

**GIVAT HAVIVA EDUCATIONAL FOUNDATION, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**GIVAT HAVIVA EDUCATIONAL FOUNDATION, INC.  
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FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Givat Haviva Educational Foundation, Inc.  
New York, NY 10018

### Opinion

We have audited the financial statements of Givat Haviva Educational Foundation, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Givat Haviva Educational Foundation, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Givat Haviva Educational 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 Givat Haviva Educational Foundation, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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 Givat Haviva Educational 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 Givat Haviva Educational 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

*Wasser, Brettlar, Klar & Lipstein, LLP*

WASSER, BRETTLER, KLAR & LIPSTEIN, LLP  
Certified Public Accountants

New York, New York  
November 9, 2022

**GIVAT HAVIVA EDUCATIONAL FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020**

	<b>ASSETS</b>	
	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,481,006	\$ 54,261
Promises to give	-0-	84,661
Security deposits	4,425	2,262
<b>Total Assets</b>	<u>\$1,485,431</u>	<u>141,184</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 175,297	\$ 103,900
<b>Total Liabilities</b>	<u>175,297</u>	<u>103,900</u>
<b>Net Assets</b>		
Without donor restrictions	1,310,134	37,284
<b>Total Net Assets</b>	<u>1,310,134</u>	<u>37,284</u>
<b>Total Liabilities and Net Assets</b>	<u>\$1,485,431</u>	<u>\$141,184</u>

See independent auditor's report and accompanying notes to the financial statements.

**GIVAT HAVIVA EDUCATIONAL FOUNDATION**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and Other Support</b>						
Contributions	\$ 2,781,407	\$ -0-	\$ 2,781,407	\$ 883,112	\$ -0-	\$ 883,112
PPP Loan Forgiveness	18,537	-0-	18,537	18,750	-0-	18,750
Investment income	34	-0-	34	-	-0-	-
<b>Total Revenues and Other Support</b>	<u>\$2,799,978</u>	<u>\$ -0-</u>	<u>\$2,799,978</u>	<u>\$901,862</u>	<u>\$ -0-</u>	<u>\$901,862</u>
<b>Expenses</b>						
Program expenses	\$1,500,997	\$ -0-	\$1,500,997	\$878,390	\$ -0-	\$ 878,390
General and administrative expenses	20,023	-0-	20,023	35,732	-0-	35,732
Fundraising expenses	6,108	-0-	6,108	7,616	-0-	7,616
<b>Total Expenses</b>	<u>\$1,527,128</u>	<u>\$ -0-</u>	<u>\$1,527,128</u>	<u>\$921,738</u>	<u>\$ -0-</u>	<u>\$921,738</u>
<b>Excess of Revenues and Other Support over Expenses</b>						
<b>Before Other Expenses</b>	<u>1,272,850</u>	<u>-0-</u>	<u>1,272,850</u>	<u>(19,876)</u>	<u>-0-</u>	<u>(19,876)</u>
Assets released from restriction	0	-0-	-0-	36,150	( 36,150)	-0-
<b>Increase in Net Assets</b>	1,272,850	-0-	1,272,850	16,274	( 36,150)	(19,876)
<b>Net Assets - Beginning of Year</b>	<u>37,284</u>	<u>-0-</u>	<u>37,284</u>	<u>21,010</u>	<u>36,150</u>	<u>57,160</u>
<b>Net Assets - End of Year</b>	<u>\$ 1,310,134</u>	<u>\$ -0-</u>	<u>\$ 1,310,134</u>	<u>\$ 37,284</u>	<u>\$ -0-</u>	<u>\$ 37,284</u>

See independent auditor's report and accompanying notes to the financial statements.

