

FINANCIAL STATEMENTS

NEW ISRAEL FUND

**FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2009**

NEW ISRAEL FUND

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GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of the New Israel Fund (NIF) as of December 31, 2010, and the related statements of activities and change in net assets and cash flows for the year then ended. These financial statements are the responsibility of NIF's management. 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, located in Jerusalem, Israel, which reflect total assets of \$4,568,458, total revenue of \$8,106,009 and total expenses of \$7,956,099. The financial activity of the New Israel Fund-Israel office was audited by other auditors, whose reports dated May 1, 2010, expressed an unqualified opinion. To the extent that it relates to the amounts included for the foreign programs, our opinion is based solely on the report of other auditors. The prior year summarized comparative information has been derived from the 2009 financial statements and, in our report dated July 23, 2010, we expressed an unqualified opinion on those statements.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NIF's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 NIF as of December 31, 2010, and its change in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

June 20, 2011

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NEW ISRAEL FUND
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

ASSETS

	<u>2010</u>	<u>2009</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 15,182,886	\$ 6,526,403
Investments (Notes 2 and 11)	16,249,493	15,236,222
Pledges receivable, current portion, net of allowance for doubtful accounts of \$68,890 in 2010 and \$51,941 in 2009 (Note 3)	1,178,430	2,254,496
Accounts receivable	917,463	221,463
Prepaid expenses	<u>26,400</u>	<u>34,087</u>
Total current assets	<u>33,554,672</u>	<u>24,272,671</u>
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS		
Furniture and equipment	1,954,156	1,857,772
Leasehold improvements	<u>160,543</u>	<u>157,193</u>
	2,114,699	2,014,965
Less: Accumulated depreciation and amortization	<u>(1,767,825)</u>	<u>(1,629,891)</u>
Net furniture, equipment and leasehold improvements	<u>346,874</u>	<u>385,074</u>
OTHER ASSETS		
Pledges receivable, net of current portion (Note 3)	183,456	161,423
Deposits	15,285	9,605
Assets held in Charitable Remainder Trust (Notes 4 and 11)	<u>57,373</u>	<u>66,779</u>
Total other assets	<u>256,114</u>	<u>237,807</u>
TOTAL ASSETS	<u>\$ 34,157,660</u>	<u>\$ 24,895,552</u>

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 1,525,623	\$ 1,837,196
Grants payable	5,916,041	4,837,599
Affiliate payable (Note 9)	103,830	162,828
Liability under trust agreement, current portion (Note 4)	6,300	6,300
Annuity payable, current portion (Note 4)	65,027	119,125
Deferred rent abatement (Note 5)	<u>17,926</u>	<u>-</u>
Total current liabilities	<u>7,634,747</u>	<u>6,963,048</u>
LONG-TERM LIABILITIES		
Liability under trust agreement (Note 4)	51,073	60,480
Deferred rent abatement (Note 5)	-	47,950
Annuity payable (Note 4)	<u>110,558</u>	<u>112,502</u>
Total long-term liabilities	<u>161,631</u>	<u>220,932</u>
Total liabilities	<u>7,796,378</u>	<u>7,183,980</u>
NET ASSETS		
Unrestricted (Note 6)	5,862,404	7,176,768
Temporarily restricted (Note 7)	18,135,012	8,593,329
Permanently restricted (Note 8)	<u>2,363,866</u>	<u>1,941,475</u>
Total net assets	<u>26,361,282</u>	<u>17,711,572</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 34,157,660</u>	<u>\$ 24,895,552</u>

See accompanying notes to financial statements.

NEW ISRAEL FUND
SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

	2010			2009	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUE					
Contributions	\$ 18,117,083	\$ 19,244,270	\$ -	\$ 37,361,353	\$ 26,381,431
Investment income (Note 2)	1,182,592	275,278	-	1,457,870	1,720,073
Program revenue	560,974	-	-	560,974	342,758
In-kind contributions	84,638	-	-	84,638	30,788
Other revenue	77,840	-	-	77,840	211,315
Net assets released from donor restrictions (Note 7)	<u>9,555,474</u>	<u>(9,555,474)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>29,578,601</u>	<u>9,964,074</u>	<u>-</u>	<u>39,542,675</u>	<u>28,686,365</u>
EXPENSES					
Program Services:					
Grants and Shatil	22,216,348	-	-	22,216,348	19,970,482
Shatil	-	-	-	-	5,188,768
Other programs	<u>2,715,968</u>	<u>-</u>	<u>-</u>	<u>2,715,968</u>	<u>1,242,820</u>
Total program services	<u>24,932,316</u>	<u>-</u>	<u>-</u>	<u>24,932,316</u>	<u>26,402,070</u>
Supporting Services:					
Management and General	3,469,070	-	-	3,469,070	4,161,273
Fundraising	<u>2,491,579</u>	<u>-</u>	<u>-</u>	<u>2,491,579</u>	<u>1,994,418</u>
Total supporting services	<u>5,960,649</u>	<u>-</u>	<u>-</u>	<u>5,960,649</u>	<u>6,155,691</u>
Total expenses	<u>30,892,965</u>	<u>-</u>	<u>-</u>	<u>30,892,965</u>	<u>32,557,761</u>
Change in net assets before other item	(1,314,364)	9,964,074	-	8,649,710	(3,871,396)
OTHER ITEM					
Transfer of assets	<u>-</u>	<u>(422,391)</u>	<u>422,391</u>	<u>-</u>	<u>-</u>
Change in net assets	(1,314,364)	9,541,683	422,391	8,649,710	(3,871,396)
Net assets at beginning of year	<u>7,176,768</u>	<u>8,593,329</u>	<u>1,941,475</u>	<u>17,711,572</u>	<u>21,582,968</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,862,404</u>	<u>\$ 18,135,012</u>	<u>\$ 2,363,866</u>	<u>\$ 26,361,282</u>	<u>\$ 17,711,572</u>

See accompanying notes to financial statements.

