



**FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Contents
June 30, 2022 and 2021

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Independent Auditor's Report

To the Board of Trustees of
Gateways: Access to Jewish Education, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gateways: Access to Jewish Education, Inc. (a Massachusetts corporation, not for profit) (the Organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Gateways: Access to Jewish Education, Inc. 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's 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 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.

Auditor's 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 auditor's 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 GAAS 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, 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 judgment, 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.

AAFCPA, Inc.

Boston, Massachusetts
January 18, 2023

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.Statements of Financial Position
June 30, 2022 and 2021

Assets	2022	2021
Current Assets:		
Cash and cash equivalents	\$ 1,123,666	\$ 879,804
Investments	1,267,896	1,355,743
Tuition and fees receivable, net	54,984	7,939
Grants and contributions receivable	72,027	31,000
Prepaid and other assets	25,365	16,875
Total assets	<u>\$ 2,543,938</u>	<u>\$ 2,291,361</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 37,864	\$ 78,799
Accrued expenses	82,254	101,751
Total current liabilities	120,118	180,550
Note Payable	-	341,012
Total liabilities	<u>120,118</u>	<u>521,562</u>
Net Assets:		
Without donor restrictions	2,089,385	1,743,073
With donor restrictions	334,435	26,726
Total net assets	<u>2,423,820</u>	<u>1,769,799</u>
Total liabilities and net assets	<u>\$ 2,543,938</u>	<u>\$ 2,291,361</u>

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support:						
Contributions	\$ 706,315	\$ 320,490	\$ 1,026,805	\$ 650,870	\$ 6,200	\$ 657,070
Grants and CJP support	798,383	-	798,383	764,361	-	764,361
Tuition and fees, net of tuition assistance	517,095	-	517,095	280,928	-	280,928
Other	10,230	-	10,230	7,714	-	7,714
Net assets released from restrictions	12,821	(12,821)	-	220	(220)	-
Total operating revenue and support	<u>2,044,844</u>	<u>307,669</u>	<u>2,352,513</u>	<u>1,704,093</u>	<u>5,980</u>	<u>1,710,073</u>
Operating Expenses:						
Program services	1,407,137	-	1,407,137	1,313,702	-	1,313,702
Management and general	260,602	-	260,602	296,347	-	296,347
Fundraising	283,958	-	283,958	266,834	-	266,834
Total operating expenses	<u>1,951,697</u>	<u>-</u>	<u>1,951,697</u>	<u>1,876,883</u>	<u>-</u>	<u>1,876,883</u>
Changes in net assets from operations	93,147	307,669	400,816	(172,790)	5,980	(166,810)
Forgiveness of Note Payable	341,012	-	341,012	335,400	-	335,400
Investment Return, net	<u>(87,847)</u>	<u>40</u>	<u>(87,807)</u>	<u>278,965</u>	<u>348</u>	<u>279,313</u>
Changes in net assets	346,312	307,709	654,021	441,575	6,328	447,903
Net Assets:						
Beginning of year	<u>1,743,073</u>	<u>26,726</u>	<u>1,769,799</u>	<u>1,301,498</u>	<u>20,398</u>	<u>1,321,896</u>
End of year	<u>\$ 2,089,385</u>	<u>\$ 334,435</u>	<u>\$ 2,423,820</u>	<u>\$ 1,743,073</u>	<u>\$ 26,726</u>	<u>\$ 1,769,799</u>

The accompanying notes are an integral part of these statements.

