JCC Association of North America

Financial Statements
(Together with Independent Auditors' Report)

Years Ended December 31, 2022 and 2021

JEWISH COMMUNITY CENTERS ASSOCIATION OF NORTH AMERICA

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Jewish Community Centers Association of North America

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jewish Community Centers Association of North America (the "Association"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Association 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 discussed in Note 19 to the financial statements, the Association's financial statements as of and for the year ended December 31, 2021 have been restated. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 2N to the financial statements, the Association changed its method of accounting for leases as a result of the adoption of Accounting Standards Codification Topic 842, *Leases*, effective January 1, 2022, under the modified retrospective transition method. 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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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 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 audits.

- 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 audits 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 Association'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 Association'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.

Mayer Hoffman McCann CPAs

New York, NY
June 21, 2023

JEWISH COMMUNITY CENTERS ASSOCIATION OF NORTH AMERICA
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021

	2022	2021 (Restated)
ASSETS		
Cash and cash equivalents (Notes 2D and 16)	$ 4,063,351	$ 2,674,373
Accounts receivable - net (Note 2F)	1,937,919	1,367,378
Contributions receivable - net (Notes 2E and 5)	7,036,503	2,314,103
Investments, at fair value (Notes 2H, 4, 14 and 15)	22,523,695	28,570,380
Prepaid expenses and other assets (Note 11)	690,794	515,753
Right-of-use asset (Notes 2J and 12)	2,628,828.00	-
Property and equipment - net (Notes 2G and 6)	437,320	546,817
TOTAL ASSETS	$ 39,318,410	$ 35,988,804
LIABILITIES		
Accounts payable and accrued expenses (Note 8)	$ 901,166	$ 605,910
Accrued salaries and vacation	355,098	315,714
Deferred revenue (Note 2I)	267,495	525,773
Deferred rent (Notes 2J and 12)	-	743,400
Loans payable (Note 7)	2,500,000	3,250,000
Lease liability (Notes 2J and 12)	3,272,329	-
Accrued pension benefits (Notes 2H, 2L and 9)	2,010,459	2,127,690
Accrued non-pension post-retirement benefits (Notes 2H, 2L and 10)	546,672	799,072
Accrued supplemental pension and retirement benefits (Notes 2H and 11)	299,114	349,592
TOTAL LIABILITIES	10,152,333	8,717,151
COMMITMENTS AND CONTINGENCIES (Note 17)		
NET ASSETS (Note 2C)		
Without donor restrictions:		
Deficit from operations (Note 18)	(3,758,881)	(4,278,610)
Net investment in property and equipment	437,320	546,817
Pension and non-pension post-retirement component (Notes 2K, 9 and 10)	(2,557,131)	(2,926,762)
Total deficit without donor restrictions (Note 18)	(5,878,692)	(6,658,555)
With donor restrictions (Notes 13 and 14)	35,044,769	33,930,208
TOTAL NET ASSETS	29,166,077	27,271,653
TOTAL LIABILITIES AND NET ASSETS	$ 39,318,410	$ 35,988,804

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

JEWISH COMMUNITY CENTERS ASSOCIATION OF NORTH AMERICA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	For the Year Ended December 31, 2022			For the Year Ended December 31, 2021 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2021 (Restated)
OPERATING REVENUE AND SUPPORT						
Constituent center dues (Note 2I)	$ 3,658,802	$ -	$ 3,658,802	$ 3,319,886	$ -	$ 3,319,886
Contributions, grants, and bequests (Note 2E)	3,539,600	6,818,603	10,358,203	105,204	3,294,401	3,399,605
Program and seminar fees, including contribution portion (Note 2I)	1,605,092	-	1,605,092	438,785	-	438,785
Board and other annual giving	1,082,102	260,000	1,342,102	740,573	21,000	761,573
National Funding Council and federations support	661,667	-	661,667	494,317	250,000	744,317
Investment income used for operations (Notes 4 and 14)	104	474,946	475,050	14,164	850,766	864,930
Rent income (Note 17C)	299,886	-	299,886	232,981	-	232,981
Sponsorships and other	185,766	-	185,766	276,173	-	276,173
Paycheck Protection Program (Note 17C)	-	-	-	1,174,627	-	1,174,627
Employee retention tax credit	-	-	-	922,667	-	922,667
Net assets released from restrictions (Notes 2B and 13)	2,501,773	(2,501,773)	-	2,916,615	(2,916,615)	-
TOTAL OPERATING REVENUE AND SUPPORT	13,534,792	5,051,776	18,586,568	10,635,992	1,499,552	12,135,544
OPERATING EXPENSES (Note 2L)						
Program services:						
Program enrichment	4,532,009	-	4,532,009	2,843,032	-	2,843,032
Community consultation	1,328,847	-	1,328,847	1,262,908	-	1,262,908
Personnel development	1,086,684	-	1,086,684	1,188,033	-	1,188,033
Direct service to the military	624,312	-	624,312	680,307	-	680,307
Jewish educational services	1,220,788	-	1,220,788	879,464	-	879,464
Total program services	8,792,640	-	8,792,640	6,853,744	-	6,853,744
Supporting services:						
Management and general	2,685,145	-	2,685,145	2,463,132	-	2,463,132
Fundraising	1,933,175	-	1,933,175	1,180,857	-	1,180,857
Total supporting services	4,618,320	-	4,618,320	3,643,989	-	3,643,989
TOTAL OPERATING EXPENSES	13,410,960	-	13,410,960	10,497,733	-	10,497,733
EXCESS OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES (Note 2K)	123,832	5,051,776	5,175,608	138,259	1,499,552	1,637,811
NON-OPERATING ACTIVITY (Note 2K)						
Investment activity (Notes 4 and 14)	104	(3,462,269)	(3,462,165)	14,164	2,619,199	2,633,363
Less: amount used for operations (Note 4)	(104)	(474,946)	(475,050)	(14,164)	(850,766)	(864,930)
TOTAL NON-OPERATING ACTIVITY	-	(3,937,215)	(3,937,215)	-	1,768,433	1,768,433
CHANGE IN NET ASSETS BEFORE PENSION RELATED CHANGES	123,832	1,114,561	1,238,393	138,259	3,267,985	3,406,244
Pension and post-retirement changes other than net periodic costs (Notes 9 and 10)	656,031	-	656,031	1,143,531	-	1,143,531
TOTAL CHANGE IN NET ASSETS	779,863	1,114,561	1,894,424	1,281,790	3,267,985	4,549,775
Net assets (deficit) - beginning of year	(6,658,555)	33,930,208	27,271,653	(7,940,345)	30,662,223	22,721,878
NET ASSETS (DEFICIT) - END OF YEAR (Notes 14 and 18)	$ (5,878,692)	$ 35,044,769	$ 29,166,077	$ (6,658,555)	$ 33,930,208	$ 27,271,653

