

Westchester Jewish Council, Inc.

Financial Statements

June 30, 2020 and 2019

Independent Auditors' Report

Board of Directors Westchester Jewish Council, Inc.

We have audited the accompanying financial statements of Westchester Jewish Council, Inc., which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Board of Directors
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westchester Jewish Council, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

Harrison, New York
November 13, 2020

Westchester Jewish Council, Inc.

Statements of Financial Position

	June 30,	
	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 533,686	\$ 495,154
Grants receivable	5,852	3,377
Investments	131,138	74,813
Prepaid expenses	<u>2,470</u>	<u>2,470</u>
Total Current Assets	673,146	575,814
Property and equipment, net	<u>12,331</u>	<u>14,237</u>
	<u>\$ 685,477</u>	<u>\$ 590,051</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 4,696	\$ 2,696
Deferred income	200	-
Loan payable	<u>52,258</u>	<u>-</u>
Total Current Liabilities	<u>57,154</u>	<u>2,696</u>
Net Assets		
Net assets without donor restrictions	623,232	580,203
Net assets with donor restrictions	<u>5,091</u>	<u>7,152</u>
Total Net Assets	<u>628,323</u>	<u>587,355</u>
	<u>\$ 685,477</u>	<u>\$ 590,051</u>

See notes to financial statements

Westchester Jewish Council, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 27,891	\$ 4,732	\$ 32,623
UJA Federation grants	98,919	35,000	133,919
Special events	321,027	6,825	327,852
Dues	63,719	-	63,719
Program income	7,257	-	7,257
Investment income	7,000	-	7,000
In-kind donations	11,544	-	11,544
Net assets released from restrictions			
Satisfaction of grant restrictions	<u>48,618</u>	<u>(48,618)</u>	<u>-</u>
Total Support and Revenue	<u>585,975</u>	<u>(2,061)</u>	<u>583,914</u>
EXPENSES			
Program services	428,218	-	428,218
Fundraising	69,095	-	69,095
Administrative services	<u>45,633</u>	<u>-</u>	<u>45,633</u>
Total Expenses	<u>542,946</u>	<u>-</u>	<u>542,946</u>
Change in Net Assets	43,029	(2,061)	40,968
NET ASSETS			
Beginning of year	<u>580,203</u>	<u>7,152</u>	<u>587,355</u>
End of year	<u>\$ 623,232</u>	<u>\$ 5,091</u>	<u>\$ 628,323</u>

Westchester Jewish Council, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 16,326	\$ 109,750	\$ 126,076
UJA Federation grants	121,956	87,942	209,898
Special events	284,539	7,583	292,122
Dues	65,025	-	65,025
Directory income	46,020	-	46,020
Program income	5,769	1,000	6,769
Investment income	2,591	-	2,591
In-kind donations	23,871	-	23,871
Net assets released from restrictions			
Satisfaction of grant restrictions	<u>237,122</u>	<u>(237,122)</u>	<u>-</u>
Total Support and Revenue	<u>803,219</u>	<u>(30,847)</u>	<u>772,372</u>
EXPENSES			
Program services	621,611	-	621,611
Fundraising	74,155	-	74,155
Administrative services	<u>46,818</u>	<u>-</u>	<u>46,818</u>
Total Expenses	<u>742,584</u>	<u>-</u>	<u>742,584</u>
Change in Net Assets	60,635	(30,847)	29,788
NET ASSETS			
Beginning of year	<u>519,568</u>	<u>37,999</u>	<u>557,567</u>
End of year	<u>\$ 580,203</u>	<u>\$ 7,152</u>	<u>\$ 587,355</u>

Westchester Jewish Council, Inc.

Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services	Fundraising	Administrative Services	Total
Salary and payroll taxes	\$ 320,399	\$ -	\$ 16,863	\$ 337,262
Pension	18,525	-	975	19,500
Postage	830	-	44	874
Program costs	32,625	-	-	32,625
Shilicut expenses	2,144	-	-	2,144
Depreciation expense	-	-	3,791	3,791
Security task force	3,795	-	-	3,795
Conferences and meetings	5,921	-	-	5,921
Insurance	6,101	-	321	6,422
Rent	13,247	-	697	13,944
Office supplies	-	-	2,883	2,883
Computer expenses	18,100	-	953	19,053
Telephone	2,698	-	142	2,840
Travel	815	-	43	858
Printing	2,237	-	-	2,237
Professional fees	-	-	11,000	11,000
Advertising and marketing	-	-	3,150	3,150
Dues and subscriptions	-	-	250	250
Miscellaneous	-	-	3,163	3,163
Payroll processing fees	-	-	1,358	1,358
Staff development fees	792	-	-	792
Special events	-	69,095	-	69,095
	<u>\$ 428,218</u>	<u>\$ 69,095</u>	<u>\$ 45,633</u>	<u>\$ 542,946</u>

See notes to financial statements

Westchester Jewish Council, Inc.

Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services	Fundraising	Administrative Services	Total
Salary and payroll taxes	\$ 318,799	\$ -	\$ 16,779	\$ 335,578
Pension	18,525	-	975	19,500
Postage	1,326	-	70	1,396
Program costs	10,066	-	-	10,066
Shilicut expenses	73,019	-	-	73,019
Shinshinim expenses	80,542	-	-	80,542
Directory expense	28,654	-	-	28,654
Depreciation expense	-	-	3,294	3,294
Security task force	3,844	-	-	3,844
Conferences and meetings	11,700	-	-	11,700
Insurance	7,458	-	393	7,851
Rent	23,049	-	1,212	24,261
Office supplies	-	-	2,837	2,837
Computer expenses	30,947	-	1,629	32,576
Telephone	2,928	-	154	3,082
Travel	1,031	-	54	1,085
Printing	3,378	-	-	3,378
Professional fees	-	-	7,500	7,500
Advertising and marketing	-	-	3,090	3,090
Dues and subscriptions	-	-	250	250
Miscellaneous	-	-	2,941	2,941
Payroll processing fees	-	-	1,530	1,530
Staff development fees	6,345	-	-	6,345
Loss on equipment disposal	-	-	4,110	4,110
Special events	-	74,155	-	74,155
	<u>\$ 621,611</u>	<u>\$ 74,155</u>	<u>\$ 46,818</u>	<u>\$ 742,584</u>

Westchester Jewish Council, Inc.

Statements of Cash Flows

	Year Ended June 30,	
	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 40,968	\$ 29,788
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	3,791	3,294
Donations of automobiles	-	(2,900)
Loss on disposal of assets	-	4,110
Changes in operating assets and liabilities		
Grants receivable	(2,475)	18,345
Accounts payable	2,000	(3,326)
Deferred income	200	-
Net Cash from Operating Activities	<u>44,484</u>	<u>49,311</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(56,325)	(1,461)
Purchase of equipment, net	<u>(1,885)</u>	<u>(6,625)</u>
Net Cash from Operating Activities	<u>(58,210)</u>	<u>(8,086)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	<u>52,258</u>	<u>-</u>
 Net Change in Cash and Cash Equivalents	 38,532	 41,225
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>495,154</u>	<u>453,929</u>
End of year	<u>\$ 533,686</u>	<u>\$ 495,154</u>

See notes to financial statements

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

1. Organization

Westchester Jewish Council, Inc. (the "Council") is a community relations council comprised of over 130 synagogues and Jewish organizations. The Council is committed to creating stronger ties amongst its member organizations and all Jewish residents primarily of Westchester County, NY. It represents the Jewish community in its work with racial, ethnic and other religious groups within Westchester County, NY and responds to pressing issues. The Council co-sponsors educational and advocacy programs and develops initiatives that enhance the quality of life for all residents of Westchester County.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Changes in Accounting Principle

