EISNERAMPER

LEICHTAG FOUNDATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

LEICHTAG FOUNDATION AND SUBSIDIARIES

Contents

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Leichtag Foundation and Subsidiaries

Report on the Audit of the Financial Statements

We have audited the financial statements of Leichtag Foundation and Subsidiaries (collectively, the "Foundation"), which comprise the consolidated statement of financial position as of September 30, 2024, 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 (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Foundation as of September 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 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 U.S. 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 controls. 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 U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

EisnerAmper LLP

EISNERAMPER LLP
La Jolla, California
March 20, 2025

LEICHTAG FOUNDATION AND SUBSIDIARIES

Consolidated Statement of Financial Position
September 30, 2024

ASSETS	
Current assets:	
Cash and cash equivalents	$ 440,262
Accounts receivable	348,370
Current portion of notes receivable, net	90,000
Investments	59,395,958
Prepaid expenses	52,274
Total current assets	60,326,864
Noncurrent assets:	
Notes receivable, net, less current portion	306,824
Property and equipment, net	22,613,720
Total noncurrent assets	22,920,544
Total assets	$ 83,247,408
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	$ 574,053
Accrued expenses	382,573
Current portion of grants payable	374,500
Total current liabilities	1,331,126
Grants payable, net of current portion and discount	3,614,030
Total liabilities	4,945,156
Commitments and contingencies (see Notes F and N)	
Net assets:	
Without donor restrictions	78,302,252
Total liabilities and net assets	$ 83,247,408

LEICHTAG FOUNDATION AND SUBSIDIARIES

Consolidated Statement of Activities
Year Ended September 30, 2024

Revenue and support without donor restrictions:	
Rental income	$ 2,441,961
Interest income from note receivable	13,048
Contributions	24,084
Total revenue and support without donor restrictions	2,479,093
Net investment income:	
Net realized gain on investments	2,590,977
Net unrealized gain on investments	6,671,966
Interest and dividends	1,133,581
Investment expense	(506,098)
Total net investment income	9,890,426
Total revenue and support without donor restrictions and net investment income	12,369,519
Expenses:	
Program services:	
Grantmaking	4,271,293
Leichtag Commons	3,628,496
Other programs	241,735
Supporting services:	
Management and general	1,631,238
Total expenses	9,772,762
Change in net assets	2,596,757
Net assets without donor restrictions, beginning of year	75,705,495
Net assets without donor restrictions, end of year	**$ 78,302,252**

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

LEICHTAG FOUNDATION AND SUBSIDIARIES

Consolidated Statement of Functional Expenses
Year Ended September 30, 2024

	Program Services			Supporting Services	
	Grantmaking	Leichtag Commons	Other Programs	Management and General	Total
Expenses:					
Payroll and related expenses	$ 1,502,123	$ 1,158,245	$ 115,006	$ 1,115,818	$ 3,891,192
Grants	2,765,446	-	-	-	2,765,446
Depreciation	-	861,927	-	-	861,927
Settlement (see Note N)	-	736,881	-	-	736,881
Security	-	284,237	-	28,111	312,348
Repairs and maintenance	25	197,680	-	3,388	201,093
Professional fees	-	88,821	-	61,569	150,390
Insurance	-	102,900	-	38,758	141,658
Taxes	-	51,317	-	87,625	138,942
Travel	50	797	95,215	36,430	132,492
Other	360	31,670	27	97,513	129,570
Office	1,020	30,623	565	97,102	129,310
Consulting	-	15,000	30,000	27,525	72,525
Supplies	-	52,419	22	5,285	57,726
System support	248	6,184	-	24,619	31,051
Telephone and wireless	2,021	9,795	900	7,495	20,211
Total expenses	$ 4,271,293	$ 3,628,496	$ 241,735	$ 1,631,238	$ 9,772,762

