

Israel Emergency Alliance dba StandWithUs

Consolidated Financial Statements

December 31, 2021



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Israel Emergency Alliance dba StandWithUs
Los Angeles, California

Qualified Opinion

We have audited the accompanying consolidated financial statements of Israel Emergency Alliance dba StandWithUs (a California nonprofit corporation) ("StandWithUs"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Israel Emergency Alliance dba StandWithUs as of December 31, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Qualified Opinion

U.S. GAAP requires StandWithUs to consolidate into its financial statements entities (1) which it controls and (2) in which it has a financial or economic interest. Management has informed us that StandWithUs' financial statements do not include the accounts of the Saidoff Foresight Foundation ("Foresight") which StandWithUs controls and has a financial interest. The effects of this departure from U.S. GAAP are disclosed in Note 1 to the financial statements.

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 Israel Emergency Alliance dba StandWithUs 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 qualified audit opinion.

Responsibilities of Management for the Financial Statements

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



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Global Network Limited

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Israel Emergency Alliance dba StandWithUs' ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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, 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 consolidated 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 consolidated 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 consolidated 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 Israel Emergency Alliance dba StandWithUs' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Israel Emergency Alliance dba StandWithUs' 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.



Armanino^{LLP}
Los Angeles, California

November 23, 2022

Israel Emergency Alliance dba StandWithUs
Consolidated Statement of Financial Position
December 31, 2021

ASSETS

Cash and cash equivalents	\$ 14,369,239
Investments	8,614,067
Contributions receivable, net	5,137,285
Accounts receivable	14,731
Inventory	23,201
Prepaid expenses and other assets	197,002
Deposits	64,572
Property and equipment, net	<u>177,490</u>
 Total assets	 <u>\$ 28,597,587</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	\$ 869,469
Note payable - Paycheck Protection Program	<u>1,009,022</u>
Total liabilities	<u>1,878,491</u>
Net assets	
Without donor restrictions	
General	13,796,734
Board-designated	<u>500,000</u>
Total without donor restrictions	14,296,734
With donor restrictions	<u>12,422,362</u>
Total net assets	<u>26,719,096</u>
 Total liabilities and net assets	 <u>\$ 28,597,587</u>

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

Israel Emergency Alliance dba StandWithUs
Consolidated Statement of Activities
For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains and other support			
Grants and contributions	\$ 10,189,312	\$ 9,657,837	\$ 19,847,149
Fundraising events, net of direct benefit costs of \$458,208	4,152,210	-	4,152,210
Educational events	149,897	-	149,897
Material sales	25,292	-	25,292
Miscellaneous income	52,360	-	52,360
Net assets released from restriction	<u>6,911,637</u>	<u>(6,911,637)</u>	<u>-</u>
Total revenues, gains and other support	<u>21,480,708</u>	<u>2,746,200</u>	<u>24,226,908</u>
Investment returns			
Interest and dividend income	18,794	-	18,794
Net realized and unrealized gains on investments	<u>70,324</u>	<u>-</u>	<u>70,324</u>
Total investment returns	<u>89,118</u>	<u>-</u>	<u>89,118</u>
Total revenues, gains, other support, and investment returns	<u>21,569,826</u>	<u>2,746,200</u>	<u>24,316,026</u>
Functional expenses			
Program services	<u>12,407,174</u>	<u>-</u>	<u>12,407,174</u>
Support services			
Management and general	742,096	-	742,096
Fundraising	<u>671,277</u>	<u>-</u>	<u>671,277</u>
Total support services	<u>1,413,373</u>	<u>-</u>	<u>1,413,373</u>
Total functional expenses	<u>13,820,547</u>	<u>-</u>	<u>13,820,547</u>
Change in net assets from operations	<u>7,749,279</u>	<u>2,746,200</u>	<u>10,495,479</u>
Non-operating			
Forgiveness of note payable - Paycheck Protection Program	1,009,173	-	1,009,173
Loss on uncollectible contributions receivable	<u>-</u>	<u>(816,155)</u>	<u>(816,155)</u>
Total non-operating	<u>1,009,173</u>	<u>(816,155)</u>	<u>193,018</u>
Change in net assets	8,758,452	1,930,045	10,688,497
Net assets, beginning of year	<u>5,538,282</u>	<u>10,492,317</u>	<u>16,030,599</u>
Net assets, end of year	<u>\$ 14,296,734</u>	<u>\$ 12,422,362</u>	<u>\$ 26,719,096</u>

