

**FINANCIAL STATEMENTS**

**NEW ISRAEL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2013  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2012**

# NEW ISRAEL FUND

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
New Israel Fund  
Washington, D.C.

We have audited the accompanying financial statements of the New Israel Fund (NIF), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and change in net assets 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 did not audit the financial activity of the New Israel Fund-Israel office (NIF - Israel), a field office located in Jerusalem, Israel, which statements reflect total assets constituting 17% of the combined total assets as of December 31, 2013 and total revenues constituting 16% of the combined total revenues for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the NIF - Israel office, is based solely on the report of the other auditors. 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 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, based on our report and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of NIF as of December 31, 2013, and the change 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.

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## Report on Summarized Comparative Information

We have previously audited NIF's 2012 financial statements and the financial activity of the NIF - Israel office was audited by other auditors, whose report was furnished to us dated March 31, 2013, and in our opinion, insofar as it relates to the amounts included for the NIF - Israel office, located in Jerusalem, Israel, was based solely on the report of the other auditors. We expressed an unmodified audit opinion on those audited financial statements in our report dated April 15, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Combining Schedule of Financial Position, Combining Schedule of Activities, Combining Schedule of Change in Net Assets, Schedule of Grants, and Schedule of Functional Expenses beginning on page 18 and ending on page 30, are presented for purposes of additional analysis and are not a required part of the financial statements. Such 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 such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



May 23, 2014

**NEW ISRAEL FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2013**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012**

**ASSETS**

	<u>2013</u>	<u>2012</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 5,948,327	\$ 9,293,615
Investments (Notes 2, 4 and 10)	9,021,247	10,896,184
Pledges receivable, current portion, net of allowance for doubtful accounts of \$81,713 and \$263,324 in 2013 and 2012, respectively (Note 3)	2,912,727	3,560,979
Bequest receivable	2,400,000	-
Accounts receivable	26,636	179,640
Prepaid expenses	<u>60,604</u>	<u>66,304</u>
Total current assets	<u>20,369,541</u>	<u>23,996,722</u>
<b>FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS</b>		
Furniture and equipment	1,972,351	1,866,466
Leasehold improvements	<u>110,706</u>	<u>110,706</u>
	2,083,057	1,977,172
Less: Accumulated depreciation and amortization	<u>(1,582,862)</u>	<u>(1,466,234)</u>
Net furniture, equipment and leasehold improvements	<u>500,195</u>	<u>510,938</u>
<b>OTHER ASSETS</b>		
Pledges receivable, net of current portion (Note 3)	9,685	599,855
Deposits	<u>84,918</u>	<u>84,918</u>
Total other assets	<u>94,603</u>	<u>684,773</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 20,964,339</u></b>	<b><u>\$ 25,192,433</u></b>

See accompanying notes to financial statements.

## LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 11)	\$ 1,773,181	\$ 1,611,475
Grants payable	4,247,028	5,811,718
Annuity payable, current portion (Notes 4 and 10)	31,836	48,764
Deferred rent abatement (Note 5)	<u>3,645</u>	<u>-</u>
Total current liabilities	<u>6,055,690</u>	<u>7,471,957</u>
<b>LONG-TERM LIABILITIES</b>		
Deferred rent abatement (Note 5)	87,473	74,796
Annuity payable (Notes 4 and 10)	<u>96,343</u>	<u>95,729</u>
Total long-term liabilities	<u>183,816</u>	<u>170,525</u>
Total liabilities	<u>6,239,506</u>	<u>7,642,482</u>
<b>NET ASSETS</b>		
Unrestricted	7,473,819	6,035,327
Temporarily restricted (Note 6)	5,151,017	9,249,160
Permanently restricted (Note 7)	<u>2,099,997</u>	<u>2,265,464</u>
Total net assets	<u>14,724,833</u>	<u>17,549,951</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 20,964,339</u></b>	<b><u>\$ 25,192,433</u></b>

## NEW ISRAEL FUND

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012**

	<u>2013</u>			<u>2012</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
<b>REVENUE</b>					
Contributions (Note 8)	\$ 24,587,494	\$ 2,377,000	\$ 354	\$ 26,964,848	\$ 29,151,166
Investment income (Note 2)	734,408	269,134	-	1,003,542	1,019,288
Special events	798,319	-	-	798,319	480,824
Other revenue	637,022	-	-	637,022	84,895
Net assets released from donor restrictions (Note 6)	<u>6,744,277</u>	<u>(6,744,277)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>33,501,520</u>	<u>(4,098,143)</u>	<u>354</u>	<u>29,403,731</u>	<u>30,736,173</u>
<b>EXPENSES</b>					
Program Services:					
Grants and Shatil	21,901,762	-	-	21,901,762	23,149,777
Other Programs	<u>3,607,601</u>	<u>-</u>	<u>-</u>	<u>3,607,601</u>	<u>3,443,037</u>
Total program services	<u>25,509,363</u>	<u>-</u>	<u>-</u>	<u>25,509,363</u>	<u>26,592,814</u>
Supporting Services:					
Management and General	3,817,101	-	-	3,817,101	3,756,780
Fundraising	<u>2,902,385</u>	<u>-</u>	<u>-</u>	<u>2,902,385</u>	<u>3,068,799</u>
Total supporting services	<u>6,719,486</u>	<u>-</u>	<u>-</u>	<u>6,719,486</u>	<u>6,825,579</u>
Total expenses	<u>32,228,849</u>	<u>-</u>	<u>-</u>	<u>32,228,849</u>	<u>33,418,393</u>
Change in net assets before other item	1,272,671	(4,098,143)	354	(2,825,118)	(2,682,220)
<b>OTHER ITEM</b>					
Transfer of assets (Note 7)	<u>165,821</u>	<u>-</u>	<u>(165,821)</u>	<u>-</u>	<u>-</u>
Change in net assets	1,438,492	(4,098,143)	(165,467)	(2,825,118)	(2,682,220)
Net assets at beginning of year	<u>6,035,327</u>	<u>9,249,160</u>	<u>2,265,464</u>	<u>17,549,951</u>	<u>20,232,171</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 7,473,819</u></b>	<b><u>\$ 5,151,017</u></b>	<b><u>\$ 2,099,997</u></b>	<b><u>\$ 14,724,833</u></b>	<b><u>\$ 17,549,951</u></b>

See accompanying notes to financial statements.

