

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

Financial Statements

Years Ended June 30, 2017 and 2016

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

Financial Statements

Years Ended June 30, 2017 and 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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

Clifton, New Jersey
October 10, 2017

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

Statements of Financial Position

		June 30,	
		2017	2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$	236,146	\$ 115,241
Contributions receivable		19,945	44,285
Prepaid expenses and other current assets		31,184	34,622
Total current assets		287,275	194,148
PROPERTY AND EQUIPMENT, NET		1,731,355	1,783,222
OTHER ASSETS			
Investments		3,117,265	3,221,445
Total other assets		3,117,265	3,221,445
TOTAL ASSETS		\$ 5,135,895	\$ 5,198,815
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$	50,937	\$ 39,182
Deferred revenue		5,078	2,232
Tenant security deposit payable		7,750	7,750
Total current liabilities		63,765	49,164
NET ASSETS			
Unrestricted		4,534,702	4,583,031
Temporarily restricted		287,428	316,620
Permanently restricted		250,000	250,000
Total net assets		5,072,130	5,149,651
TOTAL LIABILITIES AND NET ASSETS		\$ 5,135,895	\$ 5,198,815

See Independent Auditor's Report and Notes to Financial Statements.

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

Statement of Activities

Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT				
Contributions and grants, including \$164,353 of in-kind donations	\$ 540,978	\$ 61,983	\$ -	\$ 602,961
Legacies and bequests	90,374	-	-	90,374
Special events	552,039	51,585	-	603,624
Less donor received benefit	(52,750)	-	-	(52,750)
Thrift shop sales	427,873	-	-	427,873
Less thrift shop operating costs	(415,315)	-	-	(415,315)
Membership and program fee revenue	137,755	-	-	137,755
Interest and dividends, net of investment fees of \$26,551	42,133	7,522	6,398	56,053
Unrealized and realized gains on investments	156,001	17,084	14,531	187,616
Rental income	60,050	-	-	60,050
Net revenues and support	<u>1,539,138</u>	<u>138,174</u>	<u>20,929</u>	<u>1,698,241</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of donor restrictions	<u>188,295</u>	<u>(167,366)</u>	<u>(20,929)</u>	<u>-</u>
FUNCTIONAL EXPENSES				
Program services	<u>1,376,657</u>	<u>-</u>	<u>-</u>	<u>1,376,657</u>
Supporting services				
General and administrative expenses	196,954	-	-	196,954
Fundraising	<u>202,151</u>	<u>-</u>	<u>-</u>	<u>202,151</u>
Total supporting expenses	<u>399,105</u>	<u>-</u>	<u>-</u>	<u>399,105</u>
Total functional expenses	<u>1,775,762</u>	<u>-</u>	<u>-</u>	<u>1,775,762</u>
(Decrease) in net assets	(48,329)	(29,192)	-	(77,521)
NET ASSETS, beginning of year	<u>4,583,031</u>	<u>316,620</u>	<u>250,000</u>	<u>5,149,651</u>
NET ASSETS, end of year	<u>\$ 4,534,702</u>	<u>\$ 287,428</u>	<u>\$ 250,000</u>	<u>\$ 5,072,130</u>

See Independent Auditor's Report and Notes to Financial Statements.

