



**Bender JCC**  
of Greater Washington  
Sondra & Howard Bender Family

## **BENDER JCC OF GREATER WASHINGTON**

### **Financial Statements**

*For the Year Ended June 30, 2025*

*(With Summarized Financial Information for the Year Ended June 30, 2024)*



**and**  
**Report Thereon**



**BENDER JCC OF GREATER WASHINGTON**

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**For the Year Ended June 30, 2025**

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## **Independent Auditors' Report**

The Board of Directors of  
**Bender JCC of Greater Washington**

### ***Opinion***

We have audited the financial statements of Bender JCC of Greater Washington (the "Center"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of June 30, 2025, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 the Center's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 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 GAAS, 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 the Center'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 the Center'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.

#### **Other Matter**

#### ***Report on Summarized Comparative Information***

The financial statements of Bender JCC of Greater Washington as of and for the year ended June 30, 2024 were audited by Marcum LLP, whose report dated December 19, 2024 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*CBIZ CPAs P.C.*

Washington, DC  
December 12, 2025

**BENDER JCC OF GREATER WASHINGTON**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2025**  
**(With Summarized Financial Information as of June 30, 2024)**

	2025	2024
<b>ASSETS</b>		
Cash	\$ 2,139,290	\$ 3,165,590
Accounts receivable, net of allowance for credit losses of \$0	44,508	58,149
Grants and contributions receivable, net	2,556,902	1,492,448
Prepaid expenses	191,804	278,782
Investments	10,326,745	9,605,965
Employee loan receivable	26,474	26,022
Property and equipment, net	14,769,039	15,422,591
<b>TOTAL ASSETS</b>	<b>\$ 30,054,762</b>	<b>\$ 30,049,547</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,508,958	\$ 1,269,931
Contract liabilities	2,394,968	2,131,303
Notes payable, net	5,309,071	5,884,706
<b>TOTAL LIABILITIES</b>	<b>9,212,997</b>	<b>9,285,940</b>
<b>Net Assets</b>		
Without donor restrictions	6,591,923	9,505,030
With donor restrictions	14,249,842	11,258,577
<b>TOTAL NET ASSETS</b>	<b>20,841,765</b>	<b>20,763,607</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 30,054,762</b>	<b>\$ 30,049,547</b>

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

**BENDER JCC OF GREATER WASHINGTON**

**STATEMENT OF ACTIVITIES**

**For the Year Ended June 30, 2025**

**(With Summarized Financial Information for the Year Ended June 30, 2024)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025 Total</u>	<u>2024 Total</u>
<b>REVENUE AND SUPPORT</b>				
Program fees, net	\$ 5,560,187	\$ -	\$ 5,560,187	\$ 5,270,995
Membership dues	2,296,968	-	2,296,968	2,045,993
Contributions	258,104	1,086,522	1,344,626	568,761
Grants	1,081,434	1,255,000	2,336,434	1,978,662
Jewish Federation of Greater Washington, Inc. award	844,688	-	844,688	844,863
Special events	785,429	-	785,429	679,141
Less: Direct benefit costs	<u>(272,425)</u>	<u>-</u>	<u>(272,425)</u>	<u>(195,943)</u>
Special events revenue, net	513,004	-	513,004	483,198
Other income	899,153	-	899,153	953,653
Investment income, net	-	1,078,069	1,078,069	1,130,407
Net assets released from restrictions:				
Satisfaction of purpose restrictions	15,000	(15,000)	-	-
Appropriation of endowment income	<u>413,326</u>	<u>(413,326)</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUE AND SUPPORT</b>	<u>11,881,864</u>	<u>2,991,265</u>	<u>14,873,129</u>	<u>13,276,532</u>
<b>EXPENSES</b>				
<b>Program Services:</b>				
Health and wellness	3,064,151	-	3,064,151	3,106,606
Early childhood	2,733,963	-	2,733,963	2,400,235
Camp, youth and teens	2,132,247	-	2,132,247	1,620,730
Adult services	1,203,567	-	1,203,567	1,242,226
Special needs	<u>751,749</u>	<u>-</u>	<u>751,749</u>	<u>458,269</u>
<b>Total Program Services</b>	<u>9,885,677</u>	<u>-</u>	<u>9,885,677</u>	<u>8,828,066</u>
<b>Supporting Services:</b>				
Management and general	4,281,515	-	4,281,515	4,312,080
Fundraising	<u>627,779</u>	<u>-</u>	<u>627,779</u>	<u>372,838</u>
<b>Total Supporting Services</b>	<u>4,909,294</u>	<u>-</u>	<u>4,909,294</u>	<u>4,684,918</u>
<b>TOTAL EXPENSES</b>	<u>14,794,971</u>	<u>-</u>	<u>14,794,971</u>	<u>13,512,984</u>
<b>CHANGE IN NET ASSETS</b>	(2,913,107)	2,991,265	78,158	(236,452)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>9,505,030</u>	<u>11,258,577</u>	<u>20,763,607</u>	<u>21,000,059</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 6,591,923</u>	<u>\$ 14,249,842</u>	<u>\$ 20,841,765</u>	<u>\$ 20,763,607</u>

