

AMERICAN ZIONIST MOVEMENT, INC.

**FINANCIAL STATEMENTS
AND
ACCOUNTANTS' REPORT**

DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, 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 12, 2021

Skody Scot & Company, CPAs, PC

**AMERICAN ZIONIST MOVEMENT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 743,773	\$ 269,183
Dues receivable	6,569	-
Other receivables	10,275	13,204
Investments	472	472
Prepaid expenses	65	3,589
Prepaid election costs	-	94,111
	\$ 761,154	\$ 380,559
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 53,622	\$ 74,647
Deferred revenue	12,074	23,062
Total liabilities	65,696	97,709
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	660,458	282,850
With donor restrictions	35,000	-
Total net assets	695,458	282,850
Total liabilities and net assets	\$ 761,154	\$ 380,559

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

**AMERICAN ZIONIST MOVEMENT, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:						
Dues	\$ 85,562	\$ -	\$ 85,562	\$ 173,500	\$ -	\$ 173,500
Contributions and grants	216,072	35,000	251,072	225,878	-	225,878
Program service revenue	19,391	-	19,391	141,620	-	141,620
Investment income	610	-	610	398	-	398
Other income	3,325	-	3,325	6,152	-	6,152
Total support and revenues from operations	<u>324,960</u>	<u>35,000</u>	<u>359,960</u>	<u>547,548</u>	<u>-</u>	<u>547,548</u>
Expenses:						
Program Expenses:						
Adult and youth education	105,970	-	105,970	291,324	-	291,324
Total program expenses	<u>105,970</u>	<u>-</u>	<u>105,970</u>	<u>291,324</u>	<u>-</u>	<u>291,324</u>
Supporting Services:						
Management and general	51,871	-	51,871	154,327	-	154,327
Fundraising	5,281	-	5,281	19,896	-	19,896
Total expenses from operations	<u>163,122</u>	<u>-</u>	<u>163,122</u>	<u>465,547</u>	<u>-</u>	<u>465,547</u>
Increase/(decrease) from operations	161,838	35,000	196,838	82,001	-	82,001
World Zionist Election Funds:						
Revenues collected	976,477	-	976,477	9,535	-	9,535
Expenses paid	(760,707)	-	(760,707)	(59,268)	-	(59,268)
Net World Zionist Election Funds	<u>215,770</u>	<u>-</u>	<u>215,770</u>	<u>(49,733)</u>	<u>-</u>	<u>(49,733)</u>
Increase/(Decrease) in net assets	377,608	35,000	412,608	32,268	-	32,268
Net assets, beginning of year	282,850	-	282,850	250,582	-	250,582
Net assets, end of year	<u>\$ 660,458</u>	<u>\$ 35,000</u>	<u>\$ 695,458</u>	<u>\$ 282,850</u>	<u>\$ -</u>	<u>\$ 282,850</u>

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

**AMERICAN ZIONIST MOVEMENT, INC.
STATEMENT OF EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	Program Expenses	Supporting Services		Total Expenses
	Adult and Youth Education	Management and General	Fundraising	
Personnel costs	65,628	22,727	3,341	91,696
Conferences and meetings	10,147	-	-	10,147
Consultants	675	-	-	675
Data processing	-	766	-	766
Dues and subscriptions	-	10,390	-	10,390
Insurance	-	512	-	512
Bank charges & credit card processing	1,596	65	1,730	3,391
Office supplies and expenses	179	984	-	1,163
Professional fees	-	3,500	-	3,500
Program expenses - other	-	-	-	-
Promotion	134	-	-	134
Rent and facility fees	13,231	8,110	-	21,341
Scholarships	6,520	-	-	6,520
Telephone & communications	-	4,512	-	4,512
Travel	4,500	241	-	4,741
Website and internet	3,360	64	210	3,634
Total expenses	<u>\$ 105,970</u>	<u>\$ 51,871</u>	<u>\$ 5,281</u>	<u>\$ 163,122</u>

**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 costs	\$ 180,725	\$ 49,063	\$ 19,068	\$ 248,856
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	61,305	8,267	-	69,572
Promotion	60	10,514	-	10,574
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 expenses	<u>\$ 291,324</u>	<u>\$ 154,327</u>	<u>\$ 19,896</u>	<u>\$ 465,547</u>

