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Marlene Meyerson JCC Manhattan

Financial Statements

June 30, 2023 and 2022

Independent Auditors' Report

To the Board of Directors of
Marlene Meyerson JCC Manhattan

Opinion

We have audited the financial statements of Marlene Meyerson JCC Manhattan (the Organization), 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 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, 2023 and 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 (GAAP).

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 Auditors' Responsibilities for the Audits 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.

Emphasis of Matter

As described in Note 1 to the financial statements, on July 1, 2022, the Organization adopted Accounting Standards Codification Topic 842 as required by Accounting Standards Update 2016-02, *Leases (Topic 842)*, and its related amendments. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 available to be issued.

Auditors' Responsibilities for the Audits 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 auditors' 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 audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

Iselin, New Jersey
May 14, 2024

Marlene Meyerson JCC Manhattan

Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 13,582,767	$ 6,897,727
Cash and cash equivalents, restricted	15,172,232	16,972,805
Investments	23,500	23,500
Investments, restricted	13,658,375	15,511,047
Unconditional promises to give, net:		
Without donor restrictions	1,132,202	1,299,282
Restricted for use by the capital fund	5,938,195	6,492,260
Restricted for programs	1,357,625	1,904,447
Grants receivable	-	5,093,128
Prepaid expenses and other current assets	531,319	836,160
Right-of-use asset, operating	413,229	-
Property and equipment, net	52,741,526	55,530,740
Security deposits	55,481	55,481
Total assets	$ 104,606,451	$ 110,616,577
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	$ 2,135,430	$ 2,630,093
Deferred income	9,813,983	9,094,812
Term loan	4,000,000	4,000,000
Operating lease liability	474,750	-
Bonds payable	26,797,171	26,776,851
Total liabilities	43,221,334	42,501,756
Net Assets		
Net assets without donor restrictions	32,298,960	35,869,698
Net assets with donor restrictions	29,086,157	32,245,123
Total net assets	61,385,117	68,114,821
Total liabilities and net assets	$ 104,606,451	$ 110,616,577

See notes to financial statements

Marlene Meyerson JCC Manhattan

Statements of Activities and Changes in Net Assets
Years Ended June 30, 2023 and 2022

	2023	2022
Changes in Net Assets Without Donor Restrictions		
Support and revenue:		
Contributions	$ 6,782,935	$ 6,648,746
Grants income	-	7,093,128
Program income	15,080,494	11,274,616
Rental income	325,738	271,147
Special events	1,515,597	1,463,479
Community membership	338,044	265,836
Fitness and pool membership	4,635,247	3,012,269
Investment return (loss)	230,542	(1,901)
Net assets released from restrictions	5,279,357	9,671,062
Total support and revenue	34,187,954	39,698,382
Expenses:		
Program services	23,007,263	18,752,597
Management and general	9,379,413	10,138,367
Fundraising	1,410,189	1,388,041
Capital fund	1,059,750	1,085,240
Total expenses	34,856,615	31,364,245
Changes in net assets without donor restrictions before depreciation and amortization expense, building only	(668,661)	8,334,137
Depreciation and amortization expense, building only	2,828,306	2,506,375
Changes in net assets without donor restrictions	(3,496,967)	5,827,762
Changes in Net Assets With Donor Restrictions		
Support and revenue:		
Contributions	797,238	3,915,501
Investment return (loss)	1,323,153	(1,025,463)
Net assets released from restrictions	(5,279,357)	(9,671,062)
Changes in net assets with donor restrictions	(3,158,966)	(6,781,024)
Changes in net assets	(6,655,933)	(953,262)
Net Assets, Beginning	68,041,050	69,068,083
Net Assets, Ending	$ 61,385,117	$ 68,114,821

