

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

FINANCIAL STATEMENTS

June 30, 2022

(with summarized comparative totals for June 30, 2021)



grossman st. amour

CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

Board of Directors of the
Jewish Federation of Central New York, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jewish Federation of Central New York, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Jewish Federation of Central New York, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Jewish Federation of Central New York, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Jewish Federation of Central New York, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 Jewish Federation of Central New York, 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 Jewish Federation of Central New York, 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.

Report on Summarized Comparative Information

We have previously audited Jewish Federation of Central New York, Inc.'s June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 4, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grossman St Amour CPAs

Syracuse, New York
November 18, 2022

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Statement of Financial Position

June 30, 2022 (with comparative totals for June 30, 2021)

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 353,140	\$ 592,882
Investments - Note 2	3,039,948	2,526,443
Pledges receivable, net - Note 3	231,468	284,364
Prepaid expenses and other assets	15,467	26,289
Property and equipment - Note 4	18,444	22,624
Total assets	\$ 3,658,467	\$ 3,452,602
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 56	\$ -
Accrued expenses	8,193	21,399
Allocations payable - Note 5	1,096,279	988,367
Total liabilities	1,104,528	1,009,766
Net assets:		
Without donor restrictions		
Operating	799,606	960,136
Board designated - Note 6	624,707	736,432
Fixed assets	18,444	22,624
Total without donor restrictions	1,442,757	1,719,192
With donor restrictions		
Program restricted - Note 7	463,767	588,638
Endowment restricted - Note 8	647,415	135,006
Total with donor restrictions	1,111,182	723,644
Total net assets	2,553,939	2,442,836
Total liabilities and net assets	\$ 3,658,467	\$ 3,452,602

The accompanying notes are an integral part of the financial statements.

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Statement of Activities

For the Year Ended June 30, 2022 (with summarized comparative totals for June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
Support and revenue:				
Campaign pledge revenue, net	\$ -	\$ 1,206,090	\$ 1,206,090	\$1,255,360
Investment income, net	28,420	7,365	35,785	33,781
Unrealized gain (loss) on investments	(270,740)	(78,410)	(349,150)	342,245
Contributions and bequests	35,666	636,017	671,683	133,187
Jewish Observer	61,501	-	61,501	49,097
Collections in excess of doubtful accounts	55,046	-	55,046	47,444
Net assets released from restrictions by satisfaction of:				
Program restrictions	167,434	(167,434)	-	-
Time restrictions	1,216,090	(1,216,090)	-	-
Total support and revenue	<u>1,293,417</u>	<u>387,538</u>	<u>1,680,955</u>	<u>1,861,114</u>
Allocations:				
Jewish Federations of North America	261,744	-	261,744	204,157
Local beneficiary agencies	635,343	-	635,343	668,982
National and regional	28,126	-	28,126	28,176
Total allocations	<u>925,213</u>	<u>-</u>	<u>925,213</u>	<u>901,315</u>
Functional expenses:				
Program services	348,464	-	348,464	285,474
Jewish Observer - Note 11	99,819	-	99,819	104,059
Supporting services	59,594	-	59,594	57,326
Fundraising services	132,582	-	132,582	176,814
Total functional expenses	<u>640,459</u>	<u>-</u>	<u>640,459</u>	<u>623,673</u>
Depreciation expense	4,180	-	4,180	4,320
Total allocations and expenses	<u>1,569,852</u>	<u>-</u>	<u>1,569,852</u>	<u>1,529,308</u>
Change in net assets	(276,435)	387,538	111,103	331,806
Net assets at beginning of year	1,719,192	723,644	2,442,836	2,111,030
Net assets at end of year	<u>\$ 1,442,757</u>	<u>\$ 1,111,182</u>	<u>\$ 2,553,939</u>	<u>\$ 2,442,836</u>

The accompanying notes are an integral part of the financial statements.

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Statement of Cash Flows

For the Year Ended June 30, 2022 (with comparative totals for June 30, 2021)

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 111,103	\$ 331,806
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,180	4,320
Unrealized loss (gain) on investments	349,150	(342,245)
Changes in operating assets and liabilities:		
Pledges receivable	52,896	(2,009)
Prepaid expenses and other assets	10,822	(8,926)
Accounts payable	56	(3,309)
Accrued expenses	(13,206)	5,629
Allocations payable	107,914	108,652
Net cash provided by operating activities	622,915	93,918
Cash flows from investing activities:		
Purchase of property and equipment	-	(4,530)
Purchases of investments	(1,105,040)	(100,000)
Proceeds from sales and maturities of investments	242,383	268,232
Net cash provided by (used in) investment activities	(862,657)	163,702
Net increase (decrease) in cash and cash equivalents	(239,742)	257,620
Cash and cash equivalents at beginning of year	592,882	335,262
Cash and cash equivalents at end of year	\$ 353,140	\$ 592,882

The accompanying notes are an integral part of the financial statements.

