

**Financial Statements and Supplementary Schedule Together with  
Report of Independent Certified Public Accountant  
FRIENDS OF YAD SARAH  
June 30, 2020  
(with Summarized Comparative Information for June 30, 2019)**

# Shelley C. Hubert, CPA, MPA

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors of Friends of Yad Sarah,

I have audited the accompanying financial statements of the Friends of Yad Sarah, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2020, and the related statement of activities 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 State 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.

### **Auditor's responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted the audit in accordance with audition 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 the 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 risk assessments, the auditor considers internal control relevant to the Organization'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 of the effectiveness of the Organization's internal control. Accordingly, I do not express such an 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 that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Yad Sarah, Inc. as of June 30, 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.

**Other Matters****Supplementary information**

The audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended June 30, 2020 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting records used to prepare the financial statements. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report of 2019 summarized comparative information**

I have previously audited the Organization's 2019 financial statements (not presented herein) and have expressed an unmodified audit opinion on those audited financial statements in my report dated April 15, 2021. In my opinion, the accompanying summarized comparative information as of June 30, 2020 and from the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Shelley Hubert,  
New York, NY  
NYS CPA #062198

**Friends of Yad Sarah**  
**Statement of Financial Position**

As of June 30, 2020 and 2019

<b>Assets:</b>		<b>Comparative</b>
<b>Current:</b>	<b><u>Fiscal 2020</u></b>	<b><u>Fiscal 2019</u></b>
Cash and cash equivalents (note 2)	\$ 307,618	\$ 126,101
Accrued Interest Receivable	<u>2,263</u>	<u>4,538</u>
Total Current Assets	309,881	130,639
Securities held for long-term investment (notes 2, 4)	6,043,165	8,498,804
Long Term Pledges and Charitable Remainder Trusts	735,420	847,801
Due From Affiliate	<u>1,402,158</u>	<u>1,402,158</u>
Total Long term Investments	<u>8,180,743</u>	<u>10,748,763</u>
Total Assets	<u><u>\$ 8,490,624</u></u>	<u><u>\$ 10,879,402</u></u>
 <b>Liabilities and Net Assets:</b>		
<b>Current Liabilities</b>		
Accounts Payable and accrued expenses	\$ 10,886	\$ 19,668
Due to Lifetime Beneficiaries (note 2)	<u>1,491,874</u>	<u>1,477,391</u>
	<u>1,502,760</u>	<u>1,497,059</u>
 <b>Net assets:</b>		
Without Donor Restrictions	6,161,840	8,479,130
With Donor Restrictions	<u>826,025</u>	<u>903,213</u>
Total net assets (note 2)	<u>6,987,864</u>	<u>9,382,343</u>
Total liabilities and net assets	<u><u>\$ 8,490,624</u></u>	<u><u>\$ 10,879,402</u></u>

*See accompanying notes to financial statements*

**Friends of Yad Sarah**  
**Statement of Activities**

*Twelve months ended June 30, 2020*

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Comparative 2019
<b>Revenues:</b>				
<b>Public Support:</b>				
Individuals	2,680,048	25,000	2,705,048	1,424,480
Foundations	821,379		821,379	979,800
Trusts and Estates	<u>142,093</u>	<u>-</u>	<u>142,093</u>	<u>1,025,050</u>
<b>Total Public Support</b>	<b>\$ 3,643,520</b>	<b>\$ 25,000</b>	<b>\$ 3,668,520</b>	<b>\$ 3,429,330</b>
<b>Investment Earnings</b>				
Interest Income	194,076	9,728	203,804	232,638
Realized Gains	183,200		183,200	155,853
Unrealized Gains/(Losses)	(140,673)		(140,673)	304,084
Other Income (Note 4)	383,827		383,827	
Net assets Released from Restrictions	<u>111,916</u>	<u>(111,916)</u>	<u>-</u>	<u>-</u>
<b>Total Revenue</b>	<b>4,375,866</b>	<b>(77,188)</b>	<b>4,298,678</b>	<b>4,121,905</b>
<b>Expenses:</b>				
Program Service	6,259,922		6,259,922	2,639,079
Management and general	134,848		134,848	113,373
Fundraising	<u>298,386</u>	<u>-</u>	<u>298,386</u>	<u>329,505</u>
<b>Total Expenses</b>	<b><u>6,693,156</u></b>	<b><u>-</u></b>	<b><u>6,693,156</u></b>	<b><u>3,081,957</u></b>
<b>Change in Net Assets</b>	<b>(2,317,290)</b>	<b>(77,188)</b>	<b>(2,394,479)</b>	<b>1,039,949</b>
<b>Net Assets, Beginning of Period</b>	<b><u>8,479,130</u></b>	<b><u>903,213</u></b>	<b><u>9,382,343</u></b>	<b><u>8,342,394</u></b>
<b>Net Assets, End of Period</b>	<b><u><u>\$ 6,161,840</u></u></b>	<b><u><u>\$ 826,025</u></u></b>	<b><u><u>\$ 6,987,864</u></u></b>	<b><u><u>\$ 9,382,343</u></u></b>