LEICHTAG FOUNDATION AND SUBSIDIARIES

Consolidated Statement of Cash Flows
Year Ended September 30, 2024

Cash flows from operating activities:	
Change in net assets	$ 2,596,757
Adjustments to reconcile change in net assets to net cash flows used in operating activities:	
Net realized gain on investments	(2,653,624)
Net unrealized gain on investments	(6,609,319)
Accrued interest	(9,239)
Provision for credit losses	90,000
Depreciation	861,927
Decrease (increase) in:	
Accounts receivable	317,742
Prepaid expenses	(8,677)
(Decrease) increase in:	
Accounts payable and accrued expenses	(179,521)
Accrued expenses	148,456
Grants payable	(845,505)
Net cash flows used in operating activities	(6,291,003)
Cash flows from investing activities:	
Proceeds from sales of investments	9,046,909
Purchases of investments	(3,743,135)
Purchases of property and equipment	(152,219)
Net cash flows provided by investing activities	5,151,555
Cash flows from financing activities:	
Issuance of note receivable	(90,000)
Net cash flows used in financing activities	(90,000)
Net change in cash and cash equivalents	(1,229,448)
Cash and cash equivalents:	
Beginning of year	1,669,710
End of year	$ 440,262

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

NOTE A - THE ORGANIZATION AND NATURE OF ACTIVITIES

The Organization:

The Leichtag Foundation ("Leichtag") is a tax-exempt foundation created to honor the legacy of Lee and Toni Leichtag through igniting and inspiring Jewish life, advancing self-sufficiency, and stimulating social entrepreneurship in coastal North San Diego County and Jerusalem.

LF Encinitas Properties, LLC ("LF Encinitas") was formed for the purpose of engaging in the business of acquiring, owning, operating, financing, refinancing, leasing, holding for investment, and selling real property under the Leichtag Commons name. LF Encinitas is a single-member limited liability company whose sole member is Leichtag.

LF Manager, LLC ("LF Manager") was formed for the purpose of managing its investment in aMoon 2 Fund, L.P. LF Manager is a single-member limited liability company whose sole member is Leichtag.

The consolidated financial statements (the "financial statements") include the consolidated financial position and operational activities of Leichtag and its wholly-owned subsidiaries, LF Encinitas and LF Manager (collectively referred to as the "Foundation").

The Foundation provides key personnel and grant contributions to support Impact Cubed ("Impact Cubed"), which is an independent tax-exempt corporation that stimulates philanthropy and builds social sector capacity by providing guidance to donors, facilitating funder consortia, and engaging community groups.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting and consolidation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations. All material intra-entity transactions between Leichtag and its subsidiaries, LF Encinitas and LF Manager, have been eliminated in consolidation and balances adjusted to reflect the reporting requirements set forth in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*.

[2] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

[3] Adopted accounting pronouncement:

The Foundation has implemented all applicable accounting pronouncements within the ASC that are in effect as of September 30, 2024, including the accounting pronouncement discussed below.

Effective October 1, 2023, the Foundation adopted FASB Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments*, as amended ("Topic 326"). Topic 326 replaces the "incurred loss" credit losses framework with an expected loss methodology that is referred to as the current expected credit loss ("CELC") methodology, which requires management's measurement of the allowance for credit losses to be based on a broader range of reasonable and supportable information for lifetime credit loss estimates. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[3] Adopted accounting pronouncement: (continued)

The Foundation adopted Topic 326 using the modified retrospective method; however the application of the standard had no material effect on these financial statements.

[4] Cash and cash equivalents:

Cash and cash equivalents consists of short-term, highly liquid investments with original maturities of three months or less at the date of acquisition. The carrying value of cash approximates fair value because of the short maturities of those financial instruments.

[5] Accounts receivable:

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for credit losses. The Foundation recognizes an allowance for credit losses for financial assets carried at amortized cost to present the net amount expected to be collected as of the consolidated financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset (contractual term) by reviewing the individual accounts considering aging, financial condition of the debtor, recent payment history, current forecasted economic conditions, and other relevant factors.

The Foundation writes off receivables when there is no information supporting the possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or as an offset to credit losses in the year of recovery, in accordance with the Foundation's accounts receivable policy election.

[6] Notes receivable:

Notes receivable are recorded in the financial statements on the date the note is signed and a contractual obligation exists. If applicable, accrued interest receivable is recorded according to the terms of the agreements. Estimates for credit losses are reviewed on an annual basis and adjusted if collectability risk has significant changed, based on the Foundation's understanding of the borrowers' financial health, payment history, current economic market conditions, and reasonable supportable forecasts.

