

Financial Report

New Orleans Jewish Community Center

December 31, 2020

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TABLE OF CONTENTS

New Orleans Jewish Community Center

December 31, 2020 and 2019

	<u>Page Numbers</u>
Independent Auditor's Report	1 - 2
Exhibits	
A - Statement of Financial Position	3 - 4
B - Statement of Activities	5 - 6
C - Statement of Functional Expenses	7
D - Statement of Cash Flows	8 - 9
E - Notes to Financial Statements	10 - 26
Supplemental Information	
Schedule	
1 - Schedule of Support, Revenue, and Expenses Prepared for the United Way for the Greater New Orleans Area	27
2 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	28

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
New Orleans Jewish Community Center,
New Orleans, Louisiana.

We have audited the accompanying statement of financial position of New Orleans Jewish Community Center (the "Center") as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Center's 2019 financial statements, and our report dated February 1, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental information in the Schedule of Support, Revenue, and Expenses Prepared for the United Way for the Greater New Orleans Area (Schedule 1) and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Office (Schedule 2) is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Schedule 1 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on the supplemental information. Schedule 1 is not intended to present New Orleans Jewish Community Center's financial position and results of operation. Schedule 2 is required by Louisiana Revised Statute 24:513(A)(3). The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
October 27, 2021.

STATEMENT OF FINANCIAL POSITION

New Orleans Jewish Community Center

December 31, 2020
(with comparative totals for 2019)

ASSETS

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,046,579	\$ 1,341,913
Restricted cash - Capital Campaign	342,697	208,885
Unconditional promises to give:		
Capital Campaign	730,226	1,113,760
United Way funding for next year:		
New Orleans United Way allocations and designations	26,577	27,694
Jewish Endowment Foundation	15,091	13,680
Member accounts receivable, net	167,211	177,003
Miscellaneous receivable	28,742	20,915
Prepaid expenses and deposits	154,682	145,671
Funds held by Greater New Orleans Foundation	103,918	96,132
Funds held by Jewish Endowment Foundation	2,034,368	2,173,538
Investments	1,935,392	1,675,287
Property and equipment, net	10,116,473	10,665,479
Right of use asset	-	60,480
	<u> </u>	<u> </u>
Totals	<u>\$17,701,956</u>	<u>\$17,720,437</u>

See notes to financial statements.

LIABILITIES

	<u>2020</u>	<u>2019</u>
Accounts payable and accrued expenses	\$ 168,440	\$ 299,480
Finance lease payable	-	73,374
Unearned revenue - dues and service fees	<u>694,240</u>	<u>846,362</u>
Total liabilities	<u>862,680</u>	<u>1,219,216</u>

NET ASSETS

Net assets without donor restrictions:		
Designated	1,251,432	1,251,432
Undesignated	<u>12,245,007</u>	<u>11,765,863</u>
Total unrestricted	13,496,439	13,017,295
Net assets with donor restrictions	<u>3,342,837</u>	<u>3,483,926</u>
Total net assets	<u>16,839,276</u>	<u>16,501,221</u>
Totals	<u><u>\$17,701,956</u></u>	<u><u>\$17,720,437</u></u>

STATEMENT OF ACTIVITIES**New Orleans Jewish Community Center**

For the year ended December 31, 2020
(with comparative totals for 2019)

	Net Assets	Net Assets	Totals	
	Without Donor Restrictions	With Donor Restrictions	2020	2019
Support and Revenue				
Public support:				
Allocations by United Way:				
New Orleans United Way allocations and grants	\$ -	\$ 40,599	\$ 40,599	\$ 39,584
New Orleans United Way designations	-	1,638	1,638	2,236
Contributions from Jewish Federation	294,210	51,373	345,583	329,317
Jewish Endowment Foundation	9,091	-	9,091	23,680
Capital Campaign	-	87,789	87,789	116,091
Member donation of April dues	164,865	-	164,865	-
Other contributions	279,308	20,279	299,587	317,521
Department of Education grant	-	86,750	86,750	-
Total public support	747,474	288,428	1,035,902	828,429
Revenue:				
Membership dues	2,602,719	-	2,602,719	3,690,613
Program service fees	2,249,829	-	2,249,829	4,469,126
Building assessment	-	32,610	32,610	33,828
Miscellaneous:				
Paycheck Protection Program loan forgiveness	1,137,000	-	1,137,000	-
Investment income, net	59,084	13,285	72,369	74,045
Investment income, Capital Campaign	-	1,524	1,524	651
Bank draft fees	98,778	-	98,778	114,885
Other	70,456	-	70,456	96,090
Total revenue	6,217,866	47,419	6,265,285	8,479,238
Net assets released from restrictions:				
Satisfaction of purpose restrictions:				
Capital Campaign	341,960	(341,960)	-	-
New Orleans United Way grants	42,508	(42,508)	-	-
Department of Education grant	86,750	(86,750)	-	-
Other	5,718	(5,718)	-	-
Total net assets released from restrictions	476,936	(476,936)	-	-
Total support and revenue	7,442,276	(141,089)	7,301,187	9,307,667

