




Sharsheret, Inc.

Independent Auditor's Report and Financial Statements

December 31, 2023 and 2022



Sharsheret, Inc.
Contents
December 31, 2023 and 2022

Independent Auditor’s Report..... 1

Financial Statements

 Statements of Financial Position..... 3

 Statements of Activities 4

 Statements of Functional Expenses..... 5

 Statements of Cash Flows 7

 Notes to Financial Statements 8

Independent Auditor's Report

Board of Directors
Sharsheret, Inc.
Teaneck, New Jersey

Opinion

We have audited the financial statements of Sharsheret, Inc., which comprise the statements of financial position as of December 31, 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 accompanying financial statements present fairly, in all material respects, the financial position of Sharsheret, Inc. as of December 31, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sharsheret, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sharsheret, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sharsheret, Inc.'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 Sharsheret, Inc.'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.

Forvis Mazars, LLP

**New York, New York
October 2, 2024**

Sharsheret, Inc.
Statements of Financial Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 290,867	\$ 1,021,904
Investments	16,329,384	12,358,925
Investment - 457(b) plan	79,611	65,539
Contributions receivable	926,189	880,804
Government grant receivable	32,469	33,192
Prepaid expenses and other assets	152,341	151,643
Right-of-use assets - operating	33,525	112,636
Right-of-use assets - financing	47,254	16,117
	<u>17,891,640</u>	<u>14,640,760</u>
Total Assets	\$ 17,891,640	\$ 14,640,760
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 324,585	\$ 254,271
Deferred compensation payable	79,611	65,539
Operating lease liability	34,759	116,829
Financing lease liability	47,516	16,251
	<u>486,471</u>	<u>452,890</u>
Total Liabilities	486,471	452,890
Net Assets		
Without donor restrictions	16,076,459	12,953,182
With donor restrictions	1,328,710	1,234,688
	<u>17,405,169</u>	<u>14,187,870</u>
Total Net Assets	17,405,169	14,187,870
Total Liabilities and Net Assets	\$ 17,891,640	\$ 14,640,760

Sharsheret, Inc.
Statements of Activities
Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, Losses, and Other Support						
Contributions	\$ 3,867,163	\$ 1,912,793	\$ 5,779,956	\$ 3,440,016	\$ 1,688,244	\$ 5,128,260
Contributions - in-kind	93,506	-	93,506	30,885	-	30,885
Special events	\$ 2,734,155			\$ 2,176,159		
Less direct costs of special events	<u>(591,460)</u>	-	2,142,695	<u>(423,309)</u>	-	1,752,850
Government grant	874,777	-	874,777	377,838	-	377,838
Net investment return	1,336,311	-	1,336,311	(1,263,631)	-	(1,263,631)
Net assets released from restrictions	1,818,771	(1,818,771)	-	1,161,421	(1,161,421)	-
Total Revenues, Gains, Losses, and Other Support	<u>10,133,223</u>	<u>94,022</u>	<u>10,227,245</u>	<u>5,499,379</u>	<u>526,823</u>	<u>6,026,202</u>
Expenses						
Support programs and services	3,044,288	-	3,044,288	1,824,604	-	1,824,604
Education and outreach programs	2,757,538	-	2,757,538	2,312,644	-	2,312,644
Total Program Services	<u>5,801,826</u>	<u>-</u>	<u>5,801,826</u>	<u>4,137,248</u>	<u>-</u>	<u>4,137,248</u>
Management and general	472,085	-	472,085	358,593	-	358,593
Fundraising	736,035	-	736,035	494,340	-	494,340
Total Support Services	<u>1,208,120</u>	<u>-</u>	<u>1,208,120</u>	<u>852,933</u>	<u>-</u>	<u>852,933</u>
Total Expenses	<u>7,009,946</u>	<u>-</u>	<u>7,009,946</u>	<u>4,990,181</u>	<u>-</u>	<u>4,990,181</u>
Change in Net Assets	3,123,277	94,022	3,217,299	509,198	526,823	1,036,021
Net Assets, Beginning of Year	<u>12,953,182</u>	<u>1,234,688</u>	<u>14,187,870</u>	<u>12,443,984</u>	<u>707,865</u>	<u>13,151,849</u>
Net Assets, End of Year	<u>\$16,076,459</u>	<u>\$ 1,328,710</u>	<u>\$17,405,169</u>	<u>\$12,953,182</u>	<u>\$ 1,234,688</u>	<u>\$14,187,870</u>

