

FINANCIAL STATEMENTS

NEW ISRAEL FUND

**FOR THE YEAR ENDED DECEMBER 31, 2016
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2015**

NEW ISRAEL FUND

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statement of Financial Position, as of December 31, 2016, with Summarized Financial Information for 2015	4 - 5
EXHIBIT B - Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2016, with Summarized Financial Information for 2015	6
EXHIBIT C - Statement of Cash Flows, for the Year Ended December 31, 2016, with Summarized Financial Information for 2015	7
NOTES TO FINANCIAL STATEMENTS	8 - 18
SUPPLEMENTAL INFORMATION	
SCHEDULE 1 - Combining Schedule of Financial Position, as of December 31, 2016	19 - 20
SCHEDULE 2 - Combining Schedule of Activities, for the Year Ended December 31, 2016	21
SCHEDULE 3 - Combining Schedule of Change in Net Assets, for the Year Ended December 31, 2016	22
SCHEDULE 4 - Schedule of Grants, for the Year Ended December 31, 2016	23 - 29
SCHEDULE 5 - Schedule of Functional Expenses, for the Year Ended December 31, 2016	30

GELMAN, ROSENBERG

& FREEDMAN

CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New Israel Fund
San Francisco, California

We have audited the accompanying financial statements of the NIF (NIF), which comprise the statement of financial position as of December 31, 2016, 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 13% of the combined total assets as of December 31, 2016 and total revenues constituting 12% 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 that was dated . 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 from 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, 2016, 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.

4550 MONTGOMERY AVENUE • SUITE 650 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • FAX (301) 951-3570 • WWW.GRF CPA.COM

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Report on Summarized Comparative Information

We have previously audited NIF's 2015 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated June 26, 2017. The financial activity of the NIF-Israel office included in those financial statements were audited by other auditors, whose report dated June 1, 2017 was furnished to us, and our opinion, insofar as it related to the amounts included for the NIF-Israel office, was based solely on the report of the other auditors. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, 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 on pages 19 - 20, Combining Schedule of Activities on page 21, Combining Schedule of Change in Net Assets on page 22, Schedule of Grants on pages 23 - 29 and the Schedule of Functional Expenses 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.



June 26, 2017

NEW ISRAEL FUND
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,380,638	\$ 9,267,349
Investments	9,109,640	9,055,126
Pledges receivable, current portion, net of allowance for doubtful accounts of \$69,400 and \$85,139 in 2016 and 2015, respectively	3,305,631	3,154,212
Accounts receivable	81,767	126,072
Prepaid expenses	<u>112,444</u>	<u>37,458</u>
Total current assets	<u>17,990,120</u>	<u>21,640,217</u>
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS		
Furniture and equipment	2,496,997	2,295,642
Leasehold improvements	<u>222,642</u>	<u>189,458</u>
	2,719,639	2,485,100
Less: Accumulated depreciation and amortization	<u>(2,093,685)</u>	<u>(1,881,202)</u>
Net furniture, equipment and leasehold improvements	<u>625,954</u>	<u>603,898</u>
OTHER ASSETS		
Pledges receivable, net of current portion	57,971	77,939
Deposits	<u>137,211</u>	<u>123,580</u>
Total other assets	<u>195,182</u>	<u>201,519</u>
 TOTAL ASSETS	 <u>\$ 18,811,256</u>	 <u>\$ 22,445,634</u>

LIABILITIES AND NET ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,828,418	\$ 2,004,654
Grants payable	3,917,356	3,958,421
Annuity payable, current portion	15,352	19,251
Deferred rent abatement	<u>31,633</u>	<u>-</u>
Total current liabilities	<u>5,792,759</u>	<u>5,982,326</u>
LONG-TERM LIABILITIES		
Accrued severance	231,869	217,505
Deferred rent abatement, net of current portion	98,877	98,194
Annuity payable	<u>33,654</u>	<u>49,006</u>
Total long-term liabilities	<u>364,400</u>	<u>364,705</u>
Total liabilities	<u>6,157,159</u>	<u>6,347,031</u>
NET ASSETS		
Unrestricted:		
Undesignated	4,276,123	7,102,851
Board designated	<u>3,212,499</u>	<u>2,808,785</u>
Total unrestricted	7,488,622	9,911,636
Temporarily restricted	3,075,562	4,077,989
Permanently restricted	<u>2,089,913</u>	<u>2,108,978</u>
Total net assets	<u>12,654,097</u>	<u>16,098,603</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,811,256</u>	<u>\$ 22,445,634</u>

NEW ISRAEL FUND

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015**

	2016			2015	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUE					
Contributions	\$ 24,774,057	\$ 1,709,393	\$ -	\$ 26,483,450	\$ 32,502,670
Special events	489,285	-	-	489,285	442,585
Other revenue	92,210	-	-	92,210	117,528
Net assets released from donor restrictions	<u>2,783,845</u>	<u>(2,783,845)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>28,139,397</u>	<u>(1,074,452)</u>	<u>-</u>	<u>27,064,945</u>	<u>33,062,783</u>
EXPENSES					
Program Services:					
Grants	13,541,427	-	-	13,541,427	13,851,614
Shatil	4,429,977	-	-	4,429,977	4,854,874
Other Programs	<u>4,261,563</u>	<u>-</u>	<u>-</u>	<u>4,261,563</u>	<u>4,248,073</u>
Total program services	<u>22,232,967</u>	<u>-</u>	<u>-</u>	<u>22,232,967</u>	<u>22,954,561</u>
Supporting Services:					
Management and General	4,606,072	-	-	4,606,072	4,587,026
Fundraising	<u>3,946,869</u>	<u>-</u>	<u>-</u>	<u>3,946,869</u>	<u>3,435,053</u>
Total supporting services	<u>8,552,941</u>	<u>-</u>	<u>-</u>	<u>8,552,941</u>	<u>8,022,079</u>
Total expenses	<u>30,785,908</u>	<u>-</u>	<u>-</u>	<u>30,785,908</u>	<u>30,976,640</u>
Change in net assets before other items	<u>(2,646,511)</u>	<u>(1,074,452)</u>	<u>-</u>	<u>(3,720,963)</u>	<u>2,086,143</u>
OTHER ITEMS					
Investment income (Note 2)	204,432	72,025	-	276,457	68,626
Transfer of assets	<u>19,065</u>	<u>-</u>	<u>(19,065)</u>	<u>-</u>	<u>-</u>
Total other items	<u>223,497</u>	<u>72,025</u>	<u>(19,065)</u>	<u>276,457</u>	<u>68,626</u>
Change in net assets	(2,423,014)	(1,002,427)	(19,065)	(3,444,506)	2,154,769
Net assets at beginning of year	<u>9,911,636</u>	<u>4,077,989</u>	<u>2,108,978</u>	<u>16,098,603</u>	<u>13,943,834</u>
NET ASSETS AT END OF YEAR	<u>\$ 7,488,622</u>	<u>\$ 3,075,562</u>	<u>\$ 2,089,913</u>	<u>\$ 12,654,097</u>	<u>\$ 16,098,603</u>