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

Israel Emergency Alliance dba StandWithUs
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Personnel expenses				
Salaries and wages	\$ 6,844,520	\$ 400,636	\$ 589,822	\$ 7,834,978
Employee benefits	576,269	350	10,233	586,852
Payroll taxes	542,062	83,312	35,292	660,666
Total personnel expenses	<u>7,962,851</u>	<u>484,298</u>	<u>635,347</u>	<u>9,082,496</u>
Other expenses				
Advertising	169,417	-	-	169,417
Bank and credit card fees	56,883	100,745	-	157,628
Brochures, flyers, video and materials	324,487	-	-	324,487
Depreciation and amortization	85,383	-	-	85,383
Direct mail campaign	-	-	30,911	30,911
Educational events and conferences	504,131	3,766	-	507,897
Information Technology	623,876	-	-	623,876
Insurance	36,595	-	-	36,595
Miscellaneous	17,179	7,022	725	24,926
Occupancy	626,360	92,693	-	719,053
Office expenses	369,303	37,046	3,113	409,462
Partnered events	626,262	-	-	626,262
Professional fees	601,866	16,526	-	618,392
Speakers, educators and consultants	270,042	-	-	270,042
Telephone	79,834	-	1,181	81,015
Travel	52,705	-	-	52,705
Direct benefit costs	-	-	458,208	458,208
Total other expenses	<u>4,444,323</u>	<u>257,798</u>	<u>494,138</u>	<u>5,196,259</u>
Less: expenses included with revenues on the consolidated statement of activities:				
Direct benefit costs	<u>-</u>	<u>-</u>	<u>(458,208)</u>	<u>(458,208)</u>
	<u>\$ 12,407,174</u>	<u>\$ 742,096</u>	<u>\$ 671,277</u>	<u>\$ 13,820,547</u>
Percentage of total	<u>89.7 %</u>	<u>5.4 %</u>	<u>4.9 %</u>	<u>100.0 %</u>

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

Israel Emergency Alliance dba StandWithUs
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2021

Cash flows from operating activities	
Change in net assets	\$ 10,688,497
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and and amortization	85,383
Contributed investments	(1,077,000)
Net realized and unrealized gains on investments	(70,324)
Forgiveness of note payable - Paycheck Protection Program	(1,009,173)
Loss on uncollectible contributions receivable	816,155
Changes in operating assets and liabilities	
Contributions receivable, net	(2,216,232)
Accounts receivable	(8,190)
Prepaid expenses and other assets	(100,382)
Deposits	(3,462)
Accounts payable and accrued expenses	(14,970)
Net cash provided by operating activities	<u>7,090,302</u>
Cash flows from investing activities	
Proceeds from sales of investments	2,244,163
Purchases of investments	(9,690,213)
Purchases of property and equipment	(160,353)
Net cash used in investing activities	<u>(7,606,403)</u>
Cash flows from financing activities	
Proceeds from note payable - Paycheck Protection Program	<u>1,009,022</u>
Net cash provided by financing activities	<u>1,009,022</u>
Net increase in cash and cash equivalents	492,921
Cash and cash equivalents, beginning of year	<u>13,876,318</u>
Cash and cash equivalents, end of year	<u><u>\$ 14,369,239</u></u>

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

Israel Emergency Alliance dba StandWithUs
Notes to Consolidated Financial Statements
December 31, 2021

1. NATURE OF OPERATIONS

Israel Emergency Alliance, dba StandWithUs ("StandWithUs") was founded in 2001 in response to the misinformation that often surrounds the Middle East conflict, and the inappropriate, often antisemitic, language used about Israel and/or Jewish people worldwide. StandWithUs has offices and programs in Los Angeles, New York, Florida, Chicago, Seattle, Rancho Mirage, San Diego, Washington D.C., Philadelphia, and Israel. The accounts of these offices and chapters are included in these consolidated financial statements.

StandWithUs also supports the educational efforts of StandWithUs offices in Canada, the United Kingdom, Brazil, and the Netherlands, and offers programs in South Africa and Australia. These offices are not included in these consolidated financial statements.