See Notes to Financial Statements

Sharsheret, Inc.
Statements of Functional Expenses
Years Ended December 31, 2023 and 2022

	2023								
	Program Services			Support Services					
	Support Programs and Services	Education and Outreach Programs	Program Services Total	Management and General	Fundraising	Direct Costs of Special Events	Total Fundraising Expense	Total Supporting Services	Total
Salaries	\$ 1,079,708	\$ 1,637,543	\$ 2,717,251	\$ 222,451	\$ 380,165	\$ -	\$ 380,165	\$ 602,616	\$ 3,319,867
Payroll taxes and employee benefits	125,991	191,085	317,076	25,967	39,877	-	39,877	65,844	382,920
Telephone and online communications	69,454	105,338	174,792	14,511	23,225	-	23,225	37,736	212,528
Quality of Life Services	1,226,118	-	1,226,118	-	-	-	-	-	1,226,118
Occupancy	37,803	57,335	95,138	7,789	13,311	-	13,311	21,100	116,238
Equipment rental and purchases	9,358	14,193	23,551	1,928	3,295	-	3,295	5,223	28,774
Professional fees	101,418	153,816	255,234	66,031	67,316	-	67,316	133,347	388,581
Publicity and media	67,411	102,239	169,650	-	7,095	-	7,095	7,095	176,745
Postage, printing, and publications	246,346	373,622	619,968	6,247	166,173	-	166,173	172,420	792,388
Travel and conferences	56,715	86,018	142,733	25,647	22,235	-	22,235	47,882	190,615
Insurance	7,626	11,566	19,192	1,039	2,145	-	2,145	3,184	22,376
Office supplies (including donated supplies of \$8,774)	10,255	15,554	25,809	15,784	7,982	-	7,982	23,766	49,575
Caterer, music, and facility rental (including donated items and supplies of \$84,732)	-	-	-	-	-	591,460	591,460	591,460	591,460
Credit card fees	-	-	-	77,524	-	-	-	77,524	77,524
Volunteer expenses	6,085	9,229	15,314	1,254	3,216	-	3,216	4,470	19,784
Bad debt	-	-	-	5,913	-	-	-	5,913	5,913
Total Expenses	3,044,288	2,757,538	5,801,826	472,085	736,035	591,460	1,327,495	1,799,580	7,601,406
Less expenses deducted directly from revenues on the statements of activities									
Direct costs of special events	-	-	-	-	-	(591,460)	(591,460)	(591,460)	(591,460)
Total Expenses Reported by Function on the Statements of Activities	\$ 3,044,288	\$ 2,757,538	\$ 5,801,826	\$ 472,085	\$ 736,035	\$ -	\$ 736,035	\$ 1,208,120	\$ 7,009,946

Sharsheret, Inc.
Statements of Functional Expenses
Years Ended December 31, 2023 and 2022

(Continued)

