

The Shabbat Project, Inc. dba OneTable

Independent Auditor's Report and Financial Statements

December 31, 2018



The Shabbat Project, Inc. dba OneTable

December 31, 2018

Contents

Independent Auditor's Report	1
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Financial Statements

Statement of Financial Position.....	3
Statement of Activities	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to Financial Statements	7

Independent Auditor's Report

Board of Directors
The Shabbat Project, Inc. dba OneTable
New York, New York

We have audited the accompanying financial statements of The Shabbat Project, Inc. dba OneTable, which comprise the statements of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for 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 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.

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 The Shabbat Project, Inc. dba OneTable as of December 31, 2018, 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.

Emphasis of Matter

As described in *Note 2* to the financial statements, in 2018, The Shabbat Project, Inc. dba OneTable adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Prior Year Audited by Other Auditors and Summarized Comparative Information

The 2017 financial statements were audited by other auditors and the report thereon, dated July 19, 2018, expressed an unmodified opinion. The summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BKD, LLP

New York, New York
September 17, 2019

The Shabbat Project, Inc. dba OneTable
Statement of Financial Position
December 31, 2018
(With Summarized Financial Information for December 31, 2017)

	2018	2017
Assets		
Cash	\$ 127,880	\$ 226,269
Contributions receivable, net	998,419	997,567
Security deposit	29,655	27,770
Prepaid expenses	4,234	3,979
Property and equipment, net	193,900	258,798
Total assets	\$ 1,354,088	\$ 1,514,383
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 97,590	\$ 82,156
Net Assets		
Without donor restrictions	272,724	934,663
With donor restrictions	983,774	497,564
Total net assets	1,256,498	1,432,227
Total liabilities and net assets	\$ 1,354,088	\$ 1,514,383

The Shabbat Project, Inc. dba OneTable

Statement of Activities

Year Ended December 31, 2018

(With Summarized Financial Information for the Year Ended December 31, 2017)

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenues and Support				
Contributions	\$ 1,570,781	\$ 2,539,731	\$ 4,110,512	\$ 4,772,181
Ticket sales	168,857	-	168,857	175,405
Royalties	-	-	-	20,000
Other income	18,320	-	18,320	15,594
Net assets released from restriction	<u>2,053,521</u>	<u>(2,053,521)</u>	<u>-</u>	<u>-</u>
Total revenues and support	<u>3,811,479</u>	<u>486,210</u>	<u>4,297,689</u>	<u>4,983,180</u>
Expenses				
Program services				
Program - Shabbat program	<u>3,567,202</u>	<u>-</u>	<u>3,567,202</u>	<u>3,316,842</u>
Supporting services				
Management and general	499,541	-	499,541	617,160
Fundraising	<u>406,675</u>	<u>-</u>	<u>406,675</u>	<u>308,134</u>
Total supporting services	<u>906,216</u>	<u>-</u>	<u>906,216</u>	<u>925,294</u>
Total expenses	<u>4,473,418</u>	<u>-</u>	<u>4,473,418</u>	<u>4,242,136</u>
Change in Net Assets	(661,939)	486,210	(175,729)	741,044
Net Assets, Beginning of Year	<u>934,663</u>	<u>497,564</u>	<u>1,432,227</u>	<u>691,183</u>
Net Assets, End of Year	<u>\$ 272,724</u>	<u>\$ 983,774</u>	<u>\$ 1,256,498</u>	<u>\$ 1,432,227</u>

The Shabbat Project, Inc. dba OneTable

Statement of Functional Expenses

Year Ended December 31, 2018

(With Summarized Financial Information for the Year Ended December 31, 2017)

	2018				2017
	Program Service	Support Services		Total	
	Shabbat Program	Management and General	Fundraising		
Salaries	\$ 1,353,265	\$ 269,709	\$ 276,907	\$ 1,899,881	\$ 1,596,483
Payroll taxes and employee benefits	298,718	59,535	61,124	419,377	334,496
Professional fees and consultants	174,730	120,602	17,621	312,953	510,193
Grants	207,753	-	-	207,753	398,115
Food	1,027,709	-	-	1,027,709	756,033
Supplies	135,679	-	-	135,679	232,183
Rent	111,473	22,217	22,810	156,500	161,962
Telephone and internet	43,002	8,570	8,799	60,371	46,137
Platform maintenance	120,000	-	-	120,000	73,920
Travel	25,144	5,011	5,145	35,300	69,563
Insurance	5,722	1,140	1,171	8,033	2,153
Depreciation and amortization	46,226	9,213	9,459	64,898	44,687
Miscellaneous	17,781	3,544	3,639	24,964	16,211
Total expenses	\$ 3,567,202	\$ 499,541	\$ 406,675	\$ 4,473,418	\$ 4,242,136

