

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

FINANCIAL STATEMENTS

June 30, 2019 and 2018

<u>Contents</u>	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes Accompanying Financial Statements	7 - 13

ROY S. SCHREIBER & CO.
Certified Public Accountants

MEMBER:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

9 Washington Place
Sharon, Massachusetts 02067
781.784.2929 tel
781.784.3375 fax
roy@rschreibercpa.com

Independent Auditor's Report

Board of Directors
Gateways: Access to Jewish Education, Inc.
Newton, Massachusetts

Report on the Financial Statements

I have audited the accompanying financial statements of Gateways: Access to Jewish Education, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

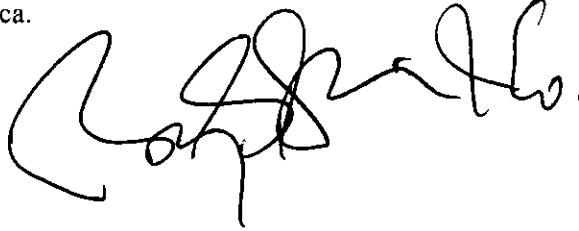
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gateways: Access to Jewish Education, Inc., as of June 30, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "C. Smith", written in a cursive style.

Sharon, Massachusetts
October 16, 2019

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

ASSETS:	<u>2019</u>	<u>2018</u>
Cash and cash equivalents (Note 1)	\$ 588,534	\$ 720,569
Tuition and fees receivable, net (Note 1)	94,835	87,933
Contributions receivable (Note 1)	34,889	25,250
Grants receivable (Note 1)	68,250	-
Investments (Notes 1 and 5)	996,889	967,041
Prepaid and other assets	14,531	19,083
Property and equipment, net (Notes 1 and 4)	-	-
TOTAL ASSETS	<u>\$ 1,797,928</u>	<u>\$ 1,819,876</u>
LIABILITIES:		
Accounts payable	\$ 16,109	\$ 18,854
Accrued expenses	144,200	145,979
Deferred revenue (Note 1)	40,940	175,803
TOTAL LIABILITIES	<u>201,249</u>	<u>340,636</u>
NET ASSETS:		
Without donor restriction (Note 1)	1,428,806	1,319,446
With donor restriction (Notes 1 and 8)	167,873	159,794
	<u>1,596,679</u>	<u>1,479,240</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,797,928</u>	<u>\$ 1,819,876</u>

The accompanying notes are an integral part of these financial statements.

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.
STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT:						
Tuition and fees, net of tuition assistance (Note 1)	\$ 511,665	\$ -	\$ 511,665	\$ 467,119	\$ -	\$ 467,119
Grant income	1,059,953	-	1,059,953	964,910	-	964,910
Other	20,162	-	20,162	28,821	-	28,821
Investment income	33,617	178	33,795	59,940	60	60,000
	<u>1,625,397</u>	<u>178</u>	<u>1,625,575</u>	<u>1,520,790</u>	<u>60</u>	<u>1,520,850</u>
SUPPORT:						
Contributions	879,914	157,645	1,037,559	1,056,948	104,892	1,161,840
TOTAL SUPPORT	<u>879,914</u>	<u>157,645</u>	<u>1,037,559</u>	<u>1,056,948</u>	<u>104,892</u>	<u>1,161,840</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>149,744</u>	<u>(149,744)</u>	<u>-</u>	<u>69,088</u>	<u>(69,088)</u>	<u>-</u>
TOTAL REVENUE, GAINS AND OTHER SUPPORT	2,655,055	8,079	2,663,134	2,646,826	35,864	2,682,690
EXPENSES:						
Program services	1,638,755	-	1,638,755	1,701,174	-	1,701,174
Management and general	510,908	-	510,908	527,807	-	527,807
Fundraising	396,032	-	396,032	439,734	-	439,734
TOTAL EXPENSES	<u>2,545,695</u>	<u>-</u>	<u>2,545,695</u>	<u>2,668,715</u>	<u>-</u>	<u>2,668,715</u>
INCREASE (DECREASE) IN NET ASSETS	109,360	8,079	117,439	(21,889)	35,864	13,975
NET ASSETS, beginning of year	<u>1,319,446</u>	<u>159,794</u>	<u>1,479,240</u>	<u>1,341,335</u>	<u>123,930</u>	<u>1,465,265</u>
NET ASSETS, end of year	<u>\$ 1,428,806</u>	<u>\$ 167,873</u>	<u>\$ 1,596,679</u>	<u>\$ 1,319,446</u>	<u>\$ 159,794</u>	<u>\$ 1,479,240</u>

The accompanying notes are an integral part of these financial statements.

