Jewish Women International

Financial Statements

June 30, 2020 and 2019

CALIBRE CPA GROUP

Jewish Women International

Financial Statements

Years Ended June 30, 2020 and 2019

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REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees of
Jewish Women International

We have audited the accompanying financial statements of Jewish Women International (JWI), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JWI as of June 30, 2020 and 2019, 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.

Prior Period Financial Statements

As discussed in Note 16 to the financial statements, JWI restated its June 30, 2017 net assets to properly treat the release of an endowment. This is reflected in the beginning net assets balances in the statement of activities and changes in net assets for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Calibre CPA Group, PLLC

Bethesda, MD
February 1, 2021

Jewish Women International

Statements of Financial Position

June 30, 2020 and 2019

	2020	2019
Assets		
Current assets		
Cash and cash equivalents	$ 284,499	$ 30,541
Investments	149,129	147,074
Pledges receivable	493,621	758,671
Inventory	29,212	34,796
Prepaid expenses	15,702	8,543
Total current assets	972,163	979,625
Noncurrent assets		
Pledges receivable, net of current portion	524,315	645,402
Leasehold improvements, furniture and equipment, net of accumulated depreciation of $352,511 and $318,136, respectively	94,667	129,042
Land and building held as investment	2,159,713	2,159,713
Assets held for deferred compensation	316,112	290,091
Total noncurrent assets	3,094,807	3,224,248
Total assets	$ 4,066,970	$ 4,203,873
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 76,231	$ 287,818
Accrued expenses	2,750	35,910
Refundable advance (Paycheck Protection Program)	173,100	-
Loan payable	2,084	-
Total current liabilities	254,165	323,728
Noncurrent liabilities		
Accrued expenses	19,500	22,250
Deferred compensation liability	316,112	290,091
Loan payable, net of current portion	47,916	-
Deferred rent liability	208,092	223,765
Total noncurrent liabilities	591,620	536,106
Total liabilities	845,785	859,834
Net assets		
Without donor restrictions		
Undesignated	2,184,490	1,881,986
Board designated	20,000	20,000
Total net assets without donor restrictions	2,204,490	1,901,986
With donor restrictions	1,016,695	1,442,053
Total net assets	3,221,185	3,344,039
Total liabilities and net assets	$ 4,066,970	$ 4,203,873

See accompanying notes to financial statements.

Jewish Women International

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2020

	Without Donor Restrictions				
	Undesignated	Board Designated	Total	With Donor Restrictions	Total
Revenue					
Contributions	$ 741,772	$ -	$ 741,772	$ -	$ 741,772
Bequest	9,700	-	9,700	-	9,700
Membership dues	61,025	-	61,025	-	61,025
Foundation and corporate contributions	243,462	-	243,462	250,000	493,462
Investment income, net of investment expenses	6,581	-	6,581	-	6,581
Other	42,586	-	42,586	-	42,586
Net assets released from restrictions	675,358	-	675,358	(675,358)	-
Total revenue	1,780,484	-	1,780,484	(425,358)	1,355,126
Expenses					
Program services					
Women's programs	253,789	-	253,789	-	253,789
Youth programs	215,912	-	215,912	-	215,912
Leadership and training	437,047	-	437,047	-	437,047
Community development	340,293	-	340,293	-	340,293
Total program services	1,247,041	-	1,247,041	-	1,247,041
Supporting services					
Management and general	130,909	-	130,909	-	130,909
Fundraising	100,030	-	100,030	-	100,030
Total supporting services	230,939	-	230,939	-	230,939
Total expenses	1,477,980	-	1,477,980	-	1,477,980
Change in net assets	302,504	-	302,504	(425,358)	(122,854)
Net assets					
Beginning of year	1,881,986	20,000	1,901,986	1,442,053	3,344,039
End of year	$ 2,184,490	$ 20,000	$ 2,204,490	$ 1,016,695	$ 3,221,185

See accompanying notes to financial statements.

