

**JEWISH ALLIANCE OF GREATER
RHODE ISLAND AND AFFILIATE**

Consolidated Financial Statements

Year Ended June 30, 2025

(With Independent Auditors' Report Thereon)

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Jewish Alliance of Greater Rhode Island and Affiliate:

Opinion

We have audited the accompanying consolidated financial statements of Jewish Alliance of Greater Rhode Island and Affiliate (Alliance Realty, Inc.) (not-for-profit organizations) (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2025, and the consolidated changes in its net assets and 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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.

Emphasis of Matter

As discussed in Note 4 to the financial statements, certain errors resulting in an understatement of amounts previously reported for investments held by others as of June 30, 2024 and related investment return and overstatement of contributions for the year ended June 30, 2024, were discovered by management of the Organization during the current year. Accordingly, amounts reported as of and for the year ended June 30, 2024, have been restated. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

In performing an 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 consolidated 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 consolidated 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 consolidated 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 June 30, 2024 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated January 14, 2025. In our opinion, the summarized comparative information, as restated, presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects and, with the exception of the restatement, with the audited consolidated financial statements from which it has been derived.

Kahn, Litwin, Renza & Co., Ltd.

March 10, 2026

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION



June 30, 2025

(With Comparative Totals at June 30, 2024)

	2025	2024 (As Restated)
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,003,761	\$ 1,153,937
Accounts receivable, net	209,128	283,180
Pledges receivable, current portion, net	641,673	943,053
Prepaid expenses and other current assets	247,116	268,172
Total current assets	2,101,678	2,648,342
Noncurrent Assets:		
Restricted cash	187,700	90,000
Pledges receivable, less current portion	20,000	4,000
Investments held by others	11,451,248	10,618,863
Beneficial interest in assets held by others	53,235	-
Property and equipment, net	3,009,381	3,610,670
Total noncurrent assets	14,721,564	14,323,533
Total Assets	\$ 16,823,242	\$ 16,971,875
Liabilities and Net Assets		
Current Liabilities:		
Current portion of long-term debt	\$ 119,252	\$ 113,421
Accounts payable and accrued expenses	788,454	577,231
Grants payable	1,642,951	1,758,873
Deferred revenue	388,636	377,513
Amounts held for others	131,712	174,200
Total current liabilities	3,071,005	3,001,238
Long-term Debt, less current portion	1,856,741	1,973,377
Total liabilities	4,927,746	4,974,615
Net Assets:		
Without donor restrictions	10,766,969	10,599,823
With donor restrictions	1,128,527	1,397,437
Total net assets	11,895,496	11,997,260
Total Liabilities and Net Assets	\$ 16,823,242	\$ 16,971,875

See accompanying notes to the consolidated financial statements and independent auditors' report.

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)



	2025			2024 (As Restated)
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Change in Net Assets:				
Revenue and support:				
Contributions and grants	\$ 2,844,837	\$ 288,058	\$ 3,132,895	\$ 3,353,724
Support from JFF	2,085,921	-	2,085,921	2,039,157
Program service fees	1,783,594	-	1,783,594	1,732,139
Membership dues	868,990	-	868,990	723,678
Rental income	177,813	-	177,813	162,592
Advertising sales	119,414	-	119,414	127,684
Other income	25,029	-	25,029	96,414
Investment return, net	1,010,527	76,724	1,087,251	1,005,646
Net assets released from restrictions	633,692	(633,692)	-	-
Total revenue and support	9,549,817	(268,910)	9,280,907	9,241,034
Expenses:				
Program	7,560,706	-	7,560,706	8,000,351
Management and general	1,096,244	-	1,096,244	1,008,193
Fundraising	725,721	-	725,721	686,710
Total expenses	9,382,671	-	9,382,671	9,695,254
Change in net assets	167,146	(268,910)	(101,764)	(454,220)
Net Assets, beginning of year, as previously stated	10,599,823	1,397,437	11,997,260	2,942,727
Prior period adjustment (Note 4)	-	-	-	9,508,753
Net Assets, beginning of year, as restated	10,599,823	1,397,437	11,997,260	12,451,480
Net Assets, end of year	\$ 10,766,969	\$ 1,128,527	\$ 11,895,496	\$ 11,997,260

