

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

Financial Statements

June 30, 2022 and 2021

Independent Auditors' Report

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

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

PKF O'Connor Davies, LLP

January 25, 2023

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

Statements of Financial Position

	June 30,	
	2022	2021
ASSETS		
Cash	\$ 7,933,578	\$ 14,126,061
Accounts receivable, net of allowance for doubtful accounts \$453,961 and \$230,500	317,612	792,749
Grants and contributions receivable	1,951,619	448,887
Prepaid expenses and other assets	15,370	28,783
Investments	5,952,426	6,576,407
Property and equipment, net	74,578	176,520
	\$ 16,245,183	\$ 22,149,407
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,422,118	\$ 3,048,019
Accrued benefits and payroll taxes	543,216	560,834
Paycheck Protection Program loan	-	2,026,081
Deferred rent payable	192,430	303,977
Refundable advances	3,550,521	9,548,415
Total Liabilities	5,708,285	15,487,326
Net Assets		
Without donor restrictions	7,561,898	6,546,409
With donor restrictions	2,975,000	115,672
Total Net Assets	10,536,898	6,662,081
	\$ 16,245,183	\$ 22,149,407

See notes to financial statements

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

Statements of Activities

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	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	\$ 3,994,694	\$ -	\$ 3,994,694	\$ 4,325,941	\$ -	\$ 4,325,941
Contributions and gifts	759,906	-	759,906	406,316	-	406,316
Grants	26,296,210	3,000,000	29,296,210	8,205,064	-	8,205,064
Special events	407,145	-	407,145	557,118	-	557,118
Service fees - school food services (net of expenses \$402,451 and \$461,396)	140,635	-	140,635	105,705	-	105,705
Service fees - other	1,698,315	-	1,698,315	1,049,386	-	1,049,386
Gain (loss) on sale of food (net of expenses \$4,490 and \$573,182)	(554)	-	(554)	68,426	-	68,426
Donated services	184,035	-	184,035	-	-	-
Net assets released from restrictions	140,672	(140,672)	-	-	-	-
Total Operating Revenue and Support	<u>33,621,058</u>	<u>2,859,328</u>	<u>36,480,386</u>	<u>14,717,956</u>	<u>-</u>	<u>14,717,956</u>
OPERATING EXPENSES						
Program services	30,872,815	-	30,872,815	12,062,224	-	12,062,224
Management and general	2,159,863	-	2,159,863	1,645,057	-	1,645,057
Resource development and fundraising	1,035,845	-	1,035,845	789,509	-	789,509
Total Expenses	<u>34,068,523</u>	<u>-</u>	<u>34,068,523</u>	<u>14,496,790</u>	<u>-</u>	<u>14,496,790</u>
Excess (Deficiency) of Operating Revenue and Support Over Operating Expenses Before Non-Operating Activities	<u>(447,465)</u>	<u>2,859,328</u>	<u>2,411,863</u>	<u>221,166</u>	<u>-</u>	<u>221,166</u>
NON-OPERATING ACTIVITIES						
Unrealized gain (loss) on investments	(623,981)	-	(623,981)	1,608,757	-	1,608,757
Interest and dividends	6,259	-	6,259	9,182	-	9,182
Rental income	54,595	-	54,595	69,707	-	69,707
Total Non-Operating Activities	<u>(563,127)</u>	<u>-</u>	<u>(563,127)</u>	<u>1,687,646</u>	<u>-</u>	<u>1,687,646</u>
Excess (Deficiency) of Operating Revenue and Support Over Non-Operating Activities Before Other Changes	<u>(1,010,592)</u>	<u>2,859,328</u>	<u>1,848,736</u>	<u>1,908,812</u>	<u>-</u>	<u>1,908,812</u>
OTHER CHANGES						
Paycheck Protection Program loan forgiveness	<u>2,026,081</u>	<u>-</u>	<u>2,026,081</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	1,015,489	2,859,328	3,874,817	1,908,812	-	1,908,812
NET ASSETS						
Beginning 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>
End of year	<u>\$ 7,561,898</u>	<u>\$ 2,975,000</u>	<u>\$ 10,536,898</u>	<u>\$ 6,546,409</u>	<u>\$ 115,672</u>	<u>\$ 6,662,081</u>

