

**A JEWISH VOICE FOR
PEACE, INC.**

**Financial Statements for the Years
Ended June 30, 2020 and 2019
and Independent Auditors' Report**

A JEWISH VOICE FOR PEACE, INC.

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-13

INDEPENDENT AUDITORS' REPORT

To the Audit Committee of
A Jewish Voice for Peace, Inc.
Oakland, California

We have audited the accompanying financial statements of A Jewish Voice for Peace, Inc. (a California nonprofit corporation) (the "Organization") which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the financial statements, on March 11, 2020 the World Health Organization declared the novel strain of coronavirus ("Covid-19") a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Harrison & Lane, a.c.

Pleasanton, California

March 1, 2021

A JEWISH VOICE FOR PEACE, INC.

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and equivalents	\$ 1,712,108	\$ 1,259,264
Accounts receivable, related party	216,046	7,083
Contributions receivable	239,723	88,452
Prepaid expenses and other	<u>8,636</u>	<u>34,524</u>
Total current assets	2,176,513	1,389,323
DEPOSITS	7,690	8,640
PROPERTY AND EQUIPMENT, net	<u>19,287</u>	<u>22,889</u>
TOTAL ASSETS	<u>\$ 2,203,490</u>	<u>\$ 1,420,852</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 312,232	\$ 286,475
Refundable advance	<u>395,997</u>	<u>-</u>
Total current liabilities	<u>708,229</u>	<u>286,475</u>
Total liabilities	<u>708,229</u>	<u>286,475</u>
NET ASSETS:		
Net assets without donor restrictions	1,259,681	923,247
Net assets with donor restrictions	<u>235,580</u>	<u>211,130</u>
Total net assets	<u>1,495,261</u>	<u>1,134,377</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,203,490</u>	<u>\$ 1,420,852</u>

See accompanying notes to the financial statements.

A JEWISH VOICE FOR PEACE, INC.

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and support:		
Contributions and grants	\$ 3,129,227	\$ 3,010,280
Chapter income	86,084	132,264
Other income	<u>34,002</u>	<u>94,532</u>
Total revenue and support	3,249,313	3,237,076
Net assets released from restrictions	<u>61,312</u>	<u>251,849</u>
Total revenues and net assets released from restrictions	<u>3,310,625</u>	<u>3,488,925</u>
Expenses:		
Program services	1,900,317	2,163,507
Supporting services:		
General and administrative	448,193	417,463
Fundraising	<u>625,681</u>	<u>724,357</u>
Total expenses	<u>2,974,191</u>	<u>3,305,327</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>336,434</u>	<u>183,598</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	85,762	166,304
Net assets released from restrictions	<u>(61,312)</u>	<u>(251,849)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>24,450</u>	<u>(85,545)</u>
CHANGE IN NET ASSETS	360,884	98,053
NET ASSETS, BEGINNING OF YEAR	<u>1,134,377</u>	<u>1,036,324</u>
NET ASSETS, END OF YEAR	<u>\$ 1,495,261</u>	<u>\$ 1,134,377</u>

See accompanying notes to the financial statements.

A JEWISH VOICE FOR PEACE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Supporting Services</u>			Total Program and Supporting Services
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Personnel	\$ 1,377,179	\$ 255,924	\$ 348,696	\$ 1,981,799
Contractors and consultants	128,056	82,096	15,974	226,126
Technology	48,574	40,354	73,229	162,157
Occupancy	96,176	16,115	18,266	130,557
Postage	5,681	17,126	64,431	87,238
Bank fees and service charges	-	3,316	67,687	71,003
Communications	55,341	-	7,307	62,648
Chapter expenses	61,262	-	-	61,262
Organizing	49,059	-	-	49,059
Staff and board expenses	43,727	349	496	44,572
Travel and conferences	17,082	6,049	4,732	27,863
Other fundraising costs	-	-	24,217	24,217
Depreciation	-	15,244	-	15,244
Other expense	9,492	4,560	646	14,698
Insurance	959	7,060	-	8,019
Special projects	3,897	-	-	3,897
Printing	3,832	-	-	3,832
Total	<u>\$ 1,900,317</u>	<u>\$ 448,193</u>	<u>\$ 625,681</u>	<u>\$ 2,974,191</u>

See accompanying notes to the financial statements.