NEW ISRAEL FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,649,710	\$ (3,871,396)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	165,452	228,001
Unrealized gain on investments	(1,141,335)	(1,238,325)
Realized gain on investments	(92,435)	(628,298)
(Gain) loss from sale of equipment	(2,132)	28,231
Bad debt expense	83,629	-
(Increase) decrease in:		
Pledges receivable	970,404	5,883,789
Accounts receivable	(696,000)	(32,719)
Prepaid expenses	7,687	(5,995)
Deposits	(5,680)	190
Assets held in Charitable Remainder Trust	9,406	30,003
Affiliate receivable	-	31,864
Increase (decrease) in:		
Accounts payable and accrued liabilities	(311,573)	45,995
Grants payable	1,078,442	(3,721,199)
Affiliate payable	(58,998)	16,934
Liability under trust agreement	(9,407)	64,965
Annuity payable	(56,042)	(213,007)
Deferred rent abatement	<u>(30,024)</u>	<u>(31,342)</u>
Net cash provided (used) by operating activities	<u>8,561,104</u>	<u>(3,412,309)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of furniture and equipment	(147,177)	(127,821)
Net proceeds from (purchases of) investments	220,499	(290,229)
Proceeds from sale of investments	<u>22,057</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>95,379</u>	<u>(418,050)</u>
Net increase (decrease) in cash and cash equivalents	8,656,483	(3,830,359)
Cash and cash equivalents at beginning of year	<u>6,526,403</u>	<u>10,356,762</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 15,182,886</u>	<u>\$ 6,526,403</u>

See accompanying notes to financial statements.

NEW ISRAEL FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 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, 2010, the audited financial statements of the NIF - Israel office have been combined with the accounts of NIF. All intercompany transactions 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, 2009, from which the summarized information was derived.

The prior year financial statements have excluded the activity of Signing Anew. During 2009, NIF and Signing Anew had related Board members and staff such that NIF had oversight of Signing Anew. At December 31, 2010, NIF did not have oversight and did not combine the activities from Signing Anew. As a result, the 2009 financial activity excluded assets, liabilities and net assets in the amounts of \$1,973,627, \$28,769 and \$1,944,858, respectively.

Cash and cash equivalents -

Cash and cash equivalents include cash on hand and other highly liquid instruments with maturities of less than three months.

At times during the year, NIF maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. NIF has an agreement with the financial institutions whereby excess cash deposits are reinvested in a repurchase agreement of government securities on an overnight basis. Management believes the risk in these situations to be minimal.

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. Cash held in the foreign country is uninsured.

NEW ISRAEL FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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

Foreign operations (continued) -

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.

Grant expenses -

Grants are recorded as expenses and liabilities at the time the Board approves the specific grant.

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, 2010 are for the general support of NIF and for donor-advised gifts. Management has established an allowance for doubtful accounts in the amount of \$68,890 at December 31, 2010.

Accounts receivable -

Accounts receivable are stated at their net realizable 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 NIF 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.

NEW ISRAEL FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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

Net asset classification (continued) -

- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in-perpetuity by NIF.

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.

Uncertain tax positions -

In June 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes. For the year ended December 31, 2010, NIF has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Contributions -

Contributions are recorded as revenue in the year notification is received from the donor. Contributions 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. Contributions received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements. Contributions with donor-imposed restrictions that are met in the same accounting period are reported as unrestricted net assets.

Donated services -

Donated services are recorded at fair market value. Donated services received during December 31, 2010, totaled \$84,638.

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.

NEW ISRAEL FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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

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 measurements -

NIF adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. 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.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

2. INVESTMENTS

The investments are recorded at their readily determinable fair value. Investments at December 31, 2010 are as follows:

Money market funds	\$ 806
Mutual funds	5,096,954
Securities	1,257,244
Bonds	1,737,843
Alternative investments	<u>8,156,646</u>
TOTAL INVESTMENTS	<u>\$ 16,249,493</u>

Included in the investment portfolio are alternative investments. For the year ended December 31, 2010, there were no uncalled commitments or lock-up periods.

Investment income for the year ended December 31, 2010 consisted of the following:

Unrealized gain	\$ 1,141,335
Realized gain	92,435
Interest and dividends	<u>224,100</u>
TOTAL INVESTMENT INCOME	<u>\$ 1,457,870</u>

NEW ISRAEL FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

3. PLEDGES RECEIVABLE

Pledges receivable are stated at their net realizable 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 interest rates of 3.25% and 6%. Following is a summary of maturities of pledges receivable at December 31, 2010:

Year Ended December 31,

2011	\$ 1,178,430
2012 - 2015	<u>183,456</u>
	<u>\$ 1,361,886</u>

4. SPLIT INTEREST AGREEMENTS

NIF's split interest agreements with donors consist of Charitable Gift Annuities and a Charitable Remainder Trust. 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, 2010, the fair market value of the gift annuities totaled \$883,084 and the present value of the annuities totaled \$175,585, of which \$65,027 and \$110,558 are recorded as a current liability and long-term liability, respectively.

The Charitable Remainder Trust consists of time restricted contributions not available to NIF until after the death of the donor, who, while living, receives an annual payout from the Trust based on a fixed percentage of the market value of the invested funds. Under the terms of the Trust, NIF is required to pay an annual annuity of \$6,300 to the income beneficiaries for their lives. For the year ended December 31, 2010, the asset and liability was valued at \$57,373.

5. LEASE COMMITMENTS

NIF entered into an office lease in Washington, D.C., commencing March 20, 2000 and expiring March 31, 2011. The lease agreement specified that annual rent will be \$264,137 per year, with an annual adjustment agreed upon by both parties and stipulated in the lease agreement.

Subsequent to year-end, NIF entered into an office lease in Washington, D.C, commencing April 2011 and expiring April 2019. The lease agreement specified that annual rent will be \$186,192 per year, with annual escalation increases agreed upon by both parties and stipulated in the lease agreement. NIF received two months of free rent.

NEW ISRAEL FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

5. LEASE COMMITMENTS (Continued)

NIF entered into an office lease in New York, New York, commencing February 1, 2004 and expiring March 2014. 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.

NIF entered into an office lease in San Francisco, California, commencing April 1, 2006 and expiring April 2014. The lease agreement specified that annual rent will be \$1,939 per month.

NIF entered into several office leases in New Jersey, Massachusetts and Israel, expiring in 2011 and 2013.

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.

Future minimum lease payments are as follows:

Year Ended December 31,

2011	\$ 555,755
2012	587,425
2013	595,453
2014	528,508
2015	514,949
Thereafter	<u>1,052,425</u>
	<u>\$ 3,834,515</u>

Rent expense for office space, including escalation and maintenance charges, totaled \$609,383 in 2010. NIF entered into several sublease agreements.

The future minimum sublease payments to be received are as follows:

Year Ended December 31,

2011	\$ 69,602
2012	52,442
2013	54,540
2014	56,721
2015	58,990
Thereafter	<u>218,630</u>
	<u>\$ 510,925</u>

6. BOARD DESIGNATED NET ASSETS

Included in unrestricted net assets at December 31, 2010 are Board designated net assets in the amount of \$3,249,207. They are designated for the following purposes:

General Programs	\$ 2,489,883
Shatil Program	469,324
25th Anniversary	140,000
Peter Edelman Fund	<u>150,000</u>
	<u>\$ 3,249,207</u>

NEW ISRAEL FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2010:

Programs and projects - NIF-U.S.	\$ 15,001,697
Programs and projects - NIF-Israel	<u>3,133,315</u>
	<u>\$ 18,135,012</u>

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.	\$ 7,196,890
Programs and projects - NIF-Israel	<u>2,358,584</u>
	<u>\$ 9,555,474</u>

8. 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.

