AMERICAN COMMITTEE FOR THE TEL AVIV FOUNDATION, INC.

FINANCIAL STATEMENTS

YEAR ENDED
DECEMBER 31, 2021

HOBERMAN & LESSER

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AMERICAN COMMITTEE FOR THE TEL AVIV FOUNDATION, INC.

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
American Committee for the Tel Aviv Foundation, Inc.

Opinion

We have audited the accompanying financial statements of American Committee for the Tel Aviv Foundation, Inc. (a non-profit organization) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 American Committee for the Tel Aviv Foundation, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Committee for the Tel Aviv Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 American Committee for the Tel Aviv Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 American Committee for the Tel Aviv Foundation, Inc'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 American Committee for the Tel Aviv Foundation, Inc.'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.

Hoberman + Lesser CPA's, LLP

New York, NY
September 14, 2022

AMERICAN COMMITTEE FOR THE TEL AVIV FOUNDATION, INC.

Statement of Financial Position
As of December 31, 2021

Assets	
Current Assets	
Cash and cash equivalents	$ 439,923
Pledges and grants receivable	473,798
Total Current Assets	913,721
Pledges and grants receivable – noncurrent	10,111
Total Assets	$ 923,832
Liabilities and Net Assets	
Current Liabilities	
Accounts payable and accrued expenses	$ 21,500
Due to Tel Aviv Foundation	850,493
Total Liabilities, All Current	871,993
Net Assets	
Without donor restrictions	(432,074)
With donor restrictions	483,913
Total Net Assets	51,839
Total Liabilities and Net Assets	$ 923,832

See accompanying notes to financial statements.

AMERICAN COMMITTEE FOR THE TEL AVIV FOUNDATION, INC.

Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Tel Aviv Foundation	$ 360,098		$ 360,098
Public support	65,900	$1,080,457	1,146,357
Interest income	1,144		1,144
Net assets released from restrictions due to satisfaction of program and time restrictions	1,170,242	(1,170,242)	
Total Support and Revenues	1,597,384	(89,785)	1,507,599
Expenses			
Program services	1,421,975		1,421,975
Management and general	117,786		117,786
Fundraising	119,677		119,677
Total Expenses	1,659,438		1,659,438
Other Income			
Paycheck Protection Program loan forgiveness	48,390		48,390
Total Other Income	48,390		48,390
Changes in Net Assets	(13,664)	(89,785)	(103,449)
Net Assets – Beginning of Year	(463,410)	1,257,174	793,764
Prior period adjustment	45,000	(683,476)	(638,476)
Net Assets – End of Year	($ 432,074)	$ 483,913	$ 51,839

See accompanying notes to financial statements.

AMERICAN COMMITTEE FOR THE TEL AVIV FOUNDATION, INC.

Statement of Functional Expenses
Year Ended December 31, 2021

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	Program Services	Management and General	Fundraising	Total
Salaries	$154,873	$43,473	$73,361	$271,707
Payroll taxes	13,336	3,744	6,317	23,397
Grants – Tel Aviv	1,155,242			1,155,242
Occupancy	31,146	7,786		38,932
Telephone and other	1,930	482		2,412
Office supplies and printing	25,696	6,424	17,500	49,620
Database			9,999	9,999
Postage and delivery	723	181		904
Professional fees		16,700		16,700
Insurance		5,620		5,620
Consulting	14,000			14,000
Bank charges		1,076		1,076
Public relations and advertising		12,500	12,500	25,000
Travel and entertainment	20,219			20,219
Computer	4,810	1,203		6,013
Filing fees		3,597		3,597
Bad debt expense		15,000		15,000
Total Expenses	$1,421,975	$117,786	$119,677	$1,659,438

AMERICAN COMMITTEE FOR THE TEL AVIV FOUNDATION, INC.

Statement of Cash Flows
Year Ended December 31, 2021

Cash Flows from Operating Activities	
Change in net assets	($ 103,449)
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Paycheck Protection Program loan forgiveness	(48,390)
Changes in Operating Assets and Liabilities	
Pledges and grants receivable	90,182
Security deposits and other	12,748
Accounts payable and accrued expenses	16,910
Due to Tel Aviv Foundation	143,428
Net Cash Provided by Operating Activities	111,429
Cash Flows From Financing Activity	
Proceeds From Paycheck Protection Program loan	48,390
Net Cash Provided by Financing Activity	48,390
Net Increase in Cash	159,819
Cash - Beginning of year	280,104
Cash - End of Year	$ 439,923

See accompanying notes to financial statements.

AMERICAN COMMITTEE FOR THE TEL AVIV FOUNDATION, INC.

Notes to Financial Statements
Year Ended December 31, 2021

1. Nature of the Organization and Summary of Significant Accounting Policies

Nature of Organization

The American Committee for the Tel Aviv Foundation, Inc. (the "Organization") is a not-for-profit organization that raises and contributes funds to the Tel Aviv Foundation in Israel to provide humanitarian and charitable assistance to improve the quality of life of the residents of Tel Aviv-Jaffa, Israel. Support is provided to schools, social services, daycare centers, cultural and educational institutions and sport centers located throughout the city but mostly in disadvantaged areas.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Recent Accounting Pronouncements

In September, 2020, the Financial Accounting Standards Board issued Accounting Standards Update 2020-07, "Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)" ("ASU 2020-07"), which is effective for fiscal years beginning on or after June 15, 2021, and interim periods beginning on or after June 15, 2022. This ASU outlines a new presentation and disclosure of the recognition and initial measurement of contributed nonfinancial assets apart from contributions of cash and other financial assets. The Organization is currently assessing the impact this will have on its financial statements.