NEW ISRAEL FUND

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (3,444,506)	\$ 2,154,769
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	213,813	190,103
Unrealized gain on investments	(200,406)	(97,092)
Realized loss on sale of investments	4,131	79,931
Change in allowance for doubtful accounts	(15,739)	26,359
Permanently restricted contributions	-	(1,000)
(Increase) decrease in:		
Pledges receivable	(115,712)	(700,884)
Accounts receivable	44,305	15,283
Prepaid expenses	(74,986)	35,948
Deposits	(13,631)	(35,614)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(176,236)	254,916
Grants payable	(41,065)	(668,145)
Accrued severance	14,364	57,108
Annuity payable	(19,251)	(28,086)
Deferred rent abatement	<u>32,316</u>	<u>6,669</u>
Net cash (used) provided by operating activities	<u>(3,792,603)</u>	<u>1,290,265</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of furniture and equipment	(235,869)	(388,443)
Net proceeds from sale of investments	<u>141,761</u>	<u>318,914</u>
Net cash used by investing activities	<u>(94,108)</u>	<u>(69,529)</u>
Net (decrease) increase in cash and cash equivalents	(3,886,711)	1,221,736
Cash and cash equivalents at beginning of year	<u>9,267,349</u>	<u>8,045,613</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,380,638</u>	<u>\$ 9,267,349</u>
SUPPLEMENTAL INFORMATION		
Investments Received Via Donation	<u>\$ 1,459,675</u>	<u>\$ 1,371,323</u>

NEW ISRAEL FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The New Israel Fund (NIF) is a California nonprofit public benefit corporation organized and operated under Section 501(c)(3) of the Internal Revenue Code as amended. NIF advances equality and democracy for all Israelis. We are a partnership of Israelis and supporters of Israel worldwide, dedicated to a vision of Israel as both the Jewish homeland and a shared society at peace with itself and its neighbors.

NIF is headquartered in San Francisco and has offices in several U.S. cities and in Israel. The Israel operation of NIF was 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 operation, which were audited by other auditors, whose reports have been furnished to NIF – U.S. At December 31, 2016, the audited financial statements of the NIF - Israel operation have been included with the accounts of NIF. All intercompany transactions between the U.S. operation and the Israel operation have been eliminated and are not shown in the financial statements.

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, 2015, 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. Money market accounts totaling \$558,096, that are part of the investment portfolio, are reported 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 Israel in the amount of \$816,292 is uninsured. Management believes the risk in this situation to be minimal.

Foreign operations -

The financial statements include the activity of NIF - Israel office and the accounting records there are maintained in the functional currency of the foreign country, 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 for financial reporting purposes. Exchange gains and losses are reported in the Statement of Activities and Change in Net Assets as part of grants payments made to NIF - Israel. The amount of the exchange loss was \$2,119 for the year ended December 31, 2016.

In order to control potential volatility of exchange rate fluctuations, NIF enters into a forward contract for \$5,400,000 to purchase shekels at a set rate. For the period October 10, 2016 through November 24, 2017, NIF buys shekels using a rate of 3.777.

NEW ISRAEL FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

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 useful life of the asset or life of the lease, whichever is shorter. The cost of maintenance and repairs is recorded as expenses are incurred.

Pledges receivable -

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows.

Outstanding pledges at December 31, 2016 are for the general support of NIF and for donor-advised gifts. 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. Management has established an allowance for doubtful accounts in the amount of \$69,400 at December 31, 2016.

Accounts receivable -

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

Fiscal sponsor -

NIF entered into an agreement to be a fiscal sponsor for an organization to give funds to another qualified entity. Per the agreement NIF has no variance power over the funds received. Due to the lack of variance power, NIF did not record the activity in their Statement of Activities and Change in Net Assets. All funds received during the year ended December 31, 2016, were disbursed prior to year end.

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 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 the Board-Designated Fund, which was established by the Board in November 2015 to support the operations and grants of NIF, as further described in Note 6.
- **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, 2016

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. 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. NIF is subject to unrelated business income tax from the earnings on certain investments.

Uncertain tax positions -

For the year ended December 31, 2016, 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.

Grant expenses -

Core grants and donor-advised/targeted grants are recorded as expenses and grants payable at the time the Board approves the specific grant.

Contributions -

Unrestricted and temporarily restricted contributions are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and/or 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.

NEW ISRAEL FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

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

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 accounting pronouncements -

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities and Change in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of NIF's financial statements, it is not expected to alter NIF's reported financial position. NIF did not early adopt.

In 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement* (Topic 820). The ASU removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The ASU becomes effective for years beginning after December 31, 2016. The ASU should be applied on a retrospective basis in the year applied. NIF did not early adopt.

2. INVESTMENTS

Investments at December 31, 2016 are as follows:

Money market funds	\$	558,096
Mutual funds		4,793,322
Securities		89,359
Bonds		498,296
Alternative investments		<u>3,170,567</u>
TOTAL INVESTMENTS	\$	<u>9,109,640</u>

Alternative investments consist predominantly of a minority ownership interest in a limited partnership investment fund (Fund) whose investment strategy focuses on varied and nontraditional investment opportunities in an effort to provide a diversified, single-portfolio for investors. The Fund invests primarily in investment vehicles (e.g. hedge funds and private equity funds) or pooled accounts managed by unaffiliated third parties mainly through master trading vehicles, as well as direct investments in securities and other assets.

NEW ISRAEL FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

2. INVESTMENTS (Continued)

The Fund's portfolio is a diversified, managed fund. At December 31, 2016, the market value of NIF's interest in the partnership totaled \$3,170,567. Of the \$200,406 recorded as unrealized gains, \$150,239 was associated with these alternative investments. As of December 31, 2016, there were no uncalled commitments or lock-up periods.

NIF's policy is to liquidate donated stocks within days of receipt. In accordance with FASB ASC 230, these investments are treated as an investing activity and disclosed as a supplemental item on the statement of cash flow.

Investment income for the year ended December 31, 2016 consisted of the following:

Unrealized gain	\$	200,406
Realized loss		(4,131)
Interest and dividends, net of fees		<u>80,182</u>
TOTAL INVESTMENT INCOME	\$	<u>276,457</u>

3. PLEDGES RECEIVABLE

Pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Pledges receivable that are expected to be collected in future years are recorded at their fair value, which is measured as the present value of their future cash flows. 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, 2016:

<u>Year Ending December 31,</u>		
2017	\$	3,375,031
2018		<u>60,000</u>
Subtotal		<u>3,435,031</u>
Less: Allowance to discount pledge to present value		(2,029)
Less: Allowance for doubtful accounts		<u>(69,400)</u>
PLEDGES RECEIVABLE, NET	\$	<u>3,363,602</u>

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.

