-for-profit that promotes justice and builds respect for religious difference. By raising awareness, building knowledge, and implementing strategies that reduce prejudice, hate and violence by individuals and in institutions, Tanenbaum promotes long-term change in schools, workplaces, health care settings and areas of armed conflict. The Organization’s primary sources of revenue are contributions, special event income and corporate fees.

For over 30 years, Tanenbaum has provided innovative resources and prepared educators to teach about religious differences and combat bullying, helped medical professionals develop skills to care for religiously diverse patients and prevent disparities in care, created inclusive work environments in some of the world’s largest companies to counter religious harassment, and supported a network of courageous Peacemakers in the world’s most contentious conflict zones while encouraging diplomats to recognize their value as partners in peacebuilding.

The Education program counters bullying and religious conflicts in schools by training teachers to run inclusive learning environments where young people learn to debunk stereotypes and practice respectful listening. By providing teachers with Tanenbaum’s pedagogy and curricular materials, the Organization helps teachers prepare students to put respect into practice and utilize concrete skills in conflict resolution. Over 90% of the teachers trained in Tanenbaum’s pedagogy and using its curricula, report that their students learn to debunk stereotypes. In 2015, Tanenbaum added a new public education initiative called Combating Extremism, which provides data, inspirational content and easily accessible materials for adults and students to critically assess and counter hatemongering, stereotyping and the increasing divisions in our global society.

The Workplace program engages business leaders, global employers, managers, and DEI and human resources professionals to counter harassment and discrimination. Through trainings and materials on how to effectively work with a global and increasingly religiously diverse workforce and customer base, companies improve the bottom line and become more productive and inclusive environments for their national and global workforces.

The Health Care program builds health care providers’ capacity for offering religiously competent health care and thereby preventing disparities in treatment. Tanenbaum invests in the future of health care with targeted trainings, e-learning and by disseminating curriculum to medical schools, residency programs, and nursing schools to prepare the next generation of medical providers for an increasingly religiously diverse patient population.

The Peacebuilding program identifies and coordinates a Peacemakers’ Network of religiously motivated peacemakers worldwide, who support and cooperate with each other to counter violence and war. Tanenbaum also studies and documents their work through publications so that their specialized techniques can be shared and replicated by others. In addition, we help diplomats become familiar with Peacemaker efforts and begin to identify ways to work with them in overcoming conflict and building stable, peaceful societies. Over the long-term, this program is advancing the recognition and institutionalization of the vocation of religious peacemaking.

The Interreligious Affairs program informs our other programs (Workplace, Health Care, Education, and Peacebuilding) by furthering the work of our namesake, Rabbi Marc H. Tanenbaum – to build a safer, more equitable world for people of all belief systems.

Tanenbaum Center for Interreligious Understanding

Notes to Financial Statements

December 31, 2023

Note 2 - Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

b. Recently Adopted Accounting Pronouncements

Allowance for Credit Losses

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (“ASC”) 326 which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren’t measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 are membership dues receivable.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

c. Basis of Presentation

The financial statements are presented in accordance with the provisions of FASB ASC 958 Presentation of Financial Statement of Not-For-Profit Entities. FASB ASC 958 requires the Organization to report information regarding its financial position and activities according to the following specific classes of net assets. The Organization reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets without Donor Restrictions* - represents those resources for which there are no restrictions by donors as to their use.
- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

d. Revenue Recognition

The Organization follows the requirements of the FASB ASC 958-605 for recording contributions, which are recorded at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified without donor restrictions.

Tanenbaum Center for Interreligious Understanding

Notes to Financial Statements

December 31, 2023

Note 2 - Significant Accounting Policies - Continued

d. Revenue Recognition - Continued

Contributions may be subject to conditions, which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques.

Special event revenue is comprised of payments received from third parties to support and/or attend fundraising events. Special event revenue includes an exchange transaction component for the value of the goods or services rendered, which follows revenue recognition guidance under FASB ASC 606. The amount paid by third parties that is above the value of the goods or services is considered a contribution. Revenue is recognized at the time the fundraising event occurs.

The Organization follows the requirements of FASB ASC 606 for recognizing revenue from contracts with customers. The Organization offers a corporate membership program for companies and provides training and consultation services that fall under the scope of FASB ASC 606. Corporate fees are recognized as the performance obligation is satisfied over the term of the membership period. For training and consultation services, the performance obligation is considered to be met when the services are performed. Fees received in advance of performing services are recorded as deferred income and will be recognized as income in the period earned.