Jewish Women International

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2019

	Without Donor Restrictions				
	Undesignated	Board Designated	Total	With Donor Restrictions	Total
Revenue					
Contributions	$ 746,763	$ -	$ 746,763	$ 41,100	$ 787,863
Bequest	33,511	-	33,511	113,500	147,011
Membership dues	105,662	-	105,662	-	105,662
Foundation and corporate contributions	403,326	-	403,326	486,500	889,826
Investment income, net of investment expenses	14,281	-	14,281	-	14,281
Rental income	104,500	-	104,500	-	104,500
Other	114,844	-	114,844	-	114,844
Net assets released from restrictions	1,171,859	-	1,171,859	(1,171,859)	-
Total revenue	2,694,746	-	2,694,746	(530,759)	2,163,987
Expenses					
Program services					
Women's programs	391,643	-	391,643	-	391,643
Youth programs	325,807	-	325,807	-	325,807
Leadership and training	562,229	-	562,229	-	562,229
Community development	441,420	-	441,420	-	441,420
Total program services	1,721,099	-	1,721,099	-	1,721,099
Supporting services					
Management and general	207,699	-	207,699	-	207,699
Fundraising	137,864	-	137,864	-	137,864
Total supporting services	345,563	-	345,563	-	345,563
Total expenses	2,066,662	-	2,066,662	-	2,066,662
Change in net assets	628,084	-	628,084	(530,759)	97,325
Net assets					
Beginning of year	1,253,902	20,000	1,273,902	1,972,812	3,246,714
End of year	$ 1,881,986	$ 20,000	$ 1,901,986	$ 1,442,053	$ 3,344,039

See accompanying notes to financial statements.

Jewish Women International

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services					Supporting Services		
	Women's Programs	Youth Programs	Leadership and Training	Community Development	Total	Management and General	Fundraising	Total Expenses
Salaries	$ 162,783	$ 130,226	$ 227,896	$ 173,922	$ 694,827	$ 56,975	$ 65,113	$ 816,915
Employee benefits and taxes	31,107	24,885	43,549	32,662	132,203	10,888	12,763	155,854
Travel and lodging	1,528	6,270	5,137	16,675	29,610	6,940	505	37,055
Rent and utilities	12,241	9,793	15,185	12,854	50,073	4,284	4,897	59,254
Postage, printing and shipping	3,088	2,352	11,901	6,411	23,752	1,041	1,513	26,306
Professional services	16,997	15,614	25,402	45,585	103,598	5,305	5,511	114,414
Telephone and technology	2,239	1,786	3,126	2,348	9,499	782	899	11,180
Insurance	3,353	2,683	4,693	3,520	14,249	1,173	1,341	16,763
Equipment rental and maintenance	6,165	8,363	9,087	6,473	30,088	2,266	2,467	34,821
Office expenses	1,019	3,262	4,541	1,101	9,923	347	458	10,728
Bank fees	3,011	807	4,272	1,461	9,551	375	430	10,356
Dues and subscriptions	1,531	1,225	2,230	1,608	6,594	5,730	612	12,936
Depreciation	6,317	5,134	10,888	7,307	29,646	2,207	2,522	34,375
Events and meetings	284	1,811	66,165	26,134	94,394	4,402	148	98,944
Interest expense	2,126	1,701	2,975	2,232	9,034	744	851	10,629
Bad debt expense	-	-	-	-	-	27,450	-	27,450
Total	$ 253,789	$ 215,912	$ 437,047	$ 340,293	$ 1,247,041	$ 130,909	$ 100,030	$ 1,477,980

See accompanying notes to financial statements.