*See accompanying notes to financial statements*

**Friends of Yad Sarah**  
**Statement of Functional Expenses**

*Twelve months ended June 30, 2020*

	Program services and Public Education	Management and General	Fundraising	Total	Comparative fiscal 6/30/19
<b>Program Service transmissions:</b>					
<b>Total transmissions for the benefit of Yad Sarah and affiliates in Israel (note 2o)</b>	<b>\$ 5,699,484</b>			<b>\$ 5,699,484</b>	<b>1,955,669</b>
<b>Salaries and related expenses:</b>					
				-	
Salaries	104,743	47,724	46,242	198,708	205,052
Employment taxes and benefits	<u>27,662</u>	<u>23,016</u>	<u>11,585</u>	<u>62,264</u>	<u>65,343</u>
<b>Total salaries and related expenses</b>	<b>132,405</b>	<b>70,740</b>	<b>57,827</b>	<b>260,972</b>	<b>270,395</b>
<b>Other Expenses:</b>					
Direct Mail Design, Printing	166,939		71,545	238,485	269,860
Postage	62,103		26,615	88,718	108,999
Professional fees	124,293	13,310	94,053	231,656	292,174
Publications and advertisements	52,677		22,576	75,252	70,810
Conferences	8,802			8,802	-
Travel, Lodging, and Meals	7,888		3,381	11,269	19,601
Insurance	673	673	673	2,019	2,477
Supplies, office expenses, filing fees		8,254	17,057	25,310	35,112
Information technology	4,659	6,212	4,659	15,530	9,064
Occupancy					
Investment fees and bank charges	<u>-</u>	<u>35,660</u>	<u>-</u>	<u>35,660</u>	<u>35,798</u>
<b>Total expenses before depreciation</b>	<b>6,259,922</b>	<b>134,848</b>	<b>298,386</b>	<b>6,693,156</b>	<b>3,069,957</b>
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenses</b>	<b><u>\$ 6,259,922</u></b>	<b><u>\$ 134,848</u></b>	<b><u>\$ 298,386</u></b>	<b><u>\$ 6,693,156</u></b>	<b><u>\$ 3,069,957</u></b>

*See accompanying notes to financial statements*

**Friends of Yad Sarah**  
**Statement of Cash Flows**

*Twelve months ended June 30, 2020*

**Cash flow from operating activities:**

Change in net assets \$ (2,394,479)

Adjustments to reconcile change in net assets to net  
cash used in operating activities:

Accrued Interest receivable 2,275

Prepaid assets -

Pledges and Charitable Remainder Receivables 112,381

Notes Receivable -

Unrealized losses 140,673

Increase (decrease) in:

Accounts payable and accrued expenses (8,783)

Due to lifetime beneficiaries 25,368

Net cash provided by operating activities (2,122,565)

**Cash flows for financing activities:**

Purchases of Investments (1,953,732)

Proceeds from sale of investments 4,257,814

Net cash used by investing activities 2,304,082

Net Increase in cash and cash equivalents 181,517

Cash and cash equivalents, beginning of period 126,101

Cash and cash equivalents, end of period \$ 307,618

*See accompanying notes to financial statements*

**NOTE 1: ORGANIZATION**

Friends of Yad Sarah, Inc. (the "Organization") was incorporated in New York in 1976. Friends of Yad Sarah represents the mission of Yad Sarah to its friends in the USA and to the international community at the UN.

