

Emunah of America, Inc.

Financial Statements

December 31, 2019



Table of Contents

December 31, 2019

	Page(s)
<i>Independent Auditors' Report</i>	<i>1</i>
<i>Statements of Financial Position.....</i>	<i>2</i>
<i>Statements of Activities and Changes in Net Assets</i>	<i>3</i>
<i>Statements of Functional Expenses</i>	<i>4</i>
<i>Statements of Cash Flows.....</i>	<i>5</i>
<i>Notes to Financial Statements</i>	<i>6-14</i>



Independent Auditors' Report

To the Board of Directors and Board of Trustees
Eminah of America, Inc.

We have audited the accompanying financial statements of Eminah of America, Inc, which comprise the statement of financial position 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, 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 audit. We conducted our audit 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 auditor's 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 Eminah of America, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative information

We have previously audited Eminah of America, Inc's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 10, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mazars USA LLP

April 6, 2020

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Emunah of America Inc.

Statements of Financial Position

December 31, 2019

(With comparative summarized totals for the year ended December 31, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 424,526	\$ 492,045
Contributions receivable	110,548	70,000
Prepaid expenses and other assets	6,375	6,375
Investments	564,355	525,738
Inventory, net	-	18,749
Property and equipment, at cost, net of accumulated depreciation	<u>15,024</u>	<u>4,797</u>
 Total assets	 <u><u>\$ 1,120,828</u></u>	 <u><u>\$ 1,117,704</u></u>
 Liabilities and Net Assets		
Liabilities		
Grants payable	\$ 16,766	\$ 100,000
Accounts payable and accrued expenses	93,644	69,000
Annuities payable	<u>119,444</u>	<u>135,692</u>
 Total liabilities	 <u>229,854</u>	 <u>304,692</u>
 Net assets		
Without donor restrictions	<u>534,028</u>	<u>496,614</u>
With donor restrictions		
For projects in Israel	110,548	70,000
Perpetual endowment	<u>246,398</u>	<u>246,398</u>
Total net assets with donor restrictions	<u>356,946</u>	<u>316,398</u>
 Total net assets	 <u>890,974</u>	 <u>813,012</u>
 Total liabilities and net assets	 <u><u>\$ 1,120,828</u></u>	 <u><u>\$ 1,117,704</u></u>

The accompanying notes are an integral part of these financial statements.

Emunah of America Inc.

Statements of Activities and Changes in Net Assets

Year Ended December 31, 2019

(With comparative summarized totals for the year ended December 31, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and support				
Contributions	\$ 2,803,885	\$ 53,600	\$ 2,857,485	\$ 3,327,987
Gala contributions net of direct expenditures				
2019: \$181,485, 2018: \$199,511	530,212	-	530,212	344,178
Missions	6,847	-	6,847	97,786
Event income, net of direct expenses 2019:				
\$109,609, 2018: \$165,360	378,530	-	378,530	400,979
Merchandise sales (loss), net of cost of goods				
sold 2019: \$18,749, 2018: \$24,290	(16,514)	-	(16,514)	(16,452)
Net investment income (loss)	54,432	-	54,432	(13,052)
Other income	-	-	-	283
	<u>3,757,392</u>	<u>53,600</u>	<u>3,810,992</u>	<u>4,141,709</u>
Net assets released from restrictions, satisfaction of time and program restrictions	<u>13,052</u>	<u>(13,052)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>3,770,444</u>	<u>40,548</u>	<u>3,810,992</u>	<u>4,141,709</u>
Expenses				
Program services				
Israel projects	2,875,169	-	2,875,169	2,727,716
Missions	145,733	-	145,733	201,100
Members' projects	235,327	-	235,327	164,203
Total program services	<u>3,256,229</u>	<u>-</u>	<u>3,256,229</u>	<u>3,093,019</u>
Supporting services				
Management and general	168,816	-	168,816	185,170
Fundraising	307,985	-	307,985	294,957
Total supporting services	<u>476,801</u>	<u>-</u>	<u>476,801</u>	<u>480,127</u>
Total expenses	<u>3,733,030</u>	<u>-</u>	<u>3,733,030</u>	<u>3,573,146</u>
Change in net assets	37,414	40,548	77,962	568,563
Net assets, beginning of year	<u>496,614</u>	<u>316,398</u>	<u>813,012</u>	<u>244,449</u>
Net assets, end of year	<u>\$ 534,028</u>	<u>\$ 356,946</u>	<u>\$ 890,974</u>	<u>\$ 813,012</u>

The accompanying notes are an integral part of these financial statements.