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Statements of Cash Flows

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 654,021	\$ 447,903
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Investment return, net	87,847	(279,313)
Forgiveness of note payable	(341,012)	(335,400)
Changes in operating assets and liabilities:		
Tuition and fees receivable	(47,045)	19,485
Grants and contributions receivable	(41,027)	(12,626)
Prepaid and other assets	(8,490)	6,141
Accounts payable	(40,935)	52,777
Accrued expenses	(19,497)	(23,604)
Deferred revenue	-	(3,250)
	<u>243,862</u>	<u>(127,887)</u>
Net cash provided by (used in) operating activities		
	243,862	(127,887)
Cash Flows from Financing Activities:		
Proceeds from note payable	-	341,012
	<u>-</u>	<u>341,012</u>
Net Change in Cash and Cash Equivalents	243,862	213,125
Cash and Cash Equivalents:		
Beginning of year	879,804	666,679
	<u>879,804</u>	<u>666,679</u>
End of year	<u>\$ 1,123,666</u>	<u>\$ 879,804</u>
Non-cash:		
Unrealized loss on donated investments	<u>\$ (30,043)</u>	<u>\$ -</u>

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Statements of Functional Expenses
For the Years Ended June 30, 2022 and 2021

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Personnel:								
Salaries and wages	\$ 886,891	\$ 197,748	\$ 154,570	\$ 1,239,209	\$ 884,397	\$ 208,047	\$ 156,253	\$ 1,248,697
Payroll taxes and fringe benefits	127,273	22,142	27,008	176,423	133,369	33,105	29,742	196,216
Total personnel and related	<u>1,014,164</u>	<u>219,890</u>	<u>181,578</u>	<u>1,415,632</u>	<u>1,017,766</u>	<u>241,152</u>	<u>185,995</u>	<u>1,444,913</u>
Other Expenses:								
Professional fees	197,929	17,019	10,550	225,498	130,270	38,489	9,174	177,933
Information technology	66,175	9,534	19,613	95,322	52,916	5,853	24,950	83,719
Occupancy	68,165	7,328	7,328	82,821	56,480	7,060	7,060	70,600
Fundraising event expenses	-	-	58,131	58,131	-	-	19,652	19,652
Program - direct expenses	19,220	-	-	19,220	34,787	-	-	34,787
Insurance	14,077	1,936	1,582	17,595	8,851	147	1,106	10,104
Office expenses	6,597	2,100	2,131	10,828	6,362	1,941	5,715	14,018
Advertising and marketing	7,660	661	2,256	10,577	2,231	895	12,818	15,944
Conferences and meetings	7,741	977	473	9,191	968	-	-	968
Professional development	4,295	119	114	4,528	1,148	72	-	1,220
Travel	1,114	1,038	202	2,354	213	25	19	257
Miscellaneous	-	-	-	-	1,710	713	345	2,768
Total other	<u>392,973</u>	<u>40,712</u>	<u>102,380</u>	<u>536,065</u>	<u>295,936</u>	<u>55,195</u>	<u>80,839</u>	<u>431,970</u>
Total expenses	<u>\$ 1,407,137</u>	<u>\$ 260,602</u>	<u>\$ 283,958</u>	<u>\$ 1,951,697</u>	<u>\$ 1,313,702</u>	<u>\$ 296,347</u>	<u>\$ 266,834</u>	<u>\$ 1,876,883</u>

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Notes to Financial Statements
June 30, 2022 and 2021

1. OPERATIONS AND NONPROFIT STATUS

Operations

Gateways: Access to Jewish Education, Inc. (the Organization) is a not-for-profit corporation established in 2006 to provide high quality special education services, expertise, and support to enable students with disabilities and diverse learning needs to succeed in Jewish educational settings and participate meaningfully in Jewish life. The Organization envisions that every Jewish student, regardless of ability, should have access to Jewish education. Gateways now serves the entire greater Boston Jewish community and beyond: students, families, day schools, congregational schools, and preschools and offers professional development to educators and institutions seeking to build more inclusive practices.

Nonprofit Status

The Organization is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is also exempt from state income taxes. Donors may deduct contributions made to the Organization within the IRC requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Cash and Cash Equivalents

The Organization's cash and cash equivalents consist primarily of cash on deposit and money market accounts.

