

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

**Financial Statements for the Years
Ended June 30, 2022 and 2021
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

Opinion

We have audited the accompanying financial statements of A Jewish Voice for Peace, Inc. (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of June 30, 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.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Harrison & Lane, a.c.

Pleasanton, California
July 25, 2023

A JEWISH VOICE FOR PEACE, INC.

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and equivalents	\$ 3,252,150	\$ 2,684,682
Accounts receivable, related party	40,857	38,327
Contributions receivable	25,000	10,000
Prepaid expenses and other	106	18,266
	<hr/>	<hr/>
Total current assets	3,318,113	2,751,275
CONTRIBUTIONS RECEIVABLE, long term	60,000	60,000
DEPOSITS	7,490	7,490
PROPERTY AND EQUIPMENT, net	12,726	19,036
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 3,398,329</u>	<u>\$ 2,837,801</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 13,895	\$ 28,516
Accrued liabilities	168,387	232,371
Refundable advance	-	734,814
	<hr/>	<hr/>
Total current liabilities	182,282	995,701
	<hr/>	<hr/>
Total liabilities	182,282	995,701
NET ASSETS:		
Net assets without donor restrictions	2,686,348	1,581,228
Net assets with donor restrictions	529,699	330,872
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Total net assets	3,216,047	1,842,100
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,398,329</u>	<u>\$ 2,837,801</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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and support:		
Contributions and grants	\$ 3,688,293	\$ 2,766,370
Chapter income	18,038	85,754
Other income	<u>53,001</u>	<u>12,075</u>
Total revenue and support	3,759,332	2,864,199
Net assets released from restrictions	<u>26,173</u>	<u>-</u>
Total revenues and net assets released from restrictions	<u>3,785,505</u>	<u>2,864,199</u>
Expenses:		
Program services	1,302,402	1,700,734
Supporting services:		
General and administrative	630,103	364,430
Fundraising	<u>677,880</u>	<u>477,488</u>
Total expenses	<u>2,610,385</u>	<u>2,542,652</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>1,175,120</u>	<u>321,547</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	225,000	25,292
Net assets released from restrictions	<u>(26,173)</u>	<u>-</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>198,827</u>	<u>25,292</u>
CHANGE IN NET ASSETS	1,373,947	346,839
NET ASSETS, BEGINNING OF YEAR	<u>1,842,100</u>	<u>1,495,261</u>
NET ASSETS, END OF YEAR	<u>\$ 3,216,047</u>	<u>\$ 1,842,100</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, 2022**

	<u>Supporting Services</u>			Total Program and Supporting Services
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Personnel	\$ 924,589	\$ 407,919	\$ 519,466	\$ 1,851,974
Technology	130,812	51,494	65,390	247,696
Contractors and consultants	118,139	115,079	8,594	241,812
Occupancy	26,151	26,934	504	53,589
Bank fees and service charges	-	3,190	49,895	53,085
Chapter expenses	34,211	-	-	34,211
Staff and board expenses	31,898	822	363	33,083
Postage and printing	7,109	513	23,942	31,564
Supplies	10,058	4,180	7,514	21,752
Licenses and registration	-	16,209	-	16,209
Outreach events	12,862	-	-	12,862
Depreciation	3,414	1,198	1,698	6,310
Grants	3,159	-	-	3,159
Insurance	-	2,224	-	2,224
Other expense	-	93	514	607
Travel and conferences	-	248	-	248
Total	<u>\$ 1,302,402</u>	<u>\$ 630,103</u>	<u>\$ 677,880</u>	<u>\$ 2,610,385</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	90,440	79,925	69,380	239,745
Contractors and consultants	90,508	82,031	10,260	182,799
Postage and printing	-	-	72,869	72,869
Chapter expenses	60,462	-	-	60,462
Bank fees and service charges	2,909	186	52,425	55,520
Occupancy	25,156	4,656	4,929	34,741
Supplies	956	14,978	-	15,934
Staff and board expenses	7,720	730	694	9,144
Depreciation	-	7,256	-	7,256
Other expense	1,200	363	4,975	6,538
Licenses and registration	-	101	-	101
Insurance	11	-	-	11
Total	<u>\$ 1,700,734</u>	<u>\$ 364,430</u>	<u>\$ 477,488</u>	<u>\$ 2,542,652</u>