	2022								
	Program Services			Support Services					
	Support Programs and Services	Education and Outreach Programs	Program Services Total	Management and General	Fundraising	Direct Costs of Special Events	Total Fundraising Expense	Total Supporting Services	Total
Salaries	\$ 740,306	\$ 1,503,045	\$ 2,243,351	\$ 176,232	\$ 279,112	\$ -	\$ 279,112	\$ 455,344	\$ 2,698,695
Payroll taxes and employee benefits	81,885	166,251	248,136	19,493	30,719	-	30,719	50,212	298,348
Telephone and online communications	42,585	86,461	129,046	6,785	10,747	-	10,747	17,532	146,578
Quality of Life Services	685,539	-	685,539	-	-	-	-	-	685,539
Occupancy	26,662	54,132	80,794	6,347	10,052	-	10,052	16,399	97,193
Equipment rental and purchases	10,138	20,583	30,721	3,822	2,413	-	2,413	6,235	36,956
Professional fees	36,877	74,871	111,748	43,577	358	-	358	43,935	155,683
Publicity and media	25,977	52,742	78,719	-	15,606	-	15,606	15,606	94,325
Postage, printing, and publications	122,073	247,844	369,917	1,000	111,161	-	111,161	112,161	482,078
Travel and conferences	31,529	64,013	95,542	979	26,563	-	26,563	27,542	123,084
Insurance	4,558	9,253	13,811	497	1,394	-	1,394	1,891	15,702
Office supplies	12,626	25,635	38,261	31,584	4,764	-	4,764	36,348	74,609
Caterer, music, and facility rental (including donated tickets and supplies of \$30,885)	-	-	-	-	-	423,309	423,309	423,309	423,309
Credit card fees	-	-	-	59,453	-	-	-	59,453	59,453
Volunteer expenses	3,849	7,814	11,663	916	1,451	-	1,451	2,367	14,030
Bad debt	-	-	-	7,908	-	-	-	7,908	7,908
Total Expenses	1,824,604	2,312,644	4,137,248	358,593	494,340	423,309	917,649	1,276,242	5,413,490
Less expenses deducted directly from revenues on the statements of activities									
Direct costs of special events	-	-	-	-	-	(423,309)	(423,309)	(423,309)	(423,309)
Total Expenses Reported by Function on the Statements of Activities	\$ 1,824,604	\$ 2,312,644	\$ 4,137,248	\$ 358,593	\$ 494,340	\$ -	\$ 494,340	\$ 852,933	\$ 4,990,181

Sharsheret, Inc.
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Activities		
Change in net assets	\$ 3,217,299	\$ 1,036,021
Items not requiring (providing) cash		
Provision for bad debt	5,913	9,251
Net realized and unrealized (gains) losses on investments	(1,038,229)	1,478,414
Noncash operating lease expense	(2,959)	4,018
Amortization	10,421	8,058
Changes in		
Contributions receivable	(51,298)	(545,527)
Government grant receivable	723	(9,505)
Prepaid expenses and other assets	(698)	(96,176)
Accounts payable and accrued expenses	70,314	29,453
Deferred compensation payable	14,072	6,816
Net Cash Provided by Operating Activities	<u>2,225,558</u>	<u>1,920,823</u>
Investing Activities		
Proceeds from disposition of investments	26,929,578	1,265,442
Purchases of investments	(29,875,880)	(3,441,363)
Net Cash Used in Investing Activities	<u>(2,946,302)</u>	<u>(2,175,921)</u>
Financing Activities		
Principal payments on financing lease liability	(10,293)	(7,924)
Net Cash Used in Financing Activities	<u>(10,293)</u>	<u>(7,924)</u>
Net Change in Cash and Cash Equivalents	(731,037)	(263,022)
Cash and Cash Equivalents, Beginning of Year	<u>1,021,904</u>	<u>1,284,926</u>
Cash and Cash Equivalents, End of Year	<u>\$ 290,867</u>	<u>\$ 1,021,904</u>
Supplemental Cash Flows Information		
Right-to-use asset purchased through financing	\$ 49,617	\$ -
Interest paid	\$ 563	\$ -

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Sharsheret, Inc. (the Organization) is a national not-for-profit organization supporting young Jewish women and their families facing breast cancer. The Organization's mission is to offer a community of support to women of all backgrounds diagnosed with breast cancer or at increased genetic risk by fostering culturally relevant individualized connections with networks of peers, health professionals, and related resources. The Organization's programs are open to all women and men.

The *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) and subsequent legislation provide a refundable employee retention tax Organization credit (ERC) to eligible employers who meet either a gross receipts test or a government mandate test. The tax credit is equal to a specified percentage of qualified wages paid to employees subject to certain limits. The Organization has elected to account for these employee retention credits in accordance with Accounting Standards Codification (ASC) 958-605. The Organization has determined it qualifies for the tax credit and has claimed ERCs. As of December 31, 2023, the Organization received refunds in the amount \$413,401 for those claims and has recorded it as part of government grants in the statements of activities.

