

**THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)**

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

DECEMBER 31, 2019

**THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)**

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INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of
The Shabbat Project, Inc.
(d/b/a OneTable)

We have audited the accompanying financial statements of The Shabbat Project, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, 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 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.

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. as of December 31, 2019, 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.

New York, NY
September 30, 2020

Skody Scot & Company, CPAs, P.C.

THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Cash	\$ 963,257
Contributions receivable	4,079,450
Prepaid expenses	3,970
Property and equipment, net	130,752
Security deposits	23,732
	<hr/>
Total assets	<u><u>\$ 5,201,161</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 89,231
Total liabilities	<hr/> <u>89,231</u>
Commitments and contingencies (see notes)	
Net Assets:	
Without donor restrictions	931,780
With donor restrictions	4,180,150
Total net assets	<hr/> <u>5,111,930</u>
Total liabilities and net assets	<hr/> <u><u>\$ 5,201,161</u></u>

See accompanying notes to the financial statements.

**THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Contributions	\$ 4,196,497	\$ 4,155,150	\$ 8,351,647
Program service revenue	267,026	-	267,026
Contributions in-kind	31,310	-	31,310
Net assets released from restriction:			
Satisfaction of purpose restrictions	712,274	(712,274)	-
Expiration of time restrictions	246,500	(246,500)	-
Total net assets released from restriction	958,774	(958,774)	-
Total support and revenues	<u>5,453,607</u>	<u>3,196,376</u>	<u>8,649,983</u>
Expenses:			
Program services	3,918,311	-	3,918,311
Management and general	550,407	-	550,407
Fundraising	325,833	-	325,833
Total expenses	<u>4,794,551</u>	<u>-</u>	<u>4,794,551</u>
Increase/(decrease) in net assets	659,056	3,196,376	3,855,432
Net assets, beginning of year	<u>272,724</u>	<u>983,774</u>	<u>1,256,498</u>
Net assets, end of year	<u>\$ 931,780</u>	<u>\$ 4,180,150</u>	<u>\$ 5,111,930</u>

See accompanying notes to the financial statements.

THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)
STATEMENT OF EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services	Management and General	Fundraising	Total Expenses
Personnel costs:				
Salaries	\$ 1,590,721	\$ 282,242	\$ 198,707	\$ 2,071,670
Payroll taxes and benefits	325,743	57,795	40,691	424,229
Total personnel costs	<u>1,916,464</u>	<u>340,037</u>	<u>239,398</u>	<u>2,495,899</u>
Direct expenses:				
Bad debt	-	6,915	-	6,915
Consultants and contractors	64,466	39,854	52,408	156,728
Depreciation and amortization	64,369	-	-	64,369
Dinner nourishment	1,273,006	-	-	1,273,006
Insurance	6,276	1,114	784	8,174
Miscellaneous	48,738	8,646	6,089	63,473
Platform maintenance	178,638	-	-	178,638
Professional fees	-	115,270	-	115,270
Rent and utilities	115,177	20,436	14,387	150,000
Supplies	35,290	-	-	35,290
Telephone and communications	42,388	7,520	5,295	55,203
Travel and meetings	173,499	10,615	7,472	191,586
Total direct expenses	<u>2,001,847</u>	<u>210,370</u>	<u>86,435</u>	<u>2,298,652</u>
Total expenses	<u>\$ 3,918,311</u>	<u>\$ 550,407</u>	<u>\$ 325,833</u>	<u>\$ 4,794,551</u>

See accompanying notes to the financial statements.

**THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019**

Cash flows from operating activities:	
Increase/(decrease) in net assets	\$ 3,855,432
Adjustments for non-cash items included in operating activities:	
Bad debt	6,915
Depreciation and amortization	64,369
Discount on contributions receivable	(106,725)
Changes in assets and liabilities:	
Contributions receivable	(2,981,221)
Prepaid expenses	264
Security deposits	5,923
Accounts payable and accrued expenses	(8,359)
Net cash provided/(used) by operating activities	<u>836,598</u>
Cash flows from investing activities:	
Purchase of property and equipment	(1,221)
Net cash provided/(used) by investing activities	<u>(1,221)</u>
Cash flows from financing activities:	
Proceeds from loan	150,000
Repayment of loan	(150,000)
Net cash provided/(used) by financing activities	<u>-</u>
Net increase/(decrease) in cash	835,377
Cash at beginning of year	<u>127,880</u>
Cash at end of year	<u>\$ 963,257</u>
Supplemental information:	
Retirement of fully depreciated equipment	\$ 3,263

See accompanying notes to the financial statements.

**THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Organization

The Shabbat Project, Inc. (Organization), a not-for-profit organization, was incorporated in the State of Delaware on January 31, 2014. On January 16, 2015, the Organization filed a doing-business-as (d/b/a) application with the State of Delaware and received a certificate to operate under the name OneTable. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from contributions.

