

**Board of Jewish Education, Inc.
dba The Jewish Education Project**

Financial Statements

June 30, 2021 and 2020

Independent Auditors' Report

Board of Directors
Board of Jewish Education, Inc.
dba The Jewish Education Project

We have audited the accompanying financial statements of Board of Jewish Education, Inc. dba The Jewish Education Project (the "Organization") which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 Board of Jewish Education, Inc. dba The Jewish Education Project as of June 30, 2021 and 2020, 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.

PKF O'Connor Davies, LLP

February 11, 2022

**Board of Jewish Education, Inc.
dba The Jewish Education Project**

Statements of Financial Position

	June 30,	
	2021	2020
ASSETS		
Cash	\$ 14,126,061	\$ 6,729,986
Accounts receivable, net of allowance for doubtful accounts \$230,500 and \$175,000	792,749	1,710,067
Grants and contributions receivable	448,887	497,550
Prepaid expenses and other assets	28,783	26,209
Investments	6,576,407	4,967,650
Property and equipment, net	176,520	332,547
	\$ 22,149,407	\$ 14,264,009
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 3,048,019	\$ 1,311,804
Accrued benefits and payroll taxes	560,834	809,554
Paycheck protection program loan	2,026,081	1,043,500
Deferred rent payable	303,977	398,748
Deferred income	9,548,415	5,947,134
Total Liabilities	15,487,326	9,510,740
Net Assets		
Without donor restrictions	6,546,409	4,637,597
With donor restrictions	115,672	115,672
Total Net Assets	6,662,081	4,753,269
	\$ 22,149,407	\$ 14,264,009

See notes to financial statements

**Board of Jewish Education, Inc.
dba The Jewish Education Project**

Statements of Activities

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT						
United Jewish Appeal - Federation of Jewish Philanthropies	\$ 4,325,941	\$ -	\$ 4,325,941	\$ 4,798,462	\$ -	\$ 4,798,462
Contributions and gifts	406,316	-	406,316	417,609	-	417,609
Grants	8,205,064	-	8,205,064	2,057,337	24,502	2,081,839
Special events	557,118	-	557,118	380,437	-	380,437
Service fees - school food services (net of expenses \$461,396 and \$832,575)	105,705	-	105,705	613,616	-	613,616
Service fees - other	1,049,386	-	1,049,386	555,663	-	555,663
Gain on sale of food (net of expenses \$573,182 and \$2,459,323)	68,426	-	68,426	460,229	-	460,229
Net assets released from restrictions	-	-	-	29,623	(29,623)	-
Total Operating Revenue and Support	<u>14,717,956</u>	<u>-</u>	<u>14,717,956</u>	<u>9,312,976</u>	<u>(5,121)</u>	<u>9,307,855</u>
OPERATING EXPENSES						
Program services	12,072,596	-	12,072,596	7,871,852	-	7,871,852
Management and general	1,634,685	-	1,634,685	1,805,263	-	1,805,263
Resource development and fundraising	789,509	-	789,509	897,967	-	897,967
Total Expenses	<u>14,496,790</u>	<u>-</u>	<u>14,496,790</u>	<u>10,575,082</u>	<u>-</u>	<u>10,575,082</u>
Excess (Deficiency) of Operating Revenue and Support Over Operating Expenses	<u>221,166</u>	<u>-</u>	<u>221,166</u>	<u>(1,262,106)</u>	<u>(5,121)</u>	<u>(1,267,227)</u>
NON-OPERATING ACTIVITIES						
Realized and unrealized gain (loss) on investments	1,608,757	-	1,608,757	(4,302)	-	(4,302)
Interest and dividends	9,182	-	9,182	23,248	-	23,248
Rental income	69,707	-	69,707	105,334	-	105,334
Total Non-Operating Activities	<u>1,687,646</u>	<u>-</u>	<u>1,687,646</u>	<u>124,280</u>	<u>-</u>	<u>124,280</u>
Change in Net Assets	1,908,812	-	1,908,812	(1,137,826)	(5,121)	(1,142,947)
NET ASSETS						
Beginning of year	<u>4,637,597</u>	<u>115,672</u>	<u>4,753,269</u>	<u>5,775,423</u>	<u>120,793</u>	<u>5,896,216</u>
End of year	<u>\$ 6,546,409</u>	<u>\$ 115,672</u>	<u>\$ 6,662,081</u>	<u>\$ 4,637,597</u>	<u>\$ 115,672</u>	<u>\$ 4,753,269</u>

