

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

Financial Statements

Years Ended June 30, 2022 and 2021

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

Financial Statements

Years Ended June 30, 2022 and 2021

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of National Council of Jewish Women New York Section (the "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings and certain internal control-related matters that we identified during the audits.

Sax LLP

Parsippany, New Jersey
October 25, 2022

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

Statements of Financial Position

	June 30,	
	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 515,535	\$ 318,957
Contributions receivable	62,267	42,215
Prepaid expenses and other current assets	15,643	55,117
Total current assets	593,445	416,289
PROPERTY AND EQUIPMENT, NET	1,524,675	1,580,569
OTHER ASSETS		
Investments	2,506,176	2,932,566
Total other assets	2,506,176	2,932,566
TOTAL ASSETS	\$ 4,624,296	\$ 4,929,424
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 47,962	\$ 43,165
Deferred revenue	8,582	85,976
Tenant security deposit payable	7,750	7,750
Total current liabilities	64,294	136,891
NET ASSETS		
Without donor restrictions	3,881,767	3,978,140
With donor restrictions	678,235	814,393
Total net assets	4,560,002	4,792,533
TOTAL LIABILITIES AND NET ASSETS	\$ 4,624,296	\$ 4,929,424

See Notes to Financial Statements.

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

Statement of Activities

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and grants of cash and other financial assets	\$ 794,332	\$ 156,205	\$ 950,537
Contribution of nonfinancial assets	144,460	-	144,460
Special events	629,927	-	629,927
Less donor received benefit	(51,000)	-	(51,000)
Membership and program fee revenue	68,309	-	68,309
Interest and dividends, net of investment fees of \$21,870	25,041	8,663	33,704
Unrealized and realized loss on investments	(257,565)	(36,167)	(293,732)
License fees	55,300	-	55,300
Net revenues and support	1,408,804	128,701	1,537,505
 NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of donor restrictions	264,859	(264,859)	-
 FUNCTIONAL EXPENSES			
Program services	1,396,634	-	1,396,634
Supporting services			
Management and general	187,293	-	187,293
Fundraising	186,109	-	186,109
Total supporting expenses	373,402	-	373,402
 Total functional expenses	1,770,036	-	1,770,036
 Decrease in net assets	(96,373)	(136,158)	(232,531)
 NET ASSETS, <i>beginning of year</i>	3,978,140	814,393	4,792,533
 NET ASSETS, <i>end of year</i>	\$ 3,881,767	\$ 678,235	\$ 4,560,002

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 of cash and other financial assets	\$ 715,403	\$ 130,763	\$ 846,166
Contribution of nonfinancial assets	118,718	-	118,718
Legacies and bequests	5,440	109,383	114,823
Special events	361,814	-	361,814
Less donor received benefit	-	-	-
Membership and program fee revenue	19,278	-	19,278
Paycheck Protection Program ("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	<u>1,796,520</u>	<u>336,682</u>	<u>2,133,202</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of donor restrictions	<u>93,472</u>	<u>(93,472)</u>	<u>-</u>
FUNCTIONAL EXPENSES			
Program services	<u>1,176,360</u>	<u>-</u>	<u>1,176,360</u>
Supporting services			
Management and general	184,816	-	184,816
Fundraising	178,644	-	178,644
Total supporting expenses	<u>363,460</u>	<u>-</u>	<u>363,460</u>
Total functional expenses	<u>1,539,820</u>	<u>-</u>	<u>1,539,820</u>
Increase in net assets	350,172	243,210	593,382
NET ASSETS, <i>beginning of year</i>	<u>3,627,968</u>	<u>571,183</u>	<u>4,199,151</u>
NET ASSETS, <i>end of year</i>	<u>\$ 3,978,140</u>	<u>\$ 814,393</u>	<u>\$ 4,792,533</u>

See Notes to Financial Statements.

