

**NATIONAL COUNCIL OF JEWISH WOMEN, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**NATIONAL COUNCIL OF JEWISH WOMEN, INC.**

**TABLE OF CONTENTS**

	<b><u>Page No.</u></b>
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.  
Beachwood, Ohio

### **Opinion**

We have audited the accompanying financial statements of National Council of Jewish Women, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the 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, 2022 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

### **Prior Period Financial Statements**

The financial statements of National Council of Jewish Women, Inc. as of June 30, 2021, were audited by other auditors whose report dated June 30, 2022 expressed an unmodified opinion on those statements.

### **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**

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

April 4, 2023

**NATIONAL COUNCIL OF JEWISH WOMEN, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 644,024	\$ 774,756
Investments, unrestricted	10,355,833	13,481,776
Contributions receivable, net of allowance for doubtful accounts of \$10,000 in 2022 and 2021	10,100	21,036
Contributions receivable - restricted	750,000	1,000,000
Accounts receivable	84,636	60,023
Prepaid expenses and deposits	70,374	96,719
Investments, restricted for endowment	5,113,682	5,113,682
Beneficial interest in perpetual trust	451,112	541,327
Right of use asset	827,002	1,066,584
Fixed assets, net	0	2,402
Total Assets	<b>\$ 18,306,763</b>	<b>\$ 22,158,305</b>
<b>Liabilities</b>		
Paycheck Protection Program loan	\$ 415,182	\$ 415,182
Accounts payable and accrued liabilities	982,537	236,985
Deferred income	127,441	60,063
Lease liability	939,233	1,189,944
Gift annuity obligations	13,028	24,733
Total Liabilities	2,477,421	1,926,907
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	3,872,596	7,852,581
Board designated	585,100	325,474
	4,457,696	8,178,055
With donor restrictions	11,371,646	12,053,343
Total Net Assets	<b>15,829,342</b>	<b>20,231,398</b>
Total Liabilities and Net Assets	<b>\$ 18,306,763</b>	<b>\$ 22,158,305</b>