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, 2010, permanently restricted endowment funds that are required to be retained permanently either by explicit donor stipulation or by UPMIFA totaled \$2,363,866; the income from which is expendable to support grants and projects.

NEW ISRAEL FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

8. ENDOWMENT (Continued)

Changes in endowment net assets for the year ended December 31, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 239,118	\$ 1,941,475	\$ 2,180,593
Net appreciation (realized and unrealized)	-	118,193	-	118,193
Appropriation of endowment assets for expenditure	-	(207,490)	-	(207,490)
Other changes: Transfer of assets	-	-	422,391	422,391
ENDOWMENT NET ASSETS, END OF YEAR	\$ -	\$ 149,821	\$ 2,363,866	\$ 2,513,687

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, 2010.

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.

NEW ISRAEL FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

8. ENDOWMENT (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy (continued) -

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.

9. DUE TO AFFILIATE

Signing Anew is a public institution whose goals include the creation of an educational and ethical value change in the State of Israel, assistance to recognized educational bodies to further their work, and to reduce the educational gaps in Israeli society. NIF-Israel owed Signing Anew \$103,830 at December 31, 2010.

10. 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. Pension expense for the year ended December 31, 2010, was \$27,596.

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 Balance Sheet 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.

11. FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, NIF has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. 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 in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full-term of the investments.

NEW ISRAEL FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

11. FAIR VALUE MEASUREMENTS (Continued)

Level 3. These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.

Financial assets recorded in the Statement of Financial Position are categorized based on the inputs to the valuation technique as follows for the year ended December 31, 2010:

Asset Category:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	\$ 6,355,004	\$ 1,737,843	\$ 8,156,646	\$16,249,493
Assets held in Trust	<u>57,373</u>	<u>-</u>	<u>-</u>	<u>57,373</u>
TOTAL	<u>\$ 6,412,377</u>	<u>\$ 1,737,843</u>	<u>\$ 8,156,646</u>	<u>\$16,306,866</u>

Level 3 Financial Assets

The following table provides a summary of changes in fair value of NIF's financial assets for the year ended December 31, 2010:

	<u>Investments</u>
Beginning balance as of January 1, 2010	\$ 7,585,108
Unrealized and realized gains	1,112,439
Purchases/Distributions	<u>(540,901)</u>
BALANCE AS OF DECEMBER 31, 2010	<u>\$ 8,156,646</u>

12. SUBSEQUENT EVENTS

In preparing these financial statements, NIF has evaluated events and transactions for potential recognition or disclosure through June 20, 2011, the date the financial statements were issued.



GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTAL FINANCIAL INFORMATION**

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

Our report on our audit of the basic financial statements of the New Israel Fund (NIF) appears on page 2. The audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Gelman Rosenberg & Freedman

June 20, 2011

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NEW ISRAEL FUND
COMBINING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010

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>
CURRENT ASSETS					
Cash and cash equivalents	\$ 13,662,438	\$ 1,520,448	\$ 15,182,886	\$ -	\$ 15,182,886
Investments	15,025,797	1,223,696	16,249,493	-	16,249,493
Pledges receivable, current portion, net of allowance for doubtful accounts of \$68,890 in 2010	1,119,486	58,944	1,178,430	-	1,178,430
Accounts receivable	893,292	24,171	917,463	-	917,463
Prepaid expenses	13,390	13,010	26,400	-	26,400
Due from NIF-U.S.	<u>-</u>	<u>1,417,349</u>	<u>1,417,349</u>	<u>(1,417,349)</u>	<u>-</u>
Total current assets	<u>30,714,403</u>	<u>4,257,618</u>	<u>34,972,021</u>	<u>(1,417,349)</u>	<u>33,554,672</u>
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS					
Furniture and equipment	446,356	1,507,800	1,954,156	-	1,954,156
Leasehold improvements	<u>160,543</u>	<u>-</u>	<u>160,543</u>	<u>-</u>	<u>160,543</u>
	606,899	1,507,800	2,114,699	-	2,114,699
Less: Accumulated depreciation and amortization	<u>(570,865)</u>	<u>(1,196,960)</u>	<u>(1,767,825)</u>	<u>-</u>	<u>(1,767,825)</u>
Net furniture, equipment and leasehold improvements	<u>36,034</u>	<u>310,840</u>	<u>346,874</u>	<u>-</u>	<u>346,874</u>
OTHER ASSETS					
Pledges receivable, net of current portion	183,456	-	183,456	-	183,456
Deposits	15,285	-	15,285	-	15,285
Assets held in Charitable Remainder Trust	<u>57,373</u>	<u>-</u>	<u>57,373</u>	<u>-</u>	<u>57,373</u>
Total other assets	<u>256,114</u>	<u>-</u>	<u>256,114</u>	<u>-</u>	<u>256,114</u>
TOTAL ASSETS	<u>\$ 31,006,551</u>	<u>\$ 4,568,458</u>	<u>\$ 35,575,009</u>	<u>\$ (1,417,349)</u>	<u>\$ 34,157,660</u>

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>
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 245,835	\$ 1,279,788	\$ 1,525,623	\$ -	\$ 1,525,623
Grants payable	5,875,159	40,882	5,916,041	-	5,916,041
Due to NIF- Israel	1,417,349	-	1,417,349	(1,417,349)	-
Due to affiliates	-	103,830	103,830	-	103,830
Liability under trust agreement	6,300	-	6,300	-	6,300
Annuity payable, current portion	65,027	-	65,027	-	65,027
Deferred rent abatement	<u>17,926</u>	<u>-</u>	<u>17,926</u>	<u>-</u>	<u>17,926</u>
Total current liabilities	<u>7,627,596</u>	<u>1,424,500</u>	<u>9,052,096</u>	<u>(1,417,349)</u>	<u>7,634,747</u>
LONG-TERM LIABILITIES					
Liability under trust agreement	51,073	-	51,073	-	51,073
Annuity payable	<u>110,558</u>	<u>-</u>	<u>110,558</u>	<u>-</u>	<u>110,558</u>
Total long-term liabilities	<u>161,631</u>	<u>-</u>	<u>161,631</u>	<u>-</u>	<u>161,631</u>
Total liabilities	<u>7,789,227</u>	<u>1,424,500</u>	<u>9,213,727</u>	<u>(1,417,349)</u>	<u>7,796,378</u>
NET ASSETS					
Unrestricted	5,851,761	10,643	5,862,404	-	5,862,404
Temporarily restricted	15,001,697	3,133,315	18,135,012	-	18,135,012
Permanently restricted	<u>2,363,866</u>	<u>-</u>	<u>2,363,866</u>	<u>-</u>	<u>2,363,866</u>
Total net assets	<u>23,217,324</u>	<u>3,143,958</u>	<u>26,361,282</u>	<u>-</u>	<u>26,361,282</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 31,006,551</u>	<u>\$ 4,568,458</u>	<u>\$ 35,575,009</u>	<u>\$ (1,417,349)</u>	<u>\$ 34,157,660</u>

