

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

Financial Statements

Years Ended June 30, 2021 and 2020

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

Financial Statements

Years Ended June 30, 2021 and 2020

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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, 2021 and 2020, 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Council of Jewish Women New York Section, as of June 30, 2021 and 2020, 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 13, 2021

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

Statements of Financial Position

	June 30,	
	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 318,957	\$ 601,135
Contributions receivable	42,215	5,000
Prepaid expenses and other current assets	55,117	55,401
Total current assets	416,289	661,536
PROPERTY AND EQUIPMENT, NET	1,580,569	1,624,414
OTHER ASSETS		
Investments	2,932,566	2,293,988
Total other assets	2,932,566	2,293,988
TOTAL ASSETS	\$ 4,929,424	\$ 4,579,938
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 43,165	\$ 40,107
Deferred revenue	85,976	194,638
Tenant security deposit payable	7,750	7,750
Total current liabilities	136,891	242,495
OTHER LIABILITIES		
Small Business Administration (SBA) Paycheck Protection Program (PPP)	-	138,292
Total other liabilities	-	138,292
NET ASSETS		
Without donor restrictions	3,978,140	3,627,968
With donor restrictions	814,393	571,183
Total net assets	4,792,533	4,199,151
TOTAL LIABILITIES AND NET ASSETS	\$ 4,929,424	\$ 4,579,938

See Notes to Financial Statements.

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

Statement of Activities

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and grants, including \$118,718 of in-kind donations	\$ 834,121	\$ 130,763	\$ 964,884
Legacies and bequests	5,440	109,383	114,823
Special events	361,814	-	361,814
Membership and program fee revenue	19,278	-	19,278
PPP grant income	138,292	-	138,292
Interest and dividends, net of investment fees of \$21,870	28,202	11,259	39,461
Unrealized and realized gains on investments	379,263	85,277	464,540
License fees	30,110	-	30,110
Net revenues and support	1,796,520	336,682	2,133,202
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of donor restrictions	93,472	(93,472)	-
FUNCTIONAL EXPENSES			
Program services	1,176,360	-	1,176,360
Supporting services			
Management and general	184,816	-	184,816
Fundraising	178,644	-	178,644
Total supporting expenses	363,460	-	363,460
Total functional expenses	1,539,820	-	1,539,820
Increase in net assets	350,172	243,210	593,382
NET ASSETS, beginning of year	3,627,968	571,183	4,199,151
NET ASSETS, end of year	\$ 3,978,140	\$ 814,393	\$ 4,792,533

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
License fees	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, beginning of year	4,015,704	431,040	4,446,744
NET ASSETS, end of year	\$ 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 Functional Expenses

Year Ended June 30, 2021

	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	\$ 53,084	\$ 135,774	\$ 46,764	\$ 85,833	\$ 73,925	\$ -	\$ 395,380	\$ 126,730	\$ 111,740	\$ 238,470	\$ 633,850
Payroll taxes	3,829	14,130	1,915	8,334	7,442	-	35,650	8,646	9,050	17,696	53,346
Employee benefits	3,969	25,791	1,985	13,402	15,301	-	60,448	19,798	12,808	32,606	93,054
	<u>60,882</u>	<u>175,695</u>	<u>50,664</u>	<u>107,569</u>	<u>96,668</u>	<u>-</u>	<u>491,478</u>	<u>155,174</u>	<u>133,598</u>	<u>288,772</u>	<u>780,250</u>
EXPENSES											
Support to National Organization's programs	-	-	-	2,500	-	25,000	27,500	-	-	-	27,500
Donated food received for the Hunger Programs	-	-	-	-	118,718	-	118,718	-	-	-	118,718
Professional fees	2,605	2,605	13,927	2,605	7,816	-	29,558	5,500	-	5,500	35,058
Printing and office supplies	713	962	237	713	11,019	-	13,644	144	144	288	13,932
Office expense	8,087	8,579	2,713	8,185	24,261	-	51,825	3,116	3,653	6,769	58,594
Telephone	1,964	1,964	654	1,964	5,891	-	12,437	125	125	250	12,687
Postage and shipping	1,683	1,683	561	1,683	5,050	-	10,660	-	2,026	2,026	12,686
Occupancy	14,901	14,900	4,967	14,901	44,702	-	94,371	5,243	5,243	10,486	104,857
Client activities	17,723	41,409	1,150	3,608	144,814	-	208,704	-	-	-	208,704
Special events	-	-	-	-	-	-	-	-	26,592	26,592	26,592
Repairs and maintenance	9,175	9,175	3,058	9,175	29,492	-	60,075	-	-	-	60,075
Awards, grants, scholarships, and financial aid	20,000	-	-	-	-	-	20,000	-	-	-	20,000
Subscriptions and affiliations	-	288	-	-	-	-	288	1,292	1,574	2,866	3,154
Miscellaneous	-	125	-	-	-	-	125	-	-	-	125
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	<u>137,733</u>	<u>257,385</u>	<u>77,931</u>	<u>152,903</u>	<u>488,431</u>	<u>25,000</u>	<u>1,139,383</u>	<u>170,594</u>	<u>172,955</u>	<u>343,549</u>	<u>1,482,932</u>
Depreciation and amortization	3,413	10,809	1,138	11,946	9,671	-	36,977	14,222	5,689	19,911	56,888
TOTAL FUNCTIONAL EXPENSES	<u>\$ 141,146</u>	<u>\$ 268,194</u>	<u>\$ 79,069</u>	<u>\$ 164,849</u>	<u>\$ 498,102</u>	<u>\$ 25,000</u>	<u>\$ 1,176,360</u>	<u>\$ 184,816</u>	<u>\$ 178,644</u>	<u>\$ 363,460</u>	<u>\$ 1,539,820</u>

