

# Emunah of America, Inc.

Financial Statements

December 31, 2020

**mazars**

Mazars USA LLP is an independent member firm of Mazars Group.

# Emunah of America, Inc.

## Table of Contents December 31, 2020

	<b>Page(s)</b>
Independent Auditors' Report.....	1
Statements of Financial Position .....	2
Statements of Activities and Changes in Net Assets .....	3
Statements of Functional Expenses .....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6-12

## 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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 6, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.



March 12, 2021

# Emunah of America Inc.

## Statements of Financial Position

December 31, 2020

(With comparative summarized totals for the year ended December 31, 2019)

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 706,350	\$ 424,526
Contributions receivable, net	48,486	110,548
Prepaid expenses and other assets	25,875	6,375
Investments	688,462	564,355
Property and equipment, net	<u>8,248</u>	<u>15,024</u>
Total assets	<u>\$ 1,477,421</u>	<u>\$ 1,120,828</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 42,291	\$ 93,644
Grants payable	315,398	16,766
Annuities payable	<u>93,338</u>	<u>119,444</u>
Total liabilities	<u>451,027</u>	<u>229,854</u>
Net assets		
Without donor restrictions	<u>779,996</u>	<u>534,028</u>
With donor restrictions		
For projects in Israel	-	110,548
Perpetual endowment	<u>246,398</u>	<u>246,398</u>
Total net assets with donor restrictions	<u>246,398</u>	<u>356,946</u>
Total net assets	<u>1,026,394</u>	<u>890,974</u>
Total liabilities and net assets	<u>\$ 1,477,421</u>	<u>\$ 1,120,828</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, 2020 (With comparative summarized totals as of December 31, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and support				
Contributions	\$ 2,546,727	\$ -	\$ 2,546,727	\$ 2,857,485
Contributions - PPP loan forgiveness	88,337	-	88,337	-
Gala contributions, net of direct expenditures				
2020: \$64,365, 2019: \$181,485	607,573	-	607,573	461,017
Missions	3,331	-	3,331	6,847
Event income, net of direct expenses				
2020: \$72,215, 2019: \$109,609	271,291	-	271,291	447,725
Merchandise sales (loss), net of cost of goods sold 2020: \$12,730, 2019: \$18,749	(2,284)	-	(2,284)	(16,514)
Net investment income	50,107	-	50,107	54,432
	<u>3,565,082</u>	<u>-</u>	<u>3,565,082</u>	<u>3,810,992</u>
Net assets released from restrictions	110,548	(110,548)	-	-
Total revenues and support	<u>3,675,630</u>	<u>(110,548)</u>	<u>3,565,082</u>	<u>3,810,992</u>
Expenses				
Program services				
Israel projects	2,825,519	-	2,825,519	2,875,169
Missions	77,565	-	77,565	145,733
Members' projects	184,498	-	184,498	235,327
Total program services	<u>3,087,582</u>	<u>-</u>	<u>3,087,582</u>	<u>3,256,229</u>
Support services				
Management and general	142,845	-	142,845	168,816
Fundraising	199,235	-	199,235	307,985
Total supporting services	<u>342,080</u>	<u>-</u>	<u>342,080</u>	<u>476,801</u>
Total expenses	<u>3,429,662</u>	<u>-</u>	<u>3,429,662</u>	<u>3,733,030</u>
Changes in net assets	245,968	(110,548)	135,420	77,962
Net assets, beginning of year	<u>534,028</u>	<u>356,946</u>	<u>890,974</u>	<u>813,012</u>
Net assets, end of year	<u>\$ 779,996</u>	<u>\$ 246,398</u>	<u>\$ 1,026,394</u>	<u>\$ 890,974</u>

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

# Emunah of America Inc.

## Statements of Functional Expenses

Year Ended December 31, 2020

(With comparative summarized totals for the year ended December 31, 2019)

