

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9-25

INDEPENDENT AUDITOR'S REPORT

Board of Directors
National Council of Jewish Women, Inc.
Washington, DC

Opinion

We have audited the accompanying financial statements of National Council of Jewish Women, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of National Council of Jewish Women, Inc. as of June 30, 2024 and 2023 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Council of Jewish Women, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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 National Council of Jewish Women, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Council of Jewish Women, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Council of Jewish Women, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Zinner & Co. LLP

Beachwood, Ohio

January 10, 2025

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 173,500	\$ 386,186
Investments, unrestricted	10,669,036	10,661,445
Unconditional promises to give, net of allowance	114,751	105,159
Unconditional promises to give - Restricted	676,481	231,481
Accounts receivable, net of allowance	159,159	51,419
Prepaid expenses and deposits	123,460	100,870
Investments, restricted for endowment	5,655,085	5,600,021
Beneficial interest in perpetual trust	541,403	486,339
Operating right of use assets	307,227	574,318
Fixed assets, net	30,727	35,848
Total Assets	\$ 18,450,829	\$ 18,233,086
Liabilities		
Accounts payable and accrued liabilities	\$ 630,517	\$ 750,066
Deferred income	50,000	1,170
Operating lease obligations	360,423	663,364
Gift annuity obligations	11,831	11,663
Total Liabilities	1,052,771	1,426,263
Net Assets		
Without donor restrictions		
Undesignated	5,413,118	5,150,391
Board designated	983,254	1,178,962
	6,396,372	6,329,353
With donor restrictions	11,001,686	10,477,470
Total Net Assets	17,398,058	16,806,823
Total Liabilities and Net Assets	\$ 18,450,829	\$ 18,233,086

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

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions and grants	\$ 4,165,608	\$ 676,481	\$ 4,842,089
National partnership dues	680,304	0	680,304
Legacies and bequests	63,661	0	63,661
Contributed services	11,306	0	11,306
Special event revenues	288,890	0	288,890
Less: Direct Expenses	(172,200)	0	(172,200)
Miscellaneous income	59,180	0	59,180
	<u>5,096,749</u>	<u>676,481</u>	<u>5,773,230</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	281,481	(281,481)	0
	<u>5,378,230</u>	<u>395,000</u>	<u>5,773,230</u>
Expenses			
Program services:			
International	486,066	0	486,066
Domestic	2,392,127	0	2,392,127
Services to Sections and Members	1,478,241	0	1,478,241
Total Program Services	<u>4,356,434</u>	<u>0</u>	<u>4,356,434</u>
Supporting services:			
General and administration	1,215,045	0	1,215,045
Development	1,504,288	0	1,504,288
Total Supporting Services	<u>2,719,333</u>	<u>0</u>	<u>2,719,333</u>
Total Expenses	<u>7,075,767</u>	<u>0</u>	<u>7,075,767</u>
Changes in Net Assets Before Other Revenues (Expenses)	(1,697,537)	395,000	(1,302,537)
Other Revenues (Expenses)			
Investment income, net	1,765,072	74,152	1,839,224
Changes in value of split-interest agreements and beneficial interests	(516)	55,064	54,548
Total Other Revenues (Expenses)	<u>1,764,556</u>	<u>129,216</u>	<u>1,893,772</u>
Change in Net Assets	67,019	524,216	591,235
Total Net Assets at Beginning of Year	<u>6,329,353</u>	<u>10,477,470</u>	<u>16,806,823</u>
Total Net Assets at End of Year	<u>\$ 6,396,372</u>	<u>\$ 11,001,686</u>	<u>\$ 17,398,058</u>