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Operations

The Jewish Federation of Central New York, Inc. (the Federation) is a non-profit organization dedicated to the well-being of the Jewish people and maintains links with the national and international Jewish community worldwide. The Federation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Federation strives to enrich the educational, cultural, and social life of the Central New York Jewish community. It raises and allocates funds for the support of overseas, national, and local Jewish philanthropic agencies and provides central planning and coordination of local Jewish communal services. It also represents the Jewish community in interfaith and intergroup activities, and acts as its spokesperson in such matters.

Financial Statements Presentation

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Federation's financial statements for the year ended June 30, 2021, from which the summarized information was derived. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 support and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Net Assets

The net assets of the Federation have been classified as without donor restrictions or with donor restriction on the basis of the existence and/or nature of any donor imposed restrictions. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from donor restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions and net assets without donor restrictions.

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Liquidity and Availability of Resources

As part of the Federation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Federation invests cash in excess of daily requirements in short-term investments. Although the Federation does not intend to spend from their investments, amounts without restrictions could be made available if necessary to help manage unanticipated liquidity needs.

The Federation's financial assets available within one year of the balance sheet date for general expenditure were as follows at June 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 353,140	\$ 592,882
Investments	3,039,948	2,526,443
Pledges receivable, net	231,468	284,364
Less: Net assets with donor restrictions	<u>(1,111,182)</u>	<u>(723,644)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$2,513,374</u></u>	<u><u>\$2,680,045</u></u>

Cash and Cash Equivalents

For purposes of the statement of cash flows, management considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Federation has cash balances at financial institutions located in Central New York. Accounts at these institutions are insured up to the Federal Deposit Insurance Corporation (FDIC) limits. At various points during the year, cash may exceed the FDIC limit.

Pledges receivable are concentrated from donors located primarily in Central New York. Collection of receivables is dependent upon economic conditions in Central New York.

Pledges Receivable

Unconditional pledges that are expected to be collected within one year are recorded at net realizable value. Conditional pledges are not included as support until the conditions are substantially met. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, the net assets are released to net assets without donor restrictions. Reserves are recorded when specific pledge receivables are deemed to uncollectible.

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions when the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and Equipment

Property and equipment are recorded at cost or fair market value at date of donation when applicable. Acquisitions, major improvements, and renewals are capitalized and depreciated. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the respective assets. Estimated useful lives range from three to fifteen years. Depreciation expense amounted to approximately \$4,000 for the years ended December 31, 2022 and 2021. It is the general practice to charge maintenance and repairs to expense in the current period. Gains or losses on disposals are included in the statement of activities in the year of disposition.

Revenue and Revenue Recognition

The Federation adopted FASB's Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (ASC 606), which creates a single framework for recognizing revenue from contracts with customers. Under ASC 606, revenue is recognized when the underlying performance obligation is satisfied by transferring control of a product or service at an amount expected to be entitled to in exchange for those products or services provided. The Federation does not have any material sources of revenue within the scope of ASC 606. In addition, management has evaluated the impact of ASC 606 on the prior period financial statements and has determined that there are no material changes to the prior period balances.

The Federation's significant streams of revenue are campaign pledge revenue, contributions and bequests. Pledge revenue, contributions and bequests received are recorded as net assets with or without donor restrictions based on the existence or absence of donor restrictions. Unconditional pledges that are expected to be collected within one year are recorded at net realizable value. Conditional pledges are not included as support until the conditions are substantially met.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications to give are reported at fair value at the date the gift is received. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Donor restricted contributions whose restrictions are met within the same year as received as reflected as unrestricted contributions. Bequests are recorded as income when the will is probated and the money is received.

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

In-Kind Contributions

No amounts have been reflected in the financial statements for donated services and facilities, as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated time to the Federation's fundraising campaigns. Donated products are included in these financial statements at their estimated market value.

Risk and Uncertainties

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the statement of financial position and the statement of activities.

In March 2020, the World Health Organization categorized Coronavirus Disease 2019 (COVID-19) as a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The spread of this virus globally throughout 2021 and 2022 has caused business disruption domestically in the United States, the area in which the Federation primarily operates. Therefore, while the Federation expects this matter to have an impact on its financial condition, results of operations and cash flows, the extent of the financial impact and duration cannot be reasonably estimated at this time.