**GIVAT HAVIVA EDUCATIONAL FOUNDATION  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

<b>Expenses</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>2021 Total Expenses</b>	<b>2020 Total Expenses</b>
Funds remitted to GH Israel	\$1,357,180	-0-	-0-	\$1,357,180	\$780,410
Compensation	124,969	6,892	2,297	134,158	109,243
Office expenses	9,171	3,275	655	13,101	4,599
Less: reimbursed costs	(8,400)	(3,000)	(600)	(12,000)	
Payroll taxes	6,972	2,490	498	9,960	7,416
Professional fees	-0-	7,027	-0-	7,027	9,500
Printing	3,408	682	2,726	6,816	\$ 0
Rent	4,769	1,703	341	6,813	4,496
insurance	1,474	526	105	2,105	2,020
Computer expense	1,197	428	86	1,711	2,606
Travel	257	-0-	-0-	257	1,448
<b>Total Expenses</b>	<b>\$1,500,997</b>	<b>\$20,023</b>	<b>\$6,108</b>	<b>\$1,527,128</b>	<b>\$921,738</b>

See independent auditor's report and accompanying notes to the financial statements.

**GIVAT HAVIVA EDUCATIONAL FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows From Operating Activities</b>		
(Decrease) Increase in Net Assets	\$1,272,850	( 19,876)
Adjustments to Reconcile change in Net Assets to Net Cash Provided By Operating Activities		
Decrease (Increase) in promises to give	84,661	( 48,511)
(Increase) in security deposits	( 2,163)	( 862)
(Decrease) in accounts payable	71,397	( 36,270)
<b>Total Adjustments</b>	153,895	(85,643)
<b>Net Cash (Used in) Provided By Operating Activities</b>	1,426,746	( 105,519)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,426,746	( 105,519)
<b>Cash and Cash Equivalents - January 1, 2021 and 2020</b>	54,261	159,780
<b>Cash and Cash Equivalents - December 31, 2021 and 2020</b>	\$ 1,481,007	\$54,261

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

**Cash Paid During the Year for:**

<b>Interest</b>	\$ 0	\$ 0
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See independent auditor's report and accompanying notes to the financial statements.

**GIVAT HAVIVA EDUCATIONAL FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 1 - ORGANIZATION**

Givat Haviva Educational Foundation, Inc. ("GHEF" or the "Organization") is a New York not-for-profit organization devoted to the advancement of Jewish-Arab reconciliation, cultural and religious pluralism, democratic values and peace in the Middle East. These goals are accomplished through educational programs both in Israel and the United States. The organization is a nonprofit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. GHEF's support comes from donor contributions.

The following programs at Givat Haviva Israel are supported by the GHEF with the funds raised in the USA:

**Youth Encounters** - An educational program that facilitates encounters between high school students (11th - 12th grades) in a two-day workshop on the Givat Haviva Israel campus. The joint groups are led by Jewish and Arab facilitators and are designed to foster familiarity, break stereotypes and promote dialogue.

**Children Teaching Children** - A unique educational program, offering in-depth two-year activity in grades 8 and 9, in both Jewish and Arab schools. The program focuses on accepting the other, equality, acquaintance and friendship.

**The Arts Center at Givat Haviva** - The Art Center sponsors numerous programs that promote Jewish-Arab cooperation and coexistence for youth and adults. We support the Through Other Eyes project, which deals with meeting between Arab and Jewish youth by means of photography. The project brings together youth from the two sectors and creates direct personal contact between them, exposes them to the subject of coexistence and questions of identity through the techniques of photography.

**Shared Communities** - Shared Communities employs a holistic approach to creating and maintaining social cohesion among Jewish and Arab communities who are in close physical proximity to one another, but rarely, if ever interact.

**Yihiye Beseder** – Hebrew language enrichment program for Arab schools that focuses on enhancing the knowledge of Hebrew language and culture among Arab students in Israel. The program aims to minimize the growing gap within the Israeli education system between Jews and Arabs. This necessary response works to remedy this dilemma by providing tools for Arab teens that will ease their integration into the Israeli academic and labor circles.