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

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions and grants	\$ 3,037,863	\$ 241,481	\$ 3,279,344
National partnership dues	714,874	0	714,874
Income from closed sections	21,390	0	21,390
Legacies and bequests	995,770	0	995,770
Contributed services	12,250	0	12,250
Registration fees	25,000	0	25,000
Paycheck Protection Program forgiveness	415,182	0	415,182
Miscellaneous income	135,338	0	135,338
	5,357,667	241,481	5,599,148
Net assets released from restrictions:			
Satisfaction of program restrictions	1,283,299	(1,283,299)	0
Total Support and Revenues	6,640,966	(1,041,818)	5,599,148
Expenses			
Program services:			
International	347,532	0	347,532
Domestic	1,905,813	0	1,905,813
Services to Sections and Members	941,114	0	941,114
Total Program Services	3,194,459	0	3,194,459
Supporting services:			
General and administration	1,075,038	0	1,075,038
Development	1,824,686	0	1,824,686
Total Supporting Services	2,899,724	0	2,899,724
Total Expenses	6,094,183	0	6,094,183
Changes in Net Assets Before Other Revenues (Expenses)	546,783	(1,041,818)	(495,035)
Other Revenues (Expenses)			
Investment losses, net	1,336,411	112,415	1,448,826
Changes in value of split-interest agreements and beneficial interests	(11,537)	35,227	23,690
Total Other Revenues (Expenses)	1,324,874	147,642	1,472,516
Changes in Net Assets	1,871,657	(894,176)	977,481
Total Net Assets at Beginning of Year	4,457,696	11,371,646	15,829,342
Total Net Assets at End of Year	\$ 6,329,353	\$ 10,477,470	\$ 16,806,823

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

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Program Services</u>				<u>Supporting Services</u>			
	<u>International</u>	<u>Domestic</u>	<u>Services to Sections and Members</u>	<u>Total Program Services</u>	<u>General and Administration</u>	<u>Development</u>	<u>Total Supporting Services</u>	<u>Total</u>
Salaries	\$ 243,938	\$ 1,180,662	\$ 568,451	\$ 1,993,051	\$ 579,436	\$ 608,539	\$ 1,187,975	\$ 3,181,026
Consultants	65,449	377,064	441,290	883,803	96,977	117,730	214,707	1,098,510
Occupancy expense	10,443	46,995	46,995	104,433	104,434	104,434	208,868	313,301
Benefits	13,178	145,259	68,685	227,122	72,474	76,114	148,588	375,710
Printing and production	39	261,869	25,303	287,211	394	236,960	237,354	524,565
Payroll taxes	7,220	79,586	37,632	124,438	39,708	41,702	81,410	205,848
Professional licenses and subscriptions	7,753	34,887	34,887	77,527	77,527	77,527	155,054	232,581
Grants to others	115,000	50	50	115,100	0	0	0	115,100
Insurance	1,733	7,799	7,799	17,331	17,331	17,331	34,662	51,993
Meetings and conventions	608	61,355	61,355	123,318	6,078	6,078	12,156	135,474
Bank fees	517	13,135	2,328	15,980	5,174	15,981	21,155	37,135
Equipment rental maintenance	3,221	14,496	14,496	32,213	32,213	32,213	64,426	96,639
Miscellaneous	302	1,358	1,358	3,018	16,639	3,019	19,658	22,676
Professional Fees	2,716	12,223	12,223	27,162	27,161	27,161	54,322	81,484
Travel and entertainment	8,463	38,084	38,084	84,631	84,630	84,630	169,260	253,891
Dues to other organizations	142	90,755	90,755	181,652	1,424	1,424	2,848	184,500
Employee recruitment	2,464	11,090	11,090	24,644	24,644	24,644	49,288	73,932
Staff development	691	3,111	3,111	6,913	6,914	6,914	13,828	20,741
Registration fees	448	2,017	2,017	4,482	4,482	4,482	8,964	13,446
Advertising expense	0	2,500	2,500	5,000	0	0	0	5,000
Telephone	665	2,993	2,993	6,651	6,651	6,651	13,302	19,953
Depreciation and amortization	171	768	768	1,707	1,707	1,707	3,414	5,121
Supplies	905	4,071	4,071	9,047	9,047	9,047	18,094	27,141
Total	\$ 486,066	\$ 2,392,127	\$ 1,478,241	\$ 4,356,434	\$ 1,215,045	\$ 1,504,288	\$ 2,719,333	\$ 7,075,767