NEW ISRAEL FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

4. SPLIT INTEREST AGREEMENTS (Continued)

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, 2016, the fair market value of the gift annuities included in investments totaled \$758,348, and the net present value of the related annuity payable totaled \$49,006, of which \$15,352 and \$33,654 are recorded as a current liability and long-term liability, respectively.

5. LEASE COMMITMENTS

NIF has entered into various lease agreements and sublease agreements for office space in several U.S. cities through December 31, 2025.

NIF entered into several leases in Israel through 2018.

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, 2016, deferred rent was \$130,510, which is included in the Statement of Financial Position.

Net rent expense for the year ended December 31, 2016 was \$865,394.

Future minimum lease payments are as follows at December 31, 2016:

Year Ending December 31,

2017	\$ 1,230,618
2018	1,247,629
2019	548,307
2020	479,793
2021	494,187
Thereafter	<u>1,280,504</u>
	<u>\$ 5,281,038</u>

NIF entered into three sublease agreements. The future minimum sublease payments to be received are as follows at December 31, 2016:

Year Ending December 31,

2017	\$ 88,713
2018	83,782
2019	<u>27,121</u>
	<u>\$ 199,616</u>

Rental income in the amount of \$85,763 is netted against rent expense and allocated to the various cost centers in the Statement of Activities and Change in Net Assets.

NEW ISRAEL FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

6. BOARD DESIGNATED NET ASSETS

Included in unrestricted net assets at December 31, 2016 are Board designated net assets in the amount of \$3,212,499. They are designated for the following purposes:

General Programs	\$ 2,962,499
Emergency and Special Projects	<u>250,000</u>
	<u>\$ 3,212,499</u>

Of the total amount in the Board designated fund, \$2,962,499 is intended for the long-term needs of NIF, while \$250,000 is designated for emergencies and special projects, as recommended from time to time by the CEO and President to the Executive Committee and so approved.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2016:

Programs and Projects - NIF-U.S.	\$ 1,517,201
Programs and Projects - NIF-Israel	<u>1,558,361</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 3,075,562</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.	\$ 1,905,429
Programs and Projects - NIF-Israel	<u>878,416</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 2,783,845</u>

8. ENDOWMENT

NIF's endowment consists of donor-restricted endowment funds. As required by Generally Accepted Accounting Principles (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.

NEW ISRAEL FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

8. ENDOWMENT (Continued)

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, 2016, permanently restricted endowment funds that are required to be held in perpetuity, either by explicit donor stipulation or by UPMIFA, totaled \$2,089,913, the income from which is expendable to support grants and projects.

Changes in endowment net assets for the year ended December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 77,862	\$ 2,108,978	\$ 2,186,840
Net appreciation of investments	-	41,911	-	41,911
Appropriation of endowment assets for expenditure	-	(20,118)	-	(20,118)
Other changes - Transfer of assets	-	-	(19,065)	(19,065)
ENDOWMENT NET ASSETS, END OF YEAR	\$ -	\$ 99,655	\$ 2,089,913	\$ 2,189,568

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. These deficiencies result from unfavorable market fluctuations which occurred after the investment of permanently restricted contributions and continued appropriations for certain programs that were deemed prudent by the Board of Directors. There were no deficiencies of this nature as of December 31, 2016.

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) and/or for a particular purpose(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's goal for its endowment funds, over time, is to provide an average rate of return of approximately 5% annually, net of inflation. Actual returns in any given year may vary from this amount.

NEW ISRAEL FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

8. ENDOWMENT (Continued)

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.

9. AGREEMENTS WITH AFFILIATES

NIF has entered into Memoranda of Understanding with affiliates in Canada, Great Britain, Switzerland, Germany, and is in process with Australia, whereby these separate entities each conduct programming and raise funds that support NIF grant making in Israel.

10. PENSION PLAN

NIF - U.S. has a company-paid, 401(a) money purchase plan. After a two-year vesting period, employees accrue up to 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, 2016 was 3%. Pension expense for the year ended December 31, 2016 was \$81,955.

11. 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. 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.

NEW ISRAEL FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

11. FAIR VALUE MEASUREMENT (Continued)

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, 2016.

- *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, securities* - 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 fair value.

The table below summarizes, by level within the fair value hierarchy, NIF's investments as of December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Money market funds	\$ 558,096	\$ -	\$ -	\$ 558,096
Mutual funds	4,793,322	-	-	4,793,322
Securities	89,359	-	-	89,359
Bonds	498,296	-	-	498,296
Alternative investments	<u>-</u>	<u>-</u>	<u>3,170,567</u>	<u>3,170,567</u>
Total investments	5,939,073	-	3,170,567	9,109,640
Liability Class:				
Annuity payable	<u>-</u>	<u>(49,006)</u>	<u>-</u>	<u>(49,006)</u>
TOTAL	<u>\$ 5,939,073</u>	<u>\$ (49,006)</u>	<u>\$ 3,170,567</u>	<u>\$ 9,060,634</u>

Level 3 Financial Assets

The following table provides a summary of changes in fair value of NIF's Level 3 financial assets for the year ended December 31, 2016:

	<u>Investments</u>
Beginning balance as of January 1, 2016	\$ 4,633,378
Unrealized and realized gains	187,189
Purchases/Distributions	<u>(1,650,000)</u>
BALANCE AS OF DECEMBER 31, 2016	<u>\$ 3,170,567</u>

NEW ISRAEL FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

12. SEVERANCE

Under Israeli law, NIF 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.

Such severance, pension and provident funds in Israel reflect amounts deposited in a central severance pay fund. The fund has an accrued severance liability of \$231,869, payable upon termination of employment.

13. SUBSEQUENT EVENTS

In preparing these financial statements, NIF has evaluated events and transactions for potential recognition or disclosure through June 26, 2017, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