See notes to financial statements

Marlene Meyerson JCC Manhattan

Statement of Functional Expenses
Year Ended June 30, 2023

	Social	Educational	Sports	Total Program Services	Management and General	Fundraising	Capital Fund	Total
Salaries, payroll taxes and employee benefits	$ 3,784,964	$ 5,522,371	$ 5,899,470	$ 15,206,805	$ 6,205,909	$ 942,437	$ 313,723	$ 22,668,874
Contracted labor	300,035	439,657	526,540	1,266,232	516,100	75,929	-	1,858,261
Lease and occupancy	289,120	423,662	507,385	1,220,167	497,324	73,167	-	1,790,658
Financing costs	36,825	53,961	64,625	155,411	63,344	9,319	679,628	907,702
Advertising and marketing	110,440	161,834	193,815	466,089	189,972	27,949	-	684,010
Supplies	107,125	156,976	187,997	452,098	184,269	27,110	-	663,477
Entertainment	122,990	180,224	215,839	519,053	211,559	31,125	-	761,737
Depreciation and amortization	94,712	138,786	166,213	399,711	162,917	23,968	-	586,596
Local transportation, conferences and meetings	79,598	116,640	139,689	335,927	136,920	20,144	-	492,991
Consultants and professional fees	64,433	94,417	113,076	271,926	110,834	16,306	45,000	444,066
Computer supplies	111,054	162,733	194,891	468,678	191,027	28,104	-	687,809
Bank charges	61,379	89,942	107,716	259,037	105,580	15,533	-	380,150
Insurance	93,244	136,635	163,636	393,515	160,391	23,597	-	577,503
Office expenses	62,789	92,007	110,190	264,986	108,005	15,890	-	388,881
Education	97,652	143,095	171,373	412,120	167,975	24,713	-	604,808
Printing	31,839	46,656	55,876	134,371	54,768	8,057	-	197,196
Projects	16,129	23,635	28,305	68,069	27,744	4,082	-	99,895
Development and website expenses	82,029	120,201	143,955	346,185	141,100	20,759	1,079	509,123
Miscellaneous expenses	23,961	35,112	42,051	101,124	35,352	6,064	-	142,540
Travel	24,600	36,048	43,171	103,819	42,315	6,225	-	152,359
Telephone	19,324	28,317	33,913	81,554	33,241	4,890	-	119,685
Repairs	14,983	21,956	26,295	63,234	25,773	3,792	-	92,799
Interest expense on debt issuance cost	-	-	-	-	-	-	20,320	20,320
Postage and messenger	1,363	1,998	2,392	5,753	2,345	345	-	8,443
Dues and subscriptions	2,122	3,110	3,725	8,957	3,651	537	-	13,145
Uniforms	578	848	1,016	2,442	998	147	-	3,587
Subtotal	5,633,288	8,230,821	9,143,154	23,007,263	9,379,413	1,410,189	1,059,750	34,856,615
Depreciation and amortization expense, building only	426,087	624,366	747,751	1,798,204	729,272	107,828	193,002	2,828,306
Total	$ 6,059,375	$ 8,855,187	$ 9,890,905	$ 24,805,467	$ 10,108,685	$ 1,518,017	$ 1,252,752	$ 37,684,921

Marlene Meyerson JCC Manhattan

Statement of Functional Expenses
Year Ended June 30, 2022

	Social	Educational	Sports	Total Program Services	Management and General	Fundraising	Capital Fund	Total
Salaries, payroll taxes and employee benefits	$ 3,093,217	$ 4,993,462	$ 3,689,609	$ 11,776,288	$ 6,366,138	$ 871,665	$ 427,048	$ 19,441,139
Contracted labor	492,322	794,768	587,245	1,874,335	1,013,246	138,736	-	3,026,317
Lease and occupancy	234,456	378,489	279,661	892,606	482,533	66,069	-	1,441,208
Financing costs	13,133	21,201	15,665	49,999	27,028	3,701	637,250	717,978
Advertising and marketing	123,319	199,078	147,096	469,493	253,803	34,751	-	758,047
Supplies	110,371	178,174	131,651	420,196	227,153	31,102	-	678,451
Entertainment	99,271	160,256	118,411	377,938	204,309	27,974	-	610,221
Depreciation and amortization	103,270	166,712	123,181	393,163	212,540	29,101	-	634,804
Local transportation, conferences and meetings	71,510	115,441	85,298	272,249	147,175	20,152	-	439,576
Consultants and professional fees	62,859	101,474	74,978	239,311	129,369	17,713	-	386,393
Computer supplies	158,849	256,434	189,476	604,759	326,927	44,763	-	976,449
Bank charges	45,611	73,631	54,405	173,647	93,872	12,853	-	280,372
Insurance	88,186	142,362	105,189	335,737	181,496	24,851	-	542,084
Office expenses	56,338	90,948	67,200	214,486	115,949	15,876	-	346,311
Education	43,867	70,815	52,324	167,006	90,282	12,362	-	269,650
Printing	20,546	33,168	24,508	78,222	42,286	5,790	-	126,298
Development and website expenses	65,228	105,300	77,805	248,333	134,246	18,381	622	401,582
Miscellaneous expenses	4,721	7,621	5,631	17,973	10,627	1,330	-	29,930
Travel	11,149	17,998	13,298	42,445	22,945	3,142	-	68,532
Telephone	16,673	26,915	19,887	63,475	34,314	4,698	-	102,487
Repairs	5,879	9,490	7,012	22,381	12,099	1,657	-	36,137
Interest expense on debt issuance cost	-	-	-	-	-	-	20,320	20,320
Postage and messenger	2,508	4,049	2,991	9,548	5,161	707	-	15,416
Dues and subscriptions	1,788	2,887	2,133	6,808	3,680	504	-	10,992
Uniforms	578	932	689	2,199	1,189	163	-	3,551
Subtotal	4,925,649	7,951,605	5,875,343	18,752,597	10,138,367	1,388,041	1,085,240	31,364,245
Depreciation and amortization expense, building only	330,949	944,850	982,929	2,258,728	82,549	82,531	82,567	2,506,375
Total	$ 5,256,598	$ 8,896,455	$ 6,858,272	$ 21,011,325	$ 10,220,916	$ 1,470,572	$ 1,167,807	$ 33,870,620

