

**National Council of Jewish Women
New York Section
[a Non-Profit Organization]**

Financial Statements

Years Ended June 30, 2020 and 2019

**National Council of Jewish Women
New York Section
[a Non-Profit Organization]**

Financial Statements

Years Ended June 30, 2020 and 2019

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Independent Auditor's Report

Board of Directors
National Council of Jewish Women
New York Section
[a Non-Profit Organization]

Report on the Financial Statements

We have audited the accompanying financial statements of the National Council of Jewish Women New York Section, which comprises the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 National Council of Jewish Women New York Section, as of June 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Sax LLP

Parsippany, New Jersey
October 19, 2020

**National Council of Jewish Women
New York Section
[a Non-Profit Organization]**

Statements of Financial Position

		June 30,	
		2020	2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$	601,135	\$ 161,923
Contributions receivable		5,000	30,801
Prepaid expenses and other current assets		55,401	15,708
Total current assets		661,536	208,432
PROPERTY AND EQUIPMENT, NET		1,624,414	1,647,963
OTHER ASSETS			
Investments		2,293,988	2,661,848
Total other assets		2,293,988	2,661,848
TOTAL ASSETS		\$ 4,579,938	\$ 4,518,243
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$	40,107	\$ 46,062
Deferred revenue		194,638	17,687
Tenant security deposit payable		7,750	7,750
Total current liabilities		242,495	71,499
OTHER LIABILITIES			
SBA PPP loan		138,292	-
Total other liabilities		138,292	-
NET ASSETS			
Without donor restrictions		3,627,968	4,015,704
With donor restrictions		571,183	431,040
Total net assets		4,199,151	4,446,744
TOTAL LIABILITIES AND NET ASSETS		\$ 4,579,938	\$ 4,518,243

See Notes to Financial Statements.

**National Council of Jewish Women
New York Section
[a Non-Profit Organization]**

Statement of Activities

Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and grants, including \$163,309 of in-kind donations	\$ 927,553	\$ 211,500	\$ 1,139,053
Legacies and bequests	500	-	500
Special events	25,915	-	25,915
Less donor received benefit	(4,000)	-	(4,000)
Membership and program fee revenue	101,988	-	101,988
Interest and dividends, net of investment fees of \$20,781	40,669	8,055	48,724
Unrealized and realized gains on investments	3,417	677	4,094
Rental income	49,285	-	49,285
Net revenues and support	1,145,327	220,232	1,365,559
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of donor restrictions	80,089	(80,089)	-
FUNCTIONAL EXPENSES			
Program services	1,249,126	-	1,249,126
Supporting services			
Management and general	192,321	-	192,321
Fundraising	171,705	-	171,705
Total supporting expenses	364,026	-	364,026
Total functional expenses	1,613,152	-	1,613,152
Increase (decrease) in net assets	(387,736)	140,143	(247,593)
NET ASSETS, <i>beginning of year</i>	4,015,704	431,040	4,446,744
NET ASSETS, <i>end of year</i>	\$ 3,627,968	\$ 571,183	\$ 4,199,151

See Notes to Financial Statements.

**National Council of Jewish Women
New York Section
[a Non-Profit Organization]**

Statement of Activities

Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contributions and grants, including \$115,864 of in-kind donations	\$ 541,502	\$ 37,568	\$ 579,070
Legacies and bequests	26,491	-	26,491
Special events	371,491	-	371,491
Less donor received benefit	(38,100)	-	(38,100)
Membership and program fee revenue	114,025	-	114,025
Interest and dividends, net of investment fees of \$23,453	55,796	6,759	62,555
Unrealized and realized gains on investments	96,372	20,139	116,511
Rental income	67,340	-	67,340
Net revenues and support	<u>1,234,917</u>	<u>64,466</u>	<u>1,299,383</u>
 NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of donor restrictions	<u>104,852</u>	<u>(104,852)</u>	<u>-</u>
 FUNCTIONAL EXPENSES			
Program services	<u>1,228,567</u>	<u>-</u>	<u>1,228,567</u>
Supporting services			
Management and general	195,656	-	195,656
Fundraising	206,706	-	206,706
Total supporting expenses	<u>402,362</u>	<u>-</u>	<u>402,362</u>
 Total functional expenses	<u>1,630,929</u>	<u>-</u>	<u>1,630,929</u>
 (Decrease) in net assets	<u>(291,160)</u>	<u>(40,386)</u>	<u>(331,546)</u>
 NET ASSETS, <i>beginning of year</i>	<u>4,306,864</u>	<u>471,426</u>	<u>4,778,290</u>
 NET ASSETS, <i>end of year</i>	<u>\$ 4,015,704</u>	<u>\$ 431,040</u>	<u>\$ 4,446,744</u>

