

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

Consolidated Financial Statements

June 30, 2024 and 2023

Independent Auditors' Report

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

Opinion

We have audited the accompanying consolidated financial statements of Board of Jewish Education, Inc. dba The Jewish Education Project (the "Organization") which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2024 and 2023, and the consolidated 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 28, 2025

Board of Jewish Education, Inc.
dba The Jewish Education Project
Consolidated Statements of Financial Position

	June 30,	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 12,024,319	\$ 22,382,843
Accounts receivable, net of allowance for doubtful accounts of \$353,961	182,768	204,058
Grants and contributions receivable, net	5,273,564	5,137,617
Prepaid expenses and other assets	523,111	1,364,346
Investments	6,070,830	5,609,347
Right of use operating lease asset, net	181,754	215,900
Property and equipment, net	-	25,115
	\$ 24,256,346	\$ 34,939,226
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 3,866,498	\$ 13,040,599
Accrued benefits and payroll taxes	924,271	686,376
Deferred rent payable	-	34,599
Refundable advances	5,585,569	6,418,659
Operating lease liability	208,000	244,951
Total Liabilities	10,584,338	20,425,184
Net Assets		
Without donor restrictions	8,970,726	7,847,627
With donor restrictions	4,701,282	6,666,415
Total Net Assets	13,672,008	14,514,042
	\$ 24,256,346	\$ 34,939,226

See notes to consolidated financial statements

Board of Jewish Education, Inc.
dba The Jewish Education Project
Consolidated Statements of Activities

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	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	\$ 4,013,285	\$ -	\$ 4,013,285	\$ 3,927,877	\$ -	\$ 3,927,877
Contributions and gifts	848,102	-	848,102	780,521	-	780,521
Grants	18,099,536	2,060,000	20,159,536	26,888,446	5,191,415	32,079,861
Special events						
(net of expenses \$141,960 and \$196,432)	119,344	-	119,344	290,137	-	290,137
Service fees - school food services						
(net of expenses \$495,440 and \$412,593)	193,423	-	193,423	107,138	-	107,138
Service fees - other	2,179,516	-	2,179,516	1,599,660	-	1,599,660
Loss on sale of food (net of expenses \$0 and \$433)	-	-	-	(433)	-	(433)
Donated services	122,482	-	122,482	-	-	-
Net assets released from restrictions	4,025,133	(4,025,133)	-	1,500,000	(1,500,000)	-
Total Operating Revenue and Support	<u>29,600,821</u>	<u>(1,965,133)</u>	<u>27,635,688</u>	<u>35,093,346</u>	<u>3,691,415</u>	<u>38,784,761</u>
OPERATING EXPENSES						
Program services	25,891,792	-	25,891,792	32,498,671	-	32,498,671
Management and general	1,995,715	-	1,995,715	1,894,024	-	1,894,024
Resource development and fundraising	1,435,815	-	1,435,815	1,227,611	-	1,227,611
Total Expenses	<u>29,323,322</u>	<u>-</u>	<u>29,323,322</u>	<u>35,620,306</u>	<u>-</u>	<u>35,620,306</u>
Excess (Deficiency) of Operating Revenue and Support Over Operating Expenses	<u>277,499</u>	<u>(1,965,133)</u>	<u>(1,687,634)</u>	<u>(526,960)</u>	<u>3,691,415</u>	<u>3,164,455</u>
NON-OPERATING ACTIVITIES						
Unrealized gain (loss) on investments	461,483	-	461,483	406,921	-	406,921
Interest and dividends	374,394	-	374,394	253,490	-	253,490
Rental income	9,723	-	9,723	52,278	-	52,278
Bad debt recovery	-	-	-	100,000	-	100,000
Total Non-Operating Activities	<u>845,600</u>	<u>-</u>	<u>845,600</u>	<u>812,689</u>	<u>-</u>	<u>812,689</u>
Change in Net Assets	1,123,099	(1,965,133)	(842,034)	285,729	3,691,415	3,977,144
NET ASSETS						
Beginning of year	<u>7,847,627</u>	<u>6,666,415</u>	<u>14,514,042</u>	<u>7,561,898</u>	<u>2,975,000</u>	<u>10,536,898</u>
End of year	<u>\$ 8,970,726</u>	<u>\$ 4,701,282</u>	<u>\$ 13,672,008</u>	<u>\$ 7,847,627</u>	<u>\$ 6,666,415</u>	<u>\$ 14,514,042</u>