	2020					2019	
	Program Services			Support Services		Total	Total
	Israel Projects	Missions	Members' Projects	Management and General	Fundraising		
Salaries, payroll taxes and benefits	\$ 207,328	\$ 34,555	\$ 108,600	\$ 29,618	\$ 113,537	\$ 493,638	\$ 544,905
Grants	2,488,537	-	-	-	-	2,488,537	2,419,150
Missions	-	-	-	-	-	-	6,839
Gala direct expenses	-	-	-	-	64,365	64,365	181,485
Events direct expenses	-	-	-	-	72,215	72,215	109,609
Cost of goods sold	-	-	-	-	12,730	12,730	18,749
Consultants	14,966	9,978	24,944	39,910	9,978	99,776	128,798
Postage and delivery	405	116	145	58	241	965	2,097
Marketing	10,180	2,909	3,636	1,454	6,060	24,239	19,108
Rent expense	14,968	4,277	5,346	2,138	8,910	35,639	47,336
Office expenses	24,223	6,922	8,652	3,461	14,421	57,679	62,775
Telephone	4,077	1,165	1,456	582	2,427	9,707	9,672
Travel	7,335	2,096	2,620	1,048	4,366	17,465	24,093
Supplies	10,169	2,905	3,632	1,453	6,053	24,212	22,280
Accounting and other	-	-	-	57,108	-	57,108	55,743
Events expense	8,656	2,597	7,791	1,154	8,656	28,854	289,605
Indirect benefit expense	9,748	2,924	8,773	1,300	9,748	32,493	-
Dues and subscriptions	3,263	932	1,166	466	1,943	7,770	7,965
Credit card fees and bank charges	18,818	5,376	6,721	2,688	11,201	44,804	39,274
Miscellaneous expenses	-	-	-	-	-	-	49,043
Depreciation	2,846	813	1,016	407	1,694	6,776	4,347
<b>Total expenses</b>	<b>\$ 2,825,519</b>	<b>\$ 77,565</b>	<b>\$ 184,498</b>	<b>\$ 142,845</b>	<b>\$ 348,545</b>	<b>\$ 3,578,972</b>	<b>\$ 4,042,873</b>
Less expenses deducted directly from revenues on the statement of activities and changes in net assets	-	-	-	-	(149,310)	(149,310)	(309,843)
<b>Total expenses reported by function on the statement of activities and changes in net assets</b>	<b>\$ 2,825,519</b>	<b>\$ 77,565</b>	<b>\$ 184,498</b>	<b>\$ 142,845</b>	<b>\$ 199,235</b>	<b>\$ 3,429,662</b>	<b>\$ 3,733,030</b>

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

## Emunah of America Inc.

### Statements of Cash Flows

Year Ended December 31, 2020

(With comparative summarized totals for the year ended December 31, 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 135,420	\$ 77,962
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	6,776	4,347
Realized loss (gain) on sale of investments	8,195	12,765
Unrealized (gain) loss on investments	22,331	20,364
Change in annuities payable	-	(987)
Inventory provision	-	18,749
(Increase) decrease in		
Contributions receivable, net	62,062	(40,548)
Prepaid expenses and other assets	(19,500)	-
Increase (decrease) in		
Accounts payable and accrued expenses	(51,353)	24,644
Grants payable	298,632	(83,234)
Net cash provided by operating activities	<u>462,563</u>	<u>34,062</u>
Cash flows from investing activities		
Sale of investments	52,914	209,453
Purchase of investments	(207,547)	(281,199)
Purchase of equipment	-	(14,574)
Net cash used in investing activities	<u>(154,633)</u>	<u>(86,320)</u>
Cash flows from financing activities		
Payment of annuities payable	(26,106)	(15,261)
Net cash used in financing activities	<u>(26,106)</u>	<u>(15,261)</u>
Net increase (decrease) in cash and cash equivalents	281,824	(67,519)
Cash and cash equivalents		
Beginning	<u>424,526</u>	<u>492,045</u>
End	<u>\$ 706,350</u>	<u>\$ 424,526</u>

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

# Emunah of America Inc.

## Notes to Financial Statements Years Ended December 31, 2020 and 2019

### 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. Emunah of Israel maintains counseling centers and three crisis centers; for children, families and adults of all backgrounds. Emunah of Israel also provides golden-age centers and hot meal programs for the elderly.

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. 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 services 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 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.

*Net Assets With Donor Restrictions* – Net assets with donor restrictions result from contributions and other inflows of assets subject to donor imposed restrictions that limit the use of the donated assets. 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.



## Emunah of America Inc.

### **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.

### **Event Income**

Revenue derived from events and the gala are recognized at a point in time when the events or gala takes place. Revenues are presented net of direct event expenses on the accompanying statement of activities and changes in net assets.

### **Merchandise Sales**

Revenue derived from merchandise sales are recognized as goods are delivered to the buyer. Revenues from merchandise sales are presented net of costs of goods sold on the accompanying statement of activities.

### **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:

- 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.

### **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 and is included in prepaid expenses and other current assets in the accompanying statement of financial position.

### **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.

## Emunah of America Inc.

### Grants Payable

Grants payable consist of amounts accumulated for the intended recipients. As of the date of issuance of these financial statements these amounts have been paid.

### 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.

### Marketing and Advertising

Advertising costs are charged to operations at the time the advertising occurs. Marketing and advertising expense for the years ended December 31, 2020 and 2019 amounted to \$28,872 and \$19,108, 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.

### Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. The reclassifications have no effect on net assets or the operating results of the prior year.

### 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 natural 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, 2019 from which summarized information was derived.

## Emunah of America Inc.

### 2. Contributions Receivable

Contributions receivable as of December 31, 2020 and 2019 are as follows:

	2020	2019
Due in less than one year	\$ 58,486	\$ 120,548
Less: allowance for uncollectible pledges	(10,000)	(10,000)
	<u>\$ 48,486</u>	<u>\$ 110,548</u>

### 3. Investments

The following summarizes investments at December 31, 2020 and 2019 by level within the fair value hierarchy used to measure their respective fair values.

