

HANDWERGER, CARDEGNA, FUNKHOUSER & LURMAN, P.A.
Certified Public Accountants • Business Consultants

**INSTITUTE FOR ISLAMIC, CHRISTIAN,
AND JEWISH STUDIES, INC.**

AUDITED FINANCIAL STATEMENTS

Years Ended June 30, 2023 and 2022



INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

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To the Board of Trustees
Institute for Islamic, Christian, and Jewish Studies, Inc.
Baltimore, Maryland

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Institute for Islamic, Christian, and Jewish Studies, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, 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. 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 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 these 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 generally accepted auditing standards 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.

To the Board of Trustees
Institute for Islamic, Christian, and Jewish Studies, Inc.
Baltimore, Maryland

In performing our audit in accordance with generally accepted auditing standards, 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.

Handwerger, Cardegna, Funkhouser & Lurman, P.A.

Handwerger, Cardegna, Funkhouser & Lurman, P.A.
Timonium, Maryland
November 17, 2023

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Statements of Financial Position
June 30, 2023 and 2022

	<u>ASSETS</u>	
	<u>2023</u>	<u>2022</u>
Current Assets		
Cash and cash equivalents	\$ 510,946	\$ 859,375
Grants receivable	8,706	-
Pledges receivable, net	195,000	273,261
Prepaid expenses	8,279	7,713
Total Current Assets	<u>722,931</u>	<u>1,140,349</u>
Property and Equipment	2,413,901	2,360,142
Less accumulated depreciation	<u>909,699</u>	<u>847,783</u>
Property and Equipment, Net	<u>1,504,202</u>	<u>1,512,359</u>
Other Assets		
Cash and cash equivalents	612,995	559,096
Pledges receivable, net	286,362	460,266
Long-term investments	<u>22,271,908</u>	<u>20,429,616</u>
Total Other Assets	<u>23,171,265</u>	<u>21,448,978</u>
Total Assets	<u>\$ 25,398,398</u>	<u>\$ 24,101,686</u>
	<u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities		
Accounts payable	\$ 62,823	\$ 16,817
Accrued expenses	38,551	33,676
Deferred income	<u>20,000</u>	<u>39,000</u>
Total Current Liabilities	<u>121,374</u>	<u>89,493</u>
Net Assets		
Without Donor Restrictions		
Undesignated	427,231	808,890
Designated - working capital reserve	612,995	559,096
Designated - endowments	13,323,023	12,324,877
Invested in property and equipment	<u>1,504,202</u>	<u>1,512,359</u>
Total Net Assets Without Donor Restrictions	<u>15,867,451</u>	<u>15,205,222</u>
With Donor Restrictions		
Specific projects	33,706	143,263
Endowments	<u>9,375,867</u>	<u>8,663,708</u>
Total Net Assets with Donor Restrictions	<u>9,409,573</u>	<u>8,806,971</u>
Total Net Assets	<u>25,277,024</u>	<u>24,012,193</u>
Total Liabilities and Net Assets	<u>\$ 25,398,398</u>	<u>\$ 24,101,686</u>

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

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Statement of Activities
Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues			
Contributions and grants	\$ 386,617	\$ 107,706	\$ 494,323
In-kind donations	386	-	386
Speaker and writer fees	9,950	-	9,950
	<u>396,953</u>	<u>107,706</u>	<u>504,659</u>
Net Investment Return (See Note F)	1,547,249	1,102,494	2,649,743
Net Assets Released from Restrictions			
Satisfied by payments	<u>607,598</u>	<u>(607,598)</u>	<u>-</u>
Total Support and Revenues	<u>2,551,800</u>	<u>602,602</u>	<u>3,154,402</u>
Expenses			
Program	1,374,227	-	1,374,227
Management and general	407,224	-	407,224
Fundraising	108,120	-	108,120
Total Expenses	<u>1,889,571</u>	<u>-</u>	<u>1,889,571</u>
Change in Net Assets	662,229	602,602	1,264,831
Net Assets - Beginning of Year	<u>15,205,222</u>	<u>8,806,971</u>	<u>24,012,193</u>
Net Assets - End of Year	<u>\$ 15,867,451</u>	<u>\$ 9,409,573</u>	<u>\$ 25,277,024</u>