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

**BENDER JCC OF GREATER WASHINGTON**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2025**  
**(With Summarized Financial Information for the Year Ended June 30, 2024)**

	Program Services					Supporting Services				2025 Total	2024 Total
	Health and Wellness	Early Childhood	Camp, Youth and Teens	Adult Services	Special Needs	Total Program Services	Management and General	Fundraising	Total Supporting Services		
EXPENSES											
Staffing costs and benefits	\$ 1,309,478	2,189,548	\$ 1,151,910	\$ 610,530	\$ 636,162	\$ 5,897,628	\$ 1,548,768	\$ 422,587	\$ 1,971,355	\$ 7,868,983	\$ 6,946,045
Occupancy	698,015	192,388	249,126	138,043	65,775	1,343,347	1,173,089	78,853	1,251,942	2,595,289	2,377,634
Professional fees	230,692	82,974	157,912	196,801	10,396	678,775	703,746	11,514	715,260	1,394,035	1,265,456
Depreciation and amortization	612,795	105,868	140,457	63,749	10,931	933,800	29,727	28,413	58,140	991,940	954,049
Travel, conferences and meetings	1,302	3,113	278,350	51,021	16,704	350,490	10,222	15	10,237	360,727	403,965
Supplies and events	68,647	90,923	71,792	84,335	4,142	319,839	46,700	274,468	321,168	641,007	547,578
Interest expense	48,914	24,534	37,087	24,921	3,628	139,084	42,356	4,596	46,952	186,036	181,728
Miscellaneous	-	-	-	-	-	-	255,799	70,261	326,060	326,060	164,652
Membership dues	20,034	5,182	6,859	10,568	963	43,606	87,580	1,055	88,635	132,241	122,872
Insurance	2,859	694	918	418	72	4,961	85,205	195	85,400	90,361	118,340
Rental and maintenance of equipment	31,133	6,051	24,497	8,448	1,767	71,896	88,324	6,659	94,983	166,879	285,141
Printing and publications	1,538	2,993	2,365	18,564	-	25,460	172,864	470	173,334	198,794	223,070
Telecommunications	6,816	4,708	5,556	6,367	1,209	24,656	17,827	984	18,811	43,467	60,977
Financial assistance and scholarships	32,680	24,970	5,050	615	-	63,315	4,664	-	4,664	67,979	54,170
Postage	-	17	368	266	-	651	15,120	134	15,254	15,905	13,049
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>3,064,903</b>	<b>2,733,963</b>	<b>2,132,247</b>	<b>1,214,646</b>	<b>751,749</b>	<b>9,897,508</b>	<b>4,281,991</b>	<b>900,204</b>	<b>5,182,195</b>	<b>15,079,703</b>	<b>13,718,726</b>
Less: Direct benefit costs	-	-	-	-	-	-	-	(272,425)	(272,425)	(272,425)	(195,943)
Less: Cost of goods sold	(752)	-	-	(11,079)	-	(11,831)	(476)	-	(476)	(12,307)	(9,799)
<b>TOTAL EXPENSES</b>	<b>\$ 3,064,151</b>	<b>\$ 2,733,963</b>	<b>\$ 2,132,247</b>	<b>\$ 1,203,567</b>	<b>\$ 751,749</b>	<b>\$ 9,885,677</b>	<b>\$ 4,281,515</b>	<b>\$ 627,779</b>	<b>\$ 4,909,294</b>	<b>\$ 14,794,971</b>	<b>\$ 13,512,984</b>