See notes to financial statements

Marlene Meyerson JCC Manhattan

Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Changes in net assets	$ (6,655,933)	$ (953,262)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Contributions received restricted for the Capital Fund	(241,808)	(1,694,861)
Depreciation and amortization	3,414,902	3,141,179
Unrealized (gain) loss on investments	(147,824)	1,898,302
Realized gain on sale of investments	(51,794)	(140,430)
Net accretion of operating lease	(12,250)	-
Interest expense on debt issuance cost	20,320	20,320
Change in discount for unconditional promises to give	249,341	(134,561)
Changes in operating assets and liabilities:		
Unconditional promises to give without donor restrictions	167,080	299,356
Unconditional promises to give with donor restrictions	851,546	1,023,000
Grants receivable	5,093,128	(5,093,128)
Prepaid expenses and other current assets	304,841	(127,529)
Accounts payable and accrued liabilities	(494,663)	(386,207)
Deferred income	719,171	(954,533)
Net cash flows from operating activities	3,216,057	(3,102,354)
Cash Flows From Investing Activities		
Capital expenditures	(625,688)	(4,897,174)
Proceeds from sale of investments	21,572,170	5,623,542
Purchases of investments	(19,519,880)	(4,713,986)
Net cash flows from investing activities	1,426,602	(3,987,618)
Cash Flows From Financing Activities		
Proceeds from contributions restricted for the Capital Fund	241,808	1,694,861
Net cash flows from financing activities	241,808	1,694,861
Net change in cash, cash equivalents and restricted cash	4,884,467	(5,395,111)
Cash, Cash Equivalents and Restricted Cash, Beginning	23,870,532	29,265,643
Cash, Cash Equivalents and Restricted Cash, Ending	$ 28,754,999	$ 23,870,532
Reconciliation of Cash and Cash Equivalents and Restricted Cash to the Statements of Financial Position		
Cash and cash equivalents	$ 13,582,767	$ 6,897,727
Cash and cash equivalents, restricted	15,172,232	16,972,805
Total cash and cash equivalents and restricted cash	$ 28,754,999	$ 23,870,532
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 925,583	$ 685,007

See notes to financial statements

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

Marlene Meyerson JCC Manhattan (the Organization) is a nonprofit organization dedicated to building a stronger Jewish community in New York City through social interaction and by augmenting knowledge of, respect for and commitment to the Jewish heritage. The Organization is supported primarily through program income, donor contributions, grants, dues and the United Jewish Appeal - Federation.

Basis of Accounting

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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. Actual results could differ from those estimates.

Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets. The Organization reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction period ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Conditional contributions, including conditional promises to give, are not recognized until they become unconditional, that is, when the conditions, including a barrier and right of return or release, are substantially met.

The Organization reports gifts of goods, property and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed Services and Donated Materials

A substantial number of volunteers have contributed approximately 25,000 and 19,000 hours to the Organization's program services and fund-raising campaigns for the years ended June 30, 2023 and 2022, respectively; however, these contributed services are not reflected in the financial statements since the services do not meet the criteria to be recognized as contributed services. There were no contributed professional services or donated materials for the years ended June 30, 2023 and 2022.

