

*Paritz & Company, P.A.*

**AMERICAN SOCIETY FOR YAD VASHEM, INC.**

AUDITED FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT  
YEAR ENDED DECEMBER 31, 2010

AUDITED FINANCIAL STATEMENTS  
**AMERICAN SOCIETY FOR YAD VASHEM, INC.**

DECEMBER 31, 2010

---

Independent Auditors' Report .....	1
Statement of Financial Position .....	2
Statement of Activities .....	3
Statement of Cash Flows .....	4
Notes to Financial Statements .....	5-7

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
**American Society For Yad Vashem, Inc.**  
New York, New York

We have audited the accompanying statement of financial position of **American Society For Yad Vashem, Inc.** as of December 31, 2010 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **American Society for Yad Vashem, Inc.** as of December 31, 2010, and the results of its operations and changes in fund balance for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Hackensack, New Jersey  
September 21, 2011

*Paritz & Company P.A.*

AMERICAN SOCIETY FOR YAD VASHEM, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2010

---

**ASSETS**

Cash and cash equivalents	\$12,747,629
Investments	18,347,197
Other assets	165,300
Furniture and equipment, net of accumulated depreciation of \$73,711	10,378

**TOTAL ASSETS**

**\$31,270,504**

**LIABILITIES:**

Accounts payable	\$ 141,415
------------------	------------

**TOTAL LIABILITIES**

**141,415**

**NET ASSETS**

Unrestricted fund	161,014
Temporarily restricted fund	30,968,075

**TOTAL NET ASSETS**

**31,129,089**

**TOTAL LIABILITIES AND NET ASSETS**

**\$31,270,504**

---

See notes to financial statements

**AMERICAN SOCIETY FOR YAD VASHEM, INC.**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2010**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUES:</b>			
Contributions	\$1,661,412	\$7,973,126	\$ 9,634,538
Investment income	-	614,808	614,808
Net unrealized gain on investments	-	860,449	860,449
<b>NET ASSETS RELEASED FROM RESTRICTIONS:</b>			
Satisfaction of program restrictions	8,223,642	(8,223,642)	-
<b>TOTAL REVENUES</b>	<b>9,885,054</b>	<b>1,224,741</b>	<b>11,109,795</b>
<b>EXPENSES:</b>			
<i>Program services:</i>			
Grants	8,375,327	-	8,375,327
Public information	498,820	-	498,820
<b>Total program services</b>	<b>8,874,147</b>	<b>-</b>	<b>8,874,147</b>
<i>Support services:</i>			
Development/fund raising	849,414	-	849,414
General and administrative	294,988	-	294,988
<b>Total support services</b>	<b>1,144,402</b>	<b>-</b>	<b>1,144,402</b>
<b>TOTAL EXPENSES</b>	<b>10,018,549</b>	<b>-</b>	<b>10,018,549</b>
<b>CHANGES IN NET ASSETS</b>	<b>(133,495)</b>	<b>1,224,741</b>	<b>1,091,246</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>294,509</b>	<b>29,743,334</b>	<b>30,037,843</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 161,014</b>	<b>\$30,968,075</b>	<b>\$31,129,089</b>

See notes to financial statements

AMERICAN SOCIETY FOR YAD VASHEM, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2010

---

---

**OPERATING ACTIVITIES:**

Changes in net assets	\$1,091,246
<i>Adjustments to reconcile changes in net assets to net cash provided by operating activities</i>	
Depreciation	6,350
Unrealized gain on investments	(860,449)
Realized gain on investments	(220,148)
<i>Changes in operating assets and liabilities:</i>	
Decrease in other assets	91,224
Increase in accounts payable	141,415

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

**249,638**

---

**INVESTING ACTIVITIES:**

Proceeds from sale of investments	2,216,478
Purchase of investments	(14,409,718)
Acquisition of property and equipment	(12,454)

**NET CASH USED IN INVESTING ACTIVITIES**

**(12,205,694)**

---

**NET CHANGE IN CASH**

**(11,956,056)**

**CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR**

**24,703,685**

---

**CASH AND CASH EQUIVALENTS - END OF YEAR**

**\$12,747,629**

---

---

See notes to financial statements

AMERICAN SOCIETY FOR YAD VASHEM, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

---

**1 SIGNIFICANT ACCOUNTING POLICIES**

***Basis of presentation***

In 1996, the Organization adopted the accounting policies contained in Financial Accounting Standards Board ("FASB") Statement No. 117, Financial Statements for Not-for-Profit Organizations ("SFAS 117").

***Uses of estimates in the preparation of financial statements***

The preparation of financial statements in conformity with generally accepted accounting principles 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 net revenue and expenses during each reporting period. Actual results could differ from those estimates.

***Cash and cash equivalents***

The Organization considers all highly liquid debt investments with original maturities of three months or less when purchased to be cash equivalents. The carrying amounts approximate fair market value because of the short maturity.

The Organization maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's accounts at these institutions may, at times, exceed the Federally insured limits. The Organization has not experienced any losses in such accounts.

***Investments***

The Organization carries investments in marketable securities with readily determinable fair values at their fair values in the Statement of Financial Position. Money market accounts are stated at cost on a specific identification basis, which approximates market value.

***Property and equipment and depreciation policy***

Property and equipment are recorded at cost. Depreciation is provided in accordance with straight-line and accelerated methods in amounts sufficient to amortize the costs of the related assets at the expiration of their estimated useful lives.

Maintenance, repairs and minor renewals are charged to expense when incurred. Replacements and major renewals are capitalized.