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2019</u>	<u>2018</u>
Increase in net assets	\$ 117,439	\$ 13,975
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Unrealized gain on investments	(1,122)	(28,147)
Dividends and interest reinvested, net of expense	(28,726)	(31,493)
(Increase) decrease in tuition receivable	(6,902)	77,568
(Increase) decrease in contributions receivable	(9,639)	14,265
Increase in grant receivable	(68,250)	-
Decrease (increase) in prepaid expenses	4,552	(6,245)
Decrease in accounts payable and accrued expenses	(4,524)	(40,329)
(Decrease) increase in deferred revenue	(134,863)	174,403
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(132,035)</u>	<u>173,997</u>
 (DECREASE) INCREASE IN CASH	 (132,035)	 173,997
 CASH AND CASH EQUIVALENTS, beginning of year	 <u>720,569</u>	 <u>546,572</u>
 CASH AND CASH EQUIVALENTS, end of year	 <u>\$ 588,534</u>	 <u>\$ 720,569</u>

Additional information:

The Organization incurred and paid no interest or taxes during the years ended June 30, 2019 and 2018.

The accompanying notes are an integral part of these financial statements.

GATEWAYS ACCESS TO JEWISH EDUCATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018

	2019							2018	
	Program Services			Supporting Services				Total	Total
	Student Family Services	Peer Development Initiative	Center for Professional Learning	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries and related expenses:									
Personnel - salaries and wages	\$ 637,097	\$ 143,269	319,344	\$1,099,710	\$ 371,624	\$ 224,756	\$ 596,380	\$1,696,090	\$1,713,627
- benefits	44,284	4,450	5,045	53,779	30,745	8,301	39,046	92,825	85,237
- payroll taxes	49,565	11,268	24,581	85,414	28,741	17,806	46,547	131,961	130,413
- pension plan	11,144	1,646	7,433	20,223	9,460	6,986	16,446	36,669	38,320
	<u>742,090</u>	<u>160,633</u>	<u>356,403</u>	<u>1,259,126</u>	<u>440,570</u>	<u>257,849</u>	<u>698,419</u>	<u>1,957,545</u>	<u>1,967,597</u>
Other expenses:									
Advertising and promotion	725	-	140	865	89	1,304	1,393	2,258	2,723
Conferences, conventions & meetings	6,190	4,480	6,690	17,360	477	3,291	3,768	21,128	27,701
Fundraising event expenses	-	-	-	-	-	37,390	37,390	37,390	52,475
Grants	-	-	93,572	93,572	-	-	-	93,572	109,720
Information technology	31,924	3,226	27,074	62,224	5,835	19,049	24,884	87,108	76,966
Insurance	14,614	1,329	6,643	22,586	2,657	1,329	3,986	26,572	21,769
Miscellaneous	-	-	-	-	728	879	1,607	1,607	7,631
Occupancy	41,730	7,285	15,423	64,438	6,169	3,084	9,253	73,691	70,753
Office expenses	12,863	3,598	7,190	23,651	4,305	11,147	15,452	39,103	60,733
Printed materials and publicity	-	-	-	-	-	26,935	26,935	26,935	-
Professional fees - accounting	11,110	1,010	5,050	17,170	2,020	1,010	3,030	20,200	15,100
- fundraising	-	-	-	-	-	-	-	-	19,625
- other	12,573	9,061	23,106	44,740	46,912	32,709	79,621	124,361	170,356
Program materials	2,483	13,314	5,694	21,491	-	-	-	21,491	49,620
Travel	1,773	3,343	6,416	11,532	1,146	56	1,202	12,734	15,946
Total expenses	<u>\$ 878,075</u>	<u>\$ 207,279</u>	<u>\$ 553,401</u>	<u>\$1,638,755</u>	<u>\$ 510,908</u>	<u>\$ 396,032</u>	<u>\$ 906,940</u>	<u>\$2,545,695</u>	<u>\$2,668,715</u>

The accompanying notes are an integral part of these financial statements.