See Notes to Financial Statements.

**National Council of Jewish Women
New York Section
[a Non-Profit Organization]**

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services						Supporting Services			Total Functional Expenses	
	Children's Programs	Council Lifetime Learning	Resources for Women	Membership and Advocacy	Hunger Programs	National Program Support	Total Program Services	Management and General	Fundraising		Total Supporting Services
SALARIES AND RELATED EXPENSES											
Salaries	\$ 64,629	\$ 141,552	\$ 52,709	\$ 88,365	\$ 65,168	\$ -	\$ 412,423	\$ 131,986	\$ 110,796	\$ 242,782	\$ 655,205
Payroll taxes	6,782	14,134	2,410	8,107	5,999	-	37,432	8,772	8,857	17,629	55,061
Employee benefits	1,937	27,450	3,403	14,705	15,556	-	63,051	20,607	10,249	30,856	93,907
	<u>73,348</u>	<u>183,136</u>	<u>58,522</u>	<u>111,177</u>	<u>86,723</u>	<u>-</u>	<u>512,906</u>	<u>161,365</u>	<u>129,902</u>	<u>291,267</u>	<u>804,173</u>
EXPENSES											
Support to National Organization's programs	-	-	-	-	-	25,000	25,000	-	-	-	25,000
Donated food and building improvements	11,892	13,874	5,946	7,928	123,668	-	163,308	-	-	-	163,308
Professional fees	3,667	6,798	15,392	3,769	4,278	-	33,904	6,900	10,000	16,900	50,804
Printing and office supplies	3,970	4,411	1,890	2,850	10,709	-	23,830	353	353	706	24,536
Office expense	14,406	16,462	7,475	9,431	16,706	-	64,480	3,010	3,088	6,098	70,578
Telephone	2,902	3,385	1,451	1,934	3,385	-	13,057	133	133	266	13,323
Postage and shipping	2,193	2,558	1,096	1,462	2,558	-	9,867	-	3,450	3,450	13,317
Occupancy	24,022	28,027	12,011	16,015	28,027	-	108,102	6,000	6,000	12,000	120,102
Client activities	28,417	87,120	445	5,326	57,788	-	179,096	-	-	-	179,096
Special events	-	-	-	-	-	-	-	-	12,365	12,365	12,365
Repairs and maintenance	13,986	16,444	6,993	9,324	16,774	-	63,521	-	-	-	63,521
Awards, grants, scholarships, and financial aid	15,000	-	-	-	-	-	15,000	-	-	-	15,000
Subscriptions and affiliations	-	232	-	-	-	-	232	397	749	1,146	1,378
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	<u>193,803</u>	<u>362,447</u>	<u>111,221</u>	<u>169,216</u>	<u>350,616</u>	<u>25,000</u>	<u>1,212,303</u>	<u>178,158</u>	<u>166,040</u>	<u>344,198</u>	<u>1,556,501</u>
Depreciation and amortization	3,399	10,763	1,133	11,897	9,631	-	36,823	14,163	5,665	19,828	56,651
TOTAL FUNCTIONAL EXPENSES	<u>\$ 197,202</u>	<u>\$ 373,210</u>	<u>\$ 112,354</u>	<u>\$ 181,113</u>	<u>\$ 360,247</u>	<u>\$ 25,000</u>	<u>\$ 1,249,126</u>	<u>\$ 192,321</u>	<u>\$ 171,705</u>	<u>\$ 364,026</u>	<u>\$ 1,613,152</u>