Revenue From Contracts With Customers

Special Events Revenue

A portion of special events revenue represents a reciprocal transaction equal to the cost of direct benefits to donors with the remainder representing contributions. For the years ended June 30, 2023 and 2022, the direct benefit to donors was approximately $32,000 and $33,000, respectively.

Membership Revenue

Membership revenue represents exchange transactions based on the value of benefits provided. The Organization recognizes membership revenue over the membership period as the performance obligation is met. Membership dues are assessed when members sign up for community, fitness and/or pool memberships throughout the year. Membership dues paid in advance are deferred to the membership period to which they relate. Receivables are recorded at their realizable values.

Program Income

Program income represents programmatic services for adults, children and families, art and film, wellness and Jewish life, etc., where the performance obligation is delivery of the respective program services over the program period. Program fees paid in advance are deferred to the program period to which they relate. Receivables are recorded at their realizable values.

The Organization determines its accounts receivable and revenue estimates related to the above revenue from contracts with customers by considering implicit price concessions based on its historical collection experience. The transaction price is based on standard charges for services provided, reduced by implicit price concessions provided, if any.

Net Assets

The Organization reports information regarding its financial position and activities in the following classes of net assets which are as follows:

Net Assets Without Donor Restrictions - Net assets which are not donor restricted and are available for use for the general operating activities and objectives of the Organization. The class includes board-designated net assets, which are net assets without donor restrictions that have been designated for specific programs and general reserves by the board of directors.

Net Assets With Donor Restrictions - Net assets which are limited by donor restrictions that either expire with the passage of time or can be fulfilled and removed by actions of the Organization. Also includes net assets subject to donor-imposed restrictions that stipulate resources be maintained in perpetuity, but generally permit the Organization to utilize earnings as specified by donors.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when originally purchased to be cash equivalents. Cash and cash equivalents consist of cash held in checking, money market accounts and certificates of deposit.

Cash and Cash Equivalents, Restricted

Cash and cash equivalents restricted for the construction of a facility and camp represents contributions received which must be used solely for expenditures related to the construction costs, furniture, fixtures and equipment and subsequent repayment of the bonds payable and camp financing.

Financial Instruments

Financial instruments that potentially subject the Organization to credit risk include cash and cash equivalents, investments and unconditional promises to give. At year-end and throughout the year, the Organization's cash balances, which exceed federally insured limits, are deposited with high credit quality financial institutions. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents, and the Organization has not experienced any losses on its cash and cash equivalents. Investments consist primarily of fixed income securities, equities and certificates of deposit. Unconditional promises to give are subject to collection risk and are recorded at net realizable value.

Investments

Investments, consisting primarily of fixed income securities and equities, are carried at fair value. Investments subject to the provisions of Accounting Standards Update (ASU) No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share*, with no readily determinable fair values are recorded at net asset value per share as a practical expedient to estimating fair value. Gains and losses on investments are reported in the statements of activities and changes in net assets as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Investments, Restricted

Investments, restricted includes investments which are restricted for capital fund purposes, furniture, fixtures and equipment, and subsequent repayment of the bonds payable, as well as other restrictions as stipulated by the donors.

Unconditional Promises to Give

Unconditional promises to give made to the Organization are recorded in the year the pledge is made. Amounts are reflected in the financial statements at their net realizable value.

Allowance for Doubtful Accounts

Management must make estimates of the uncollectability of receivables. Management specifically analyzes historical bad debts, current funding trends and changes in payment terms and rates when evaluating the allowance for doubtful accounts.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful lives of the assets, which range from 5 to 39 years, on the straight-line method. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset. The Organization capitalizes property and equipment purchased over $1,000 in amount.

Deferred Income

Deferred income represents fees paid in advance for various programs applicable to the following fiscal year which were collected as of June 30, 2023 and 2022.

Self-Insurance Program

The Organization is self-insured with respect to employee health claims. The Organization maintains stop-loss insurance for certain risks relating to large claims. The estimated liability for self-insurance claims is initially recorded in the year in which the event of loss occurs and may be subsequently adjusted based upon new information and cost estimates. Reserves for losses, which are included in accounts payable and accrued liabilities, represent estimates of reported losses and estimates of incurred but not reported losses based on past and current experience. Actual claims paid and settled may differ significantly from the provision for losses.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs charged to operations for the years ended June 30, 2023 and 2022 were approximately $301,000 and $253,000, respectively.