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

JEWISH COMMUNITY CENTERS ASSOCIATION OF NORTH AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Totals for the Year Ended December 31, 2021)

	Program Services						Supporting Services				
	Program Enrichment	Community Consultation	Personnel Development	Direct Service to the Military	Jewish Educational Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2022	Total 2021
Salaries	$ 2,067,879	$ 794,428	$ 636,326	$ 264,328	$ 597,111	$ 4,360,072	$ 980,907	$ 737,071	$ 1,717,978	$ 6,078,050	$ 5,464,986
Payroll taxes and employee benefits (Notes 9, 10 and 11)	548,764	212,362	175,348	70,762	159,332	1,166,568	457,118	197,013	654,131	1,820,699	1,492,445
Total Salaries and Related Costs	2,616,643	1,006,790	811,674	335,090	756,443	5,526,640	1,438,025	934,084	2,372,109	7,898,749	6,957,431
Supplies and program materials	122,029	3,825	5,632	23,383	19,025	173,894	19,400	6,311	25,711	199,605	139,011
Rent and maintenance (Note 2J)	318,845	96,485	100,278	41,655	87,410	644,673	347,278	94,475	441,753	1,086,426	1,046,335
Staff transportation and travel	167,277	29,662	37,012	33,538	20,339	287,828	85,459	16,949	102,408	390,236	92,188
Telephone	4,396	1,225	1,335	1,010	1,490	9,456	22,957	605	23,562	33,018	38,880
Conference, conventions, meetings and project costs	656,407	7,265	4,441	132,897	263,709	1,064,719	20,474	750,039	770,513	1,835,232	439,177
Scholarship and grants	36,126	9	5,349	4	8,678	50,166	534	145	679	50,845	217,336
Postage and shipping	12,992	2	36	6,658	2	19,690	16,690	2,737	19,427	39,117	18,212
Computer expenses	96,172	30,640	983	408	4,512	132,715	145,444	2,787	148,231	280,946	128,184
Other	60,202	772	5,602	2,180	3,635	72,391	150,933	5,739	156,672	229,063	139,283
Consultants and other professional fees	350,534	133,199	90,877	31,147	18,747	624,504	298,006	99,676	397,682	1,022,186	833,543
Membership dues	540	-	495	3,490	360	4,885	49,621	1,050	50,671	55,556	56,461
Marketing	24,148	-	251	4,661	-	29,060	-	-	-	29,060	44,956
Insurance	31,354	9,488	12,861	4,096	23,970	81,769	34,167	9,290	43,457	125,226	117,967
Bad debt expense	-	-	-	-	-	-	21,998	-	21,998	21,998	114,500
Depreciation and amortization	34,344	9,485	9,858	4,095	12,468	70,250	34,159	9,288	43,447	113,697	114,269
TOTAL EXPENSES	$ 4,532,009	$ 1,328,847	$ 1,086,684	$ 624,312	$ 1,220,788	$ 8,792,640	$ 2,685,145	$ 1,933,175	$ 4,618,320	$ 13,410,960	$ 10,497,733

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

JEWISH COMMUNITY CENTERS ASSOCIATION OF NORTH AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services						Supporting Services			
	Program Enrichment	Community Consultation	Personnel Development	Direct Service to the Military	Jewish Educational Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2021
Salaries	$ 1,552,921	$ 780,036	$ 624,845	$ 320,203	$ 379,638	$ 3,657,643	$ 1,064,099	$ 743,244	$ 1,807,343	$ 5,464,986
Payroll taxes and employee benefits (Notes 9, 10 and 11)	428,858	214,031	177,762	88,532	150,410	1,059,593	236,745	196,107	432,852	1,492,445
Total Salaries and Related Costs	1,981,779	994,067	802,607	408,735	530,048	4,717,236	1,300,844	939,351	2,240,195	6,957,431
Supplies and program materials	35,845	4,503	11,933	40,888	18,003	111,172	20,691	7,148	27,839	139,011
Rent and maintenance (Note 2J)	242,694	100,606	100,789	51,650	61,474	557,213	386,656	102,466	489,122	1,046,335
Staff transportation and travel	30,636	758	14,335	14,659	8,555	68,943	18,553	4,692	23,245	92,188
Telephone	3,300	1,980	1,320	660	1,279	8,539	29,681	660	30,341	38,880
Conference, conventions, meetings and project costs	275,075	229	-	75,486	44,096	394,886	44,291	-	44,291	439,177
Scholarship and grants	18,900	-	67,599	-	130,837	217,336	-	-	-	217,336
Postage and shipping	3,317	12	2,359	5,745	8	11,441	3,419	3,352	6,771	18,212
Computer expenses	24,579	25,006	1,055	540	4,757	55,937	69,402	2,845	72,247	128,184
Other	25,074	-	273	2,955	6,266	34,568	94,908	9,807	104,715	139,283
Consultants and other professional fees	136,369	114,942	164,605	53,501	26,839	496,256	247,941	89,346	337,287	833,543
Membership dues	-	-	-	3,000	1,173	4,173	52,288	-	52,288	56,461
Marketing	13,263	-	315	11,807	19,571	44,956	-	-	-	44,956
Insurance	25,139	10,421	10,440	5,350	15,951	67,301	40,052	10,614	50,666	117,967
Bad debt expense	-	-	-	-	-	-	114,500	-	114,500	114,500
Depreciation and amortization	27,062	10,384	10,403	5,331	10,607	63,787	39,906	10,576	50,482	114,269
TOTAL EXPENSES	$ 2,843,032	$ 1,262,908	$ 1,188,033	$ 680,307	$ 879,464	$ 6,853,744	$ 2,463,132	$ 1,180,857	$ 3,643,989	$ 10,497,733