The Organization's revenues and other support are derived principally from contributions and special events.

The Organization offers the following national programs:

Support Programs and Services

Peer Support Network, connecting women newly diagnosed or at high risk of developing breast cancer or ovarian cancer one-on-one with others who share similar diagnoses and experiences.

Embrace, supporting women living with advanced breast cancer and ovarian cancer.

Genetics for Life, addressing hereditary breast cancer and ovarian cancer.

Thriving Again, providing individualized support, education, and survivorship navigation for breast cancer survivors.

Busy Box, for young parents facing cancer.

Best Face Forward, addressing the cosmetic side effects of treatment.

Sharsheret Supports, developing local support groups and programs.

Family Focus, providing resources and support for caregivers and family members.

Ovarian Cancer Program, tailored resources and support for young Jewish women and families facing ovarian cancer.

Best Face Forward 2.0, provides services and subsidies for eligible individuals for non-medical services that are critical to a woman's quality of life and body image.

Education and Outreach Programs

Health Care Symposia, on issues unique to younger women facing breast cancer and ovarian cancer.

Sharsheret, Inc.
Notes to Financial Statements
December 31, 2023 and 2022

Sharsheret on Campus, outreach to students on campus.

Sharsheret Educational Resource Booklet Series, culturally relevant publications for Jewish women, their families, and health care professionals.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. At December 31, 2023 and 2022, cash equivalents consisted primarily of money market accounts.

At December 31, 2023, the Organization's cash accounts exceeded federally insured limits by approximately \$261,000.

Investments and Net Investment Return

Investments are carried at fair value.

The Organization invests in various investment securities. 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 investments, it is at least reasonably possible that changes in the values of the investments will occur in the near term, based on the markets' fluctuations, and that such changes could materially affect the amounts reported in the Organization's financial statements.

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2023 and 2022.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Sharsheret, Inc.
Notes to Financial Statements
December 31, 2023 and 2022

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Government Grants

Support funded by grants is recognized as the Organization meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Sharsheret, Inc.
Notes to Financial Statements
December 31, 2023 and 2022

Allowance for Doubtful Accounts

The Organization determines whether an allowance for uncollectibles should be provided for contributions and government grants receivable. Such estimates are based on management’s assessment of the aged basis of its receivables, current economic conditions, subsequent collections, and historical information. Contributions and government grants receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. As of December 31, 2023 and 2022, no allowance for doubtful accounts was deemed necessary.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising categories based on the time spent by personnel in the various departments.

Note 2. Contributions Receivable

The Organization received unconditional promises to give. Contributions receivable are due as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 299,230	\$ 390,384	\$ 689,614
Due within one to five years	-	236,575	236,575
	<u>\$ 299,230</u>	<u>\$ 626,959</u>	<u>\$ 926,189</u>
	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 639,449	\$ 137,500	\$ 776,949
Due within one to five years	-	103,855	103,855
	<u>\$ 639,449</u>	<u>\$ 241,355</u>	<u>\$ 880,804</u>

Note 3. Government Grant

The Organization entered into a cooperative agreement with the Centers for Disease Control and Prevention to enhance and sustain structured support services for Jewish young women facing breast cancer. The current grant, effective October 2019, is for \$1,800,000 over five years, and is a conditional grant. In addition, the Organization received two budget modifications on the grant for \$100,000 in 2023 and 2022 for the 2024 and 2023 fiscal years. In 2023 and 2022, the Organization recognized \$461,376 and \$377,838, respectively. The unspent balance available as of December 31, 2023 and 2022 was \$361,334 and \$722,710, respectively.

Note 4. Leases

Accounting Policies

The Organization determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

The Organization combines any lease and nonlease components such as common area and other maintenance costs, and accounts for them as a single lease component in calculating the ROU assets and liabilities.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term. Payments on leases in excess of the fixed rent amount used in the determination of the lease liability are variable payments.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The Organization has entered into the following lease arrangements:

Finance Leases

These leases mainly consist of equipment. Termination of the leases generally is prohibited unless there is a violation under the lease agreement.