## NEW ISRAEL FUND

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (2,825,118)	\$ (2,682,220)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	152,710	138,722
Unrealized gain on investments	(913,788)	(879,124)
Realized gain	(81,896)	(1,860)
Gain on disposal of fixed assets	(72)	-
Bad debt expense	-	233,343
(Contributions) releases from restricted for permanently restricted net assets	(354)	1,902
(Increase) decrease in:		
Pledges receivable	1,238,422	(1,718,120)
Bequest receivable	(2,400,000)	-
Accounts receivable	153,004	284,684
Prepaid expenses	5,700	(14,439)
Deposits	-	(348)
Assets held in Charitable Remainder Trust	-	57,373
Increase (decrease) in:		
Accounts payable and accrued liabilities	161,706	17,902
Grants payable	(1,564,690)	292,988
Liability under trust agreement	-	(49,373)
Annuity payable	(16,314)	(37,034)
Deferred rent abatement	<u>16,322</u>	<u>25,051</u>
Net cash used by operating activities	<u>(6,074,368)</u>	<u>(4,330,553)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of furniture and equipment	(141,895)	(297,051)
Net proceeds from sale of investments	<u>2,870,621</u>	<u>4,752,385</u>
Net cash provided by investing activities	<u>2,728,726</u>	<u>4,455,334</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions (releases) from permanently restricted net assets	<u>354</u>	<u>(1,902)</u>
Net cash provided (used) by financing activities	<u>354</u>	<u>(1,902)</u>
Net (decrease) increase in cash and cash equivalents	(3,345,288)	122,879
Cash and cash equivalents at beginning of year	<u>9,293,615</u>	<u>9,170,736</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 5,948,327</u></b>	<b><u>\$ 9,293,615</u></b>
<b>SUPPLEMENTAL INFORMATION</b>		
<b>Stock Contributions</b>	<b><u>\$ 905,323</u></b>	<b><u>\$ 1,169,659</u></b>

See accompanying notes to financial statements.



**NEW ISRAEL FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

Organization -

The New Israel Fund (NIF) is a publicly-supported not-for-profit organization whose purpose is to provide grants and technical assistance to organizations in Israel that are dedicated to strengthening democracy and achieving positive social change in Israel and to provide public education in North America and Israel in support of these goals.

NIF has established an office in Israel. The New Israel Fund-Israel (NIF - Israel) office was organized in the United States and registered in Israel as a foreign company in accordance with the Company Ordinance, 1929, on April 22, 1980. Included in the accompanying financial statements are the amounts from financial statements for the NIF - Israel office, that were audited by other auditors, whose reports have been furnished to us. At December 31, 2013, the audited financial statements of the NIF - Israel office have been combined with the accounts of NIF. All intercompany transactions between the office in D.C. and Israel have been eliminated during combination.

Basis of presentation -

NIF's financial statements have been prepared using the accrual basis of accounting. As such, revenue is recognized when earned and expenses when incurred.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with NIF's financial statements for the year ended December 31, 2012, from which the summarized information was derived.

Cash and cash equivalents -

NIF considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents with the exception of cash equivalents held in the investment portfolio. They are included with investments.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, NIF maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Cash held in the foreign country is uninsured. These financial statements were prepared in accordance with generally accepted accounting principles in Israel.

Foreign operations -

The financial statements include the NIF - Israel office and the accounting records are maintained in the functional currency of the foreign country, which is the Israeli Shekel.

Assets and liabilities denominated in the functional currency are converted into U.S. Dollars at year-end exchange rates, and revenue and expense accounts are translated at the average rates in effect during the year. Exchange gains and losses are reported in the Statement of Activities and Change in Net Assets.

**NEW ISRAEL FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**  
**(Continued)**

Furniture, equipment and leasehold improvements -

Furniture and equipment costing in excess of \$1,000 are capitalized and depreciated over the life of the asset ranging from three to seven years. Leasehold improvements are capitalized and amortized over the life of the lease.

Pledges receivable -

Outstanding pledges at December 31, 2013 are for the general support of NIF and for donor-advised gifts. Management has established an allowance for doubtful accounts in the amount of \$81,713 at December 31, 2013.

Accounts receivable and bequest receivable -

Accounts receivable and bequest receivable are stated at their net realizable value, which approximates fair value. Management considers all accounts to be collectible.

Investments -

Investments are recorded at their readily determinable fair value. Interest and dividend income is recorded as revenue when earned. Realized and unrealized gains and losses from investments are included in investment income, which are reflected in the Statement of Activities and Change in Net Assets.

Net asset classification -

The net assets are reported in three self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of New Israel Fund and include designated and Board designated funds.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of NIF and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.
- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in-perpetuity by NIF. Investment earnings are utilized for programs or operations depending on donor intent.

Income taxes -

NIF is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. NIF is not a private foundation.

## NEW ISRAEL FUND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Grant expenses -

Core grants and donor advised grants are recorded as expenses and liabilities at the time the Board approves the specific grant.

##### Uncertain tax positions -

For the year ended December 31, 2013, NIF has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

##### Contributions -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

##### 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 and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

##### Use of estimates -

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

##### Risks and uncertainties -

NIF invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, foreign exchange and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

##### Fair value measurement -

NIF adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. NIF accounts for a significant portion of their financial instruments at fair value or considers fair value in their measurement.

**NEW ISRAEL FUND**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**2. INVESTMENTS**

The investments are recorded at their readily determinable fair value, which approximates fair value. Investments at December 31, 2013 are as follows:

Money market funds	\$ 555,485
Mutual funds	251,966
Bonds	805,156
Alternative investments	<u>7,408,640</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 9,021,247</u></b>

Included in the investment portfolio under alternative investments is an ownership in Global Endowment Management. At December 31, 2013, there was \$7,408,640 in the portfolio and \$1,600,000 in transit. For the year ended December 31, 2013, there were no uncalled commitments or lock-up periods.

Included in investments is the fair value of their split interest agreements in the amount of \$1,063,488 (see Note 4).

Investment income for the year ended December 31, 2013 consisted of the following:

Unrealized gain	\$ 913,788
Realized gain	81,896
Interest and dividends	<u>7,858</u>
<b>TOTAL INVESTMENT INCOME</b>	<b><u>\$ 1,003,542</u></b>

**3. PLEDGES RECEIVABLE**

Pledges receivable are stated at their net realizable value which approximates fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor. Pledges that are long-term have been discounted using an interest rate of 3.25%.

Following is a summary of maturities of pledges receivable at December 31, 2013:

<b><u>Year Ending December 31,</u></b>	
2014	\$ 2,994,440
2015	<u>10,000</u>
Subtotal	3,004,440
Less: Allowance to discount pledge to present value	(315)
Less: Reserve for uncollectable grants	<u>(81,713)</u>
<b>PLEDGES RECEIVABLE, NET</b>	<b><u>\$ 2,922,412</u></b>

## NEW ISRAEL FUND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

#### 4. SPLIT INTEREST AGREEMENTS

NIF's split interest agreements with donors consist of Charitable Gift Annuities. Charitable Gift Annuities are unrestricted irrevocable gifts under which NIF agrees in turn to pay a life annuity to the donor or designated beneficiary. The contributed funds and the corresponding liabilities immediately become part of the general assets and liabilities of NIF, subject to NIF maintaining an actuarial reserve in accordance with state law. Contribution revenue for charitable gift annuities is recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments to be made to the respective donors and/or beneficiaries.

The present value of payments to beneficiaries of charitable gift annuities are calculated using discount rates which represent the risk-free rates in existence at the date of the gift. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the respective net asset class in the Statement of Activities and Change in Net Assets. For the year ended December 31, 2013, the fair market value of the gift annuities totaled \$1,063,488 and the present value of the annuities totaled \$128,179, of which \$31,836 and \$96,343 are recorded as a current liability and long-term liability, respectively.