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

Statement of Activities

Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and Support				
Contributions and grants, including \$117,098 of in-kind donations	\$ 442,614	\$ 115,019	\$ -	\$ 557,633
Legacies and bequests	35,577	-	-	35,577
Special events	471,989	-	-	471,989
Less donor received benefit	(51,650)	-	-	(51,650)
Thrift shop sales	406,590	-	-	406,590
Less thrift shop operating costs	(367,915)	-	-	(367,915)
Membership and program fee revenue	145,746	-	-	145,746
Interest and dividends, net of investment fees of \$25,711	45,943	7,872	6,554	60,369
Unrealized and realized (losses) on investments	50,689	5,569	4,636	60,894
Rental income	59,100	-	-	59,100
Net revenues and support	<u>1,238,683</u>	<u>128,460</u>	<u>11,190</u>	<u>1,378,333</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of donor restrictions	<u>123,760</u>	<u>(112,570)</u>	<u>(11,190)</u>	<u>-</u>
FUNCTIONAL EXPENSES				
Program services	<u>1,302,858</u>	<u>-</u>	<u>-</u>	<u>1,302,858</u>
Supporting services				
General and administrative expenses	181,578	-	-	181,578
Fundraising	179,010	-	-	179,010
Total supporting expenses	<u>360,588</u>	<u>-</u>	<u>-</u>	<u>360,588</u>
Total functional expenses	<u>1,663,446</u>	<u>-</u>	<u>-</u>	<u>1,663,446</u>
Increase (decrease) in net assets	(301,003)	15,890	-	(285,113)
NET ASSETS, beginning of year	<u>4,884,034</u>	<u>300,730</u>	<u>250,000</u>	<u>5,434,764</u>
NET ASSETS, end of year	<u>\$ 4,583,031</u>	<u>\$ 316,620</u>	<u>\$ 250,000</u>	<u>\$ 5,149,651</u>

See Independent Auditor's Report and Notes to Financial Statements.

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

Statement of Functional Expenses

Year Ended June 30, 2017

	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	\$ 50,640	\$ 122,622	\$ 49,815	\$ 85,535	\$ 80,503	\$ -	\$ 389,115	\$ 128,518	\$ 104,204	\$ 232,722	\$ 621,837
Payroll taxes	3,874	16,625	2,582	7,947	4,519	-	35,547	8,311	8,572	16,883	52,430
Employee benefits	6,693	34,764	4,462	14,306	13,649	-	73,874	18,589	11,070	29,659	103,533
	<u>61,207</u>	<u>174,011</u>	<u>56,859</u>	<u>107,788</u>	<u>98,671</u>	<u>-</u>	<u>498,536</u>	<u>155,418</u>	<u>123,846</u>	<u>279,264</u>	<u>777,800</u>
EXPENSES											
Support to National Organization's programs	-	-	2,500	-	-	109,500	112,000	-	-	-	112,000
Donated books	203	-	-	-	-	-	203	-	-	-	203
Donated goods for Back to School Store	24,979	-	-	-	-	-	24,979	-	-	-	24,979
Donated food received for the Hunger Programs	-	-	-	-	139,171	-	139,171	-	-	-	139,171
Professional fees	3,938	3,938	14,386	2,250	3,938	-	28,450	18,879	-	18,879	47,329
Printing and office supplies	4,100	4,035	3,101	2,613	8,457	-	22,306	1,822	2,213	4,035	26,341
Office expense	18,138	15,918	7,260	12,998	15,818	-	70,132	4,491	2,086	6,577	76,709
Telephone	3,935	3,935	1,686	2,249	3,935	-	15,740	161	161	322	16,062
Postage and shipping	2,397	2,397	1,027	1,370	2,397	-	9,588	-	4,819	4,819	14,407
Occupancy	31,070	31,135	13,053	17,501	31,135	-	123,894	1,331	-	1,331	125,225
Client activities	30,410	99,918	3,603	44,282	52,181	-	230,394	-	-	-	230,394
Special events	-	-	-	-	-	-	-	-	62,611	62,611	62,611
Repairs and maintenance	15,227	15,372	6,526	8,701	15,837	-	61,663	678	-	678	62,341
Awards, grants, scholarships, and financial aid	5,000	-	-	-	-	-	5,000	-	-	-	5,000
Subscriptions and affiliations	-	297	105	-	-	-	402	1,021	1,154	2,175	2,577
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	<u>200,604</u>	<u>350,956</u>	<u>110,106</u>	<u>199,752</u>	<u>371,540</u>	<u>109,500</u>	<u>1,342,458</u>	<u>183,801</u>	<u>196,890</u>	<u>380,691</u>	<u>1,723,149</u>
Depreciation and amortization	3,157	9,997	1,052	11,049	8,944	-	34,199	13,153	5,261	18,414	52,613
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 203,761</u></u>	<u><u>\$ 360,953</u></u>	<u><u>\$ 111,158</u></u>	<u><u>\$ 210,801</u></u>	<u><u>\$ 380,484</u></u>	<u><u>\$ 109,500</u></u>	<u><u>\$ 1,376,657</u></u>	<u><u>\$ 196,954</u></u>	<u><u>\$ 202,151</u></u>	<u><u>\$ 399,105</u></u>	<u><u>\$ 1,775,762</u></u>