Operating Leases

The Organization entered into a noncancelable lease for office space in New Jersey. The lease expired May 31, 2024. On February 22, 2024, the Organization extended the lease for two additional years through May 31, 2026. Annual lease payments will be \$73,625 per annum with a two-month rent abatement in 2024.

Sharsheret, Inc.
Notes to Financial Statements
December 31, 2023 and 2022

All Leases

The Organization has no material related-party leases.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The lease cost and other required information for the years ended December 31, 2023 and 2022 are:

	<u>2023</u>	<u>2022</u>
Lease cost		
Finance lease cost		
Amortization of right-of-use asset	\$ 10,421	\$ 8,060
Interest on lease liabilities	761	332
Operating lease cost	<u>80,782</u>	<u>80,782</u>
 Total lease cost	 <u>\$ 91,964</u>	 <u>\$ 89,174</u>
 Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 772	\$ 309
Financing cash flows from finance leases	10,148	7,947
Operating cash flows from operating leases	83,742	76,764
Right-of-use assets obtained in exchange for new finance lease liabilities	49,617	-
Weighted-average remaining lease term		
Finance leases	5 years	2 years
Operating leases	.42 year	1.42 years
Weighted-average discount rate		
Finance leases	4.21%	1.67%
Operating leases	2.3%	2.3%

Sharsheret, Inc.
Notes to Financial Statements
December 31, 2023 and 2022

Future minimum lease payments and reconciliation to the statement of financial position at December 31, 2023 are as follows:

	Finance Leases	Operating Leases
2024	\$ 10,656	\$ 34,893
2025	10,656	-
2026	10,656	-
2027	10,656	-
2028	10,656	-
Total future undiscounted lease payments	53,280	34,893
Less interest	(5,764)	(134)
Lease liabilities	<u>\$ 47,516</u>	<u>\$ 34,759</u>

Note 5. Pension and Other Postretirement Benefit Plans

Defined Contribution Plan

The Organization has a 403(b) plan covering employees working 12 or more hours per week. The Plan allows for discretionary contributions by the Organization. Pension expense was \$46,785 and \$39,645 for the years ended December 31, 2023 and 2022, respectively.

Note 6. Deferred Compensation Agreement

The Organization established a deferred compensation agreement for executives selected by the Board of Directors. The funds are maintained in segregated investment accounts and are payable under the terms of the agreement. Contributions were \$10,000 in 2023 and 2022. The estimated liability at December 31, 2023 and 2022 was \$79,611 and \$65,539, respectively.

Note 7. Net Assets With Donor Restrictions

Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31 are restricted for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose		
Support programs and services	\$ 609,194	\$ 861,104
Education and outreach programs	<u>332,516</u>	<u>211,084</u>
	941,710	1,072,188
Subject to the passage of time		
Promises to give that are not restricted by donors but which are unavailable for expenditure until due	<u>387,000</u>	<u>162,500</u>
	<u>\$ 1,328,710</u>	<u>\$ 1,234,688</u>

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2023</u>	<u>2022</u>
Expiration of time restrictions	<u>\$ 62,500</u>	<u>\$ 47,500</u>
Satisfaction of purpose restrictions		
Support programs and services	1,235,323	852,833
Education and outreach programs	<u>520,948</u>	<u>261,088</u>
	<u>1,756,271</u>	<u>1,113,921</u>
	<u>\$ 1,818,771</u>	<u>\$ 1,161,421</u>

Sharsheret, Inc.
Notes to Financial Statements
December 31, 2023 and 2022

Note 8. Liquidity and Availability

Financial assets available for general expenditures without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 290,867	\$ 1,021,904
Investments	16,329,384	12,358,925
Investment - 457(b) plan	79,611	65,539
Contributions receivable	926,189	880,804
Government grant receivable	<u>32,469</u>	<u>33,192</u>
Total financial assets	17,658,520	14,360,364
Donor-imposed restrictions		
Funds with donor restrictions	<u>(1,328,710)</u>	<u>(1,234,688)</u>
Net financial assets after donor-imposed restrictions	16,329,810	13,125,676
Internal designations		
Investment - 457(b) plan	<u>(79,611)</u>	<u>(65,539)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 16,250,199</u>	<u>\$ 13,060,137</u>

The Organization manages its liquidity following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term expenditures and operating needs, and maintaining sufficient liquidity to provide reasonable assurance that long-term obligations will be discharged. The Organization monitors liquidity and cash flow on an ongoing basis to ensure an appropriate amount of cash and cash equivalents are available to meet current expenditure needs.