**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]**

Statements of Cash Flows

	Years Ended June 30,	
	2021	2020
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 593,382	\$ (247,593)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	56,888	56,651
Unrealized and realized gains on investments	(464,540)	(4,094)
PPP grant income	(138,292)	-
(Increase) decrease in assets		
Contributions receivable	(37,215)	25,801
Prepaid expenses and other current assets	284	(39,693)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	3,058	(5,955)
Deferred revenue	(108,662)	176,951
	(95,097)	(37,932)
 CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Purchase of fixed assets	(13,043)	(33,102)
Purchase of investments	(1,419,459)	(913,599)
Proceeds from sale of investments	1,245,421	1,285,553
	(187,081)	338,852
 CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Proceeds from SBA PPP loan	-	138,292
	-	138,292
 Net increase (decrease) in cash and cash equivalents	(282,178)	439,212
 CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	601,135	161,923
 CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 318,957	\$ 601,135

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, 2021 and 2020

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 reproductive and economic justice for women.

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
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Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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, 2021 and 2020, money market funds included in cash and cash equivalents were \$182,612 and \$317,314, 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, 2021 and 2020, 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, 2021 and 2020, 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
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Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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, 2021 or 2020.

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 Recognition

The Organization derives its revenue primarily from contributions and grants which follows the guidance under Topic 958 – *Non-Profit Entities*. Additionally, the Organization receives support from fundraising activities, such as special events, membership dues, and program fees. Under ASC Topic 606, revenue is recognized when performance obligations to a customer are satisfied and revenue is earned.

Special Events

Fundraising revenue is comprised of payments received from third parties (individuals and corporations) to support and/or attend fundraising events. Fundraising revenue includes an exchange transaction component for the value of the goods or services received, which follows revenue recognition guidance under ASC Topic 606. The amount paid by individuals and corporations that is above the value of goods or services received is considered a contribution. Revenue is recognized at the time the fundraising event occurs.

Membership dues

NCJW NY receives dues from its members. Amounts received in advance for a future year's membership are deferred until that year. While the membership comes with various benefits, the Organization does not consider the goods and services to be distinct, and therefore, there is only one performance obligation. The Organization considers the performance obligation of the membership to be realized over the course of the membership year and therefore recognizes revenue ratably over that period. All memberships follow the Organization's fiscal year.

**National Council of Jewish Women
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Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies - Continued

i. Revenues and Support Recognition - Continued

Program fees

The Organization provides various programs for its members outside of the membership costs. Under ASC Topic 606, the Organization considers each individual program to be its own performance obligation. The Organization recognizes the performance obligation once the program has occurred at the amount of consideration received.

Contributions

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

In accordance with ASC subtopic 958-605, *Revenue Recognition*, the Organization must determine whether a contribution or a promise is conditional or unconditional for transactions deemed to be a contribution. The contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance related barrier or other measurable barrier a stipulation that limits discretion by the recipient on the conduct of an activity and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

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.

During the years ended June 30, 2021 and 2020, NCJW NY received \$118,718 and \$109,794, respectively, of donated food for its Hunger Program. During the years ended June 30, 2021 and 2020, NCJW NY received \$-0- and \$53,515, 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, 2021 and 2020

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

On July 1, 2020 National Council of Jewish Women New York Section adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), an accounting pronouncement issued by the FASB, as well as subsequently issue clarifying ASUs, which clarifies guidance on revenue recognition. This guidance includes the required steps to achieve the core principle that an organization should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which National Council of Jewish Women New York Section expects to be entitled in exchange for those goods or services. National Council of Jewish Women New York Section adopted this pronouncement on a modified retrospective basis for all ongoing customer contracts. The results of operations for the periods after July 1, 2020 is presented under this amended guidance, while prior period amounts are not adjusted and continue to be reported in accordance with historical accounting guidance. The adoption of this pronouncement had no impact on net assets and results of operations but resulted in additional disclosures. ASC 606 does not apply to all revenue recognized by National Council of Jewish Women New York Section. See footnotes for further details.

**National Council of Jewish Women
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Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies - Continued

o. Recent Accounting Pronouncements

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether the lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. The new standard is effective for fiscal years beginning after December 15, 2021, and to interim periods within fiscal years beginning after December 15, 2022. The Organization is in the process of evaluating the impact of this new guidance.