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

**BENDER JCC OF GREATER WASHINGTON**

**STATEMENT OF CASH FLOWS**

**For the Year Ended June 30, 2025**

**(With Summarized Financial Information for the Year Ended June 30, 2024)**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 78,158	\$ (236,452)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	991,940	934,538
Allowance for credit losses	(6,157)	459
Discount of contributions to present value	(40,078)	-
Net realized and unrealized gains on investments	(854,286)	(961,348)
Contributions restricted for investment in endowment and plant	(111,305)	(89,237)
Inherent contribution for below-market interest	(248,217)	-
Changes in assets and liabilities:		
Accounts receivable	19,798	16,142
Employee retention tax credit receivable	-	224,087
Grants and contributions receivable	(1,024,376)	(43,202)
Prepaid expenses	86,978	(96,300)
Accounts payable and accrued expenses	239,027	197,801
Contract liabilities	263,665	205,748
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<u>(604,853)</u>	<u>152,236</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	557,202	845,990
Purchases of investments	(418,339)	(257,793)
Purchases of property and equipment	(320,642)	(396,124)
Employee loan disbursement	(452)	(443)
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	<u>(182,231)</u>	<u>191,630</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contributions restricted for investment in endowment and plant	111,305	89,237
Principal payments on notes payable	(345,164)	(486,124)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(233,859)</u>	<u>(396,887)</u>
<b>NET DECREASE IN CASH</b>	<u>(1,020,943)</u>	<u>(53,021)</u>
<b>CASH, BEGINNING OF YEAR</b>	<u>3,179,419</u>	<u>3,232,440</u>
<b>CASH, END OF YEAR</b>	<u>\$ 2,158,476</u>	<u>\$ 3,179,419</u>
<b>CASH, REPORTED ON THE STATEMENT OF FINANCIAL POSITION</b>		
Cash	\$ 2,139,290	\$ 3,165,590
Cash held for investment purposes	19,186	13,829
<b>TOTAL CASH</b>	<u>\$ 2,158,476</u>	<u>\$ 3,179,419</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Actual cash payments for interest	\$ 186,036	\$ 168,202

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

# BENDER JCC OF GREATER WASHINGTON

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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### 1. Organization and Summary of Significant Accounting Policies

#### **Organization**

The Bender JCC of Greater Washington (the Center) is a nonprofit organization that provides health, welfare and cultural benefits to the members of the Jewish community and the Washington, D.C., metropolitan area.

#### **Investments**

Investments are recorded in the accompanying financial statements at their estimated 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. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Unrealized gains or losses are determined by a comparison of fair value at the beginning and end of the reporting period. Interest, dividends, realized and unrealized gains and losses net of management fees of \$37,758 are included in investment income, net in the statement of activities.

#### **Accounts Receivable**

Accounts receivable consist primarily of amounts due from individuals related to program fees and membership dues. Receivables are presented at the gross, or face, amount due to the Center less an allowance for credit losses. The Center's management utilized the loss rate methodology to determine historical credit losses. The loss rate method estimate is derived from a review of the Center's historical write-offs as a percentage of average accounts receivable. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant. Based on economic indicators, the Center is not anticipating a change in the historical credit loss rate from what has been in the past. Uncollectable accounts are written off when all efforts to collect these receivables have been exhausted and there is no possibility of recovery. Recoveries of accounts receivable previously written off are recorded when received as an offset to credit loss expenses in the year. Receivables totaled \$44,508, with no allowance for credit losses necessary as of June 30, 2025.