Emunah of America Inc.

Statements of Functional Expenses

Year Ended December 31, 2019

(With comparative summarized totals for the year ended December 31, 2018)

	2019						2018
	Program Services			Supporting Services			Total
	Israel Projects	Missions	Members' Projects	Management and General	Fundraising	Total	
Salaries, payroll taxes and benefits	\$ 228,860	\$ 65,389	\$ 81,736	\$ 32,694	\$ 136,226	\$ 544,905	\$ 506,722
Grants	2,419,150	-	-	-	-	2,419,150	2,365,094
Missions	-	6,839	-	-	-	6,839	90,214
Events direct expenses	-	-	-	-	109,609	109,609	165,360
Gala direct expenses	-	-	-	-	181,485	181,485	199,511
Cost of goods sold	-	-	-	-	18,749	18,749	24,290
Consultants	19,320	12,880	32,199	51,519	12,880	128,798	148,415
Postage and delivery	881	252	315	125	524	2,097	16,752
Marketing	8,026	2,293	2,866	1,146	4,777	19,108	7,543
Rent expense	19,882	5,680	7,100	2,840	11,834	47,336	54,384
Office expenses	26,366	7,533	9,416	3,766	15,694	62,775	60,683
Telephone	4,062	1,161	1,451	580	2,418	9,672	5,161
Travel	10,119	2,891	3,614	1,446	6,023	24,093	4,181
Supplies	9,358	2,674	3,342	1,336	5,570	22,280	10,612
Legal and accounting	-	-	-	55,743	-	55,743	64,356
Events expense	86,881	26,065	78,194	11,584	86,881	289,605	188,362
Dues and subscriptions	3,345	956	1,195	478	1,991	7,965	9,125
Credit card fees and bank charges	16,495	4,713	5,891	2,356	9,819	39,274	27,650
Miscellaneous expenses	20,598	5,885	7,356	2,943	12,261	49,043	6,891
Depreciation	1,826	522	652	260	1,087	4,347	7,001
Total expenses	\$ 2,875,169	\$ 145,733	\$ 235,327	\$ 168,816	\$ 617,828	\$ 4,042,873	\$ 3,962,307
Less expenses deducted directly from revenues on the statement of activities and changes in net assets	-	-	-	-	(309,843)	(309,843)	(389,161)
Total expenses reported by function on the statement of activities and changes in net assets	\$ 2,875,169	\$ 145,733	\$ 235,327	\$ 168,816	\$ 307,985	\$ 3,733,030	\$ 3,573,146

The accompanying notes are an integral part of these financial statements.

Emunah of America Inc.

Statements of Cash Flows

Year Ended December 31, 2019

(With comparative summarized totals for the year ended December 31, 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 77,962	\$ 568,563
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	4,347	7,001
Interest and dividends on investments	25,417	4,534
Realized loss (gain) on sale of investments	8,651	24,754
Unrealized (gain) loss on investments	20,364	(42,340)
Change in annuities payable	(987)	(2,916)
Inventory provision	18,749	10,000
(Increase) decrease in		
Contributions receivable	(40,548)	219,928
Inventory	-	7,218
Prepaid expenses and other assets	-	3,675
Increase (decrease) in		
Accounts payable and accrued expenses	24,644	(93,012)
Grant Payable	(83,234)	(287,158)
Net cash provided by operating activities	<u>55,365</u>	<u>420,247</u>
Cash flows from investing activities		
Sale of investments	209,453	319,694
Purchase of investments	(302,502)	(595,529)
Purchase of equipment	(14,574)	(5,755)
Net cash used in investing activities	<u>(107,623)</u>	<u>(281,590)</u>
Cash flows from financing activities		
Payment of annuities payable	(15,261)	(3,944)
New annuities payable	-	137,341
Repayment of loan from members	-	(160,000)
Net cash used in financing activities	<u>(15,261)</u>	<u>(26,603)</u>
Net (decrease) increase in cash and cash equivalents	(67,519)	112,054
Cash and cash equivalents		
Beginning	<u>492,045</u>	<u>379,991</u>
End	<u>\$ 424,526</u>	<u>\$ 492,045</u>

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

Years Ended December 31, 2019 and 2018

1. Organization and Summary of Significant Accounting Policies

Organization

Emunah of America, Inc. (“Emunah” or the “Organization”) was established to provide support for the activities of Emunah of Israel, one of the largest volunteer organizations in Israel, providing a vast network of social welfare and educational programs. Since its establishment in the United States of America in 1948, Emunah has been responding to the needs of the people of Israel, caring for the young and old, new immigrants and veteran Israelis.