NEW ISRAEL FUND
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	New Israel Fund - U.S.	New Israel Fund - Israel Office	Total New Israel Fund	Eliminations	Total
UNRESTRICTED REVENUE					
Contributions	\$ 16,943,820	\$ 1,173,263	\$ 18,117,083	\$ -	\$ 18,117,083
Income to Israel	-	5,534,945	5,534,945	(5,534,945)	-
Investment income	1,182,592	-	1,182,592	-	1,182,592
Program revenue	560,974	-	560,974	-	560,974
In-kind contributions	84,638	-	84,638	-	84,638
Other revenue	7,094	70,746	77,840	-	77,840
Net assets released from donor restrictions	<u>7,196,890</u>	<u>8,115,851</u>	<u>15,312,741</u>	<u>(5,757,267)</u>	<u>9,555,474</u>
Total unrestricted revenue	25,976,008	14,894,805	40,870,813	(11,292,212)	29,578,601
EXPENSES	<u>28,471,811</u>	<u>13,713,366</u>	<u>42,185,177</u>	<u>(11,292,212)</u>	<u>30,892,965</u>
Change in unrestricted net assets	<u>(2,495,803)</u>	<u>1,181,439</u>	<u>(1,314,364)</u>	<u>-</u>	<u>(1,314,364)</u>
TEMPORARILY RESTRICTED REVENUE					
Contributions:					
General support	17,018,809	7,982,728	25,001,537	(5,757,267)	19,244,270
Investment income	118,193	157,085	275,278	-	275,278
Net assets released from donor restrictions	<u>(7,196,890)</u>	<u>(8,115,851)</u>	<u>(15,312,741)</u>	<u>5,757,267</u>	<u>(9,555,474)</u>
Change in temporarily restricted net assets before other item	9,940,112	23,962	9,964,074	-	9,964,074
Other item: Transfer of assets	<u>(422,391)</u>	<u>-</u>	<u>(422,391)</u>	<u>-</u>	<u>(422,391)</u>
Change in temporarily restricted net assets	<u>9,517,721</u>	<u>23,962</u>	<u>9,541,683</u>	<u>-</u>	<u>9,541,683</u>
PERMANENTLY RESTRICTED REVENUE					
Change in permanently restricted net assets	<u>422,391</u>	<u>-</u>	<u>422,391</u>	<u>-</u>	<u>422,391</u>
CHANGE IN NET ASSETS	<u>\$ 7,444,309</u>	<u>\$ 1,205,401</u>	<u>\$ 8,649,710</u>	<u>\$ -</u>	<u>\$ 8,649,710</u>

NEW ISRAEL FUND

COMBINING SCHEDULE OF CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	New Israel Fund - U.S.	New Israel Fund - Israel Office	Total New Israel Fund
UNRESTRICTED NET ASSETS			
Net assets at beginning of year	\$ 8,347,564	\$ (1,170,796)	\$ 7,176,768
Change in unrestricted net assets	<u>(2,495,803)</u>	<u>1,181,439</u>	<u>(1,314,364)</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 5,851,761</u>	<u>\$ 10,643</u>	<u>\$ 5,862,404</u>
TEMPORARILY RESTRICTED NET ASSETS			
Net assets at beginning of year	\$ 5,483,976	\$ 3,109,353	\$ 8,593,329
Change in temporarily restricted net assets	<u>9,517,721</u>	<u>23,962</u>	<u>9,541,683</u>
TEMPORARILY RESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 15,001,697</u>	<u>\$ 3,133,315</u>	<u>\$ 18,135,012</u>
PERMANENTLY RESTRICTED NET ASSETS			
Net assets at beginning of year	\$ 1,941,475	\$ -	\$ 1,941,475
Change in permanently restricted net assets	<u>422,391</u>	<u>-</u>	<u>422,391</u>
PERMANENTLY RESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 2,363,866</u>	<u>\$ -</u>	<u>\$ 2,363,866</u>
TOTAL NET ASSETS AT END OF YEAR	<u>\$ 23,217,324</u>	<u>\$ 3,143,958</u>	<u>\$ 26,361,282</u>

NEW ISRAEL FUND
SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANTEE/VENDOR NAME	Grants Payable 12/31/09	Grants Authorized	Grants Disbursed	Grants Payable 12/31/10
12 Heshvan: Promoting Tolerance in an Orthodox Context	\$ 25,000	\$ 77,500	\$ 77,500	\$ 25,000
Absorption of Immigrants from the Caucasus Region	5,000	49,610	33,610	21,000
Access Israel	5,000	5,000	10,000	-
Acre Women's Association	-	5,000	5,000	-
Adalah: Legal Center for Arab Minority Rights in Israel	5,350	475,950	277,300	204,000
Adam Institute for Democracy and Peace	-	20,000	5,000	15,000
Adam Teva v'Din: Israel Union for Environmental Defense	1,800	2,356	2,356	1,800
Adva Center	30,000	106,000	87,000	49,000
For Advancement of Education Culture and Sport Z	-	6,000	6,000	-
African Refugees Development Center	13,300	6,992	16,992	3,300
Agenda - The Israeli Center for Strategic Communication	30,000	587,000	412,000	205,000
AHD: Association of Academics for the Development of Arab Society in the Negev	-	-	-	-
	10,000	110,000	95,000	25,000
Ahuzat Negev	-	500	-	500
Al-Ahali Association	150,000	-	-	150,000
Al-Amar	-	5,000	5,000	-
Al-Anwar Association for Advancing the Women in Um Al Fahim	-	6,000	6,000	-
Al-Qaws – for Sexual and Gender Diversity in the Palestinian Society	-	58,110	58,110	-
Al-Yater Association for Promoting Culture and Social Development	-	104,000	64,000	40,000
Al-Zahraa: Organization for Women	5,000	-	5,000	-
Aljana - Center for Cultural and Social Development	-	10,000	10,000	-
Almanarah	-	20,000	20,000	-
Al-Muntada Al-Takadumi	22,000	22,000	22,000	22,000
Alrabbata: League for the Arabs of Jaffa	-	61,500	50,000	11,500
Al-Taj for Health and Heritage	3,000	18,420	21,420	-
Alternative Voice in the Galilee	-	2,500	2,500	-
A New Way	-	1,458	1,458	-
Arab Forum for Sexuality	10,000	-	10,000	-
Arous Elbahr Asn Woman in Jaffa	2,500	6,000	8,500	-
ASSAF	-	3,000	3,000	-
Association for Recycling and Environmental Protection	12,000	-	12,000	-
The Association to Promote the Culture and Education in Kfar Yehezkiel	55,000	100,000	105,000	50,000
Association of Bedouin Women to Promote Education	12,500	62,000	37,500	37,000
Association for the Advancement of the Ethiopian Family and Child	5,000	5,000	-	10,000
Association for Civil Rights in Israel (ACRI)	41,469	781,123	725,792	96,800
Association for Community Development – Acre	10,000	-	-	10,000
Association for Promoting New Immigrant's Status in Ti	-	3,000	3,000	-
Association For the Promotion of the Arab Education System in Haifa	-	32,000	32,000	-
Association for the Protection of Mixed Family Rights	-	45,000	45,000	-
Association for the Advancement of Community Centers in Israel	73,789	-	-	73,789
No changes	26,500	8,250	26,500	8,250
Association of Women, Rahat	-	8,000	8,000	-
Association to Promote the Wadi El Naim Village	7,500	(7,500)	-	-
Asswat (through kayan)	200	42,300	42,300	200
Atzum - Justice Works	-	403	403	-
AV Israel	6,000	-	6,000	-
Awareness for You	-	15,900	15,900	-
Ayam – Recognition and Dialogue	-	10,000	10,000	-
B'Tselem: Israel Information Center for Human Rights	38,098	368,832	286,830	120,100

