

Financial Statements and Report of
Independent Certified Public
Accountants

American Jewish World Service, Inc.

For the year ended April 30, 2021, with
summarized comparative information for the year
ended April 30, 2020

Contents

	Page
Report of Independent Certified Public Accountants	3
Financial Statements	
Statement of financial position as of April 30, 2021, with summarized comparative information as of April 30, 2020	5
Statement of activities for the year ended April 30, 2021, with summarized comparative information for the year ended April 30, 2020	6
Statement of functional expenses for the year ended April 30, 2021, with summarized comparative information for the year ended April 30, 2020	7
Statement of cash flows for the year ended April 30, 2021, with summarized comparative information for the year ended April 30, 2020	8
Notes to financial statements	9

GRANT THORNTON LLP

757 Third Ave., 9th Floor
New York, NY 10017-2013

D +1 212 599 0100

F +1 212 370 4520

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
American Jewish World Service, Inc.

We have audited the accompanying financial statements of American Jewish World Service, Inc. ("AJWS"), which comprise the statement of financial position as of April 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to AJWS'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 AJWS'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 American Jewish World Service, Inc. as of April 30, 2021, 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.

Other matter

We have previously audited AJWS's 2020 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 5, 2020. In our opinion, the accompanying summarized comparative information as of and for the year ended April 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

New York, New York
September 13, 2021

American Jewish World Service, Inc.

STATEMENT OF FINANCIAL POSITION

As of April 30, 2021, with summarized comparative information as of April 30, 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 15,395,727	\$ 10,837,309
Contributions receivable, net	27,656,553	17,250,703
Investments	33,395,341	24,058,381
Prepaid expenses and other assets	879,941	826,791
Property and equipment, net	1,236,508	1,443,801
Total assets	\$ 78,564,070	\$ 54,416,985
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 815,514	\$ 1,062,138
Grants payable	4,407,808	2,428,537
Loan payable	2,132,540	2,132,540
Deferred rent	1,044,730	971,509
Unearned revenue	6,950	88,227
Charitable gift annuity obligations	377,338	361,468
Total liabilities	8,784,880	7,044,419
 Commitments and contingencies		
NET ASSETS		
Without donor restrictions		
Undesignated	13,962,098	9,163,314
Designated for donor-advised fund	1,706,374	1,781,803
Board-designated for reserve fund	19,616,146	14,645,105
Board-designated for working capital fund	4,522,449	4,022,449
Total without donor restrictions	39,807,067	29,612,671
With donor restrictions	29,972,123	17,759,895
Total net assets	69,779,190	47,372,566
Total liabilities and net assets	\$ 78,564,070	\$ 54,416,985

The accompanying notes are an integral part of this financial statement.

American Jewish World Service, Inc.

STATEMENT OF ACTIVITIES

For the year ended April 30, 2021, with summarized comparative information for the year ended April 30, 2020

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and support:				
Contributions:				
Individuals	\$ 15,230,485	\$ 6,035,111	\$ 21,265,596	\$ 19,701,169
Donor-advised fund	3,600,000	-	3,600,000	3,240,000
Bequests	411,822	-	411,822	662,764
Foundations and corporations	846,146	36,344,179	37,190,325	19,815,121
Government agencies	411,771	-	411,771	585,474
Donated services and goods	631,995	-	631,995	558,018
Investment return, net of expenses of \$172,108 in 2021 and \$65,113 in 2020	5,438,162	27,747	5,465,909	60,531
Study tour fees and miscellaneous revenue	103,243	-	103,243	410,780
Net assets released from restrictions				
Satisfaction of purpose restrictions	24,613,041	(24,613,041)	-	-
Satisfaction of time restrictions	5,581,768	(5,581,768)	-	-
Total revenues and support	<u>56,868,433</u>	<u>12,212,228</u>	<u>69,080,661</u>	<u>45,033,857</u>
Program services:				
Programs	32,744,168	-	32,744,168	27,771,197
Communications	3,298,845	-	3,298,845	3,591,083
Strategic learning, research and evaluation	1,100,787	-	1,100,787	2,361,018
Total program services expenses	<u>37,143,800</u>	<u>-</u>	<u>37,143,800</u>	<u>33,723,298</u>
Supporting services:				
Management and general	2,850,717	-	2,850,717	2,949,978
Fundraising	6,679,520	-	6,679,520	6,317,407
Total supporting services expenses	<u>9,530,237</u>	<u>-</u>	<u>9,530,237</u>	<u>9,267,385</u>
Total expenses	<u>46,674,037</u>	<u>-</u>	<u>46,674,037</u>	<u>42,990,683</u>
Change in net assets	10,194,396	12,212,228	22,406,624	2,043,174
NET ASSETS				
Beginning of year	<u>29,612,671</u>	<u>17,759,895</u>	<u>47,372,566</u>	<u>45,329,392</u>
End of year	<u>\$ 39,807,067</u>	<u>\$ 29,972,123</u>	<u>\$ 69,779,190</u>	<u>\$ 47,372,566</u>