#### 5. LEASE COMMITMENTS

NIF entered into a sublease agreement for office space in Washington, D.C., commencing April 1, 2011 and expiring April 29, 2019. The sublease agreement specified that annual rent will be \$186,189, with annual escalation increases agreed upon by both parties and stipulated in the lease agreement. NIF sub-subleased a portion of the subleased office space for a term concurrent to the sublease lease term. The sub-sublease agreement specified that annual rent will be \$61,216, with annual escalation increases agreed upon by both parties and stipulated in the lease agreement.

NIF entered into an office lease in New York, New York, commencing February 1, 2004 and expiring June 30, 2015. The lease agreement specified that annual rent will be \$62,400 per year, with an annual adjustment agreed upon by both parties and stipulated in the lease agreement. On November 15, 2011, NIF amended the lease to acquire additional space which expires on June 30, 2015. The modified lease agreement increased the annual rent by \$61,382, with annual adjustment agreed upon by both parties and stipulated in the lease agreement.

NIF entered into a sublease agreement for office space in Boston, Massachusetts, which commenced on July 1, 2011 and expired on June 30, 2012. NIF entered into a new office lease agreement in Newton, Massachusetts, commencing June 1, 2011 and expiring May 31, 2015. The lease agreement specified that annual rent will be \$12,000.

NIF entered into an office lease in San Francisco, California, commencing November 1, 2011 and expiring October 31, 2016. The lease agreement specified that annual rent will be \$44,820, with an annual adjustment agreed upon by both parties and stipulated in the lease agreement.

NIF entered into several office leases located in New Jersey and Israel, expiring in 2013 through 2016.

In accordance with accounting principles generally accepted in the United States of America, rent expense should be recognized on a straight-line basis over the term of the lease agreement. At December 31, 2013, deferred rent was \$91,118, which is included in the Statement of Financial Position.

Rent expense for the year ended December 31, 2013 was \$746,377.

NEW ISRAEL FUND

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

5. LEASE COMMITMENTS (Continued)

Future minimum lease payments are as follows at December 31, 2013:

Year Ending December 31,

2014	\$ 757,376
2015	691,404
2016	339,599
2017	296,429
2018	<u>325,146</u>
	<b>\$ <u>2,409,954</u></b>

NIF entered into two sublease agreements. The future minimum sublease payments to be received are as follows at December 31, 2013:

Year Ending December 31,

2014	\$ 68,198
2015	70,926
2016	73,763
2017	76,713
2018	<u>106,903</u>
	<b>\$ <u>396,503</u></b>

Rental income in the amount of \$65,575 is netted against rent expense and allocated to the various cost centers in the Statement of Activities and Change in Net Assets.

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2013:

Programs and projects - NIF-U.S.	\$ 3,106,606
Programs and projects - NIF-Israel	<u>2,044,411</u>
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS</b>	<b>\$ <u>5,151,017</u></b>

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

Programs and projects - NIF-U.S.	\$ 5,319,072
Programs and projects - NIF-Israel	<u>1,425,205</u>
<b>TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b>\$ <u>6,744,277</u></b>

7. ENDOWMENT

NIF's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

**NEW ISRAEL FUND**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**7. ENDOWMENT (Continued)**

As a result of this interpretation, NIF classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, NIF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

At December 31, 2013, permanently restricted endowment funds that are required to be retained permanently either by explicit donor stipulation or by UPMIFA totaled \$2,099,997; the income from which is expendable to support grants and projects.

Changes in endowment net assets for the year ended December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 76,081	\$ 2,265,464	\$ 2,341,545
Net appreciation of investments	-	269,134	-	269,134
Contributions	-	-	354	354
Appropriation of endowment assets for expenditure	-	(253,604)	-	(253,604)
Other changes: Transfer of assets	-	-	(165,821)	(165,821)
<b>ENDOWMENT NET ASSETS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 91,611</b>	<b>\$ 2,099,997</b>	<b>\$ 2,191,608</b>

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as fund of perpetual duration. In accordance with GAAP, there were no deficiencies of this nature as of December 31, 2013.

## NEW ISRAEL FUND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

#### 7. ENDOWMENT (Continued)

##### Return Objectives and Risk Parameters -

NIF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Endowment assets include those assets of donor-restricted funds that the organization must hold in-perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. NIF expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

##### Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, NIF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). NIF targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

##### Spending Policy and How the Investment Objectives Relate to Spending Policy -

The Board of Directors authorizes the appropriations of spending during the Board approval of the budget. NIF considers the long-term expected return on its endowment. Accordingly, over the long-term, NIF expects the current spending policy to allow its endowment to grow annually. This is consistent with NIF's objective to maintain the purchasing power of the endowment assets held in-perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

#### 8. TRANSFER TO AFFILIATES

NIF entered into agreements with the N.I.F. Canadian Charitable Trust (NIFC) and the New Israel Fund in Great Britain (NIFGB) whereby NIF acts as their agent in supporting certain projects and making certain grants in Israel.

#### 9. PENSION PLAN

NIF - U.S. has a company-paid 401(a) money purchase plan. After a two-year vesting period, employees accrue five percent of their salary that is tax free until withdrawn. The actual percentage can be changed, based on the financial results each year, and is approved by the Board of Directors. The actual percentage for the year ended December 31, 2013 was two percent. Pension expense for the year ended December 31, 2013 was \$52,466.

#### 10. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, NIF has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.



**NEW ISRAEL FUND**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**10. FAIR VALUE MEASUREMENT (Continued)**

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market NIF has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2013.

- *Money market funds* - The fair value is equal to the reported net asset value of the fund.
- *Mutual funds* - The fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained.
- *Bonds* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Interests in hedge funds, limited partnerships, private equity funds* - These instruments do not have a readily determinable fair value. The fair values used are generally determined by the general partner or management of the entity and are based on appraisals or other estimates that require varying degrees of judgment. Inputs used in determining fair value may include the cost and recent activity concerning the underlying investments in the funds or partnerships.
- *Annuities payable* - These liabilities are carried at actuarial determined present values which approximate current value.

The table below summarizes, by level within the fair value hierarchy, NIF's investments as of December 31, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Asset Class:</b>				
Money market funds	\$ 555,485	\$ -	\$ -	\$ 555,485
Mutual funds	251,966	-	-	251,966
Bonds	805,156	-	-	805,156
Alternative investments	<u>-</u>	<u>-</u>	<u>7,408,640</u>	<u>7,408,640</u>
Total investments	1,612,607	-	7,408,640	9,021,247
<b>Liability Class:</b>				
Annuity payable	<u>-</u>	<u>128,179</u>	<u>-</u>	<u>128,179</u>
<b>TOTAL</b>	<b><u>\$ 1,612,607</u></b>	<b><u>\$ 128,179</u></b>	<b><u>\$ 7,408,640</u></b>	<b><u>\$ 9,149,426</u></b>

**NEW ISRAEL FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**10. FAIR VALUE MEASUREMENT (Continued)**

**Level 3 Financial Assets**

The following table provides a summary of changes in fair value of New Israel Fund's financial assets for the year ended December 31, 2013:

	<u>Investments</u>
Beginning balance as of December 31, 2012	\$ 8,818,536
Unrealized and realized gains	842,978
Purchases/Distributions	<u>(2,252,874)</u>
<b>BALANCE AS OF DECEMBER 31, 2013</b>	<b><u>\$ 7,408,640</u></b>

**11. SEVERANCE**

NIF - Israel has recorded a liability reflecting the difference between the total obligation for severance pay, less the amounts that have been deposited in pension and provident funds and management insurance policies.