JEWISH COMMUNITY CENTERS ASSOCIATION OF NORTH AMERICA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 1,894,424	$ 4,549,775
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Unrealized loss (gain) on investments	4,171,045	(856,293)
Realized gain on investments	(424,124)	(1,473,128)
Depreciation and amortization	113,697	114,269
Bad debt	21,998	114,500
Decrease (increase) in discount on contributions receivable	(38,270)	1,520
Pension and non-pension changes other than net periodic costs	(656,031)	(1,143,531)
	5,082,739	1,307,112
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(592,539)	(763,017)
Contributions receivable	(4,684,130)	(12,336)
Prepaid expenses and other assets	(175,041)	(16,570)
Right-of-use asset	(2,628,828)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	295,256	113,986
Accrued salaries and vacation	39,384	(188,112)
Deferred revenue	(258,278)	467,926
Deferred rent	(743,400)	(101,249)
Lease liability	3,272,329	-
Accrued pension benefits	538,800	(216,742)
Accrued non-pension post-retirement benefits	(252,400)	(221,577)
Accrued supplemental pension and retirement benefits	(50,478)	75,298
Net Cash (Used in) Provided by Operating Activities	(156,586)	444,719
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	2,780,804	398,602
Purchases of investments	(481,040)	(3,162,206)
Purchases of property and equipment	(4,200)	(24,616)
Net Cash Provided by (Used in) Investing Activities	2,295,564	(2,788,220)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans payable	-	3,350,000
Payments on loans payable	(750,000)	(250,000)
Net Cash (Used in) Provided by Financing Activities	(750,000)	3,100,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,388,978	756,499
Cash and cash equivalents - beginning of year	2,674,373	1,917,874
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,063,351	$ 2,674,373

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The Jewish Community Centers Association of North America (the "Association") is a not-for-profit agency which provides leadership to the Jewish community center movement of North America, provides services to the North American Jewish community, and serves the social welfare and spiritual needs of Jewish men and women in the armed forces of the USA and veterans of these forces.

The Association is supported by local communities through Jewish Community Center ("JCC") dues, National Federation/Agency Alliance of Jewish Federations of North America ("Alliance"), as well as grants and contributions.

The Association works to strengthen its affiliated JCCs and the entire Jewish center movement of North America through a variety of services as described below:

Program Enrichment Services – This program provides developing signature programs for member JCCs and provides consulting on the programming needs of the JCCs.

Community Consultation Services – This program provides consulting services to JCCs in the area of general management, financial management and governance. In addition, the Mandel Center for Excellence in Leadership and Management has been involved in developing operational benchmarks for JCCs.

Personnel Services – This program deals with all matters related to several thousand professionals working in Jewish Community Centers throughout North America. The program includes recruiting quality professionals to fill vacancies in JCCs; enhancing a JCC's staff retention potential; monitoring and leading changes in personnel practice; studying and publication of trends, including salaries.

Direct Services to the Military – This program works with all branches of the U.S. Military to endorse Jewish Chaplains and to provide services to active duty personnel, their families and those in veterans hospitals.

Jewish Educational Services – This program develops programs for JCCs that have significant Jewish content to operate. In addition, seminars in Israel for professional staff and lay leaders of JCCs are performed through this program.

The Association is a Section 501(c)(3) not-for-profit organization exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the "Code") and is a publicly supported organization as described in Section 509(a)(1) of the Code. The Association is also exempt from state and local income taxes.

The Association's main office is located in New York, New York. In 1973, the Association established the Israel office as an expression of its commitment to strengthen ties between North American Jewry and Israel, and to serve as a link connecting JCCs and Jewish communities throughout the world. The Israel office sponsors Jewish educational seminars, special programs for JCC leadership and for JCC professionals, and operates JCC membership programs to Israel, continental or community programs for members in a variety of themes. In compliance with the local laws and ordinances in Israel, the office was formally registered in March 1999 as "The Israel Amuta of the Jewish Community Centers Association of North America" (the "Amuta") and is classified as a non-profit organization. The Israel office receives funding allocations from the Association in support of its activities and general operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Association's financial statements have been prepared on the accrual basis of accounting. The Association adheres to accounting principles generally accepted in the United States of America ("GAAP").

B. The Association reports gifts of cash and other assets as increases in 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 statements of activities as net assets released from restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Without donor restrictions – These represent resources received that have not been restricted by the donor and that have no time restrictions. Such resources are available for support of the Association's operations over which the Board of Directors has discretionary control. This also includes the Association's net investment in property and equipment and the Association's funded status of pension and non-pension post-retirement benefits.

