

**NATIONAL JEWISH OUTREACH PROGRAM INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2020**

# WASSER BRETTLER KLAR & LIPSTEIN, LLP

CERTIFIED  
PUBLIC  
ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
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, 2020, 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, 2020, 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 14, 2021

**NATIONAL JEWISH OUTREACH PROGRAM INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2020**

**ASSETS**

Cash and cash equivalents	\$	776,537
Promises to give (net of allowances)		151,417
Loans and exchanges		30,132
Prepaid expenses		10,989
Fixed assets (Net of accumulated depreciation of \$234,788)		2,809
Security deposit		19,755
		<u>19,755</u>

<b>Total Assets</b>		<u><u>\$991,639</u></u>
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**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$	138,725
Unearned revenue	\$	259,197
Loans payable		302,009
		<u>302,009</u>

<b>Total Liabilities</b>		\$ 699,931
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<b>Net Assets (Deficit)</b>		
Not subject to donor restrictions		(208,292)
Subject to donor restrictions		500,000
		<u>500,000</u>

<b>Total Net Assets</b>		<u>291,708</u>
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<b>Total Liabilities and Net Assets</b>		<u><u>\$991,639</u></u>
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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, 2020**

	<u>Not subject to Donor Restrictions</u>	<u>Subject to Donor Restrictions</u>	<u>Total</u>
<b>Revenues and Support</b>			
Contributions and grants	\$802,402	\$ -0-	\$802,402
Dinner and special events (net of direct costs of \$154,215)	621,312	-0-	621,312
Sale of resource materials and list rentals	3,086	-0-	3,086
Investment income (loss)	( 446)	( 106,428)	( 106,874)
	<hr/>	<hr/>	<hr/>
<b>Total Revenues and Support</b>	1,426,354	( 106,428)	1,319,926
<b>Expenses</b>			
Program related expenses	1,281,102	-0-	1,281,102
Management and general expenses	292,097	-0-	292,097
Fund raising expenses	156,091	-0-	156,091
	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	1,729,290	-0-	1,729,290
<b>Increase (Decrease) in Net Assets</b>	( 302,936)	( 106,428)	( 409,364)
Assets released from restrictions	( 106,428)	106,428	-0-
<b>Net Assets - July 1, 2019</b>	<hr/> 201,072	<hr/> 500,000	<hr/> 701,072
<b>Net Assets - June 30, 2020</b>	<hr/> <u>(\$208,292)</u>	<hr/> <u>\$500,000</u>	<hr/> <u>\$291,708</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, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Compensation	\$ 696,342	200,550	136,768	\$1,033,660
Occupancy	231,717	25,746	-0-	257,463
Fringe benefits	76,394	5,461	5,397	87,252
Program development and funding	50,302	-	-0-	50,302
Printing	54,282	800	-	55,082
Payroll taxes	40,745	11,608	6,130	58,483
Public relations	44,869	-0-	-0-	44,869
Postage	12,408	9,915	825	23,148
Information technology	20,444	-0-	2,272	22,716
Advertising and promotion	1,540	-0-	-0-	1,540
Professional fees	-0-	17,700	-0-	17,700
Equipment rental	8,963	2,241	-0-	11,204
Telephone	7,401	1,480	987	9,868
Office expenses	3,710	3,709	-0-	7,419
Insurance	9,487	1,186	1,186	11,859
Bank fees and service charges	-0-	8,070	-0-	8,070
Travel and conferences	3,846	427	-0-	4,273
Cleaning and maintenance	6,001	750	750	7,501
Interest expenses	10,846	1,276	638	12,760
Fundraising	-0-	-0-	963	963
Supplies	405	1,003	-0-	1,408
Filing fees	-0-	-	-0-	-
Depreciation	1,400	175	175	1,750
<b>Total Expenses</b>	<u>\$1,281,102</u>	<u>292,097</u>	<u>156,091</u>	<u>\$1,729,290</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, 2020**