See notes to financial statements

**Board of Jewish Education, Inc.
dba The Jewish Education Project**

Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services							Supporting Services			Total	
	School Food	Day Schools	Early Childhood	Congregational Learning	Teen Engagement	RootOne	Cross Agency	Total Program Services	Management and General	Resource Development and Fundraising		Total Supporting Services
Salaries	\$ 168,691	\$ 595,696	\$ 153,784	\$ 631,389	\$ 759,301	\$ 667,598	\$ 428,817	\$ 3,405,276	\$ 797,603	\$ 417,157	\$ 1,214,760	\$ 4,620,036
Payroll taxes	11,254	46,817	9,874	39,029	59,260	51,052	27,579	244,865	47,161	19,685	66,846	311,711
Employee benefits	59,133	154,436	24,895	160,510	158,656	52,406	72,477	682,513	161,848	63,324	225,172	907,685
Total Salaries and Related Expenses	239,078	796,949	188,553	830,928	977,217	771,056	528,873	4,332,654	1,006,612	500,166	1,506,778	5,839,432
Consultants and lecturers	-	482,387	20,188	68,952	111,942	1,025,825	126,396	1,835,690	36,700	188,622	225,322	2,061,012
Awards	-	-	-	-	-	-	-	-	2,363	-	2,363	2,363
Tuition and stipends	-	3,998	-	12,000	101,955	4,194,131	-	4,312,084	2,000	-	2,000	4,314,084
Travel	419	-	1,036	113	1,400	32,122	-	35,090	1,235	-	1,235	36,325
Conferences and dues	255	166	-	2,540	10,854	8,000	3,544	25,359	6,686	3,419	10,105	35,464
Supplies	131	922	120	2,949	3,165	37,398	584	45,269	984	2,252	3,236	48,505
Advertising	-	-	-	18,000	116,116	37,402	186,418	357,936	19,008	42,811	61,819	419,755
Food	1,034,578	-	92	92	12	112	-	1,034,886	1,301	-	1,301	1,036,187
Equipment rental and expense	9,889	16,246	3,038	18,765	26,734	13,958	16,426	105,056	20,488	7,147	27,635	132,691
CRM and website	-	-	-	-	-	75	185,910	185,985	828	-	828	186,813
Repair and maintenance	2,145	6,793	1,073	5,791	10,010	3,933	4,648	34,393	10,055	2,145	12,200	46,593
Professional fees	-	-	-	-	-	25,747	-	25,747	51,467	-	51,467	77,214
Insurance	-	-	-	-	-	-	-	-	39,327	-	39,327	39,327
Office supplies	1,278	3,886	513	5,833	5,849	1,908	2,482	21,749	4,809	1,312	6,121	27,870
Bank and investment fees	952	4,195	714	2,222	5,490	1,746	2,064	17,383	4,465	952	5,417	22,800
Bad debt	10,372	-	-	-	-	-	-	10,372	65,500	-	65,500	75,872
Miscellaneous	886	2,805	618	2,514	4,225	2,052	2,095	15,195	4,152	1,069	5,221	20,416
Rent	37,369	118,335	18,684	172,901	174,388	68,510	80,966	671,153	175,166	37,369	212,535	883,688
Utilities	2,245	7,108	1,122	11,243	10,476	4,115	4,864	41,173	10,522	2,245	12,767	53,940
Total Expenses Before Depreciation	1,339,597	1,443,790	235,751	1,154,843	1,559,833	6,228,090	1,145,270	13,107,174	1,463,668	789,509	2,253,177	15,360,351
Depreciation	-	-	-	-	-	-	-	-	171,017	-	171,017	171,017
Total Expenses	1,339,597	1,443,790	235,751	1,154,843	1,559,833	6,228,090	1,145,270	13,107,174	1,634,685	789,509	2,424,194	15,531,368
Less: cost of goods sold and other food expenses	(1,034,578)	-	-	-	-	-	-	(1,034,578)	-	-	-	(1,034,578)
Total Expenses Reported by Function on the Statement of Activities	\$ 305,019	\$ 1,443,790	\$ 235,751	\$ 1,154,843	\$ 1,559,833	\$ 6,228,090	\$ 1,145,270	\$ 12,072,596	\$ 1,634,685	\$ 789,509	\$ 2,424,194	\$ 14,496,790