**National Council of Jewish Women
New York Section
[a Non-Profit Organization]**

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services						Supporting Services			Total Functional Expenses	
	Children's Programs	Council Lifetime Learning	Resources for Women	Membership and Advocacy	Hunger Programs	National Program Support	Total Program Services	Management and General	Fundraising		Total Supporting Services
SALARIES AND RELATED EXPENSES											
Salaries	\$ 43,126	\$ 127,124	\$ 45,753	\$ 87,955	\$ 64,111	\$ -	\$ 368,069	\$ 131,974	\$ 104,823	\$ 236,797	\$ 604,866
Payroll taxes	3,657	13,359	1,635	8,240	6,255	-	33,146	8,389	8,458	16,847	49,993
Employee benefits	6,102	30,124	4,871	16,659	17,676	-	75,432	20,044	10,557	30,601	106,033
	<u>52,885</u>	<u>170,607</u>	<u>52,259</u>	<u>112,854</u>	<u>88,042</u>	<u>-</u>	<u>476,647</u>	<u>160,407</u>	<u>123,838</u>	<u>284,245</u>	<u>760,892</u>
EXPENSES											
Support to National Organization's programs	-	-	-	2,500	-	50,000	52,500	-	-	-	52,500
Donated food received for the Hunger Programs	-	-	-	-	115,864	-	115,864	-	-	-	115,864
Professional fees	3,667	5,718	19,463	2,444	4,278	-	35,570	8,890	-	8,890	44,460
Printing and office supplies	4,159	4,610	2,003	2,944	9,634	-	23,350	364	1,774	2,138	25,488
Office expense	12,782	14,761	6,702	10,445	14,761	-	59,451	4,317	4,273	8,590	68,041
Telephone	3,673	4,285	1,836	2,448	4,285	-	16,527	169	169	338	16,865
Postage and shipping	2,797	3,234	1,386	1,848	3,234	-	12,499	-	5,085	5,085	17,584
Occupancy	24,758	28,885	12,379	16,505	33,042	-	115,569	6,420	6,421	12,841	128,410
Client activities	26,038	103,553	2,411	19,744	48,091	-	199,837	-	-	-	199,837
Special events	-	-	-	-	-	-	-	-	58,187	58,187	58,187
Repairs and maintenance	15,848	18,562	7,924	10,565	20,960	-	73,859	-	-	-	73,859
Awards, grants, scholarships, and financial aid	10,000	-	-	-	-	-	10,000	-	-	-	10,000
Subscriptions and affiliations	-	609	-	-	-	-	609	1,133	1,377	2,510	3,119
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	<u>156,607</u>	<u>354,824</u>	<u>106,363</u>	<u>182,297</u>	<u>342,191</u>	<u>50,000</u>	<u>1,192,282</u>	<u>181,700</u>	<u>201,124</u>	<u>382,824</u>	<u>1,575,106</u>
Depreciation and amortization	3,349	10,607	1,116	11,723	9,490	-	36,285	13,956	5,582	19,538	55,823
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 159,956</u></u>	<u><u>\$ 365,431</u></u>	<u><u>\$ 107,479</u></u>	<u><u>\$ 194,020</u></u>	<u><u>\$ 351,681</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 1,228,567</u></u>	<u><u>\$ 195,656</u></u>	<u><u>\$ 206,706</u></u>	<u><u>\$ 402,362</u></u>	<u><u>\$ 1,630,929</u></u>

**National Council of Jewish Women,
New York Section
[a Non-Profit Organization]**

Statements of Cash Flows

	Years Ended June 30,	
	2020	2019
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
(Decrease) in net assets	\$ (247,593)	\$ (331,546)
Adjustments to reconcile (decrease) in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	56,651	55,823
Unrealized and realized gains on investments	(4,094)	(116,511)
(Increase) decrease in assets		
Contributions receivable	25,801	107,248
Prepaid expenses and other current assets	(39,693)	(477)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(5,955)	3,301
Deferred revenue	176,951	1,898
	(37,932)	(280,264)
 CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Purchase of fixed assets	(33,102)	(27,570)
Purchase of investments	(913,599)	(890,022)
Proceeds from sale of investments	1,285,553	1,220,609
	338,852	303,017
 CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Proceeds from SBA PPP loan	138,292	-
	138,292	-
 Net increase in cash and cash equivalents	439,212	22,753
 CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	161,923	139,170
 CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 601,135	\$ 161,923

See Notes to Financial Statements.