See notes to consolidated financial statements

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

Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

	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 Fundraising	Total Supporting Services		
Salaries	\$ 121,537	\$ 855,518	\$ 181,491	\$ 956,619	\$ 443,227	\$ 2,460,461	\$ 1,538,721	\$ 6,557,574	\$ 1,236,151	\$ 950,283	\$ 2,186,434	\$ 8,744,008	
Payroll taxes	6,530	63,477	10,541	54,347	35,685	174,071	101,727	446,378	75,868	49,225	125,093	571,471	
Employee benefits	44,394	161,394	15,346	220,238	36,840	463,429	192,454	1,134,095	239,025	143,692	382,717	1,516,812	
Total Salaries and Related Expenses	172,461	1,080,389	207,378	1,231,204	515,752	3,097,961	1,832,902	8,138,047	1,551,044	1,143,200	2,694,244	10,832,291	
Consultants and lecturers	-	1,116,833	194,212	268,992	105,604	3,892,971	103,378	5,681,990	34,359	136,666	171,025	5,853,015	
Tuition and stipends	-	10,558	180	855,883	1,000	5,244,155	1,785,100	7,896,876	-	-	-	7,896,876	
Travel	270	8,623	6,001	492,869	20,377	693,508	18,729	1,240,377	96,005	11,529	107,534	1,347,911	
Conferences and dues	-	20,699	2,600	14,354	16,554	96,854	28,328	179,389	71,832	2,888	74,720	254,109	
Supplies	-	3,507	2,531	7,718	678	39,995	4,845	59,274	3,745	2,311	6,056	65,330	
Advertising	-	-	275	24,263	3,090	318,705	180,249	526,582	67,683	36,582	104,265	630,847	
Food	495,440	27,595	2,490	14,936	10,729	25,035	7,817	584,042	64,682	948	65,630	649,672	
Equipment rental and expense	5,324	16,260	13,597	19,328	9,065	69,067	38,206	170,847	31,726	12,792	44,518	215,365	
CRM and website	-	268	-	3,315	-	557,988	327,383	888,954	276	21,180	21,456	910,410	
Repair and maintenance	4,434	26,602	26,602	29,656	17,735	84,241	33,253	222,523	62,072	22,169	84,241	306,764	
Professional fees	-	-	-	-	-	50,530	129,234	179,764	50,385	-	50,385	230,149	
Insurance	-	-	-	18,622	-	40,581	-	59,203	56,302	-	56,302	115,505	
Office supplies	879	3,928	3,879	5,814	2,322	14,398	4,354	35,574	8,128	2,903	11,031	46,605	
Bank and investment fees	662	3,972	3,972	4,303	2,648	12,578	4,965	33,100	9,268	3,310	12,578	45,678	
Miscellaneous	361	2,603	2,166	2,740	1,694	115,788	4,024	129,376	5,053	9,648	14,701	144,077	
Rent	5,089	30,534	30,534	95,021	20,356	96,691	38,168	316,393	-	25,445	25,445	341,838	
Utilities	849	5,092	5,092	7,999	3,395	16,126	6,368	44,921	-	4,244	4,244	49,165	
				-			-						
Total Expenses Before Depreication	685,769	2,357,463	501,509	3,097,017	730,999	14,467,172	4,547,303	26,387,232	2,112,560	1,435,815	3,548,375	29,935,607	
Depreciation	-	-	-	-	-	-	-	-	25,115	-	25,115	25,115	
Total Expenses Before Expenses Deducted Directly from Revenues	685,769	2,357,463	501,509	3,097,017	730,999	14,467,172	4,547,303	26,387,232	2,137,675	1,435,815	3,573,490	29,960,722	
Expenses Dedcuted Directly from Revenues on the Statement of Activities													
Direct cost of goods sold and other food expenses	(495,440)	-	-	-	-	-	-	(495,440)	-	-	-	(495,440)	
Direct costs of special events	-	-	-	-	-	-	-	-	(141,960)	-	(141,960)	(141,960)	
Total Expenses Deducted Directly from Revenues	(495,440)	-	-	-	-	-	-	(495,440)	(141,960)	-	(141,960)	(637,400)	
Total Expenses Reported by Function on the Statement of Activities	\$ 190,329	\$ 2,357,463	\$ 501,509	\$ 3,097,017	\$ 730,999	\$ 14,467,172	\$ 4,547,303	\$ 25,891,792	\$ 1,995,715	\$ 1,435,815	\$ 3,431,530	\$ 29,323,322	

