Paritz & Company, P.A.

AMERICAN SOCIETY FOR YAD VASHEM, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

YEAR ENDED DECEMBER 31, 2015

AUDITED FINANCIAL STATEMENTS

AMERICAN SOCIETY FOR YAD VASHEM, INC.

DECEMBER 31, 2015

Independent Auditors' Report 1

Statement of Financial Position 2

Statement of Activities 3

Statement of Functional expenses 4

Statement of Cash Flows 5

Notes to Financial Statements 6-10

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of **American Society For Yad Vashem, Inc.** which comprise the statement of financial position of December 31, 2015 and the related statements of activities, 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.

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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend upon the auditors' 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 opinion.

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, 2015, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Paritz & Company P.A.

Hackensack, New Jersey
October 24, 2016

AMERICAN SOCIETY FOR YAD VASHEM, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

ASSETS:	
Cash and cash equivalents	$12,972,833
Investments	38,999,610
Prepaid expenses and sundry current assets	200,280
Furniture and equipment, net of accumulated depreciation of $99,579	1,859
TOTAL ASSETS	**$52,174,582**
LIABILITIES:	
Accounts payable and accrued expenses	$ 384,773
Due to International Society For Yad Vashem, Inc.	481,304
TOTAL LIABILITIES	**866,077**
NET ASSETS:	
Unrestricted fund	871,909
Temporarily restricted fund	50,436,596
TOTAL NET ASSETS	**51,308,505**
TOTAL LIABILITIES AND NET ASSETS	**$52,174,582**

See notes to financial statements

AMERICAN SOCIETY FOR YAD VASHEM. INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES:			
Contributions	$ 3,858,897	$ 9,173,697	$13,032,594
Interest and dividend income	-	822,555	822,555
Net realized gain on investments	-	11,306	11,306
Net unrealized gain on investments	-	88,855	88,855
NET ASSETS RELEASED FROM RESTRICTIONS:			
Satisfaction of program restrictions	7,902,239	(7,902,239)	-
TOTAL REVENUES	**11,761,136**	**2,194,174**	**13,955,310**
EXPENSES:			
Program services:			
Grants	12,736,691	-	12,736,691
Public information	348,769	-	348,769
Total program services	**13,085,460**	**-**	**13,085,460**
Support services:			
Development/fund raising	1,450,197	-	1,450,197
General and administrative	993,328	-	993,328
Total support services	**2,443,525**	**-**	**2,443,525**
TOTAL EXPENSES	**15,528,985**	**-**	**15,528,985**
CHANGE IN NET ASSETS	**(3,767,849)**	**2,194,174**	**(1,573,675)**
NET ASSETS – BEGINNING OF YEAR	**4,639,758**	**48,242,422**	**52,882,180**
NET ASSETS – END OF YEAR	**$ 871,909**	**$50,436,596**	**$51,308,505**

See notes to financial statements

AMERICAN SOCIETY FOR YAD VASHEM, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2015

	GRANTS	PUBLIC INFORMATION	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL
Grant to Yad Vashem-National Remembrance Authority	$12,736,691	$ -	$ -	$ -	$12,736,691
Development	-	-	-	1,431	1,431
Salaries	-	112,947	588,136	273,746	974,829
Payroll taxes	-	8,195	42,672	19,861	70,728
Occupancy	-	-	223,891	-	223,891
Telephone	-	-	4,490	-	4,490
Office supplies and expense	-	-	16,349	-	16,349
Postage and mailings	-	20,356	6,090	8,782	35,228
Dues and subscriptions	-	-	268	-	268
Meetings and events	-	125,872	-	216,101	341,973
Professional fees	-	-	44,669	833,276	877,945
Advertising	-	26,389	-	796	27,185
Bank charges	-	-	2,731	-	2,731
Consulting	-	14,000	-	-	14,000
Printing and reproduction	-	32,024	6,114	29,929	68,067
Travel and entertainment	-	4,694	5,088	55,872	65,654
Insurance	-	4,292	37,665	10,403	52,360
Licenses and fees	-	-	6,864	-	6,864
Interest	-	-	4,750	-	4,750
Depreciation	-	-	3,551	-	3,551
	$12,736,691	**$348,769**	**$993,328**	**$1,450,197**	**$15,528,985**

See notes to financial statements

AMERICAN SOCIETY FOR YAD VASHEM, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2015