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Gateways: Access to Jewish Education, Inc. (the "Organization"), is a not-for-profit corporation exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization was formed to provide a mainstream Jewish education for physically, mentally, and emotionally disabled children who are not serviced by the existing Hebrew or day school system. The Organization is supported primarily through donor contributions, grants, tuition fees and fundraising events. The Organization primarily services the Boston Metropolitan area.

Basis of Accounting and Use of Estimates:

The financial statements are prepared under the accrual basis of accounting. The accrual basis of accounting records revenue in the period in which it is earned and records expenses in the period in which they are incurred. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may vary from those estimates.

Cash and Cash Equivalents:

Cash and cash equivalents consist primarily of cash on deposit and money market accounts. For the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The balances in the accounts may exceed the Federally-insured limits of \$250,000 from time to time.

Donated Services and materials:

The Organization receives a substantial amount of services donated by unpaid volunteer officers and committees for the purposes of carrying out its functions. The value of this contributed time is not reflected in the accompanying financial statements since the donated time does not meet the criteria for recognition. Donated stock is recorded at its fair market value at the time of the donation.

Investments:

Investments are stated at fair value. Fair value is determined as per the fair value policies below. Interest and dividends are recorded when earned. Gains and losses are recognized as incurred or based on fair value changes during the period. Investments are exposed to risks such as interest rate, credit and overall market volatility.

Contributions:

Gifts of cash and other assets received without donor stipulations are reported as support and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as support and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor

restrictions and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations that are satisfied in the period the gift is received are reported as support and net assets without donor restrictions.

Contributions receivable consisted of \$34,889 and \$25,250, as of June 30, 2019 and 2018, respectively and are all current.

Tuition Receivable, Tuition Assistance and Allowance for Doubtful Accounts:

Tuition receivable is recorded at the net amount that the Organization's management expects to receive, not necessarily the gross amount that was due to the Organization as of June 30. Tuition receivable consists of tuition and fees related to 2018/2019 school programs as well as prior periods. Tuition assistance for June 30, 2019 and 2018, was \$82,646 and \$51,725, respectively. The Organization provides an allowance for doubtful accounts that is based upon a review of outstanding receivables, historical collection information and existing economic conditions. At June 30, 2019 and 2018, there was no allowance for doubtful accounts recorded.

Property and Equipment:

Property and equipment is carried at cost or, if donated, at fair value at the date of donation. Major items and betterments are capitalized; minor items and repairs are expensed as incurred. Depreciation is calculated on the straight-line basis over the estimated useful lives of the respective assets.

Depreciation is provided over the following asset categories and lives:

Computer equipment	3 years
Office equipment	5 years
Therapeutic equipment	5 years

Fair Value Measurements:

Fair value measurements are determined based on the assumptions, referred to as inputs, that market participants would use in pricing the asset or liability. Fair value standards require an entity to maximize the use of observable inputs (such as appraisals or valuation techniques) to determine fair value. The Organization reports its investments using the net asset value per share as determined by investment managers under the so called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. Fair value standards also require the Organization to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with the net asset value practical expedient rules which allow for either a Level 2 or Level 3 classification depending on lock up and notice periods associated with the underlying funds. Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include listed equity and debt securities publicly traded on a stock exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Level 2 also includes investments reported at net asset value per share with lock up periods of 90 days or less.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. Level 3 also includes investments reported at net asset value per share with lock up periods in excess of 90 days.

There are no financial assets or liabilities classified as Level 2 or 3 other than the investments described in Note 5.