The designated funds reflect amounts deposited in a central severance pay fund.

The balance presented in the NIF - Israel Statement of Financial Position is the difference between the liability and the amounts deposited in the central severance pay fund, and reflects the amount NIF - Israel needs to cover from its own sources for severance pay.

The fund has an accrued severance liability of \$174,792 payable to the Executive Director upon termination of employment.

**12. SUBSEQUENT EVENTS**

In preparing these financial statements, the New Israel Fund has evaluated events and transactions for potential recognition or disclosure through May 23, 2014, the date the financial statements were issued.

## **SUPPLEMENTAL INFORMATION**

**NEW ISRAEL FUND**

**COMBINING SCHEDULE OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2013**

**ASSETS**

	<u>New Israel Fund - U.S.</u>	<u>New Israel Fund - Israel Office</u>	<u>Total New Israel Fund</u>	<u>Eliminations</u>	<u>Combined</u>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 4,464,398	\$ 1,483,929	\$ 5,948,327	\$ -	\$ 5,948,327
Investments	7,949,802	1,071,445	9,021,247	-	9,021,247
Pledges receivable, current portion, net of allowance for doubtful accounts of \$81,713 in 2013	2,374,707	538,020	2,912,727	-	2,912,727
Bequest receivable	2,400,000	-	2,400,000	-	2,400,000
Accounts receivable	14,939	11,697	26,636	-	26,636
Prepaid expenses	38,050	22,554	60,604	-	60,604
Due from NIF - U.S.	<u>-</u>	<u>492,702</u>	<u>492,702</u>	<u>(492,702)</u>	<u>-</u>
Total current assets	<u>17,241,896</u>	<u>3,620,347</u>	<u>20,862,243</u>	<u>(492,702)</u>	<u>20,369,541</u>
<b>FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS</b>					
Furniture and equipment	90,809	1,881,542	1,972,351	-	1,972,351
Leasehold improvements	<u>110,706</u>	<u>-</u>	<u>110,706</u>	<u>-</u>	<u>110,706</u>
	201,515	1,881,542	2,083,057	-	2,083,057
Less: Accumulated depreciation and amortization	<u>(81,577)</u>	<u>(1,501,285)</u>	<u>(1,582,862)</u>	<u>-</u>	<u>(1,582,862)</u>
Net furniture, equipment and leasehold improvements	<u>119,938</u>	<u>380,257</u>	<u>500,195</u>	<u>-</u>	<u>500,195</u>
<b>OTHER ASSETS</b>					
Pledges receivable, net of current portion	9,685	-	9,685	-	9,685
Deposits	<u>84,918</u>	<u>-</u>	<u>84,918</u>	<u>-</u>	<u>84,918</u>
Total other assets	<u>94,603</u>	<u>-</u>	<u>94,603</u>	<u>-</u>	<u>94,603</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 17,456,437</u></b>	<b><u>\$ 4,000,604</u></b>	<b><u>\$ 21,457,041</u></b>	<b><u>\$ (492,702)</u></b>	<b><u>\$ 20,964,339</u></b>

## LIABILITIES AND NET ASSETS

	<u>New Israel Fund - U.S.</u>	<u>New Israel Fund - Israel Office</u>	<u>Total New Israel Fund</u>	<u>Eliminations</u>	<u>Combined</u>
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 543,014	\$ 1,230,167	\$ 1,773,181	\$ -	\$ 1,773,181
Grants payable	4,159,030	87,998	4,247,028	-	4,247,028
Due from NIF - Israel	492,702	-	492,702	(492,702)	-
Annuity payable, current portion	31,836	-	31,836	-	31,836
Deferred rent abatement	<u>3,645</u>	<u>-</u>	<u>3,645</u>	<u>-</u>	<u>3,645</u>
Total current liabilities	<u>5,230,227</u>	<u>1,318,165</u>	<u>6,548,392</u>	<u>(492,702)</u>	<u>6,055,690</u>
<b>LONG-TERM LIABILITIES</b>					
Deferred rent abatement	87,473	-	87,473	-	87,473
Annuity payable	<u>96,343</u>	<u>-</u>	<u>96,343</u>	<u>-</u>	<u>96,343</u>
Total long-term liabilities	<u>183,816</u>	<u>-</u>	<u>183,816</u>	<u>-</u>	<u>183,816</u>
Total liabilities	<u>5,414,043</u>	<u>1,318,165</u>	<u>6,732,208</u>	<u>(492,702)</u>	<u>6,239,506</u>
<b>NET ASSETS</b>					
Unrestricted	6,835,791	638,028	7,473,819	-	7,473,819
Temporarily restricted	3,106,606	2,044,411	5,151,017	-	5,151,017
Permanently restricted	<u>2,099,997</u>	<u>-</u>	<u>2,099,997</u>	<u>-</u>	<u>2,099,997</u>
Total net assets	<u>12,042,394</u>	<u>2,682,439</u>	<u>14,724,833</u>	<u>-</u>	<u>14,724,833</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 17,456,437</u></b>	<b><u>\$ 4,000,604</u></b>	<b><u>\$ 21,457,041</u></b>	<b><u>\$ (492,702)</u></b>	<b><u>\$ 20,964,339</u></b>

## NEW ISRAEL FUND

COMBINING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	New Israel Fund - U.S.	New Israel Fund - Israel Office	Total New Israel Fund	Eliminations	Total
<b>UNRESTRICTED REVENUE</b>					
Contributions	\$ 22,196,893	\$ 2,390,601	\$24,587,494	\$ -	\$24,587,494
Income to Israel	-	7,478,297	7,478,297	(7,478,297)	-
Investment income	728,060	6,348	734,408	-	734,408
Special events	798,319	-	798,319	-	798,319
Other revenue	525,004	112,018	637,022	-	637,022
Net assets released from donor restrictions	<u>5,319,072</u>	<u>2,494,900</u>	<u>7,813,972</u>	<u>(1,069,695)</u>	<u>6,744,277</u>
Total unrestricted revenue	<u>29,567,348</u>	<u>12,482,164</u>	<u>42,049,512</u>	<u>(8,547,992)</u>	<u>33,501,520</u>
<b>EXPENSES</b>	<u>28,294,017</u>	<u>12,482,824</u>	<u>40,776,841</u>	<u>(8,547,992)</u>	<u>32,228,849</u>
Change in unrestricted net assets before other item	1,273,331	(660)	1,272,671	-	1,272,671
Other item: Transfer of assets	<u>165,821</u>	<u>-</u>	<u>165,821</u>	<u>-</u>	<u>165,821</u>
Change in unrestricted net assets	<u>1,439,152</u>	<u>(660)</u>	<u>1,438,492</u>	<u>-</u>	<u>1,438,492</u>
<b>TEMPORARILY RESTRICTED REVENUE</b>					
Contributions	1,540,829	1,905,866	3,446,695	(1,069,695)	2,377,000
Investment income	116,428	152,706	269,134	-	269,134
Net assets released from donor restrictions	<u>(5,319,072)</u>	<u>(2,494,900)</u>	<u>(7,813,972)</u>	<u>1,069,695</u>	<u>(6,744,277)</u>
Change in temporarily restricted net assets	<u>(3,661,815)</u>	<u>(436,328)</u>	<u>(4,098,143)</u>	<u>-</u>	<u>(4,098,143)</u>
<b>PERMANENTLY RESTRICTED REVENUE</b>					
Contributions	354	-	354	-	354
Other item: Transfer of assets	<u>(165,821)</u>	<u>-</u>	<u>(165,821)</u>	<u>-</u>	<u>(165,821)</u>
Change in permanently restricted net assets	<u>(165,467)</u>	<u>-</u>	<u>(165,467)</u>	<u>-</u>	<u>(165,467)</u>
<b>TOTAL CHANGE IN NET ASSETS</b>	<b><u>\$ (2,388,130)</u></b>	<b><u>\$ (436,988)</u></b>	<b><u>\$ (2,825,118)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (2,825,118)</u></b>