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025						2024
	Program			Management and General	Fundraising	Total	Total
	Operations	Facilities	Total				
Personnel costs:							
Salaries and wages	\$ 2,928,613	\$ -	\$ 2,928,613	\$ 569,776	\$ 420,065	\$ 3,918,454	\$ 3,556,290
Employee benefits	356,391	-	356,391	95,315	58,531	510,237	486,571
Retirement plan	41,009	-	41,009	11,672	6,743	59,424	54,685
Payroll taxes	239,093	-	239,093	60,123	30,069	329,285	294,979
Total personnel costs	3,565,106	-	3,565,106	736,886	515,408	4,817,400	4,392,525
Grant distributions	1,263,855	-	1,263,855	-	31,813	1,295,668	2,176,157
Marketing	20,586	-	20,586	8,163	14,878	43,627	68,381
Commissions	49,285	-	49,285	-	-	49,285	52,531
Credit loss expense	-	-	-	110,165	-	110,165	9,996
Depreciation	94,321	762,951	857,272	16,918	3,140	877,330	864,507
Information technology	158,956	-	158,956	4,011	45,199	208,166	201,568
Insurance	69,307	60,934	130,241	20,987	5,284	156,512	120,732
Interest expense	-	130,300	130,300	-	-	130,300	100,983
Meetings	2,860	-	2,860	9,592	2,534	14,986	12,897
Occupancy	606,639	-	591,528	133,520	4,833	735,995	729,881
Office expense	150,723	-	150,723	18,550	21,054	190,327	191,683
Professional development	19,107	-	19,107	35,282	1,924	56,313	40,721
Professional fees	272,713	-	272,713	5,790	5,863	284,366	250,105
Program supplies and fees	204,475	-	204,475	43	405	204,923	271,131
Subscriptions and dues	8,602	-	8,602	5,292	133	14,027	33,010
Venue and event expenses	119,986	-	119,986	-	73,295	193,281	178,446
Total expenses	\$ 6,606,521	\$ 954,185	\$ 7,560,706	\$ 1,096,244	\$ 725,721	\$ 9,382,671	\$ 9,695,254

See accompanying notes to the consolidated financial statements and independent auditors' report.

**JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS**

Year Ended June 30, 2025

(With Comparative Totals for the Year Ended June 30, 2024)



	2025	2024 (As Restated)
Cash Flows from Operating Activities:		
Change in net assets	\$ (101,764)	\$ (454,220)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	877,330	864,507
Credit loss expense	110,165	9,996
Contributions and grants received for long-term purposes	(402,355)	(90,183)
Gain on investments held by others	(1,057,831)	(977,731)
Beneficial interest in assets held by others net change in fair value	(53,235)	-
Changes in assets and liabilities:		
Accounts receivable	(36,113)	442,368
Pledges receivable	285,380	202,392
Prepaid expenses and other current assets	21,056	(78,240)
Accounts payable and accrued expenses	173,792	132,277
Grants payable	(115,922)	55,473
Deferred revenue	11,123	(344,339)
Amounts held for others	(42,488)	23,997
Net cash used by operating activities	(330,862)	(213,703)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(238,610)	(309,095)
Contributions to investments held by others	(164,655)	(60,183)
Distributions received from investments held by others	390,101	606,062
Net cash provided (used) by investing activities	(13,164)	236,784
Cash Flows from Financing Activities:		
Payments on long-term debt	(110,805)	(88,788)
Contributions and grants received for long-term purposes	402,355	90,183
Net cash provided by financing activities	291,550	1,395
Net Increase (Decrease) in Cash and Cash Equivalents	(52,476)	24,476
Cash and Cash Equivalents, beginning of year	1,243,937	1,219,461
Cash and Cash Equivalents, end of year	\$ 1,191,461	\$ 1,243,937
Reconciliation of Cash, Cash Equivalents and Restricted Cash		
Cash and cash equivalents	\$ 1,003,761	\$ 1,153,937
Cash restricted for capital improvements	187,700	90,000
	\$ 1,191,461	\$ 1,243,937
Supplemental Cash Flow Information:		
Cash Paid for Interest During the Year	\$ 130,300	\$ 100,983
Non-cash Investing Activities		
Purchase of property and equipment included in accounts payable	\$ 37,431	\$ -

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2025



1. Nature of Operations

The Jewish Alliance of Greater Rhode Island (the Alliance), located in Providence, Rhode Island, was established as a Rhode Island not-for-profit corporation. The mission of the Alliance is to support and cultivate a connected, strong, and inclusive Jewish community.