**Exhibit B
(Continued)**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals	
			2020	2019
Expenses				
Program services:				
Early childhood/daycare	2,282,451	-	2,282,451	2,539,863
Day camping	819,572	-	819,572	1,173,558
Participatory recreation	2,103,882	-	2,103,882	3,129,803
Social development	505,541	-	505,541	598,414
Informal education	261,818	-	261,818	179,252
Older adult social development	154,426	-	154,426	324,987
ACE	156,490	-	156,490	175,659
Total program services	<u>6,284,180</u>	<u>-</u>	<u>6,284,180</u>	<u>8,121,536</u>
Supporting services:				
Management and general	658,357	-	658,357	730,102
Fundraising	20,595	-	20,595	42,430
Total supporting services	<u>678,952</u>	<u>-</u>	<u>678,952</u>	<u>772,532</u>
Total expenses	<u>6,963,132</u>	<u>-</u>	<u>6,963,132</u>	<u>8,894,068</u>
Increase (Decrease) in Net Assets	479,144	(141,089)	338,055	413,599
Net Assets				
Beginning of the year	<u>13,017,295</u>	<u>3,483,926</u>	<u>16,501,221</u>	<u>16,087,622</u>
End of the year	<u><u>\$13,496,439</u></u>	<u><u>\$3,342,837</u></u>	<u><u>\$16,839,276</u></u>	<u><u>\$16,501,221</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

New Orleans Jewish Community Center

For the year ended December 31, 2020
(with comparative totals for 2019)

	Program Services							Supporting Services			Total Expenses		
	Early Childhood/Daycare	Day Camping	Participatory Recreation	Social Development	Informal Education	Older Adult Social Development	ACE	Total Program Services	Management and General	Fundraising	Total Supporting Services	2020	2019
	Salaries	\$1,434,680	\$389,764	\$1,355,906	\$319,028	\$132,773	\$ 85,374	\$ 87,790	\$3,805,315	\$299,696	\$ -	\$299,696	\$4,105,011
Employee health and retirement benefits	146,056	31,119	142,410	33,264	20,447	12,705	10,375	396,376	46,987	-	46,987	443,363	453,638
Payroll taxes and workmen's compensation	118,980	32,815	111,047	25,508	11,326	7,548	7,080	314,304	25,147	-	25,147	339,451	438,598
Total salaries and related benefits	1,699,716	453,698	1,609,363	377,800	164,546	105,627	105,245	4,515,995	371,830	-	371,830	4,887,825	6,202,881
Conferences, conventions, and meetings	1,496	602	994	(624)	297	196	428	3,389	106	-	106	3,495	24,269
Dues, membership, and National Jewish Community Center	1,614	1,380	1,520	573	433	234	94	5,848	5,847	-	5,847	11,695	42,871
Equipment	-	-	1,687	-	-	-	-	1,687	-	-	-	1,687	-
Interest expense	-	-	4,947	-	-	-	-	4,947	2,865	-	2,865	7,812	6,907
Local transportation and travel	3,296	1,415	2,361	1,817	653	3,323	549	13,414	1,224	-	1,224	14,638	52,134
Occupancy:													
Utilities	31,400	32,435	29,875	8,900	6,355	2,538	5,107	116,610	18,824	-	18,824	135,434	156,195
Insurance	71,314	73,665	67,851	20,214	14,432	5,765	11,599	264,840	42,753	-	42,753	307,593	282,452
Other occupancy	61,858	63,897	58,854	17,534	12,519	5,001	10,061	229,724	37,084	-	37,084	266,808	247,245
Postage and shipping	2,644	1,338	2,064	881	703	387	310	8,327	584	-	584	8,911	16,257
Printing and subscriptions	14,391	9,267	11,822	4,919	3,838	2,098	1,679	48,014	3,182	666	3,848	51,862	106,138
Professional fees and contract service payments	24,769	32,875	26,879	9,349	18,250	4,365	1,667	118,154	64,790	19,692	84,482	202,636	352,071
Rental and maintenance of equipment	6,247	2,734	45,561	1,904	2,371	827	448	60,092	13,379	-	13,379	73,471	110,412
Scholarships and grants	103,608	22,002	-	5,212	-	1,813	2,100	134,735	-	-	-	134,735	206,626
Supplies	28,342	36,887	27,657	5,363	9,562	2,881	1,518	112,210	10,295	237	10,532	122,742	330,093
Telephone and internet	2,428	3,783	2,790	969	663	345	138	11,116	11,117	-	11,117	22,233	22,815
Unclassified and special programs	5,257	3,135	3,320	1,100	1,493	3,866	184	18,355	9,641	-	9,641	27,996	65,661
Total expenses before depreciation	2,058,380	739,113	1,897,545	455,911	236,115	139,266	141,127	5,667,457	593,521	20,595	614,116	6,281,573	8,225,027
Depreciation of buildings and equipment	224,071	80,459	206,337	49,630	25,703	15,160	15,363	616,723	64,836	-	64,836	681,559	669,041
Total expenses	\$2,282,451	\$819,572	\$2,103,882	\$505,541	\$261,818	\$154,426	\$156,490	\$6,284,180	\$658,357	\$20,595	\$678,952	\$6,963,132	\$8,894,068