Income Taxes

The Federation is exempt from federal income taxes under Section 501(c)3 of the Internal Revenue Code and is not a private foundation within the meaning of Section 509(a) of the Code.

The Federation evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of June 30, 2022, the Federation does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease with the next year, including the determination that the Federation maintains its tax exempt status.

The Federation's informational tax returns will be subject to examination by taxing authorities for a period of seven years from the date they are filed. It is the Federation's policy to recognize any interest and penalties as expenses in the year assessed.

2. Investments and Fair Value Measurement

The Federation adopted FASB ASU 2018-13, *Fair Value Measurement* (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement, effective January 1, 2020. The following disclosure requirements were removed from Topic 820 by the new standard:

- The amount of an reasons for transfers between Level 1 and Level 2 of the fair value hierarchy
- The policy for timing of transfers between levels

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Notes to Financial Statements

2. Investments and Fair Value Measurement (continued)

- The valuation processes for Level 3 fair value measurements
- For nonpublic entities, the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period

The fair value disclosures in this note have been updated accordingly.

The Federation's investments are reported at fair value in the statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Federation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Federation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Federation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The Federation has no Level 3 investments and therefore no inputs which require valuation for that level.

Investments as of June 30, 2022 consist of certificates of deposit, bonds, equity securities and mutual funds, and money market funds, the majority of these are held in the Jewish Community Foundation's pooled fund

The following table set forth, by level within the fair value hierarchy, the Federation's investments at fair value as of June 30, 2022:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bonds	\$ 200,000	\$ -	\$ 200,000	\$ -
Certificates of deposit	669,008	669,008	-	-
Investments held at Jewish Community Foundation	2,170,940	2,170,940	-	-
	<u>\$ 3,039,948</u>	<u>\$ 2,839,948</u>	<u>\$ 200,000</u>	<u>\$ -</u>

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Notes to Financial Statements

2. Investments and Fair Value Measurement (continued)

The following table set forth, by level within the fair value hierarchy, the Federation's investments at fair value as of June 30, 2021:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bonds	\$ 200,000	\$ -	\$ 200,000	\$ -
Certificates of deposit	587,947	587,947	-	-
Investments held at Jewish Community Foundation	1,738,496	1,738,496	-	-
	<u>\$ 2,526,443</u>	<u>\$ 2,326,443</u>	<u>\$ 200,000</u>	<u>\$ -</u>

3. Pledges Receivable

Pledges receivable as of June 30 consist of the following unconditional promises to give:

	2022	2021
Outstanding pledges from prior campaigns	\$ 293,395	\$ 361,110
Less: allowance for uncollectibles	(61,927)	(76,746)
	<u>\$ 231,468</u>	<u>\$ 284,364</u>

4. Property and Equipment

Property and equipment as of June 30 consists of the following:

	2022	2021
Furniture, fixtures and equipment	\$ 45,970	\$ 45,970
Leasehold improvements	51,522	51,522
	97,492	97,492
Less accumulated depreciation	(79,048)	(74,868)
	<u>\$ 18,444</u>	<u>\$ 22,624</u>

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Notes to Financial Statements

5. Allocations Payable

Allocations payable as of June 30 consists of the following:

	2022	2021
Jewish Federation of North America	\$ 401,528	\$ 343,624
Local, regional and national allocations payable	694,751	644,743
	\$1,096,279	\$ 988,367

6. Net Assets without Donor Restrictions – Board Designated

Board designated amounts as of June 30 consist of the following:

	2022	2021
Franz Beer Emergency Assistance Fund	\$ 23,693	\$ 25,910
Accrued Interest - General Endowment Fund	5,301	6,452
2022 Local Unallocated	67,061	-
2021 Local Unallocated	-	133,399
Selzer/Discover Day School	83,513	114,657
Millstein Israel Experience - Interest & Growth	47,061	62,016
Leadership Development Fund	3,028	3,410
Strategic Planning	72,209	82,526
Community Ambassador	8,000	8,748
Operating Reserves	65,392	33,908
Trip Fund	13,289	14,938
Jewish Identity	-	5,287
PACE Fund - Isley	30,205	34,844
PACE Fund - Lavine	1,381	1,593
PACE Fund - Levy	11,093	12,796
PACE Fund - Poushter	16,624	19,177
PACE Fund - Rubin	27,707	31,962
PACE Fund - Spieser	618	1,481
PACE Fund - Weisberg	9,297	21,937
Community Program Fund	62,031	41,333
Hebrew Interest-Free Loan Program	45,539	48,189
Communication Outreach	6,366	1,898
Special Events Programming	-	2,000
Joint Youth Programming	4,572	5,000
CEO/President Discretionary	20,727	7,971
Post Covid Programming	-	15,000
	\$ 624,707	\$ 736,432

