

AMERICAN ZIONIST MOVEMENT, INC.

**FINANCIAL STATEMENTS
AND
ACCOUNTANTS' REPORT**

DECEMBER 31, 2021

AMERICAN ZIONIST MOVEMENT, INC.

Index

	<u>Page</u>
Independent Accountants' Review Report	1
Statement of financial position as of December 31, 2021	2
Statement of activities for the year ended December 31, 2021	3
Statement of expenses for the year ended December 31, 2021	4
Statement of cash flows for the year ended December 31, 2021	5
Notes to financial statements	6 – 12



Skody Scot & Company, CPAs, P.C.

520 Eighth Avenue, Suite 2200, New York, NY 10018 • (T) 212-967-1100 • (F) 212-967-2002
www.skodyscot.com

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying statement of financial position of American Zionist Movement, Inc., a not-for-profit organization, as of December 31, 2021, and the related statements of activities, expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles; 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with U.S. generally accepted accounting principles. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of American Zionist Movement, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with U.S. generally accepted accounting principles.

Skody Scot & Company, CPAs, PC

New York, NY
October 8, 2022

AMERICAN ZIONIST MOVEMENT, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Cash and cash equivalents	\$ 615,035
Dues receivable	142,201
Other receivables	10,915
Investments	2,921
Prepaid expenses	353
	<hr/>
Total assets	<u>\$ 771,425</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 153,746
Deferred revenue	17,300
Total liabilities	<hr/> <u>171,046</u>
Commitments and contingencies (see notes)	
Net Assets:	
Without donor restrictions	522,207
With donor restrictions	78,172
Total net assets	<hr/> <u>600,379</u>
Total liabilities and net assets	<hr/> <u>\$ 771,425</u>

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

**AMERICAN ZIONIST MOVEMENT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues:			
Dues	\$ 175,500	\$ -	\$ 175,500
Program service revenue	422,941	-	422,941
Contributions and grants	189,243	43,672	232,915
Investment income	3,109	-	3,109
Other income	8,563	-	8,563
Net assets released from restriction:			
Satisfaction of purpose restrictions	500	(500)	-
Total support and revenues from operations	<u>799,856</u>	<u>43,172</u>	<u>843,028</u>
Expenses:			
Program expenses	713,519	-	713,519
Management and general	193,193	-	193,193
Fundraising	31,395	-	31,395
Total expenses from operations	<u>938,107</u>	<u>-</u>	<u>938,107</u>
Increase/(Decrease) in net assets	(138,251)	43,172	(95,079)
Net assets, beginning of year	<u>660,458</u>	<u>35,000</u>	<u>695,458</u>
Net assets, end of year	<u>\$ 522,207</u>	<u>\$ 78,172</u>	<u>\$ 600,379</u>

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

**AMERICAN ZIONIST MOVEMENT, INC.
STATEMENT OF EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	Program Expenses	Management and General	Fundraising	Total Expenses
Personnel costs	\$ 216,730	\$ 57,699	\$ 31,069	\$ 305,498
Ambassadors mission	378,775	-	-	378,775
Conferences and meetings	10,259	-	-	10,259
Consultants	6,180	57,391	-	63,571
Data processing	-	1,193	-	1,193
Dues and subscriptions	1,000	9,099	-	10,099
Grants to others	35,000	-	-	35,000
Insurance	-	1,349	-	1,349
Bank charges & credit card processing	-	3,553	-	3,553
Office supplies and expenses	2,757	13,073	221	16,051
Professional fees	-	9,720	-	9,720
Program expenses - other	32,787	-	-	32,787
Promotion	150	13,413	-	13,563
Rent and facility fees	20,237	12,404	-	32,641
Scholarships	6,500	-	-	6,500
Telephone & communications	-	4,888	-	4,888
Travel	64	7,317	-	7,381
Website and internet	3,080	2,094	105	5,279
Total expenses	<u>\$ 713,519</u>	<u>\$ 193,193</u>	<u>\$ 31,395</u>	<u>\$ 938,107</u>

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

**AMERICAN ZIONIST MOVEMENT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

Cash flows from operating activities:	
Increase/(decrease) in net assets	\$ (95,079)
Adjustments for non-cash items included in operating activities:	
Investment (gains)/losses	(2,449)
Changes in assets and liabilities:	
Dues receivable	(135,632)
Other receivables	(640)
Prepaid expenses	(288)
Accounts payable and accrued expenses	100,124
Deferred revenue	5,226
Net cash provided/(used) by operating activities	(128,738)
Cash flows from investing activities	
	-
Cash flows from financing activities	
	-
Net increase/(decrease) in cash and cash equivalents	(128,738)
Cash and cash equivalents at beginning of year	743,773
Cash and cash equivalents at end of year	\$ 615,035

**See independent accountants' review 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.

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 statement of financial position and the statement 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. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

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, 2021.

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 statement of financial position. 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 refundable advances in the statement of financial position. At December 31, 2021, 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 for a purpose 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. Program service generally contains a single delivery/service element and revenue is recognized at a single point in time when ownership, risks and rewards transfer, and all performance obligations are considered to be satisfied. 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.

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.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement 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, such as rent, 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 year ended December 31, 2021, 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, 2021:

Bank deposits and cash	\$ 352,830
Money market funds	<u>262,205</u>
	<u>\$ 615,035</u>

Note 4 - Property and Equipment

Property and equipment by major class consisted of the following at December 31, 2021:

Equipment	\$ 9,478
Less: Accumulated depreciation	<u>(9,478)</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, 2021:

Fair market value of common stocks	\$ 2,921
Cost/donation value	<u>(4,203)</u>
Unrealized appreciation/(depreciation)	<u>\$(1,282)</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 year ended December 31, 2021.

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 year ended December 31, 2021, amounted to \$17,863.

**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, 2021, the Organization received a total of \$157,900, for the scholarship fund. As of December 31, 2021, the Organization has provided a total of \$123,600 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 \$17,300 as of December 31, 2021 is recorded as deferred revenue in the accompanying statement 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, 2021, 2020, 2019, 2018 amounted to:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</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>\$ -</u>	<u>\$ 215,770</u>	<u>\$ (49,733)</u>	<u>\$ (2,100)</u>	<u>\$ 163,937</u>

Note 10 - Net Assets with Donor Restrictions

As of December 31, 2021, net assets with donor restrictions are available as follows:

Anti-Zionism and Holocaust Denial Project	\$ 10,000
Youth Leadership Development Initiative	25,000
Negev Relief Project	<u>43,172</u>
	<u>\$ 78,172</u>

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

Note 11 - Revenue from Contracts with Customers

Detail of revenue from contracts with customers during the year ended December 31, 2021 is as follows:

Dues	\$ <u>175,500</u>
Ambassadors Mission	\$ 379,418
Hebrew classes	13,635
Biennial registrations and journal	12,776
Purim registrations	16,416
Program event registrations	366
Management fees	<u>330</u>
Total	\$ <u>422,941</u>

As of December 31, 2021, 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, 2021, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

Financial assets:	
Cash and cash equivalents	\$ 615,035
Receivables	153,116
Investments	<u>2,921</u>
Total financial assets	771,072
Less those unavailable for general expenditures within one year	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>771,072</u>

Note 13 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures through October 8, 2022, which is the date the financial statements were available to be issued.