

DUE DILIGENCE MEMO

Kars 4 Kids Inc

EIN 22-3746050 · Lakewood, NJ · NTEE T30 (Public Foundations)

Founded 2000 · 501(c)(3) public charity · Form 990 filer

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\$80.7M

FY 2024 TOTAL REVENUE

0.3 mo

MONTHS OF OPERATING CASH, 2024

98%

OF GRANTS PAID, 2022 TO 2024, TO OORAH INC

47%

FORM 990 PART IX LINE 12 (2024)

SNAPSHOT

CAPITAL POSTURE

Vehicle-donation and grantmaking intermediary. Substantially all grantmaking activity flows to a single related party, Oorah Inc.

TOP FINANCIAL SIGNAL

Cash on hand under 1 month of operating expense every year on file (0.3 months in 2024); 2024 operating loss of **-\$7.9M** after three consecutive years of revenue decline.

TOP STRUCTURAL SIGNAL

98% of 2022 to 2024 grants paid (approximately \$117M of \$119M) went to Oorah Inc. Shared facilities, employees, and reciprocal reimbursements with related orgs reported every year; Schedule R Part V Line 2 dollar-level itemization not provided by the filer.

TOP EXPENSE SIGNAL

Form 990 Part IX (2024) reports **\$0 in legal, accounting, and management fees** despite the entity's scale and complex related-party structure (same pattern as 2023). Reported occupancy of **\$84K against an \$89M operating budget** (down from \$144K in 2023) suggests the real cost lies elsewhere in the related-entity family.

RECOMMENDATION

Capital seeking the Jewish-youth-services mission flows more directly through Oorah Inc; K4K functions as the vehicle-donation collection and grantmaking layer in front of Oorah.

HOW TO USE THIS MEMO

This memo is a public-data diligence screen. It is designed to identify financial, funding, governance, related-entity, and capital-fit questions before direct engagement with the organization. It does not replace audited financial review, legal diligence, management interviews, or program-impact assessment.

External verification is recommended for items outside this scope, including audit findings and going-concern language, pending litigation, state attorney-general complaints, third-party charity ratings, and foreign-entity operating detail. Section 11 lists these by source.

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1. Mission and program activities

Mission statement (Form 990 Part I)

“Kars 4 Kids, Inc. funds educational and youth programs for Jewish children and families in communities across the United States. Our full suite of programs includes school placement and tuition assistance, mentorship and extracurricular programs, family retreats and summer camps. Our wide array of services is designed to impact every aspect of a child’s development from the academic to the social and cultural. This holistic approach involves school, family, and community working together to develop our youth into productive and responsible adults.”

Stated program areas

The 2023 Form 990 Part III lists a single program area covering all program activity:

Program	Year	Total expenses	Of which: grants paid
Educational, developmental, and recreational programs for Jewish youth and families	2023	\$40.53M	\$36.17M (89%)

Per the 2023 program description (verbatim): *“Kars 4 Kids funds educational, developmental, and recreational programs for Jewish youth and their families. Our overall areas of activity consist of educational programming, school placement, tuition assistance, mentorship programs, cultural activities, weekend retreats, religious instruction, summer camps, recreation, and guidance counseling.”*

Observations

- **One program category covers all program activity.** \$40.5M reported in 2023 program-service expenses; \$36.2M of that (89%) is grants to other organizations, primarily Oorah Inc. The remaining approximately \$4.3M represents in-house program expense.
- **Program description coverage is thin.** Only the 2023 filing reports a structured program description; earlier years describe activity in narrative form only.
- **Program activity overlaps closely with Oorah Inc’s stated programs** (school placement, tuition assistance, mentorship, summer camps, religious instruction, retreats). K4K’s direct in-house delivery is minimal; the grants-to-Oorah pathway is the primary mechanism for the stated programs.

Implication: *K4K’s program description reads like a description of Oorah’s program. K4K’s actual operational role in delivering the stated programs is to fund them, not to deliver them. The right unit of program-impact analysis is Oorah’s operations, not K4K’s.*

2. Financial resilience

Source: Form 990 Parts I, IX, and X (filing years 2018 to 2024)

Metric	2018	2019	2020	2021	2022	2023	2024
Revenue	\$65.6M	\$62.9M	\$95.7M	\$109.7M	\$91.4M	\$89.1M	\$80.7M
Total expenses	\$59.8M	\$63.3M	\$79.2M	\$112.5M	\$90.1M	\$86.7M	\$88.7M
Operating surplus	\$5.7M	-\$0.4M	\$16.5M	-\$2.9M	\$1.3M	\$2.4M	-\$7.9M
Surplus margin	8.8%	-0.6%	17.2%	-2.6%	1.4%	2.7%	-9.8%
YoY revenue change	+11.2%	-4.1%	+52.1%	+14.6%	-16.7%	-2.5%	-9.4%
Cash EOY	\$2.6K	\$229K	\$866K	\$1.94M	\$1.32M	\$2.20M	\$1.88M
Months of cash	0.0	0.0	0.1	0.2	0.2	0.3	0.3
Net assets	\$18.4M	\$6.9M	\$24.0M	\$21.1M	\$19.4M	\$31.4M	\$23.4M
Unrestricted net assets	n/a	\$6.9M	\$24.0M	\$21.1M	\$19.4M	\$31.4M	\$23.4M
Months of unrestr. NA cover	n/a	1.3	3.6	2.2	2.6	4.3	3.2
Debt-to-assets	29.4%	74.4%	41.8%	45.3%	43.1%	12.2%	16.7%

Observations

- **Liquidity:** Cash on hand has remained below one month of operating expense in every year on file (2018 to 2024). The 2024 figure of 0.3 months is in the lowest tier of the peer set (p10 = 0.6, p50 = 3.9, p90 = 33.6).
- **Unrestricted reserves:** Net assets are entirely unrestricted in every year on file. Coverage in months of expense ranges 1.3 to 4.3 across the period, sitting at 3.2 in 2024.
- **Surplus pattern:** Two consecutive surplus years (2022, 2023) were followed by a \$7.9M loss in 2024, the largest operating loss in the seven-year window. Revenue has declined for three consecutive years.
- **Leverage:** Debt-to-assets has improved from a 2019 peak of 74.4% to 16.7% in 2024.
- **Filing integrity:** All seven Form 990s are present and filed on time, with no amendments.