- With donor restrictions – These consist of funds that are restricted by donors for a specific time period or purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. These also include those resources received subject to donor-imposed stipulations that they be maintained intact and invested in perpetuity by the Association. The income provided is in support of scholarships, program development, Jewish education, general operations and Israel office operations.

D. The Association considers cash equivalents to be all liquid investments with original maturities of 90 days or less when acquired, except money market funds held in its investment portfolio.

E. Contributions receivable are recorded as revenue when the Association is formally notified of the grants or contributions by the respective donors. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. When material, the discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received; amortization of the discounts is included in contribution revenue. Bequests are recognized as revenue when the will has gone through probate and the sum is certain. Historically, the Association has not experienced significant bad debt losses. The Association bases its allowance for doubtful contributions on its historical loss experience considering the age of the receivable. The Association has determined that no allowance was necessary as of both December 31, 2022 and 2021.

   As of December 31, 2022 and 2021, the Association received conditional funding from a donor amounting to approximately $2,000,000 and $1,000,000, respectively, which has not been recognized in the accompanying financial statements. This funding will be recognized as revenue when contract barriers are overcome. Such barriers include receiving matching funds in accordance with the donor agreement. If matching funds are not received, the Association may be required to return the funds already remitted.

   The Association receives certain contributed goods and services, including professional services. Donated goods are recognized at fair value when received. Donated services are recognized at fair value as revenue if the services enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided through donation.

F. Accounts receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. As of December 31, 2022 and 2021, the Association determined that an allowance for doubtful accounts should be provided for accounts receivable in the amount of $930,000. Such estimate is based on management's estimate of the aged basis of its receivables, the creditworthiness of its Jewish Community Centers as well as current economic conditions and historical information.

G. Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. The Association capitalizes property and equipment with a cost of $2,000 or more and a useful life of greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the useful life of the asset or the remaining term of the lease.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. The Association carries its investments at fair value as explained in Note 15. Unrealized and realized gains and losses and investment income are reported in the statements of activities in investment activity as increases or decreases in net assets without donor restrictions unless there are donor restrictions for the use of investment income. It is the Association's policy to make an annual investment allocation for the support of operations of a percentage of the average fair value of investments for the preceding twelve quarters. Amounts allocated to the net assets with donor restrictions are based on donor stipulations.

   Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 15.

I. The Association's program fees are accounted for in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606. Program revenues includes membership, program and seminar fees, as described in Note 1. Program expenses are costs relating to the programs. Program revenues and expenses are recognized in the year in which they are earned or incurred.

   Deferred revenue represents amounts received by the Association for which the Association has not met the conditions or fulfilled a service. Performance obligations are determined based on the nature of the services provided by the Association in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided.

J. The Association leases real property under operating leases as further described in Note 12. The Association assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. The Association has elected to apply the practical expedients that allow it to discount the lease liability to present value using a risk-free rate.

K. The Association includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities, including an authorized interest income allocation and all contributions except for those that are restricted for capital expenditures or have been endowed by donors. Investment income, including net realized and unrealized gains and losses, earned in excess of (or less than) the Association's aggregate authorized spending amount, pension changes other than net periodic costs and contributions to net assets with donor restrictions are recognized as nonoperating activities.

L. The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated (on both an actual and an estimated basis) among the programs and supporting services benefited. The expenses that are allocated include salaries, payroll taxes and employee benefits, occupancy, repairs and maintenance, insurance, equipment lease, depreciation and marketing costs. Salaries and payroll taxes and employee benefits are allocated based on an estimate of time and effort. All other expenses are allocated on the basis of payroll consumed by each functional program area as an indicator of space and support resources usage.

M. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

N. The Association adopted FASB Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842) for the year ended December 31, 2022. The ASU requires organizations that lease assets to recognize the present value of the assets and liabilities for the rights and obligations created by those leases. The Association adopted Topic 842 as of January 1, 2022, which required the recognition of lease assets and liabilities as of that date. The lease liability was valued using the present value of future lease commitments. The adoption of Topic 842 was done using a modified retrospective approach that does not require restating prior periods, and as such, the adoption had no impact to the prior year financial statements, including the changes in net assets as previously reported.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Certain line items in the December 31, 2021 financial statements were reclassified to conform to the December 31, 2022 presentation. These changes had no impact on the change in net assets for the year ended December 31, 2021.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES

The Association strives to maintain adequate liquid financial assets that, in line with expected operating cash flow, will allow for uninterrupted processing of operating activities throughout the year. Financial assets that are earmarked for restricted activity are kept in separate accounts and reconciled quarterly. Funds are used for operations after each quarterly reconciliation or may be used in advance if cash flow projections indicate that other working capital will not cover these needs. Grant advances, other net assets with donor restrictions for specific purposes, as well as board appropriations from the endowment based on the agency spending policy are invested in a short-term bond program to provide some income with a nominal level of risk.

Endowment funds are invested in a mixed equity and fixed income portfolio to provide for operating draws and long-term growth, as more fully described in Note 14.

The following table reflects the Association's financial assets as of December 31, 2022 and 2021, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date because of donor restrictions. Amounts not available are mainly the corpus of endowment gifts. In 2018, the Association's Board of Directors authorized the borrowing of up to $4 million from endowment funds for use in operations through the 2019 calendar year. That authorization was extended in the amount of $3 million for 2020 and beyond, if necessary. The approval was given to recognize the need to invest in the stabilization of the operating budget as the Association re-structures to deliver services to affiliated JCCs and camps in a new way.

