

Westchester Jewish Council, Inc.

Financial Statements

June 30, 2023 and 2022

Independent Auditors' Report

Board of Directors
Westchester Jewish Council, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Westchester Jewish Council, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flow for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Westchester Jewish Council, Inc 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 Westchester Jewish Council, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Westchester Jewish Council, Inc'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 Westchester Jewish Council, Inc'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Westchester Jewish Council, Inc.
June 30, 2023
Statements of Financial Position

	June 30,	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 62,484	\$ 520,669
Grants receivable	46,225	14,475
Investments	903,974	316,841
Prepaid expenses	13,640	5,969
Total Current Assets	1,026,323	857,954
Property and equipment, net	2,409	5,228
	\$ 1,028,732	\$ 863,182
LIABILITIES AND NET ASSETS		
Current Liabilities		
Deferred income	\$ -	\$ 200
Total Current Liabilities	-	200
Net Assets		
Net assets without donor restrictions	871,442	833,556
Net assets with donor restrictions	157,290	29,426
Total Net Assets	1,028,732	862,982
	\$ 1,028,732	\$ 863,182

See notes to financial statements

Westchester Jewish Council, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 38,323	\$ -	\$ 38,323
UJA Federation grants	115,000	173,000	288,000
Special events	455,308	7,755	463,063
Dues	65,783	-	65,783
Program income	4,600	-	4,600
Investment income	19,200	-	19,200
In-kind contributions	10,050	-	10,050
Net assets released from restrictions			
Satisfaction of grant restrictions	52,891	(52,891)	-
Total Support and Revenue	761,355	127,864	889,219
EXPENSES			
Fundraising			
Costs of direct benefits to donors	91,859	-	91,859
Other fundraising	5,691	-	5,691
Total Fundraising	97,550	-	97,550
Program services	571,946	-	571,946
Administrative services	53,973	-	53,973
Total Expenses	723,469	-	723,469
Change in Net Assets	37,886	127,864	165,750
NET ASSETS			
Beginning of year	833,556	29,426	862,982
End of year	\$ 871,442	\$ 157,290	\$ 1,028,732

See notes to financial statements

Westchester Jewish Council, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 32,332	\$ -	\$ 32,332
UJA Federation grants	108,000	130,000	238,000
Special events	404,090	808	404,898
Dues	60,569	-	60,569
Program income	559	-	559
Investment loss	(9,452)	-	(9,452)
In-kind contributions	12,042	-	12,042
PPP loan forgiveness income	53,629		53,629
Net assets released from restrictions			
Satisfaction of grant restrictions	104,205	(104,205)	-
Total Support and Revenue	765,974	26,603	792,577
EXPENSES			
Fundraising			
Costs of direct benefits to donors	48,548	-	48,548
Other fundraising	10,423	-	10,423
Total Fundraising	58,971	-	58,971
Program services	582,223	-	582,223
Administrative services	49,206	-	49,206
Total Expenses	690,400	-	690,400
Change in Net Assets	75,574	26,603	102,177
NET ASSETS			
Beginning of year	757,982	2,823	760,805
End of year	\$ 833,556	\$ 29,426	\$ 862,982

See notes to financial statements

Westchester Jewish Council, Inc.

Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services	Fundraising	Administrative Services	Total
Salary and payroll taxes	\$ 414,938	\$ -	\$ 21,839	\$ 436,777
Pension	19,000	-	1,000	20,000
Postage	531	-	27	558
Program costs	74,760	-	-	74,760
Depreciation expense	-	-	2,819	2,819
Conferences and meetings	18,564	-	-	18,564
Insurance	8,192	-	431	8,623
Shared services	2,280	-	120	2,400
Rent	9,548	-	503	10,051
Office supplies	-	-	1,767	1,767
Computer expenses	19,594	-	1,031	20,625
Telephone	2,129	-	112	2,241
Travel	921	-	48	969
Printing	1,425	-	-	1,425
Professional fees	-	-	13,500	13,500
Advertising and marketing	-	-	3,308	3,308
Dues and subscriptions	-	-	250	250
Miscellaneous	-	-	5,642	5,642
Payroll processing fees	-	-	1,576	1,576
Special events	-	97,550	-	97,550
	<u>\$ 571,946</u>	<u>\$ 97,550</u>	<u>\$ 53,973</u>	<u>\$ 723,469</u>

See notes to financial statements

Westchester Jewish Council, Inc.

Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services	Fundraising	Administrative Services	Total
Salary and payroll taxes	\$ 387,331	\$ -	\$ 20,386	\$ 407,717
Pension	19,000	-	1,000	20,000
Postage	1,435	-	75	1,510
Program costs	116,420	-	-	116,420
Depreciation expense	-	-	1,738	1,738
Conferences and meetings	13,705	-	-	13,705
Insurance	8,585	-	452	9,037
Shared Services	2,280	-	120	2,400
Rent	13,577	-	715	14,292
Office supplies	-	-	846	846
Computer expenses	15,966	-	840	16,806
Telephone	2,320	-	122	2,442
Travel	324	-	17	341
Printing	1,205	-	-	1,205
Professional fees	-	-	13,000	13,000
Advertising and marketing	-	-	1,090	1,090
Dues and subscriptions	-	-	250	250
Miscellaneous	-	-	3,345	3,345
Payroll processing fees	-	-	1,477	1,477
Staff development fees	75	-	-	75
Loss on equipment disposal	-	-	3,733	3,733
Special events	-	58,971	-	58,971
	<u>\$ 582,223</u>	<u>\$ 58,971</u>	<u>\$ 49,206</u>	<u>\$ 690,400</u>

See notes to financial statements

Westchester Jewish Council, Inc.

Statements of Cash Flows

	Year Ended June 30,	
	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 165,750	\$ 102,177
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	2,819	1,738
PPP loan forgiveness	-	(53,629)
Loss on disposal of assets	-	3,733
Changes in operating assets and liabilities		
Grants receivable	(31,750)	(12,000)
Prepaid expenses	3,499	(3,499)
Accounts payable	<u>(11,170)</u>	<u>(8,501)</u>
Net Cash from Operating Activities	<u>128,948</u>	<u>30,019</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(587,133)	(56,749)
Purchase of property and equipment	<u>-</u>	<u>(2,410)</u>
Net Cash from Investing Activities	<u>(587,133)</u>	<u>(59,159)</u>
 Net Change in Cash and Cash Equivalents	(458,185)	(29,140)
 CASH AND CASH EQUIVALENTS		
Beginning of year	<u>520,669</u>	<u>549,809</u>
End of year	<u>\$ 62,484</u>	<u>\$ 520,669</u>

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2023 and 2022

1. Organization

Westchester Jewish Council, Inc. (the "Council") is a community relations council comprised of about 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.

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 need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise 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.

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2023 and 2022

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

Change in Accounting Principle

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance in Topic 840, Leases. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-to-use (ROU) assets and lease liabilities on the balance sheet for operating leases.

The Partnership adopted the lease standard effective July 1, 2022, using the modified retrospective approach with July 1, 2022, as the initial date of application. The Partnership elected to use all available practical expedients provided in the transition guidance related to its lessor leases and master lease. These allowed the Partnership to not reassess the identification, classification and initial direct costs of lessor agreements and to use hindsight in lessee and lessor agreements for determining lease term and right-of-use asset impairment. As of July 1, 2022, adoption of Topic 842 did not result in any material adjustments to the balance sheet accounts related to lessor accounting.

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.

Investments

Investments are carried at fair value. Fair value of investments is based on published closing prices on the last day of the year. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Grants Receivable

The Council evaluates the collectability of its grants receivable based on a combination of factors. The Council establishes an allowance for doubtful accounts 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, 2020.

Property and Equipment

Property and equipment are 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 each asset as follows:

Office equipment	5 years
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Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2023 and 2022

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

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, 2023 and 2022 were \$3,308 and \$1,090.

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 XX, 2023.

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, 2022, approximately \$282,000 of cash was maintained with an institution in excess of FDIC limits and as of June 30, 2023, there was no cash in excess of FDIC limits.