Implication: The cash-runway picture is durable across seven years, not a one-time issue. The 44% fundraising ratio (Section 6) is partly a structural artifact of the donated-vehicle revenue model: vehicle-donation programs inherently carry higher acquisition-as-percent-of-expense than the T30 peer cohort. The fairer comparator is other vehicle-donation programs (CARS Inc, Vehicles for Veterans, Cars for Causes); adding that benchmark is the natural next step.

Not covered in this section

Full-cost coverage (facility, technology, and reserve-replacement targets not disclosed on Form 990); audit findings, material weaknesses, and going-concern language (review audited financials separately); off-balance-sheet commitments.

3. Revenue architecture

Source: Form 990 Part VIII (Statement of Revenue), 2018 to 2024

Year	Revenue	Cash contrib.	Non-cash contrib.	Program svc.	Investment	Govt grants	Inventory net
2024	\$80.7M	\$0.25M	\$94.56M	\$0	\$81K	\$0	-\$14.14M
2023	\$89.1M	\$0.32M	\$98.34M	\$0	\$0	\$0	-\$10.81M
2022	\$91.4M	\$0.13M	\$101.19M	\$0	\$0	\$0	-\$9.94M
2021	\$109.7M	\$0.43M	\$121.12M	\$0	\$0	\$0	-\$11.89M
2020	\$95.7M	\$2.04M	\$104.49M	\$0	\$0	\$782K	-\$11.62M
2019	\$62.9M	\$0.70M	\$72.00M	\$0	\$0	\$0	-\$9.79M
2018	\$65.6M	\$1.60M	\$75.89M	\$0	\$0	\$0	-\$11.90M

Observations

- **Revenue is overwhelmingly non-cash.** Reported contributions consist almost entirely of donated vehicles, valued at FMV (over 99% non-cash in 2021 to 2024). Cash contributions average under \$0.5M per year.
- **Reported contributions exceed total revenue every year** by 10 to 18%. The reconciling item is the inventory line: donated vehicles are recorded as contributions at FMV, then sold; resale proceeds minus costs of goods sold produce a structural inventory net of -\$10M to -\$14M annually.
- **No earned-revenue line.** Program service revenue is \$0 on every Form 990 on file; no program-service revenue line items are reported.
- **Government grants are not a meaningful exposure.** One \$782K receipt in 2020 (consistent with CARES-era patterns) and nothing else.
- **No membership dues, royalties, or rental income** reported in any year.

Implication: The -\$10M to -\$14M annual inventory loss is a structural feature of the vehicle-donation model, not a discrete year-over-year issue. Donors deduct FMV; the org recovers roughly 88 cents per donated dollar before any operating cost. Underwriting any vehicle-donation entity has to start with comfort that this gap is acceptable.

4. Expense composition

Form 990 Part IX (2024)

Source: Form 990 Part IX (Statement of Functional Expenses), 2024 [verified against XML 202531359349305113 on 2026-05-19]

Line	Item	Total	Program	Mgmt/Gen	Fundraising
1	Grants to U.S. organizations	\$36.19M	\$36.19M	n/a	n/a
3	Grants to foreign organizations	\$0.51M	\$0.51M	n/a	n/a
5	Compensation of officers and key employees	\$0.41M	\$0.16M	\$0.09M	\$0.17M
6	Compensation of disqualified persons (IRC §4958)	\$0.10M	\$0.02M	\$0.05M	\$0.03M
7	Other salaries and wages	\$5.35M	\$0.07M	\$3.55M	\$1.74M
10	Payroll taxes	\$0.51M	\$0.03M	\$0.32M	\$0.16M
12	Advertising and promotion	\$41.51M	\$4.73M	\$0.01M	\$36.77M
13	Office expenses	\$2.38M	\$0.04M	\$2.06M	\$0.29M
16	Occupancy	\$0.08M	n/a	\$0.08M	n/a
22	Depreciation	\$0.06M	\$0.02M	\$0.04M	n/a
23	Insurance	\$0.31M	n/a	\$0.31M	n/a
24a	Other (repairs and maintenance)	\$0.16M	n/a	\$0.16M	n/a
Total functional expenses		\$88.66M	\$41.75M	\$7.77M	\$39.14M

Conspicuously absent Part IX line items

A \$89M public charity with related-party arrangements, 10 or more disregarded LLCs, foreign operations, and audited financials would normally report these line items. **All are absent or zero on K4K's 2024 Form 990 (same pattern as 2023):**

Absent line	Why this matters
11a, Management fees	Schedule R Part V Line 1 indicators report reciprocal reimbursements with related orgs every year. Management or service-fee arrangements with Oorah would normally appear here.
11b, Legal fees	K4K has documented state AG settlements on the public record (PA 2009, OR 2018). Zero legal fees in 2024 is unusual for a \$89M entity with litigation history and complex structure.
11c, Accounting fees	Audited financials and 10 disregarded-entity LLCs imply non-trivial accounting work.
11g, Other fees for services	Common landing spot for related-party service arrangements. Zero.
17, Travel	\$0 reported for a 74-employee organization with foreign back-office operations.
19, Conferences and conventions	\$0 reported.

Absent line	Why this matters
21, Payments to affiliates	\$0 reported, despite Schedule R indicators showing K4K pays reimbursements to related orgs.

The same Part IX lines (11a-g, 21) are also **\$0 on Oorah Inc's 2023 Form 990** (see Section 12 for Oorah profile). Two 501(c)(3) entities with combined revenue of \$138M reporting \$0 in legal, accounting, and management fees is unusual. Plausible explanations: misclassification under Office Expenses (\$4.5M on Oorah's side), professional services carried by a third related entity (Congregation Oorah is a church and exempt from Form 990 filing, invisible to public), or in-house services.

New 2024 finding — Line 6 (compensation of disqualified persons)

Line 6 reports **\$96.7K in 2024** in compensation paid to a “disqualified person” under IRC §4958. This line was **absent on K4K's 2023 Form 990** and is now present. IRC §4958 covers excess-benefit transactions: compensation paid to a person who is or was in a position to exercise substantial influence over the organization (a substantial contributor, a family member of one, or a former officer or director within the lookback period). The presence of a non-zero Line 6 indicates such a relationship was disclosed; the amount itself is small but the disclosure category warrants a diligence question (see Section 9).