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

Statement of Functional Expenses

Year Ended June 30, 2016

	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	\$ 65,676	\$ 116,447	\$ 49,566	\$ 92,732	\$ 82,399	\$ -	\$ 406,820	\$ 121,436	\$ 95,924	\$ 217,360	\$ 624,180
Payroll taxes	3,800	17,602	2,720	8,429	4,761	-	37,312	8,831	8,056	16,887	54,199
Employee benefits	5,505	27,034	3,146	10,516	5,505	-	51,706	12,149	9,568	21,717	73,423
	<u>74,981</u>	<u>161,083</u>	<u>55,432</u>	<u>111,677</u>	<u>92,665</u>	<u>-</u>	<u>495,838</u>	<u>142,416</u>	<u>113,548</u>	<u>255,964</u>	<u>751,802</u>
EXPENSES											
Support to National Organization's programs	-	-	2,500	-	-	109,500	112,000	-	-	-	112,000
Donated services	-	-	-	4,000	-	-	4,000	11,750	-	11,750	15,750
Donated food received for the Hunger Programs	-	-	-	-	101,348	-	101,348	-	-	-	101,348
Professional fees	6,034	5,280	13,061	3,017	5,280	-	32,672	5,000	6,733	11,733	44,405
Printing and office supplies	4,812	3,890	1,069	2,187	9,416	-	21,374	495	1,295	1,790	23,164
Office expense	18,968	13,599	6,961	12,728	13,784	-	66,040	3,584	1,926	5,510	71,550
Telephone	5,102	3,623	1,553	2,070	3,623	-	15,971	153	153	306	16,277
Postage and shipping	1,773	1,551	665	886	1,551	-	6,426	-	4,027	4,027	10,453
Occupancy	29,853	28,068	11,195	14,926	26,121	-	110,163	1,166	-	1,166	111,329
Client activities	25,303	82,001	5,106	26,220	95,852	-	234,482	-	-	-	234,482
Special events	-	-	-	-	-	-	-	-	45,017	45,017	45,017
Repairs and maintenance	16,646	14,791	6,202	8,269	15,041	-	60,949	1,227	-	1,227	62,176
Awards, grants, scholarships, and financial aid	5,000	-	-	-	-	-	5,000	-	299	299	5,299
Subscriptions and affiliations	-	195	-	-	-	-	195	1,787	412	2,199	2,394
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	<u>188,472</u>	<u>314,081</u>	<u>103,744</u>	<u>185,980</u>	<u>364,681</u>	<u>109,500</u>	<u>1,266,458</u>	<u>167,578</u>	<u>173,410</u>	<u>340,988</u>	<u>1,607,446</u>
Depreciation and amortization	3,360	10,640	1,120	11,760	9,520	-	36,400	14,000	5,600	19,600	56,000
TOTAL FUNCTIONAL EXPENSES	<u>\$ 191,832</u>	<u>\$ 324,721</u>	<u>\$ 104,864</u>	<u>\$ 197,740</u>	<u>\$ 374,201</u>	<u>\$ 109,500</u>	<u>\$ 1,302,858</u>	<u>\$ 181,578</u>	<u>\$ 179,010</u>	<u>\$ 360,588</u>	<u>\$ 1,663,446</u>

See Independent Auditor's Report and Notes to Financial Statements.