See notes to financial statements.

STATEMENT OF CASH FLOWS**New Orleans Jewish Community Center**

For the year ended December 31, 2020
(with comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 338,055	\$ 413,599
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation and amortization	681,559	669,041
Unrealized gain on investments	-	(3,962)
Paycheck Protection Program loan forgiveness	(1,137,000)	-
Restricted contributions - Capital Campaign	(86,788)	(117,074)
Investment decrease (increase) on funds held by:		
Greater New Orleans Foundation	(7,786)	(13,529)
Jewish Endowment Foundation	139,170	(26,140)
(Increase) decrease in operating assets:		
United Way funding receivable	1,117	(846)
Jewish Endowment Foundation receivable	(1,411)	(3,680)
Member accounts receivable	9,792	30,219
Miscellaneous receivables	(7,827)	2,665
Prepaid expenses and deposits	(9,011)	(13,813)
Decrease in operating liabilities:		
Accounts payable and accrued expenses	(131,040)	(9,732)
Unearned revenues - dues and service fees	(152,122)	(49,538)
Contributions restricted for acquisition of property and equipment:		
Jewish Federation	-	(20,037)
Contributions restricted for endowment purposes	(475)	(1,093)
	<u>(363,767)</u>	<u>856,080</u>
Net cash provided by operating activities	<u>(363,767)</u>	<u>856,080</u>

**Exhibit D
(Continued)**

	<u>2020</u>	<u>2019</u>
Cash Flows From Investing Activities		
Purchases of investments	(392,202)	(656,814)
Proceeds from sales and maturities of investments	132,097	217,633
Purchases of property and equipment	<u>(72,073)</u>	<u>(484,791)</u>
Net cash used in investing activities	<u>(332,178)</u>	<u>(923,972)</u>
Cash Flows From Financing Activities		
Payments on line of credit	-	(200,000)
Proceeds from Paycheck Protection Program loan	1,137,000	-
Collections of contributions restricted for Capital Campaign	470,322	518,676
Collections of other support restricted for the acquisition of property and equipment	-	14,253
Collection of endowment support	475	1,093
Payments on right of use assets - leased equipment	<u>(73,374)</u>	<u>(53,278)</u>
Net cash provided by financing activities	<u>1,534,423</u>	<u>280,744</u>
Net Increase in Cash and Cash Equivalents	838,478	212,852
Cash and Cash Equivalents		
Beginning of year	<u>1,550,798</u>	<u>1,337,946</u>
End of year	<u><u>\$2,389,276</u></u>	<u><u>\$1,550,798</u></u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u><u>\$ 7,812</u></u>	<u><u>\$ 6,907</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**New Orleans Jewish Community Center**

December 31, 2020 and 2019

Note 1 - NATURE OF ACTIVITIES

New Orleans Jewish Community Center (the "Center") is a nonprofit, social, recreational, and educational agency, which is dedicated to the enrichment of Jewish life, the enhancement of family living, and the continuation of our Jewish heritage for future generations. The Center is a United Way and Jewish Federation agency. Through its social, educational, cultural, and recreational programs, the Center seeks to encourage individual growth and to provide opportunities for friendship, learning, and fun for all people. The majority of the Center's members are located in the New Orleans area.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Organization and Income Taxes**

The Center is a nonprofit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is exempt from Louisiana income tax under the authority of R.S. 47:121(5).

b. Basis of Accounting

The financial statements of the Center are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

c. Basis of Presentation

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

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation (Continued)

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Center, the passage of time, or are to be held in perpetuity by the Center.

