

**THE AMERICAN SOCIETY FOR THE PROTECTION
OF NATURE IN ISRAEL, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
The American Society for the Protection of Nature in Israel, Inc.
Great Neck, New York

I have audited the accompanying financial statements of The American Society for the Protection of Nature in Israel, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016 and December 31, 2015, and the related statements of activities and cash flows for the years 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits 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, I 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 evaluation the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The American Society for the Protection of Nature in Israel, Inc. as of December 31, 2016 and December 31, 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read 'S. Galinsky CA', with a long horizontal flourish extending to the right.

New York, New York
September 8, 2017

THE AMERICAN SOCIETY FOR THE PROTECTION OF NATURE IN ISRAEL, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Current assets		
Cash	\$ 82,097	\$293,506
Contributions receivable	18,394	52,202
Prepaid expenses	<u>—</u>	<u>4,500</u>
Total assets	<u>\$ 100,491</u>	<u>\$ 350,208</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	<u>\$ 45,257</u>	<u>\$ 54,638</u>
Total liabilities	<u>45,257</u>	<u>54,638</u>
Net Assets		
Net unrestricted assets – December 31, 2016 and 2015	<u>55,234</u>	<u>295,570</u>
Total liabilities and net assets	<u>\$ 100,491</u>	<u>\$ 350,208</u>

See notes to financial statements

THE AMERICAN SOCIETY FOR THE PROTECTION OF NATURE IN ISRAEL, INC.

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>REVENUE</u>		
Contributions	\$ 1,223,888	\$ 1,166,335
Contributions – special projects	329,800	62,500
Membership dues	<u>28,760</u>	<u>25,600</u>
Total revenue	<u>\$ 1,582,448</u>	<u>\$ 1,254,435</u>
<u>EXPENSES</u>		
Environmental activities	\$ 1,714,990	\$ 1,006,393
General and administrative expenses	39,267	69,282
Fundraising	<u>68,527</u>	<u>21,248</u>
Total expenses	<u>1,822,784</u>	<u>1,096,923</u>
Change in net assets	(240,336)	157,512
Net unrestricted assets – beginning of year	<u>295,570</u>	<u>138,058</u>
Net unrestricted assets – end of year	<u>\$ 55,234</u>	<u>\$ 295,570</u>

See notes to financial statements

THE AMERICAN SOCIETY FOR THE PROTECTION OF NATURE IN ISRAEL, INC.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash provided internally:		
Change in net assets	\$(240,336)	\$ 157,512
Changes in working capital:		
Contributions receivable	33,808	(52,202)
Prepaid expenses	4,500	2,923
Accounts payable	(9,381)	40,222
	<u>28,927</u>	<u>(9,057)</u>
Net cash used in operating activities and increase (decrease) in cash	(211,409)	148,455
Cash in bank – beginning of year	<u>293,506</u>	<u>145,4051</u>
Cash in bank – end of year	<u>\$ 82,097</u>	<u>\$ 293,506</u>

See notes to financial statements

THE AMERICAN SOCIETY FOR THE PROTECTION OF NATURE IN ISRAEL, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1 THE ORGANIZATION

The American Society for the Protection of Nature in Israel, Inc. (ASPNI) was formed on May 13, 1986 as a non-stock, not-for-profit corporation under the General Corporation Law of the State of Delaware. ASPNI was organized to foster and encourage the conservation and protection of nature landscapes, historic sites and environmentally sensitive areas through support of the programs and activities of The Society for the Protection of Nature in Israel and other similar non-governmental organizations. ASPNI sponsors and supports specific conservation and educational projects at selected sites in Israel; this includes research and data-gathering through seminars, research grants, ecology-oriented tours and the furnishing of technical assistance.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The financial statements of ASPNI have been prepared on the accrual basis of accounting.