See notes to financial statements

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

Statement of Functional Expenses
Year Ended June 30, 2022

	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	\$ 190,391	\$ 644,892	\$ 197,285	\$ 774,052	\$ 411,298	\$ 1,126,662	\$ 627,661	\$ 3,972,241	\$ 906,556	\$ 624,610	\$ 1,531,166	\$ 5,503,407
Payroll taxes	12,800	51,250	10,904	47,129	32,054	83,630	41,857	279,624	55,210	30,040	85,250	364,874
Employee benefits	58,312	157,120	22,968	132,637	68,357	154,240	94,187	687,821	181,001	66,881	247,882	935,703
Total Salaries and Related Expenses	261,503	853,262	231,157	953,818	511,709	1,364,532	763,705	4,939,686	1,142,767	721,531	1,864,298	6,803,984
Consultants and lecturers	-	838,899	17,138	74,978	92,467	1,782,884	292,674	3,099,040	196,899	181,176	378,075	3,477,115
Tuition and stipends	-	10,000	-	5,250	81,054	20,156,461	2,500	20,255,265	-	317	317	20,255,582
Travel	1,011	205	1,041	7,377	-	289,315	2,583	301,532	11,232	788	12,020	313,552
Conferences and dues	40	133	994	3,013	3,109	325	4,932	12,546	34,208	5,225	39,433	51,979
Supplies	-	6,493	-	3,244	4,824	226,428	3,111	244,100	701	3,736	4,437	248,537
Advertising	-	-	-	-	32,129	390,585	401,828	824,542	45,202	31,994	77,196	901,738
Food	406,941	2,811	-	687	3,228	2,584	117	416,368	30,057	-	30,057	446,425
Equipment rental and expense	5,159	13,103	2,103	13,644	14,404	28,875	20,373	97,661	26,289	9,586	35,875	133,536
CRM and website	-	59	-	-	-	7,521	92,825	100,405	-	24,360	24,360	124,765
Repair and maintenance	3,753	11,258	1,876	11,174	9,382	13,135	7,506	58,084	23,455	4,691	28,146	86,230
Professional fees	-	-	-	-	-	29,010	184,035	213,045	38,715	-	38,715	251,760
Insurance	-	-	-	-	-	-	-	-	37,764	-	37,764	37,764
Office supplies	1,519	5,470	723	6,589	5,176	5,585	3,025	28,087	9,038	3,076	12,114	40,201
Bank and investment fees	1,057	3,447	528	2,907	2,642	3,699	2,114	16,394	6,606	1,321	7,927	24,321
Bad debt	-	-	-	-	-	-	-	-	218,089	-	218,089	218,089
Miscellaneous	741	3,647	403	2,124	2,021	3,075	1,758	13,769	4,634	1,590	6,224	19,993
Rent	33,310	99,930	16,655	177,553	83,275	116,585	66,620	593,928	208,188	41,638	249,826	843,754
Utilities	3,852	11,557	1,926	17,150	9,631	13,483	7,705	65,304	24,077	4,816	28,893	94,197
Total Expenses Before Depreciation	718,886	1,860,274	274,544	1,279,508	855,051	24,434,082	1,857,411	31,279,756	2,057,921	1,035,845	3,093,766	34,373,522
Depreciation	-	-	-	-	-	-	-	-	101,942	-	101,942	101,942
Total Expenses	718,886	1,860,274	274,544	1,279,508	855,051	24,434,082	1,857,411	31,279,756	2,159,863	1,035,845	3,195,708	34,475,464
Less: cost of goods sold and other food expenses	(406,941)	-	-	-	-	-	-	(406,941)	-	-	-	(406,941)
Total Expenses Reported by Function on the Statement of Activities	\$ 311,945	\$ 1,860,274	\$ 274,544	\$ 1,279,508	\$ 855,051	\$ 24,434,082	\$ 1,857,411	\$ 30,872,815	\$ 2,159,863	\$ 1,035,845	\$ 3,195,708	\$ 34,068,523