The defining mission of Yad Sarah is to enable chronically ill, disabled, infirm, and terminally ill people, ranging in age from infancy to old age, to live at home either on their own or in the care of their families or caregivers, with dignity and as independently as possible. With the dedicated help of 6,000+ volunteers supported by a small staff and operating through over 100 branches located in every corner of Israel, Yad Sarah provides an all-encompassing and fully integrated range of medical equipment and home-based healthcare support services, all for free or at nominal cost to hundreds of thousands of people in Israel annually.

**Nature of Activities**

Friends of Yad Sarah assists individuals, families and communities with dedication opportunities, volunteer projects, planned giving, and special events, raising much needed funds to support the work of the Yad Sarah organization and its dedicated corps of volunteers in Israel.

Friends of Yad Sarah helps arrange services for tourists with special needs and guided visits to Yad Sarah House, the organization's headquarters in Jerusalem.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with the U.S. generally accepted accounting principles.

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions- net assets available for use in general operations and are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired.
- Net assets with donor restrictions- net assets that are subject to donor-imposed restrictions that permit the Organization to use, expend or maintain the assets as specified. Some donor-imposed restrictions are temporary in nature, those restrictions can be satisfied either by the passage of time or by the actions of the Organization. Other donor-imposed restrictions can be perpetual in nature, where they must be maintained permanently by the Organization and only the income be used as specified by the donor.



Revenues are reported as increases in net assets without donor restrictions unless their use is limited by the donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. If an expense is incurred for a purpose for which the net assets with donor restrictions are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as a release from restrictions in the statement of activities. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donor or by law.

#### Comparative Totals

The 2020 financial statements are presented with prior year summarized comparative information. With respect to the statement of activities, such information is presented in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended June 30, 2019, from which the summarized information was derived.

#### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates made in the preparation of financial statements include the net realizable value of pledges, gift annuities, Charitable Remainder Trusts, and notes receivable.

#### Recently issued Accounting Pronouncement

In August 2016, FASB issued ASU 2016-14, not-for-profit Entities (Topic 958) Presentation of Financial Statements for 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.

In June 2018, the FASB issued ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which requires organizations to determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement (or a referenced document) includes both, the recipient is not entitled to the transferred assets (or a future transfer of assets) until it has overcome the barriers in the agreement. For recipients, the effective date of the amendments will align with Revenue from Contracts with Customers: effective for annual periods beginning after December 15<sup>th</sup>, 2018 (i.e., Organization's fiscal year 2019).

As of June 30, 2020, the Organization has not recorded any pledges that include a barrier to receipt.

### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organizations considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

### Contributions, Pledges, and Legacies Receivable

Unconditional contributions are recognized when pledged 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 within the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contribution of assets other than cash are recorded at their estimated fair value.

Unconditional promises to give are recorded as contributions at their net present value, discounted at 3% in fiscal 2020 and 2019 respectively. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. The Organization uses the allowance method to determine the uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Legacies are recorded when the will is declared valid, amount to be received can be reasonably estimated and the probate process is complete.

### Charitable Gift Annuities and Charitable Remainder Trusts

The Organization enters into agreements with donors to accept and administer charitable gift annuities, which provide for payments to the donors or their beneficiaries based upon specified annuity amounts. Assets held under charitable gift annuities are included in investments (Note 4). Contribution revenue is recognized at the date the annuity contract is established after recording the liability for the present value of the estimated future payments expected to be made to the donor and/or beneficiary. The liabilities are adjusted annually for changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimates of future payments.

The Organization is the beneficiary of certain charitable remainder trusts. The present value of the estimated future cash receipts from these trusts is recognized as an asset and as a contribution when the Organization is notified that the trust has been established.

### Donated Services and Gifts-in-Kind (GIF)

Donated services are reported as contributions and expenses in amounts equal to their estimated fair value on the date of receipt. GIF are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized.

A considerable number of individuals have donated significant amounts of their time to the Organization's program and supporting functions; however, these services do not meet criteria for recognition in accordance with U.S. generally accepted accounting principles and therefore are not recorded in the accompanying financial statements.