#### **Grants and Contributions Receivable**

Grants and contributions receivable are recorded at their present net realizable value, which approximates fair value. Grants and contributions receivable that are expected to be collected in future years are recorded at fair value, measured at the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The Center uses the allowance method to record potentially uncollectible accounts. The allowance is based on prior years' experience and management's analysis of specific receivables. An allowance for doubtful accounts has been established for amounts management believes may not be fully collectible. As of June 30, 2025, there was no allowance recorded.

**BENDER JCC OF GREATER WASHINGTON**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2025**

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1. Organization and Summary of Significant Accounting Policies (continued)

**Property and Equipment and Related Depreciation and Amortization**

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful service lives of the assets, ranging from three to 10 years. Leasehold improvements are amortized over the lesser of their estimated useful lives or the remaining lease term. Capital leased assets are recorded at cost and are amortized using the straight-line method over the life of the lease. Assets held during construction are stated at cost and are not depreciated until the asset is placed in service, at which time the asset is transferred to leasehold improvements. Expenditures for major additions, renewals and betterments are capitalized; expenditures for repairs and maintenance are expensed when incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expenses. The Center capitalizes property and equipment with a cost of \$5,000 or more and an economic life in excess of one year.

**Revenue Recognition**

Program fees are recorded in contract liabilities upon receipt and recognized as revenue in the period in which the related program is held and the performance obligation is met. Discounts are provided to members and the general public based upon volume purchases and other marketing promotions. Discounts on registrations are also provided to staff of the Center and range from 15% to 50%. Program fees are reported net of such discounts. Discounts for the year ended June 30, 2025, for members and the general public totaled \$26,700 and are netted against program fees in the accompanying statement of activities.

Membership dues are recognized as revenue in the period to which the dues relate and the performance obligation is met. Dues paid by members in advance of the membership period are reported as contract liabilities in the accompanying statement of financial position.

Unconditional contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. Contributions and grants are recorded in the year in which payments are received and/or unconditional promises to give are made. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the condition on which they depend have been substantially met. The Center had no conditional contributions as of June 30, 2025, where the conditions had not been met.

Any restricted assets received and expended during the same year are reported as net assets without donor restrictions.

Special events revenue is reported net of direct benefit costs and recognized at the point in time the event is held and the performance obligation is met.

Other income includes guest passes, locker room rentals and facility rental income. Guest passes are recognized at the time of sale and rental income is recognized over time.

# BENDER JCC OF GREATER WASHINGTON

## NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2025

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### 1. Organization and Summary of Significant Accounting Policies (continued)

#### **Fair Value Measurement**

The Center has categorized its applicable financial instruments into a required fair value hierarchy as follows:

*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 Center has the ability to access.

*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 substantially 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. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

As of June 30, 2025, the Center's investments as described in Notes 2 and 11 of these financial statements were measured at fair value on a recurring basis.

The Center also uses net asset value (NAV) or its equivalent, as a practical expedient, for fair value measurement for applicable financial assets and accordingly these are excluded from the fair value hierarchy disclosures and included as a reconciling item in Note 11 of these financial statements.

#### **Classification of Net Assets**

Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of the Center at the discretion of the Center's management and the Board of Directors (the Board). From time to time, the Board may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. As of June 30, 2025, there were no board-designated net assets. Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

#### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated proportionately among the programs and supporting services based on management's estimates of shared costs. Administrative and indirect expenses are allocated based on a benchmark study of time spent in each area. Other expenses such as maintenance and cleaning expenses are allocated based on the square footage of each room in the building and the time each room was used for each functional area.

## BENDER JCC OF GREATER WASHINGTON

### NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2025

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### Estimates

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

##### Investment Risks and Uncertainties

The Center 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.

