

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

KESHET, INC.

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Keshet, Inc.
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of Keshet, Inc. (Keshet), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, 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 Keshet as of December 31, 2024 and 2023, and the changes in its net assets, functional expenses and 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 Keshet 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 Keshet'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.

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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, including omissions, 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 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 Keshet'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 Keshet'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.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

October 27, 2025

KESHET, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 300,586	\$ 614,284
Investments	3,054,675	2,915,483
Grants and contributions receivable, net	3,557,977	3,188,098
Other receivables	31,528	134,805
Prepaid expenses	<u>162,447</u>	<u>104,905</u>
Total current assets	<u>7,107,213</u>	<u>6,957,575</u>
PROPERTY AND EQUIPMENT		
Computers and related software	112,123	112,123
Less: Accumulated depreciation and amortization	<u>(112,123)</u>	<u>(112,123)</u>
Net property and equipment	<u>-</u>	<u>-</u>
OTHER ASSETS		
Grants and contributions receivable, net	60,706	1,443,765
Security deposits	19,475	19,475
Right-of-use asset - Finance lease, net	4,259	5,679
Right-of-use assets - Operating leases, net	<u>397,735</u>	<u>405,676</u>
Total other assets	<u>482,175</u>	<u>1,874,595</u>
TOTAL ASSETS	<u>\$ 7,589,388</u>	<u>\$ 8,832,170</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 153,849	\$ 54,898
Accrued salaries and related benefits	182,146	201,543
Finance lease liability	1,418	1,368
Operating lease liabilities	<u>198,559</u>	<u>159,480</u>
Total current liabilities	<u>535,972</u>	<u>417,289</u>
NONCURRENT LIABILITIES		
Finance lease liability, net	2,992	4,410
Operating lease liabilities, net	<u>202,454</u>	<u>248,190</u>
Total noncurrent liabilities	<u>205,446</u>	<u>252,600</u>
Total liabilities	<u>741,418</u>	<u>669,889</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	1,983,485	1,922,972
Board designated	<u>658,797</u>	<u>658,797</u>
Total net assets without donor restrictions	2,642,282	2,581,769
With donor restrictions	<u>4,205,688</u>	<u>5,580,512</u>
Total net assets	<u>6,847,970</u>	<u>8,162,281</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,589,388</u>	<u>\$ 8,832,170</u>

See accompanying notes to financial statements.

KESHET, INC.

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions			With Donor Restrictions	Total
	Undesignated	Board Designated	Total		
SUPPORT AND REVENUE					
Grants and contributions	\$ 1,745,692	\$ -	\$ 1,745,692	\$ 2,493,599	\$ 4,239,291
Training and consulting fees	101,486	-	101,486	-	101,486
Events, net of expenses totaling \$22,070	(3,586)	-	(3,586)	-	(3,586)
Investment return designated for operations	85,000	-	85,000	-	85,000
Net assets released from donor restrictions	3,868,423	-	3,868,423	(3,868,423)	-
Total support and revenue	5,797,015	-	5,797,015	(1,374,824)	4,422,191
EXPENSES					
Program Services	4,792,078	-	4,792,078	-	4,792,078
Supporting Services:					
General and Administrative	537,737	-	537,737	-	537,737
Fundraising and Development	656,364	-	656,364	-	656,364
Total supporting services	1,194,101	-	1,194,101	-	1,194,101
Total expenses	5,986,179	-	5,986,179	-	5,986,179
Changes in net assets before other item	(189,164)	-	(189,164)	(1,374,824)	(1,563,988)
OTHER ITEM					
Net investment return	249,677	-	249,677	-	249,677
Changes in net assets	60,513	-	60,513	(1,374,824)	(1,314,311)
Net assets at beginning of year	1,922,972	658,797	2,581,769	5,580,512	8,162,281
NET ASSETS AT END OF YEAR	\$ 1,983,485	\$ 658,797	\$ 2,642,282	\$ 4,205,688	\$ 6,847,970

See accompanying notes to financial statements.

KESHET, INC.