The Association's financial assets available to meet cash needs for general expenditures within one year are as follows as of December 31:

	2022	2021
Cash and cash equivalents	$ 4,063,351	$ 2,674,373
Accounts receivable – net	1,937,919	1,367,378
Contributions receivable – net	7,036,503	2,314,103
Investments, at fair value	22,523,695	28,570,380
Total financial assets	35,561,468	34,926,234
Less: Contributions receivable due in more than one year (net)	(3,746,933)	(1,010,500)
Less: Donor-restricted endowment funds	(18,862,178)	(22,799,396)
	$ 12,952,357	$ 11,116,338

NOTE 4 – INVESTMENTS

Investments consisted of the following as of December 31:

	2022	2021
Money market funds	$ 323,460	$ 758,834
Mutual funds	22,200,235	26,879,004
Alternative investments	-	932,542
	$ 22,523,695	$ 28,570,380

NOTE 4 – INVESTMENTS (Continued)

Alternative investments, which consist of an interest in a limited partnership, are stated at fair value in an unquoted market. Individual investment holdings within the alternative investments include primarily market-traded securities, as well as other nonmarketable securities. Fair values of the alternative investments are determined by the investment manager or general partners. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. Because of the inherent uncertainty of valuations of alternative investments, values for these investments may differ significantly from values that would have been used had a ready market for the investments existed.

Quarterly, the Association can redeem its investment in the limited partnership with 90 days prior notice. Pursuant to the investment agreement, the limited partnership may limit the aggregate amount redeemable in each quarter by all of the investors. The limited partnership investment objective is to achieve absolute returns with minimal risk rather than outperform a given benchmark or asset class. As such, the limited partnership pursues a multi-strategy approach to investing, exploiting marketing inefficiencies and engaging in financial arbitrage.

The following summarizes the Association's total investment return for the years ended December 31:

	2022	2021
Dividends and interest	$ 389,630	$ 345,699
Realized gain	882,579	1,473,128
Unrealized (loss) gain	(4,681,937)	856,293
Investment fees	(52,437)	(41,757)
Total return on investments	$ (3,462,165)	$ 2,633,363

Designation of investment activity:

	2022	2021
Amounts used for operations	$ 460,515	$ 864,930
Amount considered non-operating	(3,922,680)	1,768,433
	$ (3,462,165)	$ 2,633,363

NOTE 5 – CONTRIBUTIONS RECEIVABLE

Contributions receivable are scheduled to be received as follows as of December 31:

	2022	2021
Amounts due in less than one year	$ 3,332,000	$ 1,307,763
Amounts due in one to five years	3,746,933	1,010,500
Discount (at 0.97% - 4.22%)	(42,430)	(4,160)
	$ 7,036,503	$ 2,314,103

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2022	2021	Estimated Useful Lives
Building and improvements	$ 358,290	$ 358,290	29 years
Leasehold improvements	1,801,783	1,801,783	11-20 years
Furniture, equipment and vehicles	1,291,534	1,287,334	3-10 years
Total	3,451,607	3,447,407	
Less: accumulated depreciation and amortization	(3,014,287)	(2,900,590)	
Total net	$ 437,320	$ 546,817	

Depreciation and amortization expense amounted to $113,697 and $114,269 for the years ended December 31, 2022 and 2021, respectively.

NOTE 7 – LOANS PAYABLE

Loans payable are comprised of the following as of December 31:

	2022	2021
Jewish Community Response and Impact Fund	$ 2,000,000	$ 2,750,000
Emergency Injury Disaster Loan	500,000	500,000
	$ 2,500,000	$ 3,250,000

In January 2021, the Association received a loan from the Jewish Community Response and Impact Fund (“JCRIF”) in the amount of $3,000,000. The loan is interest-free and matures in October 2024. The proceeds of the loan will be used to further the Associations tax-exempt purpose or mission by alleviating cash flow challenges and enabling the Association to maintain services and/or meet payroll obligations in connection with delays or losses of revenue attributable to the COVID-19 pandemic.

In July 2020, the Association received an Emergency Injury Disaster Loan (“EIDL”) of $150,000. The Association received this loan through a Small Business Administration (“SBA”) authorized lender. During September 2021, the loan amount has been increased from $150,000 to $500,000. The loan bears interest at a fixed rate of 2.75% per annum. The Association may prepay this note in part or in full at any time, without notice or penalty. The Association must pay principal and interest payments of $2,212 every month beginning twenty-four (24) months from the date of the note. All remaining principal and accrued interest is due and payable thirty (30) years from the date of the Note.

Future annual principal payments are as follows for the years ending after December 31, 2022:

2023	$ 1,013,136
2024	1,013,501
2025	13,877
2026	14,264
2027	14,661
Thereafter	430,561
	$ 2,500,000

NOTE 8 – RELATED-PARTY TRANSACTIONS

The Florence G. Heller – JCC Association Research Center, Inc. ("Research Center") conducts research projects to help Jewish Community Centers and other Jewish communal agencies improve their services to the Jewish community. A number of Board members of the Research Center are also on the Board of the Association. The Association acts as an agent for the Research Center providing investment and other management services. The value of services contributed to the Research Center is not considered material to the accompanying financial statements. As of both December 31, 2022 and 2021, the Association held $ 24,698 for the Research Center for use in the Research Center's future operations.

NOTE 9 – PENSION PLANS

Effective September 1, 2005, the Association froze all benefit accruals, discontinued employee contributions and fully vested plan participants who were employed by a participating employer on that date. The frozen plan was a contributory defined benefit pension plan, administered by an insurance company, which was available to all employees of a participating employer who had reached the age of 21 and who had completed one year of service.

	2022	2021
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 7,789,075	$ 8,785,718
Interest cost	196,837	166,181
Actuarial gain	(1,142,518)	(553,294)
Benefits paid	(722,276)	(609,530)
Benefit obligation at end of year	6,121,118	7,789,075
Fair value of plan assets	(4,110,659)	(5,661,385)
Unfunded status	$ (2,010,459)	$ (2,127,690)
Amounts recognized in the statements of financial position:		
Net pension liability	$ 2,010,459	$ 2,127,690
Employer contribution	$ 28,431	$ 553,635

As of December 31, 2022 and 2021, the accumulated benefit obligation for the pension plan was $6,121,118 and $7,789,075, respectively.