See notes to financial statements

**Board of Jewish Education, Inc.
dba The Jewish Education Project**

Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services							Supporting Services				Total
	School Food	Day Schools	Early Childhood	Congregational Learning	Teen Engagement	RootOne	Cross Agency	Total Program Services	Management and General	Resource Development and Fundraising	Total Supporting Services	
Salaries	\$ 436,927	\$ 705,456	\$ 601,021	\$ 741,546	\$ 907,225	\$ 119,125	\$ 450,517	\$ 3,961,817	\$ 860,090	\$ 498,465	\$ 1,358,555	\$ 5,320,372
Payroll taxes	32,510	49,545	39,637	43,095	66,802	3,057	28,974	263,620	45,104	28,287	73,391	337,011
Employee benefits	168,438	155,040	90,186	134,857	178,088	1,445	94,975	823,029	160,952	85,842	246,794	1,069,823
Total Salaries and Related Expenses	637,875	910,041	730,844	919,498	1,152,115	123,627	574,466	5,048,466	1,066,146	612,594	1,678,740	6,727,206
Consultants and lecturers	-	190,940	26,700	105,128	301,478	20,000	232,945	877,191	41,567	138,430	179,997	1,057,188
Awards	-	101	-	-	-	-	-	101	1,064	-	1,064	1,165
Tuition and stipends	-	11,650	10,180	-	88,309	-	222,485	332,624	-	-	-	332,624
Travel	2,111	9,547	1,818	9,349	158,586	1,405	13,954	196,770	24,710	117	24,827	221,597
Conferences and dues	1,127	3,498	2,187	18,865	59,881	-	10,933	96,491	20,155	1,376	21,531	118,022
Supplies	185	4,433	1,131	3,258	8,540	-	7,905	25,452	2,018	1,253	3,271	28,723
Advertising	-	723	500	560	75,031	-	25,011	101,825	17,560	58,151	75,711	177,536
Food	3,291,898	35,994	789	5,781	38,820	52	18,742	3,392,076	31,199	420	31,619	3,423,695
Equipment rental and expense	22,635	12,200	7,192	22,377	19,616	676	13,343	98,039	21,106	8,246	29,352	127,391
CRM and website	-	-	-	-	-	-	105,773	105,773	-	-	-	105,773
Repair and maintenance	6,012	10,589	6,877	13,187	17,247	657	10,581	65,150	20,512	6,327	26,839	91,989
Professional fees	-	-	-	-	-	3,900	-	3,900	62,111	-	62,111	66,011
Insurance	1,962	3,455	2,244	3,387	5,628	215	3,453	20,344	6,692	2,065	8,757	29,101
Office supplies	5,234	8,924	4,954	15,027	14,259	463	9,126	57,987	14,454	4,871	19,325	77,312
Bank and investment fees	43	3,533	274	28	704	-	1,200	5,782	28,758	-	28,758	34,540
Bad debt	-	-	-	-	-	-	-	-	60,040	-	60,040	60,040
Miscellaneous	2,224	3,458	2,101	3,079	5,009	365	2,416	18,652	5,545	1,953	7,498	26,150
Rent	53,973	95,065	61,741	188,904	154,829	5,902	94,993	655,407	184,144	56,801	240,945	896,352
Utilities	5,096	8,975	5,829	17,677	14,618	557	8,968	61,720	17,384	5,363	22,747	84,467
Total Expenses before Depreciation	4,030,375	1,313,126	865,361	1,326,105	2,114,670	157,819	1,356,294	11,163,750	1,625,165	897,967	2,523,132	13,686,882
Depreciation	-	-	-	-	-	-	-	-	180,098	-	180,098	180,098
Total Expenses	4,030,375	1,313,126	865,361	1,326,105	2,114,670	157,819	1,356,294	11,163,750	1,805,263	897,967	2,703,230	13,866,980
Less: cost of goods sold and other food expenses	(3,291,898)	-	-	-	-	-	-	(3,291,898)	-	-	-	(3,291,898)
Total Expenses Reported by Function on the Statement of Activities	\$ 738,477	\$ 1,313,126	\$ 865,361	\$ 1,326,105	\$ 2,114,670	\$ 157,819	\$ 1,356,294	\$ 7,871,852	\$ 1,805,263	\$ 897,967	\$ 2,703,230	\$ 10,575,082

