# ONE ISRAEL FUND, LTD

# FINANCIAL STATEMENTS

# YEARS ENDED DECEMBER 31, 2022 AND 2021

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
One Israel Fund, Ltd.
Cedarhurst, NY 11516

## Opinion

We have audited the accompanying financial statements of One Israel Fund, Ltd., which comprise the statement of financial position as of December 31, 2022 and 2021 and the related statements of activities and cash flows for the years 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 One Israel Fund, Ltd. as of December 31, 2022 and 2021, and its results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

We conducted out audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of One Israel Fund, Ltd. 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.

## 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, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 One Israel Fund, Ltd.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objective is 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 auditor's 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identity and assess the risk 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 and 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 One Israel Fund, Ltd.'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 One Israel Fund, Ltd.'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.

**Other Matters - Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses on page 10 is presented for purposes of additional analysis and is 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 Schedule of Functional Expenses 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.

S. ADELSBERG & CO.
Certified Public Accountants

Great Neck, New York
August 18, 2023

# ONE ISRAEL FUND, LTD

## STATEMENT OF FINANCIAL POSITION

## DECEMBER 31, 2022 AND 2021

### -ASSETS-

| | 2022 | 2021 |
|---|---|---|
| Cash and Cash Equivalents (Note 4) | $ 1,359,805 | $ 1,447,561 |
| Security Deposits and Other Assets | 40,112 | 40,112 |
| Fixed Assets – Net (Note 3) | 1,362 | 2,743 |
| | $ 1,401,279 | $ 1,490,416 |

### -LIABILITIES AND NET ASSETS-

| | | |
|---|---|---|
| Accounts Payable and Accrued Expenses | $ 43,600 | $ 10,384 |
| Net Assets | | |
| Unrestricted | 1,357,679 | 1,480,032 |
| Total Liabilities and Net Assets | $ 1,401,279 | $ 1,490,416 |

**The accompanying notes are an integral part of the financial statement.**

**ONE ISRAEL FUND, LTD**

**STATEMENT OF ACTIVITIES**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

| OPERATING REVENUES AND SUPPORT | | 2022 | | 2021 |
|---|---|---|---|---|
| Contributions | | $ 2,700,727 | | $ 2,451,780 |
| Special Events | $ 78,988 | | $ 252,453 | |
| Less Direct Costs of Special Events | (65,648) | 13,340 | (148,074) | 104,379 |
| Interest, Dividend, and Capital Gain Income | | 10,143 | | 2,804 |
| Paycheck Protection Program Forgiveness (Note 6) | | - | | 73,207 |
| Employee Retention Tax Credit (Note 7) | | 26,866 | | - |
| Total Operating Revenues and Support | | $ 2,751,076 | | $ 2,632,170 |
| OPERATING EXPENSES | | | | |
| Program Expenses | | $ 2,253,659 | | $ 2,224,840 |
| Management and General | | 275,454 | | 272,169 |
| Fundraising | | 344,316 | | 404,541 |
| Total Operating Expenses (Schedule 1) | | 2,873,429 | | 2,901,550 |
| Increase (Decrease) in Net Assets | | (122,353) | | (269,380) |
| Net Assets - Beginning of Year | | 1,480,032 | | 1,749,412 |
| Net Assets - End of Year | | $ 1,357,679 | | $ 1,480,032 |

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**The accompanying notes are an integral part of the financial statement.**

**ONE ISRAEL FUND, LTD**

**STATEMENT OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

| | 2022 | 2021 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | $ (122,353) | $ (269,380) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation | 1,381 | 2,095 |
| Beneficiary in Living Trust | | |
| Other Receivables | - | 69,836 |
| Security Deposit and Other Assets | - | 21,990 |
| Increase (Decrease) in Liabilities | | |
| Accounts Payable and Accrued Expenses | 33,217 | (27,861) |
| Net Cash Provided (Used) by Operating Activities | (87,755) | (203,320) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed Asset Acquisition | - | - |
| Net Cash Provided (Used) by Investing Activities | - | - |
| Net Change in Cash and Cash Equivalents | (87,755) | (203,320) |
| Cash and Cash Equivalents - Beginning of Year | 1,447,560 | 1,650,880 |
| Cash and Cash Equivalents - End of Year | $ 1,359,805 | $ 1,447,560 |

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**The accompanying notes are an integral part of the financial statement.**

# ONE ISRAEL FUND, LTD

## NOTES TO FINANCIAL STATEMENTS

## DECEMBER 31, 2022 AND 2021

### Note 1 - Nature and Purpose of Organization

One Israel Fund, Ltd. ("the Organization") is a not-for- profit organization exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. The organization was incorporated in 1994 pursuant to the Not-for-Profit Corporation Law of the State of New York.

The Organization was formed to:

1) Provide educational and informative publications to promote understanding of the historical, social, economic and political realities of Israel.

2) Support of projects which include emergency medical equipment, supplemental preventive security assistance, ambulances, day care and senior citizen centers, playgrounds, educational supplies and facilities, and other social welfare and religious needs in Israel.

The organization is supported primarily by contributions and special events.

### Note 2 - Summary of Significant Accounting Policies

**Basis of accounting** – The financial statements are prepared on the accrual basis of accounting.

**Use of Estimates** –The preparation of 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 and disclosures 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.

**Cash Equivalents**- For purposes of the statements of cash flows, cash equivalents represent highly liquid investments with maturities of less than three months.

**Contributions Receivable-** Unconditional promises to give that are expected to be collected within one year are recorded at net receivable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Conditional promises to give are not included as support until the conditions are substantially met.