NEW ISRAEL FUND

**COMBINING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016**

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	\$ 4,564,346	\$ 816,292	\$ 5,380,638	\$ -	\$ 5,380,638
Investments	8,504,881	604,759	9,109,640	-	9,109,640
Pledges receivable, current portion, net of allowance for doubtful accounts of \$69,400 in 2016	2,696,104	609,527	3,305,631	-	3,305,631
Accounts receivable	58,587	23,180	81,767	-	81,767
Prepaid expenses	102,588	9,856	112,444	-	112,444
Due from NIF - U.S.	<u>-</u>	<u>455,424</u>	<u>455,424</u>	<u>(455,424)</u>	<u>-</u>
Total current assets	<u>15,926,506</u>	<u>2,519,038</u>	<u>18,445,544</u>	<u>(455,424)</u>	<u>17,990,120</u>
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS					
Furniture and equipment	222,658	2,274,339	2,496,997	-	2,496,997
Leasehold improvements	<u>222,642</u>	<u>-</u>	<u>222,642</u>	<u>-</u>	<u>222,642</u>
	445,300	2,274,339	2,719,639	-	2,719,639
Less: Accumulated depreciation and amortization	<u>(220,013)</u>	<u>(1,873,672)</u>	<u>(2,093,685)</u>	<u>-</u>	<u>(2,093,685)</u>
Net furniture, equipment and leasehold improvements	<u>225,287</u>	<u>400,667</u>	<u>625,954</u>	<u>-</u>	<u>625,954</u>
OTHER ASSETS					
Pledges receivable, net of current portion	57,971	-	57,971	-	57,971
Deposits	<u>137,211</u>	<u>-</u>	<u>137,211</u>	<u>-</u>	<u>137,211</u>
Total other assets	<u>195,182</u>	<u>-</u>	<u>195,182</u>	<u>-</u>	<u>195,182</u>
TOTAL ASSETS	<u>\$ 16,346,975</u>	<u>\$ 2,919,705</u>	<u>\$ 19,266,680</u>	<u>\$ (455,424)</u>	<u>\$ 18,811,256</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	\$ 719,644	\$ 1,108,774	\$ 1,828,418	\$ -	\$ 1,828,418
Grants payable	3,833,576	83,780	3,917,356	-	3,917,356
Annuity payable, current portion	15,352	-	15,352	-	15,352
Due from NIF - Israel	455,424	-	455,424	(455,424)	-
Deferred rent abatement	<u>31,633</u>	<u>-</u>	<u>31,633</u>	<u>-</u>	<u>31,633</u>
Total current liabilities	<u>5,055,629</u>	<u>1,192,554</u>	<u>6,248,183</u>	<u>(455,424)</u>	<u>5,792,759</u>
LONG-TERM LIABILITIES					
Accrued severance	-	231,869	231,869	-	231,869
Deferred rent abatement, net of current portion	98,877	-	98,877	-	98,877
Annuity payable	<u>33,654</u>	<u>-</u>	<u>33,654</u>	<u>-</u>	<u>33,654</u>
Total long-term liabilities	<u>132,531</u>	<u>231,869</u>	<u>364,400</u>	<u>-</u>	<u>364,400</u>
Total liabilities	<u>5,188,160</u>	<u>1,424,423</u>	<u>6,612,583</u>	<u>(455,424)</u>	<u>6,157,159</u>
NET ASSETS					
Unrestricted	7,551,701	(63,079)	7,488,622	-	7,488,622
Temporarily restricted	1,517,201	1,558,361	3,075,562	-	3,075,562
Permanently restricted	<u>2,089,913</u>	<u>-</u>	<u>2,089,913</u>	<u>-</u>	<u>2,089,913</u>
Total net assets	<u>11,158,815</u>	<u>1,495,282</u>	<u>12,654,097</u>	<u>-</u>	<u>12,654,097</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,346,975</u>	<u>\$ 2,919,705</u>	<u>\$ 19,266,680</u>	<u>\$ (455,424)</u>	<u>\$ 18,811,256</u>

NEW ISRAEL FUND

COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>New Israel Fund - U.S.</u>	<u>New Israel Fund - Israel Office</u>	<u>Total New Israel Fund</u>	<u>Eliminations</u>	<u>Total</u>
UNRESTRICTED REVENUE					
Contributions	\$ 22,127,084	\$ 2,646,973	\$24,774,057	\$ -	\$24,774,057
Grants to Israel office	-	7,172,868	7,172,868	(7,172,868)	-
Special events	489,285	-	489,285	-	489,285
Other revenue	139	92,071	92,210	-	92,210
Net assets released from donor restrictions	<u>1,905,429</u>	<u>1,523,776</u>	<u>3,429,205</u>	<u>(645,360)</u>	<u>2,783,845</u>
Total unrestricted revenue	<u>24,521,937</u>	<u>11,435,688</u>	<u>35,957,625</u>	<u>(7,818,228)</u>	<u>28,139,397</u>
EXPENSES	<u>25,408,970</u>	<u>13,195,166</u>	<u>38,604,136</u>	<u>(7,818,228)</u>	<u>30,785,908</u>
Change in unrestricted net assets before other item	(887,033)	(1,759,478)	(2,646,511)	-	(2,646,511)
Investment income	204,432	-	204,432	-	204,432
Transfer of assets	<u>19,065</u>	<u>-</u>	<u>19,065</u>	<u>-</u>	<u>19,065</u>
Change in unrestricted net assets	<u>(663,536)</u>	<u>(1,759,478)</u>	<u>(2,423,014)</u>	<u>-</u>	<u>(2,423,014)</u>
TEMPORARILY RESTRICTED REVENUE					
Contributions	1,079,297	1,275,456	2,354,753	(645,360)	1,709,393
Net assets released from donor restrictions	<u>(1,905,429)</u>	<u>(1,523,776)</u>	<u>(3,429,205)</u>	<u>645,360</u>	<u>(2,783,845)</u>
Total temporarily restricted net assets before other items	(826,132)	(248,320)	(1,074,452)	-	(1,074,452)
Investment income	<u>41,911</u>	<u>30,114</u>	<u>72,025</u>	<u>-</u>	<u>72,025</u>
Change in temporarily restricted net assets	<u>(784,221)</u>	<u>(218,206)</u>	<u>(1,002,427)</u>	<u>-</u>	<u>(1,002,427)</u>
PERMANENTLY RESTRICTED REVENUE					
Transfer of assets	<u>(19,065)</u>	<u>-</u>	<u>(19,065)</u>	<u>-</u>	<u>(19,065)</u>
Change in permanently restricted net assets	<u>(19,065)</u>	<u>-</u>	<u>(19,065)</u>	<u>-</u>	<u>(19,065)</u>
TOTAL CHANGE IN NET ASSETS	<u>\$ (1,466,822)</u>	<u>\$ (1,977,684)</u>	<u>\$ (3,444,506)</u>	<u>\$ -</u>	<u>\$ (3,444,506)</u>