Board of Jewish Education, Inc.
dba The Jewish Education Project

Statements of Cash Flows

	Year Ended	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,908,812	\$ (1,142,947)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	171,017	180,098
Deferred rent payable	(94,771)	(55,134)
Net realized and unrealized (gain) loss on investments	(1,608,757)	4,302
Bad debt expense	75,872	60,040
Change in operating assets and liabilities		
Accounts receivable	841,446	104,407
Grants and contributions receivable	48,663	(74,687)
Inventory- school food services	-	33,060
Prepaid expenses and other assets	(2,574)	37,308
Accounts payable and accrued expenses	1,736,215	(1,110,282)
Accrued benefits and payroll taxes	(248,720)	446,469
Deferred income	3,601,281	4,550,893
Net Cash from Operating Activities	6,428,484	3,033,527
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	490,699
Purchase of buildings and equipment	(14,990)	-
Net Cash from Investing Activities	(14,990)	490,699
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from paycheck protection program loan	982,581	1,043,500
Net Change in Cash	7,396,075	4,567,726
CASH		
Beginning of year	6,729,986	2,162,260
End of year	\$ 14,126,061	\$ 6,729,986

See notes to financial statements

**Board of Jewish Education, Inc.
dba The Jewish Education Project**

Notes to the Financial Statements
June 30, 2021 and 2020

1. Organization

Board of Jewish Education, Inc. dba The Jewish Education Project (the “Organization”) was founded in 1910 to provide comprehensive services to Jewish day, congregational, and nursery schools as well as group leaders from community centers. In the Organization’s new iteration, the Organization focuses on sparking and spreading innovations in education that meet the evolving and ever-more diverse needs of today’s children and families. In doing so, the Organization has also moved beyond traditional formats and work to develop new delivery models – in the classroom and beyond. Though the primary focus is to serve educators and institutions in Metropolitan New York, Long Island, and Westchester, the Organization is now working nationally, as well as providing thought leadership and consulting in cutting-edge early childhood programs, teen engagement, and the integration of educational technology, among others.

The Organization is funded primarily through grants from United Jewish Appeal-Federation of Jewish Philanthropies (UJA) and other national foundations. The Organization is also supported through contributions, grants and service fees.

The following are descriptions of the Organization’s programs:

School Food

The Organization acts as a liaison between New York State’s Child Nutrition Program and approximately 125-day schools and yeshivas to facilitate the distribution of entitlement funds.

Day Schools

Through leadership, innovation, professional networks, and government relations the Organization turns government funding for professional development into usable goods and services for school teachers and leaders. Examples of these “goods and services” include professional development for approximately 10,000 teachers every year and mandated services within schools. Additionally, with UJA and foundation support, the Organization works with school leaders to introduce educational innovations into their schools that will have greater impact on student learning.

Early Childhood

The Organization works to ensure continual improvement of the over 250 Jewish early childhood centers in the New York Area and to ensure that the centers will attract an increasingly diverse Jewish community. The Organization conducts professional days of learning and in-depth consultations to create family and child-centered approaches to early learning and family engagement.