Note 9. Investments and Disclosures About Fair Value Measurements

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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Sharsheret, Inc.
Notes to Financial Statements
December 31, 2023 and 2022

Level 3 Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023 and 2022:

	2023			
	Total	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Money market	\$ 2,632,968	\$ 2,632,968	\$ -	\$ -
Fixed income				
Corporate bonds	967,961	858,677	109,284	-
International bonds	19,282	19,282	-	-
U.S. Treasury securities bonds	2,277,426	2,277,426	-	-
Equities				
U.S. large cap	3,919,716	3,919,716	-	-
U.S. mid cap	302,648	302,648	-	-
U.S. small cap	356,900	356,900	-	-
International	2,807,849	2,807,849	-	-
Real estate	361,272	361,272	-	-
Hard assets	283,388	283,388	-	-
Total investments reported on the fair value hierarchy	13,929,410	<u>\$ 13,820,126</u>	<u>\$ 109,284</u>	<u>\$ -</u>
Cash and cash equivalents	2,479,585			
	<u>\$ 16,408,995</u>			
Reconciliation to statement of financial position				
Investments	\$ 16,329,384			
Investment - 457(b) plan	79,611			
Total	<u>\$ 16,408,995</u>			

Sharsheret, Inc.
Notes to Financial Statements
December 31, 2023 and 2022

	2022			
	Total	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Blended	\$ 2,982,144	\$ 2,982,144	\$ -	\$ -
Exchange-traded funds (ETF)				
Equity - domestic	8,624,804	8,624,804	-	-
Equities				
Domestic	146	146	-	-
Total investments reported on the fair value hierarchy	11,607,094	<u>\$ 11,607,094</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and cash equivalents	817,370			
	<u>\$ 12,424,464</u>			
Reconciliation to statements of financial position				
Investments	\$ 12,358,925			
Investment - 457(b) plan	65,539			
Total	<u>\$ 12,424,464</u>			

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2023 and 2022.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 10. Revenue from Contracts with Special Event Attendees

Special Events Revenue

Revenue from special events is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for the direct cost of the benefits received by the participant at the event.

Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over a period of time is generally recognized when goods are provided to donors over a period of time and the Organization does not believe it is required to provide additional goods or services related to that sale.

Transaction Price

The Organization determines the transaction price based on standard charges for goods and services provided. For the years ended December 31, 2023 and 2022, the Organization recognized revenue of approximately \$372,000 and \$244,000, respectively, from goods and services that transfer to the attendee over a period of time.

Note 11. Contributed Nonfinancial Assets

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2023</u>	<u>2022</u>
Supplies	\$ 8,696	\$ 18,038
Food	-	2,783
Flowers	7,784	4,234
Hotel	-	1,100
Car service	-	500
Photographer	-	75
Security guard	-	2,200
Donated services	-	1,800
Venue	2,200	155
Catering	7,800	-
Cosmetics for clients	66,526	-
Singer	500	-
	<u>\$ 93,506</u>	<u>\$ 30,885</u>
Event costs		
	<u>\$ -</u>	<u>\$ 6,400</u>
Auction items		

Contributed nonfinancial items included items donated for the auction during the special events held by the Organization. The Organization estimated the fair value on the basis of estimates of values that would be received for selling similar products in the United States. In addition, Organization supplies are valued based on the purchase price for similar items.

Sharsheret, Inc.
Notes to Financial Statements
December 31, 2023 and 2022

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

Note 12. Related-Party Transaction

The Organization uses an investment firm that employs a family member of a board member in a managerial position. The Organization paid fees to the investment company of approximately \$5,500 and \$25,000 in 2023 and 2022, respectively.

Note 13. Subsequent Events

Subsequent events have been evaluated through October 2, 2024, which is the date the financial statements were available to be issued.