JERUSALEM UNIVERSITY COLLEGE AND THE AMERICAN INSTITUTE OF HOLYLAND STUDIES

Consolidated Financial Statements
With Independent Auditors' Report

July 31, 2024 and 2023

CAPINCROUSE LLP

JERUSALEM UNIVERSITY COLLEGE AND
THE AMERICAN INSTITUTE OF HOLYLAND STUDIES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Jerusalem University College and The American Institute of Holyland Studies
Xenia, Ohio

Opinion

We have audited the accompanying consolidated financial statements of Jerusalem University College and The American Insitute of Holyland Studies, which comprise the consolidated statements of financial position as of July 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jerusalem University College and The American Institute of Holyland Studies, as of July 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Jerusalem University College and The American Institute of Holyland Studies, 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.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, Jerusalem University College and The American Institute of Holyland Studies have adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases* (topic 842 of the Accounting Standards Codification (ASC)). Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jerusalem University College and The American Institute of Holyland Studies' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Board of Directors
Jerusalem University College and The American Institute of Holyland Studies
Xenia, Ohio

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

Capin Crouse LLP

Indianapolis, Indiana
December 16, 2024

JERUSALEM UNIVERSITY COLLEGE AND THE AMERICAN INSTITUTE OF HOLYLAND STUDIES

Consolidated Statements of Financial Position

	July 31, 2024	July 31, 2023
ASSETS:		
Cash and cash equivalents	$ 43,544	$ 118,267
Accounts receivable–net	74,304	65,041
Prepaid expenses and other assets	42,989	47,829
Investments		
Operating	953,483	1,249,542
Donor-restricted endowment funds	453,672	334,611
Board-designated quasi endowment	80,803	74,554
Board-designated severance fund	237,073	223,825
Board-designated scholarship fund	-	138,798
Total investments	1,725,031	2,021,330
Right-of-use assets	888,028	1,026,157
Property and equipment–net	734,182	821,238
Total Assets	$ 3,508,078	$ 4,099,862
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	$ 32,769	$ 286,097
Accrued severance	211,349	201,679
Deferred revenue	174,945	104,045
Right-of-use liabilities	1,005,163	1,164,917
Total liabilities	1,424,226	1,756,738
Net assets:		
Without donor restrictions	1,630,180	2,008,513
With donor restrictions	453,672	334,611
Total net assets	2,083,852	2,343,124
Total Liabilities and Net Assets	$ 3,508,078	$ 4,099,862

See notes to consolidated financial statements

JERUSALEM UNIVERSITY COLLEGE AND THE AMERICAN INSTIUTE OF HOLYLAND STUDIES

Consolidated Statements of Activities

	Year Ended July 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Tuition and fees-net	$ 727,824	$ -	$ 727,824	$ 2,767,470	$ -	$ 2,767,470
Contributions support	744,172	95,508	839,680	280,252	210,754	491,006
Auxiliary services revenue	212,848	-	212,848	252,120	-	252,120
Investment income (loss)	25,501	42,723	68,224	83,172	(132)	83,040
Other income	31,011	-	31,011	45,563	-	45,563
Loss on currency exchange	(10,471)	-	(10,471)	(98,643)	-	(98,643)
Total Support and Revenue	1,730,885	138,231	1,869,116	3,329,934	210,622	3,540,556
RECLASSIFICATIONS:						
Net assets released by satisfaction of purpose restrictions	19,170	(19,170)	-	167,554	(167,554)	-
EXPENSES:						
Educational program services	1,264,463	-	1,264,463	2,612,219	-	2,612,219
Management and general	820,688	-	820,688	833,979	-	833,979
Fund-raising	43,237	-	43,237	48,364	-	48,364
Total Expenses	2,128,388	-	2,128,388	3,494,562	-	3,494,562
Change in Net Assets	(378,333)	119,061	(259,272)	2,926	43,068	45,994
Net Assets, Beginning of Year, before change in accounting principle (Note 2)	2,008,513	334,611	2,343,124	2,165,972	291,543	2,457,515
Effect of change in accounting principal (Note 2)	-	-	-	(160,385)	-	(160,385)
Net Assets, Beginning of Year, after change in accounting principle (Note 2)	2,008,513	334,611	2,343,124	2,005,587	291,543	2,297,130
Net Assets, End of Year	$ 1,630,180	$ 453,672	$ 2,083,852	$ 2,008,513	$ 334,611	$ 2,343,124