Support

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Gifts of goods and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, ASPNI reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

THE AMERICAN SOCIETY FOR THE PROTECTION OF NATURE IN ISRAEL, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets are classified as follows:

Unrestricted – This class includes net assets from unrestricted contributions and from other resources not subject to donor-imposed restrictions.

Temporarily Restricted – This class includes net assets from restricted contributions (temporary restrictions) whose donor-imposed restrictions have not been met.

Fixed Assets

Equipment is depreciated on a straight-line basis based on the life of the asset.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services

Not-for-profit organizations are required to record donated services if they enhance non-financial assets or are performed by professionals and would otherwise been purchased. During the year, ASPNI did not receive donated services which would be required to be recorded on the statement of activities.

NOTE 3 FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the Society's program and supporting services has been summarized on a functional basis in the accompanying supporting schedules. Accordingly, certain costs have been allocated among program and supporting services in ratios determined by management.

THE AMERICAN SOCIETY FOR THE PROTECTION OF NATURE IN ISRAEL, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 4 TAX STATUS

ASPNI has been granted an exemption from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code. The Society files an annual Form 990, Return of Organization Exempt from Income Tax, with the Internal Revenue Service (IRS). At December 31, 2015, the Society's Form 990 for the years 2011 through 2014 remain eligible for examination by the IRS. In addition, income that is not related to exempt purposes, less applicable deductions, is subject to Federal and state corporate income taxes. ASPNI did not have any unrelated business income for the years ended December 31, 2016 and 2015.

NOTE 5 SPECIAL PROJECTS

ASPNI was involved in a special fund raising campaign for the renovation of a building in Jerusalem that will include both a museum and the headquarters of the Society for the Protection of Nature in Israel. This project generated \$329,800 of contribution income in 2016 and \$62,500 of contribution income in 2015.

NOTE 6 SUBSEQUENT EVENTS

ASPNI has evaluated subsequent events and transactions through September 8, 2017, the date that the financial statements were available to be issued, and has concluded that no additional subsequent events disclosures are required.

NOTE 7 COMMITMENTS AND CONTINGENCIES

The management of ASPNI has advised us that they are not involved in any litigation.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To The Board of Directors
The American Society for the Protection of Nature in Israel, Inc.
Great Neck, New York

My report on the audit of the basic financial statements of The American Society for the Protection of Nature in Israel, Inc. as of December 31, 2016 and December 31, 2015 appears on page 1. This audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information presented on the following page is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, I express no opinion of this information.



New York, New York
September 8, 2017

SUPPLEMENTAL REPORT

THE AMERICAN SOCIETY FOR THE PROTECTION OF NATURE IN ISRAEL, INC.

SUPPORTING SCHEDULES

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

UNAUDITED

	<u>2016</u>	<u>2015</u>
Environmental activities:		
Salaries	\$ 48,860	\$ 17,034
Payroll taxes	4,280	1,690
Fringe benefits	4,660	5,755
Telephone/utilities	846	1,161
Office	5,956	—
Advertising/promotion	47,216	4,731
Consultant	—	44,831
Travel	46,298	2,410
Program expenditures	1,554,038	925,014
Postage/printing	2,836	3,767
	<u>\$ 1,714,990</u>	<u>\$ 1,006,393</u>
 General and administrative expenses:		
Salaries	\$ 13,960	\$ 28,390
Payroll taxes	1,223	2,817
Fringe benefits	1,331	9,592
Telephone/utilities	3,946	5,418
Office	5,955	11,145
Professional	8,600	8,200
Fees	2,573	971
Insurance	1,028	1,203
Bank fees	651	1,546
	<u>\$ 39,267</u>	<u>\$ 69,282</u>
 Fundraising:		
Salaries	\$ 6,980	\$ 11,356
Payroll taxes	611	1,127
Fringe benefits	666	3,837
Consultant	56,589	—
Telephone/utilities	846	1,161
Postage/printing	2,835	3,767
	<u>\$ 68,527</u>	<u>\$ 21,248</u>