

**NATIONAL JEWISH OUTREACH PROGRAM INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2015**

# **WASSER BRETTLER KLAR & LIPSTEIN, LLP**

CERTIFIED  
PUBLIC  
ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
National Jewish Outreach Program Inc.

We have audited the accompanying financial statements of National Jewish Outreach Program Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

The Organization's 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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Jewish Outreach Program Inc. as of June 30, 2015, 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.

*Wasser, Brettler, Klar & Lipstein, LLP*

WASSER, BRETTLER, KLAR & LIPSTEIN, LLP  
Certified Public Accountants

New York, New York  
May 12, 2016

**NATIONAL JEWISH OUTREACH PROGRAM INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2015**

**ASSETS**

Cash and cash equivalents	\$ 647,449
Marketable securities	230,029
Promises to give (net of allowance)	310,712
Loans and exchanges	52,188
Prepaid expenses	8,087
Security deposit	19,755
Fixed assets (net of accumulated depreciation of \$226,201)	<u>11,316</u>
<b>Total Assets</b>	<b><u>\$1,279,536</u></b>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>		
Accounts payable and accrued expenses	<u>\$ 23,051</u>	
<b>Total Liabilities</b>		\$ 23,051
<b>Commitments and Contingencies</b>		
<b>Net Assets</b>		
Unrestricted - Undesignated	756,485	
Permanently restricted	<u>500,000</u>	
<b>Total Net Assets</b>		<u>1,256,485</u>
<b>Total Liabilities and Net Assets</b>		<b><u>\$1,279,536</u></b>

See independent auditor's report and accompanying notes to the financial statements.

**NATIONAL JEWISH OUTREACH PROGRAM INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Unrestricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Revenues and Support</b>			
Contributions and grants	\$ 1,090,720	\$500,000	\$1,590,720
Dinner and special events (net of direct costs of \$165,446)	609,471	-0-	609,471
Sale of resource materials and list rentals	6,515	-0-	6,515
Investment income	6,207	-0-	6,207
<b>Total Revenues and Support</b>	1,712,913	500,000	2,212,913
<b>Expenses</b>			
Program related expenses	1,478,018	-0-	1,478,018
Management and general expenses	285,812	-0-	285,812
Fund raising expenses	209,890	-0-	209,890
<b>Total Expenses</b>	1,973,720	-0-	1,973,720
<b>Increase (Decrease) in Net Assets</b>	( 260,807)	500,000	239,193
<b>Net Assets - July 1, 2014</b>	1,017,292	-0-	1,017,292
<b>Net Assets - June 30, 2015</b>	\$ 756,485	\$500,000	\$1,256,485

See independent auditor's report and accompanying notes to the financial statements.

**NATIONAL JEWISH OUTREACH PROGRAM INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Compensation	\$ 809,622	\$168,160	\$164,103	\$1,141,885
Occupancy	179,629	19,958	-0-	199,587
Fringe benefits	128,346	30,767	10,972	170,085
Program development and funding	109,255	-0-	-0-	109,255
Payroll taxes	53,623	15,795	6,676	76,094
Printing	50,446	1,475	9,634	61,555
Public relations	59,500	-0-	-0-	59,500
Postage	17,441	5,223	12,013	34,677
Computer expenses	22,982	-0-	2,554	25,536
Professional fees	-0-	20,804	-0-	20,804
Equipment rental	11,025	2,756	-0-	13,781
Office expenses	5,261	5,262	-0-	10,523
Insurance	7,654	957	957	9,568
Bank fees and service charges	-0-	9,447	-0-	9,447
Telephone	6,555	820	820	8,195
Travel and conferences	5,495	555	-0-	6,050
Cleaning and maintenance	4,419	552	552	5,523
Supplies	1,866	1,316	-0-	3,182
Advertising and promotion	3,180	-0-	-0-	3,180
Depreciation	1,719	215	214	2,148
Filing fees	-0-	1,750	-0-	1,750
Fundraising	-0-	-0-	1,395	1,395
<b>Total Expenses</b>	<u>\$1,478,018</u>	<u>\$285,812</u>	<u>\$209,890</u>	<u>\$1,973,720</u>

See independent auditor's report and accompanying notes to the financial statements.

**NATIONAL JEWISH OUTREACH PROGRAM INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015**

<b>Cash Flows From Operating Activities</b>		<b>\$239,193</b>
Increase in Net Assets		\$239,193
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation expense	\$ 2,148	
Unrealized losses (net) on investments in marketable securities	( 3,418)	
Decrease in promises to give	259,252	
Increase in loans and exchanges	( 4,111)	
Increase in prepaid expenses	( 510)	
Increase in accounts payable and accrued expenses	( 40,470)	
	<u>                    </u>	
<b>Total Adjustments</b>		<u>212,891</u>
<b>Net Cash Provided By Operating Activities</b>		452,084
<b>Cash Flows From Investing Activities</b>		
Purchase of investments (net)	<u>( 149,110)</u>	
<b>Net Cash Used In Investing Activities</b>		<u>( 149,110)</u>
<b>Net Increase in Cash and Cash Equivalents</b>		302,974
<b>Cash and Cash Equivalents - July 1, 2014</b>		<u>344,475</u>
<b>Cash and Cash Equivalents - June 30, 2015</b>		<u><u>\$647,449</u></u>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

<b>Cash Paid During the Year for:</b>		
<b>Income Taxes</b>		<u><u>\$ -0-</u></u>
<b>Interest</b>		<u><u>\$ -0-</u></u>

See independent auditor's report and accompanying notes to the financial statements.

