

AMERICAN ZIONIST MOVEMENT, INC.

**FINANCIAL STATEMENTS
AND
ACCOUNTANTS' REPORT**

DECEMBER 31, 2022 AND 2021

AMERICAN ZIONIST MOVEMENT, INC.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying statements of financial position of American Zionist Movement, Inc., a not-for-profit organization, as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 the organization'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 accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements 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 accounting principles generally accepted in the United States of America. 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 reviews.

Accountants' Conclusion

Based on our reviews, 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 accounting principles generally accepted in the United States of America.

Skody Scot & Company, CPAs, PC

New York, NY
December 8, 2023

**AMERICAN ZIONIST MOVEMENT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 525,826	\$ 615,035
Dues receivable	11,019	16,601
Contributions receivable	-	125,600
Other receivables	8,387	10,915
Investments	2,660	2,921
Prepaid expenses	1,107	353
Property and equipment, net	5,495	-
	\$ 554,494	\$ 771,425
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 38,540	\$ 153,746
Deferred revenue	18,710	17,300
Total liabilities	57,250	171,046
Net Assets:		
Without donor restrictions	419,072	522,207
With donor restrictions	78,172	78,172
Total net assets	497,244	600,379
Total liabilities and net assets	\$ 554,494	\$ 771,425

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

AMERICAN ZIONIST MOVEMENT, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:						
Dues	\$ 172,022	\$ -	\$ 172,022	\$ 175,500	\$ -	\$ 175,500
Contributions and grants	280,586	-	280,586	585,077	43,672	628,749
Program service revenue	25,490	-	25,490	27,107	-	27,107
Investment income, net	290	-	290	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	<u>478,388</u>	<u>-</u>	<u>478,388</u>	<u>799,856</u>	<u>43,172</u>	<u>843,028</u>
Expenses:						
Program expenses	377,257	-	377,257	713,519	-	713,519
Management and general	170,941	-	170,941	193,193	-	193,193
Fundraising	33,325	-	33,325	31,395	-	31,395
Total expenses	<u>581,523</u>	<u>-</u>	<u>581,523</u>	<u>938,107</u>	<u>-</u>	<u>938,107</u>
Decrease in net assets	(103,135)	-	(103,135)	(138,251)	43,172	(95,079)
Net assets, beginning of year	522,207	78,172	600,379	660,458	35,000	695,458
Net assets, end of year	<u>\$ 419,072</u>	<u>\$ 78,172</u>	<u>\$ 497,244</u>	<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 FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	Program Expenses	Management and General	Fundraising	Total Expenses
Personnel costs	203,657	56,868	29,094	\$ 289,619
Ambassadors mission	10,125	-	-	10,125
Bank and credit card charges	568	282	1,698	2,548
Conferences and meetings	14,820	-	-	14,820
Consultants and contractors	3,628	52,263	-	55,891
Data processing	-	1,186	-	1,186
Dues and subscriptions	1,000	7,369	-	8,369
Grants to others	52,164	-	-	52,164
Insurance	2,140	2,140	-	4,280
Office supplies and expenses	10,100	13,799	224	24,123
Professional fees	-	7,300	-	7,300
Program expenses - events and supplies	35,751	-	-	35,751
Promotion	-	7,752	2,309	10,061
Rent and facility fees	25,437	15,590	-	41,027
Scholarships	12,500	-	-	12,500
Telephone and communications	-	3,389	-	3,389
Travel	5,367	3,003	-	8,370
Total expenses	<u>\$ 377,257</u>	<u>\$ 170,941</u>	<u>\$ 33,325</u>	<u>\$ 581,523</u>

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

**AMERICAN ZIONIST MOVEMENT, INC.
STATEMENT OF FUNCTIONAL 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
Bank and credit card charges	-	3,553	-	3,553
Conferences and meetings	10,259	-	-	10,259
Consultants and contractors	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
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 and communications	-	4,888	-	4,888
Travel	64	7,317	-	7,381
Website and internet	3,080	2,094	105	5,279
	<u>\$ 713,519</u>	<u>\$ 193,193</u>	<u>\$ 31,395</u>	<u>\$ 938,107</u>
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.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Decrease in net assets	\$ (103,135)	\$ (95,079)
Adjustments for non-cash items included in operating activities:		
Unrealized investment (gains)/losses	261	(2,449)
(Increase)/decrease in assets:		
Receivables	133,710	(136,272)
Prepaid expenses	(754)	(288)
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	(115,206)	100,124
Deferred revenue	1,410	5,226
Net cash used by operating activities	(83,714)	(128,738)
Cash flows from investing activities:		
Purchase of property and equipment	(5,495)	-
Net cash used by investing activities	(5,495)	-
Cash flows from financing activities	-	-
Net decrease in cash and cash equivalents	(89,209)	(128,738)
Cash and cash equivalents, beginning of year	615,035	743,773
Cash and cash equivalents, end of year	\$ 525,826	\$ 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 in accordance with accounting principles generally accepted in the United States of America (US GAAP) 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 statements of financial position and the statements of cash flows, the Organization considers 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, to be cash equivalents.

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectable receivables.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments

Investments consist entirely of equities as of December 31, 2022 and 2021. All equities are measured at fair value on a recurring basis and are reported at their fair values as of December 31, 2022 and 2021 in the accompanying statements of financial position. The Organization initially records the investments at the cost basis as of the date of purchase or at the estimated fair value as of the date of donation and, thereafter, carries such investments at current fair values.