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, 2022**

	<b>Without Donor</b>	<b>With Donor</b>	
	<b>Restrictions</b>	<b>Restrictions</b>	<b>Total</b>
<b>Support and Revenues</b>			
Contributions and grants	\$ 2,282,114	\$ 350,000	\$ 2,632,114
National partnership dues	536,508	0	536,508
Income from closed sections	50,000	0	50,000
Legacies and bequests	377,750	0	377,750
Contributed services	20,154	0	20,154
Registration fees	240,646	0	240,646
Miscellaneous income	14,172	0	14,172
	<u>3,521,344</u>	<u>350,000</u>	<u>3,871,344</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	443,450	(443,450)	0
	<u>3,964,794</u>	<u>(93,450)</u>	<u>3,871,344</u>
<b>Expenses</b>			
Program services:			
International	387,750	0	387,750
Domestic	1,937,911	0	1,937,911
Services to Sections and Members	1,283,548	0	1,283,548
Total Program Services	<u>3,609,209</u>	<u>0</u>	<u>3,609,209</u>
Supporting services:			
General and administration	895,936	0	895,936
Development	1,570,210	0	1,570,210
Total Supporting Services	<u>2,466,146</u>	<u>0</u>	<u>2,466,146</u>
Total Expenses	<u>6,075,355</u>	<u>0</u>	<u>6,075,355</u>
Changes in Net Assets Before Other Revenues (Expenses)	(2,110,561)	(93,450)	(2,204,011)
<b>Other Revenues (Expenses)</b>			
Investment losses, net	(1,605,732)	(498,032)	(2,103,764)
Changes in value of split-interest agreements	(4,066)	(90,215)	(94,281)
Total Other Revenues (Expenses)	<u>(1,609,798)</u>	<u>(588,247)</u>	<u>(2,198,045)</u>
<b>Change in Net Assets</b>	<u>(3,720,359)</u>	<u>(681,697)</u>	<u>(4,402,056)</u>
<b>Total Net Assets at Beginning of Year</b>	<u>8,178,055</u>	<u>12,053,343</u>	<u>20,231,398</u>
<b>Total Net Assets at End of Year</b>	<u>\$ 4,457,696</u>	<u>\$ 11,371,646</u>	<u>\$ 15,829,342</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, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenues</b>			
Contributions and grants	\$ 2,747,235	\$ 1,088,397	\$ 3,835,632
National partnership dues	534,460	0	534,460
Legacies and bequests	240,247	0	240,247
Contributed services	69,934	0	69,934
Registration fees	36,856	0	36,856
Miscellaneous income	25,731	0	25,731
	3,654,463	1,088,397	4,742,860
Net assets released from restrictions:			
Satisfaction of program restrictions	1,814,595	(1,814,595)	0
	5,469,058	(726,198)	4,742,860
<b>Expenses</b>			
Program services:			
International	299,613	0	299,613
Domestic	1,360,198	0	1,360,198
Services to Sections and Members	923,761	0	923,761
Total Program Services	2,583,572	0	2,583,572
Supporting services:			
General and administration	699,275	0	699,275
Development	779,073	0	779,073
Total Supporting Services	1,478,348	0	1,478,348
Total Expenses	4,061,920	0	4,061,920
Changes in Net Assets Before Other Revenues (Expenses)	1,407,138	(726,198)	680,940
<b>Other Revenues (Expenses)</b>			
Investment income, net	2,498,839	1,759,020	4,257,859
Changes in value of split-interest agreements	(3,537)	100,016	96,479
Total Other Revenues (Expenses)	2,495,302	1,859,036	4,354,338
<b>Changes in Net Assets</b>	3,902,440	1,132,838	5,035,278
<b>Total Net Assets at Beginning of Year</b>	4,275,615	10,920,505	15,196,120
<b>Total Net Assets at End of Year</b>	\$ 8,178,055	\$ 12,053,343	\$ 20,231,398

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, 2022**

	<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	\$ 200,157	\$ 759,446	\$ 393,757	\$ 1,353,360	\$ 268,054	\$ 626,352	\$ 894,406	\$ 2,247,766
Consultants	25,872	312,337	73,586	411,795	79,871	181,444	261,315	673,110
Occupancy expense	9,162	30,539	67,185	106,886	152,693	45,808	198,501	305,387
Benefits	10,532	71,838	37,380	119,750	25,753	59,996	85,749	205,499
Printing and production	11,030	66,529	44,120	121,679	22,060	387,637	409,697	531,376
Payroll taxes	9,563	65,234	33,944	108,741	23,386	54,481	77,867	186,608
Dues and subscriptions	5,745	25,909	34,796	66,450	68,189	30,075	98,264	164,714
Grants to others	95,727	33,634	0	129,361	0	0	0	129,361
Insurance	1,102	3,674	8,083	12,859	18,370	5,511	23,881	36,740
Meetings and conventions	0	479,264	479,264	958,528	0	0	0	958,528
Bank fees	375	1,249	2,748	4,372	6,246	56,850	63,096	67,468
Equipment rental maintenance	2,576	8,588	18,894	30,058	42,940	12,882	55,822	85,880
Miscellaneous	5,235	35,349	20,875	61,459	21,427	29,398	50,825	112,284
Professional Fees	3,511	20,440	16,267	40,218	47,544	43,955	91,499	131,717
Travel and entertainment	3,805	12,685	28,019	44,509	63,424	19,027	82,451	126,960
Dues to other organizations	2,153	7,178	15,791	25,122	35,890	10,767	46,657	71,779
Postage and delivery	201	670	1,473	2,344	3,349	1,005	4,354	6,698
Telephone	389	1,297	2,853	4,539	6,483	1,945	8,428	12,967
Depreciation and amortization	72	240	528	840	1,201	360	1,561	2,401
Supplies	543	1,811	3,985	6,339	9,056	2,717	11,773	18,112
<b>Total</b>	<b>\$ 387,750</b>	<b>\$ 1,937,911</b>	<b>\$ 1,283,548</b>	<b>\$ 3,609,209</b>	<b>\$ 895,936</b>	<b>\$ 1,570,210</b>	<b>\$ 2,466,146</b>	<b>\$ 6,075,355</b>

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, 2021**

	<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	\$ 129,998	\$ 843,871	\$ 368,775	\$ 1,342,644	\$ 366,387	\$ 261,206	\$ 627,593	\$ 1,970,237
Consultants	25,728	142,975	222,613	391,316	47,671	137,609	185,280	576,596
Occupancy expense	39,576	83,533	103,543	226,652	21,993	47,361	69,354	296,006
Benefits	1,873	52,233	15,251	69,357	114,017	11,918	125,935	195,292
Printing and production	998	3,300	10,716	15,014	0	191,840	191,840	206,854
Payroll taxes	2,706	54,392	24,174	81,272	38,646	20,241	58,887	140,159
Dues and subscriptions	14,662	30,947	38,361	83,970	8,148	17,546	25,694	109,664
Grants to others	47,000	42,000	0	89,000	0	0	0	89,000
Contributed services	0	0	0	0	69,934	0	69,934	69,934
Insurance	14,976	31,609	39,180	85,765	8,322	17,921	26,243	112,008
Meetings and conventions	5,536	8,937	44,449	58,922	0	7,466	7,466	66,388
Bank fees	1,236	2,608	3,233	7,077	687	40,849	41,536	48,613
Equipment rental maintenance	6,940	14,648	18,157	39,745	3,857	8,305	12,162	51,907
Miscellaneous	241	23,086	4,522	27,849	13,123	6,705	19,828	47,677
Travel and entertainment	2,209	8,972	6,393	17,574	3,453	3,443	6,896	24,470
Dues to other organizations	472	5,557	10,103	16,132	0	126	126	16,258
Postage and delivery	1,711	3,611	4,476	9,798	951	2,048	2,999	12,797
Telephone	1,844	3,893	4,826	10,563	1,025	2,207	3,232	13,795
Depreciation	1,040	2,196	2,721	5,957	578	1,245	1,823	7,780
Supplies	867	1,830	2,268	4,965	483	1,037	1,520	6,485
<b>Total</b>	<b>\$ 299,613</b>	<b>\$ 1,360,198</b>	<b>\$ 923,761</b>	<b>\$ 2,583,572</b>	<b>\$ 699,275</b>	<b>\$ 779,073</b>	<b>\$ 1,478,348</b>	<b>\$ 4,061,920</b>

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, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ (4,402,056)	\$ 5,035,278
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	2,402	7,780
Net realized and unrealized gain (loss) on investment activity	2,133,320	(4,095,759)
Change in value of split-interest agreements	(4,066)	(3,537)
Change in value of beneficial interest in perpetual trust	90,215	(100,016)
Change in measurement of operating lease	(11,129)	820
(Increase) decrease in:		
Contributions receivable	260,936	(971,761)
Accounts receivable	(24,613)	137,363
Prepaid expenses and deposits	26,345	5,194
Decrease (increase) in:		
Accounts payable and accrued liabilities	745,552	(168,798)
Deferred income	67,378	43,098
Net Cash Used by Operating Activities	(1,115,716)	(110,338)
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(3,311)	(487,439)
Proceeds from sale of investments	1,000,000	436,228
Net Cash Provided (Used) by Investing Activities	996,689	(51,211)
<b>Cash Flows from Financing Activities</b>		
Payments on annuity obligations	(11,705)	(19,827)
Proceeds from Paycheck Protection Program loan	0	415,182
Net Cash Provided (Used) by Financing Activities	(11,705)	395,355
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(130,732)	233,806
<b>Cash and Cash Equivalents at Beginning of Year</b>	774,756	540,950
<b>Cash and Cash Equivalents at End of Year</b>	\$ 644,024	\$ 774,756

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

# NATIONAL COUNCIL OF JEWISH WOMEN, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

### 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 45 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 \$98,498 and \$1,010,649 as of June 30, 2022 and 2021, respectively.