The accompanying notes are an integral part of this financial statement.

American Jewish World Service, Inc.

STATEMENT OF FUNCTIONAL ACTIVITIES

For the year ended April 30, 2021, with summarized comparative information for the year ended April 30, 2020

	2021							2020 Total	
	Programs	Communications	Strategic Learning, Research and Evaluation	Program Services Total	Management and General	Fundraising	Supporting Services Total		Total
Salaries and benefits	\$ 6,749,458	\$ 1,996,629	\$ 741,217	\$ 9,487,304	\$ 1,720,568	\$ 3,615,688	\$ 5,336,256	\$ 14,823,560	\$ 15,067,052
Program grants (donor-advised)	3,559,016	-	-	3,559,016	-	-	-	3,559,016	2,079,915
Program grants (non donor-advised)	19,238,383	-	-	19,238,383	-	-	-	19,238,383	15,991,133
Professional services	1,542,238	459,071	217,473	2,218,782	562,937	1,086,307	1,649,244	3,868,026	3,403,267
Conferences, meetings and travel	46,572	4,796	798	52,166	10,983	8,759	19,742	71,908	1,384,796
Occupancy	728,118	238,297	76,859	1,043,274	193,348	381,690	575,038	1,618,312	1,684,969
Telecommunications and systems applications	354,668	134,788	31,036	520,492	80,818	231,093	311,911	832,403	938,120
Printing and publications	1,486	30,769	18	32,273	10,049	420,901	430,950	463,223	566,886
Office supplies and other office expenses	70,104	35,830	8,952	114,886	27,655	42,182	69,837	184,723	272,460
Insurance	56,538	15,093	4,863	76,494	12,722	27,212	39,934	116,428	107,452
Postage	4,474	5,406	483	10,363	4,628	221,725	226,353	236,716	238,454
Dues and subscriptions	47,015	12,762	3,981	63,758	10,997	28,047	39,044	102,802	136,079
Advertising and promotion	51,040	318,502	-	369,542	5,388	392,681	398,069	767,611	456,463
Provision for uncollectible accounts	-	-	-	-	64,880	-	64,880	64,880	12,244
Depreciation and amortization	128,245	40,046	12,910	181,201	32,496	69,421	101,917	283,118	237,378
Other fees	162,345	5,776	1,857	169,978	111,780	101,778	213,558	383,536	342,862
Miscellaneous	4,468	1,080	340	5,888	1,468	52,036	53,504	59,392	71,153
Subtotal	32,744,168	3,298,845	1,100,787	37,143,800	2,850,717	6,679,520	9,530,237	46,674,037	42,990,683
Investment management fee	-	-	-	-	172,108	-	172,108	172,108	65,113
Total	<u>\$ 32,744,168</u>	<u>\$ 3,298,845</u>	<u>\$ 1,100,787</u>	<u>\$ 37,143,800</u>	<u>\$ 3,022,825</u>	<u>\$ 6,679,520</u>	<u>\$ 9,702,345</u>	<u>\$ 46,846,145</u>	<u>\$ 43,055,796</u>

The accompanying notes are an integral part of this financial statement.

American Jewish World Service, Inc.