Alliance Realty, Inc. (the Affiliate) is the realty entity that owns the land and building from which the Alliance operates. The Affiliate has a separate Board of Directors but is controlled by the Alliance as the sole corporate member of the Affiliate. The Alliance and Affiliate (collectively, the Organization) are consolidated for financial reporting purposes.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Organization is presented to assist the reader in understanding the Organization's consolidated financial statements. The consolidated financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the consolidated financial statements.

Principles of Consolidation

The accompanying consolidated financial statements include all assets, liabilities and activities of the Alliance and Affiliate. Intercompany accounts and transactions have been eliminated so as not to overstate the consolidated change in net assets and financial position.

Comparative Financial Information

The accompanying consolidated financial statements include certain prior year summarized comparative information in total, without accompanying note disclosures and certain functional expense information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements and related notes to the consolidated financial statements for the year ended June 30, 2024, from which the summarized information was derived.

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2025



Basis of Presentation

The Organization prepares its consolidated financial statements on the accrual basis of accounting and, in accordance with authoritative guidance, 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 without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is satisfied, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less, except for funds which are restricted or Board designated.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for expected credit losses through a charge to earnings and a credit to a valuation allowance based on historical experience, current conditions, and reasonable and supportable forecasts. If the financial conditions of the Organization's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required.

A receivable is considered past due if payment has not been received within stated terms. The Organization does not accrue interest on past-due or long-term receivables. The Organization will exhaust all methods in-house to collect the receivable. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged against the allowance for credit losses.

As of June 30, 2025, the Organization had an allowance for credit losses of \$14,066.

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2025



Pledges Receivable

Pledges receivable (unconditional promises to give) that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are discounted and recorded at the net present value of the estimated future cash flows when the discount is material. The discounts on those amounts are computed using the interest rate for U.S. Government issues with a remaining term equal to the expected future receipts. Accretion of the discount is included in contributions and grants in the consolidated statement of activities. Conditional promises to give are not included in support until such time as the conditions are substantially met.

The Alliance uses the allowance method to reflect uncollectible pledges receivable. The allowance is based on prior years' collection experience and management's analysis of the specific promises to give at year end (Note 6).

Investments Held by Others, Beneficial Interest in Assets Held by Others and Fair Value Measurements

The Organization reports its investments held by others and beneficial interest in assets held by others at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by authoritative guidance, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.

Level 2 inputs (other than quoted prices included within level 1) are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2025



The Organization reports beneficial interest in assets held by others at fair value on a recurring basis. These investments are classified as level 3 within the fair value hierarchy.

Level 3 investment values are provided by the trustee, who develops their valuations using the third-party monthly investment broker's statements. Due to the inaccessibility of these statements, as well as the Organization's lack of control over the investing activities, the funds held by others are considered unobservable market inputs in accordance with authoritative guidance.

Investments held by others are measured at net asset value (NAV) as a practical expedient to approximate fair value.

Property and Equipment

All expenditures for property and equipment in excess of \$2,500 are capitalized at cost. Repairs and maintenance costs that do not significantly increase the useful life of the asset are expensed as incurred. Donated assets are recorded at fair value as of the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 39 years.

Grants Payable

Annually, the Alliance allocates a portion of the contributions received through its annual fund to local and national Jewish organizations, to support its programs and operations. The grants payable are included in program expenses in the consolidated statement of activities when promised. Amounts expected to be paid within one year are recorded as grants payable on the consolidated statement of financial position when awarded. The Alliance makes certain grants to other organizations on a cost-reimbursement basis. The grants are included in program expenses in the consolidated statement of activities when paid.

Deferred Revenue

Deferred revenue represents program service fees, membership dues and other revenues that have been collected in advance. These amounts are recognized as revenue in the period in which the revenue is earned.

Amounts Held for Others

The Alliance occasionally receives, administers, and distributes assets under a fiscal agency arrangement for projects related to its mission. The funds not yet distributed are reflected as an asset (included in cash and cash equivalents) and a liability on the consolidated statement of financial position.