The Shabbat Project, Inc. dba OneTable

Statement of Cash Flows

Year Ended December 31, 2018

(With Summarized Financial Information for the Year Ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
Operating Activities		
Change in net assets	\$ (175,729)	\$ 741,044
Items not requiring (providing) operating cash flows		
Depreciation and amortization	64,898	44,687
Changes in		
Contributions receivable	(852)	(626,167)
Security deposit	(1,885)	(10,820)
Prepaid expenses	(255)	(3,979)
Accounts payable and accrued expenses	15,434	(56,760)
	<u>(98,389)</u>	<u>88,005</u>
Net cash provided by (used in) operating activities		
Investing Activities		
Purchase of property and equipment	<u>-</u>	<u>(110,501)</u>
Net cash used in investing activities	<u>-</u>	<u>(110,501)</u>
Net Change in Cash	(98,389)	(22,496)
Cash, Beginning of Year	<u>226,269</u>	<u>248,765</u>
Cash, End of Year	<u>\$ 127,880</u>	<u>\$ 226,269</u>

The Shabbat Project, Inc. dba OneTable

Notes to Financial Statements

December 31, 2018

Note 1: Nature of Organization and Summary of Significant Accounting Policies

The Shabbat Project, Inc. dba OneTable (OneTable) was established to encourage Jewish young adults to explore the celebration and enduring practice of Friday night Shabbat dinner as an opening to Jewish meaning, joy and connection.

OneTable's primary source of revenue is contributions.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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 amounts of revenues expenses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

At December 31, 2018, the cash accounts did not exceed federally insured limits.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their fair value, which is measured at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Allowance for Doubtful Accounts

Management determines whether an allowance for doubtful accounts should be provided for contributions receivable. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts. Such estimate is based on management's assessments of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions, subsequent receipts and historical information. Management has determined that no allowance is necessary as of December 31, 2018 and 2017.

The Shabbat Project, Inc. dba OneTable

Notes to Financial Statements

December 31, 2018

Property and Equipment

Property and equipment acquisitions are recorded at cost less accumulated depreciation and amortization. Acquisitions of \$2,500 or more with an estimated useful life of greater than one year are capitalized. Costs associated with the development and installation of internal-use software are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage or post-implementation stage. Depreciation and amortization is recorded on the straight-line method over their estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Social dining platform and app	5 years
Equipment	3 years

Long-Lived Asset Impairment

OneTable evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2018 and 2017.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

The Shabbat Project, Inc. dba OneTable

Notes to Financial Statements

December 31, 2018

Contributions

Contributions are provided to OneTable either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

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. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Ticket Sales

OneTable charges a fee to attend select Shabbat dinners. Ticket sales are recognized as revenue when the dinner takes place. As of December 31, 2018, there was no deferred ticket sales revenue. Revenues from ticket sales are used to defray the cost of the dinners.

Royalties

OneTable has developed a proprietary electronic platform that can be used to arrange Shabbat dinners and other Shabbat-oriented events (Platform). OneTable entered into a licensing agreement with another organization allowing the other organization a limited, nonexclusive, nontransferable license to use OneTable's Platform during the term of the agreement. Fees were recognized over the term of the licensing agreement. This agreement expired in May 2017.

The Shabbat Project, Inc. dba OneTable

Notes to Financial Statements

December 31, 2018

Grants

OneTable grants funds to organizations and individuals to arrange Shabbat dinners. Grants are recorded when they are approved. As of December 31, 2018 and 2017, there were no outstanding grants payable.

Reclassifications

Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 financial statement presentation. These reclassifications had no effect on the change in net assets.

Functional Allocation

The costs of providing OneTable's programs and other activities have been summarized on a functional basis. Certain costs have been allocated among the program, management and general, and fundraising categories based on the direct allocation of salaries and other methods.

Summarized Financial Information for 2017

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with OneTable's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Income Taxes

OneTable is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, OneTable is subject to federal income tax on any unrelated business taxable income.

OneTable files tax returns in the U.S. federal jurisdiction.

Note 2: Change in Accounting Principle

In 2018, the Foundation adopted ASU 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. A summary of the changes is as follows.

Statement of Financial Position

- The statement of financial position distinguish between two new classes of net assets—those with donor-imposed restrictions and those without. This is a change from the previously required three classes of net assets—unrestricted, temporarily restricted and permanently restricted.

The Shabbat Project, Inc. dba OneTable

Notes to Financial Statements

December 31, 2018

Statement of Activities

- Expenses are reported by both nature and function in one location.

Notes to the Financial Statements

- Enhanced quantitative and qualitative disclosures provide additional information useful in assessing liquidity and cash flows available to meet operating expenses for one-year from the date of the balance sheets.

This change has no impact on previously reported total change in net assets.

Note 3: Contributions Receivable

All contributions receivable are with donor restriction and due within one to five years.