## NEW ISRAEL FUND

COMBINING SCHEDULE OF CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	New Israel Fund - U.S.	New Israel Fund - Israel Office	Total New Israel Fund	Eliminations	Total
<b>UNRESTRICTED NET ASSETS</b>					
Net assets at beginning of year	\$ 5,396,639	\$ 638,688	\$ 6,035,327	\$ -	\$ 6,035,327
Change in unrestricted net assets	<u>1,439,152</u>	<u>(660)</u>	<u>1,438,492</u>	<u>-</u>	<u>1,438,492</u>
<b>UNRESTRICTED NET ASSETS AT END OF YEAR</b>	<b><u>\$ 6,835,791</u></b>	<b><u>\$ 638,028</u></b>	<b><u>\$ 7,473,819</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,473,819</u></b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>					
Net assets at beginning of year	\$ 6,768,421	\$ 2,480,739	\$ 9,249,160	\$ -	\$ 9,249,160
Change in temporarily restricted net assets	<u>(3,661,815)</u>	<u>(436,328)</u>	<u>(4,098,143)</u>	<u>-</u>	<u>(4,098,143)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS AT END OF YEAR</b>	<b><u>\$ 3,106,606</u></b>	<b><u>\$ 2,044,411</u></b>	<b><u>\$ 5,151,017</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,151,017</u></b>
<b>PERMANENTLY RESTRICTED NET ASSETS</b>					
Net assets at beginning of year	\$ 2,265,464	\$ -	\$ 2,265,464	\$ -	\$ 2,265,464
Change in permanently restricted net assets	<u>(165,467)</u>	<u>-</u>	<u>(165,467)</u>	<u>-</u>	<u>(165,467)</u>
<b>PERMANENTLY RESTRICTED NET ASSETS AT END OF YEAR</b>	<b><u>\$ 2,099,997</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,099,997</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,099,997</u></b>
<b>TOTAL NET ASSETS AT END OF YEAR</b>	<b><u>\$ 12,042,394</u></b>	<b><u>\$ 2,682,439</u></b>	<b><u>\$ 14,724,833</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 14,724,833</u></b>

**NEW ISRAEL FUND**  
**SCHEDULE OF GRANTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANTEE/VENDOR NAME	Opening Grant Balance as of 1/1/2013	Year to Date Grant Authorized (Jan-Dec)	Year to Date Grant Paid (Jan-Dec)	Closing Grant Balance 12/31/2013
12 Heshvan: Promoting Tolerance in an Orthodox Context	\$ 22,955	\$ 81,000	\$ 72,455	\$ 31,500
Absorption of Immigrants from theCaucasus Region	10,000	(10,000)	-	-
Activism Festival	-	3,000	3,000	-
Adalah: Legal Center for Arab Minority Rights in Israel	150,750	70,948	63,448	158,250
Adam Teva v'Din: Israel Union for Environmental Defense	1,800	1,800	-	3,600
Adva Center	59,500	303,412	290,561	72,351
Adva Center - Haoketz	-	32,350	19,850	12,500
African Refugees Development Center (ARDC)	13,916	18,037	31,953	-
Agenda - The Israeli Center for Strategic Communication	225,000	125,000	290,000	60,000
AHD: Association of Academics for the Development of Arab Society in the Negev	15,000	55,000	70,000	-
AHUZAT NEGEV	11,000	22,000	16,500	16,500
Al Amar	5,000	38,250	30,750	12,500
Al Anwar Association for Advancing the Women in Um Al Fahm	5,000	(5,000)	-	-
Aljana - Center for Cultural and Social Development	-	15,000	7,500	7,500
All for Peace	-	11,597	11,597	-
Almuntada Altakadomi	-	15,000	7,500	7,500
Alrafah	-	25,000	25,000	-
Alsirag	-	60,000	35,000	25,000
Al-Yater Association for Promoting Culture and Social Development	10,000	(10,000)	-	-
Amnesty International Israel Se	-	500	-	500
Arava Inst for Environmental	-	1,000	1,000	-
Arous Elbahr for the Woman in Jaffa	-	25,180	25,180	-
Arteam	-	2,000	2,000	-
Asaf	5,000	11,182	16,182	-
Assiwar: Arab Feminist Movement in Support of Vi	4,500	-	4,500	-
Association for Civil Rights in Israel (ACRI)	255,602	2,443,203	2,422,886	275,919
Association for the Promotion of the Arab Education System in Haifa	-	30,000	30,000	-
Association of Bedouin Women to Promote Education	-	51,664	31,664	20,000
Association of Rape Crisis Centers	1,800	4,360	1,800	4,360
Association of Women, Rahat	-	15,000	15,000	-
ATID BAMIDBAR	10,000	10,000	10,000	10,000
Awareness for You	-	30,000	30,000	-
AWC – Arab Women in the Center	28,158	15,639	28,158	15,639
Baladna	-	25,000	25,000	-
Bat- Kol, Queer Jewish Women	12,000	20,360	32,360	-
Bat Shalom	30	-	-	30
BE ER SOVA	7,500	15,000	15,000	7,500
Be Free Israel	20,000	124,648	74,648	70,000
Beit Haam	35,000	41,915	76,915	-
Beit Tfila Israeli	3,500	-	3,500	-
Beit Tikvat Em Habanim Smechah	8,550	27,050	18,550	17,050