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Notes to Financial Statements

7. Net Assets with Donor Restrictions – Program Restricted

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2022	2021
Program activities:		
Isaiah Wolfson Scholarship Fund	\$ 18,519	\$ 20,252
David Yaffee Israel Education Fund	376	411
Herman Dubnoff Young Leadership Fund	8,517	9,314
Irving Salkow Young Leadership Fund	3,285	4,187
Theodore Pierson Program Development Fund	-	26,910
G. Wladis Bequest	-	10,000
Klez Fest / JMAC	17,342	18,171
Panim el Panim - David Martin Trust	7,179	7,851
Claire Selzer Bequest	-	40,392
Pomeranz Trust	1,983	6,455
Supplemental Giving - Campaign 2011	1,555	1,700
Supplemental Giving - Camperships	40,571	28,603
Lebowitz YAC Shabbat	7,496	8,197
Campaign pledges - Current Year	354,334	354,334
Ambulance	-	51,861
Crisis in Ukraine	2,610	-
	\$ 463,767	\$ 588,638

Net assets were released from donor restrictions by incurring expenses satisfying the program or time restrictions specified by the donors as follows:

	2022	2021
Program restrictions accomplished:		
Pomeranz Trust	\$ 4,215	\$ 1,045
Klez Fest/JMAC	303	50
Supplemental Giving - Camperships	8,000	16,400
Irving Salkow Young Leadership Fund	576	562
Ambulance	58,861	50,000
Sidney Block Archives Fund	-	1,104
COVID Pandemic Funds	-	5,576
Disaster Relief	-	5,269
Ukraine Payments	50,165	-
Ukraine Supplies	1,296	-
Leadership 6 Under 36	4,000	-
Tuition Incentive Program	40,018	-
	167,434	80,006
Satisfaction of time restrictions expired	1,216,090	1,276,565
	\$ 1,383,524	\$ 1,356,571

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Notes to Financial Statements

8. Net Assets with Donor Restrictions – Endowment Restricted

Net assets with donor restrictions – endowment restricted as of June 30 consist of the following:

	<u>2022</u>	<u>2021</u>
H. Hiram Weisburg - Perpetual Endowment	\$ 73,006	\$ 73,006
Millstein - Israel Experience Endowment	50,000	50,000
Ruth and Allen Spieser - Perpetual Endowment	5,000	5,000
B'nai Israel Legacy Fund - Endowment	47,261	-
Lowell Henkin Trust - Endowment	349,235	-
Theodore Pierson Program Fund - Endowment	115,913	-
General Endowment	<u>7,000</u>	<u>7,000</u>
	<u>\$ 647,415</u>	<u>\$ 135,006</u>

9. Endowment Funds

The Federation's endowment funds, which are restricted by donor intent are classified as net assets with donor restrictions-endowment restricted in the statement of financial position and amount to approximately \$647,000 as of June 30, 2022 and \$135,000 at June 30, 2021.

The Federation has adopted the provisions of the New York Prudent Management of Institutional Funds Act (NYPMIFA) regulations, which requires the Federation record all accumulated appreciation of endowment assets as net assets with donor restrictions until the funds are appropriated for spending. Depreciation of endowment assets reduces net assets with donor restrictions to the extent unrealized gains have been accumulated and then reduces net assets with donor restrictions.

Under the NYPMIFA guidelines, the Federation, with donor approval and board approval, has the option to spend below the historical dollar value (HDV) of the individual endowments; however, the Board of Directors has historically followed a policy that it is prudent to maintain the HDV of all endowment funds to maintain purchasing power of the donor-restricted endowment funds. Under NYPMIFA, unless an endowment fund grant instrument specifically requires the Federation to maintain the purchasing power of such fund, the Federation is not charged with doing so.

As nearly all of the funds held in the endowment have donor restrictions on the use of earnings, this is evaluated annually and earnings are expended in accordance with this donor intent until expended. Endowment funds are invested consistent with the Federation's investment policy.

10. Retirement Plan

The Federation has a non-contributory retirement plan under Section 403(b) of the Internal Revenue Code. The Plan allows for eligible employee salary deferral contributions up to limits provided for in the Plan.