OPERATING ACTIVITIES:	
Change in net assets	$(1,573,675)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,551
Unrealized gain on investments	(88,855)
Realized gain on investments	(11,306)
Changes in operating assets and liabilities:	
Increase in other assets	(18,031)
Increase in accounts payable and accrued expenses	223,554
Increase in due to International Society For Yad Vashem, Inc.	211,323
NET CASH USED IN OPERATING ACTIVITIES	**(1,253,439)**
INVESTING ACTIVITIES:	
Acquisition of property and equipment	(2,231)
Proceeds from sale of investments	929,010
Purchase of investments	(3,239,822)
NET CASH USED IN INVESTING ACTIVITIES	**(2,313,043)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(3,566,482)**
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	**16,539,315**
CASH AND CASH EQUIVALENTS – END OF YEAR	**$12,972,833**

See notes to financial statements

1 ORGANIZATION

Founded in 1981 by a group of Holocaust survivors, the American Society For Yad Vashem, Inc. (The "Organization") works in partnership with Yad Vashem, the Holocaust Martyrs' and Heroes' remembrance Authority in Jerusalem ("Yad Vashem") to support their efforts in the areas of commemoration, education, research, capital improvement and special projects.

Yad Vashem was established in 1953 by the Israeli Parliament (Knesset) and was entrusted with the task of commemorating the six million murdered by the Nazis and their collaborators. It mandates Holocaust remembrance, commemoration and education to ensure the lessons of the Holocaust are secured for posterity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

In the absence of donor restrictions, contributions and bequests are considered to be available for unrestricted use. All income is recognized in the period when the contribution, pledge or unconditional promise to give is received. Legacies and bequests are not recorded in the accompanying financial statements until such time as the Organization has an unconditional right to the gift and the proceeds are measurable in amount. Donated assets are recorded as unrestricted contributions at their fair market value.

Basis of presentation

Under accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and results of activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. The accompanying financial statements have been prepared on the accrual basis of accounting.

Net assets

All financial transactions have been recorded as either unrestricted, temporarily restricted or permanently restricted net assets:

- Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Organization and include those expendable resources which have been designated for special use by the Board.

- Temporarily restricted net assets represent those amounts which are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

- Permanently restricted net assets result from donors who place restrictions on the use of their contributions which mandate that the original principal be invested in perpetuity. This original principal is reported as permanently restricted net assets, the income from which may be either temporarily restricted or unrestricted, depending on the donor's specification.

Investments

Investments in stocks and bonds are recorded on the basis of closing market prices or bid quotations. Money market accounts are stated at cost on a specific identification basis, which approximates market value.

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.

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.

Income taxes

The Organization was incorporated in the State of New York and is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is also exempt from similar state and local taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

The Organization has evaluated the provisions of ASC Topic 740, *Accounting for Uncertainty in Income Taxes.* The evaluation was performed for the tax years 2013 through 2015, the years which remain subject to examination by major tax jurisdictions as of December 31, 2015. The Organization concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

3 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.

4 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)
December 31, 2015:				
Financial Assets				
Bonds	$38,225,307	$38,225,307	$ -	$ -
Equities	774,303	774,303	-	-
Total Financial Assets	**$38,999,610**	**$38,999,610**	**$ -**	**$ -**

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.

5 DUE TO INTERNATIONAL SOCIETY FOR YAD VASHEM, INC.

The amount due to International Society for Yad Vashem, Inc. is non-interest bearing and due on demand.

6 CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Organization to significant concentrations of credit risk consist principally of cash. Cash balances at financial institutions are secured by the Federal Deposit Insurance Corporation up to $250,000. The Organization's accounts at these institutions may, at times, exceed the Federal insured limit.

The Organization has significant investments in equity and mutual funds and is therefore subject to concentrations of credit risk. Investments are made by investment managers engaged by the Organization and the investments are monitored for the Organization. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization and its beneficiaries.

7 RENTAL COMMITMENTS

The Organization is committed under an operating lease for its office space which expires April 30, 2019 and provides for annual rentals of approximately $355,000. Rental expense for the year ended December 31, 2015 aggregated approximately $223,891, including various escalation clauses. The balance was paid by other companies who shared office space with the Organization.

Future minimum lease commitments (excluding renewal options) under non-cancellable leases are approximately as follows:

Year ending December 31, 2016	$362,000
2017	369,000
2018	376,000
2019	385,000

8 SUBSEQUENT EVENTS

The Organization has evaluated events after the date of these financial statements through October 24, 2016, the date that these financial statements were issued. There were no material subsequent events as of that date which would require disclosure in or adjustments to these financial statements.