**Board of Jewish Education, Inc.
dba The Jewish Education Project**

Notes to the Financial Statements
June 30, 2021 and 2020

1. Organization (continued)

Congregational Learning

The Organization helps congregations create new models of learning that help today's families and children build meaningful lives grounded in Jewish values and practice. The Organization has worked with approximately 175 congregations in the New York area over the past decade and works with 300-400 congregational school educators on an annual basis.

Teen Engagement

Over the past number of years, the Organization has trained over 1,000 teen engagement professionals in nearly 300 institutions – 80 percent of these in the New York area. The Organization's goal is to professionalize the field of Jewish teen engagement to ensure stronger and more teen-focused programming.

RootOne

Seeded by a generous grant from the Marcus Foundation and powered by the Organization, *RootOne* will provide major subsidies for trip participants (called *RootOne* Vouchers), invest in elevating trip curricula and experiences, and work with its partners to create deeper pre- and post-trip engagement opportunities to help strengthen participants' Jewish identities and connections to Israel before they begin college.

Cross Agency

As the Jewish population changes and has grown more distant from established Jewish institutions, the Organization brings expertise to bear in creating Jewish educational options outside of traditional frameworks. These pilot programs are teaching a great deal about today's Jewish families and, by tracking in a newly implemented agency-wide database, the Organization will ensure that it is building programs grounded in concrete data.

2. Significant Accounting Policies

Basis of Presentation and Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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.

**Board of Jewish Education, Inc.
dba The Jewish Education Project**

Notes to the Financial Statements
June 30, 2021 and 2020

2. Significant Accounting Policies (continued)

Net Asset Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Organization and the changes therein are classified and reported as follows:

Without donor restrictions – net assets that are not subject to donor-imposed restrictions.

With donor restrictions - net assets that 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 donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The investment return on these net assets may be used for either general or donor-specified purposes.

Net assets released from restrictions - Represent the expirations of donor-imposed restrictions (i) the long-lived assets acquired have been placed in service or (ii) the donor-stipulated purposes or time requirements have been fulfilled.

Fair Value Measurements

The Organization follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Pursuant to U.S. GAAP guidance, alternative investments where fair value is measured using the Net Asset Value (“NAV”) per share as a practical expedient are not recognized within the fair value hierarchy.

Investments Valuation and Income Recognition

The fair value of alternative investments has been estimated using the NAV as reported by the management of the respective alternative investment funds.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

**Board of Jewish Education, Inc.
dba The Jewish Education Project**

Notes to the Financial Statements
June 30, 2021 and 2020

2. Significant Accounting Policies (continued)

Allowance for Doubtful Accounts

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in accounts receivable. At June 30, 2021 and 2020, the allowance for uncollectible receivables was \$230,500 and \$175,000.

Property and Equipment

Property and equipment are reported at cost at the date of their acquisition or at their fair values at the date of donation. Major renovations and repairs of \$10,000 or more that extend the life of the related asset are capitalized over its useful life. Minor costs of repairs and maintenance are expensed as incurred. Assets are removed from the Organization's records at the time of disposal.

Depreciation is provided using the straight-line method over the estimated useful lives of the related assets as follows:

Leasehold improvements	7–20 years
Furniture and equipment	3–10 years
Telephone systems	3– 5 years

Impairment of Long-Lived Assets

U.S. GAAP guidance, Accounting for the Impairment or Disposal of Long-lived Assets requires long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, impairment would then be measured as the difference between the fair value of the asset and its carrying value to determine the amount of the impairment. The Organization generally determines fair value by using the undiscounted cash flow method. No impairment losses have been recorded to date.

**Board of Jewish Education, Inc.
dba The Jewish Education Project**

Notes to the Financial Statements
June 30, 2021 and 2020

2. Significant Accounting Policies (continued)

Contributions and Contributions Receivable

Contributions are recognized as revenue in the period in which an unconditional pledge is received. Contributions and unconditional promises to give are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restricted support, which increases that net asset class. When the donor time restriction expires or the specified purpose of donor-restricted contribution is met, the net assets are released from restriction and transferred to without donor restricted net assets. Contributions of assets other than cash are recorded at their estimated fair value. Unconditional promises to give over a period beyond one year are discounted to present value and the discount is amortized to contribution income over the anticipated collection period using a risk adjusted discount rate.

