

YAD EZRA V'SHULAMIT, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(See Report of Independent Auditor)

ELIEZER A. ALPERSTEIN, CPA & ASSOCIATES
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Modiin, Israel

YAD EZRA V'SHULAMIT, INC.

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Independent Auditors' Report

To the Board of Directors of
Yad Ezra V'Shulamit, Inc.

We have audited the accompanying financial statements of Yad Ezra V'Shulamit, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2018 and 2017, 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.

Eliezer A. Alperstein, CPA

Eliezer A. Alperstein, CPA (USA, Israel)
June 5th, 2019

YAD EZRA V'SHULAMIT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 and 2017
(See Report of Independent Auditor)

<u>ASSETS</u>		
	<u>2018</u>	<u>2017</u>
<u>Current Assets (Notes 2 and 5)</u>		
Cash	\$49,452	\$95,376
Total Assets	<u>\$49,452</u>	<u>\$95,376</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
<u>Current Liabilities</u>		
Accounts Payable	\$37,202	\$23,093
Total Current Liabilities	<u>\$37,202</u>	<u>\$23,093</u>
 <u>Net Assets (Note 2)</u>		
Without Donor Restrictions	\$12,250	\$72,283
With Donor Restrictions	0	0
Total Net Asset Balance	<u>\$12,250</u>	<u>\$72,283</u>
 Total Liabilities and Net Assets	 <u>\$49,452</u>	 <u>\$95,376</u>

The accompanying notes to the financial statements
are an integral part of this statement.

YAD EZRA V'SHULAMIT, INC.

STATEMENTS OF ACTIVITIES
(with summarized information for 2017)
(See Report of Independent Auditor)

	For The Years Ended December 31			(Note 7)
	Without Donor Restrictions	With Donor Restrictions	2018 Total	2017 Total
Revenues				
Public support- Received directly by contributions:				
Total Contributions (Note 2 and 3)	\$1,954,250	\$0	\$1,954,250	\$1,609,997
Expenses:				
Grants & Assistance for Food Purchases, Afternoon Child Enrichment Programs, Youth at Risk and Job Desk Programs run by Yad Ezra V'Shulamit, Israel (Note 1 and 4)	\$1,643,500	\$0	\$1,643,500	\$1,267,608
Total Grants & Assistance	\$1,643,500	\$0	\$1,643,500	\$1,267,608
Fundraising				
Fundraising & Marketing	\$154,163	\$0	\$154,163	\$86,610
Advertising	77,649	0	77,649	130,260
Total Fundraising	\$231,812	\$0	\$231,812	\$216,870
Management and General Expenses				
Credit Card Processing Fees	\$26,639	\$0	\$26,639	\$17,858
Management Fees	95,502	0	95,502	70,460
Professional Fees	6,936	0	6,936	7,344
Filing and Registration Fees	181	0	181	631
Bank & Merchant Account Charges	9,713	0	9,713	14,644
Total Management and General Expenses	\$138,971	\$0	\$138,971	\$110,937
Total Functional Expenses	\$2,014,283	\$0	\$2,014,283	\$1,595,415
Increase (Decrease) in Net Assets	(\$60,033)	\$0	(\$60,033)	\$14,582
Net Assets - Beginning of the Year	72,283	0	72,283	57,701
Net Assets - End of the Year	\$12,250	\$0	\$12,250	\$72,283

The accompanying notes to the financial statements
are an integral part of this statement.

YAD EZRA V'SHULAMIT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(See Report of Independent Auditor)

	<u>For The Years Ended December 31</u>	
	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Increase/(Decrease) in Net Assets	(\$60,033)	\$14,582
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Increase/(Decrease) in Payables	<u>14,109</u>	<u>9,042</u>
Net Cash Provided (Used) By Operating Activities	(\$45,924)	\$23,624
Increase/(Decrease) in cash and cash equivalents	(45,924)	23,624
Cash and cash equivalents - Beginning of the Year	<u>\$95,376</u>	<u>\$71,752</u>
Cash and Cash Equivalents - End of the Year	<u>\$49,452</u>	<u>\$95,376</u>

The accompanying notes to the financial statements
are an integral part of this statement.

YAD EZRA V'SHULAMIT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018

(with summarized information for 2017)

(See Report of Independent Auditor)

	<u>For The Years Ended December 31</u>				(Note 8)
	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>2018 Total</u>	<u>2017 Total</u>
Grants and Assistance	\$1,643,500	\$0	\$0	\$1,643,500	\$1,267,608
Fundraising & Marketing	0	0	154,163	154,163	86,610
Advertising	0	0	77,649	77,649	130,260
Credit Card Processing Fees	0	26,639	0	26,639	17,858
Management Fees	0	95,502	0	95,502	70,460
Professional Fees	0	6,936	0	6,936	7,344
Filing and Registration Fees	0	181	0	181	631
Bank & Merchant Account Charges	0	9,713	0	9,713	14,644
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenses included in the expense section on the statement of activities	<u>\$1,643,500</u>	<u>\$138,971</u>	<u>\$231,812</u>	<u>\$2,014,283</u>	<u>\$1,595,415</u>

The accompanying notes to the financial statements
are an integral part of this statement.