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>			<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Undesignated</u>	<u>Board Designated</u>	<u>Total</u>		
SUPPORT AND REVENUE					
Grants and contributions	\$ 1,433,622	\$ -	\$ 1,433,622	\$ 4,802,416	\$ 6,236,038
Training and consulting fees	184,796	-	184,796	-	184,796
Events, net of expenses totaling \$124,722	121,601	-	121,601	-	121,601
Net assets released from donor restrictions	3,299,295	-	3,299,295	(3,299,295)	-
Total support and revenue	<u>5,039,314</u>	<u>-</u>	<u>5,039,314</u>	<u>1,503,121</u>	<u>6,542,435</u>
EXPENSES					
Program Services	<u>3,653,843</u>	<u>-</u>	<u>3,653,843</u>	<u>-</u>	<u>3,653,843</u>
Supporting Services:					
General and Administrative	743,397	-	743,397	-	743,397
Fundraising and Development	401,571	-	401,571	-	401,571
Total supporting services	<u>1,144,968</u>	<u>-</u>	<u>1,144,968</u>	<u>-</u>	<u>1,144,968</u>
Total expenses	<u>4,798,811</u>	<u>-</u>	<u>4,798,811</u>	<u>-</u>	<u>4,798,811</u>
Changes in net assets before other item	240,503	-	240,503	1,503,121	1,743,624
OTHER ITEM					
Net investment return	<u>318,406</u>	<u>-</u>	<u>318,406</u>	<u>-</u>	<u>318,406</u>
Changes in net assets	558,909	-	558,909	1,503,121	2,062,030
Net assets at beginning of year	<u>1,364,063</u>	<u>658,797</u>	<u>2,022,860</u>	<u>4,077,391</u>	<u>6,100,251</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,922,972</u>	<u>\$ 658,797</u>	<u>\$ 2,581,769</u>	<u>\$ 5,580,512</u>	<u>\$ 8,162,281</u>

See accompanying notes to financial statements.

KESHET, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Supporting Services				Total Expenses
	Program Services	General and Administrative	Fundraising and Development	Total Supporting Services	
Salaries	\$ 2,497,393	\$ 291,902	\$ 454,071	\$ 745,973	\$ 3,243,366
Professional fees	570,626	78,402	40,477	118,879	689,505
Payroll taxes and employee benefits	692,013	80,885	125,821	206,706	898,719
Leases	175,305	44,380	1,211	45,591	220,896
Travel and accommodations	327,814	4,529	9,660	14,189	342,003
Equipment and software	123,045	24,582	1,746	26,328	149,373
Office and program supplies	48,062	1,197	2,278	3,475	51,537
Food and entertainment	32,631	1,287	12,400	13,687	46,318
Space rental	114,357	2,130	-	2,130	116,487
Printing and reproduction	53,915	134	14,784	14,918	68,833
Miscellaneous	5,767	2,431	919	3,350	9,117
Professional development	15,642	220	38	258	15,900
Merchant account fees	8,526	2,544	-	2,544	11,070
Postage and shipping	25,379	-	7,074	7,074	32,453
Event registration	28,972	990	298	1,288	30,260
Membership dues and subscriptions	20,284	166	1,723	1,889	22,173
Marketing and promotion	46,016	67	5,934	6,001	52,017
Insurance	6,331	1,891	-	1,891	8,222
Subtotal	4,792,078	537,737	678,434	1,216,171	6,008,249
Less: Events expense included in support and revenue	-	-	(22,070)	(22,070)	(22,070)
TOTAL	\$ 4,792,078	\$ 537,737	\$ 656,364	\$ 1,194,101	\$ 5,986,179

See accompanying notes to financial statements.

KESHET, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising and Development</u>		
Salaries	\$ 1,885,997	\$ 439,205	\$ 258,356	\$ 697,561	\$ 2,583,558
Professional fees	495,764	89,037	96,996	186,033	681,797
Payroll taxes and employee benefits	521,432	121,429	71,429	192,858	714,290
Leases	151,438	48,499	452	48,951	200,389
Travel and accommodations	238,525	4,704	28,865	33,569	272,094
Equipment and software	104,801	26,207	1,877	28,084	132,885
Office and program supplies	47,759	3,513	15,124	18,637	66,396
Food and entertainment	27,687	1,507	20,458	21,965	49,652
Space rental	41,999	373	5,000	5,373	47,372
Printing and reproduction	44,811	35	17,702	17,737	62,548
Miscellaneous	8,957	577	5,505	6,082	15,039
Professional development	9,351	-	95	95	9,446
Merchant account fees	9,327	3,450	1,277	4,727	14,054
Postage and shipping	8,035	297	2,754	3,051	11,086
Event registration	28,746	-	178	178	28,924
Membership dues and subscriptions	15,005	1,396	86	1,482	16,487
Marketing and promotion	6,134	181	139	320	6,454
Insurance	8,075	2,987	-	2,987	11,062
Subtotal	3,653,843	743,397	526,293	1,269,690	4,923,533
Less: Events expense included in support and revenue	-	-	(124,722)	(124,722)	(124,722)
TOTAL	<u>\$ 3,653,843</u>	<u>\$ 743,397</u>	<u>\$ 401,571</u>	<u>\$ 1,144,968</u>	<u>\$ 4,798,811</u>

See accompanying notes to financial statements.