**National Council of Jewish Women
New York Section
[a Non-Profit Organization]**

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies

a. Nature of Business

The National Council of Jewish Women New York Section (“NCJW NY” or “Organization”) is a grassroots organization of volunteers and advocates who turn progressive ideals into action. Inspired by Jewish values, NCJW NY strives for social justice by improving the quality of life for women, children, and families and by safeguarding individual rights and freedoms.

Since its founding in 1894, NCJW NY has been at the forefront of social change, championing the needs of society’s most vulnerable citizens and taking stands on issues such as child welfare, reproductive rights, and immigration while also providing direct service to alleviate the effects of poverty and inequality.

NCJW NY operates community services and advocacy initiatives, impacting the lives of more than 40,000 New Yorkers. Community services includes hunger programs; arts and enrichment programming for older adults; support groups for caregivers and for the bereaved; literacy and school-readiness programs for children in economically disadvantaged communities; scholarships for students with physical challenges; as well as unique conferences, film festivals, and special events. NCJW NY is also committed to vigorous and strategic advocacy on key mission-related issues.

b. Accounting Policy

The financial statements of NCJW NY have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as detailed in the Financial Accounting Standards Codification.

c. Basis of Presentation

Effective July 1, 2018, the Organization adopted the provisions of ASU No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The financial statements are presented in accordance with the provisions of Accounting Standards Update (“ASU”) 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires the Organization to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions. The net assets without donor restrictions category represents net assets that are not subject to donor-imposed restrictions and the net assets with donor restrictions category represents net assets that are subject to time or purpose donor-imposed restrictions. ASU 2016-14 also requires liquidity and availability disclosures.

Assets accumulated, and resources received and expended by the Organization are either without donor restrictions or restricted by the donor for a particular purpose. Net assets with donor restrictions represent contributions to the Organization whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. The designation of net assets for specific purposes by the Organization itself does not constitute a basis for reclassifying them as net assets with donor restrictions.

**National Council of Jewish Women
New York Section
[a Non-Profit Organization]**

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies - Continued

d. Tax Status

NCJW NY is a not-for-profit Organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a "private foundation" under Section 509 (a).

GAAP requires management to evaluate tax positions taken by NCJW NY and recognize a tax liability if NCJW NY has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated NCJW NY's tax positions and concluded that NCJW NY had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

e. Cash and Cash Equivalents

For purposes of the statements of cash flows, NCJW NY considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Money market funds held within the brokerage accounts are presented as cash and cash equivalents. As of June 30, 2020 and 2019, money market funds included in cash and cash equivalents were \$317,314 and \$71,168, respectively.

f. 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 the present value of their estimated cash flows. As of June 30, 2020 and 2019, all receivable balances were expected to be received within one year. Conditional promises to give are not included as support until the conditions are subsequently met.

NCJW NY utilizes the allowance method to account for uncollectible contributions receivable. The allowance for doubtful accounts is based on prior year experience and management's analysis of possible bad debts. Bad debts written-off are applied against the allowance account. As of June 30, 2020 and 2019, there was no allowance recorded on the books of NCJW NY.

g. Property and Equipment

Property and equipment are carried at cost for purchased items and at fair value for contributed items at the time it is donated. Property and equipment costing in excess of \$2,000 with a useful life of greater than one year are capitalized. Major improvements are capitalized and amortized over their useful lives. Maintenance and repairs are treated as expenses.

Depreciation and amortization are provided in amounts sufficient to write-off the cost of depreciable assets, less salvage value, over their estimated useful lives. Depreciation is computed by using the straight-line method over the following estimated useful lives of the depreciable assets.