Effective July 1, 2019, the Council adopted new U.S. GAAP revenue recognition guidance Topic 606 which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, and supersedes most current revenue recognition guidance. The core principle of the new accounting standards update (the "ASU") is that an entity should recognize revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to receive for those promised goods or services to customers. The guidance includes a five-step framework to determine the timing and amount of revenue to recognize related to contracts with customers. In addition, this guidance requires new or expanded disclosures related to judgments made by entities when following this framework. Adoption of the ASU resulted in no significant changes in the way the Council recognizes revenue, and therefore no changes to prior audited financial statements were required on a modified retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Effective July 1, 2019, the Council adopted new U.S. GAAP guidance ASU 2018-08 Contributions Received and Contributions Made. The ASU provides a framework for evaluating whether grants or contributions should be accounted for as exchange transactions or as non-exchange transactions. Adoption of the ASU resulted in no significant changes in the way the Council recognizes revenue, and therefore no changes to prior audited financial statements were required on a modified retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (*continued*)

Classification of Net Assets

Net assets of the Council are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Council. Certain restrictions may be need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise unless specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

Cash and Cash Equivalents

The Council maintains its cash in bank accounts that are federally-insured. Cash equivalents consist of short-term, highly liquid investments that have maturities of three months or less at the time of purchase.

Fair Value of Financial Instruments

The Council follows U.S. GAAP guidance on fair value measurement which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different level of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty.

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (*continued*)

Investments

Investments are carried at fair value. Fair value of investments is based on published closing prices on the last day of the year. Concentration of credit risk with respect to investments is reduced by diversification, professional management, and limited exposure to any single investment.

Grants Receivable

The Council evaluates the collectability of its grants receivable based on a combination of factors. The Council establishes an allowance for bad debts on a case by case basis depending on management's estimates of the collectability of the receivable. If circumstances change, the Council estimates of recoverability could be revised.

Contributions

Contributions, including unconditional promises to give, are reported as revenues in the period received. Unconditional promises to give that are due beyond one year are discounted to reflect the present value of future cash flows using a risk adjusted discount rate assigned in the year the respective pledge originates. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. Conditional promises to give are recognized when the conditions upon which they depend have been substantially met.

In-kind Contributions

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Income Taxes

The Council was incorporated under Section 803 of the Not-for-Profit Corporation Law of New York State. The Council is exempt from federal income taxation as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Council recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Council had no uncertain tax positions that would require financial statement recognition and/or disclosure. The Council is no longer subject to examination by the applicable taxing jurisdictions for periods prior to June 30, 2017.

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies *(continued)*

Property and Equipment

Property and equipment is recorded at cost and capitalized if it has a cost in excess of \$1,000 and a useful life of at least five years. Depreciation is provided on a straight-line basis over the estimated life of 5 years.

Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program and supporting services of the Council. Therefore, expenses require allocation on a reasonable and consistent basis. The more significant expense allocations include salaries and related personnel costs and occupancy. Personnel costs have been allocated based on estimates of time and effort. Other expenses, such as occupancy are allocated based on the personnel cost allocation percentages.

Advertising

The Council expenses advertising costs as incurred. Advertising and marketing costs for the years ended June 30, 2020 and 2019 were \$3,150 and \$3,090.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 13, 2020.

3. Concentration of Credit Risk

Financial instruments that potentially subject the Council to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. The Council does not believe that a significant risk of loss due to the failure of a financial institution presently exists.

At June 30, 2020, \$283,686 of cash was maintained with an institution in excess of FDIC limits.

At June 30, 2019 the Council participated in the Insured Cash Sweep program at Sterling Bank, in which its deposits were kept at multiple financial institutions and therefore deposits did not exceed FDIC limits at any one institution.

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

4. Investments

Investments are stated at fair value as follows at June 30:

	<u>2020</u>	<u>2019</u>
Level 1:		
Cash	\$ 57	\$ 709
Mutual funds	22,025	-
Level 2:		
Fixed income	59,056	74,104
Bonds	<u>50,000</u>	<u>-</u>
	<u>\$131,138</u>	<u>\$ 74,813</u>

Investment income is comprised of interest the following for the years ended June 30, 2020 and 2019.

5. Grants Receivable

As of June 30, 2020 and 2019, grants receivable of \$5,852 and \$3,377 consist of amounts due from UJA Federation of New York ("UJA"). It is expected that these amounts will be collected in full and therefore no allowance for doubtful accounts has been recorded.