Investment securities are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investments, it is at least possible that changes in risks in the near term could materially affect investment balances reported in the accompanying statements of financial position.

Property and Equipment

The Organization capitalizes certain property and equipment with estimated lives of two years or more. Property and equipment that are purchased are stated at cost, less accumulated depreciation. Property and equipment that are donated are stated at estimated fair value on the date of donation, less accumulated depreciation. Depreciation of equipment is computed by the straight-line method over estimated useful lives of three years. Expenditures for repairs and maintenance are expensed as incurred, and major renewals and betterments are capitalized.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor (which may include certain grantor) 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 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 restrictions. Some donor 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 restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

AMERICAN ZIONIST MOVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Organization recognizes contributions when cash, nonfinancial assets/services or unconditional promises to give are received. Services provided by volunteers did not meet the criteria for being recognized in accordance with US GAAP and were not readily valued by the Organization and, as such, were not recognized. 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 statements of financial position. At December 31, 2022 and 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 events. Program events generally contain 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. Fees are based upon the participant's level of participation in the event. Any revenue received which has not been earned is recorded as deferred revenue.

Dues from member organizations are invoiced at the beginning of a calendar quarter and due at the end of the calendar quarter. Dues from member organizations are recorded by the Organization when invoiced. Dues are set based upon a board approved schedule of dues per tier. 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 accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries and related expenses, and consultants and contractors, based on estimated time and effort. The Organization allocates bank and credit card charges, insurance, office supplies and expenses, promotion, rent and facility fees, and travel 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 hierarchical 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, 2022 and 2021, all of the Organization's investments are classified as Level 1 investments.

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

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Bank deposits and cash - operating	\$ 147,075	\$ 186,793
Bank deposits and cash - election	166,037	166,037
Money market funds	<u>212,714</u>	<u>262,205</u>
	<u>\$ 525,826</u>	<u>\$ 615,035</u>

Note 4 - Investments

Investments consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Fair market value of common stocks	\$ 2,660	\$ 2,921
Cost/donation value	<u>(4,200)</u>	<u>(4,200)</u>
Unrealized appreciation/(depreciation)	<u>\$(1,540)</u>	<u>\$(1,279)</u>

Note 5 - Property and Equipment

Property and equipment by major class consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 5,495	\$ 9,478
Less: accumulated depreciation	<u>-</u>	<u>(9,478)</u>
	<u>\$ 5,495</u>	<u>\$ -</u>

Fully depreciated equipment that was no longer in service in the amount of \$9,478 was written off during the year ended December 31, 2022 by the Organization. The Organization purchased new equipment during 2022 that was put in service in 2023 and, therefore, there is no depreciation taken in 2022.

Note 6 - Net Assets with Donor Restrictions

As of December 31, 2022 and 2021, net assets with donor restrictions are available as follows:

	<u>2022</u>	<u>2021</u>
Anti-Zionism and Holocaust Denial Project	\$ 10,000	\$ 10,000
Youth Leadership Development Initiative	25,000	25,000
Negev Relief Project	<u>43,172</u>	<u>43,172</u>
	<u>\$ 78,172</u>	<u>\$ 78,172</u>

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

Note 7 - Concentrations

The Organization maintains its cash, cash equivalents and investments in various accounts. The Federal Deposit Insurance Corporation insures bank deposits up to \$250,000 per financial institution. The Securities Investor Protection Corporation 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, 2022 and 2021.

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, 2022 and 2021, the Organization received a total of \$172,048 and \$157,900, respectively, for the scholarship fund. As of December 31, 2022 and 2021, the Organization has provided a total of \$136,100 and \$123,600, respectively, in scholarships to students that meet the criteria for receiving a scholarship from the fund. Beginning in 2012, an annual management fee of \$2,000 is charged by the Organization for these services. Unused scholarship revenue, which totaled \$16,948 as of December 31, 2022 and \$17,300 as of December 31, 2021, is recorded as deferred revenue in the accompanying statements of financial position.

Note 9 - Revenue from Contracts with Customers

Detail of revenue from contracts with customers during the years ended December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Dues	\$ 172,022	\$ 175,500
Parades	\$ 23,381	\$ -
Programs - other	109	14,001
Biennial registrations and journal	-	12,776
Management fees	<u>2,000</u>	<u>330</u>
	<u>\$ 25,490</u>	<u>\$ 27,107</u>

As of December 31, 2022, dues in the amount of \$1,762 were received for 2023 and this amount is included in deferred revenue in the accompanying statement of financial position.

Note 10 - 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, 2022 and 2021 amounted to \$18,038 and \$17,863, respectively, and are included in payroll taxes and benefits in the accompanying statements of expenses.

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

Note 11 - 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, 2022 and 2021, reduced by amounts not available for general use within one year because of contractual, donor or internal restrictions and designations:

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 525,826	\$ 615,035
Receivables	19,406	153,116
Investments	2,660	2,921
Total financial assets	547,892	771,072
Less those unavailable for general expenditures within one year:		
Amounts restricted for projects and Initiatives (Note 6)	(78,172)	(78,172)
Financial assets available to meet cash needs for general expenditures within one year	\$ 469,720	\$ 692,900

Note 12 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures through December 8, 2023, which is the date the financial statements were available to be issued.