Building and building improvements	40 years
Leasehold improvements	10 years
Furniture and fixtures	5 - 10 years
Computer software	3 years

**National Council of Jewish Women
New York Section
[a Non-Profit Organization]**

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies - Continued

g. Property and Equipment - Continued

Management continually monitors events and changes in circumstances that could indicate that the carrying amount of the property and equipment may not be recoverable. When events or changes in circumstances are present, management assesses the recoverability of the property and equipment by determining whether the carrying value of the property and equipment will be recovered through the undiscounted future cash flows expected to be generated from the use and eventual disposition of the property and equipment. If the carrying amount of the property and equipment exceeds its estimated future cash flows, the impairment to be recognized is measured by the amount by which the carrying amount of the property and equipment exceeds its fair value. No such impairment loss was required for the years ended June 30, 2020 or 2019.

h. Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment income (loss) includes NCJW NY's gains and losses of investments bought and sold as well as held during the year.

i. Revenues and Support

Contributions received are generally available without donor restricted use unless specifically restricted by the donor. All donor restricted support is reported as net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to without donor restriction and reported in the statements of activities as net assets released from restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as an increase in net assets without donor restriction

NCJW NY receives dues from its members. Amounts received in advance for a future year's memberships are deferred until that year. Program fee revenue is recognized when the program takes place.

j. Contributed Services and Materials

NCJW NY receives thousands of hours of donated services from a variety of unpaid volunteers assisting with the various programs and events. No amounts have been reflected in the current year financial statements because the criteria for recognition of such volunteer effort have not been satisfied. Additionally, NCJW NY did not recognize the cost of donated materials, such as used clothing and other thrift shop saleable items, because no measurable value can be assigned to the items.

During the years ended June 30, 2020 and 2019, NCJW NY received \$109,794 and \$115,864, respectively, of donated food for its Hunger Program. During the years ended June 30, 2020 and 2019, NCJW NY received \$53,515 and \$-0-, respectively, of donated service related to building renovations.

These amounts have been included on the statements of activities within contributions and grants.

**National Council of Jewish Women
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Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies - Continued

k. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. All direct costs are allocated directly to the program or support services. Costs related to overhead, such as professional fees, printing and office supplies, office expenses, telephone, postage and shipping, and repairs and maintenance have been allocated based on the size of the program or department.

l. Concentrations of Credit Risk

NCJW NY maintains cash balances in several financial institutions. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation ("FDIC"). From time to time, NCJW NY's balances exceed the federal insured limits. The Organization also maintains cash balances in money market funds which are insured through the Securities Investor Protection Corporation ("SIPC"). From time to time, NCJW NY's money market balance may exceed the insured limits of the SIPC.

m. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

n. Newly Adopted Accounting Pronouncement

The Organization adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The standard was adopted for the fiscal year ended June 30, 2020. There was no impact on the recognition of contributions and grants for the fiscal year ended June 30, 2020.

o. Recent Accounting Pronouncements

In June 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires a not-for-profit organization to provide additional disclosures on the contributed nonfinancial assets with the intent to improve transparency in the reporting of contributed nonfinancial assets. The ASU is effective for fiscal years beginning after June 15, 2021.

p. Evaluation of Subsequent Events

NCJW NY evaluated subsequent events for potential recognition or disclosure through October 19, 2020, the date the financial statements were available to be issued.

**National Council of Jewish Women
New York Section
[a Non-Profit Organization]**

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 2 - Investments

Investments are stated at fair market value and are summarized as follows:

	June 30, 2020		
	Cost	Fair Value	Unrealized Gain (Loss)
Equities	\$ 860,696	\$ 852,705	\$ (7,991)
Fixed income			
Government securities	439,308	466,411	27,103
Corporate bonds	192,759	207,583	14,824
Mutual funds	677,978	767,289	89,311
Totals	\$ 2,170,741	\$ 2,293,988	\$ 123,247
	June 30, 2019		
	Cost	Fair Value	Unrealized Gain
Equities	\$ 927,807	\$ 1,045,609	\$ 117,802
Fixed income			
Government securities	559,845	572,718	12,873
Corporate bonds	277,295	292,425	15,130
Mutual funds	658,444	751,096	92,652
Totals	\$ 2,423,391	\$ 2,661,848	\$ 238,457

These investments are held for the following purposes:

	June 30,	
	2020	2019
Without donor restriction investments	\$ 1,722,805	\$ 2,230,808
With donor restriction investments	571,183	431,040
Total	\$ 2,293,988	\$ 2,661,848

NCJW NY invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the statements of financial position.