NEW ISRAEL FUND

COMBINING SCHEDULE OF CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

	New Israel Fund - U.S.	New Israel Fund - Israel Office	Total New Israel Fund	Eliminations	Total
UNRESTRICTED NET ASSETS					
Net assets at beginning of year	\$ 8,215,237	\$ 1,696,399	\$ 9,911,636	\$ -	\$ 9,911,636
Change in unrestricted net assets	<u>(663,536)</u>	<u>(1,759,478)</u>	<u>(2,423,014)</u>	<u>-</u>	<u>(2,423,014)</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 7,551,701</u>	<u>\$ (63,079)</u>	<u>\$ 7,488,622</u>	<u>\$ -</u>	<u>\$ 7,488,622</u>
TEMPORARILY RESTRICTED NET ASSETS					
Net assets at beginning of year	\$ 2,301,422	\$ 1,776,567	\$ 4,077,989	\$ -	\$ 4,077,989
Change in temporarily restricted net assets	<u>(784,221)</u>	<u>(218,206)</u>	<u>(1,002,427)</u>	<u>-</u>	<u>(1,002,427)</u>
TEMPORARILY RESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 1,517,201</u>	<u>\$ 1,558,361</u>	<u>\$ 3,075,562</u>	<u>\$ -</u>	<u>\$ 3,075,562</u>
PERMANENTLY RESTRICTED NET ASSETS					
Net assets at beginning of year	\$ 2,108,978	\$ -	\$ 2,108,978	\$ -	\$ 2,108,978
Change in permanently restricted net assets	<u>(19,065)</u>	<u>-</u>	<u>(19,065)</u>	<u>-</u>	<u>(19,065)</u>
PERMANENTLY RESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 2,089,913</u>	<u>\$ -</u>	<u>\$ 2,089,913</u>	<u>\$ -</u>	<u>\$ 2,089,913</u>
TOTAL NET ASSETS AT END OF YEAR	<u>\$ 11,158,815</u>	<u>\$ 1,495,282</u>	<u>\$ 12,654,097</u>	<u>\$ -</u>	<u>\$ 12,654,097</u>

NEW ISRAEL FUND
SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2016

GRANTEE	Opening Grant Payable	Year To Date Grant Authorized (Jan - Dec)	Year To Date Grant Paid (Jan - Dec)	Closing Grant Payable
12 Heshvan: Promoting Tolerance in an Orthodox Context	\$ 26,000	\$ 106,872	\$ 107,622	\$ 25,250
15 Minutes - Public Transport Consumers Union	-	57,993	57,993	-
A New Dawn	4,800	10,500	7,800	7,500
A New Way	-	116,666	116,666	-
Adalah: Legal Center for Arab Minority Rights in Israel	16,350	67,571	78,671	5,250
Adam Institute for Democracy and Peace	5,000	-	5,000	-
Adam Teva v'Din: Israel Union for Environmental Defense	13,600	11,800	23,600	1,800
Adva Center	10,000	175,000	162,000	23,000
Adva Center - Haoketz	17,500	10,000	27,500	-
African Refugees Development Center (ARDC)	5,000	7,235	7,235	5,000
Agenda - The Israeli Center for Strategic Communication	60,454	180,000	192,955	47,499
AHD: Association of Academics for the Development of Arab Society in the Negev	-	70,000	5,000	65,000
Ahuzat Negev	11,075	22,000	22,075	11,000
AJEEC-NISPED	60,724	379,174	339,899	99,999
Al Zahraa: Organization for the Advancement of Women	-	23,750	-	23,750
Aljana - Center for Cultural and Social Development	-	2,000	2,000	-
All for Peace	2,470	1,445	3,915	-
Alrafah Association	-	25,000	-	25,000
Alsirag	42,000	-	42,000	-
Alternative	-	31,115	30,115	1,000
Alumot- The Center for the Organizations of People with Disabilities	-	15,326	7,675	7,651
ANU - Making Change Ltd	-	31,367	31,367	-
Arava Institute for Environmental Studies	36	18,048	15,584	2,500
Arous Elbahr Association for Women in Jaffa	5,000	5,316	10,316	-
ASHALIM - The Association for Planning and Develop	-	28,600	28,600	-
ASSAF - Aid Organization for Refugees and Asylum Seekers in Israel	15,000	80,450	79,850	15,600
Association for Civil Rights in Israel (ACRI)	227,610	610,034	639,895	197,749
Association for Community Development- Acre	-	6,750	-	6,750
Association of Bedouin Women to Promote Education	-	25,000	500	24,500
Association of Rape Crisis Centers	-	4,000	1,000	3,000
Association to promote the Culture & Education in Kfar Yehezkiel	-	18,500	-	18,500
Atid Bamidbar	4,000	-	4,000	-
Awareness for You	2,200	10,000	7,200	5,000
AWC – Arab Women in the Center	9,000	25,758	20,056	14,702
Bat- Kol, Queer Jewish Women	-	15,000	15,000	-
Bat Shalom	30	(30)	-	-
Beer Sova	-	16,000	8,000	8,000
Beit HaGefen – Arab Jewish Cultural Center	-	27,611	27,611	-
Beit Tikvat Em Habanim Smechah	-	21,000	10,500	10,500
Bimkom: Planners for Planning Rights	132,500	340,500	303,000	170,000
Bina - Center for Jewish Identity and Hebrew Culture	1,325	47,252	46,827	1,750
Bizchut: Center for Human Rights of Persons with Disabilities	23,060	185,769	102,454	106,375
Breaking the Silence	75,350	438,766	469,053	45,063
Brit Olam – International Volunteering and Development	-	180	-	180
B'Tselem: Israel Information Center for Human Rights	128,525	360,659	414,433	74,751

NEW ISRAEL FUND

**SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

GRANTEE	Opening Grant Payable	Year To Date Grant Authorized (Jan - Dec)	Year To Date Grant Paid (Jan - Dec)	Closing Grant Payable
Center for Jewish-Arab Economic Development	\$ 5,250	\$ (5,250)	\$ -	\$ -
Center for Women's Justice	1,100	64,000	63,600	1,500
Challenge - Organization for Critical and Integrative Strategy and for Inclusively Addressing Social Conflicts	10,000	24,000	26,500	7,500
Chug Haamakim	-	12,202	12,202	-
CIMI- Center FOR International Migration and Integration	50	-	50	-
Citizens Build a Community	5,000	-	5,000	-
Citizens for the Environment in the Galilee	-	17,301	17,301	-
Collot in the Negev Institute for Education	4,000	11,000	15,000	-
Combatants for Peace	6,850	22,862	29,712	-
Community Council Greater Baka	-	10,664	10,664	-
Council for Peace and Security	50,500	236,000	286,500	-
De'a	-	5,000	5,000	-
Dead Sea and Arava Science Center	-	2,658	2,658	-
Desert Stars	-	13,745	13,745	-
Dugrinet	-	20,000	20,000	-
Economic Cooperation Foundation	2,500	5,000	7,500	-
Economic Empowerment for Women	15,000	22,500	27,500	10,000
EcoPeace Middle East	-	5,830	830	5,000
Elifelet Citizens For Refugee Children	-	394	-	394
Elintamaa Wilamal	30,000	32,500	62,500	-
ELMINA - House of Creation	-	2,500	2,500	-
El-Sabar Association	-	11,500	10,000	1,500
Emek Shaveh	20,350	20,350	40,450	250
Entimaa & Ataa- Association for Social Promotion	25,000	25,000	37,500	12,500
Equal Opportunity for Ethiopian Jews in Israel	600	(600)	-	-
Eritrean Women's Community Center	-	2,497	2,497	-
Etgarim: Israel Outdoor Sports and Recreation	500	250	750	-
Fidel: Association for Education and Social Integration of Ethiopian Jews	105,256	126,783	105,256	126,783
Forum for Immigrant Families in the North	27,000	45,000	44,000	28,000
Freddie Krivine Foundation	1,900	-	1,900	-
Friends by Nature - Community Empowerment	3,000	9,432	9,432	3,000
Friends of Open House	11,161	38,419	44,580	5,000
Gisha Center for the Legal Protection of Freedom of Movement	10,250	6,687	15,687	1,250
Givat Hamivtar and Ramat Eshkol	4,000	5,211	9,211	-
Givat Haviva Jewish-Arab Center for Peace	-	59,797	59,797	-
Grants Declared*	502,341	(488,774)	8,457	5,110
Green Course (Megama Yeruka)	25,700	40,271	65,971	-
Green Tapestry Wadi Ara - Wadi Shariya Communitis Project	-	6,641	6,641	-
H.L Education for Peace	-	100,000	100,000	-
Ha'Amuta Le-Kidom Hasport Hameshutaf Mevaseret-Abu-Gosh	1,000	4,300	5,300	-
Hagar: Bilingual Jewish Arab Education for Equality	16,001	100,062	90,690	25,373
HaMoked: Center for Defense of the Individual	37,450	1,300	37,750	1,000
Hand in Hand: Center for Jewish-Arab Education in Israel	50,700	105,176	95,875	60,001
Haokets	1,000	-	-	1,000