No amounts have been reflected in the accompanying financial statements for donated services because such services do not meet the criteria for recognition.

Deferred Revenue

Deferred revenue represents amounts for various services that will be provided at a future date.

Revenue Recognition

Grants

Support funded by UJA and other grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Special Events

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. All proceeds received are recorded as special events revenues in the accompanying financial statements.

Service Fees

School food service fees are contracted annually and billed monthly to schools that procured services for administrative support of the National School Breakfast, Lunch, and Snack programs. Schools that receive USDA Kosher commodities through these services are billed monthly for storage in and shipping of commodities from the contracted warehouse. The Organization facilitates kosher supervision of USDA Kosher commodities and schools are billed annually for the services of the Rabbi and his team.

**Board of Jewish Education, Inc.
dba The Jewish Education Project**

Notes to the Financial Statements
June 30, 2021 and 2020

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

Service Fees (continued)

Under contract with Eastern Suffolk BOCES, the Organization provides support for private schools to access and enter student data into the NYS Student Data Warehouse (otherwise known as Level Zero). Private schools seeking to participate in the NYS Education Department's Testing Program (grades 3 through 8 ELA/Math/Science exams, NYSITELL/NYSESLAT exams, and / or Regents exams) must use this system. The Organization also scores and scans student test papers.

Revenue from other service fees are recognized when the services are performed.

Functional Allocation of Expenses

Expenses are charged directly to program services, management and general, and resource development and fundraising based on specific identification to the extent practicable. Expenses related to more than one function have been allocated using reasonable ratios determined by management. The expenses that are allocated include salaries and related taxes and employee benefits which are allocated based on an estimate of time and effort and other expenses which include office and administrative expenses which are allocated based on the functions receiving the benefit.

Advertising

Advertising costs are expensed as they are incurred, and totaled \$419,755 and \$177,536 for the years ended June 30, 2021 and 2020.

Measure of Operations

In its statements of activities, the Organization includes in its definition of operations all revenue and expenses that are an integral part of its programs and supporting activities. The realized and unrealized gains or loss on investments, interest and dividends income, and rental income are recognized as non-operating activities.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examination by the applicable taxing jurisdictions for periods prior to June 30, 2018.

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2. Significant Accounting Policies (continued)

Subsequent Events

Management has evaluated subsequent events disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is February 11, 2022. Management determined that, except as disclosed in Note 5, no subsequent events occurred that would require recognition in the financial statements or disclosed in the notes to the financial statements.

3. Fair Value Measurements

Investments measured at June 30, 2021 and 2020, using the net asset value per share as a practical expedient consist of the following:

	Fair Value		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
	2021	2020			
UJA pooled Investment account (1)	\$ 6,576,407	\$ 4,967,650	\$ -	Unlimited	30 days

(1) UJA pooled investment account – a share in the pooled investments of UJA to benefit from various diversified strategies that UJA invests in, including cash and bonds, multi-strategy hedge funds, long equity, private equity, and real estate. The purpose is to generate appreciation while managing risk through diversification.

The Organizations' investments assets in the pooled account are allocated as follows at June 30:

	2021	2020
Equity	61%	58%
Opportunistic	7%	9%
Diversifiers	24%	25%
Liquidity	8%	8%

The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2021 and 2020.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

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4. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 948,093	\$ 933,103
Leasehold improvements	963,932	963,932
Telephone systems	<u>17,785</u>	<u>17,785</u>
	1,929,810	1,914,820
Accumulated depreciation	<u>(1,753,290)</u>	<u>(1,582,273)</u>
	<u>\$ 176,520</u>	<u>\$ 332,547</u>

5. Paycheck Protection Program Loan

In May 2020, the Organization received loan proceeds in the amount of \$1,043,500 under the Paycheck Protection Program Loan (the “PPP Loan”). The Paycheck Protection Program, established as part of the CARES Act, provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest is forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act as amended by the Economic Aid Act, over a period of between eight and twenty-four weeks from the date the loan proceeds are received (the “Covered Period”).