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

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions and grants	\$ 404,821	\$ 243,000	\$ 647,821
Speaker and writer fees	<u>3,475</u>	<u>-</u>	<u>3,475</u>
	408,296	243,000	651,296
Net Investment Return (See Note F)	(1,695,122)	(1,256,907)	(2,952,029)
Net Assets Released from Restrictions			
Satisfied by payments	<u>463,577</u>	<u>(463,577)</u>	<u>-</u>
Total Support and Revenues	<u>(823,249)</u>	<u>(1,477,484)</u>	<u>(2,300,733)</u>
Expenses			
Program	1,226,186	-	1,226,186
Management and general	314,022	-	314,022
Fundraising	<u>126,741</u>	<u>-</u>	<u>126,741</u>
Total Expenses	<u>1,666,949</u>	<u>-</u>	<u>1,666,949</u>
Change in Net Assets	(2,490,198)	(1,477,484)	(3,967,682)
Net Assets - Beginning of Year	<u>17,695,420</u>	<u>10,284,455</u>	<u>27,979,875</u>
Net Assets - End of Year	<u>\$ 15,205,222</u>	<u>\$ 8,806,971</u>	<u>\$ 24,012,193</u>

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Statement of Functional Expenses
Year Ended June 30, 2023

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges	\$ -	\$ 676	\$ -	\$ 676
Community involvement	-	2,373	-	2,373
Compliance	-	-	2,319	2,319
Depreciation	46,437	12,383	3,096	61,916
Employee benefits	80,416	20,837	7,271	108,524
Food and beverage	15,242	4,721	-	19,963
Grants	11,800	-	-	11,800
Honoraria	110,300	-	-	110,300
In-kind expenses	-	386	-	386
Insurance	-	8,091	-	8,091
Miscellaneous	501	7,638	-	8,139
Payroll taxes	64,261	16,651	5,810	86,722
Postage	-	5,045	330	5,375
Printing	1,323	1,955	2,122	5,400
Professional and consulting fees	85,276	82,013	4,305	171,594
Professional development	8,986	1,111	509	10,606
Public relations	5,490	214	-	5,704
Repairs and maintenance	21,834	5,822	1,456	29,112
Salaries	833,764	216,036	75,388	1,125,188
Supplies and materials	7,148	16,059	4,480	27,687
Taxes	-	999	-	999
Telephone	8,881	2,368	592	11,841
Travel	63,586	77	-	63,663
Utilities	8,982	1,769	442	11,193
Total Expenses	<u>\$ 1,374,227</u>	<u>\$ 407,224</u>	<u>\$ 108,120</u>	<u>\$ 1,889,571</u>

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

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Statement of Functional Expenses
Year Ended June 30, 2022

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges	\$ -	\$ 7,644	\$ -	\$ 7,644
Community involvement	-	2,430	-	2,430
Compliance	-	-	3,435	3,435
Depreciation	38,902	13,167	7,780	59,849
Employee benefits	72,118	13,252	7,626	92,996
Food and beverage	7,162	2,149	30	9,341
Honoraria	77,775	-	-	77,775
Insurance	-	5,494	-	5,494
Miscellaneous	434	2,832	-	3,266
Payroll taxes	59,887	11,004	6,332	77,223
Postage	-	3,132	541	3,673
Printing	6,815	1,254	502	8,571
Professional and consulting fees	86,416	70,390	3,722	160,528
Professional development	7,247	1,900	355	9,502
Public relations	7,486	652	42	8,180
Repairs and maintenance	14,396	4,873	2,879	22,148
Salaries	788,573	144,902	83,382	1,016,857
Supplies and materials	9,083	17,468	7,671	34,222
Taxes	-	1,052	-	1,052
Telephone	6,546	2,216	1,310	10,072
Travel	37,479	6,293	-	43,772
Utilities	5,867	1,918	1,134	8,919
Total Expenses	<u>\$ 1,226,186</u>	<u>\$ 314,022</u>	<u>\$ 126,741</u>	<u>\$ 1,666,949</u>