KESHET, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (1,314,311)	\$ 2,062,030
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Unrealized gains on investments	(185,040)	(302,928)
Realized (gains) losses on investments	(1,649)	46,369
Change in discount on noncurrent receivables	(188,531)	47,881
Change in allowance for doubtful accounts	2,840	399
Donated stock	(4,604)	(5,112)
Proceeds from sale of donated stock	4,750	5,103
Realized (gains) losses on sales of donated stock	(146)	9
Amortization of right-of-use assets, operating	179,300	159,367
Amortization of right-of-use asset, financing	1,419	1,419
Decrease (increase) in:		
Grants and contributions receivable	1,198,871	(1,944,388)
Other receivables	103,277	(34,884)
Prepaid expenses	(57,542)	(30,166)
Security deposits	-	(692)
Increase (decrease) in:		
Accounts payable and accrued liabilities	98,951	(4,210)
Accrued salaries and related benefits	(19,397)	41,957
Operating lease liabilities	(178,016)	(157,373)
Net cash used by operating activities	<u>(359,828)</u>	<u>(115,219)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments proceeds (purchases)	<u>47,497</u>	<u>(552,472)</u>
Net cash provided (used) by investing activities	<u>47,497</u>	<u>(552,472)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance lease liability	<u>(1,367)</u>	<u>(1,320)</u>
Net cash used by financing activities	<u>(1,367)</u>	<u>(1,320)</u>
Net decrease in cash and cash equivalents	(313,698)	(669,011)
Cash and cash equivalents at beginning of year	<u>614,284</u>	<u>1,283,295</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 300,586</u>	<u>\$ 614,284</u>
SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTIONS:		
Right-of-Use Asset in Connection with Financing Lease	<u>\$ -</u>	<u>\$ 7,098</u>
Right-of-Use Assets in Connection with Operating Leases	<u>\$ 171,359</u>	<u>\$ 565,043</u>
Financing Lease Liability	<u>\$ -</u>	<u>\$ 7,098</u>
Operating Lease Liabilities	<u>\$ 171,359</u>	<u>\$ 565,043</u>

See accompanying notes to financial statements.

KESHET, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Keshet, Inc. (Keshet) is a non-profit organization incorporated in the Commonwealth of Massachusetts and located in Boston, Massachusetts. Keshet's mission is to work for the full equality of lesbian, gay, bisexual, transgender and queer (LGBTQ) Jews and their families in Jewish life. Keshet strengthens Jewish communities. Keshet equips Jewish organizations with the skills and knowledge to build LGBTQ-affirming communities; creates spaces in which all queer Jewish youth feel seen and valued; and advances LGBTQ rights nationwide. Keshet's program activities include the following:

Education and Training - Keshet's education and training team bolsters Jewish institutions - synagogues, day schools, JCCs, federations, summer camps, and more - to cultivate communities of belonging through individualized consultations, trainings, and our cohort-based learning.

Youth Programs - Keshet fosters environments where LGBTQ+ Jewish youth and allies can thrive and grow as leaders, including through youth weekend retreats and online programs.

Jewish Community Mobilization for LGBTQ Equality - Keshet partners with Jewish organizations to prioritize LGBTQ+ equality within their social justice agendas, as well as with secular LGBTQ+ movement partners to bring the Jewish voice to issue-based campaigns.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Cash and cash equivalents -

Keshet considers all cash and other highly liquid investments, including certificates of deposit, with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, Keshet maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

KESHET, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in net investment return, which is presented net of investment expenses paid to external investment advisors, the accompanying Statements of Activities and Changes in Net Assets.

Investments acquired by gift, such as donated stock, are recorded at their fair value at the date of the gift. Keshet's policy is to liquidate all gifts of investments as soon as possible after the gift.

Grants and contributions receivable -

Grants and contributions receivable are recorded at their net realizable value, which approximates fair value. Grants and contributions receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor.

Property and equipment -

Property and equipment acquisitions in excess of \$2,500 are capitalized and stated at cost. Property and equipment is depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. There was no depreciation or amortization expense during the years ended December 31, 2024 and 2023.