Income Tax Status

The Organization is a nonprofit corporation that is supported primarily by program income, dues, grants, contributions and other fund-raising activities. It has been granted tax-exempt status by the Internal Revenue Service (IRS) under Section 501(c)(3) of the Internal Revenue Code (IRC) and is not subject to federal or state income taxes.

Uncertain Tax Positions

Management has evaluated the Organization's tax positions and concluded that it has not taken any uncertain tax positions that require adjustment to the financial statements to comply with the provisions of Accounting Standards Codification (ASC) 740.

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 and changes in net assets and functional expenses. Some of the expenses are directly identified to their related programs or supporting functions and are recorded accordingly. Expenses not directly charged to programs are allocated based on estimates of time and effort.

Capital Fund represents expenses incurred related to fundraising activities associated with the Organization's ongoing capital campaign.

Reclassifications

Certain 2022 amounts have been reclassified to conform with the 2023 presentation. The reclassifications have no effect on reported amounts of net assets or changes in net assets.

Recent Accounting Pronouncements

Effective July 1, 2022, the Organization adopted Financial Accounting Standards Board (FASB) ASU No. 2016-02, *Leases (Topic 842),* and all related amendments using the modified retrospective approach. The Organization's 2022 financial statements continue to be accounted for under the FASB's Topic 840 and have not been adjusted.

ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statements of financial position. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the noncancelable lease term. Expenses for finance leases are comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method. At the date of adoption, the Organization recorded operating lease right-of-use assets and lease liabilities of $595,314 and $669,085. The Organization had a cumulative adjustment of $73,771 to net assets upon the adoption of Topic 842 related to its lease that existed at the date of adoption.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, the Organization elected.

- The package of practical expedients permitted under the transition guidance which does not require the Organization to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs.

The new standard also provides for several accounting policy elections, as follows:

- The practical expedient to use hindsight in determining the lease term (that is, when considering options to extend or terminate the lease or to purchase the underlying asset) and in assessing impairment of the Organization's right-of-use assets.

- When the rate implicit in the lease is not determinable, rather than using the Organization's incremental borrowing rate, the Organization elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all asset classes.

In March 2020, the FASB issued ASU No. 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU No. 2020-04 provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions that reference London Interbank Offer Rate (LIBOR) or another reference rate expected to be discontinued because of reference rate reform if certain criteria are met. The Organization may elect the optional expedients and exceptions included in ASU No. 2020-04 as of March 12, 2020 and through December 31, 2024. Management is currently evaluating the impact of ASU No. 2020-04 on the Organization's financial statements and there will be no material change to the related interest rate.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326).* The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. ASU No. 2016-13 is effective for annual periods beginning after December 15, 2022. The Organization is assessing the impact this standard will have on its fiscal 2024 financial statements.

2. Investments

As of June 30, 2023 and 2022, investments are recorded at fair value and are summarized as follows:

	2023	2022
Without donor restrictions:		
Fixed income securities	$ 16,255	$ 17,264
Equity securities	7,245	6,236
Total	$ 23,500	$ 23,500
With donor restrictions:		
Fixed income securities	$ 9,738,997	$ 8,887,225
Equity securities	3,427,746	6,154,428
Open end asset allocation	491,632	469,394
Total	$ 13,658,375	$ 15,511,047

3. Fair Value Measurements

The Organization is required to determine whether its assets and liabilities recorded at fair value were valued based on Level 1 (valued based on quoted prices in an active market for identical assets), Level 2 (valued based on significant other observable inputs), or Level 3 (valued based on significant unobservable inputs) measurements within the fair value hierarchy.

The Organization invested in open-end dynamic asset allocation funds (the Funds) that have no readily determinable fair value. The Funds are recorded at net asset value as a practical expedient of fair value and are based on the values provided by the general partner/funds manager of the Funds. The Funds' investment objectives are to moderate the volatility of equity and fixed income oriented asset allocations over the long term. The Funds may invest in a diversified portfolio of securities and other financial instruments, including derivative instruments that provide investment exposure to a variety of asset classes. As of June 30, 2023 and 2022, the Funds did not have any unfunded commitments and had a total net asset value of approximately $492,000 and $469,000, respectively.

