

BEND THE ARC JEWISH ACTION

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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O'CONNELL
& COMPANY^{LLC}

INDEPENDENT AUDITOR'S REPORT

May 14, 2025

To the Board of Directors
Bend the Arc Jewish Action
New York, New York

Opinion

We have audited the accompanying financial statements of Bend the Arc Jewish Action ("BTAJA") (a nonprofit corporation) which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BTAJA as of June 30, 2024 and 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BTAJA 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 BTAJA'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.

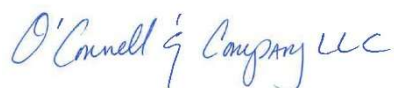
Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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, including omissions, 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 BTAJA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies 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 BTA JA'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.



O'Connell and Company, LLC

BEND THE ARC JEWISH ACTION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 2,300,845	\$ 2,481,803
Contributions receivable, net	6,294	171,493
Accounts receivable	12,182	14,202
Other assets	<u>9,013</u>	<u>296</u>
TOTAL ASSETS	<u>\$ 2,328,334</u>	<u>\$ 2,667,794</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 87,626	\$ 78,428
Managed project	11,089	44,381
Due to Bend the Arc - A Jewish Partnership for Justice	<u>1,538,473</u>	<u>1,636,274</u>
Total Liabilities	1,637,188	1,759,083
Net Assets		
Without donor restrictions	\$ 691,146	\$ 750,111
With donor restrictions	<u>-</u>	<u>158,600</u>
Total Net Assets	<u>691,146</u>	<u>908,711</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,328,334</u>	<u>\$ 2,667,794</u>

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

BEND THE ARC JEWISH ACTION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
General contributions	\$ 412,319	\$ -	\$ 412,319	\$ 428,053	\$ 11,974	\$ 440,027
Grants	1,000,000	-	1,000,000	2,000,000	-	2,000,000
Fees	15,000	-	15,000	9,505	-	9,505
Interest income	25,550	-	25,550	14,542	-	14,542
Satisfaction of time restriction	<u>158,600</u>	<u>(158,600)</u>	<u>-</u>	<u>168,600</u>	<u>(168,600)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	1,611,469	(158,600)	1,452,869	2,620,700	(156,626)	2,464,074
EXPENSES						
Program	1,381,891	-	1,381,891	2,583,604	-	2,583,604
Administration	228,589	-	228,589	407,946	-	407,946
Development	<u>59,954</u>	<u>-</u>	<u>59,954</u>	<u>117,332</u>	<u>-</u>	<u>117,332</u>
TOTAL EXPENSES	1,670,434	-	1,670,434	3,108,882	-	3,108,882
(DECREASE) IN NET ASSETS	<u>(58,965)</u>	<u>(158,600)</u>	<u>(217,565)</u>	<u>(488,182)</u>	<u>(156,626)</u>	<u>(644,808)</u>
NET ASSETS - Beginning of Year	<u>750,111</u>	<u>158,600</u>	<u>908,711</u>	<u>1,238,293</u>	<u>315,226</u>	<u>1,553,519</u>
NET ASSETS - End of Year	<u>\$ 691,146</u>	<u>\$ -</u>	<u>\$ 691,146</u>	<u>\$ 750,111</u>	<u>\$ 158,600</u>	<u>\$ 908,711</u>

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

BEND THE ARC JEWISH ACTION

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023				
	Program	Administration	Development	Total	Program	Administration	Development	Total
Salaries and benefits	\$ 815,516	\$ 114,119	\$ 36,424	\$ 966,059	\$ 2,046,449	\$ 286,369	\$ 91,402	\$ 2,424,220
Advertising	-	-	-	-	501	-	-	501
Bad debt	100,000	-	-	100,000	-	-	-	-
Bank and credit card fees	3,218	1,006	221	4,445	4,723	1,477	324	6,524
Consulting	126,081	27,700	4,844	158,625	134,697	29,593	5,174	169,464
Dues and subscriptions	2,000	-	-	2,000	14,891	-	-	14,891
Insurance	7,557	2,363	519	10,439	7,138	2,232	490	9,860
Meetings, conferences and programs	24,159	-	-	24,159	51,317	-	-	51,317
Miscellaneous	3,222	1,007	221	4,450	952	298	65	1,315
Occupancy	169,928	53,135	11,674	234,737	177,773	55,588	12,212	245,573
Office expenses	1,407	440	97	1,944	1,598	500	110	2,208
Printing and design	1,600	-	400	2,000	5,400	-	1,350	6,750
Professional services	46,342	3,534	-	49,876	47,849	3,649	-	51,498
Postage and delivery	1,103	345	76	1,524	2,257	706	155	3,118
Staff training	2,897	906	199	4,002	6,196	1,937	426	8,559
Technology	72,500	22,670	4,980	100,150	76,086	23,791	5,227	105,104
Telecommunications	4,194	1,312	288	5,794	4,126	1,290	284	5,700
Travel and meals	167	52	11	230	1,651	516	113	2,280
TOTAL	<u>\$ 1,381,891</u>	<u>\$ 228,589</u>	<u>\$ 59,954</u>	<u>\$ 1,670,434</u>	<u>\$ 2,583,604</u>	<u>\$ 407,946</u>	<u>\$ 117,332</u>	<u>\$ 3,108,882</u>