Income taxes -

Keshet is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. Keshet is not a private foundation.

Revenue from contracts with customers -

Keshet's training and consulting fees are the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligation is met. Keshet has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on criteria stipulated in the agreements. Any amounts received in advance of satisfying performance obligations are recorded as deferred revenue. Keshet's contracts with customers generally have initial terms of one year or less. As of December 31, 2024 and 2023, Keshet did not have any receivables from 606 revenue streams.

KESHET, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Support from grants and contributions -

Grants and contributions are recognized in the appropriate category of net assets in the period received. Keshet performs an analysis of the individual grant or contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, Keshet had no refundable advances as of December 31, 2024 and 2023.

In addition, Keshet may obtain funding source agreements related to conditional contributions, which will be received in future years. However, Keshet had no conditional contributions to be received in future years as of December 31, 2024 and 2023.

Contributed services -

Contributed services typically consists of donated legal services. Contributed services are recorded at their fair value as of the date of the gift. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Keshet. In addition, volunteers have donated significant amounts of their time to Keshet; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

There were no contributed services received during the years ended of December 31, 2024 and 2023.

Use of estimates -

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

KESHET, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Functional allocation of expenses -

The costs of providing Keshet's programs and supporting services have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on estimated time and effort. Occupancy, depreciation, and office costs were allocated based on square footage occupied.

During the annual budgeting process, each staff member provides an estimate of the percentage of time they project to spend conducting Program work (including specific program areas that are tracked), Administration and Fundraising, respectively. These time estimates are reviewed and tested by management. The dollar value of their time in each functional area is then calculated as a percentage of the total salary pool; those percentages are then applied to allocate taxes and fringe benefits proportionately to functional areas.

Risks and uncertainties -

Keshet invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, Keshet has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Keshet has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

KESHET, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended December 31, 2024 and 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by Keshet are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by Keshet are deemed to be actively traded.
- *U.S. Treasury Bills* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, interest rate and credit risk.
- *Certificates of Deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2024:

Asset Class:	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 72,228	\$ -	\$ -	\$ 72,228
Mutual Funds - Equities	1,626,768	-	-	1,626,768
Mutual Funds - Bonds	937,347	-	-	937,347
Certificates of Deposit	-	418,332	-	418,332
TOTAL	\$ 2,636,343	\$ 418,332	\$ -	\$ 3,054,675

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2023:

Asset Class:	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 142,878	\$ -	\$ -	\$ 142,878
Mutual Funds - Equities	1,353,050	-	-	1,353,050
Mutual Funds - Bonds	666,234	-	-	666,234
U.S. Treasury Bills	241,877	-	-	241,877
Certificates of Deposit	-	511,444	-	511,444
TOTAL	\$ 2,404,039	\$ 511,444	\$ -	\$ 2,915,483

KESHET, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Included in net investment return are the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 84,395	\$ 81,174
Unrealized gains on investments	185,040	302,928
Realized gains (losses) on investments	1,795	(46,369)
Investment expenses	<u>(21,553)</u>	<u>(19,327)</u>
NET INVESTMENT RETURN	<u>\$ 249,677</u>	<u>\$ 318,406</u>

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

Keshet has received written promises to give from various donors totaling \$3,638,269 and \$4,837,140, respectively, as of December 31, 2024 and 2023. Grants and contributions receivable that are due in more than one year have been recorded at the net present value of their estimated future cash flows using discount rates ranging from 3.20% to 4.12%.

Grants and contributions receivable are expected to be collected as follows as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 3,564,859	\$ 3,192,140
One to five years	<u>73,410</u>	<u>1,645,000</u>
Subtotal	3,638,269	4,837,140
Less: Allowance to discount balance to present value	(12,704)	(201,235)
Less: Reserve for uncollectable grants	<u>(6,882)</u>	<u>(4,042)</u>
GRANTS AND CONTRIBUTIONS RECEIVABLE, NET OF ALLOWANCE AND RESERVE	<u>\$ 3,618,683</u>	<u>\$ 4,631,863</u>

4. BOARD DESIGNATED NET ASSETS

As of December 31, 2024 and 2023, net assets without donor restrictions have been designated by the Board of Directors as an operating reserve. The minimum amount to be designated as operating reserve will be established in an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months.

The operating reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The Board Designated Reserve Fund may be used to smooth over regular cash fluctuations and serve as bridge funding for operations expenses necessitated by the timing of expected cash receipts.