Recently adopted FASB Topic 326 requires the Foundation to estimate expected credit losses for its notes receivable. The Foundation's estimate for credit losses was $90,000 as of September 30, 2024. The allowance is an estimate that could change significantly in the near term if there are significant changes in economic market conditions or the borrower's financial health.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Investments:

The Foundation records its marketable securities and alternative investments at fair value. Investments acquired by gift are recorded at their fair value at the date of gift. The fair value of investments in securities traded on national security exchanges, including mutual funds, equities, and real estate investment trusts, is based on the closing price on the last business day of the fiscal year. Investments which are not publicly traded consist primarily of alternative investments in hedge funds and private equity investments, and are valued at the Foundation's fair value as reported by each respective fund at the valuation date. When provided by the fund, the Foundation uses net asset value ("NAV") to determine the fair value of the underlying investments which (a) do not have a readily determinable fair value, and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Depending on the underlying asset, NAV is determined by the underlying asset's manager through national exchange prices for securities with a readily determinable value or fund manager valuations and estimates.

Investment transactions are recorded on a trade-date basis. Dividend income is recorded as of the ex-dividend date and interest income is recorded as earned using the accrual basis. Net investment income includes realized and unrealized gains and losses on investments held or sold during the year. Realized gains or losses on the sale of share- or unit-based investments are calculated using the specific-identification method. Unrealized gains and losses represent the change in the fair market value of the individual investments for the year, or since the acquisition date if acquired during the year, and are recorded as a component of net assets without donor restrictions.

[8] Property and equipment:

The Foundation's policy is to capitalize assets with a useful life greater than one year and a value of $2,000 or more. Property and equipment are recorded at cost, except for donated items, which are recorded at fair value at the date of donation. The costs of maintenance and repairs are recorded as an expense when incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives are as follows:

Description	Useful Live
Buildings and greenhouses	39 years
Furniture, fixtures and equipment	5 to 7 years

When assets are retired or otherwise disposed of, the cost and the accumulated depreciation is removed from the accounts and any resulting gain or loss is recognized. The Foundation reviews its property and equipment when events or changes in business circumstances indicate the carrying amount of the assets may not be fully recoverable or that the useful life of the assets are no longer appropriate. No impairment was recognized for the year ended September 30, 2024.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[9] Net assets:

The Foundation 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 that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Foundation did not have any net assets with donor restrictions that were temporary or perpetual in nature for the year ended September 30, 2024.

[10] Grants:

Grant expenditures are recognized in the period the grant is approved and issued. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. Grants payable that are expected to be paid in more than one year past the grant date are recorded at the net present value of expected future payments and discounted using a risk adjusted rate at each grant date for a commensurate period.

[11] Revenue recognition:

The Foundation recognizes revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for those goods or services.

The Foundation recognizes revenue from rent, tenant reimbursements, late fees, and other revenue as amounts become due and collection is probable. The Foundation's leases are classified as operating leases and are month-to-month through 10 years. Rental payments are made, and revenue from rent is recognized on a straight-line basis. Prepaid rents are deferred until earned.

[12] Contributions:

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Contributions to be received in future periods are discounted at a risk-adjusted rate. Amortization of discounts are recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[13] Functional expense allocation:

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of management. The expenses that are allocated and their method of allocation include the following:

Expense	Method of Allocation
Grants	Use of expense
Payroll and related expenses	Time and effort
Depreciation	Use of expense
Security	Use of expense
Repairs and maintenance	Use of expense
Other	Use of expense
Professional fees	Use of expense
Office	Use of expense
Taxes	Use of expense
Travel	Use of expense
Insurance	Use of expense
Consulting	Use of expense
Supplies	Use of expense
System support	Use of expense
Telephone and wireless	Use of expense

[14] Income taxes:

Leichtag is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and related sections of the California Revenue and Taxation Code. However, Leichtag remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to their exempt purpose. Leichtag is subject to federal excise tax of 1.39% on net investment income. Additionally, the Code requires certain minimum distributions be made in accordance with a specified formula. The calculation of the minimum distribution is performed annually. LF Encinitas and LF Manager are non-taxpaying entities for federal income tax purposes, and thus no income tax has been recorded in the financial statements.

In accordance with FASB ASC 740, *Accounting for Uncertainty in Income Taxes*, the Foundation evaluates annually any uncertain tax positions taken or expected to be taken in a tax return by applying a threshold of more likely than not for recognition. Management evaluated its tax positions and determined that it has no uncertain tax positions at September 30, 2024. There have been no related tax penalties or interest, which would be classified as tax expense in the consolidated statement of activities.

The Foundation provides for deferred federal excise taxes due on the total unrealized appreciation in fair value over the original basis of its investments. Deferred excise tax payable was determined to be $163,968 at September 30, 2024 and is reported in accrued expenses in the consolidated statement of financial position.