STATEMENT OF CASH FLOWS

**For the year ended April 30, 2021,
with summarized comparative information for the year ended April 30, 2020**

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 22,406,624	\$ 2,043,174
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Change in present value discount on contributions receivable	(8,500)	(29,434)
Provision for uncollectible accounts	64,880	12,244
Depreciation and amortization	283,118	237,378
Net realized and unrealized (gains) losses on investments	(5,165,451)	574,759
Actuarial loss on charitable gift annuity obligation	31,479	13,160
Loss on disposal of fixed assets	9,294	-
Changes in operating assets and liabilities		
(Increase) decrease in contributions receivable	(10,462,230)	4,376,599
Increase in prepaid expenses and other assets	(53,150)	(146,353)
(Decrease) increase in accounts payable and accrued expenses	(246,624)	268,026
Increase (decrease) in grants payable	1,979,271	(776,661)
Increase in deferred rent	73,221	103,216
Decrease in unearned revenue	(81,277)	(166,664)
	8,830,655	6,509,444
Cash flows from investing activities:		
Purchases of property and equipment	(85,119)	(599,501)
Purchases of investments	(74,825,359)	(50,449,181)
Proceeds from sale of investments	70,653,850	46,915,395
	(4,256,628)	(4,133,287)
Cash flows from financing activities:		
Loan payable	-	2,132,540
Contributions subject to charitable gift annuity obligation	28,686	191,613
Payment on obligations under charitable gift annuity obligation	(44,295)	(30,602)
	(15,609)	2,293,551
Net cash (used in) provided by financing activities	(15,609)	2,293,551
Net increase in cash and cash equivalents	4,558,418	4,669,708
Cash and cash equivalents at beginning of year	10,837,309	6,167,601
Cash and cash equivalents at end of year	\$ 15,395,727	\$ 10,837,309

The accompanying notes are an integral part of this financial statement.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 1 - ORGANIZATION

American Jewish World Service, Inc. (“AJWS”), a not-for-profit organization incorporated under the laws of the State of New York, is the leading Jewish organization working to fight poverty and realize human rights in Africa, Asia, Latin America and the Caribbean. By supporting hundreds of social change organizations in 19 countries, AJWS responds to the most pressing issues of our time – from disasters, genocide and hunger, to the persecution of women and minorities worldwide. AJWS’s international grantmaking and U.S. advocacy focus on four central issues that AJWS believes are key to securing human rights and ending poverty: advancing sexual health and rights; promoting civil and political rights; defending land, water and climate justice; and aiding communities in the aftermath of disasters. AJWS pursues lasting change by supporting grassroots and global human rights organizations in Africa, Asia, Latin America and the Caribbean and by mobilizing supporters in the United States to advocate for global justice. With Jewish values and a global reach, AJWS is making a difference in millions of lives and bringing a more just and equitable world closer for all.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

Net Asset Classification

AJWS classifies its net assets in the following categories:

Net Assets Without Donor Restrictions

Net assets without donor restrictions include funds that have not been restricted by an outside donor and are, therefore, available for use in carrying out the general operations of AJWS. Net assets without donor restrictions may be designated for specific purposes by actions of the Board of Trustees (Note 9).

Net Assets With Donor Restrictions

Net assets with donor restrictions include funds that have been restricted by donor-imposed stipulations and either expire with the passage of time or can be fulfilled and removed by actions of AJWS pursuant to stipulations (see Note 7). When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net asset released from restrictions.

Net assets with donor restrictions also include donor-imposed restrictions that stipulate that resources be maintained in perpetuity, but permit AJWS to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes (Note 15).

Cash and Cash Equivalents

AJWS maintains cash in bank accounts which, at times, may exceed federally insured limits. AJWS has not experienced any losses in such accounts.

For the purpose of the statement of cash flows, AJWS considers highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

Investments

Investments are stated at fair value in the accompanying statement of financial position. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains and losses on sale of investments are calculated on the basis of specific identification of the securities sold and included within investment returns in the accompanying statement of activities. Purchases and sales of investments are recorded on a trade-date basis.

Property and Equipment

AJWS's policy for capitalization of property and equipment is limited to purchases of \$1,000 or more. Property and equipment (consisting of leasehold improvements, furniture and office equipment and website) are recorded at cost or, if donated, at fair value at the date of donation. Depreciation and amortization are recorded using the straight-line method over the lesser of the estimated useful lives of the assets or lease term.