NEW ISRAEL FUND

SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2016

GRANTEE	Opening Grant Payable	Year To Date Grant Authorized (Jan - Dec)	Year To Date Grant Paid (Jan - Dec)	Closing Grant Payable
Haqel: Jews and Arabs in Defense of Human Rights	\$ -	\$ 78,375	\$ 5,800	\$ 72,575
Hiddush For Religious Freedom and Equality	3,000	18,000	3,000	18,000
Hillel Israel LTD	-	2,406	2,156	250
Hillel: Association for Jews Leaving Ultra-Orthodoxy	-	9,045	9,045	-
Hiyot - NGO for the Ethiopian Community in Israel	-	31,700	31,700	-
Hoshen- Education and Change	-	41,250	41,250	-
Hotline for Refugees and Migrants	87,852	173,290	133,642	127,500
Human Rights Defenders Fund	50,000	217,695	247,695	20,000
Humans Without Borders	2,500	8,816	11,316	-
I'lam: Media Center for Arab Palestinians in Israel	-	500	-	500
ICAR - The International Coalition for Agunah Rights	-	16,000	-	16,000
IKRIT Community Association	1,716	-	1,716	-
INJAZ	80,000	115,000	170,000	25,000
Inter - Religious Coordinating Council in Israel	500	-	-	500
Interfaith Encounter Association	-	1,530	1,530	-
Ir-Amim	60,500	180,498	175,498	65,500
Isha L'Isha: Haifa Feminist Organization	200	35,945	35,895	250
ISPRA - Israel Psychiatric Rehabilitation Association	68,200	98,200	68,200	98,200
Israel Association of United Architects	-	20,000	20,000	-
Israel Bicycle Association (IBA)	-	3,948	-	3,948
Israel Hofshit - Be Free Israel	47,500	192,266	197,925	41,841
Israel Story	50,000	23,854	73,604	250
Israel Womens Network (IWN)	-	13,774	13,774	-
Israeli Association for Ethiopian Jews (IAEJ)	30,000	70,300	67,550	32,750
Israeli Gay Youth Organization	-	32,345	2,345	30,000
Israeli Green Building Council	-	9,781	9,781	-
ITWorks	-	13,750	13,750	-
Jaffa Institute	-	5,000	5,000	-
Jaffa Theatre	-	7,900	7,900	-
Jasmine- Promoting Jewish and Arab Businesswomen	12,500	-	12,500	-
Jerusalem African Community Center	-	500	500	-
Jerusalem Business Development Center - MATI	-	34,454	34,454	-
Jerusalem Inter-Cultural Center (JICC) and Emun Hatzibur. J	-	5,500	-	5,500
Jerusalem Open House for Pride and Tolerance	11,850	67,049	72,231	6,668
Jerusalem PTA	-	28,000	28,000	-
Kaima -Social and Environmental Action Learning	484	-	484	-
Kama Community Tor Hamidbar NGO	-	48,780	38,173	10,607
Katamon Moadon Ohadim	-	44,550	43,550	1,000
Kav Mashve – Employers' Coalition for Arab University Graduates	10,000	15,000	25,000	-
Kayan ("Being")	32,000	23,750	32,000	23,750
Kedma for Social and Educational Equality in Israel	20,000	674,683	694,683	-
Kefa For Social Change In The Negev	-	13,000	4,000	9,000
Kehilat Shira Chadasha	360	-	-	360
Kehilat Yedidya	244	-	244	-
Ken Lazaken	-	5,000	5,000	-