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,373,947	\$ 346,839
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	6,310	7,256
Changes in assets and liabilities that provided (used) cash:		
Accounts receivable	(2,530)	177,719
Contributions receivable	(15,000)	169,723
Prepaid expenses and other	18,160	(9,630)
Accounts payable and accrued expenses	(78,605)	(51,345)
Refundable advances	<u>(734,814)</u>	<u>338,817</u>
Net cash provided by operating activities	<u>567,468</u>	<u>979,379</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(7,005)
Return of long term deposits	<u>-</u>	<u>200</u>
Net cash used in investing activities	<u>-</u>	<u>(6,805)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	567,468	972,574
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,684,682</u>	<u>1,712,108</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,252,150</u>	<u>\$ 2,684,682</u>
NON-CASH INVESTING ACTIVITIES		
Disposal of fully depreciated property and equipment	<u>\$ 70,075</u>	<u>\$ -</u>

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

A JEWISH VOICE FOR PEACE, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

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.

Use of 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.

Accounts Receivable - Related Party - The Organization provides a related organization with management and administrative services under a memorandum of understanding. Costs allocable to the related party are recognized as accounts receivable - related party until reimbursed by the related organization. Balances are expected to be collected during the short term. Delinquent accounts receivable invoices do not accrue interest. The Organization continually monitors the credit worthiness of the account and recognizes allowances for estimated bad debts on accounts that are no longer estimated to be collectible. No allowance for bad debts related to accounts receivable was considered necessary at June 30, 2022 or 2021, respectively.

Contributions Receivable - Unconditional contributions receivable are reported at fair value and are recognized in the period promised. Delinquent contributions and grants receivable 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. The Organization regularly adjusts any allowance for subsequent collections and final determination that a receivable is no longer collectible. Bad debt recoveries are included in income as realized. No allowance for bad debts related to contributions receivable was considered necessary at June 30, 2022 or 2021, respectively.

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 \$2,500. 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. Restricted contributions whose restrictions are met in the same reporting period are presented as contributions without donor 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 2022 or 2021, respectively. Accordingly, no tax expense was incurred during the years ending June 30, 2022 and June 30, 2021, 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, 2022.

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 \$2,511,000 at June 30, 2022. The Organization generally does not maintain collateral for its receivables, and does not believe significant credit risk exists at June 30, 2022.

Reclassification - Certain 2021 balances have been reclassified to conform to the 2022 financial statement presentation.

2. CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are estimated to be collected as follows at June 30, 2022:

Within one year	\$ 25,000
In one to five years	<u>60,000</u>
Total contributions receivable	<u><u>\$ 85,000</u></u>

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 25,431	\$ 50,679
Leasehold improvements	-	44,827
	<u>25,431</u>	<u>95,506</u>
Accumulated depreciation	<u>(12,705)</u>	<u>(76,470)</u>
Net property and equipment	<u>\$ 12,726</u>	<u>\$ 19,036</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$6,310 and \$7,256, respectively.

4. 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, 2022 and 2021, net assets with donor restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
Chapter activities	\$ 244,699	\$ 260,872
Rapid response	175,000	-
Book publication	50,000	-
Restricted for future periods	<u>60,000</u>	<u>70,000</u>
Total net assets with donor restrictions	<u>\$ 529,699</u>	<u>\$ 330,872</u>

5. 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 were 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 were forgivable as long as the borrower used 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 were repayable, and accrued interest at 1% annually. All balances were forgiven by the SBA and were recognized on the statement of activities as contributions without donor restrictions during the year ended June 30, 2022.

6. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures within one year at June 30, 2022 consisted of the following:

Cash and cash equivalents	\$ 3,252,150
Accounts receivable	40,857
Contributions receivable	<u>85,000</u>
Total financial assets	3,378,007
Less:	
Contributions receivable due in excess of one year	<u>(60,000)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,318,007</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.

7. LEASES

The Organization leases office space under various cancelable and non-cancelable operating leases. Rent expense totaled \$48,839 and \$31,052 for the years ended June 30, 2022 and 2021, respectively. Future minimum lease payments under non-cancelable leases are as follows:

<u>Year end June 30,</u>	
2023	\$ 53,630
2024	55,242
2025	56,892
2026	<u>9,528</u>
Total	<u>\$ 175,292</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:

Year end June 30, 2023	<u>\$ 16,750</u>
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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 \$20,120 and \$8,564 to the Plan during the years ended June 30, 2022 and 2021, respectively.

9. CONCENTRATIONS

Concentrations in contributions receivable include one donor that accounted for 71% of total grants and contributions receivable at June 30, 2022.

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 had balances of \$40,857 and \$38,327 receivable from the related party at June 30, 2022 and 2021.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 25, 2023, which is the date the financial statements were available to be issued.