Revenue Recognition

AJWS recognizes revenue from contributions in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-605. In accordance with ASC 958-605, AJWS evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, AJWS applies guidance under FASB ASC 606. If the transfer of assets is determined to be a contribution, AJWS evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before AJWS is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

AJWS reports gifts of cash and other assets as restricted support 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 the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises due in less than one year are recorded at their net realizable value. Unconditional promises to give due in one year or more are recorded at the present value of their net realizable value, using a discount rate, which also considers the credit risk factors of the donor at the time the promise is received. Amortization of the discount is offset against contributions revenue. An allowance for doubtful contributions received is provided by management based upon AJWS's experience with the donors and their ability to pay.

Study tour fees are recognized in the period the trip takes place. Study tour fees received in advance are recognized as unearned revenue.

AJWS receives certain contributed services and materials that meet the criteria established by ASC 958 for recognition as contributions (Note 14).

Expenses

The costs of providing program services and supporting services have been allocated among functional categories depending upon the ultimate purpose of the expense. Functional expenses that are not exclusively attributable to program services or supporting services have been allocated by management among the program and supporting services benefited based on time and effort.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

Grants are recorded as an expense and a payable when grants are approved and communicated to the grantees. All grants payable are expected to be paid within the following year.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with AJWS's financial statements for the year ended April 30, 2020, from which the summarized information was derived.

Fair Value Measurement

AJWS applies FASB ASC 820, *Fair Value Measurements*, which provides a framework for measuring fair value under US GAAP. ASC 820 applies to all financial instruments measured and reported on a fair value basis.

As defined in ASC 820, fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, AJWS uses various methods, including market price, income and cost approaches. Based on these approaches, AJWS often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. AJWS utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, AJWS is required to provide the following information according to the fair value hierarchy, which assess the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 - Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 - Observable inputs other than Level 1, including quoted prices for similar assets or liabilities quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or that can be derived principally from or corroborated by observable market data.
- Level 3 - Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

For the years ended April 30, 2021 and 2020, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is based on quoted market prices, when available, or bid or evaluation prices provided by recognized broker-dealers.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. AJWS's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Income Taxes

AJWS follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

AJWS is exempt from federal income tax under Internal Revenue Code (the "Code") section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. AJWS has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. AJWS has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. In addition, AJWS has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

Subsequent Events

AJWS evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was September 13, 2021.

Recently Issued Accounting Standards

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. In October 2019, the FASB approved a proposal to defer the effective date of ASU 2016-02 by one year. Furthermore, in June 2020, the FASB issued ASU No. 2020-05, which deferred the effective date of ASU 2016-02 for not-for-profit entities by an additional year. Therefore, the new standard is effective for fiscal years beginning after December 15, 2021 and for interim periods within fiscal years beginning after December 15, 2022. AJWS is currently evaluating the impact of the adoption of the new standard on its financial statements.

Revision of Prior Period Balances

AJWS revised its statement of financial position as of April 30, 2020 and statement of activities for the year ended April 30, 2020 by reducing net assets with donor restrictions and increasing net assets without donor restrictions by \$4,695,186. The financial statements and accompanying notes reflect this change. The results of this revision did not have a material effect on the financial statements issued in the prior year.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

NOTE 3 - CONTRIBUTIONS AND CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable are expected to be collected as follows:

	2021	2020
Within one year	\$ 15,183,691	\$ 14,124,029
One to five years	12,630,000	3,298,000
	27,813,691	17,422,029
Less: discount to present value at rates ranging from 0.15% to 1.45%	(41,635)	(50,135)
Allowance for uncollectibles	(115,503)	(121,191)
	\$ 27,656,553	\$ 17,250,703

In addition to the contributions receivable above, certain donors provided conditional contributions or have confirmed their intentions to recommend approximate annual contributions over a period of one to ten years, as follows:

	2021	2020
Conditional receivables	\$ 2,722,000	\$ 3,490,000

These anticipated contributions have not been recognized in the accompanying financial statements, as they do not meet the criteria for recognition of contributions revenue under FASB ASC 958-605.

