

FINANCIAL STATEMENTS

THE KOBY MANDELL FOUNDATION, INC.

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Contents

INDEPENDENT AUDITOR'S REPORT	3
STATEMENTS OF FINANCIAL POSITION	4
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS	5
STATEMENTS OF CASH FLOWS	6
FUNCTIONAL EXPENSES	7
NOTES TO FINANCIAL STATEMENTS	8



Aron Epstein

Certified Public Accountant (US)

To the Board of Directors
The Koby Mandell Foundation, Inc.
Cedarhurst, NY

I have audited the accompanying financial statements of The Koby Mandell Foundation, Inc. which comprise the statements of financial position as of December 31, 2018 and 2017 and the related statements of activities and changes in net assets and cash flows for the years then ended and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

My responsibility is to express an opinion on these financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those 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, I 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.

I believe the evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of The Koby Mandell Foundation, Inc. as of December 31, 2018 and 2017 and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United State of America.



Aron Epstein, CPA
November 13, 2019

THE KOBY MANDELL FOUNDATION, INC.
 STATEMENTS OF FINANCIAL POSITION
 AS OF DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	70,827	103,757
Advances	25,366	34,564
Total Current Assets	<u>96,193</u>	<u>138,322</u>
OTHER ASSETS		
Due From Related Parties	-	13,012
Total Other Assets	-	<u>13,012</u>
TOTAL ASSETS	<u><u>\$ 96,193</u></u>	<u><u>\$ 151,333</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	2,774	2,915
Accounts Payable - Related Party	65,292	67,461
Grants Payable	1,000	-
Total Current Liabilities	<u>69,066</u>	<u>70,376</u>
NET ASSETS		
Without Donor Restrictions	27,127	80,958
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 96,193</u></u>	<u><u>\$ 151,333</u></u>

THE KOBY MANDELL FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
OPERATING ACTIVITIES		
REVENUE		
Community Development	8,300	-
NA Camp in Israel	762,765	706,962
Grants	149,957	159,519
Special Projects	45,897	50,101
Personal Solicitations	168,609	271,944
Special Appeal	120,799	171,261
Youth Project	-	375
Other Income	-	51,003
Comedy Show Income	63,827	97,533
Interest Income	0	2
Total Revenues	1,320,155	1,508,701
EXPENSES		
Payroll Expenses	29,027	27,988
Bank Charges	5,345	7,706
Insurance Expense	5,460	7,390
Licenses and Permits	4,231	6,835
Office Supplies and Expenses	6,378	6,820
Postage and Shipping	181	208
Telephone Expense	1,703	990
Legal and Accounting	13,943	8,470
Interest Expense	-	7,435
Public Relations Expense	22,733	9,941
Consulting Expenses	199	21,859
Fundraising Expenses	9,671	164
Community Event Expenses	10,850	31,154
Professional and Consulting Fees	63,646	79,992
Website Expenses	8,600	10,423
Travel Expense	51,587	48,936
Grants and Awards	308,012	515,607
NA Camp In Israel Expenses	735,942	519,426
Comedy Show Expenses	96,476	116,055
Total Expenses	1,373,986	1,427,399
Change in Net Assets From Operating Activities	(53,831)	81,302
Beginning Net Assets - Without Donor Restrictions	80,958	(344)
Ending Net Assets - Without Donor Restrictions	<u>\$ 27,127</u>	<u>\$ 80,958</u>

THE KOBY MANDELL FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Change In Net Assets		
Adjustments to reconcile change in net assets to net cash provided by Operating Activities	(53,831)	81,302
(Increase) Decrease in:		
Staff Advances	9,199	(1,948)
Due From Related Parties	13,012	3,646
Increase (Decrease) in:		
Accounts Payable	(141)	(18,751)
Accounts Payable -Related Party	(2,169)	(20,677)
Grants Payable	1,000	(18,183)
Net Cash Provided By Operating Activities	(32,930)	25,389
CASH FLOWS FROM FINANCING ACTIVITIES		
Note Payable	-	(28,000)
Net Cash Provided by Financing Activities	-	(28,000)
Net Increase (Decrease) In Cash an Cash Equivalents	(32,930)	(2,611)
Cash and Cash Equivalents, Beginning of year	103,757	106,368
Cash and Cash Equivalents, End of year	<u>\$ 70,827</u>	<u>\$ 103,757</u>