**Bara'em Hi** - Tech Program - The program at Givat Haviva offers career training to high school students in the region, primarily Arab students from disadvantaged backgrounds, the opportunity to study computer engineering and technology and begin earning credits toward a bachelor's degree in computer engineering while still in high school. The computer courses are taught by faculty from Netanya Academic College's Department of Computer Science and are identical to those offered at the college, and students who complete the three-year program at Givat Haviva will be eligible to complete degrees in computer engineering at the Netanya Academic College in an additional two years.

**Givat Haviva International School (GHIS)** - GHIS is a two-year boarding-school program that aims to promote peace in the Middle East and globally by developing a multicultural and international network of leaders that will work together to create dialogue, understanding and collaboration between individuals and societies.

See independent auditor's report.

**GIVAT HAVIVA EDUCATIONAL FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Statement Presentation**

The accompanying financial statements have been prepared on the accrual method of accounting. Revenue is recognized when earned and expenses is recognized when incurred.

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB"), Accounting Standards Codification (ACS) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Foundations" (the"Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets 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 board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2021 and 2020, the Organization had no assets with donor restrictions.

**B. Contributions**

Unconditional contributions are recognized when received and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service. As of December 31, 2021 and 2020 there were no assets with donor restrictions.

See independent auditor's report.

**GIVAT HAVIVA EDUCATIONAL FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**C. Cash and Cash Equivalents and Concentration of Credit Risk**

The Organization considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents.

At times during the year the Organization may maintain cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in this situation to be minimal.

**D. Property and Equipment**

Property and equipment with cost in excess of \$600 are capitalized. Property and equipment are depreciated on a straight line basis over the estimated useful lives of the assets, generally between three and five years.

**E. Income Taxes**

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made.

**F. Basis of Accounting**

The books and records of the Organization are maintained on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The financial statements represent the entire operation of the Organization and combined activity of all accounts. All inter-account transactions have been eliminated.

**G. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**H. Subsequent Events**

Management has evaluated subsequent events and transactions for potential recognition and/or disclosure in the financial statements through November 9, 2022, the date the financial statements were available to be issued.

See independent auditor's report.

**GIVAT HAVIVA EDUCATIONAL FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 3 – PROMISES TO GIVE**

This represents receipts from pledges made prior to December 31, 2021 received subsequent to December 31, 2021. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. The Organization determines the allowance for uncollected receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At December 31, 2021 and 2020, the allowance for uncollectable receivables was \$0.

**NOTE 4 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing program services and supporting services are summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs are allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources. Since the same office space is used for all functions, most of the costs related to personnel and occupancy are allocated based on the time worked and effort expended on each function. Outside services such as professional fees, telephone and printing are allocated based on full time equivalents.

**NOTE 5 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	<u>2020</u>	<u>DECEMBER 31,</u> <u>2019</u>
Cash and cash equivalent	\$1,481,006	\$ 59,261
Promises to give	<u>-0-</u>	<u>84,661</u>
Total	<u>1,481,006</u>	<u>\$143,922</u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

**NOTE 6 - DEFINED CONTRIBUTION PLAN**

GHEF has defined contribution pension plans which qualify under Section 401 (k) of the Internal Revenue Code (the "Code"). It permits all full-time employees after working three months at GHEF to voluntarily contribute up to the maximum allowed under the Code. For the year ended December 31, 2020, and 2019, matching contributions charged to operations were approximately \$-0- and \$2,670, respectively

See independent auditor's report.

**GIVAT HAVIVA EDUCATIONAL FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 7 - COMMITMENTS AND CONTINGENCIES**

**Operating Leases**

On November 1, 2020, GHEF as the tenant and one other organization as Co-Occupants entered into a 12-month lease agreement for their new office. The lease was renewed for a period of one year on November 1, 2021. Lease expenses for the Organization for the year ended December 31, 2021, and 2020, were \$4,496 and \$20,736, respectively.

The Organization's future minimum lease payments under the new agreement, expiring October 31, 2022, is \$12,744.

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2021 and 2020 there were no net assets with donor restrictions.

See independent auditor's report.