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	-	-	-	-	-	-	-	-	75,872	-	75,872	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	1,329,225	1,443,790	235,751	1,154,843	1,559,833	6,228,090	1,145,270	13,096,802	1,474,040	789,509	2,263,549	15,360,351
Depreciation	-	-	-	-	-	-	-	-	171,017	-	171,017	171,017
Total Expenses	1,329,225	1,443,790	235,751	1,154,843	1,559,833	6,228,090	1,145,270	13,096,802	1,645,057	789,509	2,434,566	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	\$ 294,647	\$ 1,443,790	\$ 235,751	\$ 1,154,843	\$ 1,559,833	\$ 6,228,090	\$ 1,145,270	\$ 12,062,224	\$ 1,645,057	\$ 789,509	\$ 2,434,566	\$ 14,496,790

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

Statements of Cash Flows

	Year Ended	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,874,817	\$ 1,908,812
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	101,942	171,017
Forgiveness of Paycheck Protection Program loan	(2,026,081)	-
Deferred rent payable	(111,547)	(94,771)
Net unrealized (gain) loss on investments	623,981	(1,608,757)
Bad debt expense	218,089	75,872
Change in operating assets and liabilities		
Accounts receivable	257,048	841,446
Grants and contributions receivable	(1,502,732)	48,663
Prepaid expenses and other assets	13,413	(2,574)
Accounts payable and accrued expenses	(1,625,901)	1,736,215
Accrued benefits and payroll taxes	(17,618)	(248,720)
Refundable advances	(5,997,894)	3,601,281
Net Cash from Operating Activities	(6,192,483)	6,428,484
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of buildings and equipment	-	(14,990)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	-	982,581
Net Change in Cash	(6,192,483)	7,396,075
CASH		
Beginning of year	14,126,061	6,729,986
End of year	\$ 7,933,578	\$ 14,126,061
NON-CASH FINANCING ACTIVITY		
Forgiveness of PPP loan	\$ 2,026,081	\$ -

See notes to financial statements

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

Notes to the Financial Statements
June 30, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021

2. Significant Accounting Policies (continued)

Adoption of Accounting Principle

As of July 1, 2021, the Organization adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). ASU 2020-07 brings more transparency and consistency to the presentation and disclosure of gifts-in-kind. The standard does not change the accounting for gifts-in-kind, however, provides matters related to presentation and disclosure.

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 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.

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

Notes to the Financial Statements
June 30, 2022 and 2021

2. Significant Accounting Policies (continued)

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.

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, 2022 and 2021, the allowance for uncollectible receivables was \$453,961 and \$230,500.

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, 2022 and 2021

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.

Deferred Rent

Lease agreements may require increases in the minimum base rent over time. Rent expense under this lease agreement is recognized on the straight-line basis over the term of the related lease. The difference is accounted for as deferred rent on the accompanying statements of financial position.

Refundable Advances

Refundable advances 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.

Contract assets as of July 1, 2020, consisted of \$1,710,067 of accounts receivable. Contract liabilities as of July 1, 2020, consisted of \$5,947,740 of refundable advances.

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.

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

Notes to the Financial Statements
June 30, 2022 and 2021

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

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.

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 \$901,738 and \$419,755 for the years ended June 30, 2022 and 2021.

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, 2019.

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

Notes to the Financial Statements
June 30, 2022 and 2021

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 January 25, 2023.

3. Fair Value Measurements

Investments measured at June 30, 2022 and 2021, using the net asset value per share as a practical expedient consist of the following:

	Fair Value		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
	2022	2021			
UJA pooled Investment account (1)	\$ 5,952,426	\$ 6,576,407	\$ -	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:

	2022	2021
Equity	57%	61%
Opportunistic	15%	7%
Diversifiers	23%	24%
Liquidity	5%	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, 2022 and 2021.

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.

Subsequent to year end the Organization liquidated and transferred the investments to New York Jewish Institutions Investment Fund, LLC ("JIIF").