A JEWISH VOICE FOR PEACE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Supporting Services</u>			Total Program and Supporting Services
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Personnel	\$ 1,451,959	\$ 252,011	\$ 345,155	\$ 2,049,125
Contractors and consultants	183,899	55,433	45,555	284,887
Occupancy	158,824	24,107	38,984	221,915
Technology	17,915	21,019	81,004	119,938
Chapter expenses	111,976	-	-	111,976
Organizing	128,343	133	630	129,106
Printing	7,549	1	88,244	95,794
Bank fees and service charges	-	8,164	70,529	78,693
Travel and conferences	46,912	6,661	12,827	66,400
Communications	34,667	-	21,477	56,144
Licenses and registration	-	19,337	-	19,337
Other fundraising costs	-	-	17,143	17,143
Depreciation	-	15,717	-	15,717
Other expense	8,108	6,276	39	14,423
Staff and board expenses	8,037	2,002	1,859	11,898
Insurance	2,754	5,998	-	8,752
Postage	2,154	575	857	3,586
Special projects	410	29	54	493
Total	<u>\$ 2,163,507</u>	<u>\$ 417,463</u>	<u>\$ 724,357</u>	<u>\$ 3,305,327</u>

See accompanying notes to the financial statements.

A JEWISH VOICE FOR PEACE, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 360,884	\$ 98,053
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	15,244	15,717
Loss on disposal of property and equipment	-	3,492
Changes in assets and liabilities that provided (used) cash:		
Accounts receivable	(208,963)	2,240
Contributions receivable	(151,271)	264,813
Prepaid expenses and other	25,888	29,518
Accounts payable and accrued expenses	25,757	33,709
Refundable advances	395,997	-
Net cash provided by operating activities	<u>463,536</u>	<u>447,542</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(11,642)	(4,308)
Proceeds from sale of investments	-	8,954
Return of long term deposits	950	1,944
Net cash (used in) provided by investing activities	<u>(10,692)</u>	<u>6,590</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	452,844	454,132
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,259,264</u>	<u>805,132</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,712,108</u>	<u>\$ 1,259,264</u>

See accompanying notes to the financial statements.

A JEWISH VOICE FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - A Jewish Voice for Peace, Inc. (the “Organization”) is a national Jewish nonprofit organization that provides a voice for Jews and allies who believe that peace in the Middle East will be achieved through justice and full equality for both Palestinians and Israelis. With offices in New York and California, online activists, chapters across the country, and an advisory board comprised of numerous prominent Jewish thinkers and artists, the Organization supports nonviolent efforts in the United States and in Israel-Palestine to end Israel’s occupation, expand human and civil rights, and implement a US policy based on international law and democracy. The Organization:

- Conducts global campaigns to defend and free Israeli and Palestinian human rights activists,
- Fights McCarthyite censorship of debate and misuses of the charge of anti-Semitism, especially in the Jewish community,
- Supports the growth of the Boycott, Divestment and Sanctions movement through divestment from companies that profit from the occupation,
- Works in coalition with others including Arab, Muslim, Palestinian and Christian groups to fight bigotry and end the occupation,
- Facilitates Congressional outreach regarding policy in the region, and
- Supports alternative Jewish rituals that include Palestinian narratives.

Basis of Accounting - The financial statements of the Organization are prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America specific to nonprofit organizations.

Classification of Net Assets - The Organization reports information regarding its financial position and activities according to two classes of net assets, as applicable: net asset without donor restrictions and net assets with donor restrictions.

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- Net Assets With Donor Restrictions - Net assets subject to donor imposed restrictions.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value - ASC 820 includes a fair value hierarchy that is intended to increase the consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

Level 1 - instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Level 2 - instrument valuations are obtained from readily-available pricing sources for comparable instruments.

Level 3 - instrument valuations are obtained without observable market values and require a high level of judgment to determine the fair value.

Statements of Cash Flows - Cash equivalents are all highly liquid investments with original maturities of three months or less.

Investments - Investments are recorded at fair value based on real-time quotes for transactions in active exchange markets involving identical assets (“Level 1”).

Accounts Receivable - Accounts receivable are recorded at the value of the revenue earned and due upon presentation. Receivable balances with charges over thirty days old are considered delinquent and management begins collection efforts at this time. Delinquent accounts receivable invoices do not accrue interest. The Organization continually monitors the credit worthiness of each account and recognizes allowances for estimated bad debts on accounts that are no longer estimated to be collectible. No allowance was considered necessary at June 30, 2020 or 2019, respectively.

Contributions Receivable - Contributions receivable consist of unconditional promises to give.

Property and Equipment - Property and equipment purchased by the Organization is recorded at cost. The Organization follows the practice of capitalizing all expenditures for equipment and leasehold improvements over \$1,000. The fair value of all donated property and equipment is similarly capitalized. Depreciation has been provided on the straight-line method based upon the following estimated useful lives of the assets:

Equipment	5 years
Leasehold improvements	Remaining life of lease

Contributions - Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Contributions received are recorded as net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a 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 statement of activities as net assets released from restrictions.

Income Taxes - Under provision of Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code, the Organization is exempt from income taxes, except for net income from unrelated business income. There were no unrelated business activities in 2020 or 2019, respectively. Accordingly, no tax expense was incurred during the years ending June 30, 2020 and June 30, 2019, respectively.