Management assesses the collectability of all outstanding receivables based upon historical trends and experience with donors. The Organization did not have any allowance as of December 31, 2023 and 2022.

e. Cash and Cash Equivalents

All highly liquid investments purchased with a maturity of three months or less are considered to be cash and cash equivalents, other than those held in an investment portfolio.

f. Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to a concentration of credit risk consist of cash, money market accounts and investment securities that have been placed with financial institutions that management deems to be creditworthy. While balances may occasionally exceed federally insured limits, the Organization has not experienced any losses in any of those accounts due to bank failure.

g. Investments

Investments are recorded at fair value, which is defined as the price that would be received when selling an asset in an orderly transaction between market participants at the measurement date. Unrealized gains and losses are included in the statement of activities.

Tanenbaum Center for Interreligious Understanding

Notes to Financial Statements

December 31, 2023

Note 2 - Significant Accounting Policies - Continued

h. Capitalization Policies

Items of property and equipment that exceed pre-determined amounts and that have a useful life of greater than one year are recorded at cost or at fair value on the date of gift, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Office equipment - 3 to 5 years

Furniture and fixtures - 5 years

Leasehold improvements - *Life of lease or assets, whichever is shorter*

i. In-kind Contributions

Donated services are recognized in circumstances when they create or enhance non-financial assets or where those services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

Board members and other individuals volunteer their time and perform a variety of services that assist the Organization. Other than services that involve specific professional skills, these volunteer activities do not meet the criteria to be recorded and have not been included in the financial statements.

j. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

k. Functional Allocation of Expenses

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

Expense	Method of Allocation
Salaries	Time and effort
Payroll taxes and employee benefits	Time and effort
Professional fees	Time and effort
Occupancy	Time and effort
Supplies	Time and effort
Telephone	Time and effort
Equipment and rental	Time and effort
Insurance	Time and effort
Dues and subscriptions	Time and effort
Other	Time and effort

All other expenses have been charged directly to the applicable program or supporting services.

Tanenbaum Center for Interreligious Understanding

Notes to Financial Statements

December 31, 2023

Note 2 - Significant Accounting Policies - Continued

l. Advertising Costs

Advertising costs are expensed as incurred.

m. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

n. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2020 and later are subject to examination by applicable taxing authorities.

Note 3 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. following summarizes investments at year-end:

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted is quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Tanenbaum Center for Interreligious Understanding

Notes to Financial Statements

December 31, 2023

Note 3 - Investments - Continued

The following summarizes the composition of investments, which have all been determined to be Level 1 investments:

	December 31,	
	2023	2022
Cash	\$ 243,830	\$ 199,472
Exchange-traded funds	220,352	178,056
US Treasuries	823,388	610,890
Mutual funds - equity funds	735,977	827,178
Mutual funds - bond funds	1,290,485	1,358,384
Total	<u>\$ 3,314,032</u>	<u>\$ 3,173,980</u>
Investments	\$ 3,178,577	\$ 3,057,282
Investments restricted for endowment	135,455	116,698
Total	<u>\$ 3,314,032</u>	<u>\$ 3,173,980</u>

Level 1 securities are valued at the closing price reported on the active market they are traded on.

The following summarizes investment return:

	December 31,	
	2023	2022
Interest and dividends	\$ 77,826	\$ 86,113
Realized and unrealized gain/(loss)	214,712	(492,898)
Investment fees	(3,183)	(3,525)
Total investment return	<u>\$ 289,355</u>	<u>\$ (410,310)</u>

Note 4 - Pledges Receivable

Pledges receivable, net of the present value of future cash flows, are due in the following periods:

	December 31	
	2023	2022
Within 1 year	\$ 322,584	\$ 290,500
2 to 5 years	-	150,000
Greater than 5 years	500,000	500,000
Total pledges	<u>822,584</u>	<u>940,500</u>
Less: discount to fair value at 4.25%	<u>(126,374)</u>	<u>(141,605)</u>
Pledges receivable, net	<u>\$ 696,210</u>	<u>\$ 798,895</u>

Tanenbaum Center for Interreligious Understanding

Notes to Financial Statements

December 31, 2023

Note 4 - Pledges Receivable - Continued

Pledges receivable are for the following purposes:

	December 31	
	2023	2022
Short term pledges for operations	\$ 322,584	\$ 290,500
Long term pledges for operations	-	150,000
Pledges for endowment	373,626	358,395
Total	<u>\$ 696,210</u>	<u>\$ 798,895</u>

