

ASSOCIATION FOR JEWISH STUDIES, INC.

Audited Financial Statements

December 31, 2020

Independent Auditor's Report

To the Board of Directors of
Association for Jewish Studies, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Association for Jewish Studies, Inc (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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

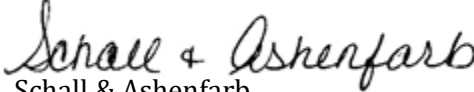
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 organization'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 organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Association for Jewish Studies, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Schall & Ashenfarb
Certified Public Accountants, LLC

June 2, 2021

ASSOCIATION FOR JEWISH STUDIES, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2020

Assets

Cash and cash equivalents	\$455,345
Investments (Note 3)	2,200,563
Contributions receivable	36,623
Other receivables	37,205
Prepaid expenses and other assets	<u>20,209</u>
 Total assets	 <u><u>\$2,749,945</u></u>

Liabilities and Net Assets

Liabilities:	
Accounts payable and accrued expenses	\$71,112
Deferred revenue	<u>10,695</u>
Total liabilities	<u><u>81,807</u></u>
 Net assets:	
Without donor restrictions	1,052,390
With donor restrictions (Note 4)	<u>1,615,748</u>
Total net assets	<u><u>2,668,138</u></u>
 Total liabilities and net assets	 <u><u>\$2,749,945</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

**ASSOCIATION FOR JEWISH STUDIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue:			
Contributions	\$96,891	\$402,950	\$499,841
Forgiveness of Paycheck Protection Program loan (Note 5)	92,355		92,355
Membership dues	262,797		262,797
Conference fees	251,545		251,545
Other income	86,502		86,502
Investment return (Note 3)	85,045	80,074	165,119
Loss on uncollectable pledge		(20,095)	(20,095)
Net assets released from restrictions (Note 4)	391,399	(391,399)	0
Total public support and revenue	<u>1,266,534</u>	<u>71,530</u>	<u>1,338,064</u>
Expenses:			
Program services	876,471		876,471
Management and general	121,329		121,329
Fundraising	76,857		76,857
Total expenses	<u>1,074,657</u>	<u>0</u>	<u>1,074,657</u>
Change in net assets	191,877	71,530	263,407
Net assets - beginning of year	<u>860,513</u>	<u>1,544,218</u>	<u>2,404,731</u>
Net assets - end of year	<u>\$1,052,390</u>	<u>\$1,615,748</u>	<u>\$2,668,138</u>

The attached notes and auditor's report are an integral part of these financial statements.

**ASSOCIATION FOR JEWISH STUDIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$333,084	\$42,381	\$44,081	\$419,546
Payroll taxes and employee benefits	90,217	15,411	11,765	117,393
Professional fees	66,448	41,518	10,314	118,280
Grants and awards	210,500			210,500
Rent expense	27,788	914	1,832	30,534
Travel	13,320	198	26	13,544
Office expenses	652	518		1,170
Telecommunications	25,719	9,958	5,689	41,366
Postage and shipping	12,650	1,589	835	15,074
Conferences	42,770			42,770
Printing	17,565	2,706	1,948	22,219
Outreach and marketing	11,380			11,380
AJS review	16,605			16,605
Insurance	3,162	2,636	202	6,000
Other expenses	4,611	3,500	165	8,276
Total expenses	<u>\$876,471</u>	<u>\$121,329</u>	<u>\$76,857</u>	<u>\$1,074,657</u>

The attached notes and auditor's report are an integral part of these financial statements.