StandWithUs is a 21-year-old international Israel education organization that ensures that Israel's history, challenges and achievements are told in communities, on campuses, in high schools, middle schools, through social media, through film, in churches through brochures, speakers, conferences, and missions to Israel, and in thousands of pages of internet resources. When misinformation is promoted about Israel by people wishing to create ill will against the Jewish State and/or its supporters, StandWithUs works actively to challenge the inaccuracies and/or antisemitism. In the last few years StandWithUs has also created a legal department to assist students, faculty and community members who experience antisemitic bullying. As part of the legal department, StandWithUs has cultivated over 250 pro bono attorneys across the United States. It should be noted that StandWithUs are leaders in social media, reaching millions of people each week to fulfill their mission of Israel education and fighting antisemitism.

Aside from producing video and audio presentations, curriculum, booklets, and teaching tools and resources, StandWithUs has also established other programs. For example, Link, the new middle school curriculum now in over 200 middle schools, (www.IsraelLink.org) and Alums for Campus Fairness ("ACF"), the alumni program, already has over 50 chapters at universities and is growing rapidly.

StandWithUs' operations are sustained through its periodic fundraising campaigns and voluntary contributions from the public as well as from foundations. For the last eleven years, StandWithUs has consistently received the highest possible ratings from charity watchdog groups, Guide Star and Charity Navigator for transparency, adherence to their mission, and use of funds.

StandWithUs International LTD

StandWithUs International LTD was formed in March 2007 as a Israeli public benefit company. StandWithUs has control and a financial interest in StandWithUs International LTD, whose specific purpose is to deliver StandWithUs programs and education in the country of Israel. As a result, StandWithUs has included the activity of StandWithUs International LTD in the consolidated financial statements for the year ended December 31, 2021.

Israel Emergency Alliance dba StandWithUs
Notes to Consolidated Financial Statements
December 31, 2021

1. NATURE OF OPERATIONS (continued)

The Tomorrow Foundation

The Tomorrow Foundation was formed in August 2020 as a supporting organization of StandWithUs. StandWithUs controls the appointment of the Board of Directors and has a financial interest in the Tomorrow Foundation, a California nonprofit organization, whose specific purpose is to provide funding and other programs to support the educational and public benefit efforts of StandWithUs. As a result, StandWithUs has included the activity of the Tomorrow Foundation in the consolidated financial statements for the year ended December 31, 2021.

Saidoff Foresight Foundation

StandWithUs controls the appointment of the Board of Directors and has a financial interest in Saidoff Foresight Foundation ("Foresight"), a California nonprofit organization, whose specific purpose is to provide funding and other programs to support the educational and public benefit efforts of StandWithUs. Management of StandWithUs have chosen not to include the accounts of Foresight in the consolidated financial statements as of December 31, 2021, which is a departure from accounting principles generally accepted in the United States of America ("U.S. GAAP").

The unaudited financial statement balances of Foresight as of and for the year ended December 31, 2021, which are not included in these financial statements, are as follows:

	(Not Covered by Independent Auditor's Report)
Total assets*	\$ 6,479,883
Total liabilities	\$ 3,669,170
Total net assets	\$ 2,810,713
Total revenues	\$ 33,933
Total expenses**	\$ 1,759,038

* Includes \$6,456,691 in real estate assets.

** Includes \$895,738 paid to and/or accrued for StandWithUs.

Israel Emergency Alliance dba StandWithUs
Notes to Consolidated Financial Statements
December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The consolidated financial statements have been prepared in conformity with U.S. GAAP. StandWithUs' consolidated financial statements include the accounts of StandWithUs, StandWithUs International LTD, and the Tomorrow Foundation. There were no material intercompany transactions to be eliminated in the consolidation.

StandWithUs reports information regarding its financial position and activities based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions, general* - Includes contributions, events, sales and other forms of revenues and expenditures related to the general operations and fundraising efforts of StandWithUs.
- *Net assets without donor restrictions, Board-designated* - Include net assets the Board of Directors has designated to be utilized for contingent purposes.
- *Net assets with donor restrictions* - (see Note 7) - Include net assets subject to donor (or certain 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. Donor-imposed restrictions are released when a restriction expires that is, when the stipulated time has elapsed, when the stipulated purpose has been fulfilled, or both.

Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Cash and cash equivalents

StandWithUs considers all financial instruments purchased with an original maturity of three months or less to be cash equivalents. The cash and cash equivalents as of December 31, 2021 is \$938,362.

Concentrations

Frequently, StandWithUs' bank balances exceed Federal Deposit Insurance Corporation ("FDIC")-insured limits. StandWithUs has not experienced and does not anticipate any losses related to cash held in these accounts.

