

AMERICAN ZIONIST MOVEMENT, INC.

**FINANCIAL STATEMENTS
AND
ACCOUNTANTS' REPORT**

DECEMBER 31, 2019 AND 2018

AMERICAN ZIONIST MOVEMENT, INC.

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To: The Board of Directors of
American Zionist Movement, Inc.

Management is responsible for the accompanying financial statements of American Zionist Movement, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, expenses and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

New York, NY
September 14, 2020

Skody Scot & Company, CPAs, PC

**AMERICAN ZIONIST MOVEMENT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 269,183	\$ 295,466
Dues receivable, net	-	28,080
Other receivables	13,204	10,756
Investments	472	475
Prepaid expenses	3,589	-
Prepaid election costs	94,111	-
	\$ 380,559	\$ 334,777

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 74,647	\$ 61,038
Deferred revenue	23,062	23,157
Total liabilities	97,709	84,195
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	282,850	250,582
With donor restrictions	-	-
Total net assets	282,850	250,582
Total liabilities and net assets	\$ 380,559	\$ 334,777

**See independent accountants' compilation report
and accompanying notes.**

AMERICAN ZIONIST MOVEMENT, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Support and Revenues:		
Without Donor Restrictions:		
Dues	\$ 173,500	\$ 154,508
Contributions and grants	225,878	182,447
Program service revenue	141,620	207,498
Investment income	398	412
Other income	15,687	18,313
Total support and revenues from operations	557,083	563,178
Expenses:		
Program Expenses:		
Adult and youth education	350,592	369,213
Total program expenses	350,592	369,213
Supporting Services:		
Management and general	154,327	126,076
Fundraising	19,896	18,449
Total expenses from operations	524,815	513,738
Increase/(decrease) from operations	32,268	49,440
World Zionist Election Funds:		
Revenues collected	-	25
Expenses paid	-	(2,125)
Net World Zionist Election Funds	-	(2,100)
Increase/(Decrease) In Net Assets:		
Without donor restrictions	32,268	47,340
With donor restrictions	-	-
Increase/(decrease) in net assets	32,268	47,340
Net assets, beginning of year	250,582	203,242
Net assets, end of year	\$ 282,850	\$ 250,582

**See independent accountants' compilation report
and accompanying notes.**

AMERICAN ZIONIST MOVEMENT, INC.
STATEMENT OF EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Expenses	Supporting Services		Total Expenses
	Adult and Youth Education	Management and General	Fundraising	
Personnel & related expenses:				
Salaries	\$ 166,499	\$ 28,533	\$ 17,633	\$ 212,665
Payroll taxes	13,533	2,308	1,435	17,276
Employee benefits	693	8,097	-	8,790
Pension	-	10,125	-	10,125
Total personnel costs	<u>180,725</u>	<u>49,063</u>	<u>19,068</u>	<u>248,856</u>
Direct expenses:				
Promotion	60	10,514	-	10,574
Conferences and meetings	4,707	322	-	5,029
Consultants	2,388	23,300	-	25,688
Data processing	-	1,016	-	1,016
Dues and subscriptions	1,000	7,969	-	8,969
Insurance	-	548	-	548
Bank charges & credit card processing	2,789	545	634	3,968
Office supplies and expenses	3,436	20,263	1	23,700
Professional fees	-	5,300	-	5,300
Program expenses - other	120,573	8,267	-	128,840
Rent and facility fees	19,638	12,036	-	31,674
Scholarships	7,750	-	-	7,750
Telephone & communications	-	3,171	-	3,171
Travel	4,166	9,905	-	14,071
Website and internet	3,360	2,108	193	5,661
Total direct expenses	<u>169,867</u>	<u>105,264</u>	<u>828</u>	<u>275,959</u>
Total expenses	<u>\$ 350,592</u>	<u>\$ 154,327</u>	<u>\$ 19,896</u>	<u>\$ 524,815</u>