**NATIONAL COUNCIL OF JEWISH WOMEN, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**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, 2022 and 2021.

Accounts Receivable

Accounts receivable are recorded at their net realizable value, which approximates fair value, within one year. The allowance for doubtful accounts is determined based upon an annual review of account balances, included the age of the balance and historical experience. Management has determined that no allowance was deemed necessary as of June 30, 2022 and 2021.

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, 2022 AND 2021**

**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 125<sup>th</sup> 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). Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. The Organization used the proceeds for purposes consistent with the Paycheck Protection Program and believed that its use of the loan proceeds would meet the conditions for forgiveness of the loan. As such the Organization applied for forgiveness during fiscal 2022.

The Organization obtained formal forgiveness of the PPP loan from the Small Business Administration on July 20, 2022. As forgiveness did not occur until after June 30, 2022, the PPP loan is reflected as a liability as of both June 30, 2022 and 2021. The loan amount will be recorded as forgiveness of debt revenue for the year ended June 30, 2023.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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, 2022 AND 2021

**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.

Advertising

Advertising costs are expensed when incurred. Advertising expense amounted to \$1,415 and \$5,794 for the years ended June 30, 2022 and 2021, 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.

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, 2022 and 2021, the Organization had no other significant concentrations of credit risk.

# NATIONAL COUNCIL OF JEWISH WOMEN, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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

#### Recently Adopted Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). This update addresses presentation and disclosure of contributed nonfinancial assets. This update requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the Statements of Activities, apart from contributions of cash and other financial assets, disclose contributed nonfinancial assets recognized within the Statements of Activities disaggregated by category that depicts the type of contributed nonfinancial assets, and for each category of contributed nonfinancial assets recognized include the following qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period (if utilized, to disclose a description of the programs or other activities in which those assets were used), the Organization's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets, a description of any donor imposed restrictions associated with the contributed nonfinancial assets, a description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition, and the principal market used to arrive at a fair value measure if it is a market in which the recipient Organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The ASU is to be applied on a retrospective basis and effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. The Organization adopted ASU 2020-07 effective July 1, 2021, using the retrospective method.

#### COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a public health emergency and on March 11, 2020, declared COVID-19 a pandemic. COVID-19 continues to cause business disruption through mandated and voluntary closings of many of the Organization's donors, program and service participants, employees, vendors and other business partners. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Organization's donors, program and service participants, employees, vendors, and other business partners, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

#### Subsequent Events

The Organization has evaluated subsequent events through April 4, 2023, 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, 2022 AND 2021**

**NOTE B - PROMISES TO GIVE**

Unconditional promises to give at June 30, 2022 and 2021 consist of:

	2022	2021
Without donor restrictions	\$ 20,100	31,036
With donor restrictions	750,000	1,000,000
Gross unconditional promises to give	770,100	1,031,036
Less: Allowance for doubtful accounts	(10,000)	(10,000)
Net Unconditional Promises to Give	\$ 760,100	\$1,021,036
Amounts due in:		
Less than one year	\$ 770,100	\$1,031,036
One to five years	0	0
Total Amounts Due	\$ 770,100	\$1,031,036

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, 2022 and 2021:

	2022	2021
Cash and cash equivalents	\$ 98,498	\$ 1,010,649
Fixed income	2,221,818	2,544,892
Equities	10,765,295	12,629,803
Mutual funds - Real estate	781,095	927,562
Mutual funds - Commodities	453,364	394,245
Alternative investments	1,149,445	1,088,307
	\$15,469,515	\$18,595,458

