

FINANCIAL STATEMENTS

THE KOBY MANDELL FOUNDATION, INC.

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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Board of Trustees
The Koby Mandell Foundation, Inc.

I have reviewed the accompanying financial statements of The Koby Mandell Foundation, Inc., (“Organization”) which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant’s Responsibility

My responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant’s Conclusion

Based on my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Cleveland, Ohio
November 7, 2021

THE KOBY MANDELL FOUNDATION, INC.
 STATEMENTS OF FINANCIAL POSITION
 AS OF DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	385,998	24,659
Advances	<u>51,653</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 437,651</u>	<u>\$ 24,659</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	1,015	5,675
Accounts Payable - Related Parties	67,043	71,582
Loans Payable	150,000	-
Grants Payable	<u>1,000</u>	<u>1,000</u>
Total Current Liabilities	219,058	78,257
NET ASSETS		
Without Donor Restrictions	218,593	(53,598)
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 437,651</u>	<u>\$ 24,659</u>

The accompanying notes are an integral part of these statements

THE KOBY MANDELL FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
OPERATING ACTIVITIES		
REVENUE		
Community Development	-	-
North American Camp In Israel	292,492	625,379
Grants	143,132	149,129
Special Projects	9,428	29,438
Personal Solicitations	46,703	45,934
Special Appeal	106,751	181,337
Youth Project	-	2,397
Other Income	3,012	-
Comedy Show Income	35,078	64,878
Interest Income	34	-
Total Revenues	636,629	1,098,492
EXPENSES		
Payroll Expenses	14,856	29,073
Bank Charges	4,799	6,457
Insurance Expense	1,230	5,873
Licenses and Permits	7,880	3,088
Office Supplies and Expenses	5,935	7,374
Postage and Shipping	216	686
Telephone Expenses	604	393
Occupancy Expenses	1,700	-
Legal and Accounting	4,705	7,533
Interest Expense	4,406	9,440
Public Relations Expense	4,585	14,944
Fundraising Expenses	6,220	18,070
Community Event Expenses	52	-
Professional and Consulting Fees	-	36,000
Website Expenses	293	3,492
Travel Expense	2,414	41,584
Grants and Awards	249,030	731,500
North American Camp In Israel Expenses	27,389	130,862
Comedy Show Expenses	28,125	107,483
Total Expenses	364,439	1,153,851
Change in Net Assets From Operating Activities	272,191	(55,359)
Beginning Net Assets - Without Donor Restrictions	(53,598)	1,761
Ending Net Assets - Without Donor Restrictions	\$ 218,593	\$ (53,598)

The accompanying notes are an integral part of these statements

THE KOBY MANDELL FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Change In Net Assets		
Adjustments to reconcile change in net assets to net cash provided by Operating Activities	272,191	(55,359)
(Increase) Decrease in:		
Advances	(51,652)	-
Due From Related Parties		-
Increase (Decrease) in:		
Accounts Payable	(4,660)	2,902
Accounts Payable -Related Party	(4,539)	6,289
Grants Payable	-	-
Net Cash Provided By Operating Activities	211,339	(46,168)
 CASH FLOWS FROM FINANCING ACTIVITIES		
EIDL Loan	150,000	-
Net Cash Provided by Financing Activities	150,000	-
 Net Increase (Decrease) In Cash an Cash Equivalents	361,339	(46,168)
 Cash and Cash Equivalents, Beginning of year	24,659	70,827
Cash and Cash Equivalents, End of year	<u>\$ 385,998</u>	<u>\$ 24,659</u>

The accompanying notes are an integral part of these statements

THE KOBY MANDELL FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Supporting Activities			
Program Activities	Management and General	Fundraising	Supporting Subtotal	Total Expenses
Payroll Expenses	14,856		14,856	14,856
Bank Charges	4,799		4,799	4,799
Insurance Expense	1,230		1,230	1,230
Licenses and Permits	7,880		7,880	7,880
Office Supplies and Expenses	5,935		5,935	5,935
Postage and Shipping	216		216	216
Telephone Expenses	604		604	604
Occupancy Expenses	1,700		1,700	1,700
Legal and Accounting	4,705		4,705	4,705
Interest Expense	4,406		4,406	4,406
Public Relations Expense		4,585	4,585	4,585
Fundraising Expenses		6,220	6,220	6,220
Community Event Expenses		52	52	52
Website Expenses	293		293	293
Travel Expense	2,414		-	2,414
Grants and Awards	249,030		-	249,030
North American Camp In Israel Expenses	27,389		-	27,389
Comedy Show Expenses	28,125		-	28,125
\$ 306,959	\$ 46,623	\$ 10,857	\$ 57,480	\$ 364,439

The accompanying notes are an integral part of these statements

THE KOBY MANDELL FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Supporting Activities			Total Expenses	
	Program Activities	Management and General	Fundraising		Supporting Subtotal
Payroll Expenses		29,073		29,073	29,073
Bank Charges		6,457		6,457	6,457
Insurance Expense		5,873		5,873	5,873
Licenses and Permits		3,088		3,088	3,088
Office Supplies and Expenses		7,374		7,374	7,374
Postage and Shipping		686		686	686
Telephone Expense		393		393	393
Legal and Accounting		7,533		7,533	7,533
Interest Expense		9,440		9,440	9,440
Public Relations Expense			14,944	14,944	14,944
Fundraising Expenses			18,070	18,070	18,070
Professional and Consulting Fees			36,000	36,000	36,000
Website Expenses		3,492		3,492	3,492
Travel Expense	31,267		10,317	10,317	41,584
Grants and Awards	731,500			-	731,500
NA Camp In Israel Expenses	130,862			-	130,862
Comedy Show Expenses	107,483			-	107,483
	<u>\$ 1,001,112</u>	<u>\$ 73,408</u>	<u>\$ 79,331</u>	<u>\$ 152,739</u>	<u>\$ 1,153,851</u>

The accompanying notes are an integral part of these statements

THE KOBY MANDELL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

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, whereby 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.

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.

2. RELATED PARTY TRANSACTIONS

The Foundation paid fees to Seth Mandell, Ltd. totaling \$0 and \$36,000 in 2020 and 2019 respectively for professional services. The President of Seth Mandell, Ltd also serves on the Board of Directors of the Foundation. As of December 31, 2020 and 2019, The Organization owes Seth Mandell, Ltd. \$71,582 and \$67,043 respectively. Seth Mandell, Ltd is not intending to collect these funds in the near future.

3. 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, 2020 and 2019 was \$0.

4. EIDL Loan

On July 15th, 2020 The Organization secured an EIDL loan from the SBA. Terms of the loans are 2.75% for 30 years beginning 8/15/2021. The Organization has not decided whether to use the funds for operations and as of December 31, 2020 the amount is being held in a savings account.

5. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 7, 2021, the date the financial statements were available to be issued.