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

BEND THE ARC JEWISH ACTION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) Increase in net assets	\$ (217,565)	\$ (644,808)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in assets and liabilities which affected cash		
(Increase) Decrease		
Contributions receivable	165,199	189,661
Accounts receivable	2,020	(14,202)
Other assets	(8,717)	4,904
Increase (Decrease)		
Accounts payable and accrued expenses	9,198	25,769
Managed project	(33,292)	9,550
Due to Bend the Arc - A Jewish Partnership for Justice	<u>(97,801)</u>	<u>102,576</u>
NET CASH FLOWS USED BY OPERATING ACTIVITIES	<u>(180,958)</u>	<u>(326,550)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(180,958)	(326,550)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,481,803</u>	<u>2,808,353</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 2,300,845</u>	<u>\$ 2,481,803</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ -</u>	<u>\$ -</u>

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

BEND THE ARC JEWISH ACTION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Bend the Arc Jewish Action ("BTAJA") is building a multiracial, multiethnic, intergenerational movement of Jews and allies all across the country who are rising up to build an American future free from white supremacy, antisemitism, and racism. BTAJA qualifies as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code; accordingly, there is no income tax applicable to its activities.

1 Summary of Significant Accounting Policies

Accrual Basis -- The financial statements have been prepared on the accrual basis.

Cash and Cash Equivalents -- Cash and cash equivalents includes cash on deposit, cash on hand, money market funds and certificates of deposit with original maturities less than three months.

Contributions Receivable -- Contributions receivable are reported at their net present value and carried at cost less an allowance for doubtful accounts. On a periodic basis, contributions receivable are evaluated, and an allowance for doubtful accounts is established when deemed necessary.

Net Assets -- Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed 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 or grantor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor or grantor imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period when the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

BEND THE ARC JEWISH ACTION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

1 Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition -- BTAJA recognizes revenue from fees during the year in which the related services are provided. The performance obligation of fees is simultaneously received and consumed; therefore, the revenue is recognized in the period earned.

Contributions -- Contributions of cash and other assets are recorded when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair market value of the assets received and are classified as either with or without donor restriction, depending on whether the donor has imposed a restriction on the use of such assets. BTAJA reports restricted contributions as without donor restriction if the restrictions are satisfied in the same reporting period in which the contributions are received.

Functional Allocation of Expenses -- The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles 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.

Advertising -- The cost of advertising is charged to expensed as incurred.

Income Taxes -- BTAJA is exempt from income tax under IRC section 501(c)(4), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. BTAJA has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations; and to identify and evaluate other matters that may be considered tax positions. BTAJA has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

2 Concentration of Risk

BTAJA maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. BTAJA has not experienced any losses in such accounts. Management believes BTA-JA is not exposed to any significant credit risk related to cash and cash equivalents.

A significant portion of BTAJA's revenue came from one major donor for the years ended June 30, 2024.

BEND THE ARC JEWISH ACTION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

3 Liquidity

The table below represents financial assets available for general expenditures within one year at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 2,300,845	\$ 2,481,803
Contributions receivable	6,294	171,493
Accounts receivable	<u>12,182</u>	<u>14,202</u>
Total financial assets	2,319,321	2,667,498
Less amounts not available to be used within one year:		
Managed projects	<u>11,089</u>	<u>44,381</u>
Total amounts not available to be used within one year:	<u>11,089</u>	<u>44,381</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,308,232</u>	<u>\$ 2,623,117</u>

BTAJA has certain donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year. BTAJA has other donor-restricted assets that are not available for general expenditure within one year in the normal course of operations. These assets limited to use, which are more fully described in Note 7, are not available for general expenditure within the next year.

As part of BTAJA's liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds.

4 Due to Bend the Arc - A Jewish Partnership for Justice

BTAJA owed Bend the Arc - A Jewish Partnership for Justice ("BTA-JPJ") \$1,538,473 and \$1,636,274 for operating expenses as of June 30, 2024 and 2023, respectively.

BTA-JPJ made grants of \$1,000,000 and \$2,000,000 to Bend the Arc Jewish Action during the years ended June 30, 2024 and 2023, respectively.

BEND THE ARC JEWISH ACTION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

5 Contributions Receivable

BTAJA had contributions receivable of \$6,294 as of June 30, 2024. Contributions receivable have been reported at their net present value using a discount rate of 3%. Management expects all contributions receivable to be collected during the year ended June 30, 2025.

6 Managed Project

BTAJA offers administrative services to manage projects for other agencies performing charitable works. BTAJA will charge the agencies a management fee. During the years ended June 30, 2024 and 2023, BTAJA received funds totaling \$41,820 and \$40,986 and paid out \$75,112 and \$31,436 respectively, on behalf of the Managed Project. As of June 30, 2024 and 2023, the amount held for the Managed Project was \$11,089 and \$44,381, respectively.

7 Net Assets with Donor Restrictions

Net assets with donor restriction are available for the following purposes as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Time restricted contributions	<u>\$ -</u>	<u>\$ 158,600</u>

Net assets were reduced from donor restriction by incurring expenses satisfying the restricted purpose or by occurrences of other events specified by donors.

	<u>2024</u>	<u>2023</u>
Time Restriction Accomplished		
Time restricted contributions	<u>\$ 158,600</u>	<u>\$ 168,600</u>

8 Subsequent Event

BTAJA has evaluated all subsequent events through May 14, 2025, the date the financial statements were available to be issued.