**ASSOCIATION FOR JEWISH STUDIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Cash flows from operating activities:	
Change in net assets	\$263,407
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net realized and unrealized gains on investments	(151,244)
Changes in assets and liabilities:	
Contributions receivable	65,664
Other receivables	(37,205)
Prepaid expenses and other assets	23,961
Accounts payable and accrued expenses	(135,534)
Deferred revenue	(8,615)
Total adjustments	<u>(242,973)</u>
Net cash provided by operating activities	<u>20,434</u>
 Cash flows from investing activities:	
Purchases of investments (including reinvested dividends)	<u>(13,010)</u>
Net cash used for investing activities	<u>(13,010)</u>
 Net increase in cash and cash equivalents	7,424
 Cash and cash equivalents - beginning of year	<u>447,921</u>
 Cash and cash equivalents - end of year	<u><u>\$455,345</u></u>
 Supplemental information:	
Interest and taxes paid	<u><u>\$0</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

ASSOCIATION FOR JEWISH STUDIES, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 1 - Nature of the Organization

Association for Jewish Studies, Inc. (the "Organization"), incorporated in 1970, is a learned society, and professional organization which seeks to advance research and teaching in Jewish Studies at colleges, universities, and other institutions of higher learning, and to foster greater understanding of Jewish Studies scholarship among the wider public. The Organization is supported primarily through grants, contributions, member dues, and annual conference related fees.

The Organization has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than when received or paid.

b. Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Revenue Recognition

The Organization follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2018-08 ("Topic 605") for recording contributions. Contributions are recorded at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

The Organization evaluates whether contributions are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for the Organization to be entitled to the revenue and a right of return of the asset or right of release from the obligation exists.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques.

The Organization follows ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "Topic 606"). Membership dues and conference fees fall under Topic 606. Membership dues are recognized as the performance obligation is satisfied over the term of the membership period. Conference fees are recognized when the conference takes place. Membership dues, conferences fees, and other income that have not been collected at year end are reflected as accounts receivable. Amounts collected in advance are treated as deferred revenue.

All receivables are due within one year. Management assesses the collectability of all outstanding receivables based upon historical trends and experience with donors. Based on that review, management has concluded that all receivables at year-end are collectible. As such, no allowance for uncollectible accounts was deemed necessary.

d. Cash and Cash Equivalents

The Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

e. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash, money market accounts and investment securities, which are placed at financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. At year end, the Organization had uninsured balances. However, management feels they have little risk and has not experienced any losses due to bank failure.

The market value of investments is subject to fluctuation; however, management believes that the investment policy is prudent for the long-term welfare of the Organization.

f. Investments

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses, interest and dividends, and investment fees are included in investment return on the statement of activities.

g. Fixed Assets

Fixed assets are capitalized at cost, or if donated, at the estimated fair value at the time of donation. There were no fixed assets at December 31, 2020.

h. In-Kind Contributions

Donated services are recognized when they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

Board members volunteer their time and perform a variety of tasks that assist the Organization. These activities do not meet the criteria to be recorded and have not been included in the financial statements.

i. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

j. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Salaries expense is allocated based on time and effort. The following costs are allocated based on salary allocations:

- Rent expense
- Telecommunications

All other expenses have been charged directly to the applicable program or supporting services.

k. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. The Organization had previously filed tax returns on a September year-end. Tax filings for periods ended September 30, 2017 and later are subject to examination by applicable taxing authorities.

l. New Accounting Pronouncements

FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the December 31, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU, which becomes effective for the December 31, 2022 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

Management is in the process of evaluating the impact these standards will have on future financial statements.

Note 3 - Investments

Accounting standards establish a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Organization's investments at December 31, 2020 consisted of an open-end fund and an investment in a Limited Partnership. The fair value of the open-end fund has been determined by using publicly quoted market prices, which are considered Level 1 inputs. The fair value of the investment in the Limited Partnership has been determined using the net asset value (NAV) per share as a practical expedient and has not been classified in the fair value hierarchy. The NAV is based upon the most recent available information provided by management of the Limited Partnership and may differ from the values that would have been used had a ready market for such investment existed. Management reviews and evaluates the values provided by the fund manager and agrees with the valuation methods and assumptions used in determining the fair value.

Investment balances at December 31, 2020 were as follows:

	<u>Level 1</u>	<u>NAV</u>	<u>Total</u>
Mutual Fund - Corporate Bonds	\$483,588	\$0	\$483,588
Limited Partnership	<u>0</u>	<u>1,716,975</u>	<u>1,716,975</u>
	<u>\$483,588</u>	<u>\$1,716,975</u>	<u>\$2,200,563</u>

Fair value calculations may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

Full withdrawal of the Organization's interest in the Limited Partnership is limited to redemption on December 31st of any calendar year with at least 92 days advance written notice for redemption. Partial withdrawals up to \$1,000,000 are permitted at the discretion of the Limited Partnership's Records Partner, as defined in the agreement, at any time during the year.