<b>Cash Flows From Operating Activities</b>		(\$409,364)
Decrease in Net Assets		(\$409,364)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation expense	\$ 1,750	
Decrease in promises to give	181,316	
Decrease in loans and exchanges	3,142	
Increase in prepaid expenses	( 2,398)	
Increase in accounts payable and accrued expenses	51,851	
Increase in deferred revenue	<u>259,197</u>	
<b>Total Adjustments</b>		<u>494,858</u>
<b>Net Cash Used By Operating Activities</b>		85,494
<b>Cash Flows From Investing Activities</b>		
Sale of investments (net)	<u>539,670</u>	
<b>Net Cash Provided by Investing Activities</b>		539,670
<b>Cash Flows From Financing Activities</b>		
Loan proceeds	462,009	
Loan repayment	<u>(457,065)</u>	
<b>Net Cash Provided by Financing Activities</b>		<u>4,944</u>
<b>Net Increase in Cash and Cash Equivalents</b>		630,108
<b>Cash and Cash Equivalents - July 1, 2018</b>		<u>146,429</u>
<b>Cash and Cash Equivalents - June 30, 2019</b>		<u><u>\$776,537</u></u>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

**Cash Paid During the Year for:**

<b>Interest</b>	<u><u>\$12,760</u></u>
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See independent auditor's report and accompanying notes to the financial statements.

**NATIONAL JEWISH OUTREACH PROGRAM INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**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 Update (ASU) No. 2016-14, Not-for-Profit Entities, Presentation of Financial Statements, the Institution is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Grants and donations of cash and other assets are reported as subject to donor restrictions 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, these net assets are reclassified to net assets not subject to donor restrictions 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 net assets not subject to donor restrictions. 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. As of June 30, 2020 the allowance for doubtful accounts was \$172,492.

**E. Cash and Cash Equivalents**

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

See independent auditor's report.



**NATIONAL JEWISH OUTREACH PROGRAM INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**F. 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.

**G. 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 \$1,750.

**H. 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.

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.

See independent auditor's report.

**NATIONAL JEWISH OUTREACH PROGRAM INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**I Concentration of Credit Risk**

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

**J. 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 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.

**K. Subsequent Events**

Management has evaluated subsequent events through May 14, 2021, the date the financial statements were available to be issued.

**NOTE 3 - FIXED ASSETS**

Fixed assets consisted of the following at June 30, 2020:

Furniture and fixtures	\$ 5,760
Machinery and equipment	<u>233,587</u>
	239,347
Less, accumulated depreciation	<u>( 236,538)</u>
<b>Net Fixed Assets</b>	<b><u>\$ 2,809</u></b>

**NOTE 4 - MARKETABLE SECURITIES**

All of the marketable securities held by the Organization were sold prior to June 30, 2020.

**NOTE 5 - LOANS PAYABLE**

In November 2016 the executive director borrowed \$200,000 from a bank and gave the proceeds to the Organization. The Organization agreed to make all the loan payments. The loan has an interest rate of 3.5% as of June 30, 2020. The outstanding balance as of June 30, 2020 was \$263,815.

In addition the Organization obtained additional interest free loans in the amount of \$38,194.

See independent auditor's report.

**NATIONAL JEWISH OUTREACH PROGRAM INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 6 - UNEARNED REVENUE**

The Organization received a Paycheck Protection Program ("PPP") loan through the Coronavirus Aid Relief and Economic Security Act ("CARES Act"). Under the provisions of the CARES Act, the loan is fully forgivable if the recipient uses the proceeds for eligible purposes. The Organization has not yet applied for forgiveness, and some of the funds may need to be repaid. Accordingly, the proceeds have been reflected as deferred revenue pending the actual application for and granting of forgiveness.

**NOTE 7 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the Institution's various activities have been summarized on a functional basis in the Statement of Activities as required by ASC Topic 958.

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

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Compensation and benefits	Time and Effort
Insurance	Square Footage
Occupancy	Square Footage
Professional services	Full Time Equivalent
Printing	Full Time Equivalent
Telephone	Full Time Equivalent

**NOTE 8 - 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, 2021	<u>64,479</u>
	<u>\$64,479</u>

The Organization's total rent expense for the year ended June 30, 2020 was \$257,463.

**NOTE 9 - 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.

See independent auditor's report.

**NATIONAL JEWISH OUTREACH PROGRAM INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 10 – NET ASSETS SUBJECT TO DONOR RESTRICTIONS**

This represents assets donated to the Institution as a permanent endowment of \$500,000.

**NOTE 11 - COVID 19 IMPACT**

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease ("COVID-19") as a pandemic. This has significantly affected the Organization's operations as the virus continued to proliferate. During the mandated closure of the office during spring 2020 the Organization adjusted certain aspects of its operations to protect its employees until it was determined to be safe to return to the office. The Organization did not renew its lease upon its expiration in August 2020. Staff is still working remotely, and staff size has been reduced. Considering the uncertainty as to the severity and duration of the pandemic, the impact on revenues, profitability and financial position is uncertain at this time.

See independent auditor's report.