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Statements of Cash Flows Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 1,264,831	\$ (3,967,682)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	61,916	59,849
Change in present value of pledges receivable	(21,096)	(19,084)
Realized loss (gain) on investments	166,067	(344,349)
Unrealized (gain) loss on investments	(2,296,935)	4,026,092
Partnership earnings	(180,384)	(388,787)
Contributions restricted for long-term investment	-	(50,000)
(Increase) decrease in operating assets		
Grants receivable	(8,706)	-
Pledges receivable	273,261	120,739
Prepaid expenses	(566)	2,489
Increase (decrease) in operating liabilities		
Accounts payable	46,006	10,382
Accrued expenses	4,875	21,042
Deferred income	(19,000)	31,000
Net Cash Used in Operating Activities	<u>(709,731)</u>	<u>(498,309)</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	(53,759)	(30,408)
Purchase of investments	(3,510,036)	(3,250,282)
Proceeds from sale of investments	4,283,852	3,797,382
Reinvested interest and dividends	(379,829)	(361,473)
Investment management fees	74,973	39,089
Net Cash Provided by Investing Activities	<u>415,201</u>	<u>194,308</u>
Cash Flows from Financing Activities		
Contributions restricted for long-term investment	-	50,000
Net Cash Provided by Financing Activities	<u>-</u>	<u>50,000</u>
Net Change in Cash and Cash Equivalents	(294,530)	(254,001)
Cash and Cash Equivalents - Beginning of Year	<u>1,418,471</u>	<u>1,672,472</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,123,941</u>	<u>\$ 1,418,471</u>

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

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Institute for Islamic, Christian, and Jewish Studies, Inc. (the "Organization"), was formed in 1987 and is a non-stock, non-profit educational organization. The Organization currently engages the different Christian denominations and branches of Judaism and Islam in Maryland, and nationally, in a wide variety of programs designed to address the issue of intolerance so that religious institutions and their members may better serve the common good of all people. The Organization derives the majority of its support from other non-profit organizations and individuals in the Baltimore metropolitan area. Consequently, the Organization's ability to collect support is affected by the economic fluctuations in this area.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Deferred Income

Payments that are received for programs and initiatives that will occur in future years are treated as deferred income.

Collections

The Organization has adopted a policy of not capitalizing the collection of books and artwork in its financial statements. Accordingly, no collection items are recognized as assets, whether they are purchased or received as a donation. Purchases of collection items reduce net assets in the period when purchased. Proceeds from sales or insurance recoveries are recorded as increases in net assets when received.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all monies in banks and highly liquid debt instruments purchased with an initial maturity of three months or less that are not held as long-term investments to be cash and cash equivalents.

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Pledges less an allowance for uncollectible amounts and net of a present value discount are recorded as contribution revenue and pledges receivable in the year made. The Organization provides an allowance for uncollectible accounts, as needed, for amounts deemed uncollectible. The allowance is based on historical experience and management's analysis of pledges receivable. Management contends that all pledges receivable as of June 30, 2023 and 2022, are fully collectible; therefore, an allowance for uncollectible accounts was deemed unnecessary.

Contributions/Recognition of Donor Restrictions

Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed non-financial assets include donated services which are recorded at the fair values of the services received. See Note K for a discussion of these contributions.

Grant Revenue Recognition

Grant revenue is earned when the Organization has incurred expenses related to a specific grant. Grant revenue that has been received, but not expended, is recorded within deferred income.