GAAP requires an employer to: (*a*) recognize in its statements of financial position an asset for a plan's overfunded status or a liability for a plan's underfunded status; (*b*) measure a plan's assets and its obligations that determine its funded status as of the end of the employer's fiscal year and (*c*) recognize changes in the funded status of a defined benefit post-retirement plan in the year in which the changes occur.

The components of net periodic benefit cost are as follows for the pension plan for the years ended December 31:

	2022	2021
Interest cost	$ 196,837	$ 166,181
Expected return on assets	(396,377)	(399,215)
Amortization of net loss	386,648	442,583
Net periodic pension cost	$ 187,108	$ 209,549

Other changes in plan assets and benefit obligations recognized in the change in net assets without donor restrictions are as follows for the years ended December 31:

	2022	2021
Net loss (gain)	$ 110,740	$ (573,604)
Amortization of net loss	(386,648)	(442,583)
	$ (275,908)	$ (1,016,187)

NOTE 9 – PENSION PLANS (Continued)

Amounts that have not been recognized as components of net periodic benefit costs, but included in net assets without donor restrictions to date as the effect of Accounting Standards Codification ("ASC") 715 are as follows:

	2022	2021
Net actuarial loss	$ 2,603,277	$ 2,879,185

The estimated net loss for the pension plan that will be amortized from the net assets without donor restrictions balance into net periodic benefit cost over the next year is $263,521.

The weighted-average assumptions used to determine the benefit obligation and net periodic benefit cost for the pension plan are as follows as of and for the years ended December 31:

	2022	2021
Discount rate used for net periodic benefit cost	2.52%	2.03%
Discount rate used for pension obligation	4.85%	2.52%
Expected return on plan assets	7.50%	7.50%
Mortality table	RP20C	RP20C

The pension plan's expected rate of return on plan assets is determined by the plan assets' historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class.

The following schedule of benefit payments for the pension plan, which are expected to be paid in each of the next five years and in the aggregate for the five years thereafter are as follows:

2023	$ 664,996
2024	650,400
2025	632,514
2026	609,274
2027	585,349
2028-2032	2,495,043

It is the Association's policy to contribute to the plan each year at least the minimum amount determined by actuarial valuation to meet Employee Retirement Income Security Act of 1974 Funding Standards, which may be based on assumptions different from those used to determine net periodic pension cost.

Employer contributions expected to be contributed to the pension plan in 2022 are $142,216. Employees are not required or permitted to contribute to the pension plan effective September 1, 2005.

The assets for the pension plan consist of the following as of December 31, 2022:

	Level 1	Level 2	Total
AXA Equitable Life Insurance Company Guarantee account	$ -	$ 70,659	$ 70,659
Money market funds	27,652	-	27,652
Mutual funds	4,012,348	-	4,012,348
	$ 4,040,000	$ 70,659	$ 4,110,659

NOTE 9 – PENSION PLANS (Continued)

The assets for the pension plan consist of the following as of December 31, 2021:

	Level 1	Level 2	Total
AXA Equitable Life Insurance Company			
Guarantee account	$ -	$ 50,474	$ 50,474
Money market funds	72,816	-	72,816
Mutual funds	5,538,095	-	5,538,095
	$ 5,610,911	$ 50,474	$ 5,661,385

Effective September 1, 2005, the Association established a defined contribution profit sharing retirement plan for eligible employees. All employees who have completed one year of service are eligible for the Plan. During the years ended December 31, 2022 and 2021, the Association incurred expenses amounting to $162,322 and $218,804 for contributions to the Plan, respectively.

NOTE 10 – NON-PENSION POST-RETIREMENT BENEFITS

The Association provides health care benefits to certain retirees. Active employees who joined the Association prior to October 1, 2003 are entitled to health care benefits if they leave the Association after they have reached the age of 62 and have provided 15 years of service. The Association will pay 50% of the premiums for these employees. A frozen amount of life insurance is provided to a closed group of retirees. Except for certain participants covered under a prior plan, no insurance is provided to future retirees.

The funded status of the plan is as follows as of December 31:

	2022	2021
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 799,072	$ 1,020,649
Service cost	7,677	11,280
Interest cost	19,797	21,684
Actuarial gain	(231,331)	(203,264)
Benefits paid	(48,543)	(51,277)
Unfunded status	$ (546,672)	$ (799,072)
Amounts recognized in the statements of financial position:		
Accrued non-pension post-retirement benefits	$ 546,672	$ 799,072
Employer contributions	$ 48,543	$ 51,277

Amounts that have not been recognized as components of net periodic benefit costs, but included in net assets without donor restrictions were as follows as of December 31:

	2022	2021
Unamortized prior service cost	$ (32,909)	$ (46,393)
Gain	834,288	696,026
	$ 801,379	$ 649,633

NOTE 10 – NON-PENSION POST-RETIREMENT BENEFITS (Continued)

The periodic post-retirement benefit costs are as follows for the years ended December 31:

	2022	2021
Service cost	$ 7,677	$ 11,280
Interest cost	19,797	21,684
Amortization of prior service cost	13,484	13,484
Amortization of gain	(93,069)	(89,404)
Net post-retirement benefit cost	$ (52,111)	$ (42,956)

Other changes in post-retirement plan assets and benefit obligations recognized in the change in net assets without donor restrictions are as follows for the years ended December 31:

	2022	2021
Net actuarial gain	$ (231,331)	$ (203,264)
Amortization of actuarial gain	93,069	89,404
Amortization of prior service cost	(13,484)	(13,484)
	$ (151,746)	$ (127,344)

The weighted-average assumptions to determine the benefit obligation and net periodic benefit cost are as follows as of and for the years ended December 31:

	2022	2021
Discount rate used to determine benefit obligations	4.93%	2.58%
Discount rate used to determine net periodic benefit cost	2.58%	2.21%

The following schedule of benefit payments (net of expected participant contributions), which reflects expected future services, as appropriate, are expected to be paid in each of the next five years and in the aggregate for the five years thereafter:

2023	$ 50,955
2024	49,827
2025	46,369
2026	43,512
2027	43,138
2028 - 2032	187,829

The following table presents the health care cost trend rate assumed for next year, the ultimate trend rate, and the year in which the rate reaches the ultimate rate:

Health care cost trend rate assumed for next year	4.500%
Ultimate trend rate to which the cost trend rate is expected to decline	4.037%
Year that the rate reaches the ultimate trend rate	2075

NOTE 11 – SUPPLEMENTAL PENSION AND RETIREMENT BENEFITS

The Association established a 457(b) deferred compensation plan (the "Plan"). The Plan is maintained primarily for the purpose of providing deferred compensation benefits for a select group of the Association's management. The assets in the Plan amounted to $299,114 and $349,592 as of December 31, 2022 and 2021, respectively, and are included under prepaid expenses and other assets on the accompanying statements of financial position. Such assets are self-directed by the individuals and consist of a variety of investments. Liabilities under the Plan amounted to $299,114 and $349,592 as of December 31, 2022 and 2021, respectively, and are reflected as accrued supplemental pension and retirement benefits on the accompanying statements of financial position.

NOTE 12 – OPERATING LEASES

Effective December 30, 2005, the Association entered into a twenty-year-and-four-month operating lease agreement for office space located at 520 Eighth Avenue, New York City. This lease commenced on July 10, 2006. The lease includes an annual rental escalation of 2% per year commencing in the second year of the lease and continuing in succeeding years thereafter for the term of the lease. On January 22, 2010, the Association entered into a temporary reduced payment deferral agreement effective January 1, 2010 and ending December 31, 2012. Under this agreement, the rental payments for three years were reduced by $450,000, of which $150,000 may be waived by the landlord if the timely payments of rent obligations were made by the Association, and the remaining $300,000 shall be paid to the landlord commencing January 1, 2013 through November 30, 2026. As of December 31, 2022, the right-of-use asset amounted to $2,628,828 and the lease liability amounted to $3,272,329 on the accompanying statements of financial position. The lease liabilities were discounted to present value using the risk-free rate of 4.414%.

The following is a schedule by years of the future lease payments for the years ending after December 31, 2022:

2023	$ 880,766
2024	897,949
2025	915,488
2026	854,824
	3,549,027
Less: Discount to present value	(276,698)
	$ 3,272,329

The Association subleases a portion of its office space to several organizations under year-to-year agreements. Sublease revenue for the years ended December 31, 2022 and 2021, amounted to $299,886 and $232,981, respectively.

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of the following as of December 31:

	2022	2021
Time restricted	$ 3,649,577	$ 1,827,631
Specific program support	11,245,936	10,394,808
Scholarship	1,504,818	2,149,798
Research	1,528,123	2,144,751
Jewish education	448,175	737,908
Facility	184,064	275,326
Total restricted for purpose and time	18,575,528	17,530,222
Endowment corpus	16,399,986	16,399,986
Net assets with donor restrictions	$ 16,399,511	$ 33,930,208

Net assets with donor restrictions of $2,501,773 and $2,916,615 were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors during the years ended December 31, 2022 and 2021, respectively.

NOTE 14 – ENDOWMENT FUNDS

ASC 958-205 provides guidance on the net asset classifications of donor-restricted endowment funds for a not-for-profit organization that is subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). ASC 958-205 also improves disclosure about the organization's endowment funds, whether or not the organization is subject to UPMIFA.

The Association's Board of Directors has interpreted New York State nonprofit law, the New York Prudent Management of Institutional Funds Act, which permits the Board to appropriate for expenditure all earnings of such donor-restricted endowment funds (both realized and unrealized) in a prudent manner, with a rebuttable presumption of imprudence if appropriations exceed 7% of the average balance calculated using the quarterly balances over the previous five-year period. The Association's spending policy in 2022 and 2021 was to appropriate 4.5% of the average balance calculated using the quarterly balances over the previous three-year period. Any unappropriated earnings that would otherwise be considered net assets without donor restrictions are reflected as net assets with donor restrictions. Appropriations under the spending policy are included in net assets released from restrictions, once the restriction has been met.

In 2013, the Board approved a loan from the endowment to operations in the amount of approximately $1 million which was taken over a three-year period. The loan was used to fund the Association's contributions to its pension plans. The loan is being repaid back into the endowment over time. As of both December 31, 2022 and 2021, the outstanding loan balance amounted to $959,100, which is included in the endowment corpus.

Changes in endowment net assets for year ended December 31, 2022 are as follows:

	Unappropriated Earnings	Endowment Corpus	Total
Endowment net assets, beginning of year	$ 6,399,407	$ 16,399,986	$ 22,799,393
Investment activity:			
Interest and dividends	337,089	-	337,089
Unrealized and realized loss on investments	(3,799,358)	-	(3,799,358)
Total investment activity	(3,462,269)	-	(3,462,269)
Amounts appropriated for operations	(474,946)	-	(474,946)
Endowment net assets, end of year	$ 2,462,192	$ 16,399,986	$ 18,862,178

Changes in endowment net assets for year ended December 31, 2021 are as follows:

	Unappropriated Earnings	Endowment Corpus	Total
Endowment net assets, beginning of year	$ 4,630,974	$ 16,299,986	$ 20,930,963
Investment activity:			
Contributions	-	100,000	100,000
Interest and dividends	289,781	-	289,781
Unrealized and realized gain on investments	2,329,418	-	2,329,418
Total investment activity	2,619,199	100,000	2,719,199
Amounts appropriated for operations	(850,766)	-	(850,766)
Endowment net assets, end of year	$ 6,399,407	$ 16,399,986	$ 22,799,393

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Association to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. As of December 31, 2022 and 2021, there were no funds with permanently restricted balances that had a deficiency in the fair market value of the underlying investments.