On March 18, 2021, the Organization received additional loan proceeds in the amount of \$982,581 under the PPP. Loan principal and accrued interest is forgivable under the same conditions as previously described. The unforgiven portion of the second PPP loan, if any, is payable within five years from the date of the second PPP loan with a deferral of payments of principal and interest until the amount of loan forgiveness is approved by the Small Business Administration (“SBA”). If the Organization does not apply for forgiveness, payments begin approximately 16 months after the loan date. As of June 30, 2021, the PPP loans are recognized as debt on the statement of financial position. The Organization will recognize the income from the forgiveness of the PPP loans when it receives the notification of forgiveness from SBA in accordance with Accounting Standards Codification (“ASC”) 470, Debt.

Subsequent to June 30, 2021, the PPP loan that was received in May of 2020 and March of 2021 were forgiven in full by the SBA on July 12, 2021 and December 15, 2021. The PPP loan forgiveness will be recognized on the statement of activities under the caption non-operating activities in fiscal year 2022.

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6. Net Assets with Donor Restrictions

Net assets with donor restrictions activity for the year ended June 30, consisted of the following:

	2021		
	With Donor Restrictions		
	Temporary in Nature	Perpetual in Nature	Total
Net assets, beginning of year	\$ 15,672	\$ 100,000	\$ 115,672
Released from restriction	-	-	-
Net assets, end of year	\$ 15,672	\$ 100,000	\$ 115,672
	2020		
	With Donor Restrictions		
	Temporary in Nature	Perpetual in Nature	Total
Net assets, beginning of year	\$ 15,672	\$ 105,121	\$ 120,793
Grants	24,502	-	24,502
Released from restriction	(24,502)	(5,121)	(29,623)
Net assets, end of year	\$ 15,672	\$ 100,000	\$ 115,672

7. Endowment Funds

The Organization's governing body is subject to the State of New York Prudent Management of Institutional Funds Act (NYPMIFA). As a result, the Organization classifies earnings on its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Additionally, in accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Organization and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Organization
7. Investment policies of the Organization

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7. Endowment Funds (continued)

The Organization's endowment consists of one fund established to support Jewish Family Education. As required by U.S. GAAP net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The composition of net assets by type of endowment fund at June 30, was:

	2021	2020
	With Donor Restrictions	
Donor-restricted endowment funds		
Original perpetual donor-restricted gift		
Endowment net assets	\$ 100,000	\$ 100,000

Change in endowment net assets for the year ended June 30, were:

	2021	2020
	With Donor Restrictions	
Endowment net assets, beginning of year	\$ 100,000	\$ 105,121
Appropriation of endowment assets for expenditures	-	(5,121)
Endowment net assets, end of year	\$ 100,000	\$ 100,000

The objective of the Organization is to maintain the principal endowment funds at the original amount designated by the donor while generating income for the Organization's programs. The investment policy to achieve this objective is to invest in the UJA Pooled Investment Account, which generates appreciation while managing risk through diversification. Interest earned in relation to the endowment funds is recorded as income with donor restrictions and released from restriction upon appropriation and expenditure for the program for which the endowment fund was established.

The Organization has a spending policy of appropriating for expenditure each year 7 percent of its endowment fund's fair value through the year end preceding the year in which expenditure is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment.

At June 30, 2021 and 2020 the endowment was not underwater.