See notes to consolidated financial statements

JERUSALEM UNIVERSITY COLLEGE AND
THE AMERICAN INSTITUTE OF HOLYLAND STUDIES

Consolidated Statement of Functional Expenses

Year Ended July 31, 2024

	Educational Program Services	Management and General	Fund-Raising	Total Expenses
Salaries and benefits	$ 487,539	$ 500,346	$ 13,903	$ 1,001,788
Occupancy	316,016	5,366	-	321,382
Professional services	218,284	58,966	-	277,250
Supplies and equipment	52,176	44,377	10,783	107,336
Travel	12,280	79,064	6,551	97,895
Depreciation	96,303	-	-	96,303
Bank and credit card fees	-	44,249	-	44,249
Staff education costs	-	48,577	-	48,577
Insurance	10,136	14,382	-	24,518
Other expenses	71,729	25,361	12,000	109,090
	$ 1,264,463	$ 820,688	$ 43,237	$ 2,128,388

Year Ended July 31, 2023

	Program Services	Management and General	Fund-Raising	Total Expenses
Salaries and benefits	$ 626,375	$ 496,207	$ 34,279	$ 1,156,861
Occupancy	861,886	5,224	-	867,110
Professional services	47,462	87,989	-	135,451
Supplies and equipment	277,315	7,066	-	284,381
Travel	625,870	58,092	2,377	686,339
Depreciation	81,636	-	-	81,636
Bank and credit card fees	-	61,029	-	61,029
Staff education costs	-	43,339	-	43,339
Insurance	11,296	6,171	-	17,467
Other expenses	80,379	68,862	11,708	160,949
	$ 2,612,219	$ 833,979	$ 48,364	$ 3,494,562

See notes to consolidated financial statements

JERUSALEM UNIVERSITY COLLEGE AND
THE AMERICAN INSTIUTE OF HOLYLAND STUDIES

Consolidated Statements of Cash Flows

	Year Ended July 31, 2024	Year Ended July 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (259,272)	$ 45,994
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	96,303	81,636
Non-cash lease expense	(21,625)	(21,625)
Net unrealized and realized gain on investments	(67,632)	(96,143)
Contributions restricted for endowment fund	(95,508)	(210,754)
Changes in:		
Accounts receivable	(9,263)	11,184
Prepaid expenses and other assets	4,840	(9,579)
Accounts payable and accrued expenses	(253,328)	35,962
Accrued severance	9,670	(2,690)
Deferred revenue	70,900	61,449
Net Cash Provided (Used) by Operating Activities	(524,915)	(104,566)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments and reinvested interest and dividends	(282,171)	(1,689,387)
Proceeds from sale of investments	646,102	1,714,615
Purchases of property and equipment	(9,247)	(253,218)
Net Cash Provided (Used) by Investing Activities	354,684	(227,990)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for endowment fund	95,508	210,754
Net Cash Provided by Financing Activities	95,508	210,754
Change in Cash and Cash Equivalents	(74,723)	(121,802)
Cash and Cash Equivalents, Beginning of Year	118,267	240,069
Cash and Cash Equivalents, End of Year	$ 43,544	$ 118,267

See notes to consolidated financial statements

1. NATURE OF ORGANIZATION:

Jerusalem University College (College) was founded in 1957 and has a mission to create opportunities for students to deepen their knowledge of God and His Word through immersive study of the contexts of the biblical world and the Middle East, equipping them for academia, ministry, and global service. The College is incorporated under the laws of the State of Minnesota to operate as a charitable religious organization within the meaning of Section 501(c)(3) of the Internal Revenue Code (Code). It is exempt from federal and state income taxes, and contributions by the public are deductible within the limitations prescribed by the Code. The organization has been classified as a public organization that is not a private foundation under Section 509(a) of the Code. The College's primary sources of income are tuition and fees and contributions from donors.