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

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

	Program Services				Supporting Services			Total
	International	Domestic	Services to Sections and Members	Total Program Services	General and Administration	Development	Total Supporting Services	
Salaries	\$ 189,251	\$ 1,078,186	\$ 391,959	\$ 1,659,396	\$ 303,802	\$ 700,768	\$ 1,004,570	\$ 2,663,966
Consultants	29,754	200,264	118,150	348,168	146,529	280,009	426,538	774,706
Occupancy expense	9,291	30,969	68,131	108,391	154,843	46,453	201,296	309,687
Benefits	7,214	118,233	42,885	168,332	34,067	78,154	112,221	280,553
Printing and production	10,605	70,622	42,418	123,645	21,209	460,189	481,398	605,043
Payroll taxes	4,692	76,901	27,893	109,486	22,158	50,833	72,991	182,477
Professional licenses and subscriptions	6,980	35,987	49,831	92,798	104,689	40,582	145,271	238,069
Grants to others	61,457	114,343	0	175,800	0	0	0	175,800
Insurance	1,683	5,611	12,345	19,639	28,056	8,417	36,473	56,112
Meetings and conventions	0	69,959	68,796	138,755	0	0	0	138,755
Bank fees	340	1,132	2,490	3,962	5,743	37,384	43,127	47,089
Equipment rental maintenance	2,273	7,577	16,670	26,520	37,886	11,366	49,252	75,772
Miscellaneous	339	9,380	2,142	11,861	2,691	3,141	5,832	17,693
Professional Fees	10,466	9,883	3,585	23,934	23,276	26,961	50,237	74,171
Travel and entertainment	6,142	20,837	45,608	72,587	102,361	30,708	133,069	205,656
Dues to other organizations	1,078	3,593	7,905	12,576	17,967	5,390	23,357	35,933
Postage and delivery	125	418	919	1,462	2,088	626	2,714	4,176
Employee recruitment	1,946	31,887	11,566	45,399	9,188	21,078	30,266	75,665
Staff development	540	8,844	3,208	12,592	2,548	5,846	8,394	20,986
Registration fees	765	2,552	5,614	8,931	12,758	3,827	16,585	25,516
Advertising expense	887	2,956	6,504	10,347	14,782	4,435	19,217	29,564
Telephone	875	2,917	6,418	10,210	14,587	4,376	18,963	29,173
Supplies	829	2,762	6,077	9,668	13,810	4,143	17,953	27,621
Total	\$ 347,532	\$ 1,905,813	\$ 941,114	\$ 3,194,459	\$ 1,075,038	\$ 1,824,686	\$ 2,899,724	\$ 6,094,183

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

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash Flows from Operating Activities		
Changes in net assets	\$ 591,235	\$ 977,481
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation	5,121	0
Net realized and unrealized gain on investment activity	(1,819,594)	(1,412,731)
Change in value of split-interest agreements	(516)	(11,537)
Change in value of beneficial interest in perpetual trust	(55,064)	(35,227)
Change in measurement of operating lease	(35,850)	(23,185)
(Increase) decrease in:		
Unconditional promises to give	(454,592)	423,460
Accounts receivable	(107,740)	33,217
Prepaid expenses and deposits	(22,590)	(30,496)
Decrease (increase) in:		
Paycheck Protection Program loan	0	(415,182)
Accounts payable and accrued liabilities	(119,549)	(232,471)
Deferred income	48,830	(126,271)
Net Cash Used by Operating Activities	(1,970,309)	(852,942)
Cash Flows from Investing Activities		
Purchase of investments	(89,817)	(567,683)
Purchase of fixed assets	0	(35,848)
Proceeds from sale of investments	1,847,272	1,200,000
Net Cash Provided by Investing Activities	1,757,455	596,469
Cash Flows from Financing Activities		
Payments on annuity obligations	168	(1,365)
Net Cash Provided (Used) by Financing Activities	168	(1,365)
Net Decrease in Cash and Cash Equivalents	(212,686)	(257,838)
Cash and Cash Equivalents at Beginning of Year	386,186	644,024
Cash and Cash Equivalents at End of Year	\$ 173,500	\$ 386,186

