

NATIONAL JEWISH OUTREACH PROGRAM INC.

FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021, 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, 2021, 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 13, 2022

NATIONAL JEWISH OUTREACH PROGRAM INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

Cash and cash equivalents	\$ 1,124,946
Promises to give (net of allowances)	194,252
Loans and exchanges	29,942
Prepaid expenses	13,410
Fixed assets (Net of accumulated depreciation of \$237,757)	<u>3,764</u>

Total Assets \$1,366,314

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 214,063
Unearned revenue	259,197
Loans payable	<u>20,896</u>

Total Liabilities \$ 494,156

Net Assets (Deficit)

Not subject to donor restrictions	372,158
Subject to donor restrictions	<u>500,000</u>

Total Net Assets 872,158

Total Liabilities and Net Assets \$1,366,314

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, 2021**

	<u>Not subject to Donor Restrictions</u>	<u>Subject to Donor Restrictions</u>	<u>Total</u>
Revenues and Support			
Contributions and grants	\$794,188	\$ -0-	\$794,188
Dinner and special events (net of direct costs of \$58,790)	709,691	-0-	709,691
Investment income	-0-	118	118
Total Revenues and Support	<u>1,653,879</u>	<u>118</u>	<u>1,653,997</u>
Expenses			
Program related expenses	765,594	-0-	765,594
Management and general expenses	208,831	-0-	208,831
Fund raising expenses	99,122	-0-	99,122
Total Expenses	<u>1,073,547</u>	<u>-0-</u>	<u>1,073,547</u>
Increase (Decrease) in Net Assets	580,332	118	580,451
Assets released from restrictions	118	(118)	-0-
Net Assets (Accumulated deficit) - July 1, 2020	<u>(208,292)</u>	<u>500,000</u>	<u>291,708</u>
Net Assets - June 30, 2021	<u>\$ 372,159</u>	<u>\$500,000</u>	<u>\$872,159</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, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Compensation	\$ 515,996	137,389	87,833	\$741,218
Occupancy	101,356	11,262	-0-	112,618
Payroll taxes	40,300	10,826	1,968	53,094
Fringe benefits	20,423	140	2,713	23,276
Information technology	20,210	-0-	2,246	22,456
Professional fees	-0-	22,150	-0-	22,150
Printing	16,293	-	-	16,293
Postage	-	14,565	-	14,565
Interest expenses	10,760	1,266	633	12,659
Cleaning and maintenance	9,836	1,229	1,229	12,294
Insurance	9,155	1,144	1,144	11,443
Travel and conferences	7,991	888	-0-	8,879
Bank fees and service charges	-0-	6,740	-0-	6,740
Advertising and promotion	4,550	-0-	-0-	4,550
Telephone	2,513	502	335	3,350
Supplies	1,664	208	208	2,080
Program development and funding	1,545	-	-0-	1,545
Public relations	1,401	-0-	-0-	1,401
Depreciation	975	122	122	1,219
Fundraising	-0-	-0-	691	691
Office expenses	325	325	-0-	650
Equipment rental	301	75	-0-	376
Total Expenses	<u>\$765,594</u>	<u>208,831</u>	<u>99,122</u>	<u>\$1,073,547</u>

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

**NATIONAL JEWISH OUTREACH PROGRAM INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

Cash Flows From Operating Activities		\$580,451
Increase in Net Assets		\$580,451
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation expense	\$ 1,219	
Increase in promises to give	(42,835)	
Decrease in loans and exchanges	190	
Increase in prepaid expenses	(2,421)	
Decrease in security deposits	19,755	
Increase in accounts payable and accrued expenses	<u>75,338</u>	
Total Adjustments		<u>51,246</u>
Net Cash Used By Operating Activities		631,696
Cash Flows From Investing Activities		
Purchase of fixed assets	<u>(2,174)</u>	
Net Cash Provided by Investing Activities		(2,174)
Cash Flows From Financing Activities		
Loan repayment	<u>(281,113)</u>	
Net Cash Provided by Financing Activities		<u>(281,113)</u>
Net Increase in Cash and Cash Equivalents		348,409
Cash and Cash Equivalents - July 1, 2020		<u>776,537</u>
Cash and Cash Equivalents - June 30, 2021		<u><u>\$1,124,947</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash Paid During the Year for:

Interest	<u><u>\$12,659</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, 2021

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, 2021 the allowance for doubtful accounts was \$185,819.

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, 2021

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. The Organization had no marketable securities on June 30, 2021.

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 \$1,219.

H. 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.

I. 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.

J. Subsequent Events

Management has evaluated subsequent events through May 13, 2022, the date the financial statements were available to be issued.

See independent auditor's report.

**NATIONAL JEWISH OUTREACH PROGRAM INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 - FIXED ASSETS

Fixed assets consisted of the following at June 30, 2021:

Furniture and fixtures	\$ 5,760
Machinery and equipment	<u>235,761</u>
	241,521
Less, accumulated depreciation	<u>(237,757)</u>
Net Fixed Assets	<u>\$ 3,764</u>

NOTE 4 - LOANS PAYABLE

In November 2016 the executive director borrowed \$238,194 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, 2021. The outstanding balance as of June 30, 2021 was \$20,896.

The loan was repaid in its entirety in July 2021.

NOTE 5 - 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 6 - 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

See independent auditor's report.

**NATIONAL JEWISH OUTREACH PROGRAM INC.
NOTES TO FINANCIAL STATEMENTS**

JUNE 30, 2021

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Organization rents its office space in New York City. The Organization's lease ended October 31, 2021. At that time the Organization vacated the premises and is mostly working remotely.

The Organization's total rent expense for the year ended June 30, 2021 was \$112,620.

NOTE 8 - 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 9 – NET ASSETS SUBJECT TO DONOR RESTRICTIONS

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

NOTE 10 - 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 October 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.