Occupancy is materially below market — and dropped in 2024

\$84K reported occupancy [Form 990 Part IX Line 16, 2024] for an \$88.66M-revenue org with a Lakewood NJ headquarters, multiple Lakewood real-estate LLCs, and a Jerusalem back-office works out to roughly \$1.1K per employee per year. This is **down from \$144K in 2023** — a 42% decline against a flat headcount. Market-rate office space in Lakewood would be multiples of that. Schedule R Part V Line 1 confirms `sharing_facilities = true` every year; the Line 2 dollar detail is not provided by the filer. The likely accounting structure (space held by K4K's own disregarded real-estate LLCs, intra-company, so not reported as occupancy expense; or shared with Oorah Inc on a non-arm's-length basis) is not disclosed on the filing and is taken up as an open question in Section 9.

Top contractors (FY 2024)

Source: Form 990 Part VII Section B (Independent Contractors), 2024

Contractor	Service	Amount
Google	Marketing	\$22.51M
Marketing Advantage Plus LLC	Marketing	\$4.33M
Bing Ads	Marketing	\$3.48M
Hybrid Media Services LLC	Marketing	\$0.44M
Sirius Satellite Radio	Marketing	\$0.42M

Top five contractors are all paid-marketing vendors, totaling approximately \$31M (about 35% of 2024 total expenses).

Implication: K4K's reported expense composition is dominated by donor-acquisition advertising (\$41.51M, Form 990 Part IX Line 12, 2024) and outbound grants (\$36.69M, Schedule I + foreign grants, 2024), which together account for approximately 88% of total functional expenses. The combined absence of Line 11 professional fees across K4K (2023 and 2024) and Oorah (2023) is the most concrete open question in the memo; whether it reflects a disclosure choice, a categorization choice, or services delivered by a third related entity is taken up in Section 9.

5. Funder network position

Foundation summary (lifetime, all years on file)

Metric	Value
Total cash foundation funding received (lifetime)	\$1.24M across 13 substantial grants from 11 unique funders
Including in-kind donations and small matching gifts	\$3.79M across 55 reported records from 23 distinct funders
Rank among all nonprofits by foundation funding received	#12,846
Foundation-dependency metric	Not computable. Total foundation funding is below the metric's tracking threshold

Top 10 funders by lifetime dollar volume

Source: Form 990 Schedule I and Form 990-PF Part XV filings from grantor organizations

Funder	Grants	Years	Total	Cash	Non-cash	Category
GOOD360	4	2022–2024	\$1.89M	\$0	\$1.89M	In-kind donated-goods distributor
OORAH INC	1	2023 only	\$1.25M	\$1.25M	\$0	Related party (sister entity)
AMERICAN ONLINE GIVING FDN.	4	2021–2024	\$413.6K	\$413.6K	\$0	Online-giving conduit
CHARITIES AID FDN. AMERICA	4	2021–2023	\$72.6K	\$19.8K	n/a	DAF conduit
THE BLACKBAUD GIVING FUND	2	2022–2023	\$57.4K	\$57.4K	n/a	DAF
OK Foundation	1	2024	\$45.0K	\$45.0K	n/a	One-time
BANK OF AMERICA CHARITABLE	15	2022–2023	\$23.9K	\$500	n/a	Corporate matching
THE TAPESTRY FOUNDATION INC	2	2021–2022	\$9.0K	n/a	n/a	Corporate matching
VERIZON FOUNDATION	4	2022–2024	\$3.2K	n/a	n/a	Corporate matching
THE PFIZER FOUNDATION INC	3	2022–2024	\$3.1K	\$800	n/a	Corporate matching

Concentration and repeat-funder pattern

- **Top funder share:** 49.8% (GOOD360, in-kind)

- **Top 3 funders share:** 93.8%
- **Top 5 funders share:** 97.2%
- **Cash-only top-funder share:** Oorah Inc's 2023 single \$1.25M transfer (related party) accounts for approximately 62% of all cash foundation receipts on file.
- **Multi-year repeat strategic relationships:** One. GOOD360 (in-kind donated products, 2022 to 2024).
- **All other multi-grant relationships are corporate-matching-gift or DAF-conduit channels,** each contributing under \$500K lifetime.
- **Bidirectional flow with Oorah:** K4K's typical outbound flow to Oorah is approximately \$36M per year (Schedule I grants). One inbound flow recorded: Oorah to K4K \$1.25M in 2023 (purpose: "TO PROMOTE RELIGIOUS EDUCATION").

Funder strategy implications

- K4K's contributor base is overwhelmingly retail vehicle donors, not foundations. Foundation-channel participation is below the dependency-metric tracking threshold.
- This is consistent with the donated-vehicle revenue model: the institutional philanthropic system is not where K4K sources its capital.

Implication: *K4K does not participate in the institutional philanthropic system in a material way. Foundation funding is functionally irrelevant to K4K's business model; they are not a foundation prospect, and their low foundation funding rank is a fact about their model, not a finding about their effectiveness.*

6. Peer benchmark

PEER-SET QUALITY	
RATING	Moderate
USEFUL FOR	Cash position, surplus margin, debt-to-assets, board structure
LIMITED FOR	Fundraising ratio, program-expense ratio
REASON	K4K's vehicle-donation revenue model differs from most T30 peers; readings on fundraising and program ratios partly reflect that model difference rather than operational choice.

Peer-set selection

The peer set was constructed from NTEE sub-code "T30" (Public Foundations) filtered to the revenue band \$24M to \$242M, returning 25 peers.

Headline ratios: K4K vs peer set (FY 2024 or latest filed)

Source: K4K Form 990 Parts I, IX, X (2024); peer percentiles computed across 25-org NTEE T30 cohort latest-filed years

Metric	K4K	Peer p10	Peer median	Peer p90	K4K vs median
Program % of expenses	47.1%	82.1%	93.3%	99.3%	-46.2 pp below
Mgmt % of expenses	8.8%	n/a	4.0%	n/a	+4.8 pp above
Fundraising % of expenses	44.1%	0.1%	3.0%	12.7%	+41.1 pp above
Months of cash	0.3	0.6	3.9	33.6	-3.6 below
Surplus margin	-9.8%	n/a	+35.4%	n/a	-45.2 pp below
Debt-to-assets	16.7%	n/a	1.7%	n/a	+15.0 pp above
Board size	5	n/a	9	n/a	-4 below
% independent directors	80.0%	n/a	100.0%	n/a	-20 pp below

Observations

- K4K is below the p10 of the peer set on program-expense ratio (47.1% vs p10 = 82.1%) and above the p90 on fundraising ratio (44.1% vs p90 = 12.7%).
- Months of cash sits at the lower bound of the peer distribution (0.3 vs p10 = 0.6).
- Surplus margin is the only deeply negative reading in the peer set. Peer median is +35.4%; K4K is -9.8% in 2024.
- Board size is in the smallest 5th of the peer set. Percentage independent is somewhat below the typical peer 100% but within the normal range.