Investments

Investments are held through a pooled investment with Combined Jewish Philanthropies of Greater Boston (CJP). These investments are held in the Jewish Community Endowment Pool (JCEP), a limited partnership under the managerial control of CJP. Investment return consists of interest, dividends, and realized and unrealized gains and losses on investments (see Note 3). Interest and dividend income is recorded as earned. Realized gains and losses on investment transactions are recognized as changes in net assets in the period in which they occur.

Tuition and Fees Receivable

Tuition and fees receivable is recorded at the net amount that the Organization's management expects to receive. Tuition and fees receivable consists of tuition and fees related to the 2021-2022 school programs, as well as prior periods. The allowance for doubtful accounts is based upon the Organization's review of outstanding receivables, historical collection information, and existing economic conditions. There was no allowance for doubtful accounts at June 30, 2022 and 2021.

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Notes to Financial Statements
June 30, 2022 and 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Without Donor Restrictions

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Organization for operations.

With Donor Restrictions

Net assets with donor restrictions represent amounts received or committed which are designated by the donors for specific purposes or periods of time. These contributions are recorded as net assets with donor restrictions until they are expended in accordance with their restrictions or the time restriction lapses. Net assets with donor restrictions at June 30, 2022 and 2021, consist of purpose restricted net assets.

Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs, except as disclosed in Note 3.

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Notes to Financial Statements
June 30, 2022 and 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Grants, Contributions and CJP Support

Grants, contributions, and CJP Support may either be conditional or unconditional in accordance with Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. A grant or contribution is considered conditional if an agreement includes a barrier that must be overcome and either a right of return of the assets or a right of release of a promise to transfer assets exists. Conditional grants, contributions, and CJP Support are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity, and other stipulations related to the grant, contribution, or CJP Support. Topic 958 prescribes that the Organization should not consider the probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Grants, contributions and CJP Support without donor restrictions are recorded as revenue and net assets without donor restrictions when received or unconditionally committed by the donor. Revenue from donor restricted grants, contributions, and CJP Support are recorded as donor restricted revenue and net assets when received or unconditionally committed by the donor. Transfers are made to net assets without donor restrictions as costs are incurred or time restrictions or program restrictions have lapsed. Donor restricted grants received and satisfied in the same period are included in net assets without donor restrictions.

Tuition and Fees

Tuition and fees, net of tuition assistance, are recognized in accordance with ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which require additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgement and changes in judgements. Tuition assistance for June 30, 2022 and 2021, was \$30,211 and \$45,596, respectively.

Through fee-for-service contract tuition and fee agreements, the Organization offers educational support services to children with disabilities and diverse learning needs in Jewish educational settings. The Organization evaluates its revenue contracts with customers based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied. The Organization contract tuition and fee agreements are to provide educational support services to children with disabilities and diverse learning needs in Jewish educational settings. The Organization determined that the services rendered under a contract are highly interdependent with each other and the Organization will not fulfill the contract without delivering all deliverables in the contract. The services in a contract are deemed to be a single performance obligation upon contract execution. The performance obligation is satisfied and the fees are recognized over time as services are provided during the fiscal year.

The timing of revenue recognition, billings and cash collections results in tuition and fees receivables and deferred revenue on the statements of financial position. Services provided in advance of receiving the associated fee are recorded as receivables until the payment is made by the customer. Tuition and fees received in advance of services provided are recorded as deferred revenue in the accompanying statements of financial position.

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Notes to Financial Statements
June 30, 2022 and 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Tuition and Fees (Continued)

The beginning and ending tuition and fee balances were as follows:

	<u>July 1, 2021</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Tuition and fees receivables	\$ 27,424	\$ 7,939	\$ 54,984
Deferred revenue	\$ 3,250	\$ -	\$ -

Revenue recognized for the year ended June 30, 2021, that was included in the deferred revenue balance at the beginning of the year was \$3,250. No revenue recognized for the year ended June 30, 2022, was included in the deferred revenue balance at the beginning of the year.