The Organization 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.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Change in Accounting Principle

On January 1, 2019, the Organization adopted FASB ASU 2014-09 *Revenue from Contracts with Customers* using the full retrospective approach. Analysis of various provisions of the standards resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The allowance for bad debt is maintained at a level that, in management's judgment, is adequate to absorb uncollectible receivables. As of December 31, 2019, management has determined that future bad debts are likely to be immaterial and has not recorded an allowance for bad debt.

THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Property and Equipment

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation of equipment is computed by the straight-line method over estimated useful lives ranging from three to five years. Amortization of social dining platform and app costs is computed by the straight-line method over an estimated useful life of five years. Expenditures for repairs and maintenance are expensed as incurred and major renewals and betterments are capitalized.

Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition

The Organization recognizes contributions when cash, noncash assets, or unconditional promises to give are received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. As of December 31, 2019, the Organization did not have any conditional pledges that were not recognized.

Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions and increases in net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

Program service revenue relates to fees received in exchange for program services and consists primarily of fees to attend select Shabbat dinners and training fees. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred revenue.

**THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries and consultants based on estimated time and effort and other expenses, such as rent and utilities, telephone and communications, and travel and meetings, based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Note 2 - Contributions Receivable

As of December 31, 2019, contributions receivable are expected to be received in the following periods:

In one year or less	\$ 2,454,775
Between one and two years	1,711,400
Between two and three years	10,000
Between three and four years	<u>10,000</u>
	4,186,175
Less: discount	<u>(106,725)</u>
	<u>\$ 4,079,450</u>

Contributions have been discounted at a 4.75% annual rate of interest.

Note 3 - Property and Equipment

Property and equipment by major class consisted of the following at December 31, 2019:

Equipment	\$ 1,221
Social dining platform and app	321,500
Less: Accumulated depreciation and amortization	<u>(191,969)</u>
	<u>\$ 130,752</u>

Note 4 - Related Party

During the year ended December 31, 2019, the Organization received a short-term operating loan from another nonprofit organization that has two common board members. The loan was repaid during the year.

THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)
NOTES TO FINANCIAL STATEMENTS

Note 5 - Net Assets With Donor Restrictions

As of December 31, 2019, net assets with donor restrictions are available as follows:

Atlanta programs	\$ 301,404
Bay area programs	135,000
Boston programs	211,941
Chicago programs	209,162
Colorado programs	25,000
Washington, DC programs	101,250
Los Angeles programs	10,375
Miami programs	74,233
New York programs	67,500
Sub-hub programs	52,586
Non-hub programs	54,638
REALITY program	8,388
2020 activities	1,450,000
2021 activities	<u>1,478,673</u>
	<u>\$ 4,180,150</u>

Note 6 - Concentrations

The Organization maintains its cash with a major financial institution. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balance of the account exceeded the insured limit during the year ended December 31, 2019.

During the year ended December 31, 2019, approximately 50% of the Organization's total revenue was provided by two major contributors. It is always possible that benefactors, grantors, or contributors might be lost in the near term. In the event funding is terminated or significantly reduced, the Organization's ability to continue providing its programs at the current level of service would be greatly diminished.

Note 7 - Donated Services

Significant services were donated to the Organization by various organizations and individuals and meet the criteria for being recognized as contributions in accordance with GAAP. Amounts are recorded at their estimated fair market values at the date of donation using published rates and prices.

Total contributions in-kind reported on the accompanying statement of activities for the year ended December 31, 2019, amounted to \$31,310. Contributions in-kind mainly consisted of donated dining and event services.

THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)
NOTES TO FINANCIAL STATEMENTS

Note 8 - Pension Plan

In 2015, the Organization adopted a qualified deferred compensation plan under section 403(b) of the Internal Revenue Code. Under the plan, employees may elect to defer a portion of their salary, subject to Internal Revenue Service limits. The plan requires the Organization to make matching contributions equal to 100% of an employee's deferrals not to exceed 5% of the employee's compensation. The Organization may also make discretionary contributions. Employees are eligible for the plan on the first of the month following one year of employment. Employee deferrals and required employer matching contributions are 100% vested to the plan. Employer discretionary contributions vest over five years. During the year ended December 31, 2019, the Organization contributed \$64,558 to the pension plan.

Note 9 - Revenue from Contracts with Customers

All of the revenue derived from contracts with customers during 2019 was fully earned in the same annual reporting period. Detail of revenue from contracts with customers during the year ended December 31, 2019, is as follows:

Dinner and other event fees	\$ 135,322
Training fees	128,704
Platform licensing fees	3,000

Note 10 - Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of December 31, 2019, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

Financial assets:	
Cash	\$ 963,257
Contributions receivable	<u>4,079,450</u>
Total financial assets	5,042,707
Less those unavailable for general expenditures within one year:	
Receivables collectible beyond one year	<u>(1,624,675)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,418,032</u>

**THE SHABBAT PROJECT, INC.
(D/B/A ONETABLE)
NOTES TO FINANCIAL STATEMENTS**

Note 11 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures through September 30, 2020, which is the date the financial statements were available to be issued.