Investments

Investments are reported at cost if purchased or at fair value if donated. Thereafter, investments are reported at their fair values in the Statements of Financial Position. Net investment return is reported in the Statements of Activities and consists of interest and dividend income, partnership earnings, realized and unrealized gains and losses, less external and direct internal investment expenses. Net investment return is recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Property and Equipment

Property and equipment are carried at cost if purchased or, if donated, at the approximate fair value at the date of donation. Expenditures for maintenance and repairs are charged against operations. The Organization generally capitalizes property and equipment additions that are over \$500 and have a useful life of a year or more. The cost of property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method.

The following represents the estimated useful lives:

<u>Category</u>	<u>Years</u>
Equipment	5
Furniture	7
Building and improvements	39

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from federal income taxes under the Internal Revenue Code Section 501(c)(3) as a public charity described in Section 509(a)(1). The Organization's tax filings are subject to examination by various taxing authorities. The Organization's tax years of June 30, 2020 through June 30, 2023, remain subject to examination. There are currently no examinations for any tax periods in progress.

Functional Allocation of Expenses

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. Certain categories of expenses are attributable to both program and support services. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The primary expenses that are allocated are salaries and employee benefits, which are allocated based on estimates of time and effort.

Use of Estimates

The preparation of financial statements in conformity 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. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through November 17, 2023, the date the financial statements were available to be issued.

NOTE B - LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the Statement of Financial Position date for general expenditure are as follows:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	<u>\$ 510,946</u>	<u>\$ 859,375</u>

As part of the Organization'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.

NOTE C - PLEDGES RECEIVABLE

Unconditional promises to give by donors of the Organization are included in the financial statements as pledges receivable. Pledges were discounted to their present value assuming their respective terms using a discount rate of 3.25 percent, compounded annually.

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE C - PLEDGES RECEIVABLE (CONTINUED)

At June 30, 2023 and 2022, pledges receivable consisted of the following:

	June 30,	
	2023	2022
Receivable in less than one year	\$ 195,000	\$ 273,261
Receivable in one to five years	<u>310,000</u>	<u>505,000</u>
	505,000	778,261
Less discount to net present value	<u>(23,638)</u>	<u>(44,734)</u>
Total Pledges Receivable, Net	<u>\$ 481,362</u>	<u>\$ 733,527</u>

NOTE D - PROPERTY AND EQUIPMENT

At June 30, 2023 and 2022, property and equipment consisted of the following:

	June 30,	
	2023	2022
Furniture	\$ 129,133	\$ 122,860
Equipment	98,546	82,882
Land	279,767	279,767
Building and improvements	<u>1,906,455</u>	<u>1,874,633</u>
	2,413,901	2,360,142
Less accumulated depreciation	<u>(909,699)</u>	<u>(847,783)</u>
Property and Equipment, Net	<u>\$ 1,504,202</u>	<u>\$ 1,512,359</u>

Depreciation expense for the years ended June 30, 2023 and 2022, was \$61,916 and \$59,849, respectively.

NOTE E - COLLECTION OF BOOKS AND ARTWORK

The Organization's extensive collection of books and artwork that is on public display has not been valued. Each item in the collection is protected, cared for, and preserved. It is the policy of the Organization that proceeds from the sale of any collection items are to be used to purchase additional collection items.

NOTE F - INVESTMENTS AND NET INVESTMENT RETURN

Investments at June 30, 2023 and 2022, are as follows:

	June 30,	
	2023	2022
Limited partnerships	\$ 3,360,193	\$ 3,021,798
Money market funds	955,103	382,124
Mutual funds	<u>17,956,612</u>	<u>17,025,694</u>
Total Investments	<u>\$ 22,271,908</u>	<u>\$ 20,429,616</u>

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE F - INVESTMENTS AND NET INVESTMENT RETURN (CONTINUED)

Net investment return for the years ended June 30, 2023 and 2022, consisted of the following:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 379,829	\$ 361,473
Realized (losses) gains	(166,067)	344,349
Unrealized gains (losses)	2,296,935	(4,026,092)
Partnership earnings	180,384	388,787
Less investment management fees	(74,973)	(39,089)
	<u>2,616,108</u>	<u>(2,970,572)</u>
Cash earnings	<u>33,635</u>	<u>18,543</u>
Net Investment Return	<u>\$ 2,649,743</u>	<u>\$ (2,952,029)</u>

NOTE G - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Level 1 Fair Value Measurements

These include mutual funds. The values of the mutual funds are based on quoted net asset values of the shares held by the Organization at year end.