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

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The National Council of Jewish Women, Inc. (the Organization) is a nonprofit organization whose purpose is to improve the lives of women, children, and families, and ensure individual freedoms and rights for all. Inspired by Jewish values, the Organization has been at the forefront of social change for more than a century. The Organization members speak out for progressive policies at the federal, state, and local levels. In communities across the country, members identify local challenges, develop responses, and provide assistance and support to those in need.

There are 47 local NCJW sections across the country obligated to follow the Organization's resolutions and operate in accordance with the Organization's bylaws. The Organization provides various services to its sections: programmatic information, technical assistance and training, national membership/leadership meetings, and representation on national and international groups in return for remittance of partnership dues. The activities of the sections are not included in these financial statements as they are separately incorporated entities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-205. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

ASC 958-205 requires board-designated funds to be reported as part of net assets without donor restrictions; accordingly, the Organization reports designations of voluntary board-approved segregations of net assets without donor restrictions for specific purposes as a classification of net assets without donor restrictions.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the financial statements, the Organization considers all unrestricted highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents. excluding money market funds held by investment managers in the amounts of \$863,442 and \$1,011,833 as of June 30, 2024 and 2023, respectively.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the Statements of Activities.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance, when recorded, is based on prior experience and management's analysis of specific promises made. Management determined that the allowance for doubtful accounts was \$10,000 as of both June 30, 2024 and 2023.

Accounts Receivable

Accounts receivable are recorded at their net realizable value, which approximates fair value, within one year. The allowance for credit losses is determined based upon an annual review of account balances, including the age of the balance and historical experience. Management has recorded an allowance of \$13,620 and \$0 as of June 30, 2024 and 2023, respectfully.

Investments

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income (loss) net of investment expenses provided by external investment advisors and allocated internal management costs in the Statements of Activities. Investments acquired by gift are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all gifts of investments as soon as possible after the gift.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

Fixed assets are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally three to seven years. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. The cost of maintenance and repairs is recorded as expenses as incurred.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. The Board has designated a portion of net assets without donor restrictions for use on certain Board initiatives that were set forth in the Organization's 125th Anniversary year. Additional board designated funds have been obtained from closed sections and bequests.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue 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, the net assets are reclassified as net assets without donor restrictions and are reported in the Statements of Activities as net assets released from restrictions.

Paycheck Protection Program Funding

On February 18, 2021, the Organization received a loan in the amount of \$415,182 pursuant to the Paycheck Protection Program (PPP Loan). The Organization used the proceeds for purposes consistent with the Paycheck Protection Program and applied for forgiveness during the year ended June 30, 2022.

The Organization obtained formal forgiveness of the PPP loan from the Small Business Administration on July 20, 2022. The PPP loan was reflected as a liability as of June 30, 2022 and was recorded as forgiveness of debt revenue during the year ended June 30, 2023.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition for Contracts with Customers

The Organization's revenue streams under contracts with customers consists primarily of revenues under the following categories:

National Partnership Dues: National partnership dues are recognized when paid. Deferred revenue consists of national partnership dues received in advance of the paid period.

Registration: Registration fees are recorded as revenue when the performance obligation is met which is when the related event has occurred. The transaction price is determined based on cost and/or sales price.