As part of our Israel programs, Emunah of America makes it possible for Emunah of Israel to provide a network of day-care centers and after-school programs. For children who are removed from their parents because of abuse or neglect, Emunah of Israel maintains crisis shelters and residential homes providing sanctuary and both short-term and permanent care and education. Emunah of Israel sponsors high schools and the Emunah College of Arts and Technology, renowned for their innovative programs for young women. For new immigrants, Emunah of Israel provides resettlement assistance; for families, Emunah of Israel maintains counseling centers; for adults of all backgrounds, Emunah of Israel runs literacy programs and continuing Jewish education; and for the elderly, Emunah of Israel provides golden-age centers and hot meal programs.

Emunah plans missions and is committed to bringing our members and donors to Israel for the purpose of witnessing first-hand the efforts being made at the various projects and programs we support. We are committed to providing support through tourism to Israel. Our moral obligation to lend support to Jews around the world – at times takes us to Jewish communities around the globe.

Much of Emunah’s projects are carried out by Board members, chapters and volunteers throughout the United States of America. These committed volunteers educate the membership on issues facing our social service and educational network projects as well as supporting the programs. Through the national organization, Emunah can mobilize our volunteers and supporters to action on behalf of issues that are important to the welfare of the entire Jewish community and the State of Israel. Through its volunteers and chapters, Emunah brings community-based programming to a significant section of the American Jewish community.

Basis of Presentation

The financial statements of the Emunah have been prepared on the accrual basis of accounting in accordance with principles generally accepted in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the “Board”) and/or management for general operating purposes. The Board may designate a portion of these net assets for a specific purpose which makes them unavailable for use at management’s discretion.

Designated for endowment – gifts without donor restrictions designated by the board of directors to provide perpetual support for Israel projects.

Emunah of America Inc.

Net Assets With Donor Restrictions – Net assets with donor restrictions result from contributions and other inflows of assets subject to donor imposed restrictions that either expire by the passage of time or can be fulfilled and removed by the actions pursuant to the restrictions. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, the net assets are reclassified to the category of net assets without donor restrictions and reported in the statement of activities and change in net assets, as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently, perpetuity in nature, while permitting the Organization to expend the income generated by the assets. The Organization is to expend the income in accordance with of additional donor imposed stipulations or a Board approved spending policy.

Contributions that are restricted by the donor are reported as revenues without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

At December 31, 2019 and 2018, there were no net assets with Board designations.

Cash and Cash Equivalents

Emunah considers liquid investments with an initial maturity of three months or less, to be cash equivalents, except for short-term investments managed by Emunah's investment managers as part of their long-term strategies.

Contributions

Emunah recognizes contributions when cash, securities or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions on which they depend have been met. Contributions are recorded as either revenues without donor restrictions or revenues with donor restrictions. All other donor-restricted contributions are reported as revenues with donor restrictions.

Emunah uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Investments

Investments in equity securities are stated at fair value based on quoted market prices. The net realized and unrealized gains and loss on investments are reflected as investment income or loss in the accompanying statement of activities and changes in net assets.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of Emunah. Unobservable inputs reflect Emunah's assumptions about the inputs market participants would use in pricing the asset based on the information available in the circumstances. Fair value measurements are categorized into three levels as follows:

Emunah of America Inc.

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that Emunah has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Annuity Obligations

The Organization receives gifts of future interest through gift annuities. Gift annuities are arrangements in which a donor establishes a specified distribution to be made to a non-charitable beneficiary, usually the donor, over a specified period of time not to exceed the lives of the beneficiaries. The distributions to the non-charitable beneficiaries are for a fixed amount annually.

The present value of the liability resulting from these gifts, determined based on mortality tables using American Council on Gift Annuities discount rates, is recorded as an annuity obligation. The amount equal to the portion of the current fair value of the gift over the amount payable is recorded as an annuity obligation.

Inventory

Emunah's inventory consists of cookbooks and is stated at the lower of cost, as determined by the average cost method and net realizable value.