Grants Receivable:

Grants are initially recorded at fair value as contribution revenue when verifiably committed by the donor. Fair value is determined in accordance with fair value policies discussed above. Grants receivable at June 30, 2019 and 2018, was \$68,250 and \$0, respectively.

Advertising Costs:

Advertising costs incurred in the production and printing of the Organization's literature are charged to expense as incurred. For the years ended June 30, 2019 and 2018, advertising costs amounted to \$2,258 and \$2,723, respectively.

Basis of Presentation and New Accounting Pronouncement:

On August 18, 2016, The Financial Accounting Standards Board (FASB) issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-For-Profit Entities*. ASU 2016-14 amends the current reporting model for non-profit organizations and enhances their required disclosures. The major changes impacting the Organization include: (1) requiring the presentation of only two classes of net assets now titled "net assets with donor restriction" and "net assets without donor restriction", (2) requiring that all non-profits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (3) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (4) presenting investment return net of external investment expenses and (5) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of non-profit financial statements.

Reclassifications:

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

2. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services benefited based on management's estimate of the relative effort expended for the related functions.

3. LEASE OBLIGATION

The Organization rents its premises for its office space located in Newton, Massachusetts, under a five-year lease commenced on August 16, 2009. Rent is payable in monthly installments, initially \$3,133.33, with annual escalator adjustments of up to five percent per year. The contract was renewed on July 1, 2014, for an additional five years with a base rent of \$4,000 per month, with annual escalator adjustments of up to five percent per year. A second contract renewal on July 1, 2019, is for an additional five years with a base rent of \$5,580 per month, with annual escalator adjustments of up to five percent per year. Additional rent in the amount of \$1,000 per month is paid for program space rental. Total rent expense for the years ended June 30, 2019 and 2018, was \$73,691 and \$68,754, respectively and is reflected within occupancy expense in the Statement of Functional Expenses.

Minimum annual obligations under the lease for the next five years ending June 30 are approximately as follows:

2020	\$ 78,959
2021	82,307
2022	85,823
2023	89,514
2024	<u>93,389</u>
Total	<u>\$ 429,992</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	<u>2019</u>	<u>2018</u>
Office and computer equipment	\$ 7,900	\$ 7,900
Therapeutic equipment	<u>2,404</u>	<u>2,404</u>
Total property and equipment	10,304	10,304
Less: accumulated depreciation	<u>(10,304)</u>	<u>(10,304)</u>
Property and equipment, net	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense amounted to \$0 for each of the years ended June 30, 2019 and 2018, respectively.

5. INVESTMENTS AND FAIR VALUE MATTERS

Investments consists of an interest in the Jewish Community Endowment Pool, LLP, (JCEP). JCEP was created in 1998 by the Combined Jewish Philanthropies of Greater Boston, Inc., (CJP) to serve as an endowment investment solution for small to mid-sized endowment funds of eligible 501(c)(3) public charities. All participants share proportionally in the underlying money-management and custodial costs relative to their investments in the fund. The Organization holds a .07% share in JCEP as of June 30, 2019. JCEP benefits from full-time investment oversight provided by CJP's Board of Managers of Trust Property.

The following table presents the fair value measurements of investments recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30:

	Total	Level 1	2019 Level 2	Level 3	NAV
<u>Investments:</u>					
Cash equivalents	\$ 42,594	\$ 42,594	\$ -	\$ -	\$ -
Fixed income	122,084	122,084			
Domestic equity	94,569	94,569			
International equity	218,373	218,373			
Private equity	50,869	-			50,869
Hedged equity/credit	427,789	-			427,789
Real assets	40,611	-	-	-	40,611
	<u>\$ 996,889</u>	<u>\$ 477,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 519,269</u>

	Total	Level 1	2018 Level 2	Level 3	NAV
<u>Investments:</u>					
Cash equivalents	\$ 173,692	\$ 173,692	\$ -	\$ -	\$ -
Fixed income	-	-			
Domestic equity	92,979	92,979			
International equity	219,629	219,629			
Private equity	36,253	-			36,253
Hedged equity/credit	402,141	-			402,141
Real assets	42,347	-	-	-	42,347
	<u>\$ 967,041</u>	<u>\$ 483,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 480,741</u>

The Organization has no intentions or plans to liquidate its NAV practical expedient investments at other than NAV per share.

