



**FINANCIAL REPORT**  
**December 31, 2021**

**ISRAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.**  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
IsraAID (US) Global Humanitarian Assistance, Inc.

### **Opinion**

We have audited the financial statements of IsraAID (US) Global Humanitarian Assistance, Inc. (Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern as of the date that the financial statements are available for issuance.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Singer Lewak LLP*

September 9, 2022

# ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.

## STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

### ASSETS

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,941,434	\$ 2,636,482
Investments	4,085	1,068
Grants and contributions receivable, net	4,257,177	6,138,131
Prepaid expenses and other assets	<u>12,986</u>	<u>14,761</u>
<b>Total assets</b>	<b><u>\$ 7,215,682</u></b>	<b><u>\$ 8,790,442</u></b>

### LIABILITIES AND NET ASSETS

#### Liabilities

Accounts payable and accrued expenses	<u>\$ 26,196</u>	<u>\$ 46,800</u>
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#### Net assets

Without donor restrictions	266,171	515,972
With donor restrictions	<u>6,923,315</u>	<u>8,227,670</u>

Total net assets	<u>7,189,486</u>	<u>8,743,642</u>
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<b>Total liabilities and net assets</b>	<b><u>\$ 7,215,682</u></b>	<b><u>\$ 8,790,442</u></b>
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See notes to financial statements.

# ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.

## STATEMENT OF ACTIVITIES Year Ended December 31, 2021

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	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support</b>			
Grants and contributions	\$ 1,201,160	\$ 4,520,564	\$ 5,721,724
Contributed services	48,491	-	48,491
Other income	9,699	-	9,699
Net assets released from restrictions	<u>5,824,919</u>	<u>(5,824,919)</u>	<u>-</u>
 Total revenue and support	 <u>7,084,269</u>	 <u>(1,304,355)</u>	 <u>5,779,914</u>
 <b>Expenses</b>			
Program services	6,754,006	-	6,754,006
Management and general	252,905	-	252,905
Fundraising	<u>327,159</u>	<u>-</u>	<u>327,159</u>
 Total expenses	 <u>7,334,070</u>	 <u>-</u>	 <u>7,334,070</u>
 <b>Total change in net assets</b>	 (249,801)	 (1,304,355)	 (1,554,156)
 <b>Net assets, beginning of year</b>	 <u>515,972</u>	 <u>8,227,670</u>	 <u>8,743,642</u>
 <b>Net assets, end of year</b>	 <u><b>\$ 266,171</b></u>	 <u><b>\$ 6,923,315</b></u>	 <u><b>\$ 7,189,486</b></u>

See notes to financial statements.

# ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.

## STATEMENT OF ACTIVITIES Year Ended December 31, 2020

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	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue and support</b>			
Grants and contributions	\$ 2,419,658	\$ 8,432,790	\$ 10,852,448
Contributed services	184,930	-	184,930
Other income	38,767	-	38,767
Net assets released from restrictions	<u>3,976,851</u>	<u>(3,976,851)</u>	<u>-</u>
 Total revenue and support	 <u>6,620,206</u>	 <u>4,455,939</u>	 <u>11,076,145</u>
 <b>Expenses</b>			
Program services	6,611,214	-	6,611,214
Management and general	325,239	-	325,239
Fundraising	<u>374,352</u>	<u>-</u>	<u>374,352</u>
 Total expenses	 <u>7,310,805</u>	 <u>-</u>	 <u>7,310,805</u>
 <b>Total change in net assets</b>	 (690,599)	 4,455,939	 3,765,340
 <b>Net assets, beginning of year</b>	 <u>1,206,571</u>	 <u>3,771,731</u>	 <u>4,978,302</u>
 <b>Net assets, end of year</b>	 <u><b>\$ 515,972</b></u>	 <u><b>\$ 8,227,670</b></u>	 <u><b>\$ 8,743,642</b></u>

See notes to financial statements.

# ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total	
Grants to affiliates	\$ 6,395,879	\$ -	\$ -	\$ -	\$ 6,395,879
Salaries, taxes, and benefits	288,233	120,196	294,546	414,742	702,975
Professional fees and services	60,687	66,046	-	66,046	126,733
Travel	939	15,293	6,335	21,628	22,567
Office	2,087	40,092	11,131	51,223	53,310
Program supplies and services	3,695	-	-	-	3,695
Events	-	-	1,036	1,036	1,036
Occupancy	-	5,425	-	5,425	5,425
Advertising, printing, and promotion	2,486	5,853	14,111	19,964	22,450
<b>Total expenses by function</b>	<b><u>\$ 6,754,006</u></b>	<b><u>\$ 252,905</u></b>	<b><u>\$ 327,159</u></b>	<b><u>\$ 580,064</u></b>	<b><u>\$ 7,334,070</u></b>

See notes to financial statements.



# ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total	
Grants to affiliates	\$ 5,985,640	\$ -	\$ -	\$ -	\$ 5,985,640
Salaries, taxes, and benefits	342,169	127,214	309,426	436,640	778,809
Professional fees and services	91,500	173,749	-	173,749	265,249
Travel	94,884	830	4,701	5,531	100,415
Office	32,986	20,211	25,022	45,233	78,219
Program supplies and services	47,635	-	-	-	47,635
Events	650	-	19,654	19,654	20,304
Occupancy	7,794	3,235	5,578	8,813	16,607
Advertising, printing, and promotion	6,856	-	9,971	9,971	16,827
Depreciation	1,100	-	-	-	1,100
<b>Total expenses by function</b>	<b><u>\$ 6,611,214</u></b>	<b><u>\$ 325,239</u></b>	<b><u>\$ 374,352</u></b>	<b><u>\$ 699,591</u></b>	<b><u>\$ 7,310,805</u></b>

See notes to financial statements.

# ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (1,554,156)	\$ 3,765,340
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	1,100
Amortization of discount on grants receivable	(26,092)	(17,598)
Loss on sale of equipment	-	5,717
Changes in operating assets and liabilities:		
Grants and contributions receivable	1,907,046	(2,859,154)
Accounts receivable	-	10,668
Prepaid expenses and other assets	1,775	3,824
Accounts payable and accrued expenses	(20,604)	20,074
	<u>307,969</u>	<u>929,971</u>
Net cash provided by operating activities		
	<u>307,969</u>	<u>929,971</u>
<b>Cash flows from investing activities</b>		
Sale of investments	(3,017)	1,263
Proceeds from sale of vehicle	-	1,800
	<u>(3,017)</u>	<u>3,063</u>
Net cash provided by (used in) investing activities		
	<u>(3,017)</u>	<u>3,063</u>
<b>Net increase in cash and cash equivalents</b>	304,952	933,034
<b>Cash and cash equivalents, beginning of year</b>	<u>2,636,482</u>	<u>1,703,448</u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 2,941,434</b></u>	<u><b>\$ 2,636,482</b></u>

See notes to financial statements.

# ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – NATURE OF ORGANIZATION

The IsraAID (US) Global Humanitarian Assistance, Inc. (Organization) is an independent 501(c)(3) organization founded in 2013 to provide lifesaving, immediate disaster relief and long-term support services for people affected by the trauma of crisis and displacement worldwide caused by natural and manmade disaster, disease and civil upheaval. This includes supporting disaster relief programs that not only respond to immediate, basic needs of affected communities, but afterwards provide training and capacity building so local communities will have the tools, skills and resilience to support themselves. In addition, the Organization educates the public on global humanitarian issues and engages professional volunteers and partners to support disaster relief activities that transform the trauma and grief of disasters through creative and effective techniques.

### NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

#### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments purchased with maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

#### Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, and realized and unrealized capital gains and losses, less investment expenses.

# ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

#### Grants and Contributions Receivable

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Management determined at December 31, 2021 and 2020 that no allowance was necessary.

#### Net Assets

Net assets and revenue, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net assets with donor restrictions* – net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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 in the statement of activities as net assets released from restrictions.

#### Contributed Services

The Organization records various types of in-kind support, including professional services and travel as contribution revenue. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of travel services are recognized at fair value when received. Professional and travel services is reflected in the accompanying statement of activities as contributed services. The related legal expense as of December 31, 2021 and 2020, amounting to \$40,307 and \$133,396, respectively, is included in professional fees and services and \$8,184 and \$44,788, respectively, is included in travel on the accompanying statement of functional expenses.

**ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)**

Revenue Recognition

Revenue is recognized when earned.

Contributions are recognized 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 a right of return, are not recognized until the conditions on which they depend have been substantially met. Conditional contributions are reported as net assets without donor restrictions when the condition and restriction are both met in the same reporting period. As of December 31, 2021 and 2020, there were no conditional promises to give.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that can be identified with a specific program or supporting service are charged directly to the related program or service. The majority of the Organizations expenditures are direct. Salary and related personnel costs as well as general administrative costs are allocated based on time spent on each activity.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code §501(c)(3). Management has analyzed the tax positions taken by the Organization, and has concluded that, as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Concentrations of Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts.

Credit risk associated with grants and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members and foundations supportive of the Organization's mission.

For the year ended December 31, 2021, three donors comprise 70% of grants and contributions receivable and two donors provided 23% of the Organization's grants and contributions. For the year ended December 31, 2020, three donors comprise 75% of grants and contributions receivable and two donors provided 46% of the Organization's grants and contributions.

**ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)**

Recent Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for fiscal years beginning after June 15, 2021, and for interim periods within annual periods beginning after June 15, 2022. This ASU is effective for the Organization beginning on January 1, 2022. The Organization is currently evaluating the impact of this new guidance on its financial statements.

**NOTE 3 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 2,941,434	\$ 2,636,482
Investments	4,085	1,068
Grants and contributions due in one year	2,575,378	2,782,924
Financial assets available to meet general expenditures within one year	<b>\$ 5,520,897</b>	<b>\$ 5,420,474</b>

The Organization considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

**ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4 – GRANTS AND CONTRIBUTIONS RECEIVABLE**

Grants and contributions receivable at December 31, 2021, are estimated to be collected as follows:

Within one year	\$ 2,575,378
In one to five years	<u>1,725,500</u>
	4,300,878
Less discount at net present value (1.90%)	<u>(43,701)</u>
	<b><u>\$ 4,257,177</u></b>

Grants and contributions receivable at December 31, 2020, are estimated to be collected as follows:

Within one year	\$ 2,782,924
In one to five years	<u>3,425,000</u>
	6,207,924
Less discount at net present value (1.31%)	<u>(69,793)</u>
	<b><u>\$ 6,138,131</u></b>

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2021 and 2020, net assets with donor restrictions are restricted for the following purposes or periods:

	<b>2021</b>	<b>2020</b>
<i>Subject to expenditure for a specified purpose</i>		
International Aid	\$ 3,425,974	\$ 3,628,816
US Operations	<u>346,966</u>	<u>309,271</u>
	3,772,940	3,938,087
<i>Subject to the passage of time</i>		
Promises to give that are not restricted by donors, but which are unavailable for expenditures until due	<u>3,150,375</u>	<u>4,289,583</u>
	<b><u>\$ 6,923,315</u></b>	<b><u>\$ 8,227,670</u></b>

**ISRAAID (US) GLOBAL HUMANITARIAN ASSISTANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or through the passage of time as follows for the years ended December 31, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
<i>Satisfaction of purpose restriction</i>		
International Aid	\$ 3,740,610	\$ 3,220,014
US Operations	10,304	224,072
	3,750,914	3,444,086
<i>Subject to the passage of time</i>		
Promises to give that are not restricted by donors, but which are unavailable for expenditures until due	2,074,005	532,765
	<b><u>\$ 5,824,919</u></b>	<b><u>\$ 3,976,851</u></b>

**NOTE 6 – RELATED PARTY TRANSACTIONS**

The Organization is an independent affiliate of IsraAID GLOBAL, an international humanitarian assistance organization. One member of the governing board of IsraAid GLOBAL serves on the board of directors of the Organization. In 2021 and 2020, the Organization made grants totaling \$6,395,879 and \$5,985,640, respectively, to IsraAID GLOBAL affiliates.

In 2021 and 2020, the Organization also received \$374,717 and \$453,477, respectively, in contributions from board members.

**NOTE 7 – UNCERTAINTIES**

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates.

**NOTE 8 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 9, 2022, which is the date the financial statements were available for issuance.