Revenue recognition for each of the revenue streams identified above are subject to the satisfaction of performance obligations. Revenue is recognized when performance obligations are satisfied over a period of time or at a point in time. Revenue is measured as the amount of consideration the Organization expects to receive in exchange for providing services. Any payments received in advance of satisfaction of performance obligations are recorded as deferred revenue until the obligation is met.

Revenue and Support With and Without Donor Restrictions

The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. In situations where the Organization meets all donor-imposed restrictions on amounts contributed for a specific purpose in the same reporting period in which the contribution was received, the contribution is reported as without donor restrictions. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. Funds received related to conditional grants are classified as refundable advances until expended for the purposes of the grants.

Functional Expense Allocation

Costs of providing various programs and supporting services are allocated based on specific identification, if practical. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Certain costs have been allocated among the programs and supporting services benefited. Other expenses that are allocated include occupancy, insurance, repairs and maintenance, which are allocated on a square-footage basis, as well as, salaries, consultants, payroll taxes and benefits, which are allocated on the basis of estimates of time and effort.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services

Contributed services consist of donated legal services. Contributed services are recorded at their fair value as of the date of the gift. All donated services were used to support the general and administrative operations of the Organization. Contributed legal services amounted to \$11,306 and \$12,250 for the years ended June 30, 2024 and 2023, respectively.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Fair Value Measurement

The Organization adopted the provisions of FASB ASC 820, Fair Value Measurement. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Organization accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Advertising

Advertising costs are expensed when incurred. Advertising expense amounted to \$5,000 and \$29,564 for the years ended June 30, 2024 and 2023, respectively.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and equivalents and promises to give. The Organization maintains its cash and equivalents with financial institutions and although at times the Organization has invested amounts in excess of any federal insurance limits, management does not believe that it is exposed to any substantial credit risk. Concentrations with respect to promises to give are limited due to the large number of donors comprising the Organization's donor base and the variety of the Organization's funding sources. As of June 30, 2024 and 2023, the Organization had no other significant concentrations of credit risk.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables, and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the Statements of Activities as the amounts expected to be collected change. ASU 2016-13 was effective for fiscal years beginning after December 15, 2022. The Organization adopted this standard on July 1, 2023 using a modified-retrospective approach. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. The adoption of this standard did not have any significant impact on the financial statements.

Subsequent Events

The Organization has evaluated subsequent events through January 10, 2025, the date the financial statements were available to be issued, and all relevant subsequent information is included within the applicable notes to the financial statements.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE B - PROMISES TO GIVE

Unconditional promises to give at June 30, 2024 and 2023 consist of:

	2024	2023
Without donor restrictions	\$ 124,751	\$ 118,100
With donor restrictions	676,481	250,000
Gross unconditional promises to give	801,232	368,100
Less: Unamortized discount on unrestricted pledges receivable	0	(2,941)
Less: Unamortized discount on restricted pledges receivable	0	(18,519)
Less: Allowance for doubtful accounts	(10,000)	(10,000)
Net Unconditional Promises to Give	\$ 791,232	\$ 336,640
Amounts due in:		
Less than one year	\$ 801,232	\$ 68,100
One to five years	0	300,000
Total Amounts Due	\$ 801,232	\$ 368,100

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows.

NOTE C - INVESTMENTS

Investments consisted of the following as of June 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 863,442	\$ 1,011,833
Fixed income	2,563,643	2,651,646
Equities	10,226,596	10,128,830
Mutual funds - Real estate	824,021	807,994
Mutual funds - Commodities	470,981	480,401
Alternative investments	1,375,438	1,180,762
	\$16,324,121	\$16,261,466

Included in investment income (losses) are the following:

	2024	2023
Interest and dividends	\$ 313,020	\$ 315,985
Unrealized gains	866,676	912,239
Realized gains	764,891	324,428
Investment expenses provided by external investment advisors and allocated internal management costs	(105,363)	(103,826)
	\$ 1,839,224	\$ 1,448,826

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE D - FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with ASC 820-10, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access. These include investments that are recorded at fair value on a recurring basis and fair value measurement is based upon quoted prices, if available. Securities valued using Level 1 inputs include those traded on an active exchange and other exchange trade securities.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for subsequently the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There were no transfers between levels in the fair value hierarchy during the years ended June 30, 2024 and 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

Money market funds (Cash and cash equivalents) - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.