**NEW ISRAEL FUND  
SCHEDULE OF GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANTEE/VENDOR NAME	Opening Grant Balance as of 1/1/2013	Year to Date Grant Authorized (Jan-Dec)	Year to Date Grant Paid (Jan-Dec)	Closing Grant Balance 12/31/2013
Bimat Kedem	\$ 14,000	\$ -	\$ -	\$ 14,000
Bimkom: Planners for Planning Rights	95,000	248,000	323,000	20,000
Bina (at Merchavim Chevra Lechinuch Vetarbut)	55,050	120,300	133,250	42,100
Bizchut: Center for Human Rights of Persons with Disabilities	25,100	192,514	192,514	25,100
Breaking the Silence	36,000	83,993	77,823	42,170
B'Tselem	113,750	107,048	171,997	48,801
Bustan Le'Shalom - Sustainable Community Action for for Land and People	-	7,000	7,000	-
Center for Jewish-Arab Economic Development	4,107	56,600	60,707	-
Center for Women's Justice	5,000	48,600	43,600	10,000
Centurion	20,250	-	20,250	-
Challenge	20,000	30,000	30,000	20,000
Charedim LaSviva	2,500	4,000	6,500	-
Citizens for the Environment in the Galilee	-	20,000	-	20,000
Community Advocacy: Genesis Israel	8,000	68,250	76,000	250
Council for Peace and Security	20,000	28,000	48,000	-
Counseling Center for Women	-	9,500	9,500	-
Crisis Center for Religious Women	-	10,000	10,000	-
Darna- Jaffa Popular Committee for Land Allocation and Housing	40,000	4,578	44,578	-
Democracy Defense Fund LTD (Sheikh Jarrah Solidarity Movement)	-	32,550	17,550	15,000
Economic Empowerment for Women	-	17,500	7,500	10,000
Ein-Bustan	10,025	19,981	21,506	8,500
El-Sabar Association	-	16,000	6,000	10,000
Elul Center	8,000	4,380	12,380	-
Entimaa & Ataa- Assn for Social Promotion	25,000	39,500	39,500	25,000
Equal Opportunity for Ethiopian Jews in Israel	600	-	-	600
Eretz Acheret: A Different Land	-	2,500	2,500	-
Eritrean Women's Community Center	-	5,602	5,602	-
Etgaram Isl Outdoor Sports and Rec	500	500	-	1,000
Even Shtia	-	15,000	15,000	-
Fidel: Association for Education and Social Integration of Ethiopian Jews	110,000	111,396	121,396	100,000
Fishka - Young Russian Speakers Community in Israel	19,000	35,000	36,500	17,500
Follow Up Committee for Arab Education	-	50,000	50,000	-
Follow-Up Committee for Arab Education- Hirak	-	10,000	5,000	5,000
Forum for Immigrant Families in the North	10,000	11,500	16,500	5,000
Forum of Directors of Social Welfare Departments Serving the Arab Population	20,000	-	20,000	-
Freddie Krivine Foundation	-	1,730	180	1,550
Friends by Nature - Community Empowerment	27,500	15,000	35,000	7,500
Friends of Kedma School	190,000	690,027	880,027	-
Gesher Hinuchi	6,250	-	6,250	-
Gisha Center for the Legal Protection of Freedom of Movement	250	22,171	10,246	12,175

**NEW ISRAEL FUND  
SCHEDULE OF GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANTEE/VENDOR NAME	Opening Grant Balance as of 1/1/2013	Year to Date Grant Authorized (Jan-Dec)	Year to Date Grant Paid (Jan-Dec)	Closing Grant Balance 12/31/2013
Givat Haviva Jewish-Arab Center for Peace	\$ -	\$ 3,574	\$ 2,874	\$ 700
Grants Declared	28,500	26,901	-	55,401
Green Course (Megama Yeruka)	-	7,750	4,750	3,000
Ha'Amuta Le-Kidom Hasport Hameshutaf Mevaseret-Abu-Gosh	-	4,743	4,743	-
Hagar-Jewish-Arab Education for Equality	36,360	153,970	90,580	99,750
Haifa Women's Crisis Shelter	-	10,000	10,000	-
Hakol Hinuch	-	25,000	12,500	12,500
HaMoked: Center for Defense of the Individual	100,250	14,800	114,050	1,000
Hand in Hand: Center for Jewish-Arab Education in Israel	-	33,072	28,072	5,000
Hazit Ha'Kavod (Immigrant Scientists Association)	10,000	15,000	17,500	7,500
Hebrew University of Jerusalem	285,000	47,500	287,500	45,000
Hiddush For Religious Freedom and Equality	7,500	15,000	15,000	7,500
Hillel Israel LTD	-	1,550	1,550	-
Hillel: Association for Jews Leaving Ultra-Orthodoxy	-	17,750	15,250	2,500
Hiyot	-	22,415	22,415	-
Hoshen- Education and Change	-	33,406	20,612	12,794
Hotline for Migrant Workers	55,000	86,179	82,064	59,115
Human Rights Defenders Fund (HRDF)	-	75,920	43,920	32,000
Humans Without Borders	-	6,818	6,818	-
I'am: Media Center for Arab Palestinians in Israel	-	96,000	96,000	-
ICAR	-	17,000	17,000	-
IKRIT	-	10,000	10,000	-
INJAZ	245,000	290,000	335,000	200,000
Institute for the Advancement of Deaf Persons in	-	8,121	8,121	-
Interfaith Encounter Association	-	1,721	1,721	-
Inter-Religious Coordinating Council	750	1,196	1,196	750
IPCRI - Israel Palestinian Center for Research and Information	-	26,711	19,711	7,000
Ir-Amim	132,750	95,131	195,381	32,500
Isha L'Isha: Haifa Feminist Organization	254	38,762	38,816	200
ISPRA - Israel Psychiatric Rehabilitation Association	-	98,200	98,200	-
Israel AIDS Task Force	15,000	-	15,000	-
Israel Family Planning Association	25,000	25,000	25,000	25,000
Israel Story	-	50,000	50,000	-
Israel Womens Network (IWN)	-	21,211	21,211	-
Israeli Association for Ethiopian Jews (IAEJ)	47,500	110,485	105,285	52,700
Israeli Center for Social Justice	20,000	-	20,000	-
Israeli Children	10,000	-	10,000	-
Israeli Gay Youth Organization	11,450	14,297	24,122	1,625
Israeli Human Rights Organization of People with Disabilities	13,000	26,000	26,000	13,000
ITWorks	-	10,000	10,000	-
Jamaah Leadership Dev Comm Em	-	5,000	-	5,000
Jerusalem Cinematheque - Israel Film Archive	-	25,000	25,000	-
Jerusalem Inter-Cultural Center (JICC) and Emun Hatzibur. J	5,000	40,000	35,000	10,000
Jerusalem Open House for Pride and Tolerance	8,300	105,684	108,684	5,300