Jewish Women International

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services					Supporting Services		
	Women's Programs	Youth Programs	Leadership and Training	Community Development	Total	Management and General	Fundraising	Total Expenses
Salaries	$ 187,124	$ 149,699	$ 261,973	$ 201,647	$ 800,443	$ 65,494	$ 74,849	$ 940,786
Employee benefits and taxes	37,086	30,519	51,921	38,941	158,467	12,981	14,870	186,318
Travel and lodging	2,383	14,594	10,229	21,196	48,402	6,213	956	55,571
Rent and utilities	56,876	45,557	79,626	68,144	250,203	19,906	22,750	292,859
Postage, printing and shipping	4,103	1,539	10,788	6,749	23,179	8,072	1,743	32,994
Professional services	19,123	43,355	27,131	22,990	112,599	6,103	6,517	125,219
Telephone and technology	1,954	1,628	3,282	2,052	8,916	683	3,141	12,740
Insurance	4,396	3,517	6,154	4,616	18,683	1,539	1,758	21,980
Equipment rental and maintenance	10,739	7,257	13,616	8,966	40,578	2,987	3,564	47,129
Office expenses	1,046	1,341	1,411	2,979	6,777	1,734	418	8,929
Bank fees	5,834	4,667	8,168	6,126	24,795	2,042	2,335	29,172
Dues and subscriptions	1,519	1,215	2,126	1,595	6,455	8,153	608	15,216
Depreciation	7,122	5,698	9,971	7,478	30,269	1,257	2,849	34,375
Events and meetings	53	13,393	72,634	33,939	120,019	19,735	592	140,346
Interest expense	2,285	1,828	3,199	2,399	9,711	800	914	11,425
Library projects grants	-	-	-	11,603	11,603	-	-	11,603
Bad debt expense	50,000	-	-	-	50,000	50,000	-	100,000
Total	$ 391,643	$ 325,807	$ 562,229	$ 441,420	$ 1,721,099	$ 207,699	$ 137,864	$ 1,966,662

See accompanying notes to financial statements.

Jewish Women International

Statements of Cash Flows

Year Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	$ (122,854)	$ 97,325
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	34,375	34,375
Net appreciation of investments	(1,518)	(7,635)
Bad debt expense	27,450	100,000
Change in assets		
Pledges receivable	358,687	(204,075)
Note receivable	-	(50,000)
Other receivable	-	8,620
Inventory	5,584	1,966
Prepaid expenses	(7,159)	26,204
Change in liabilities		
Bank overdraft	-	(24,390)
Accounts payable	(214,337)	108,170
Accrued expenses	(33,160)	(56,553)
Security deposit	-	(20,500)
Deferred revenue	-	(26,153)
Refundable advance (Paycheck Protection Program)	173,100	
Deferred rent liability	(15,673)	(47,350)
Net cash provided by (used for) operating activities	204,495	(59,996)
Cash flows from investing activities		
Purchase of marketable securities	(29,270)	(188,741)
Proceeds from sale of marketable securities	28,733	386,151
Net cash provided by (used for) investing activities	(537)	197,410
Cash flows from financing activities		
Repayment of loans and outstanding line of credit	-	(106,873)
Proceeds from loan issuance	50,000	-
Net cash provided by (used for) financing activities	50,000	(106,873)
Net change in cash and cash equivalents	253,958	30,541
Cash and cash equivalents		
Beginning of year	30,541	-
End of year	$ 284,499	$ 30,541
Supplemental disclosures		
Interest paid	$ 10,629	$ 11,425

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION

The Jewish Women International (JWI) is a not-for-profit organization, incorporated in 1962 as B'nai B'rith Women. JWI's mission is to strengthen the lives of women, children and families - focusing on family violence and the emotional health of children.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The accompanying financial statements are presented on the accrual basis of accounting. Under this basis, revenue is recognized when earned and expenses are recognized when incurred. The financial statements do not include the accounts or transactions of JWI affiliated chapters and councils or the Residential Treatment Center in Israel.

Financial Statement Presentation - Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Not-for-Profit Entities - Presentation of Financial Statements.* Under those principles, JWI 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.

> *Net assets without donor restrictions* - These net assets are available to finance the general operations of JWI. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of JWI, the environment in which it operates, and the purposes specified in its organizing documents.
>
> *Net assets with donor restrictions* - These net assets result from contributions and other inflows of assets, the use of which by JWI is limited by donor-imposed time or purpose restrictions that are either temporary or perpetual. See Note 9 for more information regarding net assets with donor restrictions.