Level 2 Fair Value Measurements

These include money market funds. The values of the money market funds are based on yields currently available on comparable securities.

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE G - FAIR VALUE MEASUREMENTS (CONTINUED)

Investments Measured at Net Asset Value or Its Equivalent

The Organization invests in various investments that are valued based upon a net asset value per share (“NAV”) or its equivalent (such as an ownership interest in partners’ capital to which a proportionate share of net assets is attributed). The NAV or its equivalent is used as a practical expedient to estimate fair value. The NAV or its equivalent is based on the fair value of the underlying investments held by each investment less its liabilities. This practical expedient is not used when it is determined to be probable that the Organization will sell the investment for an amount different than the reported NAV or its equivalent.

Transfers Between Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. There were no transfers between levels in the years ended June 30, 2023 and 2022.

Fair value of assets measured on a recurring basis at June 30, 2023 and 2022, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
June 30, 2023				
Assets in the Fair Value Hierarchy				
Money Market Funds	<u>\$ -</u>	<u>\$ 955,103</u>	<u>\$ -</u>	<u>\$ 955,103</u>
Mutual Funds				
Diversified Emerging Markets	971,025	-	-	971,025
Domestic Large Blend	12,983,453	-	-	12,983,453
Domestic Large Value	1,043,598	-	-	1,043,598
Foreign Large Blend	2,087,604	-	-	2,087,604
Intermediate Core Bond	738,881	-	-	738,881
Mid-Cap Growth	<u>132,051</u>	<u>-</u>	<u>-</u>	<u>132,051</u>
Subtotal Mutual Funds	<u>17,956,612</u>	<u>-</u>	<u>-</u>	<u>17,956,612</u>
Total Assets in the Fair Value Hierarchy	<u>\$ 17,956,612</u>	<u>\$ 955,103</u>	<u>\$ -</u>	<u>18,911,715</u>
Assets Measured at NAV or Its Equivalent				
Limited Partnerships				<u>3,360,193</u>
Total Assets Measured at NAV or Its Equivalent				<u>3,360,193</u>
Total Assets at Fair Value - June 30, 2023				<u>\$ 22,271,908</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
June 30, 2022				
Assets in the Fair Value Hierarchy				
Money Market Funds	<u>\$ -</u>	<u>\$ 382,124</u>	<u>\$ -</u>	<u>\$ 382,124</u>
Mutual Funds				
Diversified Emerging Markets	1,726,207	-	-	1,726,207
Domestic Large Blend	11,457,259	-	-	11,457,259
Domestic Large Value	941,699	-	-	941,699
Foreign Large Blend	2,440,496	-	-	2,440,496
Mid-Cap Growth	<u>460,033</u>	<u>-</u>	<u>-</u>	<u>460,033</u>
Subtotal Mutual Funds	<u>17,025,694</u>	<u>-</u>	<u>-</u>	<u>17,025,694</u>
Total Assets in the Fair Value Hierarchy	<u>\$ 17,025,694</u>	<u>\$ 382,124</u>	<u>\$ -</u>	<u>17,407,818</u>
Assets Measured at NAV or Its Equivalent				
Limited Partnerships				<u>3,021,798</u>
Total Assets Measured at NAV or Its Equivalent				<u>3,021,798</u>
Total Assets at Fair Value - June 30, 2022				<u>\$ 20,429,616</u>

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE G - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes investments measured based on net asset value per share or its equivalent as of June 30, 2023 and 2022:

<u>Investment</u>	<u>June 30, 2023 Fair Value</u>	<u>June 30, 2022 Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
GEMS Fund 5					
Int'l L.P. (1)	\$ 205,823	\$ 67,036	\$ 34,100	See (1)	See (1)
AG DLI III, L.P. (2)	301,077	355,684	40,000	See (2)	See (2)
AG CS Holdings Fund, L.P. (3)	222,705	253,649	-	See (3)	See (3)
Thorofare Asset Based					
Lending Fund V, L.P. (4)	504,218	503,759	-	See (4)	See (4)
Golub Capital Partners					
Int'l. 12, L.P. (5)	464,326	449,075	50,000	See (5)	See (5)
Panco Strategic Real Estate					
Fund IV-R, LP (6)	614,215	670,518	-	See (6)	See (6)
Perceptive Credit Opportunities					
Offshore Fund III, LP (7)	172,815	186,863	96,985	See (7)	See (7)
AG CS Holdings Fund II, L.P. (8)	132,421	53,017	112,500	See (8)	See (8)
FPA WhiteHawk III					
Onshore Fund, L.P. (9)	289,355	252,978	25,564	See (9)	See (9)
Panco Strategic Real Estate					
Fund V-R, LP (10)	288,743	229,219	195,903	See (10)	See (10)
AIMPERA Fund III Parallel LP (11)	126,890	-	158,523	See (11)	See (11)
Perceptive Credit Opportunities					
Offshore Fund IV, LP (12)	37,605	-	210,678	See (12)	See (12)
Total	\$ 3,360,193	\$ 3,021,798	\$ 924,253		

- (1) The objective of this investment is to invest in the senior-secured floating-rate debt of large, predominantly U.S. companies with strong credit fundamentals whose debt is trading at deep discounts to intrinsic value and conservative assessments of underlying cash flows. Currently, no redemptions are allowed to be made from this investment.
- (2) The objective of this investment is to capitalize on investment opportunities available in middle market direct lending. Currently, no redemptions are allowed to be made from this investment.
- (3) The objective of this investment is to invest in the debt of stressed companies in North America and Europe by proactively providing creatively structured capital solutions to resolve their unique financial or operational issues. Currently, no redemptions are allowed to be made from this investment.
- (4) The objective of this investment is to make, hold, purchase, service, and dispose of investments in loans that are associated with real estate collateralized assets. Currently, no redemptions are allowed to be made from this investment.
- (5) The objective of this investment is to deliver consistent, long-term investment performance with an emphasis on income and capital preservation by originating and investing in loans to middle-market companies. Currently, no redemptions are allowed to be made from this investment.

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE G - FAIR VALUE MEASUREMENTS (CONTINUED)

- (6) The objective of this investment is to acquire cash-flowing, multifamily apartments in high-growth markets. Currently, no redemptions are allowed to be made from this investment.
- (7) The objective of this investment is to provide senior-secured, first-lien loans to both public and private, small and mid-cap commercial stage life sciences companies. Currently, no redemptions are allowed to be made from this investment.
- (8) The objective of this investment is to invest in the debt of stressed companies in North America and Europe by proactively providing creatively structured capital solutions to resolve their unique financial or operational issues. Currently, no redemptions are allowed to be made from this investment.
- (9) The objective of this investment is to invest in asset-based senior-secured floating-rate loans as well as second lien secured loans of middle-market public and private companies. Currently, no redemptions are allowed to be made from this investment.
- (10) The objective of this investment is to acquire cash-flowing, multifamily apartments in high barrier-to-entry markets. Currently, no redemptions are allowed to be made from this investment.
- (11) The objective of this investment is to invest in pre-institutional businesses operating in fragmented sectors offering consolidation opportunities in the North American lower middle market. Currently, no redemptions are allowed to be made from this investment.
- (12) The objective of this investment is to provide senior-secured, first-lien loans to both public and private, small and mid-cap commercial stage life sciences companies. Currently, no redemptions are allowed to be made from this investment.

NOTE H - ENDOWMENTS

The Organization's endowment consists of many different funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds, and certain net assets that have been designated by the Board of Trustees to function as endowments.