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

e. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Center considers all highly liquid investments in money market funds and time deposits with initial maturities of three months or less to be cash equivalents, with the exception of money market accounts maintained at investment brokerage firms which are reported as investments.

f. Restricted Cash

Restricted cash consists of amounts received by the Center related to its Capital Campaign. The Center is undergoing a Capital Campaign in order to expand its Uptown facilities and the cash received is restricted for this purpose.

g. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no conditional promises to give as of December 31, 2020 and 2019.

All promises to give are recognized as assets, less an allowance for uncollectible amounts, and revenues.

h. Contributions and Revenue Recognition

Contributions received are recorded as unrestricted or restricted support, depending on the existence or nature of any donor restrictions.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Contributions and Revenue Recognition (Continued)

Support that is restricted by the donor is reported as an increase in donor restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), donor restricted net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Dues and service fees are recorded as revenue in the year to which they relate. Dues and service fees billed in advance for the following year are recorded as unearned revenue.

i. Allowance for Uncollectible Promises to Give

The Center provides for estimated uncollectible promises to give based on prior years' experience and management's analysis of specific promises made. Management deems all promises to give as of December 31, 2020 and 2019 to be collectible, and that no allowance was necessary.

j. Allowance for Doubtful Accounts

The Center provides for estimated uncollectible member accounts based on prior years' experience and potential charge-offs of year end member account balances. The balance of the allowance for doubtful accounts as of December 31, 2020 and 2019 was \$40,000 for each year.

k. Uncollectible Receivables

Promises to give and member accounts receivable are written off through a charge to the valuation allowance and a credit to the associated receivable account when management has determined the receivable to be uncollectible.

l. Investments

Investments in money market accounts and certificates of deposit are recorded at cost, which approximates fair market value.

Pooled accounts managed by the Greater New Orleans Foundation and the Jewish Endowment Foundation are reported at net asset value (NAV) which approximates fair market value, including any pro rata gains and losses.

Donated investments are valued at current market value at the date of donation.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Property and Equipment

The Center has adopted a policy of capitalizing all expenditures for depreciable assets where the unit cost exceeds \$5,000.

Property and equipment acquisitions are recorded at cost except for those donated to the Center, which are recorded at estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Repairs and maintenance are charged to expense as incurred; major renewals and replacements and betterments are capitalized. Depreciation is determined using the straight-line method and is intended to allocate the cost of the assets over their estimated useful lives.

n. Designated Net Assets

As of both December 31, 2020 and 2019, the Board designated \$1,251,432 of its net assets to be used for future capital repairs, renovations or acquisitions, and future wind deductibles.

o. Methods Used for Allocation of Expenses

Most of the expenses can be directly allocated to one of the programs or supporting services. The financial statements also report certain categories of expenses that are attributable to more than one program or supporting service. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, transportation and travel, which are allocated on the basis of estimates of time and effort. Depreciation and repairs and maintenance are allocated based on estimated square footage.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Income Taxes

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be not be sustained upon examination. Tax years ended December 31, 2017 and later remain subject to examination by the taxing authorities. As of December 31, 2020, management of the Center believes that it has no uncertain tax positions that qualify for either recognition or disclosures in the financial statements.

q. Recently Issued Accounting Standards

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "*Revenue from Contracts with Customers*" (Topic 606), which provides a single comprehensive model for entities to use in accounting for revenue from contracts with customers and supersedes most current revenue recognition models. Subsequent to the issuance of ASU No. 2014-09, FASB issued several additional ASUs which amended and clarified the guidance and deferred the effective date. The new revenue standard is now effective for annual reporting periods beginning after December 15, 2019, with certain early adoption provisions available. The Center has adopted the provisions of ASU No. 2014-09, which did not have a material impact on the financial statements.

r. Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 financial statement presentation.

s. Subsequent Events

Management evaluates events subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through **October 27, 2021** October 27, 2021 **October 27, 2021**, which is the date the financial statements were available to be issued.