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8. Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date for general expenditure are as follows:

	2021	2020
Financial Assets		
Cash and cash equivalents	\$ 14,126,061	\$ 6,729,986
Accounts receivable, net	792,749	1,710,067
Grants and contributions receivable	448,887	497,550
Investments	6,576,407	4,967,650
Total Financial Assets at Year End	21,944,104	13,905,253
Less: Contractual, internally designated or donor restricted amounts		
Restricted by donors	15,672	15,672
Endowments	100,000	100,000
Total donor-imposed restrictions	115,672	115,672
Total Financial Assets Available to Meet General Expenditures Over next Twelve Months	\$ 21,828,432	\$ 13,789,581

The Organization's endowment funds consist of a donor-restricted endowment. Income from the donor-restricted endowment is restricted for Jewish Family Education. Donor-restricted endowment funds are not available for general expenditure.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

9. School Food Services

The Organization is an agent for many schools which receive aid for food from government agencies. For an administrative fee, the Organization handles the storage and delivery of food and the processing of claims.

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10. Lease Commitments

Noncancelable lease commitments for office space expire in various years through October 2029. A portion of the leased space is subleased under leases expiring over the next two fiscal years. For the years ended June 30, 2021 and 2020 rent expense was \$883,688 and \$896,352. For the years ended June 30, 2021 and 2020 sublease rental income amounted to and \$69,707 and \$105,334.

The minimum annual rental payments as of June 30, 2021 are as follows:

2022	\$ 827,115
2023	844,224
2024	247,666
2025	44,413
2026	45,317
Thereafter	<u>133,240</u>
	<u>\$ 2,141,975</u>

11. Pension and Other Postretirement Benefit Plans

The Organization has a defined contribution pension plan covering substantially all employees. The plan is funded with TIAA. Dependent upon the employee salary level, employees are required to contribute 6-½ percent of their salaries to the plan to be eligible for a matching contribution equaling 7-½ percent of their salaries. Employees are eligible to participate in the plan after one year of service. Vesting is 100 percent after two years of service for the employer's contributed portion, and immediately for the employee's contributed portion. The expense for the years ended June 30, 2021 and 2020 was \$231,471 and \$284,475.

The Organization is a participating member of the UJA-Federation multiemployer defined benefit pension plan (the Plan) covering eligible union and non-union employees, as well as eligible employees of participating affiliated agencies of UJA-Federation. An employer's risks of participating in a multiemployer plan are different from a single employer plan in that the assets contributed to a multiemployer plan may be used to provide benefits to employees of other participating employers; and if a participating employer stops contributing to the plan, unfunded obligations, if any, of the plan may be borne by the remaining participating employers. If an employer chooses to stop participating in some of its multiemployer plans, the employer may be required to those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

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11. Pension and Other Postretirement Benefit Plans (continued)

The actuarial present value of accumulated plan benefits and net assets available for benefits relating to the Organization's employees is not available because such information is not accumulated for each participating organization. The Organization's employees are all non-union. The Plan, Retirement Plan for Employees of United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. and Affiliated Agencies and Institutions, is filed under the Employer Identification Number 51-0172429 and the three-digit Pension Plan Number 333. The Plan is not required to file an annual zone certification under the Pension Protection Act of 2006 (PPA) and disclosures concerning a financial improvement plan or a rehabilitation plan are not applicable. The Plan is at least 80 percent funded using the most recent financial information as of October 1, 2019, the beginning of the Plan year. Pension expense for the years ended June 30, 2021 and 2020 was \$10,480 and \$14,127.

12. Credit Risk Concentration

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash, accounts receivable and investments. Receivables are due from a number of diverse sources, reducing the risk of concentration. At times, the cash balance may be in excess of the Federal Deposit Insurance Corporation ("FDIC") limit. The Organization does not believe that a significant risk of loss due to failure of a financial institution presently exists. At June 30, 2021 and 2020, \$13,852,662 and \$6,698,453 of cash was maintained with institutions in excess of FDIC limits.

The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment or group of investments represents a significant concentration of risk.

13. COVID-19

The Organization's operations and financial performance may be affected by the ongoing coronavirus outbreak which has spread globally and is expected to adversely affect economic conditions throughout the world. If the outbreak continues and conditions worsen, the Organization may experience a disruption in operations as well as a decline in support and revenues. The outbreak is may to adversely affect the Organization's business, financial conditions and results of operations on an interim basis.

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