A significant portion of AJWS's total revenues and support, excluding donated services and goods, were provided by two donors during the year ended April 30, 2021, and a single donor during the year ended April 30, 2020. These contributions amounted to 50% and 34%, respectively, of total revenues and support when donor-advised funds from one of the donors is included. When donor-advised contributions are excluded, such percentages were 48% and 30%, respectively.

A significant portion of AJWS's total gross contributions receivable balances were provided by four donors as of April 30, 2021, which amounted to \$23,693,408, and four donors as of April 30, 2020, which amounted to \$13,087,483. These contributions represent 85% and 75% of the gross contributions receivable as of April 30, 2021 and 2020, respectively.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

NOTE 4 - INVESTMENTS

The following tables present AJWS's fair value hierarchy for investments as of April 30, 2021 and 2020:

Description	2021		
	Level 1	Level 2	Total
Investments			
Money market funds	\$ 2,485,851	\$ -	\$ 2,485,851
Fixed income securities	3,510,998	521,746	4,032,744
Equity funds	16,979,964	-	16,979,964
Mutual funds	9,064,491	-	9,064,491
Exchange-traded funds	832,291	-	832,291
Total	\$ 32,873,595	\$ 521,746	\$ 33,395,341
Description	2020		
Description	Level 1	Level 2	Total
Investments			
Money market funds	\$ 1,308,589	\$ -	\$ 1,308,589
Mutual funds	15,430,129	-	15,430,129
Exchange-traded funds	7,319,663	-	7,319,663
Total	\$ 24,058,381	\$ -	\$ 24,058,381

Money market funds, equity funds, exchange-traded funds and mutual funds listed on a national securities exchange are stated at the last reported sales, trade or evaluation price on the day of valuation.

Investments in fixed income securities are stated at the last reported sales price on the day of valuation. Where no last sales price was recorded on that date, the last quoted bid or evaluation price was used.

The components of investment return, net of expenses follow:

	2021	2020
Interest and dividend income	\$ 472,566	\$ 700,403
Realized gains (losses)	1,863,431	(659,059)
Unrealized gains	3,302,020	84,300
Management fees	(172,108)	(65,113)
	\$ 5,465,909	\$ 60,531

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

NOTE 5 - PROPERTY AND EQUIPMENT, NET

At April 30, 2021 and 2020, property and equipment, at cost, consisted of the following:

	Depreciation/ Amortization Period	2021	2020
Computer equipment	3-5 years	\$ 357,425	\$ 278,103
Computer software	3-7 years	941,587	941,587
Website	4 years	226,400	226,400
Office equipment	5-15 years	300,385	302,864
Office furniture	5-15 years	785,696	803,156
Leasehold improvements	Lease term	2,156,718	2,157,339
		4,768,211	4,709,449
Less: Accumulated depreciation and amortization		(3,531,703)	(3,265,648)
Property and equipment, net		\$ 1,236,508	\$ 1,443,801

Depreciation and amortization expense is as follows for the years ended April 30, 2021 and 2020:

	2021	2020
Depreciation and amortization expense	\$ 283,118	\$ 237,378

NOTE 6 - CHARITABLE GIFT ANNUITY OBLIGATIONS

AJWS has an established gift annuity program, whereby donors may contribute assets to AJWS in exchange for the right to receive a fixed-dollar annual return during their lifetimes. The difference between the amount provided for the gift annuities and the present value of the liabilities for future payments, determined on an actuarial basis, is recognized as a contribution without donor restrictions on the date of the gift and, therefore, is considered a charitable contribution for the respective donor's income tax purposes. Such liabilities are adjusted annually, based on actuarially determined mortality rates and risk adjusted discount rates. The discount rates used were 4.0% to 10.4% in 2021 and 2020. Gains and losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the respective net asset category in the accompanying statement of activities.