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2025



Revenue and Support Recognition:

Contributions and Grants

The Alliance recognizes contributions and grants in the fiscal year in which the contribution is made. Contributions and grants are recorded either as without or with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. However, it is the policy of the Alliance to show net assets with donor restrictions that are both received and expended in the same year directly in net assets without donor restrictions.

The Alliance recognizes revenue from cost-reimbursement grants as expenditures are incurred and revenue from other contracts when the contractual obligations have been met. From time to time, the Organization may receive funds in advance of when revenue should be recognized, which are recorded as deferred revenue on the consolidated statement of financial position.

Program Service Fees and Membership Dues

The Alliance recognizes program service fees and membership dues on a straight-line basis over the term of the program or membership.

Advertising Sales

Advertising sales are recognized in the period of the publication containing the advertisement.

Rental Income

Rental income is recognized over time as the related use of the facility is provided.

Other Income

Other income is recognized when services have been rendered and/or contractual obligations have been met.

Contributed Nonfinancial Assets

Contributions of donated nonfinancial assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation are recorded at their fair values in the period received. No such services were received during the year ended June 30, 2025.

Marketing Costs

The Alliance follows the policy of expensing marketing costs in the period in which the advertisement occurs.

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2025



Income Taxes

The Alliance is exempt from income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code (IRC). The Affiliate is exempt from income taxes as a supporting organization under Section 501(c)(2) of the IRC. Management believes that both organizations operate in a manner consistent with their respective tax-exempt status at both the federal and state levels.

The Organization annually files IRS Form 990 - *Return of Organizations Exempt from Income Tax*, reporting various information that the IRS uses to monitor the activities of tax-exempt entities. The Alliance also annually files IRS Form 990-T - *Exempt Organization's Business Income Tax Return* for all of their taxable transactions. These tax returns are subject to review by the taxing authorities, generally for a period of three years after they were filed. The Alliance currently has no tax examinations in progress. For the Alliance's tax year ended June 30, 2025, there are no income taxes related to taxable transactions.

Estimates and Assumptions

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated based on estimates of time and effort, as well as depreciation, occupancy, and insurance expenditures, which are allocated on a square footage basis.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation.

Subsequent Events

Management of the Organization has evaluated subsequent events through March 10, 2026, which is the date these consolidated financial statements were available to be issued.

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2025

3. Program Services and Accomplishments (Unaudited)

The Alliance brought together more than 100 people on the one-year anniversary of the October 7, 2023, attack in Israel to remember the victims and honor the survivors. The Alliance also commemorated the fallen soldiers during a ceremony on Israel's Memorial Day. In a moving ceremony, participants heard commentary from individuals who traveled to Israel shortly after the attacks on a mission sponsored by the Alliance the previous year.

Following these solemn observances, the Alliance celebrated Yom Ha'atzmaut, Israel's Independence Day, with a sold-out community gathering featuring an Israeli dance troupe and authentic Israeli cuisine. The Alliance also hosted a monthly Israeli Culture Series featuring special guests and hands-on programs exposing Rhode Islanders to various pieces of Israeli culture. Throughout the year, the Alliance worked diligently to combat antisemitism by creating a parenting network in various parts of the state, enabling parents to collaborate and address issues within their respective school districts.

The Alliance hosted a B'nai Mitzvah Gala to celebrate its 13th year as an organization. The event brought together community members and professionals who have played a pivotal role in shaping the Alliance over the years. The Alliance, in partnership with the Jewish Book Council, presented multiple authors from a variety of genres, offering engaging book talks and insightful conversations to audiences across the state.

Building on the successes of the previous year, J-Camp 2025 provided a warm and welcoming environment for more than 150 children throughout the summer, an increase in enrollment from the previous year. Many counselors were former J-Camp participants themselves, eager to offer the same enriching and engaging experiences they once enjoyed. This year, J-Camp introduced a new STEM program, adding a diverse range of hands-on activities to further enhance the camp experience.

For the youngest members of the community, PJ Library, a program of the Jewish Alliance, offered a variety of engaging activities, including story time yoga, park meet-ups, and holiday celebrations. These events averaged more than ten families each, creating meaningful opportunities for connection. Additionally, the Early Childhood Center expanded by opening an additional infant classroom, allowing the school to enroll more children and meet growing demand.