#### 2. Investments

Investments consisted of the following at June 30, 2025:

Pooled fund of the United Jewish Endowment Fund	\$ 3,040,818
Exchange-traded funds	4,623,541
Bonds	1,521,236
U.S. Treasuries	227,339
Mutual funds	894,625
Cash	<u>19,186</u>
Total Investments	<u>\$ 10,326,745</u>

#### 3. Grants and Contributions Receivable

Grants and contributions receivable were due as follows at June 30, 2025:

Less than one year	\$ 1,095,339
One to five years	<u>1,568,750</u>
Total Grants and Contributions Receivable	2,664,089
Less: Discount for Present Value (3.01 – 3.79%)	<u>(107,187)</u>
Grants and Contributions Receivable, Net	<u>\$ 2,556,902</u>

## BENDER JCC OF GREATER WASHINGTON

### NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2025

#### 4. Property and Equipment and Accumulated Depreciation and Amortization

The Center held the following property and equipment as of June 30, 2025:

Leasehold improvements	\$ 30,185,792
Furniture and equipment	2,879,253
Assets held in progress	<u>174,550</u>
Total Property and Equipment	33,239,595
Less: Accumulated Depreciation and Amortization	<u>(18,470,556)</u>
Property and Equipment, Net	<u>\$ 14,769,039</u>

Depreciation and amortization expense was \$974,195 for the year ended June 30, 2025.

#### 5. Contract Liabilities

The following table provide information about significant changes in the contract liabilities that were paid in advance for the year ended June 30, 2025:

Contract liabilities – program fees, July 1	\$ 2,131,303
Program fees revenue recognized	(5,560,187)
Collections of program fees revenue	<u>5,823,852</u>
Contract Liabilities – Program fees, June 30	<u>\$ 2,394,968</u>

#### 6. Notes Payable and Line of Credit Agreement

On June 30, 2016, the Center entered into a tax-exempt nonbank qualified loan under the National Jewish Federation Bond Program issued through the Colorado Educational and Cultural Facilities Authority to provide funds for renovations and to refinance a previous note. The loan was funded on September 4, 2016, in an amount up to \$14 million. The maturity date was September 1, 2030, with a renewal on September 1, 2022. A balloon payment will be due at maturity. Interest accrues at an annual fixed rate of 2.569% with annual principal payments of a minimum amount of \$750,000. Principal payments may be paid in advance at any time without penalty and any excess shall be applied to further reduce the amount of the next periodic principal redemption which is due. On February 1, 2018, the loan was amended such that the minimum annual principal payment due on the loan will be \$532,177. Also in February 2018, the Center made a principal payment of \$1,300,000 which offset the amounts due in 2019 – 2021. In July 2018 and November 2018, the Center made additional principal payments of \$2,000,000 and \$1,750,000 which offset the amounts due through 2024. In February 2020, the Center made an additional principal payment of \$700,000 which offsets the amounts due through 2025.

On July 1, 2022, the Center refinanced and renewed the loan with a new annual fixed interest rate of 3.47%. A principal payment will be due in 2029 and a final balloon payment of \$3,015,671 will be due on September 1, 2030. At June 30, 2025, the loan balance was \$3,433,974.

## BENDER JCC OF GREATER WASHINGTON

### NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2025

#### 6. Notes Payable and Line of Credit Agreement (continued)

In addition, the financial institution provided the Center with a line of credit for \$500,000. Interest on any outstanding balance is payable monthly at a variable rate equal to the U.S. Prime Rate, as adjusted daily, and with a specified minimum floor of 4%. The line of credit is payable upon demand and may be withdrawn at any time by the financial institution. As of June 30, 2025, no amounts had been advanced to the Center under this line of credit.

Under the loan and the line-of-credit agreements, the Center must maintain all of its operating accounts with the financial institution, and the Center cannot incur additional debts from other financial institutions in excess of \$100,000 without the bank's permission, with the exception of purchase money financing and financing for equipment leases. The financial institution also requires that audited financial statements be submitted to the bank by February 1 of each year. This requirement was met for the year ended June 30, 2025. The loan and line of credit are cross-collateralized with a first position lien on the Center's assets, including leasehold improvements and fixtures, as well as a lien on eligible contributions receivable.