The College controls the American Institute of Holyland Studies (Institute) in Israel. The Institute is a private, Israeli based tax exempt non profit entity that offers services to the College in Israel.

2. SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the statements to the reader. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; disclosure of contingent assets and liabilities at the date of the consolidated financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the operations of the College and the Institute (collectively JUC). The College does not have formal ownership of the Institute but controls it through board appointment, hiring and being the sole source of its funding. All significant intercompany balances and transactions have been eliminated.

FUNCTIONAL CURRENCY AND LOSS ON CURRENCY EXCHANGE

Because the primary source of financing occurs in U.S. dollars and the changes in the foreign operation assets directly affect the cash flows of the U.S. operations, the functional currency used is the U.S. dollar. All transactions in foreign currencies have been translated into U.S. dollars at average rates of exchange prevailing for the years ended July 31, 2024 and 2023, respectively. Due to the valuation changes of the U.S. dollar, especially in Europe, this resulted in net currency exchange gains and losses, which are reported as gain (loss) on currency exchange on the consolidated statements of activities.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes bank checking and saving accounts. Cash held in foreign bank accounts was approximately $6,000 and $24,000 as of July 31, 2024 and 2023, respectively. JUC may have deposits at financial institutions in excess of the federally insured limits. At July 31, 2024 and 2023, JUC cash balances did not exceed these limits.

ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts billed to students for tuition and auxiliary charges. Student accounts receivable are reported net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. JUC separates accounts receivable into risk pools based upon student classification and then develops a historical loss rate for each risk pool based upon a three-year average write-off history, adjusted for management's expectations about current and future economic conditions.

INVESTMENTS

Investments consist of mutual funds, equities, and bonds that are reported at fair value. Investments also consist of money market accounts and certificates of deposit with original maturities over 3 months and are reported at cost. Investment return includes dividend, interest and other investment income; and realized and unrealized gains and losses on investments carried at fair value. Investment return is reflected in the consolidated statements of activities as net assets with or without donor restrictions based upon the existence and nature of any donor or legally imposed restriction.

PROPERTY, EQUIPMENT, AND DEPRECIATION

Items capitalized as property and equipment are reported at cost or, if donated, at fair market value on the date of the gift and are depreciated on a straight-line method over their estimated useful lives, ranging from six to twenty years. JUC reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained JUC reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. JUC capitalizes assets over $1,000. Depreciation is allocated among program services and supporting activities. Foreign property and equipment are reported in U.S. dollars translated at approximate rates prevailing when purchased.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS

The consolidated statements report amounts by classification of net assets:

- *Net assets without donor restrictions*- are net assets that are not subject to donor-imposed restrictions. These net assets are currently available at the discretion of the Board for use in JUC's operations or invested in property and equipment. The Board has designated funds from net assets without donor restrictions for scholarships for the year ended July 31, 2023, but removed this designation during the year ended July 31, 2024. The Board has also designated funds to fund a severance investment account as required by Israeli law. These funds will be used to pay severance liabilities when employees leave JUC. The Board also has designated a quasi endowment fund for operating purposes.

- *Net assets with donor restrictions*- are subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Donor-imposed restrictions are released when a 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.

SUPPORT, REVENUE, AND RECLASSIFICATIONS

Contributions

Contributions are reported when made, which may be when cash is received, unconditionally promised, or ownership of noncash items to be used in operations is transferred to JUC. Contributed investments and noncash items are reported at fair value on the date of the gift. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated net assets. Legacy and bequest support is reported at the time JUC has an established right to the legacy or bequest and the proceeds are measurable.