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2025



4. Prior Period Adjustment

During the year ended June 30, 2025, management reviewed the Organization's funds held by the Jewish Federation Foundation of Greater Rhode Island (JFF) and support from JFF and determined that one fund should have been reported as investments held by others and board designated endowment. Accordingly, the Organization recorded an adjustment to increase investments held by others and net assets without donor restrictions by \$9,508,753 as of July 1, 2023. For the year ended June 30, 2024, the Organization recorded an adjustment to increase investment return by \$931,288 and decrease support from JFF by \$560,591, resulting in reducing the decrease in net assets by approximately \$371,000 for the year ended June 30, 2024.

5. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the consolidated statement of financial position date, comprise the following at June 30, 2025:

Current financial assets:

Cash and cash equivalents	\$ 1,003,761
Accounts receivable, net	209,128
Pledges receivable, current portion, net	641,673
Current financial assets, end of year	<u>1,854,562</u>

Less: financial assets unavailable for general expenditure:

Net assets subject to purpose restrictions	<u>272,570</u>
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Financial assets available to meet general

expenditure needs within one year	<u><u>\$ 1,581,992</u></u>
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The Organization manages its liquidity by developing and adopting an annual operating budget that provides sufficient funds for general expenditures in meeting its liabilities as they come due. Actual performance is reported and monitored monthly in comparison to the budget. Adjustments are made to the Organization's forecast as needed to ensure adequate liquidity needs will be met for its current liabilities. To help manage unanticipated liquidity needs, the Organization has a line of credit with a local bank for \$1,000,000 (Note 9).

JEWISH ALLIANCE OF GREATER RHODE ISLAND AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended June 30, 2025



6. Pledges Receivable

Pledges receivable consist of unconditional promises to give from contributors over the next year to support the Alliance's charitable mission.

The promised contributions are due as follows:

Receivable within one year	\$ 662,668
Receivable in one to three years	20,000
Total pledges receivable	<u>682,668</u>
Less allowance for doubtful accounts	20,995
Total pledges receivable, net	<u>661,673</u>
Less current portion, net	<u>641,673</u>
 Pledges receivable, less current portion	 <u><u>\$ 20,000</u></u>

7. Investments

Investments Held by Others

In December 2018, the Organization established the Federation Unrestricted Endowment Fund (the Fund) at JFF (Note 10). JFF controls the investing decisions and annual distributions from the fund are subject to JFF's spending policy in effect at the time of distribution. From time to time, the Organization can request distributions of principal from the Fund. The spending policy has two components: the previous year's distribution plus inflation weighted at 70% and 5% average of the fair market value of the funds for the prior four quarters weighted at 30%.

In March 2015, the Organization's Board transferred funds to establish a building and technology fund at JFF (Note 10). As such, JFF controls the investing decisions and appropriations from the building and technology fund. Upon request and subject to approval from JFF, the Organization may receive distributions from the Fund.

Beneficial Interest in Assets Held by Others

In July 2024, the Organization transferred bequest funds received to establish a named endowment at JFF per the terms of the donor's estate plan (Note 10). JFF controls the investing decisions and annual distributions from the fund are subject to JFF's spending policy in effect at the time of distribution. The spending policy has two components: the previous year's distribution plus inflation weighted at 70% and 5% average of the fair market value of the funds for the prior four quarters weighted at 30%.

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A reconciliation of beneficial interest in assets held by others measured at fair value using significant unobservable inputs (level 3) is as follows:

Beginning balance	\$ -
Contributions	50,000
Change in fair value	<u>3,235</u>
Ending balance	<u><u>\$ 53,235</u></u>

Jewish Federation Foundation of Greater Rhode Island

JFF promotes the welfare of the Jewish community through the support of charitable, cultural, educational, and religious organizations, including the Alliance, and is a supporting organization of the Rhode Island Foundation.

In October 2018, the Alliance and JFF entered into an agreement with the Rhode Island Foundation (RIF) to allow JFF to become a Type I Supporting Foundation of RIF. This transition allows JFF to benefit from the administrative support and investment management services of RIF. JFF continues its current mission of promoting the welfare of the Jewish population in Rhode Island and worldwide, including the Alliance.

In accordance with the agreement, the Alliance receives monthly distributions from JFF, calculated pursuant to JFF's spending policy. The spending policy has two components: the previous year distribution plus inflation weighted at 70% and 5% average of the fair market value of the funds for the prior four quarters weighted at 30%.