Peer-set composition (top 10 by closest revenue match)

Org	State	Revenue	Program %	Fundraising %	Months cash
Stifel Charitable Inc	MO	\$79.0M	90.8%	0.0%	0.0
Community Initiatives	CA	\$77.6M	83.0%	7.2%	9.7
Gary Sinise Foundation	TN	\$85.5M	89.4%	4.6%	2.6
Knights of Columbus Charitable Fund	CT	\$85.5M	99.4%	0.2%	0.6
World of Giving Inc	NY	\$90.5M	99.8%	0.0%	0.1
The Albertsons Companies Foundation	CA	\$69.8M	99.3%	0.1%	10.9
Greater Horizons Trust	MO	\$69.6M	97.8%	0.0%	4.1
Telescope Fund	DC	\$69.5M	97.0%	0.0%	12.3
The New Horizons Foundation	CO	\$68.7M	95.3%	0.0%	1.5
Johnson Charitable Gift Fund	OH	\$94.5M	97.5%	0.0%	15.2

7. Governance and related-entity complexity

Officer and key-employee compensation (FY 2024)

Source: Form 990 Part VII Section A, 2024

Name	Title	Hrs/ wk	Comp (K4K)	Comp (related orgs)	Other comp
Robert Moskowitz	President	40	\$157.4K	\$0	\$0
Mark Arakanchi	Manager of K4K Operations	40	\$130.0K	\$0	\$0
Esther Landau	COO	40	\$118.7K	\$0	\$19.7K
Eliyohu Mintz	CEO (also Director)	25	\$118.3K	\$0	\$62.2K
David Wolin	Sales and Business Development	40	\$117.6K	\$0	\$0
Brad Gordesky	Real Estate Development	40	\$111.6K	\$0	\$0
David Shweky	Schedule Team	40	\$110.3K	\$0	\$0
Dan Abittan	Performance and System Analysis	40	\$103.5K	\$0	\$0
Shoshana Joselit	Secretary / Treasurer	25	\$59.0K	\$0	\$0
Bentzion Turin	General Counsel	20	\$0	\$0	\$0
4 outside trustees	Bandman, Kanarek, Rubin, Weinberger	0.5–2	\$0 each	n/a	n/a

Observations

- **Board composition:** 5 directors, 4 independent (per Form 990 governance disclosure). Peer median is 9 directors, 100% independent.
- **Officer hours-of-service:** The CEO and Secretary/Treasurer report 25 hours per week (62.5% of full-time). General Counsel reports 20 hours per week at \$0 reported compensation. CEO Mintz reports \$62.2K in “other compensation” not attributed to K4K’s own payroll.
- **Outside trustees:** Four directors report 0.5 to 2 hours per week of service.

Related entities (Schedule R Part I to IV)

Source: Form 990 Schedule R Parts I to IV, 2024

Sister entity: Oorah Inc (EIN 22-3746051). Sequential EIN to K4K, both registered 2000. See Section 12 for full profile.

Disregarded entities held by K4K:

Entity	EIN	Location	Activity
Carsandmore2001 LLC	84-2913350	Lakewood NJ	Holding company
K4K LTD	98-1559720	Jerusalem	Back office
Kars Resources LTD	98-1603021	Jerusalem	Back office

Entity	EIN	Location	Activity
K4K Media LLC	81-3696626	Lakewood NJ	Advertising
K4K LLC	37-1763240	Lakewood NJ	Real estate
Charitable Holdings LLC	n/a	Lakewood NJ	Real estate
Kars4Kids Holdings LLC	n/a	Lakewood NJ	Real estate
RE 4 Kids LLC	n/a	Lakewood NJ	Real estate
Rolling Brook LLC	47-5139467	Lakewood NJ	Real estate
JFY Capital LLC	n/a	Lakewood NJ	Holding company

Related tax-exempt orgs: Oorah Inc; Junk For Joy Inc (Plano TX, EIN 85-1751785). Both profiled in Section 12.

Related-party transactions (Schedule R Part V)

Line 1 indicators (yes/no flags filed by K4K):

Year	Gift to other	Gift from other	Shared facilities	Shared employees	Reimburse to	Reimburse from
2024	Yes	No	Yes	Yes	Yes	Yes
2023	Yes	Yes	Yes	Yes	Yes	Yes

Line 2 itemization (transaction-level detail): Not provided by the filer. The Form 990 Schedule R does not include the Line 2 detail table that would record amounts and counterparties for these transaction categories.

Implication: *The governance picture is a small, founder-aligned board overseeing a multi-entity structure where facilities, employees, and reimbursements move freely between K4K and Oorah without itemized disclosure. This is not dispositive; many family-aligned nonprofits operate this way. But it does make the related-party fee and facility-sharing arrangements an inherent diligence focus rather than a peripheral one.*

8. Diligence flags

Flags are tiered by their weight in shaping the diligence picture.

Primary *(deal-shaping)*

These four flags are independently sufficient to require investigation before any direct capital commitment.

Flag	Detail	Source
Cash below 1 month of expenses every year on file	0.3 months in 2024; peer median 3.9 months. Persistent across all 7 years on file, not a one-time issue.	Form 990 Part X (cash) divided by Part IX (expenses), 2018 to 2024
Grants paid concentrated on a single related party	98% to Oorah Inc (3-year cumulative approximately \$117M of \$119M).	Form 990 Schedule I, 2022 to 2024
Fundraising ratio above peer p90	44.1% vs peer p90 12.7%, peer median 3.0%. Partly a model artifact of the vehicle-donation revenue structure; structurally limits the marginal-dollar productivity of unrestricted gifts.	Form 990 Part IX, 2024; peer median computed across 25-org NTEE T30 cohort
2024 operating loss is the largest in 7 years, follows 3 consecutive years of revenue decline	-\$7.9M; revenue down 26% from the 2021 peak.	Form 990 Part I and Part IX, 2018 to 2024

Contextual *(need interpretation)*

These items are not deal-breakers on their own but require qualitative read because the disclosure is incomplete or the data is open to multiple readings.

