

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

Financial Statements

December 31, 2020 and 2019

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

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The American Society for the Protection of Nature in Israel, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 auditors' 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, 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, 2020 and 2019, 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.



RAICH ENDE MALTER & CO. LLP

New York, New York

October 28, 2021

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

Statements of Financial Position

	<i>December 31,</i>	
	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 138,642	\$ 2,413,033
Contributions receivable	55,150	14,642
	<u>\$ 193,792</u>	<u>\$ 2,427,675</u>
LIABILITIES AND NET ASSETS		
<i>Liabilities</i>		
Accounts payable and accrued expenses	\$ 90,000	\$ 2,216,110
<i>Net Assets</i> - without donor restrictions	103,792	211,565
	<u>\$ 193,792</u>	<u>\$ 2,427,675</u>

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

Statements of Activities

	<i>For the Years Ended December 31,</i>	
	<u>2020</u>	<u>2019</u>
Revenue		
Contributions	\$ 1,241,865	\$ 2,902,497
Membership dues	31,820	29,000
Interest income	7,431	5,449
	<u>1,281,116</u>	<u>\$ 2,936,946</u>
Expenses		
<i>Program services:</i>		
Environmental activities	1,315,417	2,630,393
<i>Supporting services:</i>		
Management and general	31,918	36,408
Fundraising	41,554	137,927
	<u>1,388,889</u>	<u>2,804,728</u>
Change in Net Assets	(107,773)	132,218
Net Assets - without donor restrictions - beginning of year	<u>211,565</u>	<u>79,347</u>
Net Assets - without donor restrictions - end of year	<u>\$ 103,792</u>	<u>\$ 211,565</u>

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

Statements of Functional Expenses

	For the Years Ended December 31,							
	2020				2019			
	Program Services	Supporting Services			Program Services	Supporting Services		
	Environmental Activities	Management and General	Fundraising	Total	Environmental Activities	Management and General	Fundraising	Total
Salaries	\$ 46,473	\$ 9,959	\$ 9,958	\$ 66,390	\$ 48,825	\$ 13,950	\$ 6,975	\$ 69,750
Payroll taxes and benefits	8,784	1,882	1,882	12,548	7,454	2,130	1,065	10,649
	55,257	11,841	11,840	78,938	56,279	16,080	8,040	80,399
Grant expense	1,195,530	-	-	1,195,530	2,539,710	-	-	2,539,710
Consultants	-	-	23,727	23,727	-	-	71,121	71,121
Member communication - postage and printing	50,926	-	-	50,926	22,671	-	22,671	45,342
Participant and promotion	-	-	3,051	3,051	1,669	-	31,712	33,381
Professional fees	-	11,340	-	11,340	-	12,200	-	12,200
Office expense	6,187	1,326	1,326	8,839	4,975	1,421	711	7,107
Telephone	4,506	965	965	6,436	2,815	804	401	4,020
Processing fees	-	4,769	-	4,769	-	4,564	-	4,564
Travel	520	111	111	742	333	-	2,994	3,327
Utilities	2,491	534	534	3,559	1,941	555	277	2,773
Insurance	-	712	-	712	-	704	-	704
Bank fees	-	320	-	320	-	80	-	80
	\$ 1,315,417	\$ 31,918	\$ 41,554	\$ 1,388,889	\$ 2,630,393	\$ 36,408	\$ 137,927	\$ 2,804,728

See notes to 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>2020</u>	<u>2019</u>
<i>Cash Flows from Operating Activities</i>		
Change in net assets	\$ (107,773)	\$ 132,218
Adjustments to reconcile change in net assets to increase (decrease) in cash provided by operating activities:		
Contributions receivable	(40,508)	29,677
Accounts payable and accrued expenses	(2,126,110)	2,098,808
	<u>(2,274,391)</u>	<u>2,260,703</u>
<i>Net Increase (Decrease) in Cash</i>	(2,274,391)	2,260,703
<i>Cash</i> - beginning of year	<u>2,413,033</u>	<u>152,330</u>
<i>Cash</i> - end of year	<u>\$ 138,642</u>	<u>\$ 2,413,033</u>

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

Notes to Financial Statements
December 31, 2020 and 2019

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 ("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 not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. 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. The Organization did not have any net assets with donor restrictions as of December 31, 2020 and 2019, respectively.
- b. **Use of Estimates** - The preparation of financial statements in accordance with 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 Recognition** - The Organization adopted ASU 2018-08 - Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made as of January 1, 2019, using the modified retrospective method. In accordance with ASU 2018-08, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred

and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The process the Organization applied prior to ASU 2018-08 aligns with the revenue recognition and measurement guidance of the new standard and therefore adoption of ASU 2018-08 did not require a cumulative adjustment to opening net assets.

As part of ASU 2018-08, the Organization adopted the standards for contributions made. Contributions made shall be recognized as expenses in the period made and as decrease of assets or increases of liabilities depending on the form of the benefits given. Grants made to other organizations are considered contributions and are included in grant expense in the statement of functional expenses.

- d. **Contributions** - Contributions received are recorded as without donor restrictions or with donor restrictions, if applicable, depending on the existence and/or nature of any donor restrictions. If a restriction is met in the period of receipt, the grant or contribution is recorded as without restrictions.
- e. **Cash Equivalents** - The Organization considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. At December 31, 2020 and 2019, the Organization had no cash equivalents.
- f. **Contributions Receivable and Allowance for Doubtful Accounts** – Accounts 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. Management has concluded that no allowance is needed at December 31, 2020 and 2019, respectively.
- g. **Functional Allocation of Expenses** - The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents 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, utility, and office expenses.
- h. **Income Taxes** - The Organization is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code (the "IRC") and has been classified as a publicly supported organization as described in Section 509(a)(1) of the IRC and application 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 as of December 31, 2020 and 2019, respectively.

The Organization files its Form 990 Return of Organization Exempt from Income Tax, in the U.S. federal jurisdiction, Internal Revenue Service ("IRS"), and the CHAR500 in the Office of the State's Attorney General for the State of New York annually. At December 31, 2020, the Organization's Form 990 for the year ended December 31, 2017 through 2020 remain eligible for examination by the IRS.

3 - LIQUIDITY AND AVAILABILITY

The Organization has \$103,792 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 less accounts payable and accrued expenses. These financial assets are available for general expenditure 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, 2020, the Organization had no cash balances that exceeded this limit. At December 31, 2019, the Organization had a cash balance that exceeded this limit by approximately \$2,139,000.

5 - CONCENTRATIONS

During the years ended December 31, 2020 and 2019, the Organization received 40% of its contributions from three donors and 68% of its contributions from one donor, 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 amount of \$1,195,530 and \$2,539,710 of which \$83,000 and \$2,208,010 is included in accounts payable and accrued expenses at December 31, 2020 and 2019, 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 shelter 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 Organizations management has evaluated subsequent events through October 28, 2021, the date that the financial statements were available to be issued.