**See independent accountants' compilation report
and accompanying notes.**

AMERICAN ZIONIST MOVEMENT, INC.
STATEMENT OF EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program Expenses	Supporting Services		Total Expenses
	Adult and Youth Education	Management and General	Fundraising	
Personnel & related expenses:				
Salaries	\$ 156,479	\$ 26,899	\$ 15,873	\$ 199,251
Payroll taxes	18,015	2,620	1,372	22,007
Employee benefits	7,777	-	-	7,777
Pension	9,000	609	-	9,609
Total personnel costs	<u>191,271</u>	<u>30,128</u>	<u>17,245</u>	<u>238,644</u>
Direct expenses:				
Promotion	7,307	1,741	-	9,048
Ambassadors mission	61,635	-	-	61,635
Conferences and meetings	27,447	6,799	-	34,246
Consultants	4,656	15,658	-	20,314
Data processing	-	1,208	-	1,208
Dues and subscriptions	-	9,084	-	9,084
Insurance	-	1,758	-	1,758
Bank charges & credit card processing	1,495	1,178	994	3,667
Office supplies and expenses	831	14,774	-	15,605
Professional fees	-	5,000	-	5,000
Program expenses - other	35,475	-	-	35,475
Provision for bad debt	-	19,500	-	19,500
Rent and facility fees	22,987	4,411	-	27,398
Scholarships	12,381	-	-	12,381
Telephone & communications	-	4,412	-	4,412
Travel	368	8,571	-	8,939
Website and internet	3,360	1,854	210	5,424
Total direct expenses	<u>177,942</u>	<u>95,948</u>	<u>1,204</u>	<u>275,094</u>
Total expenses	<u>\$ 369,213</u>	<u>\$ 126,076</u>	<u>\$ 18,449</u>	<u>\$ 513,738</u>

**See independent accountants' compilation report
and accompanying notes.**

AMERICAN ZIONIST MOVEMENT, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 32,268	\$ 47,340
Adjustments for non-cash items included in operating activities:		
Provision for bad debt	-	19,500
Investment gains/(losses)	3	-
Changes in assets and liabilities:		
Dues receivable	28,080	(30,392)
Pledges receivable	-	1,800
Other receivables	(2,448)	129
Prepaid expenses	(3,589)	-
Prepaid election costs	(94,111)	-
Accounts payable and accrued expenses	13,609	(51,149)
Deferred revenue	(95)	(1,582)
Net cash provided/(used) by operating activities	<u>(26,283)</u>	<u>(14,354)</u>
Cash flows from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(26,283)	(14,354)
Cash and cash equivalents at beginning of year	<u>295,466</u>	<u>309,820</u>
Cash and cash equivalents at end of year	<u>\$ 269,183</u>	<u>\$ 295,466</u>

**See independent accountants' compilation report
and accompanying notes.**

**AMERICAN ZIONIST MOVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Organization

American Zionist Movement, Inc. (Organization), a not-for-profit membership organization, was incorporated in the State of New York in 1970. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from membership dues and from contributions and grants from individuals and foundations.

The mission of the American Zionist Movement is to strengthen the connection of American Jews with Israel; develop their appreciation of the centrality of Israel to Jewish life worldwide; deepen their understanding of Israeli society and the challenges it faces; encourage travel, long-term visits and Aliyah to Israel; and to facilitate dialogue, debate and collective action to further Zionism in the United States and abroad.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Change in Accounting Principle

The Organization has elected to defer the adoption of FASB ASU 2014-09 *Revenue from Contracts with Customers* for one year in accordance with amendments contained in FASB ASU 2020-05.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash Equivalents

For the purposes of the statements of financial position and the statements of cash flows, the Organization considers as cash equivalents money market funds and all highly liquid resources, such as investments in non-restricted certificates of deposit, with an original maturity of three months or less.

**AMERICAN ZIONIST MOVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Property and Equipment

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Property and equipment are stated at cost, less accumulated depreciation. Depreciation of equipment is computed by the straight-line method over estimated useful lives ranging from three to five years. Expenditures for repairs and maintenance are expensed as incurred and major renewals and betterments are capitalized.

Revenue Recognition

The Organization recognizes contributions when an unconditional pledge is made. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. At December 31, 2019 and 2018, the Organization did not have any conditional pledges that were not recognized.

Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as revenue with donor restrictions and increases in net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Program service revenue relates to fees received in exchange for program services. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred revenue.

Dues from constituent and affiliated organizations are recorded by the Organization when billed. Any revenue received which relates to future periods is recorded as deferred revenue.

**AMERICAN ZIONIST MOVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Dues Receivable

Dues receivable are stated at the amount the Organization expects to collect from balances outstanding at the year end. Based on the Organization's assessment of the credit history with constituent organizations having outstanding balances and current relationships with them, the Organization provided for an allowance for uncollectible dues of \$0 and \$23,000 as of December 31, 2019 and 2018, respectively.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries and related expenses based on estimated time and effort and other expenses are allocated based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Investments

All marketable debt and equity securities are reported at fair values based on quoted prices in active markets (all Level 1 measurements) in the statements of financial position. Investment income (interest and dividends) is recognized as revenue in the period earned, and gains and losses (realized and unrealized) are recognized in the period they occur. The Organization initially records the investments it receives as a donation at the fair value as of the dates the investments are donated to the Organization and thereafter carries such investments at current values based on quoted prices in active markets (Level 1 measurements).