Israel Emergency Alliance dba StandWithUs
Notes to Consolidated Financial Statements
December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are carried at fair value (see Note 3). Interest and dividend income, and gains and losses on investments are reported in the consolidated statement of activities as either increases or decreases in net assets without donor restrictions, unless the use is restricted by donor stipulations or law.

Contributions receivable

Unconditional donor promises to give cash and other assets to StandWithUs are reported at the fair value of the promise and at the date the promise is received. Conditional promises to give and indications of intentions to give are not reported until the conditions are met. Management has established an allowance for potentially uncollectible contributions receivable totaling \$127,075 at December 31, 2021, based on management's estimate of future collections.

Property and equipment

Purchases of property and equipment are recorded at cost. Donated items are recorded at estimated fair value when received. Depreciation and amortization on both purchased and donated items are recorded using the straight-line method over the shorter of the estimated useful life of the related assets or, for leasehold improvements, the terms of the leases, as follows:

Computer hardware and software	5 years
Office furniture and equipment	7 years

Normal repairs and maintenance are expensed as incurred, whereas significant charges that materially increase values or extend useful lives are capitalized and depreciated over the estimated useful lives of the related assets.

Impairment of long-lived assets

Management reviews each asset or asset group for impairment whenever events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable, but at least annually. No impairment provision was recorded by StandWithUs during the year.

Grants and contributions

Grants and contributions consist primarily of donations from foundations, businesses and the general public. Grants and contributions are recorded when committed to StandWithUs by the donor. During 2021, StandWithUs had gross revenues, gains and other support of \$24,685,116, and of this amount, \$4,610,418 was raised at fundraising events.

Israel Emergency Alliance dba StandWithUs
Notes to Consolidated Financial Statements
December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed investments and securities

StandWithUs occasionally receives contributed investments and securities. The general policy is to sell securities actively traded in public exchanges, such as corporate stocks, within days after they have been contributed and to hold other types of contributed securities until maturity or to be sold when management deems market conditions to be optimized.

Allocation of functional expenses

Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Certain expenses that are associated with program or supporting services have been allocated between the program and supporting services benefited based on management's estimate of time spent on the program and services.

Advertising

StandWithUs uses advertising to promote its programs among the audiences it serves and direct mail for fundraising. All direct mail campaigns include an educational booklet about a topical issue. Advertising and direct mail costs are expensed as incurred. Advertising costs totaled \$169,417 during the year; direct mail costs totaled \$30,911.

Income tax status

StandWithUs is a nonprofit public benefit corporation organized under the laws of California and, as such, is exempt from federal and state income taxes under Internal Revenue Code ("IRC") Section 501(c)(3) and corresponding state provisions.

Subsequent events

StandWithUs has evaluated events subsequent to December 31, 2021, to assess the need for potential recognition or disclosure in the consolidated financial statements. Such events were evaluated through November 23, 2022, the date the consolidated financial statements were available to be issued. Based upon this evaluation, it was determined no subsequent events occurred that require recognition or additional disclosure in the consolidated financial statements, except as disclosed in Note 8.

3. INVESTMENTS

StandWithUs reports its investments at fair value among three categories of price inputs available. These categories of inputs are quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

Israel Emergency Alliance dba StandWithUs
Notes to Consolidated Financial Statements
December 31, 2021

3. INVESTMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the StandWithUs's assets at fair value as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Ford Interest Advantage Unsecured				
Debt Obligations	\$ -	\$ 2,099,780	\$ -	\$ 2,099,780
Equities	6,507,939	-	-	6,507,939
Israel Bonds	<u>-</u>	<u>6,348</u>	<u>-</u>	<u>6,348</u>
	<u>\$ 6,507,939</u>	<u>\$ 2,106,128</u>	<u>\$ -</u>	<u>\$ 8,614,067</u>

Activity in the investments during the year was as follows:

Balance, beginning of year	\$ 20,693
Purchases of investments	9,690,213
Contributed investments	1,077,000
Proceeds from sales of investments	(2,244,163)
Net realized and unrealized gains on investments	<u>70,324</u>
Balance, end of year	<u>\$ 8,614,067</u>

4. CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net consisted of the following:

Due in one year or less	\$ 3,462,160
Due in one to five years	1,452,200
Due in greater than five years	<u>350,000</u>
	5,264,360
Allowance for potentially uncollectible contributions	<u>(127,075)</u>
	<u>\$ 5,137,285</u>

StandWithUs does not discount pledges receivable, as management has determined the impact to be immaterial to the consolidated financial statements.