NEW ISRAEL FUND

**SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANTEE/VENDOR NAME	Grants Payable 12/31/09	Grants Authorized	Grants Disbursed	Grants Payable 12/31/10
Bar Ilan University	\$ -	\$ 25,000	\$ 25,000	\$ -
BE ER SOVA	9,000	-	9,000	-
The Bedouin Assn. For Education and Health Development	-	6,500	6,500	-
Beit Tfila Israeli	9,000	9,000	13,500	4,500
Beit Tikvat Em Habanim Smechah	-	42,184	33,684	8,500
Ben Gurion University	-	6,350	6,350	-
Bimat Kedem	7,500	27,250	31,500	3,250
Bimkom: Planners for Planning Rights	169,000	274,000	348,000	95,000
Bina (at Merchavim Chevra Lechinuch Vetarbut)	39,250	121,800	117,200	43,850
Bizchut: Center for Human Rights of Persons with Disabilities	180,100	100,210	185,350	94,960
Born to Live Proudly	1,000	-	-	1,000
Breaking the Silence	30,000	152,540	132,540	50,000
Bustan Le'Shalom - Sustainable Community Action for Land and People	1,905	16,250	22,905	(4,750)
Castal	4,500	4,500	9,000	-
Center Against Racism and Defamation	14,000	(14,000)	-	-
CENTER FOR EDUCATIONAL INNOVATION-PUBLIC EDUCATION ASSOC.	4,878	-	-	4,878
Center for Jewish-Arab Economic Development	29,000	78,000	75,500	31,500
Center for Women's Justice	13,000	56,350	56,750	12,600
Centurion	13,500	27,000	27,000	13,500
Challenge to Change (CTC)	-	238,716	-	238,716
Charedim LaSviva	1,000	1,000	1,000	1,000
CHEN for Fertility and Life	3,000	-	3,000	-
Citizens for the Environment in the Galilee	-	-	-	-
Citizens Build a Community	8,000	22,000	24,500	5,500
Coalition of Women for Peace	22,373	20,130	36,503	6,000
College for All	-	14,581	14,581	-
Community Advocacy: Genesis Israel	11,538	96,210	90,348	17,400
Council for Peace and Security	-	30,000	30,000	-
Counseling Center for Women	11,000	-	11,000	-
Crisis Center for Religious Women	-	2,000	2,000	-
Darna - Jaffa Popular Committee for Land Allocation and Housing Rights	-	-	-	-
Defense for Children International, Israel Section	-	40,000	-	40,000
Defense for Children International, Israel Section	-	5,000	5,000	-
E.L.I.: Association for the Protection of the Child	-	3,000	3,000	-
Economic Cooperation Foundation	-	120,000	120,000	-
Economic Empowerment for Women	2,500	90,000	74,500	18,000
Ein-Bustan	5,115	5,693	5,558	5,250
Ein Dor Museum of Archeology	13,200	-	13,200	-
El-Hawashle for Education and Welfare	6,000	(6,000)	-	-
El-Sabar Association	-	25,970	25,970	-
El Jarmaq	-	5,000	5,000	-
Elbir - Cultivating Culture and Community in Wadi Ara	-	-	-	-
Nachal Novea- Elisheva Mirvis	-	8,000	8,000	-
Elul Center,	-	650	-	650
Emek Shaveh	-	2,500	500	2,000
Environment and Health Fund	50,000	-	50,000	-
Equal Opportunity for Ethiopian Jews in Israel	600	-	-	600