Property and Equipment

Property and equipment are recorded at cost, if purchased, and at fair value at date of donation, if contributed. Assets are being depreciated using the straight-line method over the estimated useful lives of the assets.

Marketing and Advertising

Advertising costs are charged to operations at the time the advertising occurs. Advertising expense for 2019 and 2018 amounted to \$19,108 and \$7,543, respectively.

Functional Allocation of Expenses

The functional expenses above present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. A portion of Management and General costs that benefit multiple functional areas (indirect costs) have been allocated across Programs and Other Supporting Services based on reasonable ratios determined by management based upon utilization of staff time or use of resources.

Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status

Emunah is a not-for-profit organization exempt from Federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

Emunah of America Inc.

Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The ASU became effective for Emunah for the year ended December 31, 2019, and includes specific criteria to consider when determining whether a contract or agreement should be accounted for as a contribution (nonreciprocal transaction) or as an exchange transaction (reciprocal transaction). It also provides a framework for determining whether a contribution is conditional or unconditional which will impact the timing of revenue recognition. Analysis of various provisions of this standard resulted in no significant changes in the way Emunah recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers. The ASU became effective for Emunah for the year ended December 31, 2019. The standard clarifies the accounting principles for recognizing revenue to which it expects to be entitled for the transfer of promised goods or services to customers. Analysis of various provisions of this standard resulted in no significant changes in the way Emunah recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Exchange of revenue derived from events and the gala are recognized at a point in time when the events or gala takes place. Revenue derived from merchandise sales are recognized as goods are delivered to the buyer.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information. With respect to the statement of activities and changes in net assets, the prior year information is presented in total, and accordingly not by natural asset class. With respect to the statements of functional expenses, the prior year expenses are presented by expense classification rather than functional category. Such information does not include sufficient detail to constitute presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Emunah of America Inc.'s financial statements for the year ended December 31, 2018 from which summarized information was derived.

2. Contributions Receivable

Contributions receivable as of December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
	<u>With Donor Restriction</u>	<u>With Donor Restriction</u>
Due in less than one year	\$ 120,548	\$ 80,000
Less: allowance for uncollectible pledges	<u>(10,000)</u>	<u>(10,000)</u>
	<u>\$ 110,548</u>	<u>\$ 70,000</u>

Emunah's Board of Directors have committed these pledge receivables to their Emunah projects based in Israel, in line with the donors' wishes. The liability to remit these pledges to the Emunah projects occur upon the receipt of cash.

Emunah of America Inc.

3. Investments

The following summarizes investments at December 31, 2019 and 2018 by level within the fair value hierarchy used to measure their respective fair values.

	2019			2018		
	Fair Value	Level 1	Level 2	Fair Value	Level 1	Level 2
Cash equivalents	\$ 30,575	\$ 30,574	\$ -	\$ 101,546	\$ 101,546	\$ -
Corporate bonds	285,063	-	285,063	220,666	-	220,666
Mutual funds	135,892	135,892	-	110,383	110,383	-
Exchange-Traded securities	112,825	112,825	-	93,143	93,143	-
	<u>\$ 564,355</u>	<u>\$ 279,291</u>	<u>\$ 285,063</u>	<u>\$ 525,738</u>	<u>\$ 305,072</u>	<u>\$ 220,666</u>

Net investment income (loss) for the years ended December 31, 2019 and 2018 are summarized as follows:

	2019	2018
Interest and dividends	\$ 25,417	\$ 4,534
Realized gain on investments	8,651	24,754
Unrealized gain (loss) on investments	20,364	(42,340)
	<u>\$ 54,432</u>	<u>\$ (13,052)</u>

4. Property and Equipment

Property and equipment consist of the following:

	Estimated useful life	2019	2018
Computer hardware and software	3 years	\$ 5,755	\$ 5,755
Website	3 years	35,824	21,250
		<u>41,579</u>	<u>27,005</u>
Less: accumulated depreciation		<u>(26,555)</u>	<u>(22,208)</u>
		<u>\$ 15,024</u>	<u>\$ 4,797</u>

Depreciation expense for the years ended December 31, 2019 and 2018 totaled \$4,347 and \$7,001, respectively.

Emunah of America Inc.