NEW ISRAEL FUND

SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2016

GRANTEE	Opening Grant Payable	Year To Date Grant Authorized (Jan - Dec)	Year To Date Grant Paid (Jan - Dec)	Closing Grant Payable
Keshet: Information, Guidance, and Counseling Center for Parents	\$ -	\$ 97,747	\$ 97,747	\$ -
Keshet- Experimental Track for Environmental Education	-	2,000	2,000	-
Keshev: Center for the Protection of Democracy	3,000	-	3,000	-
Kibbutzim College of Education, Technology and the Arts	5,000	-	5,000	-
Kids Creating Peace	-	5,000	5,000	-
Kol Haneshama	-	7,676	7,676	-
Kol Israel Haverim - KIAH	37,000	145,250	122,000	60,250
Kol Zchut- All Rights	-	25,000	25,000	-
Kolech- Religious Women's Forum	22,500	73,335	68,335	27,500
Krembo Wings	-	48,890	48,890	-
Ladaat - Choose Well	200	-	200	-
Latet	500	500	500	500
Lawyers for Good Governance	-	10,000	10,000	-
Leo Baeck Educational Center	15,000	5,000	20,000	-
Liat Dror Nir Ben gal Dance Company	-	7,563	7,563	-
Lilach: Israel Society to Live and Die With Dign	250	-	-	250
Loshma'a for the Integration of People with Mental Disabilities	50,000	50,000	40,000	60,000
Ma'arag-for the Advancement of Education in a Multicultural Society	-	14,214	14,214	-
Maas: For Bolstering and Renewing the Public Sector	20,000	-	20,000	-
Maavarim - Israeli Trans Community	-	7,210	7,210	-
Maayan Babustan (Ein Bustan)	10,000	5,398	15,398	-
Mabat – Awareness in a Multi-Cultural Society	-	75,000	75,000	-
Mahapach: Education, Housing, and Livelihood	9,999	67,442	54,788	22,653
Matnasmerhavim Community Center	1	-	-	1
Mali – Center for Enterprising Citizens	-	2,000	2,000	-
Markez Alhokok	-	54,944	54,944	-
Masa Chai	-	3,000	3,000	-
Masar Institution for Education	-	5,000	-	5,000
Mavoi Satum ("Dead End")	10,000	25,000	15,000	20,000
MEET – Middle East Education through Technology	-	50,150	50,150	-
Merchavim: Institute for the Advancement of Shared Citizenship in Israel	50,000	147,500	170,000	27,500
Merkaz Hashachar - Kibbutz K'tura	-	6,019	6,019	-
MINELESS – Our environment without Mines	-	3,863	3,863	-
Mitvim - The Israeli Institute for Regional Foreign Policies	10,500	141,500	125,500	26,500
Molad – The Center for the Renewal of Democracy	257,694	101,196	257,889	101,001
Mossawa Center - The Advocacy Center for Palestinian Arab Citizens in Israel	45,075	40,250	60,075	25,250
Movement for Progressive (Reform) Judaism	44,760	428,200	289,361	183,599
Naboth's Vineyard Ltd	-	40,902	40,902	-
NALA Foundation LTD	-	40,000	40,000	-
National Council for the Child	3,035	6,322	3,035	6,322
Ne'emanei Torah Va'Avodah	17,500	39,000	27,500	29,000
Negev Coexistence Forum for Civil Equality	500	61,672	61,172	1,000
Netivei Ahva: Friendship's Way	2,200	(2,200)	-	-
Neve Shalom / Wahat al-Salam (NS/Was)	2,400	2,000	2,400	2,000
New Discourse (The Democratic Mizrahi Rainbow)	22,500	45,000	52,500	15,000

NEW ISRAEL FUND

SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2016

GRANTEE	Opening Grant Payable	Year To Date Grant Authorized (Jan - Dec)	Year To Date Grant Paid (Jan - Dec)	Closing Grant Payable
Nine Seven Two Advancement of Citizen Journalism	\$ 23,581	\$ 17,332	\$ 34,847	\$ 6,066
Noar Kahalcha	12,500	12,500	25,000	-
Olim Beyachad- Bandalei Vedalei	-	60,000	30,000	30,000
Omep-Israel , Israel Association for the Young Child	-	1,323	1,323	-
Omri Fund - Nof Meshutaf	7,000	8,389	15,389	-
On Second Thought	-	3,948	-	3,948
Orthodox Scouts Jaffa	-	3,000	-	3,000
Our Heritage - The Charter for Democracy	10,049	88,170	98,220	(1)
Oz V'Shalom/Netivot Shalom	1,000	6,236	7,186	50
OZMA	-	10,000	-	10,000
Panim for Jewish Renaissance in Israel	-	6,000	3,000	3,000
Pardes for Community Development	-	10,000	5,000	5,000
Parents' Circle: Bereaved Parents	7,000	4,927	11,927	-
Physicians for Human Rights	35,664	102,906	127,271	11,299
Public Committee Against Torture(PCATI)	-	36,000	35,500	500
Rabbis for Human Rights	105,218	107,648	198,023	14,843
Rahat Tza'ad Kadima Association for the Advancment fo Education	500	(500)	-	-
Rape Crisis Center - Haifa	-	10,308	10,308	-
Re'ut – A Religious Pluralistic Community	500	(500)	-	-
Re'ut Sadaka: Jewish-Arab Youth Movement for Peace and Equality	12,230	6,844	19,073	1
Ruach Tova	-	6,340	6,340	-
S.H.A.A.L Peace Now for Israel Educational Enter	-	15,655	15,131	524
Sandciel Center	5,000	10,000	15,000	-
Sapir College	1,000	170,326	13,675	157,651
SELAH- Israel Crisis Management Center for New Immigrants	1,500	1,500	1,500	1,500
Shaharit	35,500	175,250	185,750	25,000
Shalom Hartman Institute	5,000	-	5,000	-
Shiluv Institute	2,000	-	2,000	-
Shiras Bank's Way, LTD	-	5,308	5,308	-
Shlulim-The Association for Education Equal Opportunity	-	7,107	7,107	-
Shvil : Transparency International- Israel	-	38,711	17,585	21,126
Sidreh	500	-	500	-
Sikkuy: Israel Association for the Advancement of Equal Opportunity	100,000	190,450	185,200	105,250
SISO - Stop the Israeli Occupation	-	120,100	110,100	10,000
Sister for Women in Israel	42,500	130,709	138,209	35,000
Social TV	-	2,000	2,000	-
Society for the Protection of Personal Rights	1,800	30,860	32,300	360.00
Summit Institute	-	32,320	32,320	-
Tair: Center for Aid to Victims of Sexual Attack	-	42,000	42,000	-
Tarbut Movement	-	5,073	5,073	-
Tasfachin	-	11,754	11,754	-
Tebeka – Center for Legal Aid & Advocacy for Ethiopian Jewish In Israel	28,797	59,911	68,707	20,001
Tehuda	15,000	18,000	8,000	25,000
Tel Aviv Univesity	15,000	30,000	30,000	15,000