Note 3 - PROMISES TO GIVE

Unconditional promises to give consist of the following:

	December 31,	
	2020	2019
Capital Campaign	\$761,551	\$1,178,197
United Way	26,577	27,694
Jewish Federation of Greater New Orleans	12,000	-
Jewish Endowment Foundation	3,091	13,680
Gross unconditional promises to give	803,219	1,219,571
Less discount for Capital Campaign	(31,325)	(64,437)
Net unconditional promises to give	\$771,894	\$1,155,134
	December 31,	
	2020	2019
Amounts due in:		
Less than one year	\$481,306	\$ 440,618
One to five years	321,913	778,953
Totals	\$803,219	\$1,219,571

Note 4 - INVESTMENTS

Investments consist of the following:

	December 31,	
	2020	2019
Money market accounts	\$1,350,326	\$ 32,182
Certificates of deposit	585,066	1,643,105
Totals	\$1,935,392	\$1,675,287

Note 4 - INVESTMENTS (Continued)

Net investment income included in miscellaneous income in the Statements of Activities for the years ended December 31, 2020 and 2019, is comprised of the following:

	December 31,	
	2020	2019
Interest and dividends	\$70,928	\$67,945
Unrealized gain on investments	-	3,962
Unrealized gain on endowment	11,743	10,609
Realized gain on endowment	1,537	3,077
Investment fees	(11,839)	(11,548)
Net investment income	\$72,369	\$74,045

Expenses relating to investment revenues, including custodial fees and investment advisory fees, amounting to \$11,839 and \$11,548, for the years ended December 31, 2020 and 2019, respectively, have been netted against investment income in the accompanying Statements of Activities.

Note 5 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Note 5 - FAIR VALUE MEASUREMENTS (Continued)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Center uses the market approach for valuing money market accounts and certificates of deposit which are within Level 1 of the fair value hierarchy.

Certain investments of the Center are held in pooled assets managed by the Greater New Orleans Foundation and Jewish Endowment Foundation. The value of the Center's investments in this pool are based on information provided by the Greater New Orleans Foundation and Jewish Endowment Foundation. These investments are reported at NAV which approximates fair value. There are no lockup provisions of these investments.

Investments measured at fair value using the NAV practical expedient have not been categorized in the fair value hierarchy, and have no fixed redemption frequency or notice periods, and no unfunded commitments as of December 31, 2020 and 2019.

Note 5 - FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis as of December 31, 2020 and 2019 are comprised of and determined as follows:

Description	Fair Value At December 31, 2020	Based on		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments:				
Money market account	\$ 1,350,326	\$ 1,350,326	\$ -	\$ -
Certificates of deposit	<u>585,066</u>	<u>585,066</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,935,392</u>	<u>\$ 1,935,392</u>	<u>\$ -</u>	<u>\$ -</u>

Description	Fair Value At December 31, 2019	Based on		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Investments:				
Money market account	\$ 32,182	\$ 32,182	\$ -	\$ -
Certificates of deposit	<u>1,643,105</u>	<u>1,643,105</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,675,287</u>	<u>\$ 1,675,287</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2020 and 2019, there were no assets measured at fair value on a non-recurring basis.

Note 6 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	December 31,		Years of Useful Life
	<u>2020</u>	<u>2019</u>	
Land	\$ 70,960	\$ 70,960	-
Buildings	13,432,716	13,296,283	5 - 40
Swimming pool	1,350,507	1,349,311	20
Furnishings and equipment	725,090	699,317	5 - 15
Sports and wellness equipment	499,487	499,487	5
Aquatics equipment	155,287	155,287	5
Fine arts	96,716	96,716	-
Truck	24,825	24,825	10
Leasehold improvements	306,831	269,928	5 - 10
Construction in progress	18,072	146,304	-
	<u>16,680,491</u>	<u>16,608,418</u>	
Totals			
Accumulated depreciation	<u>6,564,018</u>	<u>5,942,939</u>	
Net book value	<u>\$10,116,473</u>	<u>\$10,665,479</u>	

Depreciation expense totaled \$621,079 and \$603,062 for the years ended December 31, 2020 and 2019, respectively.

Note 7 - RIGHT OF USE ASSET/ FINANCING LEASE

In November 2017, the Center entered into a finance lease for equipment. The lease had an interest rate of approximately 2.5% and called for 36 monthly payments of \$4,925 and a final payment of \$29,355.