Cash and Cash Equivalents - Cash on hand, deposits in banks, and highly liquid instruments with original maturities of three months or less are considered to be cash and cash equivalents for the purpose of these financial statements.

Investments - Mutual funds, exchange-traded funds and assets held in the deferred compensation plan are stated at fair value which represents publicly quoted market prices as of June 30, 2020 and 2019. Money market funds and State of Israel bonds are carried at cost, which approximates fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are reported on the ex-dividend date. Net appreciation includes JWI's gains and losses on investments bought and sold, as well as held during the year.

Pledges Receivable - Pledges receivable consists primarily of unconditional promises to give from various donors. Amounts due in excess of one year have been discounted to present value using the prime discount rate of 3.25% and 5.50% as of June 30, 2020 and 2019, respectively.

Inventory - Inventory consisted primarily of t-shirts, cards, books and other miscellaneous items. They are valued at the lower of cost or net realizable value, using the first-in, first-out method of accounting.

Property and Equipment - Property and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line method, ranging from 3 to 30 years. Leasehold improvements are amortized over the shorter of the term of the related lease or the estimated useful lives of the assets.

Land and Building Held as Investment - Land and building held as investment represents JWI's ownership interest of property in Abu Gosh, Israel. The investment is carried at historical cost.

Deferred Revenue - Deferred revenue consists of deferred membership dues. Membership dues which relate to future months are reported as deferred revenue. Revenue from contributions and bequests is recognized as revenue when earned. Income from conferences and other services is recognized as revenue in the period in which services are provided.

Revenue Recognition - Revenue from contracts with customers consists primarily of inventory sales, royalties, registration fees, and advertising income. Revenue is recognized when control of the promised goods or services is transferred to JWI's customers or members, in an amount that reflects the consideration JWI expects to be entitled to in exchange for those goods or services. The revenue is recognized net of discounts, waivers, and refunds. Revenue is recognized using the five-step approach required by ASC Topic 606, as follows:

- Identification of the contract with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, performance obligations are satisfied.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Performance Obligations and Significant Judgments

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each performance obligation identified in the arrangement based on the relative standalone selling price of each distinct good or service and recognized as revenue when, or as, the performance obligation is satisfied. If a distinct good or service does not have an observable standalone selling price, then the primary method used to estimate the standalone selling price is the adjusted market assessment approach, under which JWI evaluates the market and estimate a price that a customer would be willing to pay for the goods and services JWI provides.

Contract Balances

The timing of billings, cash collections, and revenue recognition can result in contract assets and contract liabilities reportable in the statements of financial position. JWI did not have any contract assets or liabilities at June 30, 2020 and 2019.

Costs to Obtain a Contract

JWI has elected the practical expedient available in ASC Subtopic 340-40, in which any incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the asset that would have been recognized is one year or less.

Practical Expedients and Optional Exemptions

JWI has made an accounting policy election to exclude from the measurement of the transaction price all taxes assessed by governmental authorities which are both imposed and concurrent with the specific revenue-producing transactions and collected by JWI from its customers, e.g., sales and use taxes.

In-Kind Contributions - In-kind contributions of services have been reflected where recognition is allowed and the fair value can be reasonably estimated.

Functional Allocation of Expenses - The costs of providing various programs and supporting services is summarized on a functional basis in the statements of activities and changes in net assets and of functional expenses. Expenses are directly charged to the appropriate program activity, where feasible. Certain costs, principally rent, insurance, depreciation and salaries, and general overhead costs have been allocated among the programs and supporting services benefited based on management's estimates of time and costs devoted in each area.

