IMPACT CUBED

FINANCIAL STATEMENTS

September 30, 2023

IMPACT CUBED

Contents

EisnerAmper LLP
4225 Executive Square
Suite 1150
La Jolla, CA 92037
T 858.558.9200
F 858.558.8225
www.eisneramper.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Impact Cubed

Report on the Audit of the Financial Statements

We have audited the financial statements of Impact Cubed (the "Organization"), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2023, 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.

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 Organization 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern 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 Organization'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 Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

EisnerAmper LLP

EISNERAMPER LLP
La Jolla, California
October 8, 2024

IMPACT CUBED

Statement of Financial Position
September 30, 2023

ASSETS	
Current assets:	
Cash	$ 334,973
Restricted cash	1,078,699
Accounts receivable	68
Other receivable	56,000
Prepaid expenses	55,972
Total current assets	1,525,712
Total assets	$ 1,525,712
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	$ 16,938
Accrued expenses	2,167
Due to related party	56,000
Total current liabilities	75,105
Total liabilities	75,105
Net assets:	
Without donor restrictions	371,908
With donor restrictions	1,078,699
Total net assets	1,450,607
Total liabilities and net assets	$ 1,525,712

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

IMPACT CUBED

Statement of Activities
Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions	$ 24,815	$ 777,478	$ 802,293
Consulting service income	81,595	-	81,595
In-kind contributions	478,007	306,958	784,965
Net assets released from restrictions	1,456,211	(1,456,211)	-
Total revenue and support	2,040,628	(371,775)	1,668,853
Expenses:			
Program services	1,459,829	-	1,459,829
Supporting services:			
Management and general	332,376	-	332,376
Fundraising	35,754	-	35,754
Total expenses	1,827,959	-	1,827,959
Change in net assets	212,669	(371,775)	(159,106)
Net assets, beginning of year	159,239	1,450,474	1,609,713
Net assets, end of year	$ 371,908	$ 1,078,699	$ 1,450,607

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

IMPACT CUBED

Statement of Functional Expenses
Year Ended September 30, 2023

	Program Services	Supporting Services		
	Stimulate Philanthropy and Build Social Sector	Management and General	Fundraising	Total
Expenses:				
In-kind donated services	$ 472,685	$ 295,771	$ 16,509	$ 784,965
Grants	678,050	-	-	678,050
Visitor professor fees	149,089	-	-	149,089
Travel	73,143	188	6,538	79,869
Consultants	49,630	2,700	1,599	53,929
Legal and professional fees	-	25,255	-	25,255
Marketing	16,922	-	2,500	19,422
IT	10,238	2,035	2,848	15,121
Insurance	-	5,293	-	5,293
Bank charges and fees	4,733	271	270	5,274
Professional memberships	36	-	2,815	2,851
Gifts	2,282	-	434	2,716
Community events	440	-	1,384	1,824
Website	1,240	187	-	1,427
Publications	94	466	847	1,407
Speaker honorariums	750	-	-	750
Office	497	10	10	517
Taxes and licenses	-	200	-	200
Total expenses	$ 1,459,829	$ 332,376	$ 35,754	$ 1,827,959

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

IMPACT CUBED

Statement of Cash Flows
Year Ended September 30, 2023

Cash flows from operating activities:	
Change in net assets	$ (159,106)
Adjustments to reconcile change in net assets to net cash flows used in operating activities:	
(Increase) decrease in:	
Accounts receivable	28,223
Other receivable	(56,000)
Prepaid expenses	(55,972)
Increase (decrease) in:	
Accounts payable	5,601
Accrued expenses	(3,534)
Due to related party	56,000
Net cash flows used in operating activities	(184,788)
Net change in cash and restricted cash	(184,788)
Cash and restricted cash:	
Beginning of year	1,598,460
End of year	$ 1,413,672

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

NOTE A - THE ORGANIZATION AND NATURE OF ACTIVITIES

The Organization:

Impact Cubed (the "Organization") is a tax-exempt organization created to stimulate philanthropy and build social sector capacity by providing guidance to philanthropists and impact investors; facilitating funder consortiums; providing technical consulting and advice on nonprofit capacity; and stimulating philanthropy education initiatives.

Some program service initiatives consist of Jerusalem Philanthropic Initiatives ("JPI"), The Murray Galinson San Diego-Israel Initiative ("MGSDII"), and Ukraine Relief initiative. JPI works with civil society organizations, partner funders and other stakeholders to create Jerusalem-based programming, develop the capacity of organizational leaders, forge new cross-sector partnerships, and curate immersive experiences in Jerusalem. MGSDII seeks to strategically support and catalyze knowledge discourse and interaction on the modern state of Israel through scholarship, engagement, and collaboration. The Ukraine Relief initiative assists a network of volunteers operating in and around Ukraine to organize evacuations, housing for Ukrainian refugees, and supplies and resources for displaced people.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting:

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 as 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 pronouncements:

The Organization has implemented all applicable accounting pronouncements within the ASC that are in effect as of September 30, 2023, including the accounting pronouncement discussed below.

In February 2016, the FASB issued guidance, ASC 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[3] Adopted accounting pronouncements: (continued)

Accordingly, the Organization applied the guidance to each lease that had commenced as of the adoption date and also elected a package of practical expedients which included the following: no requirement to reassess (a) whether any expired or existing contracts are, or contain, leases, (b) the lease classification for any expired or existing leases, and (c) the recognition requirements for initial direct costs for any existing leases. The Organization also elected a practical expedient to account for lease and non-lease components as a single lease component for all classes of underlying assets. The Organization excluded short-term leases having initial terms of twelve months or less from the new guidance as an accounting policy election and recognizes rent expense for such leases on a straight-line basis over the lease term. In calculating the related lease liabilities at the time of adoption, the Organization utilized historical experience when determining the noncancelable portion of the lease term and its incremental borrowing rate for operating leases and elected to use the risk-free rate as the discount rate for finance leases.