**NEW ISRAEL FUND  
SCHEDULE OF GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANTEE/VENDOR NAME	Opening Grant Balance as of 1/1/2013	Year to Date Grant Authorized (Jan-Dec)	Year to Date Grant Paid (Jan-Dec)	Closing Grant Balance 12/31/2013
Jerusalem Venture Partners JVP Community	\$ -	\$ 50,000	\$ -	\$ 50,000
Jewish Nature	5,000	11,800	16,800	-
Kaima -Social and Environmental Action Learning	-	6,000	6,000	-
Kav Mashve - Employers' Coalition for Arab University Graduates	-	109,900	69,900	40,000
Kayan ("Being")	-	40,000	40,000	-
Kefa For Social Change In The Negev	-	20,000	20,000	-
Kehilat Hadar- Ruach Chadasha	10,000	-	10,000	-
Kehilat Shira Chadasha	5,000	1,800	-	6,800
Kehilat Yedidya	-	200	200	-
Ken We Power	-	11,211	8,711	2,500
Keren Kagan	-	13,036	13,036	-
Keshet: Information, Guidance, and Counseling Center for Parents	100	67,954	68,054	-
Kiah (Mimizrach Shemesh)	55,000	82,215	77,215	60,000
Kibbutzim College of Education, Technology and the Arts	-	2,716	2,716	-
Kol Ha'Isha: Jerusalem Women's Center	-	18,350	650	17,700
Kol Haneshama	-	10,622	10,622	-
Kol Zchut (Wikirights)	10,000	41,019	25,519	25,500
Kolot	-	10,000	-	10,000
Krembo Wings	-	38,755	38,755	-
Lagiya: Association for the Improvement of the Status of Women	28,000	55,622	80,622	3,000
Lasova	-	180	-	180
Latet	8,500	2,625	10,625	500
Loshma'a for the Integration of People with Mental Disabilities	-	40,000	20,000	20,000
Ma'an - The Forum for Bedouin Women's Organizations	30,000	50,000	60,000	20,000
Ma'aglei Tzedek	-	5,000	5,000	-
Mabat – Awareness in a Multi-Cultural Society	-	128,500	128,500	-
Mahapach: Education, Housing, and Livelihood	23,710	83,000	64,210	42,500
Mahut Center	7,500	47,811	47,811	7,500
Mavoi Satum ("Dead End")	12,500	39,000	34,000	17,500
Meitarei Ashkelon	12,500	18,000	21,500	9,000
Merchavim: Institute for Multicultural and Democratic Education for Israel	-	194,420	136,420	58,000
Merkaz Hashachar - Kibbutz K'tura	-	4,410	4,410	-
Mineless	-	3,000	3,000	-
MIRA MENASHE	3,500	-	-	3,500
Mishan Lamarpe	-	30,820	30,820	-
Mitvim - The Israeli Institute for Regional Foreign Policies	-	20,000	10,000	10,000
Molad – The Center for the Renewal of Democracy	50,000	736,000	701,000	85,000
Mosaica Center for Inter-Religious Cooperation	-	10,000	10,000	-
Mossawa	102,350	191,477	273,827	20,000
Nachal Novea (Elisheva Mirvis)	-	8,000	8,000	-

**NEW ISRAEL FUND  
SCHEDULE OF GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>GRANTEE/VENDOR NAME</b>	<b>Opening Grant Balance as of 1/1/2013</b>	<b>Year to Date Grant Authorized (Jan-Dec)</b>	<b>Year to Date Grant Paid (Jan-Dec)</b>	<b>Closing Grant Balance 12/31/2013</b>
National Council for the Child	\$ -	\$ 10,621	\$ 10,621	\$ -
Nazareth Nurseries Institute (Al-Tufula)	-	45,000	45,000	-
Ne'emanei Torah Va'Avodah	25,000	55,500	54,500	26,000
Negev Coexistence Forum	-	49,339	49,331	8
Negev Institute for Strategies of Peace and Development (NISPD)	94,500	156,730	230,130	21,100
Netivei Ahva: Friendship's Way	4,580	-	-	4,580
Neve Shalom Wahat al-Salam (NS WAS)	2,500	2,700	2,700	2,500
New Discourse (The Democratic Mizrahi Rainbow)	51,150	68,000	66,150	53,000
Nine Seven Two Advancement of Citizen Journalism	20,000	31,378	27,378	24,000
Noar Kahalcha	15,000	30,000	30,000	15,000
Olim Beyachad	12,500	25,000	25,000	12,500
One Plus One	250	-	250	-
Oranim: Hamidrasha Center for Study Fellowship	16,500	18,874	35,374	-
Our Heritage	9,750	85,800	60,550	35,000
Oz V'Shalom Netivot Shalom	-	1,400	1,300	100
OZMA	10,000	10,000	20,000	-
Panim	12,000	49,500	49,000	12,500
Pardes for Community Development	4,000	-	4,000	-
Parents' Circle: Bereaved Parents	-	14,225	11,725	2,500
Physicians for Human Rights	76,900	71,380	73,080	75,200
Public Committee Against Torture(PCATI)	-	1,670	1,670	-
Rabbis for Human Rights	5,100	295,493	276,699	23,894
Rape Crisis Center - Haifa	-	8,927	8,927	-
Rape Crisis Center - Hasharon	-	20,000	-	20,000
Realistic Religious Zionism	1,000	-	-	1,000
Regional Council for Unrecognized Negev Arab Villages: Al-Auna	25,000	(25,000)	-	-
Religious Women's Forum	38,454	132,601	148,555	22,500
Re'ut – A Religious Pluralistic Community	500	-	-	500
Re'ut Sadaka: Jewish-Arab Youth Movement for Peace and Equality	-	13,691	12,691	1,000
Sapir College	-	45,311	20,311	25,000
SELAH- Israel Crisis Management Center for New Immigrants	-	1,500	-	1,500
Shaharit	255,000	220,000	475,000	-
Shalom Hartman Institute	3,590	10,500	14,090	-
Sheizaf – Association for the Welfare of the Bed	-	101	101	-
Shilo Pregnancy Advisory Service	5,000	8,438	8,438	5,000
Shiluv Institute	-	17,000	17,000	-
Shitim Institute	23,750	12,000	35,750	-
Shluvim-The Association for Educational Equal Opportunity	-	14,874	14,874	-
Shoulder to Shoulder (Katef le'Katef)	-	15,379	15,379	-
Shvil : Transparency International- Israel	-	15,000	7,500	7,500
Sidreh	20,000	-	20,000	-
Signing Anew	-	50,000	50,000	-

**NEW ISRAEL FUND  
SCHEDULE OF GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

GRANTEE/VENDOR NAME	Opening Grant Balance as of 1/1/2013	Year to Date Grant Authorized (Jan-Dec)	Year to Date Grant Paid (Jan-Dec)	Closing Grant Balance 12/31/2013
Sikkuy: Israel Association for the Advancement of Equal Opportunity	\$ 169,663	\$ 140,509	\$ 211,439	\$ 98,733
Sister for Women in Israel	58,200	134,311	136,011	56,500
Social Economic Association (SEA)	24,000	68,900	50,900	42,000
Social TV (formerly Syncopa Community)	12,500	39,000	35,000	16,500
Society for the Advancement of Education, Jerusalem	-	100	-	100
Society for the Protection of Personal Rights	1,800	24,162	24,162	1,800
South Wing To Zion	20,000	66,030	86,030	-
Summit Institute	-	14,874	14,874	-
Supportive Community (sviva tomehet)	14,000	(2,019)	11,981	-
TALI Education Fund	10,000	-	10,000	-
Tasfachin	-	1,800	-	1,800
Tebeka – Center for Legal Aid & Advocacy for Ethiopian Jewish In Israel	45,000	42,736	67,686	20,050
Tech-Careers	-	4,047	4,047	-
Tehuda	22,500	-	22,500	-
Tel Aviv University	-	100,000	100,000	-
Tevel B'Tzedek	38,000	93,268	104,434	26,834
The Arab Center for Alternative Planning	-	18,250	15,250	3,000
The Arab Center for Law and Policy - Dirasat	-	80,250	80,250	-
The Association to Support Arab Minors	5,000	(5,000)	-	-
The Committee for Educational Guidance for Arab Students	-	51,250	41,250	10,000
The Committee for Language Access of Health Care in Israel	200	200	-	400
The Freedom of Information Association	-	30,000	30,000	-
The Green Environment Fund	360,000	520,217	766,617	113,600
The Heschel Ctr for Env Learning	200,000	(130,500)	35,000	34,500
The Israel Center for Educational Innovation (ICEI)	355,844	1,320,000	1,095,844	580,000
The Israeli Association for Distributive Justice	63,500	35,000	81,000	17,500
The Israeli Social Movement	37,500	(37,500)	-	-
The Masorti Movement	25,000	63,529	63,529	25,000
The Mifne Center: Early Intervention in the Treatment of Autism for the Young Child and the Family	5,141	141	5,281	1
The Movement for Progressive Judaism (IMPJ)	67,999	345,868	334,899	78,968
The New Israeli Foundation for Cinema and Television	-	205,375	205,375	-
The Open Knowledge Workshop	-	25,000	25,000	-
The Rabbi David J. Forman Memorial Fund	1,600	8,000	3,600	6,000
The Sky Is The Limit	-	15,000	15,000	-
The Social Guard	5,000	30,500	35,500	-
The Van Leer Jerusalem Institute	88,810	38,137	119,447	7,500
The Women's Courtyard	13,600	25,000	33,600	5,000
The Yaacov Herzog Center for Jewish Studies	-	7,000	7,000	-
The Young Israeli Forum for Cooperation (YIFC)	1,250	-	-	1,250
Tirat Carmel Community Foundation (Affordable Housing - Tirat Carmel)	14,250	-	9,500	4,750