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Due in one year	\$ 230,000	\$ 758,419	\$ 988,419
Due in two to five years	-	10,000	10,000
	<u>\$ 230,000</u>	<u>\$ 768,419</u>	<u>\$ 998,419</u>
	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Due in one year	\$ 500,003	\$ 497,564	\$ 997,567
Due in two to five years	-	-	-
	<u>\$ 500,003</u>	<u>\$ 497,564</u>	<u>\$ 997,567</u>

The Shabbat Project, Inc. dba OneTable
Notes to Financial Statements
December 31, 2018

Note 4: Property and Equipment

Property and equipment at December 31, 2018 and 2017 consists of:

	2018	2017
Social dining platform and app	\$ 321,500	\$ 321,500
Equipment	3,263	3,263
	324,763	324,763
Less accumulated depreciation and amortization	(130,863)	(65,965)
	\$ 193,900	\$ 258,798

Note 5: Concentrations

For the years ended December 31, 2018 and 2017, approximately 46 percent and 55 percent of contributions were received from three unrelated not-for-profit organizations. At December 31, 2018 and 2017, approximately 62 percent of contributions receivable came from three non-profit organizations and 50 percent of contributions receivable came from one non-profit organization, respectively.

The Shabbat Project, Inc. dba OneTable

Notes to Financial Statements

December 31, 2018

Note 6: Net Assets With Donor Restrictions

Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31 are restricted for the following purposes or periods:

	<u>2018</u>	<u>2017</u>
Subject to expenditure for specified purpose:		
Atlanta programs	\$ 2,500	\$ 101,686
Bay area programs	10,000	-
Chicago programs	50,000	93,877
Colorado programs	36,250	84,765
Dallas programs	12,500	-
Washington, DC programs	30,000	-
Los Angeles programs	73,000	80,944
National infrastructure	296,500	-
New York programs	80,000	-
Orange County programs	10,000	-
Pittsburgh programs	32,886	58,690
Portland programs	9,000	-
Non-hubs and smaller communities	250,000	-
Birthright Israel	91,138	77,602
	<u>\$ 983,774</u>	<u>\$ 497,564</u>

The Shabbat Project, Inc. dba OneTable

Notes to Financial Statements

December 31, 2018

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2018	2017
Satisfaction of purpose restrictions:		
Atlanta programs	\$ 104,186	\$ 150,114
Bay area programs	80,000	120,000
Boston programs	-	27,000
Chicago programs	193,877	221,988
Colorado programs	73,723	165,259
Dallas programs	12,500	-
Washington, DC programs	75,000	52,500
Detroit programs	11,500	-
Los Angeles programs	165,944	73,556
National infrastructure	566,951	350,000
New York programs	120,975	160,000
Orange County programs	60,830	-
Pittsburgh programs	96,575	5,310
Portland programs	9,500	-
San Diego programs	25,000	-
Non-hubs and smaller communities	250,000	80,000
Onward Israel	-	38,000
Birthright Israel	169,400	101,283
Coaches	-	75,000
REALITY: A Schusterman initiative	37,560	28,065
	<u>\$ 2,053,521</u>	<u>\$ 1,648,075</u>

Note 7: Rent

OneTable has a month-to-month rental agreement with an unrelated third party. Rent expense for the years ended December 31, 2018 and 2017 was \$156,500 and \$161,962, respectively.

Note 8: Pension Plan

OneTable has a 403(b) Pension Plan, which requires a matching contribution by OneTable. The match, which becomes effective on the first of the month following one year of employment, is 100 percent of the first 5 percent contributed by the employee. OneTable may make additional discretionary contributions. There were no discretionary contributions made in 2018 and 2017. Pension expense for the years ended December 31, 2018 and 2017 was \$55,152 and \$28,808, respectively.

The Shabbat Project, Inc. dba OneTable

Notes to Financial Statements

December 31, 2018

Note 9: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2018 and 2017, comprise the following:

	<u>2018</u>	<u>2017</u>
Financial assets at year end		
Cash and cash equivalents	\$ 127,880	\$ 226,269
Contributions receivable due within one year	<u>988,419</u>	<u>997,567</u>
Total financial assets	1,116,299	1,223,836
Less restrictions		
Donor-imposed restrictions	<u>(983,774)</u>	<u>(497,564)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 132,525</u>	<u>\$ 726,272</u>

OneTable 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. To achieve these targets, OneTable forecasts its future cash flows and monitors its liquidity weekly, and monitors its reserves annually. During the years ended December 31, 2018 and 2017, the level of liquidity and reserves was managed within the policy requirements.

Note 10: Subsequent Events

Subsequent events have been evaluated through September 17, 2019, which is the date the financial statements were available to be issued.

The Shabbat Project, Inc. dba OneTable

Notes to Financial Statements

December 31, 2018

Note 11: Future Changes in Accounting Principles

Revenue Recognition

The Financial Accounting Standards Board amended its standards related to revenue recognition. This amendment replaces all existing revenue recognition guidance and provides a single, comprehensive revenue recognition model for all contracts with customers. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments and assets recognized from costs incurred to fulfill a contract. The standard allows either full or modified retrospective adoption effective for nonpublic entities for annual periods beginning after December 15, 2018 and any interim periods within annual reporting periods that begin after December 15, 2019. OneTable is in the process of evaluating the effect the amendment will have on the financial statements.

Accounting for Leases

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the statement of financial position as both a right-of-use asset and a liability. The standard has two types of leases for statement of activities recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2019 and any interim periods within annual reporting periods that begin after December 15, 2020. OneTable is evaluating the effect the standard will have on the financial statements; however, the standard is expected to have a material effect on the financial statements due to the recognition of additional assets and liabilities for operating leases.