Reclassifications represent net assets released when expenses have been incurred in satisfaction of those donor restrictions.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND RECLASSIFICATIONS, continued

Tuition and Auxiliary Services
Revenue from contracts with students for tuition, residential services and meal plan services is reported at the amount that reflects the consideration to which JUC expects to be entitled in exchange for providing instruction and housing, food and other services. These amounts are due from students, third-party payers and others and are net of scholarships and institutional aid of $164,042 and $313,140 for the years ended July 31, 2024 and 2023, respectively.

Revenue is recognized as performance obligations are satisfied, which is primarily ratably over the program term with the exception of certain meal plans that are recognized at a point in time. Tuition and auxiliary services revenue are considered to be separate performance obligations. JUC allocates the fees charged to students to tuition and housing, food and other services based on standalone charges to students for tuition and those other services.

EXPENSES AND ALLOCATION OF EXPENSES BY NATURE AND FUNCTION
Expenses are reported as incurred. The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses presents the natural classification detail of expenses by function. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation among the educational programs, general and administrative, and fundraising categories on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, insurance, and supplies and equipment which were allocated among the functional categories on the basis of estimates of time spent and benefits derived.

JUC generally expenses advertising costs as they are incurred. JUC expended $5,031 and $11,789 for advertising for the years ended July 31, 2024 and 2023, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

RECENTLY ADOPTED ACCOUNTING STANDARDS
In 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842 of the FASB ASC). JUC adopted the provisions of this new standard during the year ended July 31, 2023. The new standard requires organizations that lease assets with terms of more than 12 months to recognize on the consolidated statements of financial position the assets and liabilities for the right of use and obligations created by the leases. Lessor accounting remained largely unchanged under the new standard. JUC has adopted this standard on the adoption date approach. Additional disclosures were added in Note 9. JUC elected the transition package relief provisions from ASU 2018-11, *Targeted Improvements* (Topic 842), for leases commenced before the effective date of the standard, which allows JUC the option to not reassess existing or expiring contracts, lease classification or initial direct costs. Therefore, no restatement of prior year amounts were required. JUC also elected the practical expedient to not separate lease and non-lease components and the accounting policy election to exclude short-term leases with lease terms of 12 months or less.

The effect of this change in accounting principal had a $160,385 on the fiscal year 2023 opening net assets as reflected on the August, 31, 2023, consolidated statements of activities.

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses* (Topic 326), which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. JUC adopted the standard effective August 1, 2023, with no cumulative adjustment to net assets needed. The impact of the adoption was not considered material to the consolidated financial statements.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects JUC's financial assets as of July 31, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statements of financial position date. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, such as perpetual endowments and accumulated earnings net of appropriations within one year.

	July 31, 2024	July 31, 2023
Financial assets:		
Cash and cash equivalents	$ 43,544	$ 118,267
Accounts receivable–net	74,304	65,041
Investments		
Operating	953,483	1,249,542
Donor-restricted endowment funds	453,672	334,611
Board-designated quasi endowment	80,803	74,554
Board-designated severance fund	237,073	223,825
Board-designated scholarship fund	-	138,798
Financial assets, at year end	1,842,879	2,204,638
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Board designated scholarship fund	-	(138,798)
Board-designated quasi endowment	(80,803)	(74,554)
Board designated severance fund	(237,073)	(223,825)
Donor restricted endowment funds net of draw expected to be spent within one year	(637,199)	(522,719)
Financial assets available to meet cash needs for general expenditures within one year	$ 887,804	$ 1,244,742

JUC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. JUC's board-designated scholarship funds and quasi-endowment funds could be released through board approval for operating cash needs.