As of December 31, 2020 and 2019, the following is a schedule of capitalized cost and accumulated amortization of assets acquired through the finance lease (right of use intangible asset):

	<u>2020</u>	<u>2019</u>
Capitalized costs	\$197,936	\$197,936
Accumulated amortization	<u>(197,936)</u>	<u>(137,456)</u>
Net book value	<u>\$ -</u>	<u>\$ 60,480</u>

Note 7 - RIGHT OF USE ASSET/ FINANCING LEASE (Continued)

Amortization expense on equipment acquired through the finance lease totaled \$60,480 and \$65,979 for the years ended December 31, 2020 and 2019, respectively.

Interest expense on the finance lease totaled \$2,865 and \$5,524 for the years ended December 31, 2020 and 2019, respectively. Other interest expense totaled \$4,974 and \$1,383 for the years ended December 31, 2020 and 2019, respectively.

Note 8 - PAYCHECK PROTECTION PROGRAM

On April 22, 2020, the Center received a \$1,137,000 loan from Hancock Whitney Bank under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration (SBA). The loan was repaid March 2, 2021 and all expenditures paid from the loan proceeds were approved as eligible for loan forgiveness under the requirements of the PPP program. The funding was recognized as revenue in the year ended December 31, 2020 and is included in miscellaneous revenue on the Statement of Activities.

Note 9 - RESTRICTIONS ON ASSETS

Net assets with donor restrictions are restricted for specific purposes, designated subsequent periods, or perpetually. Cash, investments, and unconditional promises to give raised through the Capital Campaign are restricted for construction and equipment. Those restrictions are considered to expire when these acquisitions are made. Cash and promises to give received from United Way, Jewish Federation, and other donors are time-restricted for subsequent periods. Cash and investments are perpetually restricted for endowment purposes, however, the interest from both is available for operations.

Note 9 - RESTRICTIONS ON ASSETS (Continued)

Donor restricted net assets as of December 31, 2020 and 2019 are restricted for the following purposes or periods:

	2020	2019
Subject to expenditure for specified purpose:		
Acquisition of property and equipment:		
Building assessment	\$ 544,736	\$ 512,126
Capital Campaign	1,072,923	1,325,570
Other - restricted programs, memorials, etc.	876,387	804,949
New Orleans United Way Program Grant	26,577	26,848
Earnings on funds held by		
Greater New Orleans Foundation	71,225	63,919
Totals	2,591,848	2,733,412
Subject to perpetual restriction:		
Donor restricted	750,989	750,514
Total net assets with donor restrictions	\$ 3,342,837	\$ 3,483,926

Note 10 - DONOR DESIGNATED ENDOWMENT

The Endowments. The Center's endowment fund consists of several donor restricted funds established primarily for the purpose of generating income to support general operations and programs of the Center as deemed appropriate by the Board of Directors. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law. The Center has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as not expressly requiring the preservation of the historical dollar value for donor restricted endowment funds absent explicit donor stipulations to the contrary.

The following are classified as restricted assets held in perpetuity in the accompanying financial statements:

- the original value of gifts donated to the endowment;
- the original value of subsequent gifts to the endowment; and
- accumulations to the endowment, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Note 10 - DONOR DESIGNATED ENDOWMENT (Continued)

The portion of the donor-restricted endowment fund that is not subject to perpetual restriction is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Center and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Center
- The investment policies of the Center

Endowment net asset composition as of December 31, 2020 and 2019 is as follows:

	2020	2019
Donor-restricted	\$750,989	\$750,514

Changes in endowment net assets for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Net assets, beginning of year	\$750,514	\$749,421
Contributions	475	1,093
Net assets, end of year	\$750,989	\$750,514

Underwater Endowment Funds. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or SPMIFA requires the Center to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations that occur after the investment of restricted contributions. There were no such deficiencies in restricted net assets as of December 31, 2020 and 2019.

Note 10 - DONOR DESIGNATED ENDOWMENT (Continued)

Return Objectives and Risk Parameters. The endowment is invested with the intention of obtaining general market returns with a minimum amount of investment and management expenses and minimum risk.

Strategies Employed for Achieving Objectives. The investment funds managed by the Center are invested in fixed income investments and pooled accounts managed by the Greater New Orleans Foundation and Jewish Endowment Foundation. An allocation in each investment type has not been determined by the Finance and/or Executive Committees.