NEW ISRAEL FUND

SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2016

GRANTEE	Opening Grant Payable	Year To Date Grant Authorized (Jan - Dec)	Year To Date Grant Paid (Jan - Dec)	Closing Grant Payable
Terrestrial Jerusalem	\$ 20,000	\$ -	\$ 20,000	\$ -
Tevel B'Tzedek	21,500	82,500	22,500	81,500
The Abraham Fund Initiatives	15,000	50,000	65,000	-
The Arab Center for Alternative Planning	-	100,000	75,000	25,000
The Arab Center for Law and Policy - Dirasat	5,000	30,000	35,000	-
The Arab-Jewish Community Center in Jaffa	-	12,500	12,500	-
The Association for the Improvement of Women's Status, Lakia	20,250	34,382	30,882	23,750
The Association for the Promotion of Spoken Arab	-	5,316	5,316	-
The Center for Emerging Futures Israel (Tiyul-Rihla)	-	4,000	4,000	-
The Citizens Academy Forum Between Jews and Arabs	-	2,800	2,800	-
The Committee for Educational Guidance for Arab Students	17,500	-	17,500	-
The Committee for Language Access of Health Care in Israel	800	(800)	-	-
The Fund for Social Involvement in Memory of Yeh	-	5,222	5,222	-
The Green Environment Fund	200	(200)	-	-
The Heschel Center for Environmental Learning and Leadership	-	35,000	35,000	-
The Israel Center for Educational Innovation (ICEI)	30,000	943,055	767,500	205,555
The Israeli Association for Distributive Justice	27,500	67,000	64,500	30,000
The Israeli Energy Forum	-	58,529	58,529	-
The Jerusalem Botanical Gardens	-	2,593	2,593	-
The Jerusalem Inter-Cultural Center	-	800	800	-
The Masorti Movement	35,000	70,224	72,726	32,498
The Max Stern Academic College Of Emek Yezreel	-	3,000	3,000	-
The Movement of Freedom of Information	-	45,546	35,546	10,000
The Nazareth Nurseries Institute - Al-Tufula Center	10,000	23,750	10,000	23,750
The New Israeli Foundation for Cinema and Television	22,000	-	22,000	-
The Open Knowledge Workshop	-	49,350	49,350	-
The Orchard of Abraham's Children	-	8,683	4,683	4,000
The Rabbi David J. Forman Memorial Fund	500	-	500	-
The Road to Recovery	-	23,658	2,658	21,000
The Seventh Eye	-	50,000	50,000	-
The Social Economic Academy	22,000	48,551	55,551	15,000
The Social Guard	-	108,778	107,528	1,250
The Society for the Protection of Nature in Isra	-	3,948	-	3,948
The Traditional Family Congregation of Kfar Vradim (R.A)	-	1,500	1,500	-
The Van Leer Jerusalem Institute	-	10,233	10,233	-
The Whistle	-	173,000	100,000	73,000
The Women's Courtyard	-	5,000	5,000	-
The Young Israeli Forum for Cooperation (YIFC)	1,250	(1,250)	-	-
Tikun Israel	-	50,000	50,000	-
Tishreen A Culture Reviving Association - Taybeh	-	90,000	90,000	-
Tmura - The Israeli Anti-discrimination Legal Center	37,000	89,000	116,000	10,000
Together Beyond Words	-	14,447	14,447	-
Trust of Programs for Early Childhood, Family, and Community Education	-	170,000	120,000	50,000
Turning the Tables	50	-	50	-

NEW ISRAEL FUND

**SCHEDULE OF GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

GRANTEE	Opening Grant Payable	Year To Date Grant Authorized (Jan - Dec)	Year To Date Grant Paid (Jan - Dec)	Closing Grant Payable
Tzahor - Justice, Freedom, Education and Welfare in Jerusalem	\$ -	\$ 10,000	\$ 5,000	\$ 5,000
Tzeireim Beyerucham	17,000	58,000	75,000	-
Tzofen	-	88,000	78,000	10,000
Tzofim-israel	5,207	145	5,352	-
Woman to Woman: Jerusalem Battered Women's Shelter	1,740	3,098	1,737	3,101
Women Against Violence (WAV) - Nazareth	-	23,750	-	23,750
Women for Women: Haifa Battered Women's Shelter	5,375	-	5,375	-
Women Lawyers for Social Justice	-	98,755	81,074	17,681
Women of the Wall	20,834	79,526	84,304	16,056
Women Wage Peace	-	10,116	-	10,116
Women's Crisis Center of the Negev (MASLAN)	-	10,000	10,000	-
Women's Fund for Human Rights (Machsom Watch)	34,598	87,077	109,925	11,750
Workers' Hotline: Kav LaOved	8,000	12,300	15,300	5,000
Yad L Isha	-	9,000	-	9,000
Yarok Balev	-	6,531	6,531	-
Yedid: The Association for Community Empowerment	-	51,000	31,000	20,000
Yesh Din	20,070	121,871	114,964	26,977
Yeshivat Talpiot	120	63	181	2
Zazim - Community Action	10,000	182,013	119,514	72,499
	\$ 3,958,421	\$ 13,541,427	\$ 13,582,492	\$ 3,917,356

*Grants declared are part of approved tranches of core grants focus areas and/or emergency grants, but no specific grantee has been identified. Once identified, the grants are pulled out of this category and added to a specific grantee.

NEW ISRAEL FUND
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015

	2016						2015		
	Program Services			Supporting Services			Total Expenses	2015	
	Grants	Shatil	Other Program Services	Total Program Services	Management and General	Fundraising			Total Supporting Services
Grants	\$ 13,541,427	\$ -	\$ -	\$ 13,541,427	\$ -	\$ -	\$ -	\$ 13,541,427	\$ 13,851,614
Projects	-	391,461	996,177	1,387,638	-	-	-	1,387,638	1,406,044
Salaries and benefits	-	3,030,613	2,048,027	5,078,640	2,380,743	2,516,131	4,896,874	9,975,514	9,447,285
Legal fees	-	-	13,106	13,106	60,183	-	60,183	73,289	47,974
Accounting fees	-	-	-	-	86,829	-	86,829	86,829	106,361
Public relations	-	-	295,746	295,746	-	9,392	9,392	305,138	9,414
Consultancy/contract costs	-	303,861	302,006	605,867	825,973	433,682	1,259,655	1,865,522	1,893,254
Information technology	-	25,328	49,657	74,985	209,493	27,026	236,519	311,504	211,565
Rent	-	226,786	188,019	414,805	188,452	262,137	450,589	865,394	797,881
Travel	-	64,262	106,733	170,995	98,115	163,909	262,024	433,019	498,133
Conferences, conventions and meetings	-	48,837	26,269	75,106	24,066	13,565	37,631	112,737	478,902
Depreciation and amortization	-	84,565	15,879	100,444	91,231	22,138	113,369	213,813	190,103
Insurance	-	7,515	-	7,515	24,755	-	24,755	32,270	33,655
Supplies	-	30,148	6,531	36,679	18,249	24,811	43,060	79,739	93,447
Telephone and data communication	-	61,576	50,630	112,206	50,612	70,960	121,572	233,778	244,411
Postage and shipping	-	-	1,006	1,006	4,689	52,800	57,489	58,495	98,435
Furniture/equipment	-	-	16,214	16,214	9,411	22,606	32,017	48,231	54,242
Printing/publications	-	106,755	122,193	228,948	20,159	95,838	115,997	344,945	417,438
Interest and bank charges	-	-	-	-	7,294	-	7,294	7,294	1,078
Dues and subscriptions	-	-	1,756	1,756	2,393	6,293	8,686	10,442	18,692
Bad debt	-	-	-	-	25	-	25	25	98,581
Governance	-	-	-	-	311,437	201,579	513,016	513,016	508,342
Staff training	-	11,976	2,811	14,787	9,282	2,967	12,249	27,036	33,173
Utilities	-	22,403	5,406	27,809	80,906	7,537	88,443	116,252	213,364
Miscellaneous	-	13,891	13,397	27,288	101,775	13,498	115,273	142,561	223,252
	\$ 13,541,427	\$ 4,429,977	\$ 4,261,563	\$ 22,232,967	\$ 4,606,072	\$ 3,946,869	\$ 8,552,941	\$ 30,785,908	\$ 30,976,640