See notes to consolidated financial statements

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

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services							Supporting Services				
	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	Total
Salaries	\$ 195,645	\$ 764,754	\$ 202,067	\$ 768,545	\$ 291,801	\$ 1,511,140	\$ 994,063	\$ 4,728,015	\$ 1,085,595	\$ 723,624	\$ 1,809,219	\$ 6,537,234
Payroll taxes	12,169	54,212	12,276	45,150	21,132	111,325	69,019	325,283	65,419	37,941	103,360	428,643
Employee benefits	57,464	156,170	33,268	143,097	31,694	270,212	151,528	843,433	221,146	118,799	339,945	1,183,378
Total Salaries and Related Expenses	265,278	975,136	247,611	956,792	344,627	1,892,677	1,214,610	5,896,731	1,372,160	880,364	2,252,524	8,149,255
Consultants and lecturers	784	794,433	11,323	149,633	96,805	3,021,160	102,745	4,176,883	122,976	104,083	227,059	4,403,942
Tuition and stipends	-	524	-	-	750	19,292,437	575,274	19,868,985	750	295	1,045	19,870,030
Travel	393	6,619	3,472	17,590	8,653	148,772	5,764	191,263	37,957	11,843	49,800	241,063
Conferences and dues	40	4,705	10,420	2,115	1,200	16,063	14,477	49,020	128,673	1,209	129,882	178,902
Supplies	84	7,733	31	2,751	1,997	64,635	6,818	84,049	2,106	2,264	4,370	88,419
Advertising	-	-	-	55,556	54,999	399,781	229,215	739,551	96,302	42,129	138,431	877,982
Food	413,026	15,312	66	8,217	4,269	17,072	11,087	469,049	52,825	1,153	53,978	523,027
Equipment rental and expense	12,584	12,899	2,503	12,607	20,161	70,748	22,343	153,845	32,542	14,147	46,689	200,534
CRM and website	-	-	-	52	-	66,275	39,015	105,342	51,871	22,330	74,201	179,543
Repair and maintenance	5,381	13,453	2,691	11,687	18,834	32,287	16,144	100,477	34,978	13,452	48,430	148,907
Professional fees	-	-	-	-	-	27,886	-	27,886	36,525	-	36,525	64,411
Insurance	-	-	-	-	-	25,878	-	25,878	48,234	-	48,234	74,112
Office supplies	2,032	7,109	821	6,684	6,044	10,397	5,057	38,144	10,671	12,161	22,832	60,976
Bank and investment fees	1,108	2,770	554	2,216	3,878	6,658	3,324	20,508	7,201	2,770	9,971	30,479
Miscellaneous	803	2,533	815	5,067	3,592	111,795	2,410	127,015	5,222	18,533	23,755	150,770
Rent	35,767	89,418	17,884	155,927	125,185	214,603	107,302	746,086	-	89,418	89,418	835,504
Utilities	4,584	11,460	2,292	15,349	16,044	27,504	13,752	90,985	-	11,460	11,460	102,445
Total Expenses before Depreciation	741,864	1,944,104	300,483	1,402,243	707,038	25,446,628	2,369,337	32,911,697	2,040,993	1,227,611	3,268,604	36,180,301
Depreciation	-	-	-	-	-	-	-	-	49,463	-	49,463	49,463
Total Expenses Before Expenses Deducted Directly from Revenues	741,864	1,944,104	300,483	1,402,243	707,038	25,446,628	2,369,337	32,911,697	2,090,456	1,227,611	3,318,067	36,229,764
Expenses Deducted Directly from Revenues on the Financial Statements of Activities												
Direct cost of goods sold and other food expenses	(413,026)	-	-	-	-	-	-	(413,026)	-	-	-	(413,026)
Direct costs of special events	-	-	-	-	-	-	-	-	(196,432)	-	(196,432)	(196,432)
Total Expenses Deducted Directly from Revenues	(413,026)	-	-	-	-	-	-	(413,026)	(196,432)	-	(196,432)	(609,458)
Total Expenses Reported by Function on the Statement of Activities	\$ 328,838	\$ 1,944,104	\$ 300,483	\$ 1,402,243	\$ 707,038	\$ 25,446,628	\$ 2,369,337	\$ 32,498,671	\$ 1,894,024	\$ 1,227,611	\$ 3,121,635	\$ 35,620,306