The Organization has adopted the accounting guidance related to uncertain tax positions, and has evaluated its tax positions taken for all open tax years. In management's judgment there are no uncertain tax positions as of June 30, 2020.

Functional Expense Classification - The Organization charges and allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with the program or support service are assigned directly. Expenses common to several functions are allocated based on a measure of usage that best relates to the particular expense.

Credit Risk - Financial instruments which potentially subject the Organization to credit risk consist principally of cash and equivalents, investments, and receivables. The Organization's cash is maintained in demand deposits and in money funds. Cash balances exceeded federal insurance limits by approximately \$1,063,000 at June 30, 2020. Investment securities are exposed to various risks, such as interest rate, 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 near-term could materially affect the amounts reported in the statements of financial position. The Organization generally does not maintain collateral for its receivables, and does not believe significant credit risk exists at June 30, 2020.

Reclassification - Certain 2019 balances have been reclassified to conform to the 2020 financial statement presentation.

Change in Accounting Principle - During 2020, the Organization adopted the Financial Accounting Standards Board's Accounting ("FASB") Standards Update 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update assists organizations in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions. In addition, it provides new criteria to determine whether a contribution is conditional or unconditional. As a result, it enhances comparability of financial information among not-for-profit entities. The Organization has evaluated contributions received and contributions made and has determined that there is no change as a result of the adoption of the standard.

2. CONCENTRATIONS

Concentrations in contributions receivable include two donors that accounted for 67% of total grants and contributions receivable at June 30, 2020.

3. LEASES

The Organization leases office space under various cancelable and non-cancelable operating leases. Rent expense totaled \$101,626 and \$207,243 for the years ended June 30, 2020 and 2019, respectively. Future minimum lease payments under non-cancelable leases are as follows:

<u>Year end June 30,</u>	
2021	51,477
2022	54,050
2023	<u>46,900</u>
Total	<u>\$ 152,427</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 43,674	\$ 37,283
Leasehold improvements	<u>44,827</u>	<u>44,827</u>
	88,501	82,110
Accumulated depreciation	<u>(69,214)</u>	<u>(59,221)</u>
Net property and equipment	<u>\$ 19,287</u>	<u>\$ 22,889</u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$15,244 and \$15,717, respectively.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are subject to donor-imposed stipulations that will be met by either actions of the Organization and/or the passage of time. At June 30, 2020 and 2019, net assets with donor restrictions consisted of balances restricted for the operation of chapter activities.

6. CONDITIONAL REVENUE

In April 2020, the Organization obtained a forgivable loan under the U.S. Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). The loan proceeds of \$395,997 are presented as refundable advances on the statements of financial position in accordance with FASB's Accounting Standards Codification Topic 958-605 *Not-For-Profit Entities - Revenue Recognition*. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, maintains its payroll levels, and obtains formal forgiveness from the SBA. Funds not used for allowable expenses are repayable, and accrue interest at 1% annually. The Organization believes all conditions will be met in fiscal 2021.

7. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures within one year at June 30, 2020 and 2019 consisted of the following:

Cash and cash equivalents	\$	1,712,108
Accounts receivable		216,046
Contributions receivable		239,723
Less: Chapter cash accounts		<u>(143,369)</u>
Total financial assets available to meet cash needs for general expenditures within one year	\$	<u>2,024,720</u>

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

8. PENSION PLAN

A pension plan, organized under Section 401(k) of the Internal Revenue Code (the "Plan"), is provided for substantially all employees of the Organization. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Organization may make discretionary contributions to the Plan. The Organization did not make any discretionary contributions to the Plan during the years ended June 30, 2020 and 2019, respectively.

9. RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared a novel strain of coronavirus (“Covid-19”) a global pandemic and recommended containment and mitigation measures worldwide. The Covid-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. In response, the U.S. government enacted the Coronavirus Aid, Relief and Economic Security (the “CARES Act”), which includes significant provisions to provide relief and assistance to affected organizations. While business disruptions are currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders and the ultimate impact of the CARES Act and other governmental initiatives. The Organization has adjusted certain aspects of its operations to protect its employees’ health. Because the Organization’s operations are directly impacted by these events, it is probable that this matter will negatively impact the Organization’s operations. However, the ultimate financial impact and duration cannot be reasonably estimated through the date these financial statements were available to be issued.

10. RELATED PARTY TRANSACTIONS

The Organization is reimbursed by another nonprofit organization for the use of resources and employees, including members of management. The Organization was reimbursed by the related party for expenses totaling \$257,729 during the year ended June 30, 2020. The Organization had a balance of \$216,046 receivable from the related party at June 30, 2020.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 1, 2021, which is the date the financial statements were available to be issued.