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Notes to Financial Statements

11. Jewish Observer

The net expenses of the Jewish Observer newspaper as of June 30 are comprised of the following:

	2022	2021
Total direct and allocated expenses	\$ 134,092	\$ 133,216
Less:		
Jewish Observer appeal income	(24,948)	(23,157)
Advertising income	(9,325)	(6,000)
Jewish Observer net expenses in excess of income	\$ 99,819	\$ 104,059

12. Lease Agreement

The Federation has a month-to-month lease agreement accounted for as an operating lease under which it rents office space at the Jewish Community Center. Future rent expense approximates \$26,100 annually and constitutes the Federation's portion of real estate taxes, operations and maintenance expenses. The lease expense amounted to approximately \$26,100 for fiscal year 2022 and 2021.

13. Functional Allocation of Expenses

The statement of activities present expenses by function and natural classification. The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program, supporting and fundraising services benefited, with certain costs being allocated based on management's estimate of time spent, occupancy or usage and the remaining costs have been allocated to supporting services. Salaries and related expenses have been allocated to programs when personnel perform direct services or supervision of direct service within a program. These allocations were based on direct expenditures, analysis of personnel time and space utilized for the related activities.

Below are the functional expenses for the year ended June 30, 2022:

	Jewish Observer	Program Services	Total Programs	Supporting Services	Fundraising Services	Total
Salaries	\$ 27,968	\$ 79,307	\$ 107,275	\$ 38,719	\$ 71,711	\$ 217,705
Benefits and payroll taxes	2,474	7,088	9,562	3,461	6,409	19,432
Equipment	622	3,041	3,663	1,484	2,749	7,896
Office Expense	9,132	9,105	18,237	4,444	19,472	42,153
Scholarships and camperships	-	76,731	76,731	-	-	76,731
Insurance	689	3,125	3,814	1,526	2,826	8,166
Accounting	841	4,111	4,952	2,007	3,717	10,676
Purchased services	52,048	158	52,206	77	143	52,426
Campaign and community	3,990	151,538	155,528	2,972	16,472	174,972
Occupancy	2,055	10,045	12,100	4,904	9,083	26,087
Disaster relief expenditures	-	4,215	4,215	-	-	4,215
Total Functional Expenses	\$ 99,819	\$ 348,464	\$ 448,283	\$ 59,594	\$ 132,582	\$ 640,459

JEWISH FEDERATION OF CENTRAL NEW YORK, INC.

Notes to Financial Statements

13. Functional Allocation of Expenses (continued)

Functional expenses for the year ended June 30, 2021 were as follows:

	Jewish Observer	Program Services	Total Programs	Supporting Services	Fundraising Services	Total
Salaries	\$ 35,240	\$ 60,455	\$ 95,695	\$ 35,033	\$ 106,361	\$ 237,089
Benefits and payroll taxes	3,354	5,188	8,542	4,105	10,006	22,653
Equipment	816	1,802	2,618	1,426	3,475	7,519
Office Expense	10,667	7,061	17,728	5,588	23,640	46,956
Scholarships and camperships	-	116,030	116,030	-	-	116,030
Insurance	1,354	2,881	4,235	2,280	5,556	12,071
Accounting	1,097	2,423	3,520	1,917	4,673	10,110
Purchased services	43,651	-	43,651	-	-	43,651
Campaign and community	5,050	77,068	82,118	2,029	11,044	95,191
Occupancy	2,830	6,252	9,082	4,948	12,059	26,089
Disaster relief expenditures	-	6,314	6,314	-	-	6,314
Total Functional Expenses	\$ 104,059	\$ 285,474	\$ 389,533	\$ 57,326	\$ 176,814	\$ 623,673

14. Related Party

The Federation has investments in a pooled endowment administered by the Jewish Community Foundation of Central New York, Inc. The pooled endowment is invested in various debt securities and equity securities. The Jewish Community Foundation of Central New York, Inc. (the Foundation) is a non-profit corporation, which carries out activities in support of Jewish philanthropy. In fiscal year 2022 and 2021, the Federation paid the Foundation approximately \$6,200 and \$5,900 for custodial fees, which is shown netted against investment income. In addition, the President/CEO of the Federation serves as the Executive Director to the Foundation and as a non-voting member on the Board of the Foundation. There are four board members of the Federation who are also members of the Board of the Foundation, of which three are voting board members for the Foundation. One employee of the Federation provides accounting and administrative services to the Foundation for a fee, which is then reimbursed to the Federation.

15. Subsequent Events

Management has evaluated subsequent events through November 18, 2022, which is the date the financial statements were available to be issued. There were no events or transactions discovered during the evaluation that required recognition or disclosure in these financial statements.