The following summarizes the investment return:

	<u>12/31/20</u>
Interest and dividends	\$24,127
Unrealized gains	72,897
Realized gain on sale of investments	78,347
Investment fees	<u>(10,252)</u>
Total investment return	<u>\$165,119</u>

Note 4 - Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

	<u>December 31, 2020</u>			
	Beginning Balance <u>1/1/20</u>	Increases/ (Decreases)	Released from Restrictions	Ending Balance <u>12/31/20</u>
Program Restrictions:				
Legacy Heritage Jewish Studies Project	\$207,311	\$171,121	(\$239,848)	\$138,584
Podcast	0	20,000	(4,100)	15,900
Jordan Schnitzer Book Award	36,564	115,288	(104,159)	47,693
Jordan Schnitzer DLP Travel Fund	38,608	12,014	(13,585)	37,037
Annual Conference Travel and Attendance Grants	4,334	47,432	(10,270)	41,496
Childcare Grants for Annual Conference Foundation for Jewish Culture	0	2,000	(1,275)	725
Paula Hyman Fund	1,238,510	80,074	0	1,318,584
	<u>1,141</u>	<u>0</u>	<u>(412)</u>	<u>729</u>
Total Program Restrictions	1,526,468	447,929	(373,649)	1,600,748
Time Restricted	<u>17,750</u>	<u>15,000</u>	<u>(17,750)</u>	<u>15,000</u>
Total	<u>\$1,544,218</u>	<u>\$462,929</u>	<u>(\$391,399)</u>	<u>\$1,615,748</u>

Note 5 - Forgiveness of Paycheck Protection Program Loan

During the year ended December 31, 2020, the Organization obtained a loan from the SBA through the Paycheck Protection Program. Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that are not less than pre-determined historical periods, that the loan, or a portion thereof, could be forgiven.

The Organization accounts for the PPP loan as a conditional contribution in accordance with Topic 605. The Organization met all of the conditions during the year and was notified that full forgiveness was approved by the SBA. Therefore, this was recognized as revenue in 2020.

Note 6 - Retirement Plan

The Organization sponsors a defined contribution 403(b) retirement plan. All full-time employees with one month of service are eligible to participate. Under the plan the Organization contributes 10% of each eligible enrolled employee's compensation, which totaled \$42,000 for the year ended December 31, 2020.

Note 7 - Commitments

The Organization occupies office space under a lease agreement. The lease agreement expired on December 31, 2020 and was extended to December 31, 2021 subsequent to year-end. Future minimum payments under this lease are \$24,000 for the year ending December 31, 2021.

The Organization has entered into agreements to hold its annual conferences at various locations as follows:

<u>Event</u>	<u>Date</u>
2021 Annual Conference – Chicago, IL	December 17 – 23, 2021
2022 Annual Conference – Boston, MA	December 15 – 23, 2022
2023 Annual Conference – San Francisco, CA	December 17 – 19, 2023

Note 8 - Availability and Liquidity

The following reflects the Organization's financial assets at December 31, 2020 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:	
Cash and cash equivalents	\$455,345
Investments	2,200,563
Contributions receivable	36,623
Other receivables	<u>37,205</u>
Total financial assets	\$2,729,736
Less amounts not available for general expenditures:	
Donor contributions restricted to specific purposes	<u>(1,600,748)</u>
Financial assets available to meet cash needs for operations within one year	<u>\$1,128,988</u>

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, the Organization operates its programs within a board approved budget and relies on contributions and earned income to fund its operations and program activities.

Note 9 - Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through June 2, 2021, the date the financial statements were available to be issued. All events that have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements have been made.

Note 10 - Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. As of the date of these financial statements, many of the travel restrictions and stay at home orders have been lifted, however supply chains remain impacted. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact cannot be quantified.