**Allowance for Doubtful Accounts-** Contributions receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review by management. Factors used to determine whether an allowance should be recorded include the age of the receivable and a review of payments subsequent to year end. In 2022, management has determined that an allowance was not necessary and is reflected as of December 31, 2022.

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**Note 2 - Summary of Significant Accounting Policies (continued)**

**Contributions** – Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. All contributions are considered to be available for unrestricted use unless specifically restricted by donors. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions received and expended in the same fiscal year are reflected as unrestricted revenues.

**Grants-** Grants for educational and supportive services in Israel are made pursuant to the authorizations of the Board of Directors of the Organization.

**Rent expense –** Rent is recorded on the straight-line basis over the term of the lease. Deferred rent is recorded when there are material differences between the fixed payment and the rent expense.

**Advertising expense** – All advertising and marketing costs are expensed in the year they are incurred.

**Functional Expenses** – The costs of providing the organization's services have been summarized on a functional basis. Accordingly, certain costs have been allocated between the programs and supporting services benefited.

**Fixed Assets** – Fixed assets are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful life of the asset, ranging from three to fifteen years.

**Net Assets –** Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors.

**Income Taxes –** The organization is a not for profit organization exempt from income taxes, under section 501(c)(3) of the Internal Revenue Code and files form 990. The organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2019, and subsequent periods remain subject to examination by applicable taxing authorities.

**Subsequent Events –** Subsequent events have been evaluated through August 18, 2023 which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

**Note 3 - Fixed Assets**

| | 2022 | 2021 |
|---|---|---|
| Furniture & Equipment | $ 20,288 | $ 20,288 |
| Computer Equipment & Software | 66,264 | 66,264 |
| | 86,552 | 86,552 |
| Less: Accumulated Depreciation | (85,190) | (83,809) |
| Total | $ 1,362 | $ 2,743 |

Depreciation expense for the years ended December 31, 2022 and 2021, was $1,381 and $2,095, respectively.

**Note 4 - Concentration of Credit Risk**

The Company maintains its cash balances at Flagstar Bank. The funds at Flagstar Bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2022 and 2021, the Company's uninsured cash balance totaled $1,090,364 and $1,197,561, respectively.

**Note 5 - Rent**

Rent expense in 2022 and 2021 was $32,650 and $30,159, respectively, which includes $1,800 of utilities, for each year.

The organization extended its lease for an additional term commencing with April 1, 2022 through March 31, 2024. The monthly lease payments increased by 3% and the new payment is $2,590 per month.

The future minimum lease commitments, exclusive of utilities are as follows:

| | |
|---|---|
| January – December 2023 | $ 31,080 |
| January-March 2024 | 7,770 |
| Total | $ 38,850 |

**Note 6 - SBA – PPP Loan -Notice of Forgiveness**

The Company received a loan from SBA in the amount of $73,207 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

On June 8, 2022, the Company received notification the PPP loan amount was forgiven.

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**Note 7 - Employee Retention Credit**

Tax exempt organizations that had employees and were effected during the Covid-15 Pandemic were entitled to a credit if they met certain requirements. The organization met the criteria to apply for the credit and received a retention credit of $26,866 in June of 2022.

**ONE ISRAEL FUND, LTD**

**SCHEDULE OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2022**

**(With Summarized Financial Information for the Year Ended December 31, 2021)**

| | Supporting Services | | | Total | |
|---|---|---|---|---|---|
| | Program Expenses | Management and General | Fundraising | 2022 | 2021 |
| Grants | $ 1,472,246 | $ - | $ - | $ 1,472,246 | $ 1,635,852 |
| Payroll & Related | 253,926 | 193,402 | 121,931 | 569,259 | 539,997 |
| Fundraising Fees | - | - | 9,650 | 9,650 | 13,414 |
| Accounting Fees | - | 10,139 | - | 10,139 | 10,126 |
| Telephone | 4,658 | 4,658 | - | 9,316 | 10,365 |
| Rent | 14,060 | 18,590 | - | 32,650 | 30,159 |
| Travel | 19,690 | 4,376 | 19,690 | 43,756 | 21,569 |
| Insurance | - | 16,206 | - | 16,206 | 13,810 |
| Advertising & Public Relations | 64,710 | - | 64,710 | 129,420 | 170,720 |
| Office | 7,322 | 17,084 | 24,412 | 48,818 | 58,253 |
| Repair & Maintenance | - | 2,200 | - | 2,200 | 3,575 |
| Mailing & Marketing | 10,548 | 2,345 | 10,548 | 23,441 | 37,794 |
| Printing | 13,217 | - | 13,217 | 26,434 | 12,823 |
| Prof fees & consulting | 177,196 | 2,356 | 32,500 | 212,052 | 146,416 |
| Depreciation | - | 1,381 | - | 1,381 | 2,095 |
| Video Expense | - | - | 9,400 | 9,400 | 58,782 |
| Graphic Design & Website | 20,798 | - | 9,344 | 30,142 | 52,039 |
| Credit Card & Bank Fees | - | - | 28,914 | 28,914 | 20,034 |
| Catering & Facility Charges | - | - | 65,648 | 65,648 | 148,074 |
| Auto & Transportation | 2,717 | 2,717 | - | 5,434 | 12,731 |
| Mission Expenses | 192,571 | - | - | 192,571 | 50,996 |
| | $ 2,253,659 | $ 275,454 | $ 409,964 | $ 2,939,077 | $ 3,049,624 |
| Less expenses deducted directly from revenues on the statement of activities | - | - | (65,648) | (65,648) | (148,074) |
| Total Expenses reported by function | $ 2,253,659 | $ 275,454 | $ 344,316 | $ 2,873,429 | $ 2,901,550 |