On November 16, 2017, the Center entered into a below-market interest unsecured loan of \$4,000,000 from a foundation to provide funds for the termination of the Center's Defined Benefit Plan that was terminated in 2017. The loan was amended on February 13, 2025 as a below-market interest unsecured loan and extended through 2031. The Center recorded an inherent contribution discount related to the below-market interest in the amount of \$248,217 for the year ended June 30, 2025. The discount will begin to amortize in fiscal year 2026. In addition, the Center is required, upon receipt of any extraordinary and unrestricted gifts (including legacy gifts of \$100,000 or more), to prepay the loan, without premium or penalty, in a principal amount equal to at least 50% of the amount of any such gift. As of June 30, 2025, the outstanding balance on the loan is \$2,266,895.

As of June 30, 2025, future principal payments under these notes are due as follows:

For the Year Ending June 30,	
2026	\$ 129,654
2027	388,962
2028	388,962
2029	388,962
2030	388,962
Thereafter	<u>4,015,367</u>
Total Notes Payable	5,700,869
Less: Bond Issuance Costs	(143,581)
Less: Loan Discount	<u>(248,217)</u>
Notes Payable, Net	<u>\$ 5,309,071</u>

The cost of issuance of the tax-exempt bond consists of underwriters' fees, attorneys' fees and other costs. The bond issuance costs are being charged to amortization expense on a straight-line basis over the 15-year term of the bond. For the year ended June 30, 2024, interest expense related to the above notes payable was \$186,036.

**BENDER JCC OF GREATER WASHINGTON**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2025**

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7. Commitments and Contingencies

**Concentrations of Credit Risk**

The Center maintains its cash with certain commercial financial institutions, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of June 30, 2025, the Center had approximately \$2,054,000 composed of demand deposits, savings accounts and money market accounts, which exceeded the maximum limit insured by the FDIC by approximately \$108,000. The Center has not experienced any credit losses on its cash.

As of June 30, 2025, \$1,150,000 of the total net grants and contributions receivable balance was due from one donor. This amount represents 45% of the Center's net grants and contributions receivable balance as of June 30, 2025.

**Operating Lease**

The Center leases one of three contiguous properties from the Greater Washington Jewish Community Foundation. The lease commenced in 1969 and has a term of 99 years with an option to renew for an additional 99 years. Under the terms of this lease, the space is rented at \$1 per year. Additionally, the Center must pay its share of the costs of the maintenance and operations of the property and common areas. The net present value of the donated rent for the lease term was not recognized because the amount, based upon the value of the space at the time of the donation, was not material to the Center's financial statements.

For the year ended June 30, 2025, the Center incurred expenses of \$334,910 for maintenance and operating costs related to the space.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following programs or purposes as of June 30, 2025:

Perpetual in nature:

Endowment funds:

Adult services	\$ 3,305,035
Special needs	2,446,516
Early childhood	743,412
Camp, youth, and teens	2,078,886
Activities of the Center	558,221
Health and wellness	<u>196,753</u>

Total Endowment Funds 9,328,823

**BENDER JCC OF GREATER WASHINGTON**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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8. Net Assets With Donor Restrictions

*(continued)*

Purpose-restricted:

Renovation related to lower level, playground, and garden	\$ 1,155,000
Family engagement	450,000
Multi-generational programming	200,000
Special needs	90,000
Camp, youth, and teens	50,000
Unspent endowment earnings:	
Adult services	950,556
Special needs	677,610
Early childhood	285,417
Camp, youth, and teens	568,828
Activities of the center	161,815
Health and wellness	<u>46,576</u>