5. Annuities Payable

Emunah has established a gift annuity program whereby donors may contribute assets to Emunah in exchange for the right to receive a fixed-dollar annual return during their lifetime. A portion of the transfer is considered to be a charitable donation for income tax purposes. The difference between the amount provided for the gift annuity and the present value of the liability for future payments is recognized as unrestricted contribution at the date of the gift.

The annuity liability is revalued annually based upon actually computed present values. The resulting actuarial gain or loss is recorded in the statement of activities.

Decrease in actuarial liability consists of the following:

	<u>2019</u>	<u>2018</u>
Actuarial loss / (gain)	\$ (987)	\$ (1,515)
Annuity reclassified as contribution	-	(1,401)
Annuity payments	(15,261)	(3,944)
	<u>\$ (16,248)</u>	<u>\$ (6,860)</u>

There were no annuity agreements written during the year ended December 31, 2019. There was an annuity agreement written during the year ended December 31, 2018, with a liability recorded net of \$135,692.

6. Concentration of Credit Risk

Emunah maintains its cash and cash equivalents in several financial institutions located in New York. The cash balance, at times, may exceed federally-insured limits. As of December 31, 2019, cash and cash equivalents balances with all financial institution were within Federal Deposit Insurance Corporation limits. The Organization believes it mitigates its risks by banking with major financial institutions.

7. Endowment Fund

Endowment Fund is a donor-restricted investment in perpetuity, the investment income from which is available as noted below at December 31:

	<u>2019</u>	<u>2018</u>
The Silverstein Estate Fund (a)	\$ 246,398	\$ 246,398

(a) A memorial fund created in memory and honor of Renee Silverstein. Investment income earned in the fund is available to create, construct and maintain children's daycare centers and senior citizens' golden age centers.

Emunah of America Inc.

The Board of Directors of Emunah has interpreted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Emunah classifies as donor restricted endowment (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in donor restricted endowment is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Emunah in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, Emunah considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purpose of Emunah and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation or deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of Emunah
- (7) The investment policy of Emunah.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Trustees of the Organization has interpreted NYPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There are no underwater endowments at December 31, 2019.

Endowment Net Assets by Type of Fund as of December 31, 2019:

	Without Donor Restrictions	With Donor Perpetuity Restrictions	Total
Endowment fund	\$ -	\$ 246,398	\$ 246,398

Emunah of America Inc.

Changes in Endowment Net Assets for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
	<u>With Donor Restrictions</u>	<u>With Donor Restrictions</u>
Endowment net assets, beginning of year	\$ 246,398	\$ 224,000
Investment return:		
Investment income	25,417	11,427
Net depreciation (realized and unrealized)	<u>29,015</u>	<u>(24,479)</u>
Total investments loss	<u>54,432</u>	<u>(13,052)</u>
Appropriation of endowment for expenditure	<u>(54,432)</u>	<u>-</u>
Contributions	<u>-</u>	<u>35,450</u>
Endowment net assets, end of year	<u>\$ 246,398</u>	<u>\$ 246,398</u>

8. Related Party

A family member of the Finance Consultant is employed by the financial institution holding Emunah's investment, totaling \$564,355, and acts as an investment manager to Emunah. As of December 31, 2019 and 2018, fees paid to the financial institution amounted to \$4,114 and 2,628, respectively.

9. Liquidity

Emunah of America's financial assets available within one year of the statement of financial position date for general expenditures is as follows:

December 31,	<u>2019</u>
Cash and cash equivalents	\$ 424,526
Contribution receivables, net	110,548
Investment	<u>564,355</u>
Total financial assets available within one year	<u>1,099,429</u>
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors in perpetuity	(246,398)
Restricted by donors for projects in Israel	<u>(110,548)</u>
Total amounts unavailable for general expenditure within one year	<u>(356,946)</u>
Total amounts available for general expenditures within one year	<u>\$ 742,483</u>

Emunah of America Inc.

None of the financial assets available for general expenditure are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year. Emunah has a goal to maintain its cash on hand to meet 60 days of normal operating expenses, which are, on average approximately \$133,000.

10. Subsequent Events

Emunah has evaluated subsequent events through April 6, 2020, the date these financial statements were available to be issued.

In early 2020, the emergence of the COVID-19 Coronavirus pandemic has led to significant disruption in the not-for-profit industry. The Organization is monitoring this evolving situation closely and evaluating its potential exposure. As of April 6, 2020, it is uncertain what impact, if any, the disruption may have on the future operations of the Organization.

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