Flag	Detail	Source
Schedule R Part V Line 1 indicators positive every year, Line 2 detail absent	Facility and employee sharing plus reciprocal reimbursements reported as occurring; amounts not itemized in filing.	Form 990 Schedule R Part V, 2023 and 2024
CEO and Sec/Treasurer at 25 hrs/wk; GC at 20 hrs/wk \$0 reported comp	CEO reports \$62.2K "other comp" outside K4K's payroll; allocation method between K4K and Oorah is not disclosed on the filing.	Form 990 Part VII Section A, 2024
\$0 in Form 990 Part IX Line 11 professional fees on both K4K and Oorah 2023 filings	Combined \$138M-revenue family reports zero across all Line 11 fee-for-service subcategories on both Form 990s. Where these services are accounted for is taken up as an open question in Section 9.	Form 990 Part IX Lines 11a to 11g, K4K and Oorah Inc, 2023
Israel-based "back office" disregarded entities operate since at least 2019	K4K LTD and Kars Resources LTD (Jerusalem); foreign-activities indicator true.	Form 990 Schedule R Part I and Part V Line 6, 2019 to 2024
Single inbound transfer from related party reverses normal capital direction	Oorah Inc to K4K \$1.25M in 2023 for "religious education"; the only year an inbound K4K flow from Oorah appears.	Oorah Inc Form 990 Schedule I, 2023

Housekeeping *(smaller items)*

Flag	Detail	Source
Single non-cash revenue stream	Over 99% of contributions are donated vehicles.	Form 990 Part VIII, 2018 to 2024
Top-funder concentration is in-kind only	GOOD360 (donated-goods distributor) = 49.8% of lifetime foundation receipts.	Schedule I filings from grantor organizations, 2021 to 2024
Foundation funding rank low; below dependency-metric threshold	Ranked #12,846 of all nonprofits by foundation funding received.	Computed across all matched grant receipts from Form 990-PF and Form 990 Schedule I filings
Occupancy reported at \$84K against \$88.66M operating budget (2024)	Materially below market for the headquarters footprint disclosed; declined from \$144K (2023) to \$84K (2024), a 42% drop with no corresponding change in headquarters footprint. The accounting basis is taken up as an open question in Section 9.	Form 990 Part IX Line 16, 2024

Implication: *The primary tier is a coherent cluster of model-driven and concentration-driven findings; each is independently sourced to Form 990 disclosures and does not depend on inference. The contextual tier captures disclosure gaps where the underlying activity is reported but the dollar detail is not; these resolve in K4K's favor or against it depending on management's answers (see Section 9). The housekeeping tier is descriptive rather than decision-shaping.*

9. Diligence questions

Capital flow and related parties

1. What dollar amounts correspond to the shared-facility, shared-employee, and reciprocal-reimbursement arrangements reported on Schedule R Part V Line 1 every year? What allocation method is used?
2. **Form 990 Part IX reports \$0 in legal, accounting, and management fees across both K4K (2023 and 2024) and Oorah Inc (2023).** For a related-entity family with documented related-party arrangements, \$138M combined revenue, and complex disregarded-entity structures, where are these professional services accounted for? Are they carried by Congregation Oorah Inc (a church and exempt from Form 990 filing), Junk For Joy Inc, or another related entity?
3. The CEO reports total compensation of \$313.4K across K4K (\$118.3K), related organizations (\$132.9K), and other compensation (\$62.2K) not on K4K's payroll. How is officer time allocated between K4K and related entities for purposes of compensation determination, and which related entity (or entities) is the source of the \$132.9K?
4. General Counsel Bentzion Turin reports 20 hours per week at \$0 compensation. Is this role compensated through another related entity, or is service uncompensated?
5. In 2023, Oorah Inc made a \$1.25M grant to K4K for "religious education", reversing the normal outflow direction. What was the specific use and what prompted that flow?

Operations and business model

6. What drove the \$7.9M operating loss in 2024 after two prior surplus years? Is this attributable to fundraising-cost increases, donation-volume declines, or a one-time item?
7. Donation volume has fallen 26% from the 2021 peak. What is the management view on the cause (category trend, paid-acquisition saturation, competitive shift)?
8. The annual inventory-line loss of -\$10M to -\$14M appears structural. What is the breakdown between processing and transport costs, vehicle-resale price realization, and FMV-to-realized spread?
9. Top five contractors (approximately \$31M) are all paid-marketing vendors. What is the current cost per acquired vehicle, the resulting cost per program dollar delivered, and how have these metrics moved over the past three years?

Expense and facilities

10. **Reported occupancy of \$84K against an \$88.66M operating budget (2024) appears low relative to market.** What is the headquarters arrangement: is space leased from a related-party LLC, donated, or otherwise non-arm's-length? What is the imputed rental value if non-cash? Occupancy declined from \$144K (2023) to \$84K (2024); what drove that change?
11. Form 990 Part IX reports \$0 travel and \$0 conferences for 2024 (same as 2023). Are these line items genuinely zero, reimbursed through related entities, or classified under another Part IX line?
12. **Form 990 Part IX Line 6 reports \$96.7K (K4K, 2024) and \$111.9K (Oorah, 2024) in compensation paid to disqualified persons under IRC §4958.** Oorah's Schedule J separately discloses Trustee Chaim Mintz (family of CEO Eliyohu Mintz) receiving \$34.5K in "other compensation" — a likely disqualified-person candidate. K4K's \$96.7K is a new disclosure (line was absent on the 2023 filing). Who are the disqualified persons in each entity, what services are they compensated for, and how is the arm's-length test documented?
13. Public record shows state AG settlements in PA (2009) and OR (2018). Were the legal costs of those proceedings borne by K4K or by an affiliated entity?

Liquidity and balance sheet

14. K4K has operated at under 1 month of cash every year on file. What working-capital facilities are in place (lines of credit, payable-management arrangements, related-party support)?
15. Unrestricted net assets cover 3.2 months of operating expense (2024). What is the policy target for reserves?

Foreign operations

16. K4K LTD and Kars Resources LTD (both Jerusalem) are reported as “back office” disregarded entities. What is each entity’s function, headcount, and budget? What controls govern transactions between U.S. and Israeli operations?

Junior vehicle-donation operation

17. Junk For Joy Inc (Plano TX, established 2020) appears to be a junior vehicle-donation entity in the same family: 0% program / 97 to 99% fundraising ratio, growing rapidly, sole funder is Oorah Inc. What is the strategic relationship to K4K and the rationale for a parallel vehicle-donation operation?

Funder strategy

18. Foundation grant inflows are concentrated in GOOD360 (in-kind goods), the American Online Giving Foundation and other DAF conduits, and corporate matching programs. Has institutional philanthropic capital been pursued, and if so, what has the response been?