AJWS's assets associated with these charitable gift annuity agreements are included in the accompanying statement of financial position as investments and cash and cash equivalents.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

At April 30, 2021 and 2020, net assets with donor restrictions consisted of and were restricted for the following purposes:

	2021	2020
Programs	\$ 24,772,038	\$ 10,697,532
Fundraising	75,000	150,000
Time-restricted (for board-designated reserve fund)	1,395,150	3,785,400
Time-restricted (for general support)	3,388,863	2,707,706
Family philanthropy funds	326,084	405,472
Donor-restricted endowment (Note 15)	14,988	13,785
	\$ 29,972,123	\$ 17,759,895

Net assets released from restrictions consisted of the following for the years ended April 30, 2021 and 2020:

	2021	2020
Programs	\$ 22,528,702	\$ 24,121,359
Communications	500,000	1,420,065
Strategic learning, research and evaluation	100,000	405,923
Management and general	700,000	1,400,000
Fundraising	675,000	1,275,000
Family philanthropy funds	109,339	3,705
	24,613,041	28,626,052
Time-restricted (for board-designed reserve fund)	2,399,280	1,037,312
Time-restricted (for general support)	3,182,488	2,201,438
	5,581,768	3,238,750
	\$ 30,194,809	\$ 31,864,802

AJWS revised the net assets with and without donor restrictions presented as of April 30, 2020 in order to correct the impact of a prior period immaterial error in net asset classification. The immaterial error correction resulted in a reduction in net assets with donor restrictions as of April 30, 2020 by \$4,695,186 and an increase in net assets without donor restrictions by the same amount. (Also see the "Revision of Prior Period Balances" section of Note 2.)

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

NOTE 8 - JOINT COSTS

AJWS produced several publications to educate the public that included appeals for contributions. Joint costs were incurred and allocated as follows for the years ended April 30, 2021 and 2020:

	2021	2020
Programs	\$ 176,670	\$ 73,830
Communications	192,072	108,018
Management and general	13,347	8,788
Fundraising	814,719	306,941
	\$ 1,196,808	\$ 497,577

NOTE 9 - BOARD-DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions represent expendable funds that are available for support of AJWS's operations. Net assets without donor restrictions include amounts that the board designated for a reserve fund and a working capital fund.

The reserve fund is a distinct pool of liquid assets that AJWS can, with Board approval, access to ensure the sustainability of its programs and to pursue opportunities of strategic importance. It was created to cover at least six months of operational and grant expenses, and AJWS may use both the principal and earnings of the reserve fund to mitigate unexpected losses and undesirable financial events. In addition, AJWS expects to add \$1,395,150 to the reserve fund when pledges come due and are collected, which are currently included in net assets with donor restrictions as time-restricted for board-designated reserve fund (Note 7).

The working capital fund is to be used to cover expenses when AJWS anticipates receiving replacement funds later in the same fiscal year. The anticipated replacement funds are expected either based on a pledge due later in the fiscal year and/or from renewal gifts. The working capital fund is different from the reserve fund as the latter may be used only in the case of organizational emergencies or significant organizational opportunities. The total amounts designated by the Board of Trustees for reserve fund and working capital fund were as follows as of April 30, 2021 and 2020:

	2021	2020
Board-designated for reserve fund	\$ 19,616,146	\$ 14,645,105
Board-designated for working capital fund	4,522,449	4,022,449
	\$ 24,138,595	\$ 18,667,554

NOTE 10 - DONOR-ADVISED FUND

AJWS administers a donor-advised fund (the "Fund") within the meaning of Section 4966(d)(2) of the Internal Revenue Code of 1986, for the purpose of facilitating grants to non-U.S. grantee organizations. The Fund is owned and controlled by AJWS, which serves as the "sponsoring organization" of the Fund within the meaning of Code Section 4966(d)(1). The assets of the Fund include the initial gift made upon its creation and any subsequent gifts. The Fund's assets are held as cash or cash equivalents, with any earnings from the investment of the assets of the Fund transferred to AJWS for its own charitable purposes

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

and operations. AJWS makes grants from the Fund based on donor recommendations; however, AJWS has full discretion to accept or reject a grant recommendation.