Income Taxes - JWI is exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code and is also exempt from income taxation by the District of Columbia. However, JWI is required to report unrelated business income, if any, to the Internal Revenue Service (IRS) and the District of Columbia. JWI is not a private foundation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

JWI follows the provisions of U.S. generally accepted accounting principles regarding accounting for uncertainty in income taxes. The provisions prescribe a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. This had no impact on JWI's financial statements.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements Adopted - During the year ended June 30, 2019, JWI adopted the applicable provisions of Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities* (Update 2016-14). Update 2016-14 amends the reporting model for not-for-profit organizations and enhances required disclosures. The major changes include: requiring the presentation of only two classes of net assets - those with donor restrictions and those without donor restrictions; requiring all not-for-profits to present an analysis of expenses by both function and nature in a single location, generally as a separate financial statement or by disclosure in the notes, and to provide additional information about the methods used to allocate costs across functional reporting categories; requiring disclosure of both quantitative and qualitative information about liquidity and the availability of financial resources; and requiring the presentation of investment return net of all external and direct internal expenses.

During the year ended June 30, 2020, JWI adopted the provisions of ASU 2014-09, *Revenue from Contracts with Customers* (Update 2014-09), and ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Update 2018-08). Update 2014-09 prescribes a single model for revenue recognition, with a set of principles to be used for determining when revenue should be recognized, including performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each separate performance obligation. It also requires expanded disclosures about the nature, amount, and timing of revenue and cash flows. Update 2018-08 provides a framework for determining whether a particular transaction is an exchange or a contribution, including how to evaluate whether a resource provider receives commensurate value with an exchange transaction, and guidance to assist entities in determining whether a contribution is either conditional or unconditional. Neither of the aforementioned updates adopted in the year ended June 30, 2020 had a significant impact on JWI's financial statements.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As part of JWI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, JWI invests cash in excess of its current requirements in a portfolio of investments designed to maximize long-term earnings with acceptable risk to investment principle.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (CONTINUED)

The following table represents JWI's financial assets available to meet cash needs for general expenditures within one year of June 30, 2020 and 2019:

	2020	2019
Total assets at year end	$ 4,066,970	$ 4,203,873
Less nonfinancial assets		
Leasehold improvements, furniture and equipment, net	(94,667)	(129,042)
Inventory	(29,212)	(34,796)
Prepaid expenses	(15,702)	(8,543)
Land and building held as investment	(2,159,713)	(2,159,713)
Total financial assets at end of year	1,767,676	1,871,779
Less amounts not available to meet general expenditures coming due within one year		
Assets subject to donor-imposed restrictions	(1,016,695)	(1,442,053)
Financial assets available to meet general expenditures coming due in the next year	$ 750,981	$ 429,726

NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue from Contracts with Customers

The following table disaggregates JWI's revenue based on the timing of satisfaction of performance obligations for the years ended June 30, 2020 and 2019:

	2020	2019
Performance obligations satisfied over time		
Royalties	$ 624	$ 2,693
Performance obligations satisfied at a point of time		
Inventory sales, net	927	614
Registration	28,820	92,183
Advertising	11,350	4,950
Other revenue*		
Contributions and bequests	1,244,934	1,824,700
Membership dues	61,025	105,662
Investment income, net of investment expenses	6,581	14,281
Rental income	-	104,500
Other	865	14,404
Total	$ 1,355,126	$ 2,163,987

*Due to the nature of these revenue streams, these items are excluded from required disaggregation under ASC Topic 606. They are included here to provide a reconciliation to total revenue reported in the statements of activities.

NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

The nature of JWI's operations does not typically give rise to variable consideration. When variable consideration arises, estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration are estimated based upon historical experience with customers and comparable projects as well as known trends within JWI and its industry.

NOTE 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Money market funds	$ 1,120	$ 2,624
Mutual funds - asset allocation	56,815	58,706
Exchange-traded funds	34,102	28,652
State of Israel bonds	57,092	57,092
	$ 149,129	$ 147,074

For the years ended June 30, 2020 and 2019, investment income included net appreciation in fair value of investments of $1,518 and $7,635, respectively.