As of June 30, 2025, the market value of the funds without donor restrictions held by JFF was approximately \$6,160,500. No amounts have been reported in the accompanying consolidated financial statements relating to this agreement.

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8. Property and Equipment

The components of property and equipment are as follows:

Land and land improvements	\$ 307,536
Buildings and improvements	14,623,563
Furniture and equipment	1,194,854
Computer equipment and software	425,432
Construction in progress	106,430
	16,657,815
Less accumulated depreciation	13,648,434
Property and equipment, net	<u><u>\$ 3,009,381</u></u>

Construction in progress represents software implementation and facility repair work and upgrades which are expected to be completed during fiscal year 2026.

9. Debt

Line of Credit

The Alliance has a \$1,000,000 revolving line of credit with a local financial institution, secured by the guarantee of the Affiliate, a mortgage lien, security interest and assignment of leases and rents in all of the real and personal property of the Affiliate, and a negative pledge regarding all business assets of the Alliance. The line of credit bears interest at the bank's prime rate (7.50% at June 30, 2025). As of June 30, 2025, there was no outstanding balance on the line of credit.

Mortgage Payable

The Affiliate has a \$2,700,000 10-year mortgage payable in monthly principal and interest installments of \$17,213 through July 21, 2024, at which time the payments increased to \$19,396 based on an adjusted interest rate through maturity on July 21, 2027. A final balloon payment will be due in July 2027. Principal and interest payments are based on a 20-year amortization schedule. Interest was fixed at the Federal Home Loan Bank of Boston (FHLBB) Classic Rate plus 200 basis points (4.59%) through July 2024, at which time it was adjusted to the then current FHLBB classic rate plus 200 basis points (6.45%) through maturity. The mortgage is collateralized by a guarantee of JFF, a mortgage lien, security interest and assignment of leases and rents in all of the real and personal property of the Affiliate, and a negative pledge regarding all business assets of the Alliance.

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The Organization has agreed to maintain certain financial ratios and adhere to other mortgage covenants that are more fully described in the loan documents with regards to both the line of credit and the long-term debt. For the year ended June 30, 2025, the Organization was not in compliance with all debt covenant requirements. A waiver was obtained from the bank prior to issuance of these consolidated financial statements.

Note Payable

In July 2023, the Organization entered into a note payable with a financial institution for gym equipment, requiring monthly payments of \$878, including interest at 8.85%, through May 1, 2026.

Scheduled maturities of the mortgage and note payable are as follows:

June 30, 2026	\$ 119,252
June 30, 2027	117,316
June 30, 2028	<u>1,739,425</u>
	1,975,993
Less current portion of long-term debt	<u>119,252</u>
Long-term debt, less current portion	<u><u>\$ 1,856,741</u></u>

10. Net Assets

A summary of net assets is as follows:

Net Assets Without Donor Restrictions:

Available for operations	\$ 128,443
Board designated for endowment	<u>10,638,526</u>
Total net assets without donor restrictions	<u>10,766,969</u>

Net Assets With Donor Restrictions:

Subject to Purpose Restrictions:

Security and energy efficiency upgrades	187,700
COVID relief and recovery campaign	49,950
PJ Library Campaign	31,170
Other programs	<u>3,750</u>
	<u>272,570</u>

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Subject to Spending Policy and Appropriation:	
Building and technology fund	\$ 802,722
General operations	3,235
	805,957
Subject to Restriction in Perpetuity:	
General operations	50,000
Total net assets with donor restrictions	1,128,527
Total net assets	\$ 11,895,496

11. Endowment

The Organization's endowment includes endowment funds designated by the Board to provide income for the Organization. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

Board-designated Endowment

The Board designated certain net assets without donor restrictions as funds functioning as an endowment to support the mission of the Organization. Since the funds resulted from an internal designation and are not donor-restricted, they are classified and reported within net assets without donor restrictions.

Interpretation of Relevant Law

The Rhode Island Uniform Prudent Management of Institutional Funds Act (RIUPMIFA) requires 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, the Organization classifies as net assets with donor restrictions (a) the original value of the gift donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the donor's gift instrument. The remaining portion of the donor-restricted fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by RIUPMIFA.

