

**FINANCIAL STATEMENTS**

**THE KOBY MANDELL FOUNDATION, INC.**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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# 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, 2017 and 2016 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, 2017 and 2016 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  
August 21, 2018

**THE KOBY MANDELL FOUNDATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2017 AND 2016**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	103,757	106,368
Advances	10,179	8,231
<b>Total Current Assets</b>	<u><b>113,936</b></u>	<u><b>114,599</b></u>
 <b>OTHER ASSETS</b>		
Due From Related Parties	13,012	16,658
<b>Total Other Assets</b>	<u><b>13,012</b></u>	<u><b>16,658</b></u>
 <b>TOTAL ASSETS</b>	 <u><u><b>\$ 126,948</b></u></u>	 <u><u><b>\$ 131,257</b></u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	45,033	84,461
Notes Payable	-	28,000
Grants Payable	-	18,183
<b>Total Current Liabilities</b>	<u><b>45,033</b></u>	<u><b>130,644</b></u>
 <b>NET ASSETS</b>		
Unrestricted	81,915	613
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u><b>\$ 126,948</b></u></u>	 <u><u><b>\$ 131,257</b></u></u>

**THE KOBY MANDELL FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>REVENUE</b>		
Community Development	-	3,000
North American Camp in Israel	706,962	580,561
Grants	159,519	273,923
Special Projects	147,634	239,756
Personal Solicitations	271,944	222,214
Special Appeal	171,261	163,539
Youth project	375	-
Other Income	51,003	56,805
Interest	2	4
<b>Total Revenue</b>	<b>1,508,701</b>	<b>1,539,801</b>
<b>EXPENSES</b>		
Program Services	1,036,333	1,230,546
Supporting Services		
Management and General	69,034	62,786
Fundraising	322,032	256,174
Total Supporting Services	<u>391,066</u>	<u>318,961</u>
<b>Total Expenses</b>	<b>1,427,399</b>	<b>1,549,507</b>
<b>Change in Net Assets</b>	<b>81,302</b>	<b>(9,705)</b>
NET ASSETS, BEGINNING OF YEAR	613	10,318
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 81,915</u></u>	<u><u>\$ 613</u></u>

**THE KOBY MANDELL FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOW**  
**AS OF DECEMBER 31, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
Change In Net Assets	81,302	(9,705)
Adjustments to reconcile change in net assets to net cash provided by Operating Activities		
(Increase) Decrease in:		
Staff Advances	(1,948)	(8,231)
Due From Related Parties	3,646	-
Increase (Decrease) in:		
Accounts Payable	(39,428)	37,530
Grants Payable	(18,183)	18,183
<b>Net Cash Provided By Operating Activities</b>	<b>25,389</b>	<b>37,777</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Note Payable	(28,000)	
<b>Net Cash Provided by Financing Activities</b>	<b>(28,000)</b>	-
<b>Net Increase (Decrease) In Cash an Cash Equivalentents</b>	<b>(2,611)</b>	<b>37,777</b>
<b>Cash and Cash Equivalentents, Beginning of year</b>	<b>106,368</b>	<b>68,591</b>
<b>Cash and Cash Equivalentents, End of year</b>	<b><u>\$ 103,757</u></b>	<b><u>\$ 106,368</u></b>

**THE KOBY MANDELL FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

**Organization -**

The Koby Mandell Foundation, Inc. ("Foundation") is a non-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.

**Basis of Presentation -**

The accompanying financial statements are presented on the accrual basis of accounting and in accordance with Statement of Financial Accounting Standards No. 117 "Financial Statements of Non-For-Profit Organizations".

**Cash and Cash Equivalents-**

The Foundation 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 Foundation may maintain cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

**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.

**Income Taxes -**

The Foundation 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.

**Net Assets classification-**

The net assets are reported as follows;

- Unrestricted net assets include unrestricted revenue and contributions received without donor imposed restrictions. These net assets are available for the operation of the Foundation.
- Temporarily restricted net assets include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Foundation and/or the passage of time. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Net Assets as net assets released from restrictions. There are no temporarily restricted net assets.

- Permanently restricted net assets include assets that are subject to explicit donor-imposed stipulations that they be maintained permanently by the Foundation. There are no permanently restricted net assets

### **Contributions and Grants-**

Contributions and grants are recorded as revenue the year notification is received from the donor.

### **Use of Estimates -**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

## **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 Foundation paid fees to Seth Mandell, Ltd. totaling \$79,992 and \$79,992 in 2017 and 2016 respectively for professional services. The President of Seth Mandell, Ltd also serves on the Board of Directors of the Foundation.

## **4. 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, 2017 and 2016 was \$0

## **6. NOTE PAYABLE**

On October 31, 2008, the Foundation entered into a \$150,000 note payable to The Annette M. and Theodore N. Lerner Family Foundation. This was an interest-free loan maturing on June 30, 2009. The loan was renewed on June 30, 2009 with no specific repayment date. The entire debt was paid off in 2017.

As of December 31, 2017 and 2016, the outstanding principal of the note payable was \$0 and \$28,000.



**THE KOBY MANDELL FOUNDATION, INC.**  
**FUNCTIONAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017 WITH 2016 SUMMARY**

	<b>2017</b>			<b>2016</b>
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Salaries and Payroll Expenses	-	28,976	-	28,976
Bank Charges	-	7,706	-	7,706
Community Event Expenses	-	-	31,154	31,154
Comedy Show Expenses	-	-	115,617	115,617
Consulting Expenses	-	-	21,859	21,859
Camp Expenses	519,426	-	-	519,426
Grants and Awards	515,607	-	-	515,607
Insurance	-	7,390	-	7,390
Interest Expense	-	7,435	-	7,435
Licenses and Permits	-	6,835	-	6,835
Office Supplies and Expenses	-	1,024	5,796	6,820
Postage and Shipping	-	208	-	208
Public Relations Expense	-	-	8,953	8,953
Professional and Consulting Fees	-	-	79,992	79,992
Legal and Accounting	-	8,470	-	8,470
Website Expenses	-	-	10,423	10,423
Telephone	-	990	-	990
Travel	1,299	-	47,636	48,936
Other Fundraising Expenses	-	-	603	603
	<b>\$ 1,036,333</b>	<b>\$ 69,034</b>	<b>\$ 322,032</b>	<b>\$ 1,427,399</b>
				<b>\$ 1,549,507</b>