Spending Policy and How Investment Objectives Relate to the Spending Policy. Spending of endowment income is approved by the Finance and/or Executive Committees and is generally related to the operation of the Center.

Note 11 - AVAILABILITY OF FINANCIAL ASSETS

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Center invests cash in excess of daily requirements in investments. Although the Center does not intend to spend from its investment funds other than amounts appropriated for general expenditures, amounts from its investment funds could be made available as necessary.

The Center receives support both with donor restrictions and without donor restrictions. Contributions from Jewish Federation, Jewish Endowment Foundation, membership dues, program service fees, and miscellaneous investment income is considered to be available to meet cash needs for general expenditures. The Center also receives gifts with donor restrictions to establish endowments that will exist in perpetuity and contributions with donor time and purpose restrictions. General expenditures include expenses associated with early childhood/daycare, day camping, participatory recreation, social development, information education, older adult social development, ACE, management and general, and fundraising expenses. Annual operations are defined as activities occurring during, and included in the budget for, a fiscal year.

Note 11 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following table represents financial assets available for general expenditures within one year as of December 31, 2020:

Financial assets:	
Cash and cash equivalents	\$2,389,276
Unconditional promises to give	771,894
Member account receivable	167,211
Miscellaneous receivable	28,742
Funds held by Greater New Orleans Foundation	103,918
Funds held by Jewish Endowment Foundation	2,034,368
Investments	<u>1,935,392</u>
Total financial assets as of December 31, 2020	
	<u>7,430,801</u>
Less amounts unavailable for general expenditures within one year, due to:	
Donor imposed restrictions:	
Restricted by donors with time or purpose restrictions	(2,591,848)
Restricted by donors with perpetual restriction	(750,989)
Board designations:	
Future capital repairs, renovations on acquisitions, and future deductibles	<u>(1,251,432)</u>
Total financial assets not available to be used within one year	
	<u>(4,594,269)</u>
Financial assets available to meet cash needs for general expenditures within one year	
	<u>\$2,836,532</u>

Note 12 - CONCENTRATIONS OF CREDIT RISK

The Center maintained its cash balances and certificate of deposit balances in multiple financial institutions where they are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of December 31, 2020 per bank. As of December 31, 2020, there was approximately \$1,874,000 in excess of insured limits.

Note 12 - CONCENTRATIONS OF CREDIT RISK (Continued)

The Center maintains money market accounts with a balance of \$1,350,326 as of December 31, 2020 in an investment account with a brokerage firm, where accounts are insured by the Securities Investor Protection Corporation for balances up to \$500,000 (with a limit of \$250,000 for cash).

Note 13 - RETIREMENT PLAN

The Center sponsors a defined contribution pension plan covering all employees 21 years of age or older. Employees are eligible to participate in the plan immediately upon hire and may make voluntary contributions to a tax-sheltered annuity. Voluntary contributions must meet a minimum of \$200 annually. No employer contributions were made for the years ended December 31, 2020 and 2019.

Note 14 - COMMITMENTS ON CONSTRUCTION CONTRACTS

The Center entered into a construction contract on August 19, 2020. The contract total is approximately \$110,000. As of December 31, 2020, the Center has not incurred any construction costs under this contract.

Note 15 - SUPPLEMENTAL CASH FLOW INFORMATION

Noncash financing activities include a decrease in the unconditional promise to give from the Jewish Federation and a decrease in the advance from the Jewish Federation of \$5,784 for the year ended December 31, 2019. There was no noncash financing activities for the year ended December 31, 2020. The Jewish Federation and the Center elected to have the advance repaid through a reduction in the future annual capital allocations received from the Jewish Federation.

Note 16 - SUBSEQUENT EVENTS

Line of Credit

On February 18, 2021, the Center entered into a revolving line of credit with Hancock Whitney Bank in the amount of \$500,000. Interest on the loan is 5.25%. The loan is to be repaid in one payment of outstanding principal and accrued unpaid interest on February 18, 2022.

Note 16 - SUBSEQUENT EVENTS (Continued)

Note Payable

In February 2021, the Center entered into a loan agreement in the amount of \$300,000 with JCRIF, LLC, to assist with financial impacts related to COVID-19. The note payable is interest free with quarterly payments of \$25,000 beginning January 1, 2022 and ending October 1, 2024.