THE KOBY MANDELL FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2018

(with memorandum totals for the year ended December 31, 2017)

	CY				PY
	Supporting Activities				
	Management and General	Fundraising	Supporting Subtotal	Total Expenses	Total Expenses
<u>Program Activities</u>					
Payroll Expenses	29,027		29,027	29,027	27,988
Bank Charges	5,345		5,345	5,345	7,706
Insurance Expense	5,460		5,460	5,460	7,390
Licenses and Permits	4,231		4,231	4,231	6,835
Office Supplies and Expenses	6,378		6,378	6,378	6,820
Postage and Shipping	181		181	181	208
Telephone Expense	1,703		1,703	1,703	990
Legal and Accounting	13,943		13,943	13,943	8,470
Interest Expense	-		-	-	7,435
Public Relations Expense		22,733	22,733	22,733	9,941
Consulting Expenses	199		199	199	21,859
Fundraising Expenses		9,671	9,671	9,671	164
Community Event Expenses		10,850	10,850	10,850	31,154
Professional and Consulting Fees		63,646	63,646	63,646	79,992
Website Expenses	8,600		8,600	8,600	10,423
Travel Expense	41,270	10,317	10,317	51,587	48,936
Grants and Awards	308,012		-	308,012	515,607
NA Camp In Israel Expenses	735,942		-	735,942	519,426
Comedy Show Expenses	96,476		-	96,476	116,055
	<u>\$ 1,181,700</u>	<u>\$ 75,068</u>	<u>\$ 117,218</u>	<u>\$ 1,373,986</u>	<u>\$ 1,427,399</u>

The Koby Mandell Foundation, Inc.
Notes to the Financial Statements
For The Years Ended December 31, 2018 and 2017

Note 1 – Nature of Organization and Significant Accounting Policies

The Koby Mandell Foundation, Inc (“Organization”) is a not-for-profit organization established to develop and support educational, health and recreational services for children and families in crisis, promote tolerance and understanding among communities youth in particular, and support programs that deepen and strengthen an individual's connection to his or her heritage. Programs are held in the United States and Israel.

Significant accounting policies

Basis of Presentation:

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 Standard No. ASU2016-14 "Financial Statement of Not-For-Profit Entities" which requires the Organization to report information regarding its financial positions and activities according to two classes of net assets; net assets with donor restrictions and net assets without donor 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, where by the donor has stipulated the funds be maintained in perpetuity.

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

Committee for the Rescue of Israel's Babies Inc.
Notes to the Financial Statements
For The Years Ended December 31, 2018 and 2017

Measure of Operations:

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

New Accounting Pronouncement:

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes.

Cash and Cash equivalents and Concentration of Credit Risk

For purposes of the statements of cash flows, the Organization considers all highly-liquid investment instruments purchased with a maturity of three months or less to be cash equivalents. Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash. The Organization may maintain cash balances with financial institutions in amounts that exceed the federal government's deposit insurance.

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.

Subsequent Event

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 13, 2019, the date the financial statements were available to be issued.

Note 2 – Related Party Transactions

During 2008 the Foundation loaned \$13,012 to Canadian Koby Mandell Foundation, a not-for-profit foundation located in Canada. The loan has no specific repayment terms or stated interest. The Canadian foundation closed in 2017 and subsequently the advance was closed out.

The Foundation paid fees to Seth Mandell, Ltd. totaling \$63,646 and \$79,992 in 2018 and 2017 respectively for professional services. The President of Seth Mandell, Ltd also serves on the Board of Directors of the Foundation.

Note 2 – Pledges Receivable

All pledges receivable are considered collectible within one year unless otherwise stated by the donor. Balance of pledges receivable as of December 31, 2018 and 2017 was \$0.