Common stocks (Equities) - Valued at the closing price reported on the active market in which the individual securities are traded.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by Organization are deemed to be actively traded.

Corporate debt, U.S. agency bonds, U.S. Government securities (Fixed income) - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Interests in hedge funds, real estate and other equity funds, and limited partnerships (Alternative investments) - These instruments do not have a readily determinable fair value. The fair values used are generally determined by the general partner or management of the entity and are based on appraisals or other estimates that require varying degrees of judgment. Inputs used in determining fair value may include the cost and recent activity concerning the underlying investments in the funds or partnerships.

Gift annuity obligations - Charitable gift annuity obligations are valued at fair value based on the estimated future payments to be distributed over the expected lives of the beneficiaries.

Beneficial interest in perpetual trust - Valuation inputs utilized to determine the fair value of the beneficial interest in perpetual trusts include the market value of the underlying assets within the trust as provided by the trustee and the Organization's proportionate share of the trust assets. Trust assets are held by a third-party trustee. The Organization does not control the underlying assets of the trust, nor does it have the ability to make investment decisions.

The following table presents the Organization's fair value hierarchy by level for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2024.

	Fair Value Measurements at June 30, 2024 Using			
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Asset Class:				
Cash and cash equivalents	\$ 863,442	\$ 863,442	\$ 0	\$ 0
Fixed income	2,563,643	710,426	1,853,217	0
Equities	10,226,596	10,226,596	0	0
Mutual funds - Real estate	824,021	824,021	0	0
Mutual funds - Commodities	470,981	470,981	0	0
Alternative investments	1,375,438	0	0	1,375,438
Total investments	\$16,324,121	\$13,095,466	\$ 1,853,217	\$ 1,375,438
Beneficial interest in perpetual trust	\$ 541,403	\$ 0	\$ 541,403	\$ 0
Liability Class:				
Gift Annuity Obligations	\$ 11,831	\$ 0	\$ 0	\$ 11,831

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the Organization's fair value hierarchy by level for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2023.

	Fair Value Measurements at June 30, 2023 Using			
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash and cash equivalents	\$ 1,011,833	\$ 1,011,833	\$ 0	\$ 0
Fixed income	2,651,646	1,045,008	1,606,638	0
Equities	10,128,830	10,128,830	0	0
Mutual funds - Real estate	807,994	807,994	0	0
Mutual funds - Commodities	480,401	480,401	0	0
Alternative investments	1,180,762	0	0	1,180,762
Total investments	\$ 16,261,466	\$ 13,474,066	\$ 1,606,638	\$ 1,180,762
Beneficial interest in perpetual trust	\$ 486,339	\$ 0	\$ 486,339	\$ 0
Liability Class:				
Gift Annuity Obligations	\$ 11,663	\$ 0	\$ 0	\$ 11,663

NOTE E - FIXED ASSETS

Fixed assets consist of the following as of June 30, 2024 and 2023:

	2024	2023
Computer equipment	\$ 26,198	\$ 26,198
Furniture & equipment	35,848	35,848
Total fixed assets	62,046	62,046
Less: Accumulated depreciation	(31,319)	(26,198)
Net Fixed Assets	\$ 30,727	\$ 35,848

NOTE F - LINE OF CREDIT

The Organization has a revolving line of credit agreement with a bank. The line of credit is secured by the Organization's investments. The line of credit has not been drawn upon since inception, has an available balance of up to \$1,000,000, and has a \$0 balance as of both the years ended June 30, 2024 and 2023.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE G - SPLIT INTEREST AGREEMENTS