NOTE C - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of September 30, 2024, reduced by amounts not available for general use because of contractual obligations within one year:

Financial assets at year-end:	
Cash and cash equivalents	$ 440,262
Accounts receivable	348,370
Notes receivable	396,824
Investments	59,395,958
	60,581,414
Less: amounts not available to be used within one year:	
Notes receivable	(306,824)
Funds valued at NAV	(17,224,238)
Financial assets available to meet general expenditures over the next twelve months	$ 43,050,352

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities to be general expenditures.

The Foundation manages its liquidity and reserves through maintaining and reviewing budget to actual amounts and forecasted cash flows on a regular basis. The Foundation also operates within a prudent range of financial soundness and stability and constantly maintains adequate liquid assets to fund near term operating needs. The Foundation maintains cash and cash equivalents, and liquid investment balances, which account for 51% of total assets as of September 30, 2024, to help manage unanticipated liquidity needs.

NOTE D - NOTES RECEIVABLE, NET

The Foundation entered into a note receivable agreement with Meshek Ofaimme VeEchav Ltd. ("Ofaimme") on February 22, 2018 for $387,585. Interest is 3.4% per annum and payments were required quarterly based on a percentage of Ofaimme's quarterly revenues until the balance is paid in full. Due to the COVID-19 pandemic and conflict in Israel, the Foundation is working with Ofaimme on modified loan provisions and repayment plan. Currently, interest is still assessed on the outstanding balance but quarterly payments are paused, and no maturity date has been set. As no due date has been determined as of September 30, 2024, the outstanding note receivable balance is presented as noncurrent in the accompanying consolidated statement of financial position. Interest income on this note was $13,048 for the year ended September 30, 2024 and is recorded in interest income on note receivable on the accompanying consolidated statement of activities.

The Foundation entered into a note receivable agreement with Coastal Roots Farm ("CRF"), a related party (see Note M) on August 22, 2024 for a loan up to $185,000. The note is non-interest bearing and payment is due in full on September 30, 2025. During the year ended September 30, 2024, CRF borrowed $90,000 on the note. As the note is due within one year of September 30, 2024, the entire loan balance is presented as current in the accompanying consolidated statement of financial position.

NOTE D - NOTES RECEIVABLE, NET (CONTINUED)

The Foundation's notes receivable consisted of the following as of September 30, 2024:

Promissory note - Ofaimme	$ 396,824
Promissory note - CRF	90,000
	486,824
Less: allowance for credit losses	(90,000)
Notes receivable, net of allowance for credit losses	$ 396,824

Changes in the allowance for credit losses for the year ended September 30, 2024 is as follows:

Beginning balance	$ -
Provision for credit losses	90,000
Write-offs	-
Ending balance	$ 90,000

NOTE E - INVESTMENTS

The Foundation's investments consisted of the following as of September 30, 2024:

	Carrying Value
Mutual funds:	
Large cap - domestic	$ 2,492,440
Fixed income - domestic	14,805,284
Large cap - international	7,331,448
Total mutual funds	24,629,172
Equities	9,704,045
Real estate investment trusts	290,594
Funds valued at NAV:	
Private equity funds	12,651,869
Hedge funds	324,000
Total funds valued at NAV	12,975,869
Total investments	$ 47,599,680

NOTE F - INVESTMENTS IN INVESTMENT FUNDS VALUED AT NAV

The Foundation may periodically liquidate its investments in hedge funds (subject to lock-up periods, if applicable), depending on the provisions of the respective fund's offering documents and any negotiated liquidity agreements between the Foundation and the fund. There are no redemptions allowed in its investments in private equity funds. Additionally, funds in which the Foundation invests may restrict the transferability of the Foundation's interest. In light of such restrictions imposed, an investment in these funds should be viewed as illiquid and subject to liquidity risk.

The Foundation's investments in investment funds are subject to the terms of the respective funds' agreements, private placement memoranda and other governing agreements. The investments are also subject to annual management fees, ranging from 0.0% to 1.5% as specified in such funds' agreements.

Due to the limited liquidity of the Foundation's investments in the funds and the inherent uncertainty of the valuation of certain investments held by the funds, the values that the respective investment managers have attributed to their funds may differ from the values that would have been used had a ready market existed. Such values may not necessarily represent amounts that will be ultimately realized in the near term through distribution, sale or liquidation of the investment.