Israel Emergency Alliance dba StandWithUs
Notes to Consolidated Financial Statements
December 31, 2021

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

Computer hardware and software	\$ 325,722
Office furniture and equipment	155,676
Leasehold improvements	<u>543,374</u>
	1,024,772
Accumulated depreciation and amortization	<u>(847,282)</u>
	<u><u>\$ 177,490</u></u>

6. COMMITMENTS

StandWithUs leases office space for its offices and chapters. Monthly rent payments for these leases range from approximately \$1,000 to \$32,500 per month, expiring at various dates between October 2021 and July 2024. The lease expiring in October 2021 was not renewed.

The scheduled minimum lease payments under the lease terms are as follows:

Year ending December 31,

2022	\$ 639,553
2023	489,104
2024	<u>195,000</u>
	<u><u>\$ 1,323,657</u></u>

Office rent expense during the year totaled \$663,672.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Alums for Campus Fairness	\$ 2,919,657
Campus	853,042
High School	1,703,891
Israel Capital Campaign	225,100
Creative Community for Peace	1,564,576
Emerson Fellows	383,303
Social media	76,708
Messaging	<u>100,000</u>
	7,826,277
Time restricted only	<u>4,596,085</u>
	<u><u>\$ 12,422,362</u></u>

Israel Emergency Alliance dba StandWithUs
Notes to Consolidated Financial Statements
December 31, 2021

7. NET ASSETS WITH DONOR RESTRICTIONS (continued)

In 2019, StandWithUs launched a capital campaign for the expansion of the Israel office and education center. StandWithUs hopes to raise \$6,000,000. As of December 31, 2021, StandWithUs raised \$1,155,000 towards its goal and expended \$929,900. The \$225,100 of unexpended funds is included in net assets with donor restrictions within the line items Israel Capital Campaign.

In addition to the \$4,596,085 shown above, there is an additional \$541,200 of time-restricted net assets that are also purpose restricted. The total of these amounts, \$5,137,285, is shown as pledges receivable in the accompanying consolidated statement of financial position.

8. NOTE PAYABLE - PAYCHECK PROTECTION PROGRAM

In April 2020, StandWithUs received loan proceeds totaling \$1,009,173 from a promissory note issued by a bank under the Paycheck Protection Program ("PPP") which was established under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and is administered by the U.S. Small Business Administration ("SBA"). The term on the PPP loan is two years and the annual interest rate was 1.00%. Payments of principal and interest are deferred for the first 10 months of the loan. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loans granted under PPP. Such forgiveness will be determined based on the use of the loan proceeds for payroll costs, rent and utility expenses and the maintenance of workforce and compensation levels with certain limitations. As a result, StandWithUs has accounted for the PPP loan in accordance with the Financial Accounting Standards Board's ASC 470-*Debt*. In June 2021, StandWithUs' loan forgiveness application for the \$1,009,173 of loan proceeds received in April 2020 was fully approved by the SBA. As a result, StandWithUs recorded this as non-operating income in the accompanying statement of activities.

In February 2021, StandWithUs received a second loan under the PPP ("2nd PPP") for \$1,009,022. The term on the 2nd PPP loan is five years and the annual interest rate is 1.00%. In April 2022, StandWithUs' loan forgiveness application for the \$1,009,022 of loan proceeds received in February 2021 was fully approved by the SBA.

9. LIQUIDITY AND AVAILABILITY

StandWithUs is significantly supported by contributions with donor restrictions. StandWithUs maintains sufficient resources to meet its responsibilities to its donors. StandWithUs' liquidity management policy is designed to provide that its remaining financial assets are available for operations as its general expenditures, liabilities, and other obligations come due.

The following reflects StandWithUs' financial assets reported on the consolidated statement of financial position, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions. Consequently, amounts available exclude net assets with donor restrictions as of December 31, 2021.

Israel Emergency Alliance dba StandWithUs
Notes to Consolidated Financial Statements
December 31, 2021

9. LIQUIDITY AND AVAILABILITY (continued)

Liquidity of financial assets as of December 31, 2021 is as follows:

Cash and cash equivalents	\$ 14,369,239
Investments	8,614,067
Contributions receivable, net	5,137,285
Accounts receivable	<u>14,731</u>
	28,135,322
Board-designated net assets (see Note 2)	(500,000)
Contributions receivable, net due past one year (see Note 4)	(1,675,125)
Net assets subject to expenditure for specified purpose (see Note 7)	<u>(7,826,277)</u>
	<u><u>\$ 18,133,920</u></u>