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

Statements of Cash Flows

	Years Ended June 30,	
	2017	2016
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITES		
Net (decrease) in net assets	\$ (77,521)	\$ (285,113)
Adjustments to reconcile net (decrease) in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	53,977	57,362
Unrealized and realized (gains) losses on investments	(187,616)	(60,894)
(Increase) decrease in assets		
Contributions receivable	24,340	37,766
Prepaid expenses and other current assets	3,438	(5,231)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	11,755	(23,351)
Deferred revenue	2,846	(5,679)
	(168,781)	(285,140)
 CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITES		
Purchase of fixed assets	(2,110)	-
Purchase of investments	(701,001)	(996,663)
Proceeds from sale of investments	992,797	998,208
	289,686	1,545
 Net increase (decrease) in cash and cash equivalents	120,905	(283,595)
 CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	115,241	398,836
 CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 236,146	\$ 115,241

See Independent Auditor's Report and Notes to Financial Statements.

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

Notes to Financial Statements

Years Ended June 30, 2017 and 2016

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 48,000 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

NCJW NY is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets - Net assets that are not limited or restricted by donors. They generally arise as a result of exchange transactions, unrestricted contributions, or restricted contributions whose restrictions have expired.

Temporarily Restricted Net Assets - Net assets whose use is limited by donors for the purpose and/or time in which they may be expended. Eventually, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as satisfaction of usage restriction as their time or purpose requirements are met.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

**National Council of Jewish Women
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Notes to Financial Statements

Years Ended June 30, 2017 and 2016

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).

Accounting principles generally accepted in the United States of America require 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, 2017 and 2016, money market funds included in cash and cash equivalents were \$115,947 and \$68,131, 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, 2017 and 2016, 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, 2017 and 2016, 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, 2017 and 2016

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, 2017 or 2016.

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 for unrestricted use unless specifically restricted by the donor. All donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

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. Sales revenue is recognized upon the sale of the thrift shop's merchandise.

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 does 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, 2017 and 2016, NCJW NY received \$-0- and \$15,750, respectively, of donated professional services. During the years ended June 30, 2017 and 2016, NCJW NY received \$139,171 and \$101,348, respectively, of donated food for their Hunger Program. During the years ended June 30, 2017 and 2016, NCJW NY received \$203 and \$-0-, respectively, of donated books.

**National Council of Jewish Women
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Notes to Financial Statements

Years Ended June 30, 2017 and 2016

Note 1 - Summary of Significant Accounting Policies - Continued

During the years ended June 30, 2017 and 2016, NCJW NY received \$24,979 and \$-0-, respectively, of donated goods for the Back to School Store. These amounts have been included on the statement of activities within contributions and grants.

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

n. Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Organization is currently evaluating the impact of the pending adoption of the new standard on the Organization's financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-05 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The Organization is currently evaluating the impact the adoption of this guidance will have on its financial statements.

**National Council of Jewish Women
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Notes to Financial Statements

Years Ended June 30, 2017 and 2016

Note 1 - Summary of Significant Accounting Policies - Continued

o. Evaluation of Subsequent Events

NCJW NY evaluated subsequent events for potential recognition or disclosure through October 10, 2017, the date the financial statements were available to be issued.

Note 2 - Investments

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

	June 30, 2017		
	Cost	Fair Value	Unrealized Gain
Equities	\$ 1,147,981	\$ 1,337,169	\$ 189,188
Fixed income			
Government securities	640,489	636,354	(4,135)
Corporate bonds	388,633	400,749	12,116
Mutual funds	658,114	742,993	84,879
Totals	\$ 2,835,217	\$ 3,117,265	\$ 282,048
	June 30, 2016		
	Cost	Fair Value	Unrealized Gain
Equities	\$ 1,202,080	\$ 1,282,088	\$ 80,008
Fixed income			
Government securities	774,186	790,684	16,498
Corporate bonds	430,757	448,727	17,970
Mutual funds	662,156	699,946	37,790
Totals	\$ 3,069,179	\$ 3,221,445	\$ 152,266

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Notes to Financial Statements

Years Ended June 30, 2017 and 2016

Note 2 - Investments - Continued

These investments are held for the following purposes:

Description	June 30,	
	2017	2016
Permanently restricted investments	\$ 250,000	\$ 250,000
Temporarily restricted investments	287,428	316,620
Other program related purposes and general operations	2,579,837	2,654,825
Total	\$ 3,117,265	\$ 3,221,445

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.

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.

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Notes to Financial Statements

Years Ended June 30, 2017 and 2016

Note 2 - Investments - Continued

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.

The fair value hierarchy at June 30, 2017 and 2016 are as follows:

	June 30, 2017			
	Total	Level 1	Level 2	Level 3
<u>Assets</u>				
Equities				
Common stocks	\$ 1,337,169	\$ 1,337,169	\$ -	\$ -
Bonds				
Corporate bonds	400,749	-	400,749	-
Government bonds	636,354	-	636,354	-
Mutual funds				
Equities	742,993	742,993	-	-
Totals	<u>\$ 3,117,265</u>	<u>\$ 2,080,162</u>	<u>\$ 1,037,103</u>	<u>\$ -</u>
June 30, 2016				
	Total	Level 1	Level 2	Level 3
<u>Assets</u>				
Equities				
Common stocks	\$ 1,282,088	\$ 1,282,088	\$ -	\$ -
Bonds				
Corporate bonds	448,726	-	448,726	-
Government bonds	790,684	-	790,684	-
Mutual funds				
Equities	699,947	699,947	-	-
Totals	<u>\$ 3,221,445</u>	<u>\$ 1,982,035</u>	<u>\$ 1,239,410</u>	<u>\$ -</u>

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Notes to Financial Statements

Years Ended June 30, 2017 and 2016

Note 3 - Property and Equipment, Net

Property and equipment consists of the following:

	June 30,	
	2017	2016
Land	\$ 63,000	\$ 63,000
Building and building improvements	2,382,377	2,382,377
Leasehold improvements	58,503	56,393
Furniture and fixtures	120,280	120,280
Computer software	20,325	20,325
Total	2,644,485	2,642,375
Less accumulated depreciation and amortization	913,130	859,153
Property and equipment, net	\$ 1,731,355	\$ 1,783,222

Note 4 - Temporarily Restricted Net Assets

Net assets are temporarily restricted for the following purposes:

	June 30	
	2017	2016
Children's services	\$ 67,470	\$ 38,796
Jewish Women's Resource Center	-	12,090
Scholarships	122,132	122,985
Council Lifetime Learning	90,206	112,335
Advocacy	6,773	29,256
Support groups	847	1,158
Total temporarily restricted net assets	\$ 287,428	\$ 316,620

Note 5 - Permanently Restricted Net Assets

Net assets are permanently restricted for the following purposes:

	June 30,	
	2017	2016
Jewish Women's Resource Center	\$ 200,000	\$ 200,000
Pregnancy Loss Support Program	50,000	50,000
Total permanently restricted net assets	\$ 250,000	\$ 250,000

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Notes to Financial Statements

Years Ended June 30, 2017 and 2016

Note 5 - Permanently Restricted Net Assets - Continued

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 6 - Operating Lease Commitment

On January 1, 2013, NCJW NY entered into an operating lease for its thrift shop located in New York, NY. The lease is to expire on December 31, 2017 and includes annual rent increases. The future minimum lease payment for the fiscal year ending June 30, 2018 is \$66,612.

Total rent expense for the years ended June 30, 2017 and 2016 was \$132,186 and \$131,148, respectively.

Note 7 - 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, 2017 and 2016, pension expense was \$10,409 and \$7,771, respectively.

Note 8 - Rental Income

Beginning April 25, 2014, 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.

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.

The rental agreement ended April 24, 2017. The Organization is currently working with the outside party on a new lease, however the lease documents have not yet been finalized as of the audit report date. The outside party is currently paying rent to the Organization on a month to month basis, based largely on the terms of the previous lease.

Total rental income for the years ended June 30, 2017 and 2016 was \$60,050 and \$59,100, respectively.

Note 9 - Supplemental Cash Flow Disclosure

For the years ended June 30, 2017 and 2016, there was no cash paid for interest or income taxes, respectively.