All other revenue is recognized when earned.

Expense Allocation

Expenses related directly to program services are recorded as program expenses, while other expenses are allocated based upon management's estimate of the percentage attributable to program services, management and general and fundraising.

The financial statements contain certain categories of expenses that are attributable to program and supporting functions and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are personnel and related, which are allocated based on an estimate of time and level of effort spent on the Organization's program and supporting functions. Occupancy expenses are allocated based on the square footage attributable to the Organization's program and supporting functions. All other expenses, including office expenses, information technology, and professional fees, are allocated based on usage by the Organization's program and supporting functions.

Property and Equipment

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the date of receipt by the Organization. Depreciation is computed using the straight-line method over the following estimated useful lives:

Computers and computer equipment	3 years
Office furniture	5 years
Leasehold improvements	5 years

All of the Organization's property and equipment has been fully depreciated as of June 30, 2022 and 2021.

Donated Services

The Organization receives donated services in support of various aspects of its programs. There were no donated services for the year ended June 30, 2022. Donated services are included in other revenue for the year ended June 30, 2021. The value assigned to donated services is based on management's estimate of the fair value of services provided.

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Notes to Financial Statements
June 30, 2022 and 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs

The Organization expenses advertising costs as they are incurred.

Estimates

The preparation of financial statements in accordance with U.S. GAAP 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 amount of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2022 and 2021. The Organization's information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

Subsequent events have been evaluated through January 18, 2023, which is the date the financial statements were available to be issued. As disclosed in Note 5, subsequent to year end, various lease agreements were extended. There were no other events that met the criteria for recognition or disclosure in the financial statements.

3. INVESTMENTS

Investments consist of the Organization's share of CJP's investments in JCEP. The overall financial objective is to meet short-term and long-term obligations and needs of the Organization by earning an adequate return on assets with moderate volatility in year-to-year contribution levels.

Fair value measurement (see Note 2) was determined using the following inputs at June 30:

	2022			Total
	Level 1	Level 2	Level 3	
Pooled investment with CJP*	\$ -	\$ -	\$ -	\$ 1,267,896

	2021			Total
	Level 1	Level 2	Level 3	
Pooled investment with CJP*	\$ -	\$ -	\$ -	\$ 1,355,743

* In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net assets value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying statements of financial position (see Note 2).

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Notes to Financial Statements
June 30, 2022 and 2021

3. INVESTMENTS (Continued)

The pooled investment with CJP consists of the following categories of assets as of June 30:

	<u>2022</u>	<u>2021</u>
Fixed income	14.8%	- %
Money market funds	4.3	7.2
Domestic equity	<u>2.5</u>	<u>3.5</u>
Subtotal	<u>21.6</u>	<u>10.7</u>
Alternative investments:		
Credit related	41.8	3.8
International equity	16.5	19.9
Private equity/venture capital	9.0	7.9
Domestic equity	5.6	6.7
Real assets	5.5	2.1
Absolute return	-	38.6
Fixed income	<u>-</u>	<u>10.3</u>
Total alternative investments	<u>78.4</u>	<u>89.3</u>
Total	<u>100.0%</u>	<u>100.0%</u>

The Organization can withdraw, as of December 31st of any calendar year, or any such date considered appropriate by CJP, all or a percentage of its assets by giving written notice in accordance with the timeline set by CJP, subject to the right of CJP to accept shorter notice. In certain cases, CJP reserves the right to hold back a small portion of a withdrawal amount until underlying investments can be definitively valued or liquidated.

The investment return, net earned by the Organization is shown as non-operating revenue in the accompanying statements of activities and changes in net assets as it is a peripheral transaction and not central to the provision of its purpose.