The following tables represent the fair value hierarchy for the Organization's financial assets measured at fair value on a recurring basis as of June 30:

	2023			
Description	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Assets:				
Fixed income securities	$ 9,755,252	$ -	$ -	$ 9,755,252
Equity securities	3,434,991	-	-	3,434,991
Total	$ 13,190,243	$ -	$ -	13,190,243
Investments measured at net asset value (a)				491,632
Total investments				$ 13,681,875

	2022			
Description	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Assets:				
Fixed income securities	$ 8,904,489	$ -	$ -	$ 8,904,489
Equity securities	6,160,664	-	-	6,160,664
Total	$ 15,065,153	$ -	$ -	15,065,153
Investments measured at net asset value (a)				469,394
Total investments				$ 15,534,547

(a) In accordance with ASC Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

4. Unconditional Promises to Give, Net

Unconditional promises to give, net, consist of the following as of June 30:

	2023	2022
Receivable in less than one year	$ 2,387,376	$ 2,829,956
Receivable in two to five years	6,924,954	7,501,000
Total unconditional promises to give	9,312,330	10,330,956
Less unamortized discounts to net present value	884,308	634,967
	$ 8,428,022	$ 9,695,989
Without donor restrictions	$ 1,132,202	$ 1,299,282
Restricted for use by the capital fund	5,938,195	6,492,260
Restricted for programs	1,357,625	1,904,447
	$ 8,428,022	$ 9,695,989

Amounts that are expected to be collected after one year have been discounted at rates ranging from 3.7% to .08% as of June 30, 2023 and 2022. As of June 30, 2023 and 2022, the Organization established an allowance for doubtful accounts of $225,000.

5. Property and Equipment, Net

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

	2023	2022
Land	$ 7,999,255	$ 7,999,255
Building improvements	76,887,665	76,637,017
Furniture and equipment	19,739,583	19,364,543
	104,626,503	104,000,815
Less accumulated depreciation and amortization	51,884,977	48,470,075
	$ 52,741,526	$ 55,530,740

Depreciation and amortization expense charged to operations for the years ended June 30, 2023 and 2022 was approximately $3,415,000 and $3,141,000, respectively.

6. Bonds Payable

In September 2016, the Organization refinanced its existing New York City Industrial Development Agency Bonds of $26,550,000 and acquired $27,270,000 of total funding through the issuance of Build New York City (NYC) Resource Corporation Series 2016 bonds. The Series 2016 bonds consist of the following:

The Organization received funding in the amount of $23,140,000 through the issuance of Build NYC Resource Corporation adjustable rate revenue bonds - Series 2016A (the Series 2016A Bonds). The Series 2016A Bonds' interest rate is fixed at 2.41% per year. The Series 2016A Bonds do not require principal repayments until September 2024. There is no mandatory sinking fund schedule for the Series 2016A Bonds. The Series 2016A Bonds are collateralized by the Organization's assets.

The Organization received funding in the amount of $4,130,000 through the issuance of Build NYC Resource Corporation adjustable rate revenue bonds - Series 2016B (the Series 2016B Bonds). The Series 2016B Bonds' interest rate is adjusted based on the one-month LIBOR rate. The Series 2016B Bonds do not require principal repayments until September 2024. There is no mandatory sinking fund schedule for the Series 2016B Bonds. The Series 2016B Bonds are collateralized by the Organization's assets.

Scheduled maturities on the Series 2016A Bonds and Series 2016B Bonds are as follows:

	2023	2022
2024 and thereafter	$ 27,270,000	$ 27,270,000
Less unamortized deferred financing costs	472,829	493,149
Total	$ 26,797,171	$ 26,776,851

Future principal payments on bonds payable are as follows:

Years ending June 30:	
2024	$ -
2025	250,000
2026	250,000
2027	250,000
2028	250,000
Thereafter	26,270,000
	$ 27,270,000

Interest expense on the Series 2016A Bonds and Series 2016B Bonds approximated $706,000 for each of the years ended June 30, 2023 and 2022.

Pursuant to the bond documents, the Organization is required to meet certain financial covenants. As of June 30, 2023, the Organization was not in compliance with the debt service coverage ratio requirement. The financial institution has waived the covenant violation for the year ended June 30, 2023.

7. Term Loan

In November 2017, the Organization obtained a $4,000,000 ten-year term loan (the term loan) from Israel Discount Bank for the purpose of investing funds to generate investment income for the financial support of special needs programming. The term loan bears interest at the bank's prime interest rate of 6.97% and 3.37% as of June 30, 2023 and 2022, respectively. The Organization has the option to convert the loan interest from prime rate to a 1-year LIBOR rate plus 1.75% and to convert back to prime rate. The term loan does not require annual principal repayments, however, the bank requires that the full amount of the term loan be repaid by November 2027. The term loan requires the Organization to maintain a collateral account with a market value no less than $2,000,000. The term loan is also collateralized by all cash equivalents and other fixed income marketable securities which are owned by the Organization.

