

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

**Financial Statements for the Years  
Ended June 30, 2021 and 2020  
and Independent Auditors' Report**

# A JEWISH VOICE FOR PEACE, INC.

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## 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, 2021 and 2020, 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, 2021 and 2020, 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.

*Harrison & Lane, a.c.*

Pleasanton, California

May 11, 2022

# A JEWISH VOICE FOR PEACE, INC.

## STATEMENTS OF FINANCIAL POSITION JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and equivalents	\$ 2,684,682	\$ 1,712,108
Accounts receivable, related party	38,327	216,046
Contributions receivable	70,000	239,723
Prepaid expenses and other	18,266	8,636
Total current assets	2,811,275	2,176,513
DEPOSITS	7,490	7,690
PROPERTY AND EQUIPMENT, net	19,036	19,287
TOTAL ASSETS	<u>\$ 2,837,801</u>	<u>\$ 2,203,490</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 260,887	\$ 312,232
Refundable advance	734,814	395,997
Total current liabilities	995,701	708,229
Total liabilities	995,701	708,229
NET ASSETS:		
Net assets without donor restrictions	1,581,228	1,259,681
Net assets with donor restrictions	260,872	235,580
Total net assets	1,842,100	1,495,261
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,837,801</u>	<u>\$ 2,203,490</u>

The accompanying notes are an integral part of these financial statements.

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

**STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and support:		
Contributions and grants	\$ 2,705,908	\$ 3,129,227
Chapter income	85,754	86,084
Other income	<u>5,375</u>	<u>34,002</u>
Total revenue and support	2,797,037	3,249,313
Net assets released from restrictions	<u>60,462</u>	<u>61,312</u>
Total revenues and net assets released from restrictions	<u>2,857,499</u>	<u>3,310,625</u>
Expenses:		
Program services	1,694,034	1,900,317
Supporting services:		
General and administrative	364,430	448,193
Fundraising	<u>477,488</u>	<u>625,681</u>
Total expenses	<u>2,535,952</u>	<u>2,974,191</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>321,547</u>	<u>336,434</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	85,754	85,762
Net assets released from restrictions	<u>(60,462)</u>	<u>(61,312)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>25,292</u>	<u>24,450</u>
CHANGE IN NET ASSETS	346,839	360,884
NET ASSETS, BEGINNING OF YEAR	<u>1,495,261</u>	<u>1,134,377</u>
NET ASSETS, END OF YEAR	<u>\$ 1,842,100</u>	<u>\$ 1,495,261</u>

The accompanying notes are an integral part of these financial statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Supporting Services</u>			Total Program and Supporting Services
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Personnel	\$ 1,421,372	\$ 174,204	\$ 261,956	\$ 1,857,532
Technology	65,392	61,736	73,606	200,734
Contractors and consultants	90,500	82,031	10,095	182,626
Postage and supplies	956	14,978	72,869	88,803
Occupancy	43,478	9,717	10,772	63,967
Chapter expenses	60,462	-	-	60,462
Bank fees and service charges	2,943	13,314	42,521	58,778
Other expense	3,199	363	4,975	8,537
Depreciation	-	7,256	-	7,256
Staff and board expenses	5,721	730	694	7,145
Insurance	11	101	-	112
	<u>11</u>	<u>101</u>	<u>-</u>	<u>112</u>
Total	<u>\$ 1,694,034</u>	<u>\$ 364,430</u>	<u>\$ 477,488</u>	<u>\$ 2,535,952</u>

The accompanying notes are an integral part of these 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	\$ 250,834	\$ 348,696	\$ 1,976,709
Contractors and consultants	128,056	87,186	15,974	231,216
Technology	48,574	40,354	53,308	142,236
Occupancy	96,176	16,115	18,266	130,557
Postage and supplies	5,981	17,126	64,431	87,538
Bank fees and service charges	-	3,316	67,687	71,003
Organizing	49,059	-	19,921	68,980
Communications	55,341	-	7,307	62,648
Chapter expenses	61,262	-	-	61,262
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	3,597	-	-	3,597
Printing	3,832	-	-	3,832
<b>Total</b>	<b>\$ 1,900,317</b>	<b>\$ 448,193</b>	<b>\$ 625,681</b>	<b>\$ 2,974,191</b>

The accompanying notes are an integral part of these financial statements.