Accounting standards provide the framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

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

Level 2 Inputs to the valuation methodology include other significant observable inputs including:

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

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

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

NOTE 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, JWI's assets at fair value as of June 30, 2020 and 2019, respectively:

Description	Total Investments at 6/30/2020	Quoted Market Prices for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	$ 1,120	$ 1,120	$ -	$ -
Mutual funds - asset allocation	56,815	56,815	-	-
Exchange-traded funds	34,102	34,102	-	-
State of Israel bonds	57,092	-	57,092	-
	$ 149,129	$ 92,037	$ 57,092	$ -
Assets held in deferred compensation plan	$ 316,112	$ 316,112	$ -	$ -
Liability for deferred compensation	$ 316,112	$ 316,112	$ -	$ -

Description	Total Investments at 6/30/2019	Quoted Market Prices for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	$ 2,624	$ 2,624	$ -	$ -
Mutual funds - asset allocation	58,706	58,706	-	-
Exchange-traded funds	28,652	28,652	-	-
State of Israel bonds	57,092	-	57,092	-
	$ 147,074	$ 89,982	$ 57,092	$ -
Assets held in deferred compensation plan	$ 290,091	$ 290,091	$ -	$ -
Liability for deferred compensation	$ 290,091	$ 290,091	$ -	$ -

NOTE 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following are descriptions of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used at June 30, 2020 and 2019:

Money market funds, mutual funds, exchange-traded funds, assets held in deferred compensation plan and liability for deferred compensation plan: The fair value of JWI's investments in these categories are valued using the quoted prices of identical investments on the active markets they are traded.

State of Israel bonds: The fair value of JWI's investments in State of Israel bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issues with similar credit ratings.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment included the following at June 30, 2020 and 2019:

	2020	2019
Leasehold improvements	$ 352,487	$ 352,487
Furniture and equipment	94,691	94,691
	447,178	447,178
Less: accumulated depreciation and amortization	(352,511)	(318,136)
Property and equipment, net	$ 94,667	$ 129,042

NOTE 7. PENSION PLAN

JWI participated in the JWI pension plan (the Plan), a defined benefit plan covering substantially all employees of JWI. The benefits under the plan were based on final average compensation, and years of service (not to exceed 32) of participants. JWI's funding policy was to contribute an amount at least equal to the minimum required contribution. The Plan assets consisted primarily of mutual funds. Effective December 31, 2003, this Plan was frozen. Effective August 31, 2013, this Plan was terminated and JWI applied for the PBGC to take over the plan as a distressed termination. During the year ended June 30, 2015, JWI received confirmation that the PBGC had agreed to take over the Plan. As a result, the liability for the excess of the projected benefit obligation over the Plan assets was removed from JWI's financial statements and a gain on the termination of the Plan was recognized on the statement of activities for the year ended June 30, 2015 in the amount of $317,596. As of June 30, 2020 and 2019, JWI owes the PBGC $22,250 and $24,750, respectively which will be paid annually through 2025.

NOTE 7. PENSION PLAN (CONTINUED)

Other Retirement Plans

JWI has a tax deferred employee savings plan under IRS Code Section 403(b), (the Plan) for its employees. Under the Plan, employees have the option to set aside a specified percentage of their salary to savings and exclude that amount from their Federal taxable income. The Plan includes a provision for employer matching contributions. During the years ended June 30, 2020 and 2019, JWI's employer matching contributions totaled $14,879 and $22,804, respectively.

Certain members of JWI's senior management are also eligible to participate in a non-contributory deferred compensation plan, commonly referred to as a "Section 457 Plan." The participants are permitted to defer up to the legal limit of their annual salary, subject to certain IRS limitations. For each of the years ended June 30, 2020 and 2019, JWI contributed $10,000 to the Executive Director's plan, as stipulated by the employment agreement.

NOTE 8. COMMITMENTS AND CONTINGENCIES

Operating Lease - During the year ended June 30, 2019, JWI was obligated under a noncancellable operating lease for office space at its headquarters. The lease contained rent abatements, build-out incentives and fixed increases in the annual rental amount. U.S. generally accepted accounting principles require that when lease agreements contain rent abatements and fixed increases in the annual rental amount, the total rental payments on the lease be recognized using the straight-line method over the life of the lease. JWI has reported the difference between the cash paid for rent and the straight-line rental expense and the rental incentives as deferred rent liability in the accompanying statements of financial position, which totaled $233,765 as of June 30, 2019.