Interest expense on the term loan approximated $228,000 and $81,000 for the years ended June 30, 2023 and 2022, respectively.

8. Operating Leases

Leases, Prior to July 1, 2022

Rent and equipment expense for the year ended June 30, 2022 was approximately $271,000.

Leases, July 1, 2022 and After

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

The Organization's lease includes an option to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Organization's sole discretion. The Organization regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Organization includes such options in the lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization uses the rate implicit in the lease, or if not readily available, the Organization uses a risk-free rate based on U.S. Treasury notes or bond rates for a similar term.

Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Organization made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Organization:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Organization obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;
- Determined whether contracts contain embedded leases;
- Evaluated leases with similar commencement dates, lengths of term, renewal options or other contract terms, which therefore meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases;
- Determined for leases that contain a residual value guarantee, whether a payment at the end of the lease term was probable and, accordingly, whether to consider the amount of a residual value guarantee in future lease payments;
- Allocated consideration in the contract between lease and nonlease components.

The Organization does not have any material leasing transactions with related parties.

The following table summarizes the operating lease right-of-use assets and operating lease liabilities as of June 30, 2023:

Operating lease right-of-use assets	$	413,229
Operating lease liabilities		474,750

Below is a summary of expenses incurred pertaining to the lease for the year ended June 30, 2023:

Operating lease expense	$ 209,750
Total lease expense	$ 209,750

The right-of-use assets and lease liabilities were calculated using a weighted average discount rate of 4.92%. As of June 30, 2023, the weighted average remaining lease term was 13 months.

The table below summarizes the Organization's scheduled future minimum lease payments for years ending after June 30, 2023:

Years ending June 30:	
2024	$ 238,500
2025	240,000
2026	20,000
Total lease payments	498,500
Less present value discount	23,750
Total lease liabilities	$ 474,750

The following table includes supplemental cash flow and noncash information related to the leases for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 222,000

9. Paycheck Protection Program

In March 2021, the Organization received loan proceeds in the amount of $2,000,000 under the Paycheck Protection Program (PPP), which was established as part of Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA).

As of June 30, 2022, the Organization had expended all of the PPP funds received on eligible expenses. The Organization applied for forgiveness and was notified in July 2022 that they received full forgiveness of the loan from the SBA. Therefore, the Organization recorded grants income of $2,000,000 within its statements of activities and changes in net assets for the year ended June 30, 2022.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request. The Organization does not believe the results of any audits or reviews by the SBA would have a material impact on the financial statements.

10. Employee Retention Credit

The Employee Retention Credit (ERC), which was included as part of the CARES Act and amended by the Consolidated Appropriations Act (CAA), the American Rescue Plan Act (ARPA), and the Infrastructure Investment and Jobs Act (IIJA), incentivizes employers severely impacted by the COVID-19 pandemic to retain their employees when they might otherwise find it difficult to do so. The fully refundable tax credit is allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer. The Organization qualified for the ERC as it experienced a significant decline in gross receipts (for 2021, defined as a 20% decline in gross receipts when compared to the same quarter in 2019). The Organization averaged more than 100 full-time employees (FTEs), but less than 500 FTEs during 2019, therefore, it was considered a large employer during 2020 and a small employer during 2021. As a small employer, all of the Organization's otherwise qualified wages were eligible for the ERC. For 2022, the ERC equaled 70% of an employee's qualified wages up to $10,000 per employee per calendar quarter with a maximum annual credit of $21,000 for each employee.

The Organization accounts for this federal funding in accordance with FASB ASC 958-605 guidance for conditional contributions and, accordingly, revenues are measured and recognized when barriers are substantially met. The Organization claimed credits of approximately $5,093,000 on amended Forms 941 which are included in grants income in accompanying statements of activities and changes in net assets for the year ended June 30, 2022. As of June 30, 2022, the Organization had a grant receivable of approximately $5,093,000. The Organization received these credits from the IRS during October 2022.