NEW ISRAEL FUND

**SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANTEE/VENDOR NAME	Grants Payable 12/31/09	Grants Authorized	Grants Disbursed	Grants Payable 12/31/10
Eran Center	\$ -	\$ 121	\$ 121	\$ -
Eretz Carmel	-	14,340	14,340	-
Esh -David	18,750	25,000	31,250	12,500
ESRA: English-Speaking Residents Association	-	14,518	14,518	-
Etgarim: Israel Outdoor Sports and Recreation	1,000	250	1,250	-
Fidel - Netanya Project	-	9,000	9,000	-
Fidel: Association for Education and Social Integration of Ethiopian Jews	125,000	120,000	135,000	110,000
Fishka- Young Russian Speakers Community in Isra	-	20,000	10,000	10,000
Follow-Up Committee for Arab Education- Hirak	-	25,000	-	25,000
Follow-Up Committee for Arab Education	91,500	51,500	83,125	59,875
Forum of Directors of Social Welfare Departments Serving The Arab Population	-	27,000	13,500	13,500
Forum of Representatives of Ethiopian Jewish Community Organizations for the (ENP)	26,500	20,000	26,500	20,000
Forum for Immigrant Families in the North	-	10,000	10,000	-
The Freddie Krivine Foundation	-	14,963	14,713	250
Friends by Nature - Community Empowerment	43,709	60,904	100,613	4,000
Friends of Kedma School	22,500	72,500	71,750	23,250
Friends of Open House	-	1,326	-	1,326
Friendship and Cooperation	8,000	25,000	33,000	-
Galil Coalition through Al-Zahara	-	10,000	10,000	-
Gerila Tarbut	2,500	10,000	7,500	5,000
Gesher Hinuchi	20,000	-	20,000	-
Gisha Center for the Legal Protection of Freedom of Movement	1,100	35,975	36,075	1,000
Givat Haviva Jewish-Arab Center for Peace	-	700	700	-
Granit - Association for Aid to Women Before, During and After Divorce Proceedings	750	-	750	-
Green Action	-	1,000	1,000	-
Ha'Amuta Le-Kidom Hasport Hameshutaf Mevaseret-Abu-gosh	1,000	2,906	3,906	-
Hagar-Jewish-Arab Education for Equality	578	110,098	74,676	36,000
Haifa Women's Crisis Shelter	-	15,125	15,125	-
Hakol Chinuch	-	25,000	25,000	-
HaMoked: Center for Defense of the Individual	750	208,300	108,000	101,050
Hand in Hand: Center for Jewish-Arab Education in Israel	-	17,060	15,560	1,500
Haokets	5,000	21,000	15,500	10,500
Al Amal - Hatikva	-	-	-	-
Hazit Ha'Kavod	10,500	20,447	20,947	10,000
Healthy Living B'Chessed (Chaviv)	1,500	-	1,500	-
Hebrew University:Academy-Community Partnership	81,000	350,000	200,000	231,000
HEMDAT: Council for Freedom of Science	400	-	-	400
Herzliya Theater Ensemble	5,500	-	5,500	-
Hila Mishali - Kolech	-	8,000	8,000	-
Hillel: Association for Jews Leaving Ultra-Orthodoxy	3,500	17,825	8,825	12,500
Hiyot-Non-Profit Organization for Social, Educational & Economical Aid for Ethiopian Community in Israel	5,000	7,960	12,960	-
Hotline for Migrant Workers	23,200	62,826	65,626	20,400
Humans without Borders	-	1,000	-	1,000
ICAR	-	10,000	10,000	-

NEW ISRAEL FUND

**SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANTEE/VENDOR NAME	Grants Payable 12/31/09	Grants Authorized	Grants Disbursed	Grants Payable 12/31/10
Idan Hadash New Era	\$ 15,000	\$ -	\$ 15,000	\$ -
Ikrit	5,000	1,500	6,500	-
INJAZ	200,000	70,000	45,000	225,000
Institute for the Advancement of Deaf Persons in	-	7,504	7,504	-
Inter-Religious Coordinating Council	900	2,162	2,062	1,000
Israel Palestine Center for RESEARCH AND INIPCRI (5292)	-	-	-	-
Ir-Amim	28,500	347,113	225,538	150,075
Isha L'Isha: Haifa Feminist Organization	200	34,630	16,650	18,180
Israel AIDS Task Force	7,500	10,000	-	17,500
IPCRI - Israel Palestinian Center for Research and Information	15,000	18,942	33,942	-
I'am: Media Center for Arab Palestinians in Israel	84,500	21,000	105,500	-
ISPRA	-	-	-	-
isrA.L.S - The Israel A.L.S Research Association-	12,280	-	12,280	-
Israel Association for Ethiopian Jews	45,000	104,100	95,000	54,100
Israel Family Planning Association	30,000	30,000	30,000	30,000
Israel Free Loan Association	-	500	500	-
Israel Women's Network (IWN)	108	22,902	16,154	6,856
Israeli Association for Immigrant Children (IAIC)	36,000	-	36,000	-
5272 Israeli Center for Social Justice	15,000	29,000	29,500	14,500
Israeli Disautonomia Foundation	4,000	-	4,000	-
Israeli Gay Youth Organization	1,000	24,907	19,957	5,950
Israeli Human Rights Organization of People With Disabilities	13,500	25,000	13,500	25,000
Arous Elbahr Association for the Woman in Jaffa (5529)	-	3,000	3,000	-
Jama'ah - Leadership Development and Community Em	-	10,000	10,000	-
Public Trust - Emun Hatzibur	-	25,000	25,000	-
Jerusalem Open House for Pride and Tolerance	6,208	188,730	188,848	6,090
Jerusalem Venture Partners JVP Community	25,000	100,000	125,000	-
Jewish Nature	-	66,800	66,800	-
Karev Initiatives in Education	-	10,000	-	10,000
Katamon Moadon Ohadim	-	1,200	-	1,200
Kayan ("Being")	20,000	2,018	22,018	-
Kefa For Social Change In The Negev	-	10,000	7,000	3,000
Kehilat Hadar- Ruach Chadasha	-	10,000	-	10,000
Kehilat Shira Chadasha	1,330	2,320	3,650	-
Kehilla: Center for Cooperative Learning	10,000	-	10,000	-
Keren Hadad Taub - Kolech	-	5,500	5,500	-
Keren Klita	-	1,299	1,299	-
Kesher: Information, Guidance, and Counseling Center for Parents	-	11,000	11,000	-
Keshet- Experimental Track for Environmental Edu	-	800	800	-
Mimizrach Shemesh - The Jewish Social Leadership Center (at Kiah)	-	25,000	25,000	-
Keren Kagan	-	7,078	7,078	-
Kitar	24,500	25,000	43,250	6,250
Kol Ha'Isha: Jerusalem Women's Center	1,700	32,250	31,950	2,000
Kol Haneshama	500	1,114	1,614	-
Kol Zchut	-	25,000	10,000	15,000
Kolot	-	26,000	25,000	1,000
Laborer's Voice (Sot El-Amel)	15,000	10,500	25,500	-
Lagiya: Association for the Improvement of the Status of Women	-	47,299	32,299	15,000
Liali Association	20,000	-	20,000	-