	2020			2019		
	Fair Value	Level 1	Level 2	Fair Value	Level 1	Level 2
Corporate bonds	\$ 25,327	\$ -	\$ 25,327	\$ 285,063	\$ -	\$ 285,063
Mutual funds	378,366	378,366	-	135,892	135,892	-
Exchange-Traded securities	123,530	123,530	-	112,825	112,825	-
	527,223	<u>\$ 501,896</u>	<u>\$ 25,327</u>	<u>\$ 533,780</u>	<u>\$ 248,717</u>	<u>\$ 285,063</u>
Cash equivalents, at cost	161,239			30,575		
Total investments	<u>\$ 688,462</u>			<u>\$ 564,355</u>		

Net investment income (loss) for the years ended December 31, 2020 and 2019 are summarized as follows:

	2020	2019
Interest and dividends	\$ 23,830	\$ 25,417
Realized gain on investments	8,195	12,765
Unrealized gain on investments	22,331	20,364
Less: investment management fees	(4,249)	(4,114)
	<u>\$ 50,107</u>	<u>\$ 54,432</u>

### 4. Property and Equipment

Property and equipment consist of the following:

	Estimated useful life	2020	2019
Computer hardware and software	3 years	\$ 5,755	\$ 5,755
Website	3 years	35,824	35,824
		<u>41,579</u>	<u>41,579</u>
Less: accumulated depreciation		(33,331)	(26,555)
		<u>\$ 8,248</u>	<u>\$ 15,024</u>

Depreciation expense for the years ended December 31, 2020 and 2019 totaled \$6,776 and \$4,347, 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 an 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.

There were no annuity agreements written during the years ended December 31, 2020 and 2019.

### 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, 2020, cash and cash equivalents balances with Bank Leumi exceeded Federal Deposit Insurance Corporation limits by approximately \$309,000. The Organization believes it mitigates its risks by banking with major financial institutions.

### 7. Paycheck Protection Program Loan

On April 6, 2020, Emunah secured a loan from a bank for \$88,337 through the U.S. Small Business Administration's Paycheck Protection Program. The loan has an interest rate of 1% and matures April 6, 2022. The Organization expects that all of the loan will be forgiven in accordance with the provision of the paycheck protection program. The Organization is treating this as a conditional contribution under the provisions of ASC 958-605 which states:

- Conditional contributions are not recognized until the conditions are substantially met or explicitly waived
- The entity initially records the cash inflow from the PPP loan as a refundable advance
- The entity would then reduce the refundable advance and recognize the contribution once the conditions of the release have been substantially met or explicitly waived.

Emunah has determined that at December 31, 2020, all conditions for forgiveness have been met, and accordingly, has recognized the full amount of the loan as a contribution during the year ended December 31, 2020. In January 2021, Emunah received notification from the lender that the loan forgiveness application had been approved by the SBA.

### 8. 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>2020</u>	<u>2019</u>
The Silverstein Estate Fund (a)	<u>\$ 246,398</u>	<u>\$ 246,398</u>

- (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, 2020.

Endowment Net Assets by type of fund as of December 31, 2020:

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

Changes in Endowment Net Assets for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
	With Donor Restrictions	With Donor Restrictions
Endowment net assets, beginning of year	\$ 246,398	\$ 246,398
Investment return:		
Investment income	5,734	25,417
Net appreciation (depreciation)	2,554	29,015
Total investment income (loss)	8,288	54,432
Appropriation of endowment for expenditure	(8,288)	(54,432)
Endowment net assets, end of year	\$ 246,398	\$ 246,398

# Emunah of America Inc.

## 9. Related Party

A family member of the finance consultant is employed by the financial institution holding Emunah's investments, totaling \$688,462, and acts as an investment manager to Emunah. As of December 31, 2020 and 2019, fees paid to the financial institution amounted to \$4,249 and \$4,114, respectively. These fees are presented net of investment income in the accompanying statement of activities and changes in net assets.

## 10. Liquidity

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

Cash and cash equivalents	\$ 706,350
Contribution receivables, net	48,486
Investments	<u>688,462</u>
Total financial assets available within one year	<u>1,443,298</u>
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors in perpetuity	<u>(246,398)</u>
Total amounts unavailable for general expenditure within one year	<u>(246,398)</u>
Total amounts available for general expenditures within one year	<u>\$ 1,196,900</u>

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. The majority of investments held by Emunah could be easily liquidated if such need arose. Emunah has a goal to maintain its cash on hand to meet 60 days of normal operating expenses.

## 11. COVID-19

The emergence of the COVID-19 Coronavirus pandemic has led to significant disruption in the not-for-profit industry. For the year ended December 31, 2020, the COVID-19 pandemic cut into Emunah's ability to hold events and generate resources while experiencing increasing demand for their services and incurring unforeseen costs in Israel. Emunah had to do more with less money and reduced staff. However, the effect and impact of COVID-19 on 2020 operations was not significant due to the forgiveness of Emunah's PPP Loan and the commitment and generosity of the Emunah of America Board and donors.

## 12. Subsequent Events

Emunah has evaluated subsequent events through March 12, 2021, the date these financial statements were available to be issued.

**mazars**

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