Included in investment income (losses) are the following:

	2022	2021
Interest and dividends	\$ 337,103	\$ 248,523
Unrealized gains (losses)	(3,203,813)	3,864,371
Realized gains	876,734	245,230
Investment expenses provided by external investment advisors and allocated internal management costs	(113,788)	(100,265)
	\$ (2,103,764)	\$ 4,257,859

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

**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, 2022 and 2021. 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, 2022 AND 2021**

**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, 2022.

	Fair Value Measurements at June 30, 2022 Using			
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
<b>Asset Class:</b>				
Cash and cash equivalents	\$ 98,498	\$ 98,498	\$ 0	\$ 0
Fixed income	2,221,818	400,926	1,820,892	0
Equities	10,765,295	10,765,295	0	0
Mutual funds - Real estate	781,095	781,095	0	0
Mutual funds - Commodities	453,364	453,364	0	0
Alternative investments	1,149,445	0	0	1,149,445
<b>Total investments</b>	<u>\$ 15,469,515</u>	<u>\$ 12,499,178</u>	<u>\$ 1,820,892</u>	<u>\$ 1,149,445</u>
<b>Beneficial interest in perpetual trust</b>	<u>\$ 451,112</u>	<u>\$ 0</u>	<u>\$ 451,112</u>	<u>\$ 0</u>
<b>Liability Class:</b>				
<b>Gift Annuity Obligations</b>	<u>\$ 13,028</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,028</u>

**NATIONAL COUNCIL OF JEWISH WOMEN, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**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, 2021.

	Fair Value Measurements at June 30, 2021 Using			
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash and cash equivalents	\$ 1,010,649	\$ 1,010,649	\$ 0	\$ 0
Fixed income	2,544,892	522,314	2,022,578	0
Equities	12,629,803	12,629,803	0	0
Mutual funds - Real estate	927,562	927,562	0	0
Mutual funds - Commodities	394,245	394,245	0	0
Alternative investments	1,088,307	0	0	1,088,307
<b>Total investments</b>	<b>\$ 18,595,458</b>	<b>\$ 15,484,573</b>	<b>\$ 2,022,578</b>	<b>\$ 1,088,307</b>
<b>Beneficial interest in perpetual trust</b>	<b>\$ 541,327</b>	<b>\$ 0</b>	<b>\$ 541,327</b>	<b>\$ 0</b>
<b>Liability Class:</b>				
<b>Gift Annuity Obligations</b>	<b>\$ 24,733</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 24,733</b>

**NOTE E - FIXED ASSETS**

Fixed assets consist of the following as of June 30, 2022 and 2021:

	2022	2021
Computer equipment	\$ 26,198	\$ 183,365
Total fixed assets	26,198	183,365
Less: Accumulated depreciation	(26,198)	(180,963)
Net Fixed Assets	\$ 0	\$ 2,402

**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 and has a \$0 balance as of both the years ended June 30, 2022 and 2021.

**NATIONAL COUNCIL OF JEWISH WOMEN, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**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, 2022 and 2021, assets with a value of \$451,112 and \$541,327, respectively, were held in trust funds. Annual distributions to the Organization amounted to \$21,193 for each of the years ended June 30, 2022 and 2021.

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 was revalued annually through June 30, 2020, using a discount rate of 2.1% and estimated lives for up to 6 years. Beginning July 1, 2020, the liability has been reduced by actual payments and passing of donors, which approximates the present value of the liability.