Concentration of credit risk with respect to investments is reduced by diversification, professional management, and limited exposure to any single investment.

Westchester Jewish Council, Inc.

Notes to Financial Statements June 30, 2023 and 2022

4. Investments

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

	<u>2023</u>	<u>2022</u>
Level 1 Inputs:		
Mutual funds	\$ 474,290	\$ 136,963
Level 2 Inputs:		
Bonds	428,394	174,063
	<u>902,684</u>	<u>311,026</u>
Cash	1,290	5,815
	<u>\$ 903,974</u>	<u>\$ 316,841</u>

The composition of investment income (loss) as reported in the statements of activities for the years ended June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 12,391	\$ 2,032
Unrealized gain (loss) on investments	6,809	(11,484)
	<u>\$ 19,200</u>	<u>\$ (9,452)</u>

5. Grants Receivable

As of June 30, 2023 and 2022, grants receivable of \$46,225 and \$14,475 consisted 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>2023</u>	<u>2022</u>
Office equipment	\$ 11,444	\$ 11,444
Accumulated depreciation	<u>(9,035)</u>	<u>(6,216)</u>
	<u>\$ 2,409</u>	<u>\$ 5,228</u>

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2023 and 2022

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.

As of June 30, 2020, the PPP loan was recognized as a debt on the statements of financial position. The Council recognized the income from the forgiveness of the PPP loan when it received the notification of forgiveness from the United States Small Business Administration ("SBA"). On March 16, 2021 the Council was granted forgiveness for the total amount of the loan of \$52,258 and recognized as income as of June 30, 2021 on the statement of activities and changes in net assets.

On March 4, 2021, the Council received a second PPP loan with proceeds in the amount of \$53,629.

As of June 30, 2021, the loan is recognized as a debt on the statements of financial position. On February 24, 2022 the Council was granted forgiveness for the total amount of the loan of \$53,629 and recognized as income as of June 30, 2022 on the statement of activities and changes in net assets.

8. Net Assets With Donor Restrictions

At June 30, net assets with donor restrictions consisted of the following:

	2023	2022
Interfaith Clergy Israel Trip	\$ 13,440	\$ 29,587
Deepening Community Relations	118,600	-
Westchester City Rights Multi-Faith Clergy Trip	10,250	-
Westchester Board of Rabbis One Day Immersives	15,000	-
	<u>\$ 157,290</u>	<u>\$ 29,587</u>

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2023 and 2022

8. Net Assets With Donor Restrictions (continued)

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

	2023	2022
Night of Music/Learning	\$ 7,755	\$ 3,631
Interfaith Clergy Israel Trip	15,986	100,574
Deepening Community Relations	1,400	-
Westchester Civil Rights Muti-Faith Clergy Trip	27,750	-
	<u>\$ 52,891</u>	<u>\$ 104,205</u>

9. In-Kind Donations

The Council leases office space from the UJA below the fair market rate. For the years ended June 30, 2023 and 2022, market rate for the office space was \$12,450 and \$16,692. The difference is reflected as in-kind donations in the statements of activities and changes in net assets. For the years ended June 30, 2023 and 2022, donated office space totaled \$10,050 and \$12,042.

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 \$20,000 and \$20,000 for each of the years ended June 30, 2023 and 2022.

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 9. The percentage of UJA grants and in-kind donations of the total revenues were approximately 34% and 32% for the years ended June 30, 2023 and 2022.

During the year ended June 30, 2023, a majority of the funding provided by UJA included \$120,000 for one program, the Deepening Community Relations and security in Westchester.

Westchester Jewish Council, Inc.

Notes to Financial Statements
June 30, 2023 and 2022

12. Liquidity and Availability of Financial Assets

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:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 62,484	\$ 520,669
Grants receivable	46,225	14,475
Investments	903,974	316,841
Less: Net Assets with Donor Restrictions	<u>(157,290)</u>	<u>(29,426)</u>
	<u>\$ 855,393</u>	<u>\$ 822,559</u>

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