**NATIONAL JEWISH OUTREACH PROGRAM INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 - ORGANIZATION**

National Jewish Outreach Program Inc. ("NJOP") is a not for profit Organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Its primary purpose is to develop and coordinate programs of instruction in basic Judaism, predominately in the United States. NJOP is supported by donations from the general public

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Statement Presentation**

In accordance with Accounting Standards Codification (ASC) , Topic 958, Subtopic 205 (SFAS) No. 117, Not-for-Profit Entities, Presentation of Financial Statements, the Institution is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Institution is required to present a statement of cash flows.

Grants and donations of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of changes in net assets as assets released from restrictions. Grants and other contributions whose donor-imposed restrictions are met in the same reporting period as that in which the grants or contributions were received are reported as increases in unrestricted net assets. In addition, the Organization is required to present a statement of cash flows.

**B. Basis of Accounting**

The books and records of the Organization are maintained on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**C. Promises to Give**

Under FASB ASC Topic 958, the Organization records promises to give as income at the time an unconditional promise to give is made by the donor.

**D. Allowance for Doubtful Accounts**

An allowance for uncollectible receivables has been established based upon management's estimate of future collections.

See independent auditor's report.



**NATIONAL JEWISH OUTREACH PROGRAM INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Depreciation**

Fixed assets are being depreciated over their estimated useful lives of seven to ten years using the straight line method of depreciation.

**F. Cash and Cash Equivalents**

NJOP considers all short term investments purchased with a maturity of three months or less to be cash equivalents.

**G. Marketable Securities**

In accordance with ASC Topic 958 Subtopic 320, Investments – Debt and Equity Securities – Not-for-Profit Entities, the Organization carries investments in marketable securities and investments in debt securities at their fair market values in the statement of financial position. Unrealized gains and losses are included in investment income (losses) in the statement of activities.

**H. Depreciation**

Depreciation of fixed assets is provided on a straight-line method based on the estimated useful lives as follows:

Equipment	7-10 years
Furniture and fixtures	10 years

Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations and replacements, which improve and extend the life of the asset are capitalized. Depreciation expenses related to fixed assets for the year totaled \$2,148.

**I. Fair Value Measurements**

In accordance with ASC Topic 820, Subtopic 50, Fair Value Measurements and Disclosures, the Organization is required to make the following disclaimers concerning fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (the exit price) in an orderly transaction between market participants at the measurement date. A valuation framework has been outlined that creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures.

The fair value hierarchy is broken down into three levels based on the source of inputs:

Level 1 – Valuations based on unadjusted quoted market prices for identical assets.

See independent auditor's report.

**NATIONAL JEWISH OUTREACH PROGRAM INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Level 2 – Valuations based on observable inputs and quoted market prices for similarly structured assets and liabilities.

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumption.

A financial instrument categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

In determining fair value, the Organization uses quoted prices and observable inputs when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. The Organization had no level 2 or Level 3 assets.

**J. Concentration of Credit Risk**

The Organization's cash balances are maintained in various financial institutions. The balances are insured by the FDIC up to \$250,000 per financial institution. At certain times during the year balances exceeded these amounts.

**K. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates and assumptions include allowances for uncollectible receivables and the allocation of expenses to functional classifications.

**L. Subsequent Events**

Management has evaluated subsequent events through May 12, 2016, the date the financial statements were available to be issued.

**NOTE 3 – FIXED ASSETS**

Fixed assets consisted of the following at June 30, 2015:

Furniture and fixtures	\$ 5,760
Machinery and equipment	<u>231,757</u>
	237,517
Less, accumulated depreciation	<u>( 226,201)</u>
<b>Net Fixed Assets</b>	<b><u>\$ 11,316</u></b>

See independent auditor's report.

**NATIONAL JEWISH OUTREACH PROGRAM INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 4 - MARKETABLE SECURITIES**

This consists of the following:

<b>Marketable Securities</b>	<b><u>Cost Basis</u></b>	<b><u>Market Value</u></b>
Common Stock	\$154,227	\$158,524
Mutual funds	44,690	44,570
Corporate Bond	<u>23,013</u>	<u>26,935</u>
<b>Total Marketable Securities</b>	<b><u>\$221,930</u></b>	<b><u>\$230,029</u></b>

As all of the marketable securities are publicly traded, they are all considered Level 1 assets.

**NOTE 5 - COMMITMENTS AND CONTINGENCIES**

**Lease Commitments**

The Organization rents its office space in New York City. In July 2013 the Organization renewed its lease through October 31, 2020.

A summary of the minimum annual rental commitments are as follows:

June 30, 2016	\$170,197
June 30, 2017	175,303
June 30, 2018	180,562
June 30, 2019	185,979
June 30, 2020	191,558
Thereafter	<u>64,479</u>
	<b><u>\$968,079</u></b>

The Organization's total rent expense for the year ended June 30, 2015 was \$199,587.

**NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSES**

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. Management has allocated expenses based on an estimated analysis of each expense. As an example, depreciation was allocated based on usage of property.

**NOTE 7 - PERMANENTLY RESTRICTED ASSETS**

This represents assets donated to the Institution as endowments.

See independent auditor's report.