Note 2 - Fair Value Measurement of Investments

The Financial Accounting Standards Board (FASB) requires enhanced disclosures about investments that are measured and reported at fair value. FASB establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices, or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

**AMERICAN ZIONIST MOVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 2 - Fair Value Measurement of Investments (Continued)

Level 1: Investments falling within Level 1 of the fair value hierarchy are valued using inputs based upon quoted prices in active markets for identical investments. Investments that are typically included in Level 1 are listed equity securities, publicly traded mutual funds, and exchange traded funds.

Level 2: Investments falling within Level 2 of the fair value hierarchy are valued using significant observable inputs other than prices quoted in active markets. Examples of Level 2 inputs are model-driven prices, quoted prices for similar investments in active markets, and quoted prices for identical or similar investments in inactive markets. Investments that are typically included in Level 2 are municipal bonds, corporate bonds, and government debt securities.

Level 3: Investments falling within Level 3 of the fair value hierarchy are valued using methodology that is unobservable and significant to the fair value measurement. Level 3 inputs require significant management judgment or estimation. Investments that are typically included in this category are investments in limited partnerships, and investments in private companies or unregistered securities.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

During the years ended December 31, 2019 and 2018, all of the Organization's investments were Level 1 investments.

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Bank deposits and cash	\$ 168,591	\$ 195,262
Money market funds	<u>100,592</u>	<u>100,204</u>
	<u>\$ 269,183</u>	<u>\$ 295,466</u>

Note 4 - Property and Equipment

Property and equipment by major class consisted of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 9,478	\$ 9,478
Less: Accumulated depreciation	<u>(9,478)</u>	<u>(9,478)</u>
	<u>\$ -</u>	<u>\$ -</u>

**AMERICAN ZIONIST MOVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 5 - Investments

Investments include the following fair values, based on quoted prices in active markets (all Level 1 Measurements), and unrealized appreciation/(depreciation) at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Fair market value of common stocks	\$ 472	\$ 475
Cost /donation value	(4,203)	(4,203)
Unrealized appreciation/(depreciation)	\$(3,731)	\$(3,728)

Note 6 - Concentrations

The Organization maintains its cash, cash equivalents, and investments in various accounts. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. The Securities Investor Protection Corporation (SIPC) insures cash and securities, including money market funds, up to \$500,000 per financial institution. The balances of the accounts may have exceeded the insured limits during the years ended December 31, 2019 and 2018.

Note 7 - Pension Plan

The Organization adopted a simplified employee pension plan covering eligible employees. Under the plan, the Organization can make discretionary contributions. Contributions to the plan for the years ended December 31, 2019 and 2018, amounted to \$10,125 and \$9,609, respectively.

Note 8 - Scholarships

In 1995, the Organization received an initial gift to create a scholarship fund in memory of Helyn B. Reich. The scholarships paid-out from this fund are meant to provide assistance to young Americans who choose to study at one of several designated Israeli universities or attend post-college long-term programs. As of December 31, 2019 and 2018, the Organization received a total of \$131,562 and \$119,309, respectively, for the scholarship fund. As of December 31, 2019 and 2018, the Organization has provided a total of \$110,600 and \$102,850, respectively, in scholarships to students that meet the criteria for receiving a scholarship from the fund. During 2011, an agreement was made between the Organization and the scholarship fund donor for a one-time payment of \$10,000, as a fee for managing the account and the scholarships, since inception. Beginning in 2012, an annual management fee of \$2,000 is charged by the Organization for these services. Unused scholarship revenue, which totaled \$7,962 and \$5,459 as of December 31, 2019 and 2018, respectively, is recorded as deferred revenue in the accompanying statements of financial position.

**AMERICAN ZIONIST MOVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 9 - World Zionist Election Funds

Every five years, the Organization, on behalf of the Area Election Committee, administers elections in the United States to select the American delegates to the World Zionist Congress. The Organization collects and expends funds on behalf of the Committee. The net surplus was retained by the Organization to reimburse for staffing and administrative support provided during the election process. The activities for the years ended December 31, 2019, 2018, 2017 and 2016 amounted to:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>Total</u>
Revenues collected	\$ -	\$ 25	\$ -	\$ -	\$ 25
Expenses paid	(-)	(2,125)	(-)	(7,992)	(10,117)
Net activity	<u>\$ -</u>	<u>\$ (2,100)</u>	<u>\$ -</u>	<u>\$ (7,992)</u>	<u>\$ (10,092)</u>

Note 10 - Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of December 31, 2019 and 2018, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash and cash equivalents	\$ 269,183	\$ 295,466
Receivables	13,204	38,836
Investments	<u>472</u>	<u>475</u>
Total financial assets	282,859	334,777
Less those unavailable for general expenditures within one year	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 282,859</u>	<u>\$ 334,777</u>

Note 11 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures through September 14, 2020, which is the date the financial statements were available to be issued.