10. Capital-fit recommendation

Ranked pathway

Best fit: No clear direct philanthropic-capital pathway based on public filings alone.

Based on the public filings reviewed, there is no clear direct-capital pathway to K4K. The entity functions as a vehicle-donation collection and grantmaking layer in front of Oorah Inc; capital seeking the stated mission (Jewish-youth services and education) reaches the actual delivery layer more efficiently by funding Oorah directly (or named Oorah programs and subsidiaries). Oorah is the operating entity that runs the camps, retreats, school placement, mentorship, and religious instruction described in K4K’s mission statement. Management-provided information, audited financials, or program-impact evidence not available in the public filings could update this assessment.

Second fit: Working-capital lending (CDFI / PRI).

The receivables-heavy, cash-light balance sheet pattern is structurally consistent with mission-aligned working-capital lending. This pathway is plausible if the lender can underwrite the donated-vehicle business cycle, accepts the related-party concentration, and can structure protective covenants around the Oorah dependency. Pricing should reflect that K4K’s effective credit position depends on Oorah’s continued ability to absorb the annual transfer.

Not recommended: Unrestricted philanthropic gifts to K4K.

The combination of (a) 44% fundraising ratio, (b) approximately 89% of program expense being pass-through grants to Oorah, (c) sub-1-month cash runway, and (d) opaque related-party fee arrangements means that the marginal unrestricted dollar to K4K is highly likely to fund either further donor-acquisition marketing or a transfer to Oorah. Direct unrestricted funding of Oorah accomplishes the latter without the friction.

What would change this assessment

Change	Why it would matter
Material decline in fundraising-to-program ratio (below roughly 25%)	Would indicate the donor-acquisition cost structure is improving and marginal dollars are deploying to program.
Direct in-house program delivery growing as a share of K4K activity	Would shift K4K from intermediary to operating entity, justifying direct funding.
Transparent Schedule R Part V Line 2 disclosure with dollar amounts	Would resolve the related-party governance opacity.
Form 990 Part IX shows non-zero legal, accounting, and management fees	Would resolve the largest remaining disclosure question.
Independent K4K audit and legal counsel arrangements (not shared with Oorah)	Would establish operational independence from the sister entity.
Resolution of the 3-year revenue decline into stable or growing trajectory	Would remove the going-concern overlay.

Capital scale benchmarks (from grant history)

Grant scale	Reference
Under \$10K	Comparable to existing corporate matching-gift channels
\$25K to \$100K	Comparable to AOGF, Blackbaud, CAF America DAF-conduit inflows
\$250K and above	Exceeds every prior single cash grant on file except the 2023 Oorah related-party transfer
\$1M and above	No precedent on file outside the Oorah related-party transfer

Implication: *The recommendation is direct: K4K is not a strong fit for direct philanthropic capital. The sister entity Oorah Inc is the operating layer that delivers the programs described in K4K's mission statement, and funding routed there reaches the program work more efficiently. A patient lender with comfort on the related-party concentration is the most plausible direct K4K capital relationship.*

11. Coverage notes and external verification

Item	Coverage in this report	If needed for diligence
Schedule R Part V Line 2 transaction itemizations	Not provided by the filer	Request directly from the organization
Schedule R supplemental text	Not covered in this report	Available on request
Schedule L (interested-persons transactions)	Not covered in this report	Available on request; request directly from organization
Audit findings, going-concern language	Not covered in this report	Request audited financials and management letter
Pending litigation	Not covered in this report	External legal-research source recommended
State AG complaints, enforcement actions	Not covered in this report	External regulatory-database source recommended
Charity Navigator, Charity Watch, BBB ratings	Not covered in this report	External rating-aggregator source recommended
Foreign-entity operating detail (K4K LTD, Kars Resources LTD)	Not covered in this report	Request directly from organization; review foreign filings if available
CEO and officer compensation from related orgs	Indicated on Form 990 (other-compensation amount) but not itemized by source	Cross-reference Oorah Inc's Form 990 Schedule J
Form 990 Part IX expense line items beyond the three-bucket allocation	Available for K4K (2024) and Oorah (2023) by direct review of the filings; included for K4K 2024 in Section 4 of this report	Will be included in standard coverage in a future revision
Congregation Oorah Form 990 detail	Not applicable; entity is a church, exempt from Form 990 filing	Request audited financials directly from the organization

12. Related-entity profiles

The K4K Schedule R, combined with Oorah Inc's own Schedule R, identifies three tax-exempt sister entities. Each is profiled below at one-page summary depth.

Oorah Inc

EIN 22-3746051

Lakewood, NJ · NTEE P112 · Established 2000 · 501(c)(3) public charity · Form 990 filer

Sequential EIN to K4K; both registered together in 2000. Same headquarters address (1805 Swarthmore Avenue, Lakewood NJ).

Capital position

Source: Oorah Inc Form 990 Parts I, IX, X (filing years 2018 to 2024)

Year	Revenue	Expenses	Program %	Fundraising %	Months cash	Net assets	Employees
2024	\$48.5M	\$39.8M	84%	0%	6.0	\$209.5M	284
2023	\$48.9M	\$51.7M	92%	1%	2.5	\$197.7M	325
2022	\$56.7M	\$34.7M	87%	2%	13.2	\$196.0M	332
2021	\$78.0M	\$28.3M	82%	2%	14.7	\$183.8M	335

Operating profile

Oorah is the operating entity in this family. Its 2024 program description: "Oorah's mission is to give Jewish children and their families opportunities to become active and productive members of their communities. We accomplish this through our all-encompassing, year-round programs, focusing on education, extracurricular activities..." Operations include camps, retreats, religious instruction, mentorship, and school placement. 284 to 348 employees across years.

Capital flows

- **Receives:** approximately \$36M per year from K4K (2022 to 2024; 2024 alone: \$36.13M via Schedule I); trivial direct foundation funding (rank #192,707, total \$600 lifetime, single grant from Verizon Foundation).
- **Pays out (2024 actuals):** \$4.60M in foreign grants to "Middle East and North Africa" (Part IX Line 3; cumulative 2023 to 2024 approximately \$21.1M); \$137.8K in aggregated individual grants (cumulative approximately \$9.2M); \$1.38M to Junk For Joy Inc; \$555.7K to Congregation Oorah; smaller named-recipient grants to Agudath Israel of America (\$36K, 2024), Yeshiva Chemdas Hatorah, Davis Memorial Fund, Zichron Yosef, Kerem Bais Yaakov Seminary, Yeshivath Radin. **One-time reverse flow:** \$1.25M back to K4K in 2023 ("religious education").