See notes to consolidated financial statements

Board of Jewish Education, Inc.
dba The Jewish Education Project
Consolidated Statements of Cash Flows

	Year Ended June 30,	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (842,034)	\$ 3,977,144
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	25,115	49,463
Deferred rent payable	(34,599)	(157,831)
Net unrealized (gain) on investments	(461,483)	(406,921)
Non cash lease expense	67,242	33,096
Change in operating assets and liabilities		
Accounts receivable	21,290	113,554
Grants and contributions receivable	(135,947)	(3,185,998)
Prepaid expenses and other assets	841,235	(1,348,976)
Accounts payable and accrued expenses	(9,174,101)	11,618,481
Accrued benefits and payroll taxes	237,895	143,160
Refundable advances	(833,090)	2,868,138
Operating lease liability	<u>(70,047)</u>	<u>(4,045)</u>
Net Cash from Operating Activities	(10,358,524)	13,699,265
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawals from investments	<u>-</u>	<u>750,000</u>
Net Change in Cash and Cash Equivalents	(10,358,524)	14,449,265
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>22,382,843</u>	<u>7,933,578</u>
End of year	<u>\$ 12,024,319</u>	<u>\$ 22,382,843</u>
NON-CASH FINANCING ACTIVITY		
Write off of disposal of property and equipment	\$ 1,865,874	\$ -

See notes to consolidated financial statements

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

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.

On September 21, 2022, RootOne, LLC (the "LLC") was formed as a Delaware limited liability company. The LLC is a wholly owned subsidiary of the Organization. The LLC's charitable mission is Jewish and Israel education. The LLC's primary activity is to make charitable grants to youth serving organizations ("Grantees"). These Grantees sponsor, organize, and control summer Israel travel programs for Jewish teens. The LLC's charitable grants to these Grantees help to subsidize the Grantee's summer Israel program and the per person cost of the trip to Israel. The LLC is a funder/donor of the Grantees' Israel program. The LLC also works with educational providers and teachers to create better educational content about Judaism and Israel.

On October 7, 2023, the primary added focus to the LLC's work has been the facilitation and support of immersive teen travel experiences in other countries outside of Israel, as long as those experiences include the full integration of Israeli teens in each experience as well as an educational focus on Israel, Global Judaism and preparation for stepping foot on university campuses as students.

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.

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

1. Organization (*continued*)

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.

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 to 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* provides 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.

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Organization and the LLC. All significant All significant intercompany balances have been eliminated in consolidation.

Basis of Presentation and Use of Estimates

The consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Adoption of New Accounting Pronouncement

Credit Losses

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the incurred loss model for most financial assets and required the use of an expected loss model for instruments measured at amortized cost and certain other instruments that are not measured at fair value through net income.

Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of this guidance on July 1, 2023, expanded the Organization's required disclosures for its expected credit losses for accounts receivable but did not have a material effect on its consolidated financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include cash balances held in bank accounts and highly liquid debt instruments with maturities of three months or less at the time of purchase.

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.

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Net Asset Presentation (continued)

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 the 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.

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.

Accounts Receivable and Allowance for Credit Losses

Prior to July 1, 2023, accounts receivable were recorded at the amount invoiced less an allowance for doubtful accounts. The net amount of accounts receivable and corresponding allowance for doubtful accounts were presented on the statements of financial position. Receivable balances were assessed at every reporting date for collectability and an allowance was recorded if the receivable was considered uncollectable. Subsequent to July 1, 2023, accounts receivable are recorded at amortized cost less allowance for credit losses that are not expected to be recovered. The amount of accounts receivable and corresponding allowance for credit losses are presented on the statements of financial position. The Organization maintains allowances for credit losses resulting from the expected failure or inability of its customers to make required payments.

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Allowance for Credit Losses (continued)

The Organization recognizes the allowance for credit losses at inception and reassesses at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience with uncollectable accounts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. The Organization's allowance for credit losses is based on the assessment of collectability of assets pooled together with similar characteristics.

The Organization records a provision for expected credit losses using a historical loss-rate method based on the ratio of its historical write-offs to its average trade accounts receivable. At each reporting period, the Organization assesses whether financial assets in a pool continue to display similar credit risk characteristics. If particular receivables no longer display risk characteristics that are similar to those in the pool, the Organization may determine that it needs to move those receivables to a different pool or perform an individual assessment of expected credit losses for those specific receivables.