NEW ISRAEL FUND

**SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANTEE/VENDOR NAME	Grants Payable 12/31/09	Grants Authorized	Grants Disbursed	Grants Payable 12/31/10
Life and Environment	\$ 10,000	\$ -	\$ 10,000	\$ -
L.O.: Combat Violence Against Women	-	430	-	430
Local Committee Bir-Hadaj	5,000	(5,000)	-	-
Ma'an - The Forum for Bedouin Women's Organizations	45,000	75,500	68,000	52,500
Mabat - Awareness in a Multi-Cultural Society	-	110,000	110,000	-
Mada Al-Carmel: The Arab Center fro Applied Social Research	-	100,000	100,000	-
Mahapach: Education, Housing, and Livelihood*	90,000	60,921	128,421	22,500
Mahut Center	22,500	74,000	66,500	30,000
Marom-for Education and Promotion of Learning Di	-	8,057	8,057	-
Matan	-	7,000	7,000	-
Mavoi Satum ("Dead End")	12,500	22,600	22,500	12,600
Green Course	-	500	-	500
Meitar: College of Pluralistic Judaism - is no longer existent	-	-	-	-
Meitarei Ashkelon	-	45,000	32,500	12,500
Melitz: Centers for Jewish Zionist Education	-	10,000	10,000	-
Merchavim: Institute for Multicultural and Democratic Education for Israel	15,000	269,463	84,213	200,250
Merkaz Hashachar - Kibbutz K'tura	-	6,455	-	6,455
Midreshet Kama	12,500	23,100	24,000	11,600
Mira Menashe - Mimizrach Shemesh	-	8,000	8,000	-
Miri Shalem - through Kehilla	-	2,500	2,500	-
Movement for Israeli Urbanism	-	25,000	25,000	-
Mosaika	15,000	2,500	17,500	-
Mossawa	95,000	92,625	167,625	20,000
Movement for Dignified Living	12,500	38,000	30,500	20,000
Israel Religious Action Center of the Movement for Progressive (Reform) Judaism	122,750	285,842	346,892	61,700
National Council for the Child	-	6,878	-	6,878
Naveh Atid - Dahmash	6,000	(6,000)	-	-
Nazareth Nurseries Institute (Al-Tufula)	80,250	70,000	150,250	-
Ne'emanei Torah Va'Avodah	50,000	80,500	85,000	45,500
Negev Coexistence Forum	-	32,169	32,169	-
Negev Institute for Strategies of Peace and Development	31,100	203,331	194,431	40,000
Neighbors for Joint Development in the Galilee	15,000	-	15,000	-
Netivei Ahva: Friendship's Way	47,491	6,730	-	54,221
Neve Shalom Wahat al-Salam (NS WAS)	6,566	7,400	6,766	7,200
New Discourse (The Democratic Mizrahi Rainbow)	17,000	66,667	51,667	32,000
New Family	-	10,000	10,000	-
New Initiatives for Women	1,794	1,210	-	3,004
Noar Kahalcha	15,000	33,000	23,250	24,750
Olim Beyachad- Bandalei Vedalei	-	20,000	20,000	-
One in Nine: Women for Women Victims of Cancer	-	2,000	2,000	-
One Plus One	30,500	43,374	42,624	31,250
Oranim: Hamidrasha Center for Study Fellowship	27,250	58,500	66,500	19,250
Organization For Housing Rights	10,000	21,400	20,830	10,570
Ossim Shalom: Social Workers for Peace and Welfa	-	10,000	-	10,000
Our Heritage	-	40,000	30,000	10,000
Oz V'Shalom Netivot Shalom	100	-	100	-
Panim	22,600	30,100	37,600	15,100

NEW ISRAEL FUND

**SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANTEE/VENDOR NAME	Grants Payable 12/31/09	Grants Authorized	Grants Disbursed	Grants Payable 12/31/10
Pardes – for Community Development in south Tel Aviv	\$ 4,000	\$ 12,000	\$ 12,000	\$ 4,000
Parents' Circle: Bereaved Parents	-	221	-	221
Peace Child	-	30,554	30,530	24
Pelech School	1,800	-	-	1,800
Physicians for Human Rights	37,961	301,947	259,483	80,425
Public Committee against Torture	-	30,000	30,000	-
Qasr Alsir	7,000	(7,000)	-	-
Rabbis for Human Rights	110,000	90,915	175,915	25,000
Rahat: Tza'ad Kadima Association for the Advancement of Education	20,000	20,000	20,000	20,000
Ramat Yadin (Dora) Community Center	810	-	810	-
Rape Crisis Center - Haifa	-	276	276	-
Rape Crisis Center - Hasharon	500	575	575	500
Rape Crisis Center – Jerusalem	-	8,978	-	8,978
Realistic Religious Zionism	15,000	500	-	15,500
Regional Council for Unrecognized Negev Arab Villages: Al-Auna	26,000	72,000	72,000	26,000
Religious Women's Forum	32,900	137,500	121,650	48,750
Re'ut – A Religious Pluralistic Community	500	-	-	500
Re'ut Sadaka: Jewish-Arab Youth Movement for Peace and Equality	1,000	15,344	16,344	-
Reut Shchenim	-	5,000	-	5,000
Rockwood Leadership Institute	-	100,000	50,000	50,000
Sandciel	-	25,000	15,000	10,000
SELAH - Israel Crisis Management Center for New Immigrants	-	2,000	2,000	-
Shaked School	12,000	18,000	12,000	18,000
Shilo Pregnancy Advisory Service	18,380	55,301	65,481	8,200
Shiluv Institute	19,000	-	19,000	-
Shiluv: Integration	10,000	-	10,000	-
Shimur Kismei Teva	-	4,000	4,000	-
Shvil: Transparency International- Israel	-	20,000	-	20,000
SHOMERA (Har-Nof:Committee for the Quality of li	-	7,920	7,920	-
Sidreh	25,000	30,000	30,000	25,000
Signing Anew	51,362	300,343	351,705	-
Sikkuy: Israel Association for the Advancement of Equal Opportunity	-	287,500	162,500	125,000
Sister for Women in Israel	40,528	115,000	99,028	56,500
Society for Patients Rights in Israel	8,000	-	-	8,000
Society for the Protection of Personal Rights	27,300	29,107	54,507	1,900
Social Development Committee - Haifa	-	5,000	-	5,000
Social Economic Association - SEA	20,000	30,000	35,000	15,000
Sonia Sudri- The Masorti Movement	25	13,195	13,220	-
South Wing to Zion	20,000	64,000	61,500	22,500
Summit Institute	-	32,283	32,283	-
Supportive Environment	-	73,500	59,500	14,000
Syncopa Community	22,500	25,000	35,000	12,500
Talea' Al-Mostkabal	3,000	(3,000)	-	-
Tasfachin	37,500	50,000	50,000	37,500
Tebeka – Center for Legal Aid & Advocacy for Ethiopian Jewish In Israel	60,000	100,000	102,500	57,500
Technion - Samuel Neaman Institute	-	92,000	62,000	30,000
Tehuda	15,000	31,500	30,750	15,750
Tel Aviv Univesity	100,000	-	100,000	-