Notable

- **Operational infrastructure that's absent from K4K's 990 is present on Oorah's.** Oorah's 2024 Part IX reports \$1.54M travel, \$3.90M conferences/conventions, \$1.43M occupancy, \$3.76M depreciation, \$5.49M office expenses, \$405K IT (2023 values were \$1.49M / \$3.30M / \$1.10M / \$3.52M / \$4.48M / \$242K respectively).
- **Form 990-T (unrelated business income) filed separately each year 2021 to 2024.** UBI activity is winding down rapidly: \$2.09M gross receipts in 2021 → \$360K (2022) → \$96K (2023) → \$19K (2024); total 990-T tax paid was \$0 (2021), \$35K (2022), \$18K (2023), \$415 (2024). NAICS classifications point to real estate (530000)

and “qualified partnership interests” / investment activities (517000, 900099). This confirms an investment portfolio with at least one taxable partnership — consistent with the K-1 partnership flag disclosed in earlier filings.

- **Line 6 (Compensation of disqualified persons under IRC §4958) reports \$111.9K on Oorah’s 2024 Part IX.** Officer table identifies Chaim Mintz as a Trustee receiving \$34.5K in “other compensation” (apparent family member of CEO Eliyohu Mintz). Worth a diligence question alongside K4K’s own Line 6 entry (Section 9).
- **Line 11 professional fees** (legal, accounting, management, lobbying, investment management, other) **are \$0 on Oorah’s 2023 Form 990**, the same pattern as K4K. The combined \$138M family reports zero professional services.
- **10 or more related entities** including OI Alt Investments LLC (\$766K assets in our data), Project Property Rehab, Rutger Equities LLC, Oorah Resort LLC, Oorah Retreat LLC (real estate and camp facilities), plus Congregation Oorah and Junk For Joy as separate 501(c)(3) tax-exempt orgs.
- **Foreign activities indicator = true** in 2023 and 2024.

Summary finding

Oorah is the substantive operating layer of the K4K/Oorah family: 284+ employees, \$209M in net assets, \$33M to \$47M in annual program-service expenses including real travel, conferences, occupancy, and capital depreciation. The intermediary relationship runs one direction: K4K collects donations and grants approximately \$36M per year to Oorah, which delivers programs. Oorah is the entity that capital seeking the stated mission would naturally underwrite.

Congregation Oorah

EIN 26-4289578

Staten Island, NY · NTEE X30 · Established 2011 · 501(c)(3) church

Filing status

- **IRS foundation code 10:** “Church, convention or association of churches” under IRC §170(b)(1)(A)(i).
- **Churches are exempt from Form 990 filing requirements** under IRS Revenue Procedure 96-10. As a result, this entity has no public 990 on file; financial details (revenue, expenses, compensation, programs) are not publicly disclosed.
- Listed on Oorah Inc’s Schedule R as a related tax-exempt org with primary activity “Congregation.”

Capital flows visible from related-org filings

- **Received \$555.7K from Oorah Inc in 2024** (per Oorah Inc’s Schedule I). This is the only inbound flow visible to us; total receipts are not knowable from public disclosure.
- Not visible: outbound grants, expenses, employee count, officer compensation, audit findings.

Summary finding

Congregation Oorah is the church-status entity in the family. Because of the IRS church exemption, it is the natural candidate for hosting professional services (legal, accounting, management) that the public cannot see, which would explain the conspicuous \$0 in those Part IX lines across both K4K and Oorah Inc. **Investigating Congregation Oorah further requires direct request to the organization; public filings will not show what is inside.** A diligence-grade examination would request audited financials directly.

Junk For Joy Inc

EIN 85-1751785

Plano, TX · NTEE A23 · Established 2020 · 501(c)(3) public charity · Form 990 filer

Capital position

Source: Junk For Joy Inc Form 990 Parts I, IX, X (filing years 2021 to 2024)

Year	Revenue	Expenses	Program %	Fundraising %	Months cash	Net assets	Employees
2024	\$2.35M	\$1.04M	0%	97%	2.4	\$289K	0
2023	\$1.22M	\$1.46M	0%	99%	0.5	-\$1.02M	0
2022	\$515K	\$1.06M	0%	99%	0.4	-\$776K	0
2021	\$281K	\$503K	0%	98%	0.3	-\$233K	0

Operating profile

Per its 2024 program description: "Born in Texas in 2020, Junk For Joy is on a mission to turn unused cars into funds for a good cause. We make it easy for donors to join us with quick, free, and convenient pickup of vehicles in all conditions." Headquartered at 3320 Badolino Lane, Plano TX (residential-looking address). Zero reported employees; operates entirely on contractor labor. Board of 3 (2 independent).

Capital flows

- **Receives:** \$1.38M from Oorah Inc in 2024, the only foundation funder on file lifetime (rank #11,660).
- **Pays out:** Not in grant data as a grantor at scale; financials show net assets emerging from negative territory only in 2024.

Notable

- **Same business model as K4K, smaller scale:** vehicle donations to fundraising operation. Even more extreme expense profile than K4K: 97 to 99% fundraising, 0% program every year on file.
- **Net assets were negative every year through 2023;** only emerged to a modest positive (\$289K) in 2024.
- Schedule R discloses **Kars 4 Kids Inc and Oorah Inc as related tax-exempt orgs.** This is the third leg of the related-entity family.

