

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

Financial Statements

Years Ended June 30, 2018 and 2017

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

Financial Statements

Years Ended June 30, 2018 and 2017

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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, 2018 and 2017, 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, 2018 and 2017, 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 9, 2018

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

Statements of Financial Position

		June 30,	
		2018	2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$	139,170	\$ 236,146
Contributions receivable		138,049	19,945
Prepaid expenses and other current assets		15,231	31,184
Total current assets		292,450	287,275
PROPERTY AND EQUIPMENT, NET		1,676,216	1,731,355
OTHER ASSETS			
Investments		2,875,924	3,117,265
Total other assets		2,875,924	3,117,265
TOTAL ASSETS		\$ 4,844,590	\$ 5,135,895
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$	42,761	\$ 50,937
Deferred revenue		15,789	5,078
Tenant security deposit payable		7,750	7,750
Total current liabilities		66,300	63,765
NET ASSETS			
Unrestricted		4,306,864	4,534,702
Temporarily restricted		221,426	287,428
Permanently restricted		250,000	250,000
Total net assets		4,778,290	5,072,130
TOTAL LIABILITIES AND NET ASSETS		\$ 4,844,590	\$ 5,135,895

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, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT				
Contributions and grants, including \$142,985 of in-kind donations	\$ 525,311	\$ 57,288	\$ -	\$ 582,599
Legacies and bequests	74,128	-	-	74,128
Special events	488,936	-	-	488,936
Less donor received benefit	(56,750)	-	-	(56,750)
Membership and program fee revenue	142,898	-	-	142,898
Interest and dividends, net of investment fees of \$26,786	42,163	8,307	7,225	57,695
Unrealized and realized gains on investments	32,409	3,904	3,396	39,709
Rental income	61,125	-	-	61,125
Net revenues and support	<u>1,310,220</u>	<u>69,499</u>	<u>10,621</u>	<u>1,390,340</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of donor restrictions	146,122	(135,501)	(10,621)	-
FUNCTIONAL EXPENSES				
Program services	1,277,991	-	-	1,277,991
Supporting services				
Management and general	190,625	-	-	190,625
Fundraising	215,130	-	-	215,130
Total supporting expenses	<u>405,755</u>	<u>-</u>	<u>-</u>	<u>405,755</u>
Total functional expenses	<u>1,683,746</u>	<u>-</u>	<u>-</u>	<u>1,683,746</u>
Decrease in net assets from continuing operations	(227,404)	(66,002)	-	(293,406)
Loss from discontinued operations	(434)	-	-	(434)
Decrease in net assets	(227,838)	(66,002)	-	(293,840)
NET ASSETS, beginning of year	<u>4,534,702</u>	<u>287,428</u>	<u>250,000</u>	<u>5,072,130</u>
NET ASSETS, end of year	<u>\$ 4,306,864</u>	<u>\$ 221,426</u>	<u>\$ 250,000</u>	<u>\$ 4,778,290</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, 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)
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>1,526,580</u>	<u>138,174</u>	<u>20,929</u>	<u>1,685,683</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				
Management and general	196,954	-	-	196,954
Fundraising	202,151	-	-	202,151
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 from continuing operations	(60,887)	(29,192)	-	(90,079)
Gain from discontinued operations	<u>12,558</u>	<u>-</u>	<u>-</u>	<u>12,558</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><u>\$ 4,534,702</u></u>	<u><u>\$ 287,428</u></u>	<u><u>\$ 250,000</u></u>	<u><u>\$ 5,072,130</u></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, 2018

	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	\$ 48,978	\$ 121,707	\$ 49,788	\$ 77,127	\$ 63,565	\$ -	\$ 361,165	\$ 128,545	\$ 116,097	\$ 244,642	\$ 605,807
Payroll taxes	3,452	13,968	2,301	7,137	5,156	-	32,014	9,275	9,358	18,633	50,647
Employee benefits	5,353	35,854	3,568	11,263	11,517	-	67,555	20,325	13,113	33,438	100,993
	<u>57,783</u>	<u>171,529</u>	<u>55,657</u>	<u>95,527</u>	<u>80,238</u>	<u>-</u>	<u>460,734</u>	<u>158,145</u>	<u>138,568</u>	<u>296,713</u>	<u>757,447</u>
EXPENSES											
Support to National Organization's programs	-	-	-	2,500	-	85,000	87,500	-	-	-	87,500
Donated food received for the Hunger Programs	-	-	-	-	142,985	-	142,985	-	-	-	142,985
Professional fees	3,667	4,278	13,668	2,444	4,278	-	28,335	12,804	-	12,804	41,139
Printing and office supplies	3,582	3,599	3,022	2,130	9,782	-	22,115	443	2,727	3,170	25,285
Office expense	14,874	16,680	7,608	10,763	16,565	-	66,490	6,053	2,072	8,125	74,615
Telephone	3,645	4,253	1,823	2,430	4,253	-	16,404	167	167	334	16,738
Postage and shipping	2,128	2,483	1,098	1,427	2,483	-	9,619	-	3,424	3,424	13,043
Occupancy	27,148	31,673	13,574	18,099	35,786	-	126,280	-	-	-	126,280
Client activities	42,103	97,116	6,257	13,931	54,536	-	213,943	-	522	522	214,465
Special events	-	-	-	-	-	-	-	-	61,873	61,873	61,873
Repairs and maintenance	13,129	15,318	6,565	8,753	22,066	-	65,831	-	-	-	65,831
Awards, grants, scholarships, and financial aid	5,000	-	-	-	-	-	5,000	-	-	-	5,000
Subscriptions and affiliations	-	699	-	-	-	-	699	684	-	684	1,383
Miscellaneous	-	-	-	-	-	-	-	-	845	845	845
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	<u>173,059</u>	<u>347,628</u>	<u>109,272</u>	<u>158,004</u>	<u>372,972</u>	<u>85,000</u>	<u>1,245,935</u>	<u>178,296</u>	<u>210,198</u>	<u>388,494</u>	<u>1,634,429</u>
Depreciation and amortization	2,959	9,370	986	10,357	8,384	-	32,056	12,329	4,932	17,261	49,317
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 176,018</u></u>	<u><u>\$ 356,998</u></u>	<u><u>\$ 110,258</u></u>	<u><u>\$ 168,361</u></u>	<u><u>\$ 381,356</u></u>	<u><u>\$ 85,000</u></u>	<u><u>\$ 1,277,991</u></u>	<u><u>\$ 190,625</u></u>	<u><u>\$ 215,130</u></u>	<u><u>\$ 405,755</u></u>	<u><u>\$ 1,683,746</u></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]**

Statements of Cash Flows

	Years Ended June 30,	
	2018	2017
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Net decrease in net assets	\$ (293,840)	\$ (77,521)
Adjustments to reconcile net decrease in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	50,104	53,977
Unrealized and realized gains on investments	(39,709)	(187,616)
Loss on disposal of fixed assets	8,285	-
(Increase) decrease in assets		
Contributions receivable	(118,104)	24,340
Prepaid expenses and other current assets	15,953	3,438
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(8,176)	11,755
Deferred revenue	10,711	2,846
	(374,776)	(168,781)
 CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Purchase of fixed assets	(3,250)	(2,110)
Purchase of investments	(1,186,879)	(701,001)
Proceeds from sale of investments	1,467,929	992,797
	277,800	289,686
 Net increase (decrease) in cash and cash equivalents	(96,976)	120,905
 CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	236,146	115,241
 CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 139,170	\$ 236,146

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, 2018 and 2017

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

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, 2018 and 2017

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, 2018 and 2017, money market funds included in cash and cash equivalents were \$52,617 and \$115,947, 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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 and 2017

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, 2018 or 2017.

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, 2018 and 2017, NCJW NY received \$142,985 and \$139,171, respectively, of donated food for its Hunger Program. During the years ended June 30, 2018 and 2017, NCJW NY received \$-0- and \$203, respectively, of donated books.

**National Council of Jewish Women
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Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 1 - Summary of Significant Accounting Policies - Continued

j. Contributed Services and Materials - Continued

During the years ended June 30, 2018 and 2017, NCJW NY received \$-0- and \$24,979, 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 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.

o. Evaluation of Subsequent Events

NCJW NY evaluated subsequent events for potential recognition or disclosure through October 9, 2018, the date the financial statements were available to be issued.

**National Council of Jewish Women
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Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 2 - Investments

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

	June 30, 2018		
	Cost	Fair Value	Unrealized Gain
Equities	\$ 1,079,630	\$ 1,200,156	\$ 120,526
Fixed income			
Government securities	574,811	560,110	(14,701)
Corporate bonds	319,057	319,715	658
Mutual funds	705,824	795,943	90,119
Totals	\$ 2,679,322	\$ 2,875,924	\$ 196,602
	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

These investments are held for the following purposes:

Description	June 30,	
	2018	2017
Permanently restricted investments	\$ 250,000	\$ 250,000
Temporarily restricted investments	221,426	287,428
Other program related purposes and general operations	2,404,498	2,579,837
Total	\$ 2,875,924	\$ 3,117,265

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, 2018 and 2017

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, 2018 and 2017

Note 2 - Investments - Continued

The fair value hierarchy at June 30, 2018 and 2017 are as follows:

	June 30, 2018			
	Total	Level 1	Level 2	Level 3
<u>Assets</u>				
Equities				
Common stocks	\$ 1,200,156	\$ 1,200,156	\$ -	\$ -
Bonds				
Corporate bonds	319,715	-	319,715	-
Government bonds	560,110	-	560,110	-
Mutual funds				
Equities	795,943	795,943	-	-
Totals	<u>\$ 2,875,924</u>	<u>\$ 1,996,099</u>	<u>\$ 879,825</u>	<u>\$ -</u>
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>

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Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 3 - Property and Equipment, Net

Property and equipment consists of the following:

	June 30,	
	2018	2017
Land	\$ 63,000	\$ 63,000
Building and building improvements	2,382,377	2,382,377
Leasehold improvements	-	58,503
Furniture and fixtures	100,171	120,280
Computer software	23,575	20,325
Total	2,569,123	2,644,485
Less accumulated depreciation and amortization	892,907	913,130
Property and equipment, net	\$ 1,676,216	\$ 1,731,355

Note 4 - Temporarily Restricted Net Assets

Net assets are temporarily restricted for the following purposes:

	June 30	
	2018	2017
Children's services	\$ 22,443	\$ 67,470
Scholarships	116,067	122,132
Council Lifetime Learning	75,502	90,206
Advocacy	6,723	6,773
Support groups	691	847
Total temporarily restricted net assets	\$ 221,426	\$ 287,428

Note 5 - Permanently Restricted Net Assets

Net assets are permanently restricted for the following purposes:

	June 30,	
	2018	2017
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, 2018 and 2017

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 - 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, 2018 and 2017, pension expense was \$10,809 and \$10,409, respectively.

Note 7 - 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 April 24, 2024.

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, 2018 and 2017 was \$61,125 and \$60,050, respectively.

Future minimum rental income is as follows:

For the fiscal years ending June 30,	
2019	\$ 61,460
2020	63,540
2021	65,620
2022	67,700
2023	69,780
2024	<u>59,125</u>
	<u><u>\$ 387,225</u></u>

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Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 8 - Discontinued Operations

As of January 1, 2018, NCJW NY no longer was operating their thrift store located in New York, NY. The operating results of the thrift store for the years ended June 30, 2018 and 2017 are included as discontinued operations in the statement of activities.

Included within the gain (loss) from discontinued operations for the years ended June 30, 2018 and 2017 was thrift store sales of \$244,369 and \$427,873, respectively, and thrift store expenses of \$244,803 and \$415,315, respectively.

Note 9 - Supplemental Cash Flow Disclosure

For the years ended June 30, 2018 and 2017, there was no cash paid for interest or income taxes, respectively.