Revenue for grant purposes was as follows for the years ended April 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Donor-advised fund	<u>\$ 3,600,000</u>	<u>\$ 3,240,000</u>

Grants expense from the Fund follows for the years ended April 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Program grants (donor-advised)	<u>\$ 3,559,016</u>	<u>\$ 2,079,915</u>

NOTE 11 - 403(B) PLAN

AJWS established a 403(b) plan, available to all eligible employees who qualify, under Section 401(a) of the Code. AJWS also makes a safe-harbor matching contribution to each participant who makes salary deferrals to the plan. Employer contributions under the plan are as follows for the years ended April 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Employer 403(b) plan contributions	<u>\$ 420,746</u>	<u>\$ 421,582</u>

NOTE 12 - CONDITIONAL GRANTS AND CONTINGENCIES

In 2021 and 2020, the donor-advised fund awarded certain conditional grants to various grantee organizations. The remaining portions of these grants are conditional to AJWS's determination of the grantees' proper use of the previously distributed funds as well as sufficient funds being on deposit with AJWS. Conditional grants as of April 30, 2021 and 2020 amounted to approximately \$2,520,000 and \$1,700,000, respectively.

Various claims and regulatory reviews may arise in the ordinary course of AJWS's activities. Based upon information currently available, management believes that such matters, if any, will not have a material effect on the financial position or operations of AJWS.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

NOTE 13 - COMMITMENTS

AJWS leases its office spaces under several noncancelable operating leases that have various expiring terms, with the latest expiring in June 2032. Rents under these leases are subject to escalations for their share of increases in real estate taxes. AJWS subleased part of its office space under noncancelable operating leases. Sublease income under the leases amounted to approximately \$113,000 for the year ended April 30, 2021. Minimum future obligations under the leases, net of sublease income and exclusive of required payments for increases in real estate taxes, follow:

	Gross Rent	Sublease	Net Total
Years ending April 30:			
2022	\$ 1,304,166	\$ (50,496)	\$ 1,253,670
2023	1,288,051	-	1,288,051
2024	1,226,971	-	1,226,971
2025	1,196,234	-	1,196,234
2026	1,195,362	-	1,195,362
Thereafter	8,058,534	-	8,058,534
	\$ 14,269,318	\$ (50,496)	\$ 14,218,822

Rent expense under these leases (inclusive of escalations) charged to operations amounted to approximately \$1,379,000 and \$1,433,000 for the years ended April 30, 2021 and 2020, respectively.

For financial statement purposes, rent expense is recognized on a straight-line basis over the term of the lease. The difference between rental payments made under these leases and rent expense calculated on a straight-line basis is reflected in the accompanying statement of financial position as deferred rent.

NOTE 14 - DONATED SERVICES AND GOODS

AJWS received specialized service volunteers and donated goods, which are recorded in the accompanying financial statements at their approximate fair values, as follows, for the years ended April 30, 2021 and 2020:

	2021	2020
Donated legal services	\$ 174,813	\$ 181,751
Donated online-advertisement service	424,254	343,243
Donated computer software	32,928	33,024
	\$ 631,995	\$ 558,018

NOTE 15 - ENDOWMENTS

AJWS is subject to the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), and has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. AJWS classifies as net assets with donor restrictions: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund includes

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

the accumulated unspent earnings on the donor-restricted endowment fund that remains within net assets with donor restrictions until those amounts are appropriated for expenditure by AJWS in a manner consistent with the standard of prudence prescribed by NYPMIFA.

AJWS's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. The Board of Trustees has determined that when AJWS receives a contribution and the donor restricts AJWS from spending the principal, New York law requires AJWS to maintain the original historical dollar value of the contribution received as an endowment. This amount and income from interest and dividends are recorded as net assets with donor restrictions.

AJWS 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 AJWS must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that provide a high total return (income and capital gains) over the long term, consistent with the preservation of principal. AJWS expects that earnings growth will match or exceed inflation and that the real (i.e., inflation-adjusted) value of the endowment will be maintained. Actual returns in any given year may vary.

To satisfy its long-term rate-of-return objectives, AJWS 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).