6. Property and Equipment

Major classifications of property and equipment are as follows at June 30:

	<u>2020</u>	<u>2019</u>
Office equipment	\$ 18,291	\$ 16,406
Automobiles	11,177	11,177
Accumulated depreciation	<u>(17,137)</u>	<u>(13,346)</u>
	<u>\$ 12,331</u>	<u>\$ 14,237</u>

7. Loan Payable

On April 24, 2020, the Council received loan proceeds in the amount of \$52,258 under the Paycheck Protection Program (the "PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") and provides loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks (the "Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries above a certain threshold during the Covered Period and does not qualify for certain safe harbors.

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

7. Loan Payable (continued)

Although, the Council believes this loan will be substantially or fully forgiven, there can be no guarantee that the United States Small Business Administration (“SBA”) will approve the loan forgiveness. The unforgiven portion of the PPP Loan, if any, is payable within two years from the date of the PPP loan with a deferral of payments of principal or interest until the amount of loan forgiveness is determined by the SBA. If the Council does not apply for forgiveness, payments begin approximately 16 months after the loan date.

As of June 30, 2020, the PPP loan is recognize as a debt on the statements of financial position. The Council will recognize the income from the forgiveness of the PPP loan when it receives the notification of forgiveness from SBA in accordance with Accounting Standards Codification 470 Debt.

8. Net Assets With Donor Restrictions

As of June 30, net assets with donor restrictions consist of the following:

	2020	2019
Mosaic Transition Program	\$ -	\$ 565
Shilicut Program	2,588	-
Jewish Westchester 2040	2,500	-
Kol Hazzanim	-	3,440
Safeguarding the Community	3	3,147
	<u>\$ 5,091</u>	<u>\$ 7,152</u>

Net assets released from restrictions during the years ended June 30, were as follows:

	2020	2019
J-Teen Program	\$ -	\$ 900
Night of Music/Learning	6,825	7,583
Mosaic Transition Program	565	7,669
Shailaich/Shinsinim Programs	-	124,660
Shilicut Program	2,144	63,992
Sexual Harrasment Training	-	8,775
Jewish Westchester 2040	22,500	4,275
Kol Hazzanim	3,440	1,901
Safeguarding the Community	13,144	17,367
	<u>\$ 48,618</u>	<u>\$ 237,122</u>

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

9. In-Kind Donations

The Council leases office space from the UJA at a rate of \$2,400 per year which is below the fair market rate of \$13,944 and \$24,262 in 2020 and 2019. The difference is reflected as in-kind donations in the statements of activities and changes in net assets. For the years ended June 30, 2020 and 2019, donated office space totaled \$11,544 and \$21,862.

The Council received donations of automobiles, valued at \$2,009, during the year ended June 30, 2019, for use in its programs. The value of these automobiles has been included as In-kind donations on the statement of activities and changes in net assets.

A substantial number of volunteers have donated their time to the Council's program services and special events. However, these donated services are not reflected on the financial statements as they do not meet the criteria for recognition as defined by U.S. GAAP.

10. Retirement Plan

The Council has a 403(b) retirement plan (the "Plan"). The Plan covers all eligible full-time employees and provides for contributions by the Council of annually budgeted amount. Pension expense was \$19,500 for each of the years ended June 30, 2020 and 2019.

11. Concentrations

Economic Dependence

The Council is economically dependent on grants provided by UJA. UJA also provides office space to the Council as disclosed in Note 8. The percentage of UJA grants and in-kind donations of the total revenues were approximately 25% and 32% for the years ended June 30, 2020 and 2019.

12. Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 533,686	\$ 495,154
Grants receivable	5,852	3,377
Investments	131,138	74,813
Less: Net Assets with Donor Restrictions	<u>(5,091)</u>	<u>(7,152)</u>
	<u>\$ 665,585</u>	<u>\$ 566,192</u>

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

13. Contingencies

The Coronavirus outbreak may have an adverse effect on the operations. Given the uncertainty around the extent and timing of the potential spread or migration of the Coronavirus and around imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

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