11. Net Assets

As of June 30, 2023 and 2022, net assets without donor restrictions, are composed of:

	2023	2022
Undesignated	$ 31,244,671	$ 34,815,409
Board-designated reserve for asset replacement	1,054,289	1,054,289
	$ 32,298,960	$ 35,869,698

As of June 30, 2023 and 2022, net assets with donor restrictions, are composed of:

	2023	2022
Capital fund	$ 17,252,626	$ 18,000,247
Programs:		
Family Life / Mental Health Initiative	1,406,462	1,656,250
Center for Special Needs	1,425,456	1,237,263
Center for Jewish Living	1,761,762	2,515,266
Gift of Literacy	308,173	670,500
Cancer Care	405,339	650,000
Joy Levet Event/BEIT	1,297,567	1,247,567
Various other	5,228,772	6,268,030
	$ 29,086,157	$ 32,245,123

For the years ended June 30, 2023 and 2022, net assets were released from restrictions by incurring expenses satisfying the restricted purposes as stipulated by the donors, as follows:

	2023	2022
Purpose restricted:		
20's and 30's Program	$ 115,000	$ 78,000
Antisemitic Program	15,862	10,000
Arts & Culture Program: Performances	181,700	15,000
Arts & Culture Program: Conversations	-	115,000
BBYO Program	249,788	-
Camp Settoga	119,653	99,044
Cancer Care	570,031	70,583
Center for Social Responsibility Program	75,850	99,083
Center for Special Needs	132,050	100,351
Center for Special Needs Adaptations Program	160,000	220,176
Center for Special Needs Boosts/Kulam	15,000	15,000
Center for Special Needs Harlem	50,000	-
Center for Special Needs Parenting Program	50,625	50,000
Center for Special Needs Teens and Interns	93,088	20,000
Center for Special Needs Future Planning	30,000	15,000
Donation to Ukraine	1,500	-
Exhibit at MMJCCM Lobby	40,100	-
Films Program, Film Center and Other Israel Film Festival	105,579	90,000
Films, Reebilities Film Festival	202,625	18,000
Fitness Center	-	60,000
General Program Operating Support	416,496	203,350
Gift of Literacy Program	362,327	-
Harlem Initiative	150,000	-
Israel Center	53,000	-
Israel Forum	-	37,000
MMJCCM Annual Benefit Program	-	143,967
MMJCCM Annual White Hot Winter Weekend	-	18,705
Nursery	49,676	-
Jewish Conversation	56,631	-
Jewish Journey Project	102,690	-
Jewish Learning Holiday	55,000	-
Jewish Learning Center for Innovations	100,000	-
Jewish Learning Program, End of Life	-	35,000
Jewish Learning Program, Immerse	25,000	-
Jewish Learning Program, Tikkun	70,717	45,000
Jewish Center for Living-GLO	5,000	-
Jewish Learning Program One Shot	3,500	6,000
Parkinsons	-	25,500
Volunteers Community Program	-	150,000
Seniors Program, Older Adult Classes	245,900	416,166
Shabbat Shabbang	-	114,850
Social Justice Film Festival	67,375	-
Spa Day Fitness Program	-	10,000
Staff Development	-	500,000
Technology	-	50,000
Young Family Program	-	25,000
Total purpose restricted	3,971,763	2,855,775
Capital Fund	1,307,594	6,815,287
Total net assets released from restrictions	$ 5,279,357	$ 9,671,062

12. Defined Contribution Plan

The Organization sponsors a 403(b) plan that covers all employees who are age 21 or older who become eligible to receive contributions from the Organization upon completing one year of continuous service performing at least 1,000 hours of service per year. Effective July 1, 2020, employer discretionary contributions have been suspended.

13. Liquidity and Availability of Resources

The Organization's financial assets available within one year of June 30, 2023 and 2022 for general expenditures such as operating expenses, debt service and fixed asset purchases not financed with debt financing are as follows:

	2023	2022
Cash and cash equivalents	$ 13,582,767	$ 6,897,727
Cash and cash equivalents, restricted	15,172,232	16,972,805
Investments	13,681,875	15,534,547
Unconditional promises to give	8,428,022	9,695,989
Grants receivable	-	5,093,128
Total financial assets	50,864,896	54,194,196
Less donor restricted amounts	36,126,427	40,880,559
Less board-designated reserve for asset replacement	1,054,289	1,054,289
Total financial assets available	$ 13,684,180	$ 12,259,348

As part of the Organization'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. The Organization's main sources of liquidity are program and membership income, as well as contributions. Although investments are available for expenditure, the Organization uses them in a minimal manner for its operations.

14. Subsequent Events

Subsequent events have been evaluated through May 14, 2024, which is the date the financial statements were available to be issued.