Note 5 - Property and Equipment

Property and equipment consist of the following:

	December 31	
	2023	2022
Computers	\$ 154,340	\$ 154,340
Furniture and equipment	130,523	130,523
Leasehold improvements	46,419	46,419
	<u>331,282</u>	<u>331,282</u>
Less: accumulated depreciation	(310,292)	(304,627)
Total property and equipment, net	<u>\$ 20,990</u>	<u>\$ 26,655</u>

Note 6 - Net Assets with Donor Restrictions

The following summarizes net assets released from restrictions:

	December 31,	
	2023	2022
Program restricted:		
Conflict resolution	\$ 2,285	\$ -
Education	157,366	142,020
Health care	11,253	20,479
Communication	44,035	93,408
Other	30,072	6,297
Total program restricted	<u>245,011</u>	<u>262,204</u>
Restricted by time	155,000	43,032
Total program and time restricted	<u>\$ 400,011</u>	<u>\$ 305,236</u>

Tanenbaum Center for Interreligious Understanding

Notes to Financial Statements

December 31, 2023

Note 6 - Net Assets with Donor Restrictions - Continued

The following summarizes the nature of net assets with donor restrictions:

	December 31,	
	2023	2022
Program restricted:		
Conflict resolution	\$ 329,104	\$ -
Education	166,768	214,134
Health care	25,768	11,021
Communication	3,619	22,654
Other	673	30,746
Total program restricted	525,932	278,555
Restricted by time	149,966	304,966
Total program and time restricted	675,898	583,521
Donor restricted endowment:		
Endowment corpus	451,192	427,095
Endowment earnings	57,889	47,998
Total donor restricted endowment	509,081	475,093
Total	\$ 1,184,979	\$ 1,058,614

Note 7 - Endowment Funds

The Organization's endowment consists of restricted gifts. One of the restricted gifts is required to be held in perpetuity with the income restricted to the Peacebuilding program. The second gift is an outstanding pledge.

Interpretation of Relevant Law

The Organization follows New York Prudent Management of Institutional Funds Act ("NYPMIFA"), which the board of directors has interpreted as requiring certain amounts to be retained permanently. Absent explicit donor stipulations to the contrary, the Organization will preserve the fair value of the original gift as of the gift date for all donor-restricted endowment funds. However, under certain circumstances, the Organization has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA.

As a result of this interpretation, the Organization classifies as endowment corpus (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

One donor has encouraged the Organization to retain a specific investment. Increases and decreases in the reported value in net assets with donor restrictions related to the endowment corpus were affected by the change in value in those investments.

When endowment funds have earnings in excess of amounts that need to be retained as part of the corpus, their earnings are restricted until the board appropriates them for expenditures; therefore, they have been classified in the net asset class with donor restrictions.

Tanenbaum Center for Interreligious Understanding

Notes to Financial Statements

December 31, 2023

Note 7 - Endowment Funds - Continued

Spending Policies

In accordance with NYPMIFA, the Organization 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 purposes of the Organization 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 the Organization;
- (7) The investment policies of the Organization;
- (8) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization.

The following summarizes the changes in endowment net assets:

	December 31, 2023		
	Corpus	Earnings	Total
Endowment net assets, beginning of year	\$ 427,095	\$ 47,998	\$ 475,093
Adjustment to discount long term pledges	15,231	-	15,231
Realized and unrealized gain on investments	8,866	-	8,866
Interest and dividends	-	9,891	9,891
Endowment net assets, end of year	<u>\$ 451,192</u>	<u>\$ 57,889</u>	<u>\$ 509,081</u>
	December 31, 2022		
	Corpus	Earnings	Total
Endowment net assets, beginning of year	\$ 411,534	\$ 45,933	\$ 457,467
Adjustment to discount long term pledges	14,611	-	14,611
Realized and unrealized gain on investments	950	-	950
Interest and dividends	-	2,065	2,065
Endowment net assets, end of year	<u>\$ 427,095</u>	<u>\$ 47,998</u>	<u>\$ 475,093</u>

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Notes to Financial Statements

December 31, 2023

Note 7 - Endowment Funds - Continued

	December 31,	
	2023	2022
Pledges receivable, net restricted for endowment	\$ 373,626	\$ 358,395
Investments restricted for endowment	135,455	116,698
Total	<u>\$ 509,081</u>	<u>\$ 475,093</u>

Endowment Investment Policies

An investment policy for endowment assets has been adopted that is consistent with the investment policy of the Organization's investments without restrictions. The goal is to protect its endowment investment principal, while obtaining a reasonable and competitive return on its assets.

Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires to be retained as a fund of perpetual duration. There were no such deficiencies as of December 31, 2023 and 2022, respectively.

Note 8 - Donated Services

During the year ended December 31, 2023, the Organization received donated professional services valued at \$133,642, of which \$88,422 was allocated to program, \$39,084 was allocated to management and general, and \$6,136 was allocated to fundraising. During the year ended December 31, 2022, the Organization received donated professional services valued at \$53,135, of which \$26,965 was allocated to program, \$15,697 was allocated to management and general, and \$10,473 was allocated to fundraising.

	December 31,	
	2023	2022
Legal services	\$ 19,580	\$ 44,941
HR consulting services	38,666	6,710
Other professional services	75,396	1,484
Total donated professional services	<u>\$ 133,642</u>	<u>\$ 53,135</u>

One or more board members were employed at firms that provided donated professional services to the Organization that amounted to \$24,216 and \$46,425 for the years ended December 31, 2023 and 2022, respectively.

Professional services are valued at the estimated fair value based on current hourly rates for similar services in the same geographic region. The services are directly charged to the applicable program or supporting services.

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Notes to Financial Statements

December 31, 2023

Note 9 - Employee Retention Tax Credit

The Employee Retention Tax Credit ("ERTC") was established by the Coronavirus Aid, Relief, and Economic Security Act issued by Congress during 2020 and allows an employer to obtain fully refundable tax credits through their payroll tax filings for qualified wages paid after March 13, 2020 through September 30, 2021. To be eligible, an employer must incur payroll costs to retain employees and be adversely affected by the COVID-19 pandemic due to having operations suspended by a government order or demonstrating that they had a significant decline in gross receipts. During the year ended December 31, 2023, the Organization recognized revenue related to ERTC credits of \$282,718.

Note 10 - Special Event

	December 31,	
	2023	2022
Gross revenue	\$ 531,993	\$ 606,149
Less: expenses with a direct benefit to donor	(164,786)	(56,644)
	367,207	549,505
Less: other event expenses	(57,742)	(168,360)
Net event income	\$ 309,465	\$ 381,145

Note 11 - Retirement Plan

The Organization maintains a tax deferred 403(b) retirement plan on behalf of participating employees. All employees who satisfy service requirements may participate by designating a percentage of their salaries, subject to regulatory limits, to the plan on a pre-tax basis. Employees may make voluntary contributions up to the maximum amount allowed by the IRS. There were no employer contributions to the plan for the years ended December 31, 2023 and 2022.

Note 12 - Commitments

The Organization entered into a licensing agreement for office space that commenced on January 3, 2023 and expired on January 31, 2024. As the lease expired one month after the year-end, the right-of-use assets and lease liabilities amounted to \$0 as of December 31, 2023. For the year ended December 31, 2023, total operating lease cost was \$15,614. Cash paid for the operating lease for the year ended December 31, 2023 was \$15,614. There were no noncash investing and financing transactions related to leasing.

Subsequent to year-end, the Organization renewed the licensing agreement for office space from February 1, 2024 to January 31, 2025. Future minimum lease payments under this arrangement are \$16,665 and \$1,515 for the years ended December 31, 2024 and 2025, respectively.

Note 13 - Other Concentrations and Related Parties

Included in outstanding pledges receivable as of December 31, 2023 and 2022, respectively, is approximately \$370,000 and \$360,000 (net of discount) from two donors, a husband and wife, one of whom is an officer of the Organization. These balances represent 82% and 45% of net pledges receivable, respectively.

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Notes to Financial Statements

December 31, 2023

Note 14 - Availability and Liquidity

Financial assets at year-end:

Cash and cash equivalents	\$ 441,827	
Investments	3,178,577	
Pledges receivable	<u>322,584</u>	
Total short-term financial assets		\$ 3,942,988
Less amounts not available for general expenditures donor-imposed program restrictions		<u>(525,932)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$ 3,417,056</u>

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management plan, the Organization operates its programs within a board approved budget and relies on contributions and earned income to fund its operations and program activities.

The Organization's donor restricted endowment funds are held for long term purposes; therefore, these assets are not considered available for general expenditure until they are appropriated for spending.

Note 15 - Subsequent Events

Subsequent events have been evaluated through June 17, 2024, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.