During the year ended June 30, 2020, JWI renegotiated their existing operating lease agreement, ultimately agreeing to an amended lease effective January 1, 2020. The amended lease called for a one-time payment of $100,000 from JWI to the landlord to settle previously defaulted rent payments from the year ended June 30, 2019 and the rent due for July 1, 2019 through December 31, 2019 was abated. Furthermore, the amended lease calls for reduced monthly payments effective January 1, 2020 with no annual increases through the termination date of the lease on March 31, 2023 of $10,000 per month. The new lease does allow the landlord to terminate the lease before the negotiated expiration date of March 31, 2023. JWI has reported the difference between the cash paid for rent and the straight-line rental expense and the rental incentives as deferred rent liability in the accompanying statements of financial position, which totaled $208,092 as of June 30, 2020.

Future minimum lease payments under the amended lease are as follows:

Year ended June 30, 2021	$ 120,000
2022	120,000
2023	90,000
	$ 330,000

NOTE 8. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Employment Contract - JWI has an employment contract with its Chief Executive Officer which expires December 31, 2022. In accordance with the employment contract, unless either party notifies the other in writing not less than 90 days before the termination date of the contract, the employee contract shall be extended for an additional year.

NOTE 9. RESTRICTIONS AND DESIGNATIONS ON NET ASSETS

JWI has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of a donor restricted fund, absent explicit donor stipulation to the contrary.

As a result of this interpretation, JWI classifies as perpetually restricted net assets (a) the original value of gifts donated to a permanent endowment, (b) the original value of subsequent gifts to a permanent endowment, and (c) accumulations to a permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor restricted funds that is not classified in perpetually restricted net assets is classified as net assets with temporary donor restrictions for time or purpose until those amounts are appropriated for expenditure by JWI in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, JWI considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

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

Net Assets with Donor Restrictions - Perpetual

Net assets with perpetual donor restrictions consist of assets for which use by JWI is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of JWI. The restrictions stipulate that resources be maintained perpetually but permits JWI to expend the income generated in accordance with the provisions of the agreements.

NOTE 9. RESTRICTIONS AND DESIGNATIONS ON NET ASSETS (CONTINUED)

Net assets with perpetual donor restrictions at June 30, 2020 and 2019 consisted of the following:

	2020	2019
General operations		
Lipson	$ 30,492	$ 30,492
Ginsburg	24,767	24,767
	$ 55,259	$ 55,259

Net Assets with Donor Restrictions - Temporary

Net assets with temporary donor restrictions consist of amounts that are subject to donor-imposed restrictions for time or purpose. JWI is permitted to expend the donated assets as specified either by passage of time or by action of JWI.

Net assets with temporary donor restrictions at June 30, 2020 and 2019 consisted of the following:

	2020			
	Net Assets with Temporary Donor Restrictions Beginning of Year	Net Asset Additions	Net Assets Released	Net Assets with Temporary Donor Restrictions End of Year
Purpose restricted				
NLI	$ 237,000	$ 250,000	$ (37,000)	$ 450,000
Women projects	220,000	-	(212,500)	7,500
Community development	600,000	-	(300,000)	300,000
Total purpose restricted	1,057,000	250,000	(549,500)	757,500
Time restricted	329,794	-	(125,858)	203,936
Total	$ 1,386,794	$ 250,000	$ (675,358)	$ 961,436

NOTE 9. RESTRICTIONS AND DESIGNATIONS ON NET ASSETS (CONTINUED)