4. ACCOUNTS RECEIVABLE–NET:

Accounts receivable-net consists of the following:

	July 31, 2024	July 31, 2023
Student fees receivable	$ 90,521	$ 65,041
Less allowance for credit losses	(16,217)	-
	$ 74,304	$ 65,041

5. INVESTMENTS:

Investments consist of the following:

	July 31, 2024	July 31, 2023
Cash and cash equivalents	$ 20,384	$ 11,768
Certificates of deposit	44,543	143,370
Mutual funds	1,072,962	1,259,612
Exchange-traded funds	172,464	114,003
Equities	-	259,009
Bonds	414,678	233,568
	$ 1,725,031	$ 2,021,330

6. PROPERTY AND EQUIPMENT-NET:

Property and equipment-net consists of the following:

	July 31, 2024	July 31, 2023
Leasehold improvements	$ 1,010,792	$ 1,006,747
Furniture, fixtures, and equipment	787,733	782,533
Vehicles	94,062	94,062
Library	293,567	293,567
	2,186,154	2,176,909
Less accumulated depreciation	(1,451,972)	(1,355,671)
	$ 734,182	$ 821,238

7. NET ASSETS:

Net assets consist of and are available for the following purposes as of:

	July 31, 2024	July 31, 2023
Without donor restrictions:		
Undesignated	$ 1,549,377	$ 1,795,161
Board-designated quasi endowment	80,803	74,554
Board designated scholarship fund	-	138,798
Total net assets without donor restrictions	$ 1,630,180	$ 2,008,513
With donor restrictions:		
Scholarships (unspent endowment earnings)	$ 109,060	$ 66,459
Scholarship endowment restricted in perpetuity	344,612	268,152
Total net assets with donor restrictions	$ 453,672	$ 334,611

8. ENDOWMENT FUNDS:

As of July 31, 2024 and 2023, JUC's endowment consists of seven and five individual funds established for scholarships, respectively. JUC also has a quasi-endowment designated by the Board to function as an endowment. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors has interpreted the Minnesota State Prudent Management of Institutional Funds Act (SPMIFA) so that the Fund would classify as net assets with donor restrictions for perpetuity (a) the original value of gifts donated to the respective endowment funds, (b) the original value of subsequent gifts to the respective endowment funds, and (c) accumulations to the respective endowment funds that are made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added or deducted from the Fund. In accordance with ISPMIFA, the Fund would consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of JUC and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of JUC
7. The investment policies of JUC

8. ENDOWMENTS, continued:

Changes in endowment net assets for the year ended July 31, 2024:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Earnings and Other	Original Gift Amount in Perpetuity	Total
Endowment net assets, beginning of year	$ 74,554	$ 66,459	$ 421,706	$ 562,719
Investment return:				
Net appreciation (realized and unrealized)	6,249	42,599	124	48,972
Total investment return	6,249	42,599	124	48,972
Contributions	-	-	95,508	95,508
Expenditures:				
Expended for endowment purposes	-	-	-	-
Total expenditures	-	-	-	-
Endowment net assets, end of year	$ 80,803	$ 109,058	$ 517,338	$ 707,199

Changes in endowment net assets for the year ended July 31, 2023:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Earnings and Other	Original Gift Amount in Perpetuity	Total
Endowment net assets, beginning of year	$ 75,636	$ 79,777	$ 211,766	$ 367,179
Investment return:				
Net depreciation (realized and unrealized)	(1,082)	682	(814)	(1,214)
Total investment loss	(1,082)	682	(814)	(1,214)
Contributions	-	-	210,754	210,754
Expenditures:				
Expended for endowment purposes	-	(14,000)	-	(14,000)
Total expenditures	-	(14,000)	-	(14,000)
Endowment net assets, end of year	$ 74,554	$ 66,459	$ 421,706	$ 562,719

8. ENDOWMENTS, continued:

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with donor restricted endowment funds may fall below the level that the donor or SPMIFA requires JUC to retain as a fund of perpetual duration. There were no deficiencies of this nature as of July 31, 2024 and 2023.

RETURN OBJECTIVES AND RISK PARAMETERS

JUC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets are composed of those assets of donor-restricted funds that JUC must hold in perpetuity. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner to protect the purchasing power of the original investment, to generate returns in excess of the spending policy, to maximize the total return of JUC within reasonable and prudent levels of risk, and to offer equity and fixed income investments that are diversified among securities and industries, reducing the risk of large losses. Actual returns in any given year will of course vary.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

The primary objective of the investments will be to provide for long-term growth of principal and income without undue exposure to risk to enable JUC to make appropriations on a continuing and reasonably consistent basis. Therefore, the focus will be on consistent long-term capital appreciation, with income generation as a secondary consideration. More specifically, JUC seeks returns during a full market cycle that are large enough to preserve and enhance the real, inflation adjusted purchasing power of JUC’s assets, while also considering the current spending requirements. In pursuing this objective, JUC endeavors to achieve total annual returns of five percent or greater. JUC does not expect that in each and every year the investment objective referred to above will necessarily be achieved.

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

Effective when each endowed fund has reached its pledged amount, JUC will withdraw a maximum of four percent of the funds balance and apply these funds to a student scholarships. The board of directors of JUC, in its sole discretion, may revoke, modify, or amend this spending and distribution policy at any time.

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES:

JUC leases property under a noncancelable operating lease that commenced in January 2010 and expires in December 2029. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease terms. Monthly payments under this lease ranged from $13,125 to now $17,500 for the years ended July 31, 2024 and 2023, with a discount rate of 4.6%.

	July 31, 2024	July 31, 2023
Operating lease right-of-use asset	$ 888,028	$ 1,026,157
Operating lease liability	$ 1,005,163	$ 1,164,917
Operating lease costs	$ 188,375	$ 188,375
Weighted-average discount rate	4.60%	4.60%
Weighted-average remaining lease term (years)	5.42	6.42

Future minimum lease payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

Year Ending July 31,	
2025	$ 210,000
2026	210,000
2027	210,000
2028	210,000
2029	210,000
Thereafter	87,500
	1,137,500
Less: amount representing interest	(132,337)
	$ 1,005,163

10. DISCLOSURE OF FAIR VALUE AND FAIR VALUE MEASUREMENTS:

The *Fair Value Measurement and Disclosure* Topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 consists of unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities. JUC uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, JUC measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

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

		Fair Value Measuring Using:		
	Total	Level 1	Level 2	Level 3
July 31, 2024				
Investments at fair value:				
Mutual funds	$ 1,072,962	$ 1,072,962	$ -	$ -
Exchange-traded funds	172,464	172,464	-	-
Equities	-	-	-	-
Bonds	414,678	-	414,678	-
	1,660,104	$ 1,245,426	$ 414,678	$ -
Investments at cost:				
Cash and cash equivalents	20,384			
Certificates of deposit	44,543			
Total investments	$ 1,725,031			

10. DISCLOSURE OF FAIR VALUE AND FAIR VALUE MEASUREMENTS:, continued:

		Fair Value Measuring Using:		
	Total	Level 1	Level 2	Level 3
July 31, 2023				
Investments at fair value:				
Mutual funds	$ 1,259,612	$ 1,259,612	$ -	$ -
Exchange-traded funds	114,003	114,003	-	-
Equities	259,009	259,009	-	-
Bonds	233,568	-	233,568	-
	1,866,192	$ 1,632,624	$ 233,568	$ -
Investments at cost:				
Cash and cash equivalents	11,768			
Certificates of deposit	143,370			
Total investments	$ 2,021,330			

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual funds, exchange-traded funds, and equities : valued using quoted market prices in active markets.

Bonds : valued based upon yields currently available on comparable securities of issuers with similar credit ratings.

11. RETIREMENT PLAN:

JUC provides retirement benefits to its full time employees through a simplified employee pension plan which allows employers to contribute to traditional individual retirement accounts set up for employees. JUC contributes ten percent of gross annual wages to the employees accounts. During the years ended July 31, 2024 and 2023, JUC contributed approximately $39,000 and 40,000 in retirement benefits, respectively.

12. RELATED PARTY TRANSACTIONS:

For the years ended July 31, 2024 and 2023, JUC received contributions approximating $44,000 and $41,000, respectively, from members of the Board.

13. CONTINGENCY:

JUC is involved in a legal matter regarding a former employee. As of the issuance of the consolidated financial statements, the outcome of this legal matter and estimate of the range of potential loss, if any, is uncertain.

14. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 16, 2024, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.