Total Purpose Restricted Funds 4,635,802

Time-restricted: 285,217

Total Net Assets With Donor Restrictions \$ 14,249,842

9. Endowment Funds

**Interpretation of Relevant Law**

The original value of all gifts donated to the permanent endowment are classified as net assets with donor restrictions. The Center's policy is to preserve the fair value of the original gift as of the gift date, absent explicit donor stipulations to the contrary. The Center's Board has interpreted the Maryland enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the Center to appropriate for expenditure, or accumulate so much of an endowment fund as the Center determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Investment returns on permanent endowments are classified in accordance with donor specifications. When no specifications are outlined by the donor, investment earnings on the permanent endowments are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Center.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires an organization to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. The Center's policy is to appropriate from funds with deficiencies, except as discussed below. As of June 30, 2025, there were no funds underwater.

# BENDER JCC OF GREATER WASHINGTON

## NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2025

### 9. Endowment Funds (continued)

#### **Return Objectives and Risk Parameters**

The Center 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 Center must hold in perpetuity or for a donor-specified period(s). After taking into consideration such factors as corporate financial stability, uncertainty of cash flows in and out of the endowment funds over the long term, and capital market volatility, the Board believes that a moderate risk strategy is prudent. Under this policy, As approved by the Board of Directors, the goal is to have stable returns over the long term, with a reduced potential of negative returns in any given year. The Center expects its endowment funds to provide an average rate of return of approximately 5% to 7% over time. 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 Center 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 Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

#### **Spending Policy and How the Investment Objectives Relate to the Spending Policy**

The spending rate for existing endowments is set at 5.0% of the average fair value of its endowment over the prior three calendar years in which the distribution was planned. For new endowments, there is no spending until year two of the endowment and there will not be any spending on new endowments that are underwater. The spend rate for new endowments is 5.0% except that the first draw will be 1/2 of the spend rate. In establishing its policy, the Center considered the long-term expected return of its endowment. This is consistent with the Center's objective to maintain 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.

The Center's endowment net asset composition by fund type was as follows as of June 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original value donor-restricted endowment funds	\$ -	\$ 9,328,823	\$ 9,328,823
Accumulated earnings on donor-restricted endowment funds	<u>-</u>	<u>2,690,802</u>	<u>2,690,802</u>
Total Endowment Net Assets	<u>\$ -</u>	<u>\$ 12,019,625</u>	<u>\$ 12,019,625</u>

**BENDER JCC OF GREATER WASHINGTON**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2025**

9. Endowment Funds (continued)

For the year ended June 30, 2025, changes in endowment net assets were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 11,243,577	\$ 11,243,577
Investment return/loss, net	-	1,078,069	1,078,069
Contributions	<u>-</u>	<u>111,305</u>	<u>111,305</u>
Appropriations for expenditures	<u>-</u>	<u>(413,326)</u>	<u>(413,326)</u>
Endowment Net Assets, End of Year	<u>\$ -</u>	<u>\$ 12,019,625</u>	<u>\$ 12,019,625</u>

10. Availability and Liquidity

The Center regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. The Center's financial assets available for general expenditures, excluding Centennial campaign receipts, within one year of June 30, 2025 were:

Financial Assets Available Within One Year:

Cash	\$ 2,139,290
Investments	10,326,745
Accounts receivable, net	44,508
Grants and contributions receivable	<u>2,556,902</u>
Total Financial Assets Available Within One Year	15,067,445

Less:

Financial assets unavailable for general expenditure within one year: Net assets with donor restrictions	<u>(14,249,842)</u>
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Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 817,603</u>
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The Center has various sources of liquidity at its disposal, including cash, and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Center throughout the year. This is done through regular monitoring and reviewing the Center's cash flow needs. As a result, management is aware of the cyclical nature of the Center's cash flow related to the Center's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. As part of the Center's liquidity plan, excess cash is invested in publicly traded investments, including mutual funds and equity securities.