	2022	2021
Balance at beginning of year	\$ 24,733	\$ 48,097
Change in value	(608)	(3,537)
Annuity payments	(11,097)	(19,827)
Total	\$ 13,028	\$ 24,733

**NOTE H - BOARD DESIGNATED NET ASSETS**

As of June 30, 2022 and 2021, 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:

	2022	2021
125th Anniversary Fund	\$ 224,492	\$ 325,474
Legacies and bequests	25,713	0
Closed section funds	334,895	0
Total	\$ 585,100	\$ 325,474

**NATIONAL COUNCIL OF JEWISH WOMEN, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**NOTE I - RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions at June 30, 2022 and 2021 are available for the following purposes or periods:

	2022	2021
Subject to expenditure for specific purpose:		
Domestic programming	\$ 4,914,902	\$ 4,953,320
Israel programming	141,950	285,519
Leadership development	0	159,495
	5,056,852	5,398,334
Subject to expenditure for future operations:	750,000	1,000,000
Endowments to be invested in perpetuity:		
Israel programming	2,571,799	2,662,014
Leadership development	125,600	125,600
Operations	2,867,395	2,867,395
	5,564,794	5,655,009
Total Net Assets with Donor Restrictions	\$ 11,371,646	\$ 12,053,343

**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, 2022, the unamortized right-of-use asset was valued at \$827,002 and the unamortized operating lease liability was valued at \$939,233. As of June 30, 2021, the unamortized right-of-use asset was valued at \$1,066,584 and the unamortized operating lease liability was valued at \$1,189,944. Rent and other operating costs included in occupancy expense for the years ended June 30, 2022 and 2021 totaled \$295,783 and \$293,465, respectively.

**NATIONAL COUNCIL OF JEWISH WOMEN, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**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, 2022:

Year ending June 30,	
2023	\$ 316,590
2024	329,253
2025	342,423
2026	28,627
2027	0
Thereafter	<u>0</u>
	1,016,893
Less: Imputed interest	<u>(77,660)</u>
Total Minimum Payments	<u>\$ 939,233</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, 2022 and 2021 totaled \$17,249 and \$13,867, 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, 2020 and for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, there was no tax interest or penalties reflected in the statement of activities or in the statement of financial position. The Organization is no longer subject to U.S. federal, state, and local income tax examinations by taxing authorities for years before 2018.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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 appropriated 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, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>\$ 0</u>	<u>\$ 5,564,794</u>	<u>\$ 5,564,794</u>



**NATIONAL COUNCIL OF JEWISH WOMEN, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**NOTE M – ENDOWMENT (CONTINUED)**

During the year ended June 30, 2022, the Organization had the following endowment related activities:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 0	\$ 5,655,009	\$ 5,655,009
Investment return, net	0	(90,215)	(90,215)
Appropriation of endowment assets for expenditure	<u>0</u>	<u>0</u>	<u>0</u>
Endowment net assets, end of year	<u>\$ 0</u>	<u>\$ 5,564,794</u>	<u>\$ 5,564,794</u>

Endowment net asset composition by type of fund as of June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>\$ 0</u>	<u>\$ 5,655,009</u>	<u>\$ 5,655,009</u>

During the year ended June 30, 2021, the Organization had the following endowment related activities:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 0	\$ 5,554,994	\$ 5,554,994
Investment return, net	0	100,015	100,015
Appropriation of endowment assets for expenditure	<u>0</u>	<u>0</u>	<u>0</u>
Endowment net assets, end of year	<u>\$ 0</u>	<u>\$ 5,655,009</u>	<u>\$ 5,655,009</u>

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, 2022 AND 2021

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, 2022 AND 2021

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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 644,024	\$ 774,756
Investments, unrestricted	10,355,833	13,481,776
Accounts receivable	84,636	60,023
Contributions receivable	<u>760,100</u>	<u>1,021,036</u>
Financial assets available within one year	11,844,593	15,337,591
Less: Donor restricted funds	(5,056,852)	(5,398,334)
Less: Board-designated funds	<u>(585,100)</u>	<u>(325,474)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,202,641</u>	<u>\$ 9,613,783</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, 2022 and 2021, the Organization has financial assets equal to approximately 13 and 28 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 \$585,100 and \$325,474 as of June 30, 2022 and 2021, 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, 2022 and 2021.