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Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 2 - Investments - Continued

NCJW NY applies Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NCJW NY groups investments at fair value into three levels based on the markets in which the investments are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Inputs that reflect unadjusted quoted market prices in active exchange markets for identical assets or liabilities that NCJW NY has the ability to access at the measurement date.

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

Level 3 - Inputs that are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimate.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lower level of input that is significant to the fair value measurement. NCJW NY's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. Below are the valuation techniques used by NCJW NY to measure different financial instruments at fair value, and the level within the fair value hierarchy in which the financial instrument is categorized.

Government and Corporate Bonds

These investments are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

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Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 2 - Investments - Continued

The fair value hierarchy at June 30, 2020 and 2019 are as follows:

	June 30, 2020			
	Total	Level 1	Level 2	Level 3
<u>Assets</u>				
Equities				
Common stocks	\$ 852,705	\$ 852,705	\$ -	\$ -
Bonds				
Corporate bonds	207,583	-	207,583	-
Government bonds	466,411	-	466,411	-
Mutual funds				
Equities	767,289	767,289	-	-
Total	<u>\$ 2,293,988</u>	<u>\$ 1,619,994</u>	<u>\$ 673,994</u>	<u>\$ -</u>
June 30, 2019				
	Total	Level 1	Level 2	Level 3
<u>Assets</u>				
Equities				
Common stocks	\$ 1,045,609	\$ 1,045,609	\$ -	\$ -
Bonds				
Corporate bonds	292,425	-	292,425	-
Government bonds	572,718	-	572,718	-
Mutual funds				
Equities	751,096	751,096	-	-
Total	<u>\$ 2,661,848</u>	<u>\$ 1,796,705</u>	<u>\$ 865,143</u>	<u>\$ -</u>

Note 3 - Property and Equipment, Net

Property and equipment consist of the following:

	June 30,	
	2020	2019
Land	\$ 63,000	\$ 63,000
Building and building improvements	2,415,479	2,382,377
Furniture and fixtures	127,742	127,742
Computer software	23,575	23,575
Total	<u>2,629,796</u>	<u>2,596,694</u>
Less accumulated depreciation and amortization	<u>1,005,382</u>	<u>948,731</u>
Property and equipment, net	<u>\$ 1,624,414</u>	<u>\$ 1,647,963</u>

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Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 4 - Net Assets with Donor Restrictions

Purpose restricted net assets at June 30, 2020 and 2019 are as follows:

	June 30,	
	2020	2019
Children's services	\$ 1,620	\$ 17,336
Scholarships	79,999	102,225
Council Lifetime Learning	239,564	60,847
Support groups	-	632
	<u> </u>	<u> </u>
Total	<u>\$ 321,183</u>	<u>\$ 181,040</u>

Donor restricted net assets that are perpetual in nature at June 30, 2020 and 2019 are as follows:

	June 30,	
	2020	2019
Jewish Women's Resource Center	\$ 200,000	\$ 200,000
Pregnancy Loss Support Program	50,000	50,000
	<u> </u>	<u> </u>
Total	<u>\$ 250,000</u>	<u>\$ 250,000</u>

The permanently restricted funds making up the Jewish Women's Resource Center consist of two bequests of \$100,000 each. In keeping with the donors' intention, the donors' original contributions are to be permanently restricted and NCJW NY is to use the investment income generated from the funds to support activities of the Jewish Women's Resource Center. The permanently restricted funds making up the Pregnancy Loss Support Program consists of a single bequest of \$50,000. In keeping with the donor's intention, the donor's original contribution is to be permanently restricted and NCJW NY is to use the investment income generated from the funds to support activities of the Pregnancy Loss Support Program. Investment income generated from these funds is presented as unrestricted interest and dividends as the designated funds are released in the same fiscal year they are earned.