The Organization's accounts receivable is short-term in nature and written off only when all collection attempts have failed. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. There were no write-offs of accounts receivable to the consolidated financial statements during the years ended June 30, 2024 and 2023.

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.

Leasehold improvements are amortized over the term of the lease or the estimated useful life of the improvements, whichever is shorter. 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

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (*continued*)

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.

Grants 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.

Refundable Advances

Refundable advances represent amounts for various services that will be provided at a future date.

Deferred Rent

Lease agreements may require increases in the minimum base rent over time. Rent expense under the lease agreement is recognized on the straight-line basis over the term of the lease. The difference between rent expense recognized on the straight-line basis and cash paid is accounted for as deferred rent. Deferred rent at June 30, 2024 and 2023 was \$0 and \$34,599.

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (*continued*)

Leases

The Organization leases office space and determine if an arrangement is a lease at inception. Operating leases are included in right-of-use operating lease assets ("ROU Assets") and operating lease liabilities on the accompanying consolidated statements of financial position.

ROU asset represents the right to use an underlying asset for the lease term and lease liability represent the obligation to make lease payments arising from the lease. Operating lease ROU asset and liability are recognized at the lease commencement date based in the present value of lease payments over the lease term. The leases do not provide an implicit borrowing rate. The Organization uses a risk-free rate based in the information available at the commencement date on determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Revenue Recognition

Grant Revenue

The Organization assesses if grant agreements should be accounted for as exchange transactions or as nonexchange transactions (as defined by Accounting Standard Update ("ASU") 2018-08). Exchange transactions are scoped out of ASU 2018-08. Nonexchange transactions are further evaluated for the existence of donor stipulations, barriers and any conditions that may impact the recognition of revenue.

Unconditional contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. All contributions are considered to be without donor restrictions unless specifically restricted by the donor.

Donor restrictions expire by either the passage of stipulated time or the accomplishment of the stated purpose. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

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.

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (*continued*)

Revenue Recognition (continued)

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 consolidated 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 and shipping of commodities from the contracted warehouse. The Organization facilitates kosher supervision of USDA Kosher commodities.

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.

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 \$630,847 and \$877,982 for the years ended June 30, 2024 and 2023.

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Measure of Operations

In its consolidated 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, rental income and bad debt recovery 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 years prior to June 30, 2021.

Reclassifications

Certain reclassifications have been made to the 2023 consolidated financial statements in order to conform to the 2024 presentation.

Subsequent Events

Management has evaluated subsequent events disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is January 28, 2025.

3. Grants and Contributions Receivable

Unconditional promises to give are included in the consolidated financial statements as grants and contributions receivable, net of a present value discount ranging from 4.49% to 5.40% of future cash flows. Grants and contributions receivable consist of the following at June 30:

	2024	2023
Up to one year	\$ 3,902,476	\$ 2,852,471
Two to three years	<u>1,435,544</u>	<u>2,392,573</u>
	5,338,020	5,245,044
Present Value discount	<u>(64,456)</u>	<u>(107,427)</u>
	<u><u>\$ 5,273,564</u></u>	<u><u>\$ 5,137,617</u></u>

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

4. Fair Value Measurements

Investments measured at June 30, 2024 and 2023, using the net asset value per share as a practical expedient consist of the following:

Fair Value		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
2024	2023			
<u>\$ 6,070,830</u>	<u>\$ 5,609,347</u>	\$ -	Unlimited	30 days

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 Organization's investment assets in the pooled account are allocated as follows at June 30:

	<u>2024</u>	<u>2023</u>
Equity	54%	57%
Opportunistic	16%	18%
Diversifiers	22%	20%
Liquidity	8%	5%

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 consolidated 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, 2024 and 2023.

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.