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

AMERICAN ZIONIST MOVEMENT, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 412,608	\$ 32,268
Adjustments for non-cash items included in operating activities:		
Investment gains/(losses)	-	3
Changes in assets and liabilities:		
Dues receivable	(6,569)	28,080
Other receivables	2,929	(2,448)
Prepaid expenses	3,524	(3,589)
Prepaid election costs	94,111	(94,111)
Accounts payable and accrued expenses	(21,025)	13,609
Deferred revenue	(10,988)	(95)
Net cash provided/(used) by operating activities	474,590	(26,283)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	474,590	(26,283)
Cash and cash equivalents at beginning of year	269,183	295,466
Cash and cash equivalents at end of year	\$ 743,773	\$ 269,183

**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, grants and program service revenue.

The mission of the Organization 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

During 2020, the Organization adopted FASB ASU 2014-09 *Revenue from Contracts with Customers* using the full retrospective approach. Analysis of various provisions of the standards resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to previously issued financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

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, to the Organization, 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.

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 decided an allowance for uncollectible dues was not needed as of December 31, 2020 and 2019.

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).

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Organization recognizes contributions when cash, noncash assets, or unconditional promises to give are received. 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. Amounts received prior to meeting these conditions are reported as deferred revenue in the statements of financial position. At December 31, 2020 and 2019, 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, and increases in net assets 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.

During the year ended December 31, 2020, the Organization received \$52,404 of Paycheck Protection funds from the U.S. Small Business Administration (SBA). Management has determined that the correct model to follow is the grant model and that the grant conditions were met by year end. Therefore, the entire amount has been recognized and recorded as contributions and grants in the statement of activities for the year ended December 31, 2020.

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.

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

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:

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, 2020 and 2019, all of the Organization's investments were Level 1 investments.

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

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Bank deposits and cash	\$ 342,574	\$ 168,591
Money market funds	<u>401,199</u>	<u>100,592</u>
	<u>\$ 743,773</u>	<u>\$ 269,183</u>

Note 4 - Property and Equipment

Property and equipment by major class consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 9,478	\$ 9,478
Less: Accumulated depreciation	<u>(9,478)</u>	<u>(9,478)</u>
	<u>\$ -</u>	<u>\$ -</u>

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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Fair market value of common stocks	\$ 472	\$ 472
Cost/donation value	<u>(4,203)</u>	<u>(4,203)</u>
Unrealized appreciation/(depreciation)	<u>\$ (3,731)</u>	<u>\$ (3,731)</u>

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, 2020 and 2019.

Note 7 - Pension Plan

The Organization adopted a 401K plan for which employees are eligible after two years of service. The Organizations makes a contribution equivalent to 7.5% of annual compensation. Contributions to the plan for the years ended December 31, 2020 and 2019, amounted to \$17,986 and \$10,125, respectively.

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

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, 2020 and 2019, the Organization received a total of \$144,174 and \$131,562, respectively, for the scholarship fund. As of December 31, 2020 and 2019, the Organization has provided a total of \$117,100 and \$110,600, 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 \$12,074 and \$7,962 as of December 31, 2020 and 2019, respectively, is recorded as deferred revenue in the accompanying statements of financial position.

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 revenues collected from voter fees were used by the Organization to reimburse for staffing and administrative support provided during the election process. Any net surplus after such reimbursement is to be used in accordance with the decision of the Organization's Leadership Cabinet. The activities for the years ended December 31, 2020, 2019, 2018 and 2017 amounted to:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>Total</u>
Revenues collected	\$ 976,477	\$ 9,535	\$ 25	\$ -	\$ 986,037
Expenses paid	(760,707)	(59,268)	(2,125)	(-)	(822,100)
Net activity	<u>\$ 215,770</u>	<u>\$(49,733)</u>	<u>\$(2,100)</u>	<u>\$ -</u>	<u>\$ 163,937</u>

Note 10 - Net Assets with Donor Restrictions

As of December 31, 2020 and 2019, net assets with donor restrictions are available as follows:

	<u>2020</u>	<u>2019</u>
Antisemitism, Anti-Zionism and Holocaust Denial Project	\$ 10,000	\$ -
Youth Leadership Development Initiative	25,000	-

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

Note 11 - Revenue from Contracts with Customers

Detail of revenue from contracts with customers during the years ended December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Dues	\$ 85,562	\$ 173,500
Adult & Youth Education Programs	9,008	141,620
Book sales	3,175	-
Management fees	1,263	-

As of December 31, 2020 and 2019, there was no deferred revenue relating to contracts with customers.

Note 12 - 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, 2020 and 2019, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 743,773	\$ 269,183
Receivables	16,844	13,204
Investments	<u>472</u>	<u>472</u>
Total financial assets	761,089	282,859
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>761,089</u>	\$ <u>282,859</u>

Note 13 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures through September 12, 2021, which is the date the financial statements were available to be issued.