Note 5 - Pension Plan

NCJW NY sponsors a defined contribution pension plan covering all employees who meet specific eligibility requirements. NCJW NY contributes to the plan for each participant an amount equal to 3% of the participant's compensation, provided the participant contributes at least 2.5% of his or her compensation. Both the participant's and employer's contributions are fully vested at all times. For the fiscal years ended June 30, 2020 and 2019, pension expense was \$10,031 and \$8,908, respectively.

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Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 6 - Rental Income

Beginning April 2017, NCJW NY entered into a rental agreement with an outside party to rent a portion of the property at 241 West 72nd Street for designated periods. Per the agreement, the outside party is to rent the premises for "Regularly Scheduled Use" which consists of only the Jewish Sabbath unless NCJW NY is notified otherwise in advance. The rental agreement is set to end July 31, 2026.

Additionally, the outside party is able to rent the premises for supplemental use which includes any other Jewish holiday or for the outside party's own programming use. The outside party is also able to rent the premises for half-day use at a reduced rent.

Total rental income for the years ended June 30, 2020 and 2019 was \$49,285 and \$67,340, respectively.

Future expected rental income is as follows:

For the fiscal years ending June 30,

2021	\$ 65,620
2022	67,700
2023	69,780
2024	59,125
2025 and thereafter	<u>139,808</u>
	<u>\$ 402,033</u>

Note 7 - Supplemental Cash Flow Disclosure

For the years ended June 30, 2020 and 2019, there was no cash paid for interest or income taxes.

Note 8 - Small Business Administration ("SBA") Paycheck Protection Program ("PPP") Loan

On May 4, 2020, the Organization was granted a loan (the "Loan"), which was in the form of a note, from HSBC in the amount of \$138,292, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, which was enacted March 27, 2020. The Loan matures on May 4, 2022 unless the Organization and lender mutually agree to extend the maturity of the loan from two years to five years. The Loan bears interest at a rate of 1% per annum. The note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. As of the date of the audit report, the Organization has spent all of the loan proceeds on qualifying expenses and is moving forward with preparing the forgiveness application.

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Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 9 - Risks and Uncertainties

The Organization's continuing operations have been affected by the recent and ongoing outbreak of the coronavirus ("COVID-19") which was declared a pandemic by the World Health Organization in March 2020. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and the actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including New York City, where the Organization operates and where the virus hit early and extremely hard. The Organization was forced to shut down almost all in-person programming in late March, except for its Hunger Program, which immediately adapted its service delivery model and continued uninterrupted. Other programs were either suspended or gradually transferred onto virtual platforms. The Organization was forced to postpone its annual Spring Gala for a year, leaving a revenue gap in fiscal year 2020 as well as an anticipated gap in fiscal year 2021. The Organization did receive several significant one-time emergency grants which offset much of the lost revenue experienced from the coronavirus. However, as COVID-19 is still impacting many regions of the country, there is still uncertainty regarding the future impact on the Organization's programming and finances.

Note 10 - Liquidity and Availability

The following reflects the Organization's financial assets as of the statements of financial position date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statements of financial position date. Amounts not available include funds restricted for program use and amounts that are perpetually restricted in nature.

Financial assets, at year-end	\$ 2,900,123
Less those unavailable for general expenditures within one year, due to	
Restricted for program and/or purpose	(321,183)
Perpetual in nature	<u>(250,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,328,940</u></u>

The Organization is a social service and advocacy organization which runs various programs and activities for the benefit of the community. In order to meet its responsibilities, the Organization must maintain sufficient resources. Should a situation arise in which the Organization needs available cash, the funds are drawn out of the investment account. These accounts are reviewed and monitored on a regular basis. If a need arises to raise significant amounts of liquidity, the Organization currently owns its current location in New York City and can either mortgage or sell the asset to raise additional funds. The building has an estimated value of \$7 million based on recent comparable sales and on insured value.