The Foundation's investments in the funds are subject to the market and credit risk of those financial instruments held or sold short by the funds. The funds in which the Foundation invests utilize a variety of financial instruments in their trading strategies, which contain varying degrees of off-balance-sheet risk. The Foundation's risk of loss related to any one fund is generally limited to its investment in such fund.

The Foundation's hedge fund and private equity investments valued at NAV as of September 30, 2024 are classified as follows:

Description	Fair Value	Unfunded Commitments	Redemption Frequency
Private equity funds [a]	$ 16,833,048	$ 1,925,000	N/A
Hedge fund of funds [b]	$ 391,190	None	Quarterly

[a] Private equity funds are investment in funds organized as limited partnerships which invest in media companies, technology companies (excluding biotech), mezzanine capital, secondaries, and buyouts.

[b] The hedge fund of funds employs a variety of strategies including absolute return, diversified arbitrage, investment in distress strategies, and various long/short strategies.

NOTE G - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The provisions of FASB ASC 820 establish a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that observable inputs be used when available. The three-level hierarchy for fair value measurements is defined as follows:

Level 1: Quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data. May include quoted prices in a market that is not active.

Level 3: Unobservable inputs that cannot be corroborated by market data. These inputs reflect management's best estimate of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

The Foundation endeavors to utilize the best available information in measuring fair value. Investments are reported at fair value and assigned a hierarchy based on the inputs to valuation techniques used to measure fair value. The Foundation measures fair value at the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Mutual funds, equities and real estate investment trusts that trade on an active exchange are valued using quoted market prices and are classified within Level 1.

The investments in hedge funds and private equity funds are valued at the Foundation's net equity position as reported by each respective fund at the valuation date which approximates fair value. When provided by the fund manager, the investment funds are valued at NAV as a practical expedient to measuring fair value and are not required to be classified within the fair value hierarchy. For investments valued at the Foundation's net equity position, in which NAV is not provided by the fund manager, the fair value measurement classifications are based on the Foundation's ability to redeem the investments as of the measurement date and the underlying investments. If a fund's underlying investments are classified at Level 1 or 2 and the investment can be redeemed at the Foundation's net equity position (or its equivalent) as of the measurement date or can be redeemed within the near term, they are classified as Level 2. If the Foundation does not have the ability to redeem the investment in the near term or does not have the ability to redeem the investment, and thereby does not know when the investment can be redeemed, they are classified as Level 3.

NOTE G - FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a summary as of September 30, 2024 of the Foundation's assets carried at fair value within the fair value hierarchy:

Description	Unadjusted Quoted Prices (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Balance as of September 30, 2024
Mutual funds:				
Large cap - domestic	$ 3,341,413	$ -	$ -	$ 3,341,413
Fixed income - domestic	13,383,767	-	-	13,383,767
Large cap - international	10,937,706	-	-	10,937,706
Total mutual funds	27,662,886	-	-	27,662,886
Equities	14,194,548	-	-	14,194,548
Real estate investment trusts	314,286	-	-	314,286
Funds valued at NAV*:				
Private equity funds	-	-	-	16,833,048
Hedge funds	-	-	-	391,190
Total funds valued at NAV	-	-	-	17,224,238
Total	$ 42,171,720	$ -	$ -	$ 59,395,958

- Certain investments measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

NOTE H - PROPERTY AND EQUIPMENT, NET

Property and equipment, net of accumulated depreciation as of September 30, 2024, consisted of the following:

Buildings and greenhouses	$ 17,282,265
Land	9,932,732
Machinery and equipment	848,761
Technology	264,988
	28,328,746
Less: Accumulated depreciation	(6,475,088)
	21,853,658
Construction-in-progress	760,062
	$ 22,613,720

NOTE H - PROPERTY AND EQUIPMENT, NET (CONTINUED)

Depreciation expense was $861,927 for the year ended September 30, 2024 and is included in the accompanying consolidated statement of functional expenses.

NOTE I - GRANTS PAYABLE

The Foundation makes grants to recipient organizations whose mission is similar to that of the Foundation in igniting and inspiring Jewish life, advancing self-sufficiency, and stimulating social entrepreneurship in coastal North San Diego County and Jerusalem. Grants scheduled to be paid in future years are as follows:

Year Ending September 30,	Amount
2025	$ 374,500
2026	785,176
2027	500,000
2028	500,000
2029	500,000
Thereafter	2,000,000
Total	4,659,676
Less: discount on grants payable	(671,146)
Grants payable	3,988,530
Less: current portion	(374,500)
Grants payable, net of current portion	$ 3,614,030

The applicable U.S. Treasury rate was used as the discount rate and ranged from 3.49% to 4.33%.