4. NOTE PAYABLE

During fiscal years 2021 and 2020, the Organization applied for, and was awarded, two forgivable loans of \$341,012 and \$335,400, respectively, from the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) through a bank. The Organization received full forgiveness of \$341,012 and \$335,400 during fiscal years 2022 and 2021, respectively, and was released of any obligations related to repayment or carrying the balance as a liability. The forgiveness of the notes is reflected as forgiveness of note payable in the accompanying statements of activities and changes in net assets.

5. LEASE AGREEMENTS

The Organization leases office space under an agreement that expired on June 30, 2022, with monthly rent payments of \$6,152. Subsequent to year end, the lease was extended through June 30, 2025, after the Organization reduced their square footage. Effective July 1, 2022, the monthly rental payments were reduced to \$2,875, increasing as defined in the renewal agreement. The Organization records monthly rent expense equal to the total of the payments due over the lease term. Rent expense was \$73,823 and \$64,448 for the years ended June 30, 2022 and 2021, respectively.

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Notes to Financial Statements
June 30, 2022 and 2021

5. LEASE AGREEMENTS (Continued)

The Organization recognized \$6,152 of in-kind rent for the year ended June 30, 2021. There was no in-kind rent for the year ended June 30, 2022.

The Organization also leases office equipment under various operating leases. These leases require aggregate monthly payments of approximately \$408 and expired at various dates through August 2022. Subsequent to year end, these leases were extended through February 2027.

Minimum Payments

Future minimum lease payments under the lease agreements are as follows for the years ending June 30:

	<u>Equipment</u>	<u>Facility</u>	<u>Total</u>
2023	\$ 3,536	\$ 34,500	\$ 38,036
2024	3,420	35,190	38,610
2025	3,420	35,892	39,312
2026	3,420	-	3,420
2027	<u>2,280</u>	<u>-</u>	<u>2,280</u>
Total	<u>\$ 16,076</u>	<u>\$ 105,582</u>	<u>\$ 121,658</u>

6. RETIREMENT PLAN

The Organization offers a SIMPLE IRA plan to all employees who have earned at least \$5,000 in the current and preceding years. Any employees who qualify can elect to participate. The Organization is matching the employees' contributions dollar-for-dollar, up to 3% of pay. Employer contributions under the plan were approximately \$19,000 and \$23,000 for the years ended June 30, 2022 and 2021, respectively, and are included in payroll taxes and fringe benefits in the accompanying statements of functional expenses.

7. CONCENTRATIONS

Credit Risk

The Organization maintains its cash balances in two banks in Massachusetts. The Federal Deposit Insurance Corporation insures balances up to certain amounts. At certain times during the year, cash balances may exceed the insured amounts. Management monitors on a regular basis, the financial condition of the financial institutions, along with their balances, to keep this potential risk to a minimum.

Funding

CJP Support for the years ended June 30, 2022 and 2021, was \$439,422 and \$409,500, respectively. These amounts represent 17% and 24%, respectively, of total revenue for each year. Discontinuation of such grants would represent a significant reduction of total revenue, although not deemed likely to occur.

GATEWAYS: ACCESS TO JEWISH EDUCATION, INC.

Notes to Financial Statements
June 30, 2022 and 2021

8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year from the statements of financial position date for general operating expenses are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,123,666	\$ 879,804
Tuition and fees receivable, net	54,984	7,939
Grants and contributions receivable	72,027	31,000
Investments	<u>1,267,896</u>	<u>1,355,743</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,518,573</u>	<u>\$ 2,274,486</u>

As part of the Organization's liquidity management, it follows 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 met.

The Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Organization's 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.

9. CONDITIONAL GRANTS

During fiscal year 2021, the Organization received grants totaling \$125,000, which contained donor-imposed conditions that represented a barrier that must be overcome, as well as a right of return of assets or release from obligations. Conditional promises to give at June 30, 2021, were subject to a matching requirement. There were no conditional promises to give at June 30, 2022. The Organization recognized these grants and contributions when the donor-imposed conditions were substantially met.