#### Due from Affiliate

In fiscal year ended 1995, Friends of Yad Sarah wired funds of \$2,800,000 to Yad Sarah, recording a transmission expense. Those funds were used by YSM, a wholly owned subsidiary of Yad Sarah which created a note payable to Friends of Yad Sarah. As Friends of Yad Sarah did not record this transaction as a receivable in the year of transfer when YSM made partial payments for its loan from fiscal 1995 to fiscal 2015, Friends of Yad Sarah transmitted those funds to Yad Sarah for operations. These transactions were researched in fiscal 2016 where Friends of Yad Sarah learned that YSM had created a loan payable which was valued at \$2,149,088 as of December 31, 2015. YSM has made a commitment to repay this debt by a maximum amount of \$250,000 per year until repaid. As such, Friends of Yad Sarah recognized a receivable for the fiscal year ended June 30, 2016 and recording a prior period adjustment.

#### Fixed Assets

Purchased property and equipment is capitalized at cost if purchase price is over \$3,000. All property and equipment with a purchase price of under \$3,000 is expensed in the year purchased. Property and equipment are depreciated using the straight-line method over estimated useful lives, ranging from three to five years. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific person.

#### Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. As a not-for-profit organization, the Organization is also exempt from state and local income taxes.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS and New York State, generally for three years after they are filed.

#### Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a function basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### Transmissions

All transmissions made to Yad Sarah, are made pursuant to authorization by the Board of Directors of the Organization.

### Note 3: PLEDGES AND LEGACIES RECEIVABLE, DUE FROM AFFILIATES

At June 30, 2020 and 2019, pledges, legacies, and CRT receivables:

Amount Due	<u>2020</u>	<u>2019</u>
Within One year	\$ 200,000	\$ 200,000
One to five years	450,000	500,000
More than five years	<u>160,429</u>	<u>210,517</u>
	810,429	912,536
Less discount to present value	<u>(75,009)</u>	<u>(66,199)</u>
Net Pledges and legacies receivable	<u>\$ 735,420</u>	<u>\$ 846,337</u>

The Organization is the ultimate beneficiary of a certain irrevocable charitable remainder trust. The value of the trust is \$149,635 and \$150,099 as of June 30, 2020 and 2019 respectively; and is included above in gross receivables.

At June 30, 2020 and 2019, Due from Affiliates

Amount Due	<u>2020</u>	<u>2019</u>
Within One year	\$ 250,000	\$ 250,000
One to five years	1,250,000	1,250,000
More than five years	<u>99,088</u>	<u>99,088</u>
	1,599,088	1,599,088
Less discount to present value	<u>(197,030)</u>	<u>(197,030)</u>
Net Pledges and legacies receivable	<u>\$ 1,402,058</u>	<u>\$ 1,402,058</u>

In the fiscal year ended 1995, Friends of Yad Sarah (FYS) wired funds of \$2,800,000 to Yad Sarah, recording a transmission expense. Those funds were used by YSM, a wholly owned subsidiary of Yad Sarah which created a note payable to FYS. As FYS did not record this transaction as a receivable in the year of transfer when YSM made partial payments for its loan from fiscal 1995 to fiscal 2015, FYS transmitted those funds to Yad Sarah for operations. These transactions were re researched in fiscal 2016 when FYS learned that YSM had created a loan payable valued at \$2,149,088 as of December 31, 2015. YSM has made a commitment to repay this debt by a maximum of \$250,000 per year until repaid. As such, FYS recognized the receivable for the fiscal year ended June 30, 2016 and recorded a prior period adjustment. Due to fiscal pressures surrounding the COVID pandemic, payments have been deferred until fiscal 2021.

#### **Note 4 INVESTMENTS**

Investments, at fair value are composed of the following at June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
	<u>Market value</u>	<u>Market value</u>
Cash and Cash Equivalents	\$ 475,594	\$ 1,404,878
Mutual Funds - Equities	2,217,309	3,372,849
Fixed income Securities	1,500	1,500
Mutual Funds- Fixed Income	2,666,097	3,421,020
Private Equity	682,665	298,557
Total	<u>\$ 6,043,165</u>	<u>\$ 8,498,804</u>

#### **Fair Value Measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. generally accepted accounting principles require the Organization to disclose the fair value of its assets and liabilities based on the level of observable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted priced (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within the Level I that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are observable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on a lower level of input that is significant to the fair value measurement. The classification of investments in the fair value hierarchy is not necessarily an indication of risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

The following tables summarize investments within the fair value hierarchy as of June 30, 2020 and 2019.

	Fiscal 2020			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 475,594			\$ 475,594
Fixed income Securities		1,500		1,500
Mutual Funds - Equities	2,217,309			2,217,309
Mutual Funds- Fixed Income		2,666,097		2,666,097
Private Equity			698,665	698,665
<b>Total</b>	<b>\$ 2,692,953</b>	<b>\$ 2,667,597</b>	<b>\$ 682,665</b>	<b>\$6,043,165</b>

	Fiscal 2019			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 1,404,878			\$ 1,404,878
Fixed income Securities	-	1,500		1,500
Mutual Funds - Equities	3,372,849			3,372,849
Mutual Funds- Fixed Income		3,421,020		3,421,020
Private Equity			298,557	298,557
<b>Total</b>	<b>\$ 4,777,727</b>	<b>\$ 3,422,520</b>	<b>\$ 298,557</b>	<b>\$ 8,498,804</b>

As required by US GAAP for fair value measurement, the following table summarizes the changes in fair values associated with Level 3 assets as of June 30, 2020 and 2019.

Balance as of June 30, 2019	\$ 298,557
Redemptions	
Realized gains	384,108
Balance as of June 30, 2020	<u>\$ 682,665</u>

Balance as of June 30, 2018	\$ 79,600
Redemptions	(0)
Unrealized gains	<u>218,957</u>
Balance as of June 30, 2019	<u>\$ 298,557</u>

Private Equity holdings represent investment in the Ariel Limited Fund and the Ascot Partners, L.P. which are funds that invested in funds operated by Bernard L. Madoff Investment Securities, LLC. The Ariel Limited Fund and the Ascot Partners L.P. is currently being liquidated by Bart M. Schwartz, as Receiver of the Funds. Bart M. Schwartz's investigation is ongoing, and it is currently unknown what amount investors shall ultimately receive as a return of their investment.

Both the Ariel Limited Fund and Ascot Partners, LP are to be considered a high-risk investment, and considered relatively illiquid. As of June 30, 2020, distributions totaling \$3,405,173 have been received. The stated net asset value as of June 30, 2020 for Ariel Limited Fund and Ascot Partners LP is \$37,195 and \$645,470 respectively.

Investments include amounts associated with charitable gift annuities of approximately \$2,565,000 and \$2,394,000 as of June 30, 2020 and 2019 respectively. These assets include additional amounts set aside by the Organization for state mandated insurance reserves, which are maintained at the required level.

#### Endowment

The Organization has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of both donor-imposed restricted funds held for long term investment and board designated funds. In accordance with NYPMIFA, the Board of Directors considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-imposed endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The Investment policies of the Organization
- When appropriate, alternatives to spending from donor-imposed and board designated funds and the possible effects on the Organization

The Organization's board of directors has authorized a policy designed to increase the value of investments in real terms (after inflation), and to protect overall investments from a potential market downturn, with the long-term goal to provide a predictable flow of funds to support operation. As of June 30, 2019, an annual board designated endowment spending rate has not been established.

#### **Note 5 RESTRICTIONS ON NET ASSETS**

Donor-Imposed time and purposes are held as restricted net assets for the fiscal year ended June 30, 2020 and 2019:

Purpose Restrictions:	<u>2020</u>	<u>2019</u>
Yad Sarah Branch Renovation	\$585,785	\$697,701
Yad Sarah Emergency Alarm Response Program (formally Permanently Restricted)	165,533	157,032
Yad Sarah Legal Services Program	<u>74,707</u>	<u>48,480</u>
	<u>\$826,025</u>	<u>\$903,213</u>

As of June 30, 2020, \$585,785 of restricted net assets have not been received and are included in Contributions Receivable. Management distributes funds in accordance with terms designated by donor-imposed restrictions. As of June 30, 2019, there are no donor-imposed Time Restricted Net Assets.

**NOTE 6 SUBSEQUENT EVENTS**

The Organization evaluated its June 30, 2020 financial statements for subsequent events through April 15, 2021 the date the financial statements were issued. The Organization is not aware of any subsequent events which would require recognition or disclosure on the accompanying financial statements.