Interpretation of Relevant Law

The Board of Trustees of the Organization has interpreted the Maryland Uniform Prudent Management of Institutional Funds Act ("MUPMIFA") as requiring the preservation 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, the Organization retains in perpetuity: (1) the initial and subsequent gifts donated to the endowment, and (2) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by MUPMIFA.

In accordance with MUPMIFA, 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 various funds, (2) the purposes of the donor-restricted endowment funds, (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, and (7) the Organization's investment policies.

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE H - ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets. The policy focuses on maintaining the purchasing power of those endowment assets over the long term. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return. Actual returns in any given year vary. Investment risk is measured in terms of the total endowment; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Organization has a policy of appropriating up to five percent of the average market value of the total endowment for operating expenditures each year (actual appropriations were below five percent for the years ended June 30, 2023 and 2022). The average market value is calculated as the average of the last three prior fiscal year ends. In establishing this policy, the Organization considered the long-term expected return on its endowment.

The endowment net asset composition by type of fund as of June 30, 2023 and 2022, is as follows:

	June 30, 2023		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 13,323,023	\$ -	\$ 13,323,023
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	6,701,735	6,701,735
Accumulated investment gains	-	2,674,132	2,674,132
Total Endowment Net Assets	<u>\$ 13,323,023</u>	<u>\$ 9,375,867</u>	<u>\$ 22,698,890</u>
	June 30, 2022		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 12,324,877	\$ -	\$ 12,324,877
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	6,701,735	6,701,735
Accumulated investment gains	-	1,961,973	1,961,973
Total Endowment Net Assets	<u>\$ 12,324,877</u>	<u>\$ 8,663,708</u>	<u>\$ 20,988,585</u>

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE H - ENDOWMENTS (CONTINUED)

The change in endowment net assets for the years ended June 30, 2023 and 2022, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets			
June 30, 2022	<u>\$ 12,324,877</u>	<u>\$ 8,663,708</u>	<u>\$ 20,988,585</u>
Investment Return, Net	<u>1,513,613</u>	<u>1,102,494</u>	<u>2,616,107</u>
Contributions	<u>18,013</u>	<u>-</u>	<u>18,013</u>
Appropriation of Endowment Assets for Expenditure	<u>(533,480)</u>	<u>(390,335)</u>	<u>(923,815)</u>
Endowment Net Assets June 30, 2023	<u>\$ 13,323,023</u>	<u>\$ 9,375,867</u>	<u>\$ 22,698,890</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets			
June 30, 2021	<u>\$ 14,458,897</u>	<u>\$ 10,175,192</u>	<u>\$ 24,634,089</u>
Investment Return, Net	<u>(1,713,665)</u>	<u>(1,256,907)</u>	<u>(2,970,572)</u>
Contributions	<u>22,168</u>	<u>50,000</u>	<u>72,168</u>
Appropriation of Endowment Assets for Expenditure	<u>(442,523)</u>	<u>(304,577)</u>	<u>(747,100)</u>
Endowment Net Assets June 30, 2022	<u>\$ 12,324,877</u>	<u>\$ 8,663,708</u>	<u>\$ 20,988,585</u>

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2023 and 2022, net assets with donor restrictions are restricted for the following purposes or periods:

	June 30,	
	2023	2022
Specific Projects		
Congregational Leaders	\$ -	\$ 58,263
Emerging Religious Leaders	25,000	50,000
Justice Leaders Fellowship	-	25,000
Justice Leaders Network	-	10,000
Maryland Department of Emergency Management	8,706	-
	<u>33,706</u>	<u>143,263</u>
Total Specific Projects		
	<u>33,706</u>	<u>143,263</u>
Endowments		
Endowment Fund B: Jewish Scholar/Program	4,878,080	4,507,558
Endowment Fund E: Protestant Scholar	729,364	673,964
Endowment Fund F: Roman Catholic Scholar	1,210,609	1,118,655
Endowment Fund G: Manekin-Clark Lecture/Program	906,103	837,279
Endowment Fund J: Executive Director Discretion	442,953	409,308
Endowment Fund COEA: Program	398,855	368,559
Endowment Fund DP: Digital Project	189,537	175,140
Endowment Fund OS: Silber-Obrecht Visiting Scholar Program	491,565	454,227
Endowment Fund SI: Scholar of Islam	128,801	119,018
	<u>9,375,867</u>	<u>8,663,708</u>
Total Endowments		
	<u>9,375,867</u>	<u>8,663,708</u>
Total Net Assets with Donor Restrictions	<u>\$ 9,409,573</u>	<u>\$ 8,806,971</u>