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

Notes to the Financial Statements
June 30, 2022 and 2021

4. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 948,093	\$ 948,093
Leasehold improvements	963,932	963,932
Telephone systems	<u>17,785</u>	<u>17,785</u>
	1,929,810	1,929,810
Accumulated depreciation	<u>(1,855,232)</u>	<u>(1,753,290)</u>
	<u>\$ 74,578</u>	<u>\$ 176,520</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.

During the year ended June 30, 2022, the Organization received notification of forgiveness for both loans and consequently recognized \$2,026,081 as income from the forgiveness of the PPP loans. The PPP loans forgiveness is recognized on the statement of activities under the caption other changes for the year ended as of June 30, 2022.

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

Notes to the Financial Statements
June 30, 2022 and 2021

6. Net Assets with Donor Restrictions

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

	2022		
	With Donor Restrictions		
	Temporary in Nature	Perpetual in Nature	Total
Net assets, beginning of year	\$ 15,672	\$ 100,000	\$ 115,672
Rootone	3,000,000	-	3,000,000
Released from restriction	(140,672)	-	(140,672)
Net assets, end of year	<u>\$ 2,875,000</u>	<u>\$ 100,000</u>	<u>\$ 2,975,000</u>
	2021		
	With Donor Restrictions		
	Temporary in Nature	Perpetual in Nature	Total
Net assets, beginning/end of year	<u>\$ 15,672</u>	<u>\$ 100,000</u>	<u>\$ 115,672</u>

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 in 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

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

Notes to the Financial Statements
June 30, 2022 and 2021

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:

	2022	2021
	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 years ended June 30, were:

	2022	2021
	With Donor Restrictions	
Endowment net assets, beginning of year	\$ 100,000	\$ 100,000
Appropriation of endowment assets for expenditures	-	-
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. Minimal interest is earned on the corpus annually, which is transferred to the operating account.

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, 2022 and 2021 the endowment was not underwater.

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

Notes to the Financial Statements
June 30, 2022 and 2021

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:

	2022	2021
Financial Assets		
Cash	\$ 7,933,578	\$ 14,126,061
Accounts receivable, net	317,612	792,749
Grants and contributions receivable	1,951,619	448,887
Investments	5,952,426	6,576,407
Total Financial Assets at Year End	16,155,235	21,944,104
Less: Contractual, internally designated or donor restricted amounts		
Restricted by donors	2,875,000	15,672
Endowments	100,000	100,000
Total donor-imposed restrictions	2,975,000	115,672
Total Financial Assets Available to Meet General Expenditures Over next Twelve Months	\$ 13,180,235	\$ 21,828,432

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.

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

Notes to the Financial Statements
June 30, 2022 and 2021

10. In-Kind Contributions

In-kind contributions consisted of the following:

	<u>2022</u>	<u>2021</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Legal Services	\$ 184,035	\$ -	Cross Agency Program Legal Matters	No associated donor restrictions	In valuing the donated legal services, the Organization estimated the fair value on the basis of the attorney rate.

11. Lease Commitments

Noncancelable lease commitments for office space expire in various years through October 2029. A portion of the leased space is subleased on a month to month basis. For the years ended June 30, 2022 and 2021 rent expense was \$843,754 and \$883,688. For the years ended June 30, 2022 and 2021 sublease rental income amounted to and \$54,595 and \$69,707.

The minimum annual rental payments as of June 30, 2022 are as follows:

2023	\$ 844,224
2024	247,666
2025	44,413
2026	45,317
2027	46,220
Thereafter	<u>87,020</u>
	<u>\$ 1,314,860</u>

12. 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 6-1/2 percent of their salaries to the plan to be eligible for a matching contribution equaling 7-1/2 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, 2022 and 2021 was \$292,624 and \$231,471.

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.

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

Notes to the Financial Statements
June 30, 2022 and 2021

12. 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, 2020, the beginning of the Plan year. Pension expense for the years ended June 30, 2022 and 2021 was \$7,524 and \$10,480.

13. 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, 2022 and 2021, \$7,675,555 and \$13,852,662 of cash was maintained with institutions in excess of FDIC limits.

In addition, contributions receivable from one donor aggregated to 77% of the contributions receivable balance at June 30, 2022. Contributions receivable at June 30, 2021 consisted of various donors.

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.

14. 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.

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