NEW ISRAEL FUND

**SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

GRANTEE/VENDOR NAME	Grants Payable 12/31/09	Grants Authorized	Grants Disbursed	Grants Payable 12/31/10
Tene Briut	\$ 4,000	\$ 7,500	\$ 11,500	\$ -
Tevel B'tzedek	180	105,332	105,262	250
Arab Center for Alternative Planning	79,000	32,000	111,000	-
The Arab Center for Law and Policy	75,000	29,800	102,000	2,800
Qadaya al Shabiba (Association to Support Arab Minors)	-	25,000	25,000	-
The Association of Environmental Justice in Isra	-	3,000	3,000	-
The Association for Quality of Life and Environm	-	3,000	3,000	-
The Citizens Accord Forum Between Jews and Arabs	-	100,000	50,000	50,000
The Coalition for Public Health	-	34,000	-	34,000
The Committee for Language Access of Health Care in Israel	-	400	200	200
The Committee for Ethiopian Jews in Safed (Pnina	-	5,000	5,000	-
Committee for Educational Guidance	-	20,000	-	20,000
The Freedom of Information Association	-	105,000	105,000	-
Green Environment Fund	-	1,086,567	676,467	410,100
Abraham Joshua Heschel Center for Nature Studies	80,000	90,000	145,000	25,000
The Institute of International Education	-	220,000	220,000	-
The Israel Center for Educational Innovation	100,000	1,225,090	1,084,974	240,116
The Israeli Association for Distributive Justice Ltd	17,500	159,000	122,000	54,500
Food Security Center	12,500	29,000	27,000	14,500
The Israeli Energy Forum	-	75,000	75,000	-
The Jerusalem Circus	-	23,336	23,336	-
The Jerusalem Institute for Israel Studies	-	10,000	-	10,000
Masorti (Conservative) Movement: Religious Affairs Bureau	14,000	32,000	29,000	17,000
The New Israeli Foundation for Cinema and Television	10,000	1,922	11,922	-
The Rosh Pina Mainstreaming Network	-	20,018	15,000	5,018
Shitim Institute	10,000	55,132	18,500	46,632
Affordable Housing in Tirat HaKarmel	-	19,000	9,500	9,500
Tmura – The Israeli Antidiscrimination legal center	-	31,500	30,000	1,500
Topaz Leading Social innovation	-	5,000	5,000	-
Trust of Programs for Early Childhood, Family, and Community Education	-	105,000	100,000	5,000
Tzofen	100	40,000	30,100	10,000
Ukuleles for Peace	-	10,000	10,000	-
Upper Galilee Rape Crisis Center	500	-	500	-
The Van Leer Jerusalem Institute	51,000	85,000	52,000	84,000
Windows Magazine for Children	600	-	600	-
Wing of Love	-	7,884	7,884	-
Women for Women: Haifa Battered Women's Shelter	375	2,500	2,875	-
Women and their Body	300	5,950	6,250	-
Woman to Woman: Jerusalem Battered Women's Shelter	-	15,161	15,136	25
Women Against Violence - Nazareth	115,000	88,000	188,000	15,000
Working Group for Personal Status Issues/ Women Against Violence - Nazareth WAV	-	28,000	28,000	-
Women and Horizons – Nis'a V'afak	-	28,000	28,000	-
Women Lawyers for Social Justice	30,350	110,700	121,200	19,850
Women of Israel	3,000	(3,000)	-	-
Women of the Wall	-	36,775	36,675	100
Women's Budget Forum	-	25,000	-	25,000
Women's Crisis Center of the Negev (MASLAN)	-	45,376	45,376	-

NEW ISRAEL FUND

SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANTEE/VENDOR NAME	Grants Payable 12/31/09	Grants Authorized	Grants Disbursed	Grants Payable 12/31/10
Women's Fund for Human Rights* (Machsom Watch)	\$ 149	\$ 34,362	\$ 34,511	\$ -
Workers' Hotline: Kav LaOved	99,500	40,100	116,600	23,000
The Yaacov Herzog Center For Jewish Studies	11,000	17,000	19,500	8,500
Yad L'Isha	12,500	27,426	28,676	11,250
Yad Marlene	-	14,581	14,581	-
Yasmin AlNagab For the Health of Women and Family-	4,000	-	4,000	-
Yedid: The Association for Community Empowerment	125,000	102,000	215,000	12,000
Yerucham Association	-	6,000	6,000	-
Yerushalmim Movement	-	20,000	10,000	10,000
Yesh Din	13,650	38,866	32,016	20,500
Yesodot	-	12,500	12,500	-
Youth Build a Future	-	12,299	12,299	-
Yozma	-	800	800	-
TOTAL	\$ 4,837,599	\$ 16,479,488	\$ 15,401,045	\$ 5,916,042

NEW ISRAEL FUND

**SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Program Services		
	Grants and Shatil	Other Program Services	Total Program Services
Grants	\$ 16,479,487	\$ -	\$ 16,479,487
Projects	1,231,395	248,023	1,479,418
Salaries and benefits	3,506,715	1,193,808	4,700,523
Legal	3,590	-	3,590
Accounting	-	-	-
Public relations	-	279,862	279,862
Consultancy/contract costs	-	444,590	444,590
Information technology	45,733	250	45,983
Rent	159,282	126,020	285,302
Travel	222,584	209,303	431,887
Conferences, conventions and meetings	106,526	26,635	133,161
Depreciation and amortization	97,174	-	97,174
Insurance	5,466	8,830	14,296
Supplies	62,915	3,173	66,088
Telephone	116,545	8,484	125,029
Postage and shipping	-	28,507	28,507
Equipment rental/maintenance	-	1,608	1,608
Printing/publications	52,338	58,140	110,478
Interest and bank charges	-	-	-
Dues and subscriptions	-	5,323	5,323
Bad debt	-	-	-
Contributed services	-	64,013	64,013
Governance	-	-	-
Staff training	37,781	2,842	40,623
Utilities	77,774	142	77,916
Miscellaneous	11,043	6,415	17,458
	\$ 22,216,348	\$ 2,715,968	\$ 24,932,316

Supporting Services			
Management and General	Fundraising	Total Supporting Services	Total Expenses
\$ -	\$ -	\$ -	\$ 16,479,487
-	-	-	1,479,418
1,815,521	1,416,526	3,232,047	7,932,570
48,949	-	48,949	52,539
199,623	-	199,623	199,623
3,987	235	4,222	284,084
310,873	235,665	546,538	991,128
59,430	-	59,430	105,413
66,061	258,020	324,081	609,383
119,235	164,496	283,731	715,618
58,952	112,451	171,403	304,564
68,278	-	68,278	165,452
19,620	-	19,620	33,916
56,006	6,768	62,774	128,862
124,679	34,564	159,243	284,272
7,165	88,555	95,720	124,227
-	14,711	14,711	16,319
86,431	60,511	146,942	257,420
57,453	-	57,453	57,453
28,305	11,671.00	39,976	45,299
-	83,630	83,630	83,630
20,625	-	20,625	84,638
203,601	-	203,601	203,601
6,792	-	6,792	47,415
62,279	-	62,279	140,195
45,205	3,776	48,981	66,439
\$ 3,469,070	\$ 2,491,579	\$ 5,960,649	\$ 30,892,965