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2023 and 2022:

	June 30,	
	2023	2022
Specific Projects		
Assessment	\$ -	\$ 10,000
Chaplain Initiative	40,000	-
Congregational Leaders	82,263	51,000
Emerging Religious Leaders	30,000	28,000
Justice Leaders Fellowship	35,000	50,000
Justice Leaders Network	10,000	-
Teachers Fellowship	20,000	20,000
Total Specific Projects	217,263	159,000
Endowment Appropriations		
Endowment Fund B: Jewish Scholar/Program	203,083	170,879
Endowment Fund E: Protestant Scholar	30,365	25,549
Endowment Fund F: Roman Catholic Scholar	50,400	42,407
Endowment Fund G: Manekin-Clark Lecture/Program	37,723	31,741
Endowment Fund J: Executive Director Discretion	18,441	15,517
Endowment Fund COEA: Program	16,605	13,972
Endowment Fund DP Digital Project	7,891	-
Endowment Fund OS Sillber-Obrecht Visiting Scholar Program	20,465	-
Endowment Fund SI: Scholar of Islam	5,362	4,512
Total Endowment Appropriations	390,335	304,577
Total Net Assets Released from Donor Restrictions	\$ 607,598	\$ 463,577

NOTE J - DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

The Board has designated net assets without donor restrictions totaling \$612,995 and \$559,096 as of June 30, 2023 and 2022, respectively, as a revolving working capital reserve fund available to meet cash flow needs under a wide range of operating circumstances. The purpose of the fund is to protect both restricted and designated endowment funds from the risks of most operating fluctuations.

The Board has designated net assets without donor restrictions totaling \$13,323,023 and \$12,324,877 as of June 30, 2023 and 2022, respectively, as endowment funds, and thus are subject to the endowment spending policy.

INSTITUTE FOR ISLAMIC, CHRISTIAN, AND JEWISH STUDIES, INC.

Notes to Financial Statements

NOTE K - GIFTS-IN-KIND

The Organization received gifts-in kind of \$386 and \$0 during the years ended June 30, 2023 and 2022, respectively. The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. All gifts-in-kind received by the Organization during the years ended June 30, 2023 and 2022, were considered without donor restrictions, and were able to be used by the Organization as determined by the Board of Trustees and management.

The fair value of donated services included as contributions in the financial statements and the corresponding expenses for the years ended June 30, 2023 and 2022, are as follows:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Management and General - Professional services	<u>\$ 386</u>	<u>\$ -</u>

NOTE L - RETIREMENT PLAN

The Organization has established a defined contribution pension plan, which covers all eligible full-time employees. The Organization contributes 7.5 percent of gross salary (10 percent of gross salary if 10 or more years of full-time employment) to the Plan. The pension contribution expense was \$82,685 and \$60,709 for the years ended June 30, 2023 and 2022, respectively.

NOTE M - LINE OF CREDIT

On November 30, 2007, the Organization obtained a \$150,000 line of credit with PNC Bank, N.A. with interest at prime plus one percent. The line of credit was extended to September 16, 2024. There was no outstanding balance as of June 30, 2023 and 2022, and there was no interest expense during the years ended June 30, 2023 and 2022.

NOTE N - CONCENTRATIONS OF CREDIT RISK

The Organization has deposits in a financial institution in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC") as of June 30, 2023 and 2022.

The Organization maintains investment accounts that contain cash and various securities. Balances are insured by the FDIC and Securities Investor Protection Corporation, to the extent of the respective limits. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amount reported in the Statements of Financial Position.