**BENDER JCC OF GREATER WASHINGTON**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

11. Fair Value Measurement

The following table summarizes the Center's assets and liabilities as of June 30, 2025, which are measured at fair value on a recurring basis, aggregated by type and the fair value hierarchy level within which those measurements were made.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Assets measured in the fair value hierarchy:				
Exchange-traded funds:				
U.S. large cap	\$ 2,346,276	\$ 2,346,276	\$ -	\$ -
International equity	1,006,145	1,006,145	-	-
U.S. small & mid cap	875,788	875,788	-	-
Emerging markets	<u>395,332</u>	<u>395,332</u>	<u>-</u>	<u>-</u>
Total Exchange Traded Funds	<u>4,623,541</u>	<u>4,623,541</u>	<u>-</u>	<u>-</u>
Bonds:				
State of Israel	199,978	-	199,978	-
Other bonds	<u>1,321,258</u>	<u>-</u>	<u>1,321,258</u>	<u>-</u>
Total Bonds	<u>1,521,236</u>	<u>-</u>	<u>1,521,236</u>	<u>-</u>
U.S. Treasuries	227,339	227,339	-	-
Mutual funds – fixed income	<u>894,625</u>	<u>894,625</u>	<u>-</u>	<u>-</u>
Total Assets in the Fair Value Hierarchy	7,266,741	<u>\$ 5,745,505</u>	<u>\$ 1,521,236</u>	<u>\$ -</u>
Cash	19,186			
Investments measured at NAV:				
Pooled fund of the United Jewish Endowment Fund	<u>3,040,818</u>			
Total Assets	<u>\$ 10,326,745</u>			

The pooled fund of the United Jewish Endowment Fund is measured at NAV, or its equivalent, as a practical expedient and has not been classified in the fair value hierarchy. The fair value amount presented in this table is intended to permit reconciliation of the fair value hierarchy to the amount presented in the statement of financial position. Bonds are valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. A yield-based matrix system was used to arrive at an estimated market value for the bonds (market valuation approach). Mutual funds, exchange-traded funds, and money market funds are valued at readily available quoted market prices from an active market where there is significant transparency in the executed/quoted market price.

## BENDER JCC OF GREATER WASHINGTON

### NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2025

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#### 11. Fair Value Measurement (continued)

The Center's interest in the pooled fund of the United Jewish Endowment Fund includes underlying interests in a variety of domestic and international equity funds, hedge funds, private equity funds and real asset funds. These underlying investments are subject to certain restrictions and, generally, have no active established trading market. The investments are managed by the United Jewish Endowment Fund. As of June 30, 2025, 80% of the Center's interest may be redeemed at NAV at the measurement date and the remaining 20% may be redeemed ten days after month-end and there is no redemption notice period. There were no unfunded capital commitments to the pooled fund of the United Jewish Endowment Fund as of June 30, 2025.

#### 12. Defined Contribution Plan

The Center maintains a contributory defined contribution 403(b) retirement plan for all eligible full-time employees. An eligible employee is defined as any employee who has attained 21 years of age and has completed at least one year of service of 1,000 or more hours. All employer contributions are discretionary, and participants vest in employer contributions after three years. For the year ended June 30, 2025, the Center contributed \$28,468 in employer contributions to the Plan.

The Center automatically withholds 2% of each eligible employee's compensation each payroll period and remits such amount to the Plan as each employee's elective deferral. Employees may enter into a salary reduction agreement at any time to select an alternative contribution deferral percentage or to elect not to contribute to the Plan.

#### 13. Income Taxes

The Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is classified as a publicly supported organization under Section 509(a)(1) of the IRC. There is no accrual for income tax expense, as the Center had no significant net unrelated business income for the year ended June 30, 2025.

The Center evaluated its uncertainty in income taxes for the year ended June 30, 2025, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. It is the Center's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. The Center is subject to routine audits by taxing jurisdictions; however, as of June 30, 2025 there are no audits for any tax period pending or in progress.

#### 14. Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2024, from which the summarized information was prepared.

**BENDER JCC OF GREATER WASHINGTON**

**NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2025**

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15. Reclassification

Certain prior year amounts have been classified to current year presentation. These reclassifications had no effect on net assets as previously reported.

16. Subsequent Events

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through December 12, 2025, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.