NOTE J - PROPERTY LEASED TO OTHERS

The Foundation is the lessor of property on long-term operating leases and short-term rentals. The long-term operating leases are for land and various greenhouses and other buildings constructed on the land.

The following is a summary of land, buildings and greenhouses held for lease as of September 30, 2024:

Description	Amount
Land	$ 4,327,533
Buildings and greenhouses	8,932,152
	13,259,685
Less: Accumulated depreciation	(1,892,709)
Total property leased to others, net	$ 11,366,976

NOTE J - PROPERTY LEASED TO OTHERS (CONTINUED)

Minimum future lease income expected to be received under noncancelable leases as of September 30, 2024 is as follows:

Year Ending September 30,	Amount
2025	$ 1,142,415
2026	539,180
2027	376,107
2028	354,223
Total	$ 2,411,925

The Foundation provided the use of land to Impact Cubed and Coastal Roots Farm for no cost during the year. The value of the free rent is approximately $38,400 and $587,946, respectively (see Note M [1] and [3]).

NOTE K - EMPLOYEE BENEFIT PLAN

The Foundation provides a 401(k) profit-sharing plan (the "Plan"), which is administered by Newport Group as of January 2016. The Plan covers substantially all the Foundation's full-time employees. The Foundation makes nonelective contributions equal to 3% of compensation for the Safe Harbor contribution, 4% of compensation up to $30,000, and an additional 4.3% of compensation in excess of $30,000 to the Plan. The Foundation also makes matching contributions for eligible employees equal to the lesser of 50% of the participants' contributions during the Plan year up to 3% of the participants' eligible compensation.

Retirement plan expense was $358,067, respectively, for the year ended September 30, 2024.

NOTE L - RISKS AND UNCERTAINTIES

[1] Cash and cash equivalents:

The Foundation maintains cash accounts at various financial institutions. The balances at times may exceed Federal Deposit Insurance Corporation ("FDIC") limits. Accounts at each financial institution are insured by the FDIC up to $250,000. The Foundation has historically not experienced any losses in such accounts.

[2] Lease income:

The Foundation had two major tenants with over 10% of the total lease income for the year ended September 30, 2024. Management believes that the Foundation is not exposed to any significant concentration of risk in the near term.

NOTE M - RELATED PARTY TRANSACTIONS

[1] Impact Cubed:

During fiscal year 2024, a board member of the Foundation was a board member for Impact Cubed, and an officer of the Foundation was an officer for Impact Cubed. The Foundation provided Impact Cubed with grants totaling $356,633 and in-kind contributions of $1,346,961, which was comprised of $1,308,561 related to professional services, free rent of $38,400 for the year ended September 30, 2024.

[2] LFAM2 LLC:

The Foundation is invested in an investment fund held by LFAM2 LLC ("LFAM2"). As of September 30, 2024, the Foundation has receivables of $34,663 due from LFAM2, which are included in accounts receivable in the accompanying consolidated statement of financial position.

[3] Coastal Roots Farm:

During fiscal year 2024, two of the Foundation's board members served as board members for CRF. The Foundation provided CRF in-kind contributions of $633,089, which was comprised of free rent of $587,946 and rental property expenses of $45,143 and grants totaling $439,484 for the year ended September 30, 2024. In addition, the Foundation has a note receivable due from CRF that totaled $90,000 as of September 30, 2024 (see Note D).

NOTE N - COMMITMENTS AND CONTINGENCIES

FASB ASC 450, *Contingencies* ("ASC 450"), requires that an estimated loss from a loss contingency be accrued if it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. During fiscal year 2023, the Foundation was involved in litigation with a former tenant and recorded a $230,000 loss contingency as of September 30, 2023 related to the litigation. On January 1, 2024, the trial court issued judgment in favor of the former tenant, and the Foundation recorded an approximate additional $737,000 expense, which is recorded as settlement expense on the accompanying consolidated statement of functional expense. The Foundation paid the total amount of $966,881 during the year ended September 30, 2024.

NOTE O - SUBSEQUENT EVENT

The Foundation evaluated subsequent events through March 20, 2025, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in the financial statements.