NOTE 15 – FAIR VALUE MEASUREMENTS

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Financial assets carried at fair value at December 31, 2022, are classified in the table as follows:

	Level 1	Total
ASSETS CARRIED AT FAIR VALUE		
Investments:		
Money market funds	$ 323,460	$ 323,460
Mutual funds	22,200,235	22,200,235
	22,523,695	22,523,695
457(b) Plan – mutual funds		
Mutual funds	299,114	299,114
	$ 22,822,809	$ 22,822,809

Financial assets carried at fair value at December 31, 2021, are classified in the table as follows:

	Level 1	Total
ASSETS CARRIED AT FAIR VALUE		
Investments:		
Money market funds	$ 758,834	$ 758,834
Mutual funds	26,879,004	26,879,004
	27,637,838	27,637,838
Investments measured using net asset value as a practical expedient		932,542
Total investments, at fair value		28,570,380
457(b) Plan – mutual funds		
Mutual funds	349,592	349,592
	349,592	349,592
	$ 27,987,430	$ 28,919,972

The Association's alternative investments consist of an investment in one fund which trades equities, fixed income products, options, futures and other financial instruments.

NOTE 15 – FAIR VALUE MEASUREMENTS (Continued)

Fair Value of Investments in Entities that use Net Asset Value

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient:

	Fair Value – December 31, 2022	Fair Value – December 31, 2021	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Alternative investments	$ -	$ 932,542	$ -	Quarterly	90 days
	$ -	$ 932,542	$ -		

NOTE 16 – CONCENTRATION OF CREDIT RISK

Cash that potentially subjects the Association to a concentration of credit risk includes cash accounts with a bank that exceeded the Federal Deposit Insurance Corporation ("FDIC") insurance limits of up to $250,000 per depositor. As of December 31, 2022 and 2021, the Association had cash balances that exceeded the FDIC insurance limits by approximately $3,546,000 and $2,294,000, respectively. Such excess includes outstanding checks.

Approximately $3.8 million of the Association's cash deposits were held at Signature Bank as of December 31, 2022. On March 12, 2023, Signature Bank was closed by the New York State Department of Financial Services and the FDIC was named as a receiver. To protect depositors, the FDIC transferred all deposits to a bridge bank operated by FDIC. The Association retained access to all of its cash and subsequently opened accounts at a new bank and transferred all of its cash to the new bank.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

A. The Association entered into a ten-year agreement with its former CEO, who retired as of March 31, 2015, to provide consulting services for a fixed number of hours per year upon his retirement. Total future minimum payments under the agreement, which includes premiums for various benefit plans, amount to the following:

2023	$ 80,703
2024	31,594
	$ 112,297

B. The Association believes it had no uncertain tax positions as of December 31, 2022 and 2021, in accordance with ASC Topic 740, "Income Taxes", which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

C. On April 21, 2020, the Association received loan proceeds in the amount of $1,111,250 under the Paycheck Protection Program ("PPP") established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) if the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period.

NOTE 17 – COMMITMENTS AND CONTINGENCIES (Continued)

The Association has opted to account for the PPP loan under FASB ASC 958. The Association believes that it has met all of the conditions for forgiveness of the PPP loan as of December 31, 2020 and recognized revenue amounting to $1,111,250. On April 14, 2021, the Association received forgiveness for the entire amount.

On February 9, 2021, the Association was approved for a second-draw PPP loan amounting to $1,174,627. The terms and conditions of the second-draw loan are the same as in the first loan. The Association has opted to account for the PPP loan under FASB ASC 958. The Association believes that it has met all of the conditions for forgiveness of the PPP loan as of December 31, 2021 and recognized revenue amounting to $1,174,627 during the year ended December 31, 2021.

NOTE 18 – DEFICIT FROM OPERATIONS

As of December 31, 2022, the Association's net assets without donor restrictions stood at a deficit balance of $5,878,692. After subtracting the items that relate to the Association's net investment in property and equipment, pension and other post-retirement benefits, the Association has a deficit from operations of $3,758,881 as of December 31, 2022. It is the intention of the Association to reduce the deficit over a period of time by increasing funding through individual and corporate giving, private foundations, and program and seminar fees. The Association manages its cash flow and working capital as more fully described in Note 3.

NOTE 19 – RESTATEMENT OF DECEMBER 31, 2021 FINANCIAL STATEMENTS

During the year ended December 31, 2022, the Association discovered that it had recognized contribution revenue of $400,000 for funds that were transferred to the Association for the benefit of individual Jewish Community Centers. The Association determined that these transactions were agency transactions and accordingly, restated the December 31, 2021 financial statements as follows:

	December 31, 2021 – as previously reported	Adjustment	December 31, 2021 – restated
Contributions receivable - net	$ 2,439,103	$ (125,000)	$ 2,314,103
Deferred revenue	250,773	275,000	525,773
Net assets with donor restrictions	34,330,208	(400,000)	33,930,208
Contributions, grants, and bequests revenue	3,799,605	(400,000)	3,399,605

NOTE 20 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through June 21, 2023 the date the financial statements were available to be issued.