Paycheck Protection Program

On February 8, 2021, the Center received a \$1,137,015 loan from Hancock Whitney Bank under the PPP of the SBA. Interest on the loan is 1%. Management expects that this loan will be repaid by SBA and that all expenditures paid from the loan proceeds will be approved as eligible for loan forgiveness under the requirements of the PPP. Any amounts not forgiven would be amortized over a period of five years.

SUPPLEMENTAL INFORMATION

**SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES PREPARED FOR
THE UNITED WAY FOR THE GREATER NEW ORLEANS AREA**

New Orleans Jewish Community Center

For the year from July 1, 2020 through June 30, 2021

FORM R-3

FUNCTIONAL BUDGET SPREADSHEET Phase VI and Phase VII For the year from July 1, 2020 through June 30, 2021		AGENCY TOTAL (Sum 2 + 3) 1	Administrative Fundraising Management & General 2	TOTAL PROGRAM SERVICES (Sum 4 through 6) 3	PROGRAM SERVICES	
					Elderly Services 4	Non UW Programs 5
	REVENUE:					
1	4200 - BOARD GENERATED SELF SUPPORT	\$ 446,134	\$ 185,639	\$ 260,495	\$ 37,446	\$ 223,049
2	4201 - CLIENT GENERATED SELF SUPPORT	4,934,694	135,796	4,798,898	15,710	4,783,188
3	5000 - GOVERNMENT GRANTS/CONTRACTS	-	-	-	-	-
4	4800 - OTHER FOUNDATIONS OR NATIONAL GRANTS	-	-	-	-	-
5	6700 - OTHER REVENUE	280,393	87,557	192,836	13,184	179,652
6	6700 - OTHER REVENUE - PPP FORGIVENESS	493,050	39,590	453,460	15,549	437,911
7	TOTAL SELF GENERATED REVENUE	6,154,271	448,582	5,705,689	81,889	5,623,800
8	4702 - UNITED WAY DESIGNATIONS	-	-	-	-	-
9	4703 - CFC DESIGNATIONS	1,638	1,638	-	-	-
10	4704 - OTHER UNITED WAY ALLOCATIONS	-	-	-	-	-
11	TOTAL REVENUE	6,155,909	450,220	5,705,689	81,889	5,623,800
12	4701 - UNITED WAY GNO REQUEST	40,000	-	40,000	40,000	-
13	GRAND TOTAL REVENUE	6,195,909	450,220	5,745,689	121,889	5,623,800
	EXPENSES:					
14	7000 - SALARIES	4,070,353	326,834	3,743,519	128,366	3,615,153
15	7100 - BENEFITS	423,097	49,057	374,040	19,221	354,819
16	7200 - TAXES	333,545	25,438	308,107	10,674	297,433
17	8400 - OCCUPANCY EXPENSES	649,682	102,674	547,008	22,839	524,169
18	8700 - TRAVEL & TRANSPORTATION EXPENSES	10,711	1,501	9,210	534	8,676
19	8100 - OFFICE SUPPLIES	122,973	7,138	115,835	8,801	107,034
20	8600 - PRINTING	26,092	790	25,302	866	24,436
21	8900 - DIRECT ASSISTANCE TO INDIVIDUALS	136,173	-	136,173	3,007	133,166
22	9400 - OTHER DIRECT PROGRAM/SUPPORT EXPENSES	355,508	126,746	228,762	14,035	214,727
23	9401 - IN-KIND/NON-CASH CONTRIBUTIONS	-	-	-	-	-
24	9402 - BOARD GENERATED SELF SUPPORT	-	-	-	-	-
25	GRAND TOTAL EXPENSES	\$ 6,128,134	\$ 640,178	\$ 5,487,956	\$ 208,343	\$ 5,279,613
26	NET DIFFERENCE	\$ 67,775	\$(189,958)	\$ 257,733	\$(86,454)	\$ 344,187

EXPENSES ANALYSIS:

27	Total Direct Program Expenses	\$ 208,343	\$ 5,279,613
28	Percent of Total Program Expenses	3.80%	96.20%
29	Distribution of M&G Expenses	\$ 24,304	\$ 615,874
30	Grand Total Program Expenses	\$ 232,647	\$ 5,895,487
31	Projected Unduplicated People Served	311	-
32	Cost per Person	\$ 748	-

(See Accountant's Disclaimer of Opinion)

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

New Orleans Jewish Community Center

For the year ended December 31, 2020

Agency Head Name: Leslie Fischman, Executive Director

Purpose

Salary	\$0
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	<u>0</u>
	<u><u>\$0</u></u>