YAD EZRA V'SHULAMIT, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(See Report Of Independent Auditor)

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 25,000 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 the meaning of Section 501(c)(3) of the Internal Revenue Code.

Note 2 - Significant Accounting Policies

- (a) Basis of Accounting – The Organization prepares its financial statements on the accrual basis of accounting according to Generally Accepted Accounting Principles (GAAP).
- (b) 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 the Financial Accounting Standards Board's Accounting Standard Update No. 2016-14, *Not -for-Profit Entities (Topic 958): Presentation of Financial Statements of Financial Statements of Not-for-Profit Entities*.
- (c) Cash and Cash Equivalents - The Organization considers substantially all highly liquid investments with a maturity of three months or less as cash equivalents.
- (d) 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 tax.

Note 3 - Contributions to the Organization

Contributions to the Organization are tax deductible under section 170 of the Internal Revenue Code.

YAD EZRA V'SHULAMIT, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(See Report Of Independent Auditor)

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 25,000 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.

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	<u>\$49,452</u>
	<u>\$49,452</u>

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 approval, to Yad Ezra V'Shulamit, Israel, an approved Israeli charitable organization which has the same goals as the U.S. Organization. Because the Organization is free to hold onto cash and only make grants after it has met its commitments to vendors and professionals, the Organization does not anticipate any liquidity problems.

Note 6 – Subsequent Events

We have evaluated subsequent events through June 5th, 2019 the date the financial statements were available to be issued.

Notes 7 and 8 – Prior Year Statement of Activities and Statement of Functional Expenses:

See the following two pages for these prior year statements.

Note 7:

YAD EZRA V'SHULAMIT, INC.

STATEMENTS OF ACTIVITIES 2017
(See Report of Independent Auditor)

For The Year Ended December 31

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2017 Total</u>
Revenues			
Public support- Received directly by contributions: Total Contributions (Note 2 and 3)	<u>\$1,609,997</u>	<u>\$0</u>	<u>\$1,609,997</u>
Expenses:			
Program Services for Food Purchases, Afternoon Child Enrichment Programs, Youth at Risk and Job Desk Programs run by Yad Ezra V'Shulamit, Israel (Note 1 and 4) Total Program Services	<u>\$1,267,608</u> <u>\$1,267,608</u>	<u>\$0</u> <u>\$0</u>	<u>\$1,267,608</u> <u>\$1,267,608</u>
Fundraising			
Fundraising & Marketing Advertising Total Fundraising	<u>\$86,610</u> <u>130,260</u> <u>\$216,870</u>	<u>\$0</u> <u>0</u> <u>\$0</u>	<u>\$86,610</u> <u>130,260</u> <u>\$216,870</u>
Management and General Expenses			
Credit Card Processing Fees Management Fees Professional Fees Filing and Registration Fees Bank & Merchant Account Charges Total Management and General Expenses	<u>\$17,858</u> <u>70,460</u> <u>7,344</u> <u>631</u> <u>14,644</u> <u>\$110,937</u>	<u>\$0</u> <u>0</u> <u>0</u> <u>0</u> <u>0</u> <u>\$0</u>	<u>\$17,858</u> <u>70,460</u> <u>7,344</u> <u>631</u> <u>14,644</u> <u>\$110,937</u>
Total Functional Expenses	<u>\$1,595,415</u>	<u>\$0</u>	<u>\$1,595,415</u>
Increase (Decrease) in Net Assets	<u>\$14,582</u>	<u>\$0</u>	<u>\$14,582</u>
Net Assets - Beginning of the Year	<u>57,701</u>	<u>0</u>	<u>57,701</u>
Net Assets - End of the Year	<u><u>\$72,283</u></u>	<u><u>\$0</u></u>	<u><u>\$72,283</u></u>

Note 8:

YAD EZRA V'SHULAMIT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2017
(See Report of Independent Auditor)

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Grants and Assistance	\$1,267,608	\$0	\$0	\$1,267,608
Fundraising and Marketing	0	0	86,610	86,610
Advertising	0	0	130,260	130,260
Credit Card Processing Fees	0	17,858	0	17,858
Management Fees	0	70,460	0	70,460
Professional Fees	0	7,344	0	7,344
Filing Fees	0	631	0	631
Bank & Merchant Account Charges	0	14,644	0	14,644
Total expenses included in the expense section on the statement of activities	<u>\$1,267,608</u>	<u>\$110,937</u>	<u>\$216,870</u>	<u>\$1,595,415</u>