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

5. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 901,942	\$ 901,942
Leasehold improvements	<u>963,932</u>	<u>963,932</u>
	1,865,874	1,865,874
Accumulated depreciation	<u>(1,865,874)</u>	<u>(1,840,759)</u>
	<u><u>\$ -</u></u>	<u><u>\$ 25,115</u></u>

6. Net Assets With Donor Restrictions

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

	<u>2024</u>		
	<u>Temporary in Nature</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Net assets, beginning of year	\$ 6,566,415	\$ 100,000	\$ 6,666,415
Rootone	60,000	-	60,000
Time restricted - operations	2,000,000	-	2,000,000
Released from restriction	<u>(4,025,133)</u>	<u>-</u>	<u>(4,025,133)</u>
Net assets, end of year	<u><u>\$ 4,601,282</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 4,701,282</u></u>

	<u>2023</u>		
	<u>Temporary in Nature</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Net assets, beginning of year	\$ 2,875,000	\$ 100,000	\$ 2,975,000
Rootone	3,000,000	-	3,000,000
Cross Agency	191,415	-	191,415
Time restricted - operations	2,000,000	-	2,000,000
Released from restriction	<u>(1,500,000)</u>	<u>-</u>	<u>(1,500,000)</u>
Net assets, beginning/end of year	<u><u>\$ 6,566,415</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 6,666,415</u></u>

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

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

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:

	With Donor Restrictions	
	2024	2023
Donor-restricted endowment funds		
Original perpetual donor-restricted gift		
Endowment net assets	<u>\$ 100,000</u>	<u>\$ 100,000</u>

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

	With Donor Restrictions	
	2024	2023
Endowment net assets, beginning of year	\$ 100,000	\$ 100,000
Appropriation of endowment assets for expenditures	<u>-</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 100,000</u>	<u>\$ 100,000</u>

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

7. Endowment Funds (continued)

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, 2024 and 2023, the endowment was not underwater.

8. Liquidity and Availability of Financial Resources

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

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash and cash equivalents	\$ 12,024,319	\$ 22,382,843
Accounts receivable, net	182,768	204,058
Grants and contributions receivable, net	5,273,564	5,137,617
Investments	<u>6,070,830</u>	<u>5,609,347</u>
Total Financial Assets at Year End	<u>23,551,481</u>	<u>33,333,865</u>
Less: Contractual, internally designated or donor restricted amounts		
Restricted by donors	4,601,282	6,566,415
Endowments	<u>100,000</u>	<u>100,000</u>
Total donor-imposed restrictions	<u>4,701,282</u>	<u>6,666,415</u>
Total Financial Assets Available to Meet General Expenditures Over next Twelve Months	<u>\$ 18,850,199</u>	<u>\$ 26,667,450</u>

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.

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

9. In-Kind Contributions

In-kind contributions consisted of the following:

	<u>2024</u>	<u>#NAME?</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Legal Services	\$ 122,482	\$ -	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.

10. Lease Commitment

The Organization has an operating lease for office space. The lease has a remaining lease term of five years. At June 30, 2024 and 2023, assets recorded under an operating lease is \$248,996 and accumulated amortization associated with the operating lease is \$67,242 and \$33,096.

	<u>2024</u>	<u>2023</u>
Lease expense		
Operating lease expense	\$ 40,703	\$ 40,703
Supplemental cash flows		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 43,508	\$ 42,606
ROU assets obtained in exchange for new operating lease liabilities		
Operating lease	\$ -	\$ 279,950
Weighted-average remaining lease term in years for operating leases		
Operating lease	4.83	5.83
Weighted-average discount rate for operating leases		
Operating lease	2.92%	2.92%

For the years ended June 30:

	<u>2024</u>	<u>2023</u>
Operating lease expense	\$ 44,901	\$ 38,523
Short-term lease expense	296,937	796,981
	<u>\$ 341,838</u>	<u>\$ 835,504</u>

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

10. Lease Commitment (continued)

Future minimum lease payments are as follows for the years ended June 30:

2025	\$ 44,418
2026	45,318
2027	46,219
2028	47,120
2029	<u>39,900</u>
Total future minimum lease payments	222,975
Less Imputed interest	<u>(14,975)</u>
Total lease liabilities	<u><u>\$ 208,000</u></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, 2024 and 2023 was \$435,754 and \$350,316.

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.

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, 2022, the beginning of the Plan year. Pension expense for the years ended June 30, 2024 and 2023 was \$3,750 and \$3,504.

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

Notes to the Consolidated Financial Statements
June 30, 2024 and 2023

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, 2024 and 2023, \$11,510,489 and \$22,175,520 of cash was maintained with institutions in excess of FDIC limits.

In addition, contributions receivable from one donor aggregated to 84% and 57% of the contributions receivable balance at June 30, 2024 and 2023. Although invested only in UJA pooled investment account, the underlying Investments are diversified by type of investments and industry concentrations so that no individual investment or group of investments represents a significant concentration of risk.

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