The Board may also authorize its use to build capacity as part of a strategic plan or initiative. The target minimum Board Designated Reserve Fund is equal to four months of average operating costs. Total Board designated net assets aggregated \$658,797 as of December 31, 2024 and 2023.

KESHET, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2024 and 2023:

	2024	2023
Time Restricted for General Operating Support	\$ 3,662,929	\$ 4,799,905
Program Services	542,759	780,607
NET ASSETS WITH DONOR RESTRICTIONS	\$ 4,205,688	\$ 5,580,512

Included in net assets restricted for program services are funds received under fiscal sponsorship for the Hineni LGBTQ Jewish Leadership Fellowship, and Joyous Justice Koach Fellowship. The balances of these programs at December 31, 2024 and 2023 totaled \$36,539 and \$36,539, respectively.

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the years ended December 31, 2024 and 2023, respectively:

	2024	2023
Program Services	\$ 512,500	\$ 67,856
Passage of Time	3,355,923	3,231,439
NET ASSETS RELEASED FROM RESTRICTIONS	\$ 3,868,423	\$ 3,299,295

6. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following as of December 31, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 300,586	\$ 614,284
Investments	3,054,675	2,915,483
Grants and contributions receivable, net	3,557,977	3,188,098
Other receivables	31,528	134,805
Subtotal financial assets available within one year	6,944,766	6,852,670
Less: Donor-restricted funds (net of time restricted funds to be released within one year)	(542,759)	(780,607)
Less: Board designated funds	(658,797)	(658,797)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 5,743,210	\$ 5,413,266

KESHET, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

6. LIQUIDITY AND AVAILABILITY (Continued)

Keshet is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, Keshet must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of Keshet'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. Additionally, Keshet maintains a Board Designated Fund that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

7. LEASE COMMITMENTS

Keshet follows FASB ASC 842 for leases. Keshet has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. Keshet has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

Short-term Leases:

Keshet leases office space on an as-needed basis. The Organization has elected the practical expedient for these short-term leases as the lease terms are less than 12 months. Total short-term lease expense included in operating expenses for the years ended December 31, 2024 and 2023, was \$9,600 and \$24,971, respectively.

Operating Leases:

Keshet has an operating lease for office space in Boston, Massachusetts, that expires February 2028. The office lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease.

The lease provides Keshet with a conditional option to renew for an additional five-year term, by submitting a renewal notice at least three months in advance. However, as of December 31, 2024, it is more likely than not that Keshet will not exercise this option. Consequently, this provision has not been included in the lease calculation.

During the year ended December 31, 2024, Keshet entered into an operating lease for office space in New York, New York, that expires April 2026. The office lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease.

For the year ended December 31, 2024, total lease cost was \$194,751 and total cash paid was \$192,003 for all operating leases. As of December 31, 2024, the weighted-average remaining lease term and rate for all operating leases is 2.3 years and 4.51%, respectively.

Finance Lease:

Keshet has entered a lease for a copier. Under the terms of the lease, Keshet is required to make monthly payments of \$129 through December 2027 when the lease expires.

KESHET, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

7. LEASE COMMITMENTS (Continued)

The following is a schedule of the future minimum lease payments due under the operating leases and finance lease, net of imputed interest, as of December 31, 2024:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>	<u>Finance Lease</u>
2025	\$ 211,180	\$ 1,548
2026	117,704	1,548
2027	79,181	1,548
2028	<u>13,261</u>	<u>-</u>
	421,326	4,644
Less: Imputed interest	<u>(20,313)</u>	<u>(234)</u>
	401,013	4,410
Less: Current portion	<u>(198,559)</u>	<u>(1,418)</u>
LEASE LIABILITIES, NONCURRENT	<u>\$ 202,454</u>	<u>\$ 2,992</u>

8. RETIREMENT PLAN

Keshet participates in a defined contribution pension plan as defined under Section 401(k) of the U.S. Internal Revenue Code. Keshet offers the Plan to all of its employees after three months of eligible experience. Keshet provides a 100% match of each eligible employee's contribution, up to 4% of covered compensation. Employer contributions to the Plan during the years ended December 31, 2024 and 2023 totaled \$89,399 and \$79,923, respectively.

9. SUBSEQUENT EVENTS

In preparing these financial statements, Keshet has evaluated events and transactions for potential recognition or disclosure through October 27, 2025, the date the financial statements were issued.