The Organization is a 50% beneficiary in a beneficial trust held by a third-party trustee, from which trust income is received annually for the Organization's use. Under the trust, the Organization has the irrevocable right to receive the income earned on perpetual trust assets in perpetuity, but never receives the assets held in the trust. The trust is recorded at its fair value, which is estimated to approximate the present value of expected future distributions from the trust. The change in value of the perpetual trust is recognized as a gain or loss with donor restrictions in the Statement of Activities. As of June 30, 2024 and 2023, assets with a value of \$541,403 and \$486,339, respectively, were held in trust funds. Annual distributions to the Organization amounted to \$17,862 and \$17,045 for the years ended June 30, 2024 and 2023, respectively.

The Organization has a charitable gift annuity (CGA) program whereby donors may contribute assets to the Organization in exchange for the right to receive a fixed dollar annual return during their lifetime. A portion of the transfer is considered to be a charitable contribution for income tax purposes. The difference between the amount provided for the gift annuity and the present value of the liability for future payments is recognized as a contribution at the date of the gift. The present value of the liability is revalued annually, using a discount rate of 2.1% and estimated lives for up to 5 years.

	2024	2023
Balance at beginning of year	\$ 11,663	13,028
Change in value	2,701	6,718
Annuity payments	(2,533)	(8,083)
Total	\$ 11,831	\$ 11,663

NOTE H - BOARD DESIGNATED NET ASSETS

As of June 30, 2024 and 2023, net assets without donor restrictions have been earmarked and designated by the Board of Directors from the following sources to support reserves and activities as directed by the Board:

	2024	2023
125th Anniversary Fund	\$ 35,292	\$ 231,000
Legacies and bequests	584,254	584,254
Closed section funds	363,708	363,708
Total	\$ 983,254	\$ 1,178,962

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE I - RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions at June 30, 2024 and 2023 are available for the following purposes or periods:

	2024	2023
Subject to expenditure for specific purpose:		
Domestic programming	\$ 5,346,601	\$ 4,877,449
	5,346,601	4,877,449
Endowments to be invested in perpetuity:		
Israel programming	2,662,089	2,607,025
Leadership development	125,600	125,600
Operations	2,867,396	2,867,396
	5,655,085	5,600,021
Total Net Assets with Donor Restrictions	\$11,001,686	\$10,477,470

NOTE J - LEASE COMMITMENTS

The Organization has a non-cancelable operating lease agreement for its headquarters and additional office space expiring on August 1, 2025. The Organization entered into a seven-year lease agreement on June 9, 2018, for office space in Washington, D.C. The lease commenced on August 1, 2018 and expires on August 1, 2025. Base rent under the lease agreement is \$22,624 per month, adjusted annually by 4%. The office lease provides for free rent for the first four months of the lease term. The lease also required a \$22,624 security deposit.

The right-of-use asset and operating lease liability are being amortized over the respective life of the lease. As of June 30, 2024, the unamortized right-of-use asset was valued at \$307,227 and the unamortized operating lease liability was valued at \$360,423. As of June 30, 2023, the unamortized right-of-use asset was valued at \$574,318 and the unamortized operating lease liability was valued at \$663,364. Rent and other operating costs included in occupancy expense for the years ended June 30, 2024 and 2023 totaled \$304,704 and \$304,654, respectively.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE J - LEASE COMMITMENTS (CONTINUED)

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2024:

Year ending June 30,	
2025	\$ 342,423
2026	28,627
2027	0
2028	0
2029	0
Thereafter	<u>0</u>
	371,050
Less: Imputed interest	<u>(10,627)</u>
Total Minimum Payments	<u><u>\$ 360,423</u></u>

NOTE K - RETIREMENT PLAN

The Organization has a contributory tax deferred annuity plan available to all employees after two years of service, as defined. The Organization will make a contribution to the Plan on a participant's behalf in the amount of 3% of the participant's compensation provided the active participant contributes 2.5% of compensation pursuant to a salary reduction agreement. Contributions to the Plan during the years ended June 30, 2024 and 2023 totaled \$47,005 and \$32,306, respectively.