## A JEWISH VOICE FOR PEACE, INC.

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 346,839	\$ 360,884
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	7,256	15,244
Changes in assets and liabilities that provided (used) cash:		
Accounts receivable	177,719	(208,963)
Contributions receivable	169,723	(151,271)
Prepaid expenses and other	(9,630)	25,888
Accounts payable and accrued expenses	(51,345)	25,757
Refundable advances	338,817	395,997
Net cash provided by operating activities	<u>979,379</u>	<u>463,536</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(7,005)	(11,642)
Return of long term deposits	200	950
Net cash used in investing activities	<u>(6,805)</u>	<u>(10,692)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	972,574	452,844
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,712,108</u>	<u>1,259,264</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,684,682</u>	<u>\$ 1,712,108</u>

The accompanying notes are an integral part of these financial statements.

# A JEWISH VOICE FOR PEACE, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

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### 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, 2021 or 2020, 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. Cash received prior to satisfaction of donor conditions are deferred from income and held as refundable advances on the statements of financial position until such conditions are met.

**Income Taxes** - The Organization is exempt from income taxes under provision of Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code, except for net income from unrelated business income. There were no unrelated business activities in 2021 or 2020, respectively. Accordingly, no tax expense was incurred during the years ending June 30, 2021 and June 30, 2020, 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, 2021.

**Functional Expense Classification** - The Organization charges and allocates its expenses on a functional basis among its program and supporting services. Expenses that can be identified with the program or support service are assigned directly. Payroll is allocated based on estimates of employee time spent on each function. Expenses common to several functions are allocated based on the related payroll ratio.

**Credit Risk** - Financial instruments which potentially subject the Organization to credit risk consist principally of cash and equivalents and receivables. The Organization's cash is maintained in demand deposits and in money funds. Cash balances exceeded federal insurance limits by approximately \$2,029,000 at June 30, 2021. The Organization generally does not maintain collateral for its receivables, and does not believe significant credit risk exists at June 30, 2021.

**Reclassification** - Certain 2020 balances have been reclassified to conform to the 2021 financial statement presentation.

## 2. CONCENTRATIONS

Concentrations in contributions receivable include one donor that accounted for 86% of total grants and contributions receivable at June 30, 2021. Two donors 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 \$59,746 and \$101,626 for the years ended June 30, 2021 and 2020, respectively. Future minimum lease payments under non-cancelable leases are as follows:

<u>Year end June 30,</u>	
2022	106,116
2023	100,530
2024	55,242
2025	56,892
2026	9,528
Total	<u>\$ 328,308</u>

The Organization leases portions of their office space to another organization under a non-cancelable sublease. Future minimum lease payments under the non-cancelable sublease is as follows:

<u>Year end June 30,</u>	
2022	40,200
2023	16,750
Total	<u>\$ 56,950</u>

### 4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 50,679	\$ 43,674
Leasehold improvements	44,827	44,827
	<u>95,506</u>	<u>88,501</u>
Accumulated depreciation	<u>(76,470)</u>	<u>(69,214)</u>
Net property and equipment	<u>\$ 19,036</u>	<u>\$ 19,287</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$7,256 and \$15,244, 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, 2021 and 2020, net assets with donor restrictions consisted of balances restricted for the operation of chapter activities.

## 6. CONDITIONAL REVENUE

In April 2020 and January 2021, the Organization obtained forgivable loans under the U.S. Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). The loan proceeds of \$395,997 and \$338,817 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. All balances were forgiven by the SBA and will be recognized as income in the fiscal 2022 statement of activities.

## 7. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures within one year at June 30, 2021 and 2020 consisted of the following:

Cash and cash equivalents	\$ 2,684,682
Accounts receivable	38,327
Contributions receivable	70,000
Less: Chapter cash accounts	<u>(157,798)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,635,211</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 contributed \$8,564 and to the Plan during the year ended June 30, 2021. The Organization made no contribution during the year ended June 20, 2020.

## **9. 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 \$278,069 and \$257,729 during the years ended June 30, 2021 and 2020. The Organization had balances of \$38,327 and \$216,046 receivable from the related party at June 30, 2021 and 2020.

## **10. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 11, 2022, which is the date the financial statements were available to be issued.