There was no impact on the financial statements as a result of adopting the above pronouncement.

[4] Restricted cash:

Amounts included in restricted cash represent cash received from various donors which has been restricted for use for certain program initiatives (see Note D).

[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 doubtful accounts based on historical collection experience and estimation of uncollectible balances. All amounts are due within one year. As of the date these financial statements were available to be issued, the balance has been fully collected. No allowance was considered necessary at September 30, 2023 because management believes all amounts are collectible.

[6] Other receivable:

Other receivable is comprised of a short-term cash advance which is non-interest bearing to a nonprofit organization due September 30, 2024. No allowance was considered necessary at September 30, 2023 because management believes all amounts are collectible.

[7] Prepaid expenses:

Prepaid expenses consist of expenses paid in advance of services. Expenses are recognized when the future economic benefit is realized.

[8] Due to related party:

Due to related party is stated at the amount the Organization intends to disburse for outstanding balances (see Note F).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[9] Net assets:

The Organization 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:

(i) 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 Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

(ii) 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 Organization 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 Organization has net assets with donor restrictions of $1,078,699 as of September 30, 2023.

[10] Grants:

Grant expenditures are recognized in the period the grant is approved and issued or communicated to the grantee, whichever is earlier. 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 Organization 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 Organization expects to be entitled in exchange for those goods or services.

Consulting service income is related to a contract with the City of San Marcos to assist with the granting process for nonprofit organizations focused on the benefit of San Marcos, California residents. The performance obligation of providing the City of San Marcos with grant project administration assistance is recognized as work is performed.

[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 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] In-kind contributions:

In-kind contributions of donated non-financial assets and services are measured on a nonrecurring basis and recorded at fair value in the period they are received. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donation. No non-financial assets were monetized during the year ended September 30, 2023. In-kind contributions consisted of the following for the year ended September 30, 2023:

	2023	Utilization	Donor Restrictions	Valuation Techniques and Inputs
Professional services	$ 784,965	Payroll services for program service initiatives and management and general operations	$225,090 and $81,868 restricted for JPI and MGSDI initiatives, respectively	Estimated fair value based on actual amounts paid by Leichtag Foundation to its own employees on behalf of the Organization

[14] Functional expense allocation:

The costs of providing the various programs and other activities have been summarized on a functional basis in the 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
In-kind donated services	Time and effort
Grants	Use of expense
Visitor professor fees	Use of expense
Travel	Use of expense
Consultants	Use of expense
Legal and professional fees	Use of expense
Marketing	Use of expense
IT expenses	Use of expense
Insurance	Use of expense
Bank charges and fees	Use of expense
Professional memberships	Use of expense
Gifts	Use of expense
Community events	Use of expense
Website	Use of expense
Publications	Use of expense
Speaker honorariums	Use of expense
Office expenses	Use of expense
Taxes and licenses	Use of expense

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[15] Income taxes:

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and related sections of the California Revenue and Taxation Code. However, the Organization 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.

In accordance with FASB ASC 740, *Accounting for Uncertainty in Income Taxes*, the Organization 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, 2023. There have been no related tax penalties or interest, which would be classified as tax expense in the statement of activities.

NOTE C - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of September 30, 2023, reduced by amounts not available for general use because of contractual obligations within one year:

Financial assets at year-end:	
Cash	$ 334,973
Restricted cash	1,078,699
Accounts receivable and other receivables	56,068
Less: Amounts not available to be used within one year	
Restricted cash	(1,078,699)
Financial assets available to meet general expenditures over the next twelve months	$ 391,041

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

The Organization manages its liquidity and reserves through maintaining and reviewing budget to actual amounts and forecasted cash flows on a regular basis. The Organization also operates within a prudent range of financial soundness and stability and constantly maintains adequate liquid assets to fund near-term operating needs. The Organization maintains cash, which account for 96% of total assets as of September 30, 2023, to help manage unanticipated liquidity needs.

NOTE D - NET ASSETS

The Organization's net assets consist of the following as of September 30, 2023:

Net assets without donor restrictions:	$	371,908
Net assets with donor restrictions:		
Subject to expenditure for a specific purpose:		
MGSDII		917,962
Ukraine Relief		131,088
Other		29,649
Net assets with donor restrictions		1,078,699
Total net assets	$	1,450,607

During the year ended September 30, 2023, net assets released from restrictions were for the following:

MGSDII	$	764,871
San Diego Gives		227,314
Ukraine Relief		162,774
JPI		92,912
Community Service Initiative		19,262
Other		189,078
	$	1,456,211

NOTE E - RISKS AND UNCERTAINTIES

[1] Cash:

The Organization maintains a cash account at one financial institution. The balance at times may exceed Federal Deposit Insurance Corporation ("FDIC") limits. The account is insured by the FDIC up to $250,000. The Organization has historically not experienced any losses in such accounts.

[2] In-kind contributions:

All the Organization's in-kind contributions were received from Leichtag Foundation, a related party (see Note F) during the fiscal year ended September 30, 2023. Management believes that the Organization is not exposed to any significant concentration of risk in the near term.

NOTE F - RELATED PARTY TRANSACTIONS

During fiscal year 2023, a board member of the Organization was a board member for Leichtag Foundation, and an officer of the Organization was an officer for Leichtag Foundation. Leichtag Foundation provided the Organization with in-kind contributions of $784,965 related to professional services and a grant totaling $17,000 during the year ended September 30, 2023. In addition, the Organization has amounts due to Leichtag Foundation of $56,000 as of September 30, 2023.

NOTE G - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through October 8, 2024, 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.