	2019			
	Net Assets with Temporary Donor Restrictions Beginning of Year	Net Asset Additions	Net Assets Released	Net Assets with Temporary Donor Restrictions End of Year
Purpose restricted				
Louis and Anita Perlman Fund				
Residential Treatment Center				
and Humanitarian Award	$ 23,456	$ -	$ (23,456)	$ -
Jerusalem Hills Children's Home	53,947	-	(53,947)	-
Israel projects	235,642	-	(235,642)	-
Library program	5,113	-	(5,113)	-
Leadership and training programs	47,100	-	(47,100)	-
NLI	-	237,000	-	237,000
Youth projects	20,681	-	(20,681)	-
Women projects	328,095	220,000	(328,095)	220,000
Community development	955,053	-	(355,053)	600,000
Total purpose restricted	1,669,087	457,000	(1,069,087)	1,057,000
Time restricted	248,466	184,100	(102,772)	329,794
Total	$ 1,917,553	$ 641,100	$ (1,171,859)	$ 1,386,794

At June 30, 2020 and 2019, $20,000 of JWI's net assets had been designated by the Board of Trustees as an operating reserve.

NOTE 10. PLEDGES RECEIVABLE

Pledges receivable as of June 30, 2020 and 2019 are as follows:

	2020	2019
Receivable in less than one year	$ 493,621	$ 758,671
Receivable in one to five years	545,402	665,808
	1,039,023	1,424,479
Less discount to net present value	(21,087)	(20,406)
	$ 1,017,936	$ 1,404,073

NOTE 11. UNINSURED CASH AND CASH EQUIVALENTS

JWI maintains its cash in bank deposit accounts which at times may exceed federally insured limits in the United States. The Federal Deposit Insurance Corporation (FDIC) insures balances up to $250,000 held at a financial institution. As of June 30, 2020 and 2019, JWI held approximately $41,000 and $0 in excess of FDIC limits, respectively.

NOTE 12. SPLIT INTEREST AGREEMENTS

JWI is the beneficiary of several split interest agreements. JWI's interest in these split interest agreements is reported as a contribution at its net present value in the year received.

NOTE 13. PROMISSORY NOTE

During the year ended June 30, 2020, JWI entered into a promissory note with Truist Bank in the amount of $50,000. The note bears interest at 3.25% and calls for monthly payments starting May 13, 2021 through termination of the note on April 13, 2025.

Future minimum payments due under the promissory note at June 30, 2020 are as follows:

Year Ending June 30,		
2021	$	2,084
2022		11,924
2023		12,322
2024		12,733
2025		10,937
Total	$	50,000

NOTE 14. REFUNDABLE ADVANCE (PAYCHECK PROTECTION PROGRAM)

On May 6, 2020, JWI received a loan in the amount of $173,100 from the Small Business Administration (SBA) as part of the Coronavirus Aid, Relief, and Economic Security Act's Paycheck Protection Program (PPP). The loan is unsecured, nonrecourse, accrues interest at one percent per annum, with a due date of May 6, 2022. Under the terms of the loan, a portion of the loan is forgivable to the extent that loan proceeds are used to fund qualifying payroll, rent and utilities during a designated twenty-four (24) week period through October 21, 2020. JWI will apply for and expects to receive forgiveness during the year ended June 30, 2021, at which time the proceeds will be recognized as contribution revenue.

Note 15. Risks and Uncertainties

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

Note 16. Prior Period Adjustment and Restatement

During the year ended June 30, 2017, an agreement between JWI and The Jerusalem Hills Children's Home (the Home) was finalized that, among other stipulations, released an endowment JWI held for the benefit of the Home and in return, the Home repaid an outstanding loan due back to JWI. During the year ended June 30, 2020, it was determined that an endowment in the amount of $181,000 had named the Home as the ultimate benefactor and should have been released during the year ended June 30, 2017 transactions. This prior period adjustment resulted in a decrease of JWI's net assets with donor restrictions and an increase in JWI's net assets without donor restrictions in the amount of $181,000 each, as of June 30, 2017. This is reflected in the beginning net asset balances in the statement of activities and changes in net assets for the year ended June 30, 2019.

Note 17. Subsequent Events Review

Subsequent to year-end, U.S. and global business and financial markets continue to be severely impacted by the Coronavirus pandemic. The potential impacts on the JWI's financial condition and activities cannot be determined at this time. All subsequent events have been evaluated through February 1, 2021, which is the date the financial statements were available to be issued. This review and evaluation revealed no other material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements.