

**AMERICAN COMMITTEE FOR THE
TEL AVIV FOUNDATION, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

AMERICAN COMMITTEE FOR THE TEL AVIV FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 - 9



CYWIAK & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

19 WEST 44TH STREET - SUITE 510
NEW YORK, NEW YORK 10036
(212) 764-3884
FAX (212) 764-2170

6202 20TH AVENUE
BROOKLYN, NEW YORK 11204
(718) 837-8550
FAX (718) 259-7225

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
American Committee for the Tel Aviv Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying statement of financial position of American Committee for the Tel Aviv Foundation, Inc. as of December 31, 2019 and 2018 and the related statements of activities, cash flows and functional expenses 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.

Auditor's 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 American Committee for the Tel Aviv Foundation, Inc. as of December 31, 2019 and 2018 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.

A handwritten signature in cursive script that reads "Offit & Company LLP".

CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
June 15, 2020

American Committee for the Tel Aviv Foundation, inc.
Statement of Financial Position
December 31, 2019 and 2018

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	\$ 517,878	\$ 916,651
Pledges and grants receivable - net	1,038,128	861,800
Security deposits and other	8,895	8,895
Total current assets	1,564,901	1,787,346
Pledges and grants receivable - noncurrent - net	307,500	80,000
TOTAL ASSETS	1,872,401	1,867,346
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	2,238	6,833
Due to Tel Aviv Foundation	947,708	1,342,986
Total liabilities	949,946	1,349,819
Commitments		
NET ASSETS		
Without donor restrictions	(463,410)	(463,410)
With donor restrictions	1,385,865	980,937
Total net assets	922,455	517,527
TOTAL LIABILITIES AND NET ASSETS	\$ 1,872,401	\$ 1,867,346

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

American Committee for the Tel Aviv Foundation, Inc.
Statement of Activities
Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:						
Tel Aviv Foundation	\$ 321,827	\$ -	\$ 321,827	\$ 287,004	\$ -	\$ 287,004
Individuals	54,449	2,692,493	2,746,942	51,213	1,269,604	1,320,817
Interest income	14,264		14,264	12,115		12,115
	<u>390,540</u>	<u>2,692,493</u>	<u>3,083,033</u>	<u>350,332</u>	<u>1,269,604</u>	<u>1,619,936</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	<u>2,287,565</u>	<u>(2,287,565)</u>	<u>-</u>	<u>4,354,793</u>	<u>(4,354,793)</u>	<u>-</u>
	2,678,105	404,928	3,083,033	4,705,125	(3,085,189)	1,619,936
EXPENSES:						
Program services	2,425,868		2,425,868	4,461,172		4,461,172
Management and general	104,554		104,554	85,596		85,596
Fundraising	147,683		147,683	158,357		158,357
	<u>2,678,105</u>	<u>-</u>	<u>2,678,105</u>	<u>4,705,125</u>	<u>-</u>	<u>4,705,125</u>
CHANGE IN NET ASSETS	-	404,928	404,928	-	(3,085,189)	(3,085,189)
NET ASSETS, BEGINNING OF YEAR	<u>(463,410)</u>	<u>980,937</u>	<u>517,527</u>	<u>(463,410)</u>	<u>4,066,126</u>	<u>3,602,716</u>
NET ASSETS, END OF YEAR	<u>\$ (463,410)</u>	<u>\$ 1,385,865</u>	<u>\$ 922,455</u>	<u>\$ (463,410)</u>	<u>\$ 980,937</u>	<u>\$ 517,527</u>

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

American Committee for the Tel Aviv Foundation, Inc.
Statement of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 404,908	\$ (3,085,189)
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Pledge discount amortization		
Changes in operating assets and liabilities		
Pledges and grants receivable	(403,828)	3,093,927
Accounts payable and accrued expenses	(4,595)	3,964
Due to Tel Aviv Foundation	(395,278)	(257,342)
	(398,793)	(244,640)
NET CASH PROVIDED BY OPERATING ACTIVITIES AND NET INCREASE IN CASH	(398,793)	(244,640)
CASH AT BEGINNING OF YEAR	916,651	1,161,291
CASH AT END OF YEAR	\$ 517,858	\$ 916,651

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

American Committee for the Tel Aviv Foundation, Inc.
Statement of Functional Expenses
Years Ended December 31, 2019 and 2018

	2019				2018			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 79,137	\$ 22,402	\$ 38,306	\$ 139,845	\$ 46,245	\$ 13,091	\$ 22,385	\$ 81,721
Payroll taxes	7,590	2,148	3,672	13,410	5,205	1,473	2,518	9,196
Employee benefits	939	266	454	1,659	1,020	289	494	1,803
Grants - Tel Aviv	2,287,565			2,287,565	4,354,793			4,354,793
Occupancy	35,119	8,780		43,899	34,220	8,555		42,775
Telephone and other	2,875	719		3,594	3,204	801		4,005
Office supplies and printing	7,203	1,801		9,004	10,116	2,529		12,645
Database			15,195	15,195			10,118	10,118
Postage and delivery	2,175	543		2,718	2,275	569		2,844
Professional fees		19,100		19,100		18,827		18,827
Insurance		5,778		5,778		5,824		5,824
Consulting			13,000	13,000				-
Bank charges and brokerage fees		1,543		1,543		10,507		10,507
Promotion and Advertising			6,698	6,698			61,776	61,776
Public relations			69,966	69,966			59,957	59,957
Travel and entertainment			392	392			1,109	1,109
Computer	3,265	817		4,082	4,094	1,024		5,118
Filing fees		4,476		4,476		3,652		3,652
Event expenses		33,675		33,675		14,440		14,440
Miscellaneous		2,506		2,506		4,015		4,015
Total Expenses	<u>\$2,425,868</u>	<u>\$ 104,554</u>	<u>\$ 147,683</u>	<u>\$ 2,678,105</u>	<u>\$4,461,172</u>	<u>\$ 85,596</u>	<u>\$ 158,357</u>	<u>\$4,705,125</u>

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

AMERICAN COMMITTEE FOR THE TEL AVIV FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies:

Nature of the Organization - American Committee for the Tel Aviv Foundation, Inc. ("the Organization") is a not-for-profit organization that provides humanitarian and charitable assistance to improve the quality of life of the residents of Tel Aviv-Jaffa, Israel. Support is provided to schools, social services, daycare centers, cultural and educational institutions and sport centers located throughout the city but mostly in disadvantaged areas.

Basis of Presentation - The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with principles generally accepted in the United States of America.

The Organization follows the Presentation of Financial Statements for Not-for-Profit Entities topic of the FASB Accounting Statements Codification. This pronouncement sets standards for the financial statement presentation for not-for-profit organizations. The Organization is required to report information regarding its financial position and activities according to two (2) classes of net assets: without donor restrictions and with donor restrictions based on the existence or absence of donor imposed restrictions. New assets with donor restrictions consists of assets whose use is limited by donor imposed time and/or purpose restrictions.

Pledges and Grants Receivable - Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimate future cash flows. The discounts on those amounts are computed using a risk adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Pledges and grant receivable are shown net of an allowance for doubtful accounts.

On a periodic basis, the Organization evaluates its receivables and establishes an allowance for doubtful accounts, based on history of past write-offs, collections and current credit conditions. Receivables are written off when management determines that a sufficient period of time has elapsed without receiving payment and the donors do not exhibit ability to meet their obligations.

Estimates and Uncertainties - 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.

AMERICAN COMMITTEE FOR THE TEL AVIV FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

**Note 1 - Nature of the Organization and Summary of Significant Accounting Policies:
(continued)**

Revenue Recognitions:

The Organization has adopted the Revenue Recognition for Not-for-Profit Entities topic of the FASB Accounting Standards Codification. In accordance with this standard, contributions received are recorded as without donor restrictions or with donor restrictions. All contributions are considered to be available without restrictions unless specifically restricted by the donor.

A number of Volunteers have made a contribution of their time to the Organization to develop its programs and serve on the board of directors. The value of this contributed time is not reflected in these financial statements since it does not meet the criteria for recognition.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses charged to restricted funds have been specifically charged to the grants/contracts in accordance with their terms and conditions.

Income Taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for Federal or State income taxes in the accompanying financial statements. The Organization has been determined by the Internal Revenue Service not to be a "Private Foundation" within the meaning of Section 509(a)(J) of the Internal Revenue Code. All significant tax positions have been considered by management and it has been determined that all tax positions would be sustained upon examination by taxing authorities. The Organization is required to file form 990 (Return of Organization Exempt from Income Tax), which is subject to examination by the Internal

Revenue Services (IRS) up to three years from the extended due date of the tax return. The forms 990 for 2016 through 2018 are open to examination by the IRS as of December 31, 2019.

Cash Equivalents and Credit Risk - Cash equivalents consist of short-term, highly liquid investments, which mature within one year of purchase. The balances in these financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. Cash in bank deposit accounts, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash equivalents.

AMERICAN COMMITTEE FOR THE TEL AVIV FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 2 - Pledges and Grant Receivables:

Pledges and grant receivable include unconditional promises to give as follows;

	<u>2019</u>	<u>2018</u>
Receivable in less than one year	\$ 1,133,201	\$ 948,567
Receivable in one to five years	<u>307,500</u>	<u>80,000</u>
	1,440,701	1,028,567
Less: Discount to present value	(10,073)	(1,767)
Less: allowance for doubtful accounts	<u>(85,000)</u>	<u>(85,000)</u>
	<u>\$ 1,345,628</u>	<u>\$ 941,800</u>

Note 3 - Related Party Transactions;

Contributions received from members of the Organization's Board of Directors, its officers or entities affiliated with these individuals, were approximately \$25,000 for 2019 and \$ 16,000 for 2018.

Note 4 - Due to Tel Aviv Foundation;

The balance due to Tel Aviv Foundation amounted to \$947,708 for 2019 and \$1,342,986 for 2018. The amount represents funds that have been designated by donors for specific projects in Israel which were not remitted prior to the end of the year.

Note 5 - Commitments;

The Organization leases its office facilities under a month to month basis. The total monthly rent is approximately \$3,800.

Note 6 - Subsequent Events;

Management has reviewed and evaluated all events and transactions from December 31, 2019 through June 15, 2020, the date that the financial statements are available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at the statement of financial position date have been recognized in the accompanying financial statements.