Pledges and Grants Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk adjusted interest rate applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Pledges and grants receivable are shown net of an allowance for doubtful accounts.

On a periodic basis, the Organization evaluates its receivables and establishes an allowance for doubtful accounts, based on history of past write-offs, collections and current credit conditions. Receivables are written off when management determines that a sufficient period of time has elapsed without receiving payment and the donors do not exhibit ability to meet their obligations.

Estimates and Uncertainties

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Organization has adopted the Revenue Recognition for Not-for-Profit Entities topic of the FASB Accounting Standards Codification, In accordance with this standard, contributions received are recorded as without donor restrictions or with donor restrictions. All contributions are considered to be available without restrictions unless specifically restricted by the donor.

A number of volunteers have made a contribution of their time to the Organization to develop its programs and serve on the board of directors. The value of this contributed time is not reflected in these financial statements since it does not meet the criteria for recognition.

Net Assets

The Organization is required to report information regarding its financial position and activities according to two classes of net assets. Net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions
Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's policy is to designate donor gifts without restriction to the respective areas that the Organization determines it is most needed to further the program.

With Donor Restrictions
Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. If the restriction expires in the reporting period in which the support is recognized the contribution is reported as an increase in net assets without donor restrictions.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with particular programs or support functions are charged directly to that program or function. Other costs are allocated among the programs and supporting services based upon management's best estimates of the portion of these costs applicable to each program.

Credit Risk

Cash is maintained with a major financial institution in bank deposit accounts that at times exceeds federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant risk.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through September 14, 2022, the date on which the financial statements were available to be issued.

1. Nature of the Organization and Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for deductible contributions as provided in Section 170(b)(1)(A). Income generated by activities that would be considered unrelated to the Organization's mission would be subject to tax, which, if incurred, would be recognized as a current expense. No such tax has been recognized as of and for the year ended December 31, 2021.

The Organization accounts for uncertainty in income taxes recognized in the financial statements using a recognition threshold of more likely than not as to whether the uncertainty will be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. Management determined there were no tax uncertainties that met the recognition threshold.

2. Pledges and Grants Receivables

Pledges and grant receivable include unconditional promises to give as follows;

Receivable in less than one year	$ 473,798
Receivable in one to five years	10,400
	484,198
Less: discount to present value	(289)
Total	$ 483,909

3. Financial Assets Available To Meet Cash Needs

The Organization's financial assets available within one year of the accompanying statement of financial position for general expenditures at December 31, 2021, are as follows:

Financial assets, at year-end	
Cash	$ 439,924
Grants and pledges receivable	473,798
Financial assets available	913,722
Less those unavailable for general expenditure within one year, due to donor-imposed restrictions:	
Due to Tel Aviv Foundation	(850,493)
Program related restrictions	(483,913)
Amounts available for general expenditures within one year	($ 420,684)

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. Concentrations

At December 31, 2021 pledges from two donors accounted for 77% of pledges and grants receivable.

During the year ended December 31, 2021, four donors contributed approximately 68% of public support.

5. Related Party Transactions

Contributions received from members of the Organization's Board of Directors, its officers or entities affiliated with these individuals, were approximately $410,500 for the year ended December 31, 2021.

6. Due to Tel Aviv Foundation

The balance due to Tel Aviv Foundation amounted to $850,493 as of December 31, 2021 The amount represents funds received by the Organization that have been designated by donors for grants to the Tel Aviv Foundation for specific projects in Israel which were not remitted prior to the end of the year.

7. Commitments

Effective September 2021, the Organization has its office facilities donated to them. The Organization is responsible for the utilities of approximately $360 per month.

8. Paycheck Protection Program Loan

The Organization executed an unsecured note and received a loan (the “PPP Loan”) from its bank, under the Paycheck Protection Program (“PPP”) which was established under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and is administered by the U.S. Small Business Administration (“SBA”). During 2021, the Organization received a PPP Loan in the amount of $48,390. The proceeds from the PPP Loan were used in accordance with the terms of the CARES Act program, as described further below.

The term of the PPP Loan was two years, however the Organization and its bank upon mutual agreement were permitted to modify the term of the loan to five years. The interest rate on the PPP Loan was 1.00%. Pursuant to the terms of the CARES Act, the proceeds of the PPP Loan could be used for payroll costs, rent and utility costs.

Under the terms of the CARES Act, the Organization could apply for and be granted forgiveness for all or a portion of the PPP Loan. Such forgiveness was determined, subject to limitations, based on the use of loan proceeds in accordance with the terms of the CARES Act, as described above, during the 24-week period after loan origination and the maintenance or achievement of certain employee levels.

During 2021, the Organization applied for and received full forgiveness of the PPP loan.

9. Prior Period Adjustment

Net assets as of January 1, 2021 have been restated to adjust for certain pledges and grants receivable which were inadvertently included in the Organization’s Statement of Financial Position as of December 31, 2020 even though they had been previously collected.