**NEW ISRAEL FUND  
SCHEDULE OF GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>GRANTEE/VENDOR NAME</b>	<b>Opening Grant Balance as of 1/1/2013</b>	<b>Year to Date Grant Authorized (Jan-Dec)</b>	<b>Year to Date Grant Paid (Jan-Dec)</b>	<b>Closing Grant Balance 12/31/2013</b>
Tishreen A Culture Reviving Association - Taybeh	\$ 12,500	\$ 27,500	\$ 30,000	\$ 10,000
T'mura	-	34,000	34,000	-
TOR HAMIDBAR	-	10,000	10,000	-
Trust of Programs for Early Childhood, Family, and Community Education	20,000	110,000	110,000	20,000
Turning the Tables	-	50,000	50,000	-
Tzeireim Beyerucham	-	20,000	10,000	10,000
Tzofen	15,000	194,000	179,000	30,000
Ukuleles for Peace	2,500	1,000	3,500	-
Upper Galilee Rape Crisis Center	1,500	500	1,500	500
We Refugees	11,250	30,000	41,250	-
Woman and their Bodies	-	7,812	7,812	-
Woman to Woman: Jerusalem Battered Women's Shelter	-	7,104	7,104	-
Women in the Pictures	-	50,000	50,000	-
Women Against Violence (WAV) - Nazareth	15,500	188,659	186,659	17,500
Women and Horizons (Nisa Va'fak)	-	25,000	25,000	-
Women for Women: Haifa Battered Women's Shelter	375	2,500	2,875	-
Women Lawyers for Social Justice	17,500	123,234	123,234	17,500
Women Lawyers for Social Justice – Shutafut	-	30,427	30,427	-
Women of the Wall	45,985	98,047	117,532	26,500
Women's Crisis Center of the Negev (MASLAN)	1,760	5,053	6,813	-
Women's Fund for Human Rights (Machsom Watch)	250	118,788	117,938	1,100
Workers' Hotline: Kav LaOved	1,500	25,005	18,005	8,500
Yad L Isha (the ICAR coalition)	5,000	25,000	22,500	7,500
Yahel Israel Service Learning	5,000	114,550	118,450	1,100
Yakar	-	100,000	100,000	-
Yasmin AINagab For the Health of Women and Family	-	7,500	7,500	-
Yedid: The Association for Community Empowerment	-	129,700	114,700	15,000
Yerucham Association	-	6,000	6,000	-
Yerushalmim Movement	20,750	25,000	33,250	12,500
Yesh Din	15,250	50,063	45,313	20,000
Yeshivat Talpiot	-	39,712	29,512	10,200
Yesodot Let'zmicha Dror	-	3,000	3,000	-
<b>TOTAL</b>	<b>\$ 5,811,718</b>	<b>\$ 16,420,646</b>	<b>\$ 17,985,336</b>	<b>\$ 4,247,028</b>

**NEW ISRAEL FUND**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>Program Services</b>		
	<b>Grants and Shatil</b>	<b>Other Programs</b>	<b>Total Program Services</b>
Grants	\$ 16,420,646	\$ -	\$ 16,420,646
Transfers to Affiliates	-	-	-
Projects	447,653	722,229	1,169,882
Salaries and benefits	3,593,328	1,891,021	5,484,349
Legal	-	68	68
Accounting	-	-	-
Public relations	-	43,820	43,820
Consultancy/contract costs	588,312	475,708	1,064,020
Information technology	43,284	38,361	81,645
Rent	248,125	144,310	392,435
Travel	136,878	40,451	177,329
Conferences, conventions and meetings	47,135	12,831	59,966
Depreciation and amortization	82,321	12,265	94,586
Insurance	7,746	-	7,746
Supplies	27,494	2,892	30,386
Telephone	72,357	42,196	114,553
Postage and shipping	-	1,719	1,719
Equipment rental/maintenance	-	15,185	15,185
Printing/publications	101,084	131,082	232,166
Interest and bank charges	-	-	-
Dues and subscriptions	-	11,781	11,781
Fundraising	-	-	-
Governance	-	-	-
Staff training	31,074	206	31,280
Utilities	44,947	7,114	52,061
Miscellaneous	9,378	14,362	23,740
<b>TOTAL</b>	<b>\$ 21,901,762</b>	<b>\$ 3,607,601</b>	<b>\$ 25,509,363</b>

<b>Supporting Services</b>			
<b>Management and General</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	<b>Total Expenses</b>
\$ -	\$ -	\$ -	\$ 16,420,646
9,900	-	9,900	9,900
-	-	-	1,169,882
2,083,781	1,666,858	3,750,639	9,234,988
22,314	63	22,377	22,445
99,651	-	99,651	99,651
116,540	925	117,465	161,285
510,462	464,032	974,494	2,038,514
49,005	10,748	59,753	141,398
199,136	154,806	353,942	746,377
116,428	180,650	297,078	474,407
30,446	12,364	42,810	102,776
44,967	13,157	58,124	152,710
14,770	-	14,770	22,516
14,925	14,010	28,935	59,321
63,962	42,321	106,283	220,836
4,776	62,597	67,373	69,092
9,710	16,576	26,286	41,471
35,640	44,434	80,074	312,240
16,818	-	16,818	16,818
12,242	4,263	16,505	28,286
-	179,200	179,200	179,200
301,132	-	301,132	301,132
10,565	20,909	31,474	62,754
32,799	7,632	40,431	92,492
17,132	6,840	23,972	47,712
<b>\$ 3,817,101</b>	<b>\$ 2,902,385</b>	<b>\$ 6,719,486</b>	<b>\$ 32,228,849</b>