In September 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*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for fiscal years beginning after June 15, 2021, and for interim periods within annual periods beginning after June 15, 2022. The Organization is currently evaluating the impact of this new guidance on its financial statements.

p. Evaluation of Subsequent Events

NCJW NY evaluated subsequent events for potential recognition or disclosure through October 13, 2021, the date the financial statements were available to be issued.

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Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 2 - Investments

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

	June 30, 2021		
	Cost	Fair Value	Unrealized Gain
Equities	\$ 853,919	\$ 1,036,186	\$ 182,267
Fixed income			
Government securities	556,447	566,152	9,705
Corporate bonds	276,248	282,960	6,712
Mutual funds	834,408	1,047,268	212,860
Total	\$ 2,521,022	\$ 2,932,566	\$ 411,544

	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
Total	\$ 2,170,741	\$ 2,293,988	\$ 123,247

These investments are held for the following purposes:

	June 30,	
	2021	2020
Without donor restriction investments	\$ 2,118,173	\$ 1,722,805
With donor restriction investments	814,393	571,183
Total	\$ 2,932,566	\$ 2,293,988

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, 2021 and 2020

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, 2021 and 2020

Note 2 - Investments - Continued

The fair value hierarchy at June 30, 2021 and 2020 are as follows:

	June 30, 2021			
	Total	Level 1	Level 2	Level 3
<u>Assets</u>				
Equities				
Common stocks	\$ 1,036,186	\$ 1,036,186	\$ -	\$ -
Bonds				
Corporate bonds	282,960	-	282,960	-
Government bonds	566,152	-	566,152	-
Mutual funds				
Equities	1,047,268	1,047,268	-	-
Total	\$ 2,932,566	\$ 2,083,454	\$ 849,112	\$ -
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	\$ 2,293,988	\$ 1,619,994	\$ 673,994	\$ -

Note 3 - Property and Equipment, Net

Property and equipment consist of the following:

	June 30,	
	2021	2020
Land	\$ 63,000	\$ 63,000
Building and building improvements	2,428,522	2,415,479
Furniture and fixtures	127,742	127,742
Computer software	23,575	23,575
Total	2,642,839	2,629,796
Less accumulated depreciation and amortization	1,062,270	1,005,382
Property and equipment, net	\$ 1,580,569	\$ 1,624,414

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Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 4 - Net Assets with Donor Restrictions

Purpose restricted net assets at June 30, 2021 and 2020 are as follows:

	June 30,	
	2021	2020
Children's services	\$ 12,544	\$ 1,620
Scholarships	64,243	79,999
Council Lifetime Learning	361,573	239,564
Support groups	1,000	-
Advocacy	5,000	-
Hunger program	120,032	-
Total	<u>\$ 564,392</u>	<u>\$ 321,183</u>

Donor restricted net assets that are perpetual in nature at June 30, 2021 and 2020 are as follows:

	June 30,	
	2021	2020
Jewish Women's Resource Center	\$ 200,000	\$ 200,000
Pregnancy Loss Support Program	50,000	50,000
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, 2021 and 2020, pension expense was \$12,757 and \$10,031, respectively.

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Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 6 – License Fees

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

Additionally, the outside party is able to license 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 license the premises for half-day use at a reduced fee.

Total license fees for the years ended June 30, 2021 and 2020 was \$30,110 and \$49,285, respectively.

Future expected license fees is as follows:

For the fiscal years ending June 30,	
2022	\$ 67,700
2023	69,780
2024	71,869
2025	74,028
2026	65,780
	<u>\$ 349,157</u>

Note 7 - Supplemental Cash Flow Disclosure

For the years ended June 30, 2021 and 2020, 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, 2021. 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, 2021. 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.

On March 24, 2021, the Organization was notified by the Small Business Administration (“SBA”) that under the terms of the PPP, the Loan has been fully forgiven. Accordingly, the Organization has recognized debt forgiveness income under “PPP grant income” in the amount of \$138,292.

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Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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. 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 of 2020, 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. This continued throughout fiscal year 2021. Financial results in fiscal year 2021 were surprisingly strong given the ongoing pandemic. The Organization transformed its annual spring gala into a virtual event, bringing in somewhat lower revenues that were offset by lower costs, netting a profit close to budget. In addition, the Organization continued to receive strong COVID-related support from both individuals and institutions, from both existing and new donors, mostly in support of its Hunger Program. This support offset much of the lost revenue experienced from the coronavirus. Lastly, the Organization's reserve funds benefited from the unusual and unexpected growth in the stock market. Despite the strong result in fiscal year 2021, COVID-19's impact is once again on the rise in many regions of the country, creating 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 statement of financial position date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include funds restricted for program use and amounts that are perpetually restricted in nature.

	June 30,	
	2021	2020
Financial assets, at year-end	\$ 3,293,738	\$ 2,900,123
Less those unavailable for general expenditures within one year, due to		
Restricted for program and/or purpose	(564,392)	(321,183)
Perpetual in nature	(250,000)	(250,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,479,346	\$ 2,328,940

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.