In accordance with RIUPMIFA, the Organization considers the long-term and short-term needs of the Organization in carrying out its mission, the Organization's present and anticipated financial requirements, expected total returns on the Organization's investments, and general economic conditions in making a determination to appropriate or accumulate donor- restricted endowment funds.

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A summary of changes in endowment net assets is as follows:

	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, beginning of year, as restated	\$ 9,879,630	\$ -
Contributions	164,655	50,000
Investment return, net	984,342	3,235
Appropriations under spending policy	(390,101)	-
Endowment net assets, end of year	<u>\$ 10,638,526</u>	<u>\$ 53,235</u>

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 RIUPMIFA requires the Organization to retain as a fund of perpetual duration. There were no funds with deficiencies as of June 30, 2025.

Return Objective and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results over time, to provide an average annual rate of return that is in the top twenty percent as compared to the annual rate of return of other institutional endowments.

Spending Policy and How Investment Objectives Relate to Spending Policy

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places emphasis on investments in equities, bonds and absolute return strategies in a ratio to achieve its long-term return objectives within prudent risk constraints.

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12. Retirement Plans

The Alliance sponsors a defined contribution retirement plan established under Internal Revenue Code Section 401(k) (the Plan) for employees who meet certain eligibility requirements. Employees may elect to defer a percentage of their compensation into the Plan. To be eligible for an employer contribution, an employee must have worked more than 1,000 hours in the current plan year, be at least 21 years of age and be an employee on the last day of the fiscal year. The Alliance may then make contributions based on a specified percentage of salary. The Alliance contributed approximately \$59,400 to the Plan for the year ended June 30, 2025.

The Alliance also sponsors a noncontributory tax-deferred annuity savings plan established under Internal Revenue Code Section 403(b) for all employees.

13. Commitments

Operating Leases

The Alliance leases property from the City of Providence for the Holocaust Memorial for \$1 annually. The lease expires in March 2065. The fair rental value is not readily determinable; therefore, no amounts have been recorded in the consolidated financial statements for this arrangement.

The Alliance leased a residential apartment under a one-year operating lease agreement, requiring monthly payments of \$1,800 through February 2025. At that time, a short-term lease agreement was entered into requiring monthly payments of \$1,927 through June 30, 2025. The apartment was utilized to house the Israeli Emissary, which supports the Alliance's mission, and provides education to the community. Lease expense for the year ended June 30, 2025, was approximately \$22,100.

Since the lease payments are not considered material, authoritative guidance relating to lease accounting has not been applied.

Employment Agreement

The Alliance has an employment agreement (the Agreement) with its Chief Executive Officer (CEO). The Agreement, which was effective August 1, 2020, expired on July 31, 2023, with an option to extend. The employment agreement was extended for an additional three-year term expiring on June 30, 2026. The significant terms of the Agreement include the CEO's duties, employment term and evaluation, compensation and benefits, and termination process, including required severance in the event of termination without cause.

Subsequent to June 30, 2025, the employment agreement was superseded by a mutually agreed-upon separation agreement between the Organization and the CEO.

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14. Concentrations of Credit Risk and Market Risk

Financial instruments which potentially subject the Alliance to concentrations of credit risk are cash and cash equivalents, accounts receivable and pledges receivable.

The Alliance maintains its cash and cash equivalents in three financial institutions. The balance at each institution is insured by the Federal Deposit Insurance Corporation up to \$250,000. From time to time, the Alliance has bank balances in excess of federally insured limits. Cash balances in excess of \$250,000 are generally uninsured. However, the Organization has an agreement with IntraFi at one financial institution such that excess funds in one account are automatically moved to other bank accounts to keep balances within federally insured limits. The Organization monitors its exposure with regard to cash and cash equivalents and has not experienced losses on such accounts.

The Alliance's pledges receivable represent amounts due from various foundations, corporations, and individuals. At June 30, 2025, approximately 16% of net pledges receivable were due from one donor. Management believes minimal risk exists with respect to this concentration.

The Alliance receives a significant amount of its revenues from JFF. At June 30, 2025, approximately 23% of all revenues were received from JFF. If a reduction in these revenues were to occur, there would be an impact on the Organization's programs and activities. At June 30, 2025, management does not believe that significant business risk exists with respect to the continuation of this funding.