---

## ***Tax Status***

The Organization is a non-profit voluntary organization exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code. Also, the Organization has been designated a publicly supported organization under Section 170(b)(1)(A)(vi) of the same code. Accordingly, contributions qualify for deduction at the maximum allowance of that code.

As of December 31, 2010 the Organization does not believe it has any uncertain tax positions that would require either recognition or disclosure in the accompanying financial statements.

## **2 DONATED SERVICES**

No amounts have been reflected in the financial statements for donated services, inasmuch as no objective basis is available to measure the value of such services; however, a number of volunteers have donated significant amounts of their time in the Organization's management and fund raising campaign.

## **3 FAIR VALUE MEASUREMENT**

The Organization carries its investments at fair value. Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs. A fair value hierarchy consists of three levels that are used to prioritize inputs to fair value techniques:

- Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1, consist of active listed equities.

Investments that trade in markets that are not considered to be active, but whose values are based on quoted market prices, dealer quotations or valuations provided by alternative pricing sources supported by observable inputs are classified as Level 2. These generally include certain U.S. government obligations and investment-grade corporate bonds.

Investments whose values are classified as Level 3 have significant unobservable inputs, as they may trade infrequently or not at all. Investments whose values are classified as Level 3 generally include private investments. When observable prices are not available for these securities, the Organization uses one or more valuation techniques (e.g., the market approach or the income approach) for which sufficient and reliable data is available.

Within Level 3 of the fair value hierarchy, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

The inputs used by the Organization in estimating the value of investments classified as Level 3 may include the original transaction price, quoted prices for similar securities or assets in active markets, completed or pending third-party transactions in the underlying investment or comparable issuers, and changes in financial ratios or cash flows.

The values assigned to investments are based on available information and do not necessarily represent amounts that might be realized if a ready market existed and such differences could be material. Furthermore, the ultimate realization of such amounts depends on future events and circumstances and therefore valuation estimated may differ from the values realized upon disposition of individual positions.

The carrying values and estimated fair values of the Organization's financial instruments for the periods presented are as follows:

	Carrying Value	Quote Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2010:</b>				
Financial Assets				
Bonds	\$17,598,575	\$17,598,575	\$ -	\$ -
Equities	748,622	748,622	-	-
<b>Total Financial Assets</b>	<b>\$18,347,197</b>	<b>\$18,347,197</b>	<b>\$ -</b>	<b>\$ -</b>

In the normal course of its business, the Organization's investments may be subject to the following risks:

Market risk represents the potential loss that can be caused by increases or decreases in the fair value of investments.

Interest rate risk is the risk that the fair value or future cash flows of fixed income or rate sensitive instruments will increase or decrease because of changes in interest rates. Generally the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the fair value of fixed income securities tends to decrease. Conversely, as interest rates fall, the fair value of fixed income securities tends to increase. This risk is generally greater for long-term securities than for short-term securities.

Credit risk represents the potential loss that would occur if counterparties fail to perform pursuant to the terms of their obligations. In addition to its investments, the Organization is subject to credit risk to the extent a custodian or broker with whom it conducts business is unable to fulfill contractual obligations.

Liquidity risk is the risk that the Organization will not be able to raise funds to fulfill its obligations, including inability to sell investments quickly or at close to fair value.

The Organization's other financial instruments primarily include cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued expenses. As of the balance sheet date, the estimated fair values of these financial instruments were not materially different from their carrying values as presented due to the short maturities of these instruments.

#### 4 RENTAL COMMITMENTS

The Organization is committed under an operating lease for its office space which expires December 31, 2011 and provides for annual rentals of approximately \$332,832. Rental expense for the year ended December 31, 2010 aggregated approximately \$294,000, including various escalation clauses. The balance was paid by other companies who shared office space with the Organization.

#### 5 DETAILS OF EXPENSES

The following represents the details of the natural classification of expenses and the allocation of the various expenses among the functions.

	GRANTS	PUBLIC INFORMATION	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL
Grant to:					
Yad Vashem-National					
Remembrance Authority	\$7,699,650	\$ -	\$ -	\$ -	\$ 7,699,650
Children's memorial	50,000	-	-	-	50,000
Development	-	-	-	34,787	34,787
Salaries	363,854	156,956	128,419	64,209	713,438
Payroll taxes	29,904	12,900	10,554	5,277	58,635
Occupancy	170,551	27,935	67,632	27,935	294,053
Telephone	5,136	1,712	1,113	599	8,560
Office supplies and expenses	5,154	7,444	10,880	5,154	28,632
Postage and mailings	14,321	24,009	1,685	2,106	42,121
Dues and subscriptions	-	-	200	-	200
Meetings and events	-	181,373	-	43,192	224,565
Professional fees	-	-	8,642	648,651	657,293
Advertising	-	13,413	-	-	13,413
Bank charges	-	-	1,118	-	1,118
Consulting	-	20,000	2,025	4,830	26,855
Printing and reproduction	-	38,504	3,899	6,336	48,739
Travel and entertainment	-	-	540	-	540
Insurance	32,312	13,939	11,404	5,703	63,358
Licenses and fees	-	-	7,510	-	7,510
Interest	-	-	38,732	-	38,732
Depreciation	4,445	635	635	635	6,350
	<u>\$8,375,327</u>	<u>\$498,820</u>	<u>\$294,988</u>	<u>\$849,414</u>	<u>\$10,018,549</u>

---

**6      SUBSEQUENT EVENTS**

The Organization has evaluated events after the date of these financial statements through September 21, 2011, the date that these financial statements were issued. There were no material subsequent events as of that date.