NOTE L - INCOME TAXES

The Organization qualifies as a charitable organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from income taxes. The Organization has not been classified as a private foundation within the meaning of Section 509(a) and does qualify for deductible contributions as provided in Section 170(b)(1)(A)(vi).

As of July 1, 2022 and for the years ended June 30, 2024 and 2023, the Organization had not engaged in any activity which management considers to be activity that could result in a loss of its 501(c)(3) IRS designation.

As well, management does not consider any of the activity of the Organization to be considered unrelated business income that could result in income tax. For the years ended June 30, 2024 and 2023, there was no tax interest or penalties reflected in the statement of activities or in the statement of financial position. The Organization follows GAAP for Uncertainty in Income Taxes and the Organization's tax filings are subject to audit by various taxing authorities. The Organization believes its position of tax-exempt status is appropriate based on current facts and circumstances.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE M – ENDOWMENT

The Organization's endowment consists of donor-restricted endowment funds as required by GAAP, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors is subject to the New York Uniform Prudent Management of Institutional Funds Act (NYUPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The governing Board has interpreted NYUPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum the (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted NYUPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with NYUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Endowment net asset composition by type of fund as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 0	\$ 5,655,085	\$ 5,655,085

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE M – ENDOWMENT (CONTINUED)

During the year ended June 30, 2024, the Organization had the following endowment related activities:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 0	\$ 5,600,021	\$ 5,600,021
Investment return, net	0	55,064	55,064
Appropriation of endowment assets for expenditure	0	0	0
Endowment net assets, end of year	\$ 0	\$ 5,655,085	\$ 5,655,085

Endowment net asset composition by type of fund as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds: Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 0	\$ 5,600,021	\$ 5,600,021

During the year ended June 30, 2023, the Organization had the following endowment related activities:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 0	\$ 5,564,794	\$ 5,564,794
Investment return, net	0	35,227	35,227
Appropriation of endowment assets for expenditure	0	0	0
Endowment net assets, end of year	\$ 0	\$ 5,600,021	\$ 5,600,021

Funds with Deficiencies

From time to time, the fair market value of assets associated with individual donor restricted funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are to be reported in net assets without donor restrictions as of year-end.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE M – ENDOWMENT (CONTINUED)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as Board designated funds.

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term, rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

The Organization targets a diversified asset allocation that places a greater emphasis on equity- based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution, generally, earnings equal to 5% of Endowment Funds.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE N – LIQUIDITY

The Organization’s financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 173,500	\$ 386,186
Investments, unrestricted	10,669,036	10,661,445
Accounts receivable, net	159,159	51,419
Unconditional promises to give, net	<u>791,232</u>	<u>336,640</u>
Financial assets available within one year	11,792,927	11,435,690
Less: Donor restricted funds	(5,346,601)	(4,877,449)
Less: Board-designated funds	<u>(983,254)</u>	<u>(1,178,962)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,463,072</u>	<u>\$ 5,379,279</u>

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. As of June 30, 2024 and 2023, the Organization has financial assets equal to approximately 9 and 11 months of operating expenses, respectively.

As described in Note M, the Organization has an endowment in which the Board has established a prudent spending policy of appropriating for distribution 5% of the 3 year rolling average of the market value, to be used on general expenditures of the Organization. The Organization also has board designated investments in the amount of \$983,254 and \$1,178,962 as of June 30, 2024 and 2023, respectively, that are held in the investment account. Board designated investments can be undesignated by the Board at any time and made available for operating expenses. The Board does not intend to remove any restrictions to enable funds to be used for general expenditures in the near future. As described in Note F, the Organization also has access to a revolving line of credit of up to \$1,000,000, which has not been drawn upon as of both June 30, 2024 and 2023.