Investment activities consisted of the following for the years ended June 30:

	2019	2018
Investments, beginning of year	\$ 967,041	\$ 907,401
Additions	-	100,000
Deductions	-	(100,000)
<u>Investment returns:</u>		
Interest and dividend income	6,966	7,014
Realized gains on investments	28,253	29,821
Fees	(6,493)	(5,341)
Unrealized (loss) gain on investments	1,122	28,147
Total investment returns	<u>29,848</u>	<u>59,640</u>
Investments, end of year	<u>\$ 996,889</u>	<u>\$ 967,041</u>

JCEP invests in diversified assets that allocate exposures across the following investment categories:

- Cash Equivalents including money market funds and other highly liquid debt instruments purchased with maturities of three months or less.
- Fixed Income Investments including cash, cash equivalents and direct and indirect investments in bonds and other income securities.
- Domestic, International, Emerging Markets and Private Equity Investments including direct and indirect investments in domestic and international stocks, including emerging markets, and other equity investments, including private equity and venture capital funds, and fixed income or cash

reserves held by equity investment managers. Over the long term, the equity allocation is intended to preserve the real value of assets.

- Absolute Return and Hedged Equity Investments including direct and indirect investments in marketable or semi-marketable strategies such as arbitrage, long/short hedge funds, event driven strategies, provide an “absolute” return on a reasonably consistent basis that in general provides a return of 400 to 500 basis points over Treasury Bills.
- Real Asset Investments including direct and indirect investments in real estate and natural resources or commodities.

6. LIQUIDITY AND AVAILABILITY

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. The Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Further, the investment portfolio consists of assets which are not subject to any constraints limiting the Organization’s ability to respond quickly to changes in market conditions.

Financial assets available to meet cash needs for general expenditures within one year consists of the following at June 30:

Total financial assets at year-end:	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 588,534	\$ 720,569
Tuitions receivable	94,835	87,933
Contributions receivable	34,889	25,250
Grants receivable	68,250	-
Investments	<u>996,889</u>	<u>967,041</u>
Total financial assets at year-end	<u>\$ 1,783,397</u>	<u>\$ 1,800,793</u>

7. RETIREMENT PLAN

The Organization offers a SIMPLE IRA plan (the “Plan”) to all employees. The Plan provides that employees who have earned at least \$5,000 in the current and preceding years can elect to participate. The Organization is matching the employees’ contributions dollar-for-dollar, up to 3% of pay. Expense related to the Plan was \$36,670 and \$38,325 for the years ended June 30, 2019 and 2018, respectively.

8. CONCENTRATIONS OF CREDIT RISK AND MAJOR DONORS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents in financial institutions. Credit risk concentration from tuition is not deemed a problem, since the tuition is generated by a great many individual users of the Organization’s services.

Grant revenue from Combined Jewish Philanthropies (CJP) for the years ended June 30, 2019 and 2018, was \$649,100 and \$715,767, respectively. These amounts represent 24% and 27%, respectively, of total revenue for each year. Discontinuation of such grants, an event not deemed likely, would represent a significant reduction of total revenue.

9. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions at June 30, 2019 and 2018, consist of time and purpose restricted net assets and are available for various funding of Special Education programs as designated by the individual donor agreements. Donor restricted funds in the amount of \$157,645, were contributed in the year ended June 30, 2019, and represent monies granted to partner schools in the current and subsequent years. Net assets with donor restrictions at June 30, 2019 and 2018, were \$167,873 and \$159,794, respectively.

10. INCOME TAXES

Gateways: Access to Jewish Education, Inc., is a not-for-profit organization exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the Internal Revenue Service, generally for three years after filing.

11. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 16, 2019, the date which the financial statements were available to be issued. No events occurred during that time which require disclosure in these financial statements.