

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Yad Ezra V'Shulamit
Los Angeles, California

Gentlemen:

We have audited the accompanying statement of financial position of Yad Ezra V'Shulamit, Inc. (a nonprofit organization) as of December 31, 2019 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yad Ezra V'Shulamit, Inc. as of December 31, 2019 and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Alan Moldof, CPA
Jerusalem, Israel
June 15, 2020

YAD EZRA V'SHULAMIT, INC.
STATEMENT OF ACTIVITIES
For the Years Ended December 31, 2019 and 2018
(with summarized information for 2018)
(See Independent Auditor's Report)

ב"ה

	Without donor restrictions	With donor restrictions	<u>2019 total</u>	<u>2018 total</u>
Revenues				
Public support				
Received directly by contributions				
Total contributions	<u>2,056,896</u>	<u>0</u>	<u>2,056,896</u>	<u>1,954,250</u>
Expenses				
Grants & assistance for food purchases, afternoon child enrichment programs, youth at risk and job desk program run by Yad Ezra V'Shulamit				
Israel	<u>1,608,000</u>	<u>0</u>	<u>1,608,000</u>	<u>1,643,500</u>
Total grants & assistance	<u>1,608,000</u>	<u>0</u>	<u>1,608,000</u>	<u>1,643,500</u>
Fundraising				
Fundraising & marketing expenses	<u>70,448</u>	<u>0</u>	<u>70,448</u>	<u>154,163</u>
Advertising expense	<u>45,850</u>	<u>0</u>	<u>45,850</u>	<u>77,649</u>
Total fundraising	<u>116,298</u>	<u>0</u>	<u>116,298</u>	<u>231,812</u>
Management and general expenses				
Credit card processing fees	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,639</u>
Management fees	<u>294,753</u>	<u>0</u>	<u>294,753</u>	<u>95,502</u>
Professional fees	<u>8,180</u>	<u>0</u>	<u>8,180</u>	<u>6,936</u>
Filing & registration fees	<u>175</u>	<u>0</u>	<u>175</u>	<u>181</u>
Bank & merchant account charges	<u>38,954</u>	<u>0</u>	<u>38,954</u>	<u>9,713</u>
Total management & general	<u>342,062</u>	<u>0</u>	<u>342,062</u>	<u>138,971</u>
Total functional expenses	<u>2,066,360</u>	<u>0</u>	<u>2,066,360</u>	<u>2,014,283</u>
Increase (decrease) in net assets	<u>(9,464)</u>		<u>(9,464)</u>	<u>(60,033)</u>
Net assets - beginning of year	<u>12,250</u>	<u>0</u>	<u>12,250</u>	<u>72,283</u>
Net assets - end of year	<u>2,786</u>	<u>0</u>	<u>2,786</u>	<u>12,250</u>

YAD EZRA V'SHULAMIT, INC.
COMPARATIVE STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 and 2018
(See Independent Auditor's Report)

ב"ה

<u>Assets</u>		
	<u>2019</u>	<u>2018</u>
<u>Current assets</u>		
Cash	8,086	\$ 49,452
Total assets	<u>8,086</u>	<u>49,452</u>
<u>Liabilities and Net Assets</u>		
<u>Current liabilities</u>		
Accounts payable	5,300	37,202
Total liabilities	<u>5,300</u>	<u>37,202</u>
<u>Net Assets</u>		
Without donor restrictions	2,786	12,250
With donor restrictions	0	0
Total net assets	<u>2,786</u>	<u>12,250</u>
Total liabilities and net assets	<u>8,086</u>	<u>49,452</u>

YAD EZRA V'SHULAMIT, INC.
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018
(See Independent Auditor's Report)

ב"ה

OPERATING ACTIVITIES	<u>2019</u>	<u>2018</u>
Increase (decrease) in net assets	(9,464)	(60,033)
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Increase (decrease) in payables	<u>(31,902)</u>	<u>14,109</u>
Net cash provided by operating activities	(41,366)	(45,924)
Increase (decrease) in cash and cash equivalents	(41,366)	(45,924)
Cash & cash equivalents -- beginning of year	<u>49,452</u>	<u>95,376</u>
Cash & cash equivalents -- end of year	<u><u>8,086</u></u>	<u><u>49,452</u></u>

Notes to the Financial Statements
Year Ended December 31, 2019

Note 1 – Organization and Purpose

Yad Ezra V'Shulamit, Inc. provides grants to an Israeli non-profit organization which: (1) provides approximately 500 meals daily in children's centers; (2) distributes 3,000 weekly food baskets; (3) distributes 35,000 food baskets before holidays; (4) provides for the distribution of food to victims of terror and war; (5) gives youth-at-risk counseling; (6) runs a job desk to help the unemployed find work to end the cycle of poverty.

Yad Ezra V'Shulamit, Inc. is designated as a charitable organization within within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Note 2 – Significant Accounting Policies

Basis of Accounting: The organization prepares its financial statements on the accrual basis of accounting according to accounting principles generally accepted in the United States of America.

Financial Statement Presentation: The organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, as required by **Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities**, established by the Financial Accounting Standards Board.

Cash and Cash Equivalents: The organization considers substantially all highly liquid investments with a maturity of three months or less as cash equivalents.

Income Taxes: The organization is classified as a public charity under Section 501(c)(3) of the Internal Revenue Code and does not engage in any business activities. Accordingly, the organization is exempt from federal and state income taxes.

Note 3 – Contributions to the Organization

Contributions to the organization are tax deductible under Section 170 of the Internal Revenue Code.

Note 4 – Program Service

The organization provides grants to an Israeli nonprofit organization which: (1) provides approximately 500 meals daily in children's centers; (2) distributes 3,000 weekly food baskets; (3) distributes 35,000 food baskets before holidays; (4) provides for the distribution of food to victims of terror and war; (5) gives youth-at-risk counseling; and (6) runs a job desk to help the unemployed find work to end the cycle of poverty.

The organization has not received any donations with donor restrictions.

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 balance sheet date, comprise the following:

Cash	\$8,086
------	---------

The organization currently does not have any salaried employees or large program service commitments. The organization operates in the same manner as a "Friends of . . ." organization making grants as the funds

become available, per Board of Directors approval, to Yad Ezra V'Shulamit Israel, an approved Israeli charitable organization which has the same goals as the American organization. Because the organization is free to hold onto cash and only makes grants after it has met its commitments to vendors and professionals with which it transacts, the organization does not anticipate having any liquidity problems.

Note 6 – Subsequent Events

We have evaluated subsequent events through the date the financial statements were issued and are not aware of any subsequent events.