AJWS's Board of Trustees determines the amount of appropriation each year. In establishing this policy, AJWS considered the long-term expected return on its endowment. Accordingly, over the long term, AJWS expects the current spending policy to support the objective of maintaining the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of April 30, 2021 and 2020 is as follows:

	2021		2020	
	With Donor Restrictions	Total	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ 14,988	\$ 14,988	\$ 13,785	\$ 13,785

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

Changes in endowment net assets for the years ended April 30, 2021 and 2020 are as follows:

	With Donor Restrictions	Total
Endowment net assets, April 30, 2019	\$ 13,815	\$ 13,815
Investment return		
Investment income	435	435
Unrealized and realized losses	(436)	(436)
Total investment return	(1)	(1)
Investment expenses		
Management fee	(29)	(29)
Endowment net assets, April 30, 2020	13,785	13,785
Investment return		
Investment income	1,732	1,732
Unrealized and realized losses	(466)	(466)
Total investment return	1,266	1,266
Investment expenses		
Management fee	(63)	(63)
Endowment net assets, April 30, 2021	\$ 14,988	\$ 14,988

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

NOTE 16 - LIQUIDITY AND AVAILABILITY OF RESOURCES

AJWS receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions as well as support without donor restrictions. AJWS regularly monitors the availability of resources required to meet its operating needs and other contractual commitments while also striving to maximize the investment of its available funds. AJWS's financial assets available within one year of April 30, 2021 and 2020 for general expenditures are as follows:

	2021	2020
Cash and cash equivalents	\$ 15,395,727	\$ 10,837,309
Contributions receivable, gross	27,813,691	17,422,029
Investments, at fair value	33,395,341	24,058,381
Other assets	14,113	39,352
Total financial assets available	76,618,872	52,357,071
Less:		
Contractual, legal or donor-imposed restrictions:		
Amounts subject to board appropriation (board-designated for reserve fund and board-designated for working capital fund)	24,138,595	18,667,554
Amounts reserved for donor-advised fund	293,000	655,558
Amounts reserved for charitable gift annuity obligation	747,412	701,455
Satisfaction of donor restrictions	14,824,537	7,073,800
Total amounts unavailable for general expenditures within one year	40,003,544	27,098,367
Total financial assets available within one year to meet general expenditures	\$ 36,615,328	\$ 25,258,704

As part of AJWS's liquidity management, AJWS structures its financial assets to be available as its general operations, liabilities, and other obligations require. To manage its liquidity, AJWS operates within a prudent range of financial soundness and stability and maintains adequate liquid assets to fund near term operating needs and continues to build its reserves to provide reasonable assurance that long-term obligations will be met.

NOTE 17 - SELF-INSURED UNEMPLOYMENT

AJWS is required to provide for unemployment claims for former employees by making payments to a state unemployment insurance program or by self-insurance. Since January 2014, AJWS is self-insured for unemployment claims under a plan monitored by a third-party administrator. Annually, the administrator determines AJWS's required contributions to the plan to pay future unemployment claims as they arise. AJWS had a plan balance of approximately \$192,000 and \$136,700 at April 30, 2021 and 2020, respectively, which is included in prepaid expenses and other assets in the accompanying statement of financial position.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2021 and 2020

In accordance with US GAAP, AJWS is required to accrue for expected future claims during the period of employment of those eligible to make unemployment claims. As of April 30, 2021, AJWS had recognized a liability and expense of approximately \$82,000 for possible future claims, which is included in accounts payable and accrued expenses in the accompanying statement of financial position.

NOTE 18 - LOAN PAYABLE

On March 13, 2020, the United States declared a national emergency over the COVID-19 pandemic, and the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was passed by Congress and signed into law on March 27, 2020. The CARES Act was created to provide economic assistance for American workers, families, and small businesses, and preserve jobs in the United States. Under the CARES Act, the Department of Treasury implemented the Small Business Administration's ("SBA") Payroll Protection Program ("PPP"), which provides loans for businesses, nonprofits and other organizations with 500 or fewer employees that meet specific eligibility requirements. Under the Act, the SBA may forgive loans if beneficiary organizations meet the criteria determined by the SBA. On April 6, 2020, AJWS applied for the SBA's PPP and was granted approval. AJWS received loan proceeds totaling \$2,132,540 on April 10, 2020. AJWS is accounting for the loan monies received as a loan payable until such time the conditions for recognition as revenue have been satisfied. AJWS applied for loan forgiveness on July 1, 2021 and was granted full forgiveness on August 6, 2021.