**National Council of Jewish Women
New York Section
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Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services						Supporting Services				Total Functional Expenses	
	Children's Programs	Council Lifetime Learning	Resources for Women	Advocacy	Volunteer Management	Hunger Programs	National Program Support	Total Program Services	Management and General	Fundraising		Total Supporting Services
SALARIES AND RELATED EXPENSES												
Salaries	\$ 49,891	\$ 151,090	\$ 50,112	\$ 48,219	\$ 41,824	\$ 101,460	\$ -	\$ 442,596	\$ 119,625	\$ 90,287	\$ 209,912	\$ 652,508
Payroll taxes	3,060	15,435	2,295	2,295	6,912	8,413	-	38,410	8,832	7,521	16,353	54,763
Employee benefits	3,120	27,168	2,340	8,420	5,860	12,661	-	59,569	20,259	8,428	28,687	88,256
	56,071	193,693	54,747	58,934	54,596	122,534	-	540,575	148,716	106,236	254,952	795,527
EXPENSES												
Support to National Organization's programs	-	-	-	2,500	-	-	30,000	32,500	-	-	-	32,500
Donated food received for the Hunger Programs	-	-	-	-	-	144,460	-	144,460	-	-	-	144,460
Professional fees	2,750	4,813	14,746	1,375	11,375	4,813	-	39,872	5,500	-	5,500	45,372
Printing and office supplies	1,333	2,409	665	760	647	9,392	-	15,206	248	248	496	15,702
Office expense	12,797	23,674	6,503	12,923	6,398	29,168	-	91,463	6,048	9,849	15,897	107,360
Telephone	2,077	3,635	1,039	1,039	1,039	3,635	-	12,464	127	428	555	13,019
Postage and shipping	1,926	3,371	963	965	965	3,371	-	11,561	-	2,000	2,000	13,561
Occupancy	18,753	32,817	9,376	9,376	9,376	34,237	-	113,935	6,251	6,251	12,502	126,437
Client activities	28,287	57,894	667	6,373	-	191,920	-	285,141	-	-	-	285,141
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	51,000	51,000	51,000
Special events	-	-	-	-	-	-	-	-	-	55,508	55,508	55,508
Repairs and maintenance	8,855	15,495	4,427	4,427	4,427	15,495	-	53,126	-	-	-	53,126
Awards, grants, scholarships, and financial aid	20,000	-	-	-	-	-	-	20,000	-	-	-	20,000
Subscriptions and affiliations	-	-	-	-	-	-	-	-	1,429	-	1,429	1,429
Bad debt	-	-	-	-	-	-	-	-	5,000	-	5,000	5,000
Total expenses	152,849	337,801	93,133	98,672	88,823	559,025	30,000	1,360,303	173,319	231,520	404,839	1,765,142
Less expenses included with revenues on the statement of activities												
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	(51,000)	(51,000)	(51,000)
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	152,849	337,801	93,133	98,672	88,823	559,025	30,000	1,360,303	173,319	180,520	353,839	1,714,142
Depreciation and amortization	3,354	10,620	1,118	1,118	10,620	9,502	-	36,331	13,974	5,589	19,563	55,894
TOTAL FUNCTIONAL EXPENSES	\$ 156,203	\$ 348,421	\$ 94,251	\$ 99,790	\$ 99,443	\$ 568,527	\$ 30,000	\$ 1,396,634	\$ 187,293	\$ 186,109	\$ 373,402	\$ 1,770,036

**National Council of Jewish Women
New York Section
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Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services						Supporting Services			Total Supporting Services	Total Functional Expenses	
	Children's Programs	Council Lifetime Learning	Resources for Women	Advocacy	Volunteer Management	Hunger Programs	National Program Support	Total Program Services	Management and General			Fundraising
SALARIES AND RELATED EXPENSES												
Salaries	\$ 53,084	\$ 135,774	\$ 46,764	\$ 46,019	\$ 39,813	\$ 73,925	\$ -	\$ 395,379	\$ 126,730	\$ 111,740	\$ 238,470	\$ 633,849
Payroll taxes	3,829	14,130	1,915	1,915	6,419	7,442	-	35,650	8,646	9,050	17,696	53,346
Employee benefits	3,969	25,791	1,985	7,853	5,549	15,301	-	60,448	19,798	12,808	32,606	93,054
	60,882	175,695	50,664	55,787	51,781	96,668	-	491,477	155,174	133,598	288,772	780,249
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	868	1,737	7,816	-	29,558	5,500	-	5,500	35,058
Printing and office supplies	713	962	237	238	475	11,019	-	13,644	144	144	288	13,932
Office expense	8,087	8,579	2,713	2,696	5,489	24,261	-	51,825	3,116	3,653	6,769	58,594
Telephone	1,964	1,964	654	655	1,309	5,891	-	12,437	125	125	250	12,687
Postage and shipping	1,683	1,683	561	561	1,122	5,050	-	10,660	-	2,026	2,026	12,686
Occupancy	14,901	14,900	4,967	4,967	9,934	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	3,058	6,117	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	137,733	257,385	77,931	74,938	77,964	488,431	25,000	1,139,382	170,594	172,955	343,549	1,482,931
Depreciation and amortization	3,413	10,809	1,138	1,138	10,809	9,671	-	36,978	14,222	5,689	19,911	56,889
TOTAL FUNCTIONAL EXPENSES	\$ 141,146	\$ 268,194	\$ 79,069	\$ 76,076	\$ 88,773	\$ 498,102	\$ 25,000	\$ 1,176,360	\$ 184,816	\$ 178,644	\$ 363,460	\$ 1,539,820

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

Statements of Cash Flows

	Years Ended June 30,	
	2022	2021
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (232,531)	\$ 593,382
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	55,894	56,888
Unrealized and realized (gains) losses on investments	293,732	(464,540)
PPP grant income	-	(138,292)
(Increase) decrease in assets		
Contributions receivable	(20,052)	(37,215)
Prepaid expenses and other current assets	39,474	284
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	4,797	3,058
Deferred revenue	(77,394)	(108,662)
	63,920	(95,097)
 CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Purchase of fixed assets	-	(13,043)
Purchase of investments	(579,245)	(1,419,459)
Proceeds from sale of investments	711,903	1,245,421
	132,658	(187,081)
 Net increase (decrease) in cash and cash equivalents	196,578	(282,178)
 CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	318,957	601,135
 CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 515,535	\$ 318,957

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, 2022 and 2021

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 inequity.

NCJW NY operates community services and advocacy initiatives, impacting the lives of more than 40,000 New Yorkers. Community services include hunger programs; arts and enrichment programming for older adults at risk of isolation; 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 (“ASC”).

c. Basis of Presentation

Effective July 1, 2018, the Organization adopted the provisions of Accounting Standards Update (“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 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, 2022 and 2021

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, 2022 and 2021, money market funds included in cash and cash equivalents were \$198,934 and \$182,612, 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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021

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, 2022 or 2021.

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 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.

**National Council of Jewish Women
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Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies - Continued

i. Revenues and Support Recognition - Continued

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 that period. All memberships follow the Organization's fiscal year. to be realized over the course of the membership year and therefore recognizes revenue ratably over the fiscal year.

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 restrictions.

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 such as 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 efforts have not been satisfied.

**National Council of Jewish Women
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Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies - Continued

j. Contributed Services and Materials - Continued

The Organization receives contributed food which was used as part of the Hunger Program. In valuing the contributed food, the Organization received receipts for the value. During the years ended June 30, 2022 and 2021, NCJW NY received \$144,460 and \$118,718, respectively, of donated food for its Hunger Program.

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

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. The Organization adopted the new standard beginning on July 1, 2021. The adoption of this pronouncement had no impact on net assets and results of operations

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.

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Years Ended June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies - Continued

p. Recent Accounting Pronouncements

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.

q. Evaluation of Subsequent Events

NCJW NY evaluated subsequent events for potential recognition or disclosure through October 25, 2022, 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, 2022		
	Cost	Fair Value	Unrealized Gain (Loss)
Equities	\$ 945,593	\$ 895,064	\$ (50,529)
Fixed income			
Government securities	574,509	540,415	(34,094)
Corporate bonds	242,052	215,523	(26,529)
Mutual funds	803,375	855,174	51,799
Total	\$ 2,565,529	\$ 2,506,176	\$ (59,353)
	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

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Note 2 - Investments - Continued

These investments are held for the following purposes:

	June 30,	
	2022	2021
Without donor restriction investments	\$ 1,827,941	\$ 2,361,383
With donor restriction investments	678,235	571,183
Total	\$ 2,506,176	\$ 2,932,566

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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Years Ended June 30, 2022 and 2021

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, 2022 and 2021 are as follows:

	June 30, 2022			
	Total	Level 1	Level 2	Level 3
<u>Assets</u>				
Equities				
Common stocks	\$ 895,064	\$ 895,064	\$ -	\$ -
Bonds				
Corporate bonds	215,523	-	215,523	-
Government bonds	540,415	-	540,415	-
Mutual funds				
Equities	855,174	855,174	-	-
Total	\$ 2,506,176	\$ 1,750,238	\$ 755,938	\$ -
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	\$ -

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Years Ended June 30, 2022 and 2021

Note 3 - Property and Equipment, Net

Property and equipment consist of the following:

	June 30,	
	2022	2021
Land	\$ 63,000	\$ 63,000
Building and building improvements	2,428,522	2,428,522
Leasehold improvements		
Furniture and fixtures	127,742	127,742
Computer software	23,575	23,575
Total	<u>2,642,839</u>	<u>2,642,839</u>
Less accumulated depreciation and amortization	<u>1,118,164</u>	<u>1,062,270</u>
Property and equipment, net	<u>\$ 1,524,675</u>	<u>\$ 1,580,569</u>

Note 4 - Net Assets with Donor Restrictions

Purpose restricted net assets at June 30, 2022 and 2021 are as follows:

	June 30,	
	2022	2021
Children's services	\$ 8,381	\$ 12,545
Scholarships	29,545	64,243
Council Lifetime Learning	346,968	361,573
Support groups	11,637	1,000
Advocacy	-	5,000
Hunger program	31,704	120,032
Total	<u>\$ 428,235</u>	<u>\$ 564,393</u>

Donor restricted net assets that are perpetual in nature at June 30, 2022 and 2021 are as follows:

	June 30,	
	2022	2021
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>

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Note 4 - Net Assets with Donor Restrictions - 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 donor restricted interest and dividends and are appropriated and 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, 2022 and 2021, pension expense was \$11,834 and \$12,757, respectively.

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 agreement was amended for the period between January 2022 and April 2022 for a temporary fee reduction. The original agreement remains in place after the amendment ended.

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, 2022 and 2021 were \$55,300 and \$30,110, respectively.

Note 7 - Endowment

NCJW NY reports net assets associated with endowment funds based on the existence or absence of donor-imposed restrictions. NCJW NY classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. Investment returns on these permanent endowments are classified as net assets without donor restrictions depending on the absence or existence of donor-imposed restrictions.

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Note 7 - Endowment - Continued

Interpretation of Relevant Law

The Board of Directors of NCJW NY has interpreted the New York Prudent Management of Institutional Funds (“NYPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, NCJW NY classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not considered a permanent endowment is classified as restricted for purpose until those amounts are appropriated for expenditure by NCJW NY in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, NCJW NY considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

1. General investment objectives.
2. Permitted and prohibited investments.
3. Acceptable levels of risk.
4. Asset allocation and diversification.
5. Procedures for monitoring investment performance.
6. Scope and terms of delegation of investment management functions.
7. The investment manager’s accountability.
8. Procedures for selecting and evaluating external agents.
9. Processes for reviewing investment policies and strategies.

Spending Policy and How the Investment Objectives Related to Spending Policy

NCJW NY’s investment policy aims to provide a predictable stream of funding to sufficiently support designated needs and preserve or enhance the real value of NCJW NY. Under this policy, investment assets, which include endowment fund assets, are invested in a manner that is expected to achieve a positive rate of return over the long-term.

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Note 7 - Endowment - Continued

During the years ended June 30, 2022 and 2021, NCJW NY had the following endowment related activities:

	Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, at beginning of year	\$ -	\$ 250,000	\$ 250,000
Investment return, net		21,870	21,870
Total endowment including investment return	-	271,870	271,870
Appropriation of endowment assets for expenditures	-	(21,870)	(21,870)
Endowment net assets, at end of year	\$ -	\$ 250,000	\$ 250,000

	Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, at beginning of year	\$ -	\$ 250,000	\$ 250,000
Investment return, net		42,253	42,253
Total endowment including investment return	-	292,253	292,253
Appropriation of endowment assets for expenditures	-	(42,253)	(42,253)
Endowment net assets, at end of year	\$ -	\$ 250,000	\$ 250,000

Note 8 - Risks and Uncertainties

The Organization's operations have been affected by the ongoing outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020. Looking ahead, as COVID lingers in an indefinite endemic stage, uncertainties remain. The combination of inflation, investment losses, and predictions of a recession may impact both revenues and expenses in disadvantageous ways.

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Note 9 - 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,	
	2022	2021
Financial assets, at year end	\$ 3,083,978	\$ 3,293,738
Less those unavailable for general expenditures within one year, due to		
Restricted for program and/or purpose	(428,235)	(564,393)
Perpetual in nature	(250,000)	(250,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,405,743	\$ 2,479,345

The Organization is a social service and advocacy organization that 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.