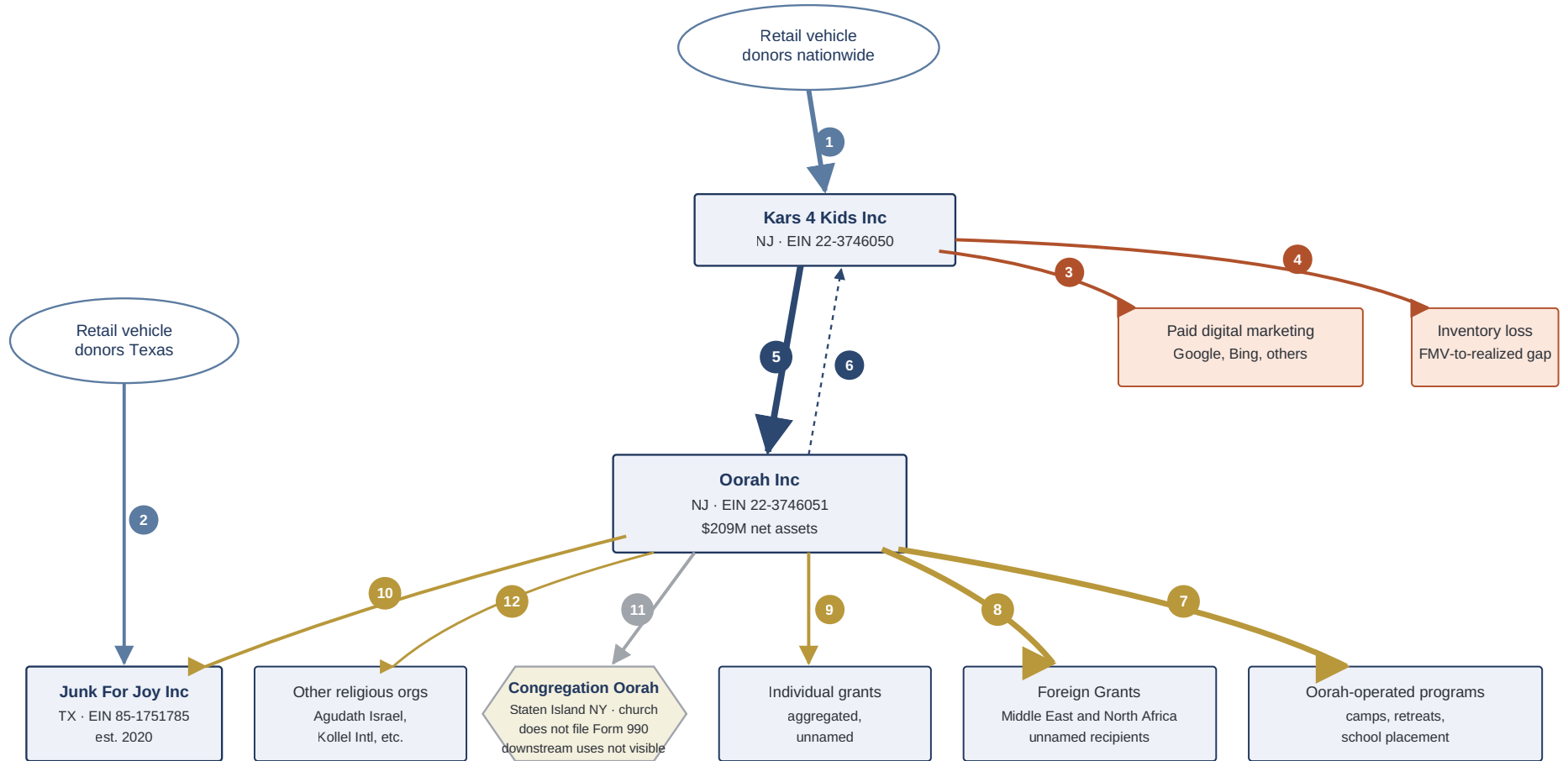
Summary finding

Junk For Joy is a Texas-based junior vehicle-donation operation in the same family: a younger, smaller, and proportionally more fundraising-heavy parallel to K4K. Its only foundation funder is Oorah Inc. The strategic rationale for operating two parallel vehicle-donation entities (one in NJ, one in TX) is not articulated in the public filings; it is a natural question for diligence. Watch for whether Junk For Joy's program ratio ever rises above 0%; that would indicate evolution from a pure collection vehicle into a service-delivery org.

Appendix A. Capital flow at a glance

The diagram below summarizes the dollar flows visible in 2022 to 2024 Form 990 filings for the K4K, Oorah, and Junk For Joy family. Each arrow is numbered; the key on the next page maps every numbered flow to its dollar amount and Form 990 source. K4K's foreign-grants outflow (\$1.6M cumulative) is merged with Oorah's foreign-grants outflow (\$21.1M cumulative) in the combined "Foreign Grants, MENA" annotation. The disclosure surface ends at Congregation Oorah, which is a church and does not file Form 990.

Source: K4K, Oorah Inc, and Junk For Joy Inc Form 990 Schedule I (grants paid), Part VIII (revenue), and Part IX (expenses), 2022 to 2024.



Donor inflows K4K cost layer Intra-family transfers (dashed: reverse flow) Oorah disbursements Disclosure terminates (church)

Reading the diagram. Solid arrows are recurring annual flows; thick arrows are flows of \$10M per year or more. The dotted arrow (#6) marks the 2023 reverse flow from Oorah to K4K, a one-time inbound transfer in the opposite direction of the normal capital movement. The hexagonal endpoint at Congregation Oorah (#11) marks where public disclosure ends.

Flow key

#	Flow	Amount	Source
1	Retail donors (nationwide) → Kars 4 Kids Inc	\$94.6M FMV vehicles, 2023 (non-cash contributions)	Form 990 Part VIII, 2023
2	Retail donors (Texas) → Junk For Joy Inc	\$2.4M FMV vehicles, 2024	JFJ Form 990 Part VIII, 2024
3	Kars 4 Kids Inc → Paid digital marketing	~\$31M top-5 vendors 2024; \$39.7M Line 12 2023	Form 990 Part IX Line 12; Part VII Section B
4	Kars 4 Kids Inc → Inventory loss	\$11M to \$14M per year structural FMV-to-resale gap	Form 990 Part VIII inventory line
5	Kars 4 Kids Inc → Oorah Inc	\$36M per year Schedule I; ~\$117M cumulative 2022 to 2024	Form 990 Schedule I
6	Oorah Inc → Kars 4 Kids Inc (<i>reverse, dotted</i>)	\$1.25M, 2023 one-time, "religious education"	Oorah Form 990 Schedule I, 2023
7	Oorah Inc → Oorah-operated programs	\$33.5M, 2024 program services	Oorah Form 990 Part IX
8	Oorah Inc → Foreign Grants (MENA)	\$22.7M cumulative 2022 to 2024 (K4K + Oorah combined)	Schedule I / Schedule F
9	Oorah Inc → Individual grants	\$9.2M cumulative 2022 to 2024	Oorah Schedule I
10	Oorah Inc → Junk For Joy Inc	\$1.38M, 2024	Oorah Schedule I, 2024
11	Oorah Inc → Congregation Oorah (<i>disclosure ends</i>)	\$555K, 2024	Oorah Schedule I, 2024
12	Oorah Inc → Other religious orgs (Agudath Israel, Kollel Intl, etc.)	~\$300K per year itemized grants	Oorah Schedule I