

EISNERAMPER

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

FINANCIAL STATEMENTS

DECEMBER 31, 2021 and 2020



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

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The American Society for the Protection of Nature In Israel, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The American Society for the Protection of Nature In Israel, Inc. (a nonprofit organization) ("the Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our 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, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of The American Society for the Protection of Nature In Israel, Inc. as of and for the year ended December 31, 2020 were audited by another auditor, who expressed an unmodified opinion on those statements on October 28, 2021.

Responsibilities of Management 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.



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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
November 29, 2022



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

Statements of Financial Position

	<i>December 31,</i>	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 408,247	\$ 138,642
Contributions receivable	29,441	55,150
	<u>\$ 437,688</u>	<u>\$ 193,792</u>
LIABILITIES AND NET ASSETS		
<i>Liabilities</i>		
Accounts payable and accrued expenses	\$ 192,029	\$ 90,000
<i>Net Assets</i> - without donor restrictions	245,659	103,792
	<u>\$ 437,688</u>	<u>\$ 193,792</u>

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

Statements of Activities and Changes in Net Assets

	<i>For the Years Ended December 31,</i>	
	<i>2021</i>	<i>2020</i>
Revenue		
Contributions	\$ 3,106,997	\$ 1,241,865
Membership dues	34,956	31,820
Interest income	2,207	7,431
	<u>3,144,160</u>	<u>1,281,116</u>
Expenses		
<i>Program services:</i>		
Environmental activities	2,831,907	1,315,417
<i>Supporting services:</i>		
Management and general	50,574	31,918
Fundraising	119,812	41,554
	<u>3,002,293</u>	<u>1,388,889</u>
Change in Net Assets	141,867	(107,773)
Net Assets - without donor restrictions - beginning of year	<u>103,792</u>	<u>211,565</u>
Net Assets - without donor restrictions - end of year	<u>\$ 245,659</u>	<u>\$ 103,792</u>

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

Statements of Functional Expenses

	<i>For the Years Ended December 31,</i>							
	2021				2020			
	<i>Program Services</i>	<i>Supporting Services</i>			<i>Program Services</i>	<i>Supporting Services</i>		
	<i>Environmental Activities</i>	<i>Management and General</i>		<i>Fundraising</i>	<i>Environmental Activities</i>	<i>Management and General</i>		<i>Fundraising</i>
	<i>General</i>	<i>Fundraising</i>	<i>Total</i>		<i>General</i>	<i>Fundraising</i>	<i>Total</i>	
Salaries	\$ 58,764	\$ 12,592	\$ 12,593	\$ 83,949	\$ 46,473	\$ 9,959	\$ 9,958	\$ 66,390
Payroll taxes and benefits	10,262	2,199	2,199	14,660	8,784	1,882	1,882	12,548
	69,026	14,791	14,792	98,609	55,257	11,841	11,840	78,938
Grant expense	2,696,130	-	-	2,696,130	1,195,530	-	-	1,195,530
Participant and promotion	-	-	102,296	102,296	-	-	3,051	3,051
Member communication - postage and printing	54,038	-	-	54,038	50,926	-	-	50,926
Professional fees	-	25,921	-	25,921	-	11,340	-	11,340
Office expense	6,047	1,296	1,296	8,639	6,187	1,326	1,326	8,839
Processing fees	-	6,293	-	6,293	-	4,769	-	4,769
Telephone	3,717	797	797	5,311	4,506	965	965	6,436
Utilities	2,410	516	516	3,442	2,491	534	534	3,559
Travel	539	115	115	769	520	111	111	742
Insurance	-	704	-	704	-	712	-	712
Bank fees	-	141	-	141	-	320	-	320
Consultants	-	-	-	-	-	-	23,727	23,727
	\$ 2,831,907	\$ 50,574	\$ 119,812	\$ 3,002,293	\$ 1,315,417	\$ 31,918	\$ 41,554	\$ 1,388,889

See notes to the financial statements.

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

Statements of Cash Flows

	<i>For the Years Ended December 31,</i>	
	<u>2021</u>	<u>2020</u>
<i>Cash Flows from Operating Activities</i>		
Change in net assets	\$ 141,867	\$ (107,773)
Adjustments to reconcile change in net assets to increase (decrease) in cash provided by (used in) operating activities:		
Contributions receivable	25,709	(40,508)
Accounts payable and accrued expenses	102,029	(2,126,110)
	<u>269,605</u>	<u>(2,274,391)</u>
<i>Net Increase (Decrease) in Cash</i>	269,605	(2,274,391)
<i>Cash</i> - beginning of year	<u>138,642</u>	<u>2,413,033</u>
<i>Cash</i> - end of year	<u>\$ 408,247</u>	<u>\$ 138,642</u>

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

Notes to Financial Statements
December 31, 2021 and 2020

1 - NATURE OF ACTIVITIES

The American Society for the Protection of Nature in Israel, Inc. (the "Organization") was formed on May 13, 1986 as a non-stock, not-for-profit corporation under the General Corporation Law of the State of Delaware. The Organization 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 Organization and other similar non-governmental organizations. The Organization 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.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. **Basis of Accounting and Presentation** - The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, as follows:
 - i. **Net assets without donor restrictions** - Net assets that are available for use in general operations and not subject to donor and grantor-imposed restrictions. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.
 - ii. **Net assets with donor restrictions** - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization over the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions are released when a restriction expires, that is, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization did not have any net assets with donor restrictions as of December 31, 2021 and 2020.
- b. **Use of Estimates** - The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.
- c. **Revenue and Revenue Recognition** -
 - i. Revenue from contributions is recorded as unrestricted or restricted depending upon the existence or nature of donor restrictions. Contributions are recorded as revenue upon the receipts of cash. Contributions are considered available for unrestricted use, unless specifically restricted by the donor. Conditional contributions are recorded when the specified conditions have been met.

- ii. Membership dues are recorded as revenue in the year to which the membership services are provided, which is on a calendar year-end. The performance obligation is satisfied throughout the membership period, or calendar year or portion of the calendar year upon payment. Members immediately have full access upon payment to a broad array of information, advocacy, and services found nowhere else including publications and events.
- d. **Contributions Receivable and Allowance for Doubtful Accounts** - Contributions receivable are recorded at the net realizable value representing the carrying amount less allowance for possible uncollectible. The Organization determines whether an allowance for doubtful accounts should be recorded for accounts receivable and contributions receivable. Such estimates are based upon management's assessment of historical and expected net collections and in consideration of business and economic conditions. Contributions receivable are all due within 12 months. Management has concluded that no allowance is needed at December 31, 2021 and 2020.
- e. **Functional Allocation of Expenses** - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. The Organization allocates its expenses on a functional basis among its various program and support services. Expenditures which can be identified with a specific program or supporting service are allocated directly; these expenses include environmental activities, member communication, professional fees, and insurance. Costs that are common to multiple functions are allocated among the program and supporting services based on the allocation of staff time, including compensation and fringe benefits, telephone, utilities, and office expenses.
- f. **Income Taxes** - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

The Organization may recognize the tax benefit from an uncertain tax position, including its tax-exempt status, only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities at December 31, 2021. The Organization does not expect this to change significantly over the next 12 months.

The Organization's policy is to record income tax related interest and penalties in interest expense. There are no estimated interest costs and penalties provided for in the Organization's financial statements for the years ended December 31, 2021 and 2020.

The Organization files an annual Form 990, *Return of Organization Exempt from Income Tax*, in the U.S. federal jurisdiction. The Organization also files CHAR 500 in the New York State jurisdiction.

3 - LIQUIDITY AND AVAILABILITY

The Organization has \$437,688 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and contributions receivable. These financial assets are available for general expenditures and have no donor or other restrictions limiting their use.

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

4 - CONCENTRATION OF CREDIT RISK

The Organization's financial instruments that are exposed to concentrations of credit risk consist of cash. At times, balances may be in excess of the Federal Deposit Insurance Corporation insurance limit of \$250,000 per institution. At December 31, 2021, the Organization had a cash balance that exceeded this limit by approximately \$137,000. At December 31, 2020, the Organization had no cash balances that exceeded this limit.

5 - CONCENTRATIONS

During the years ended December 31, 2021 and 2020, the Organization received 68% of its contributions from one donor and 40% of its contributions from three donors, respectively.

6 - RELATED PARTY TRANSACTIONS

The Organization issued grants to an affiliated organization in Israel, the Society for the Protection of Nature in Israel ("SPNI"), in the amounts of \$2,696,130 and \$1,195,530, of which \$150,000 and \$83,000 is included in accounts payable and accrued expenses, at December 31, 2021 and 2020, respectively.

7 - CONTINGENCIES

The World Health Organization characterized the COVID-19 virus as a global pandemic on March 11, 2020.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business and shelters in place, and it continues to evolve as of the date of this report. The Organization believes there is no immediate financial impact from the outbreak of COVID-19. However, the situation surrounding the COVID-19 pandemic remains fluid, and if disruptions do arise, they could be adversely impacting the operations of the Organization. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. The Organization is continuing to carefully manage expenses and other funds raised from special campaigns to manage through the pandemic and subsequent economy recovery. Due to uncertainty, management cannot quantify the potential effects of the pandemic.

8 - SUBSEQUENT EVENTS

The Organization's management has evaluated subsequent events through November 29, 2022, the date that the financial statements were available to be issued.