

AMERICAN FRIENDS OF THE ISRAEL MUSEUM  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)

Exhibit I

ASSETS

	As of December 31, 2015					As of	
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total	December 31, 2014	
	Operating	Works of Art				Total	Total
<b>Current assets:</b>							
Cash and cash equivalents	\$ 8,379,500		\$ 8,379,500	\$ 182,339	\$ 1,089,523	\$ 9,651,362	\$ 9,114,022
Investments	2,467,052		2,467,052	14,463,456	86,422,907	103,353,415	105,117,739
Accrued receivables	289,387		289,387			289,387	318,545
Prepaid expenses	42,067		42,067			42,067	15,316
<b>Total current assets</b>	<b>11,178,006</b>		<b>11,178,006</b>	<b>14,645,795</b>	<b>87,512,430</b>	<b>113,336,231</b>	<b>114,565,622</b>
Works of art		\$ 89,755,727	89,755,727			89,755,727	75,153,957
Pledge receivables - Art		2,175,000	2,175,000			2,175,000	2,925,000
Furniture and fixtures, net of accumulated depreciation of \$255,076 and \$244,454 in 2015 and 2014 respectively	21,620		21,620			21,620	23,950
Security deposit	20,858		20,858			20,858	20,858
<b>Total assets</b>	<b>\$ 11,220,484</b>	<b>\$ 91,930,727</b>	<b>\$ 103,151,211</b>	<b>\$ 14,645,795</b>	<b>\$ 87,512,430</b>	<b>\$ 205,309,436</b>	<b>\$ 192,689,387</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current liabilities:</b>							
Accounts payable and accrued expenses	\$ 104,229		\$ 104,229			\$ 104,229	\$ 66,476
Loans payable	13,500		13,500			13,500	13,500
Deferred compensation payable - current						-	302,000
<b>Total current liabilities</b>	<b>117,729</b>		<b>117,729</b>			<b>117,729</b>	<b>381,976</b>
Deferred compensation payable	160,000		160,000			160,000	100,000
<b>Total liabilities</b>	<b>277,729</b>		<b>277,729</b>			<b>277,729</b>	<b>481,976</b>
<b>Net assets</b>	<b>10,942,755</b>	<b>\$ 91,930,727</b>	<b>102,873,482</b>	<b>\$ 14,645,795</b>	<b>\$ 87,512,430</b>	<b>205,031,707</b>	<b>192,207,411</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,220,484</b>	<b>\$ 91,930,727</b>	<b>\$ 103,151,211</b>	<b>\$ 14,645,795</b>	<b>\$ 87,512,430</b>	<b>\$ 205,309,436</b>	<b>\$ 192,689,387</b>

The accompanying notes are an integral part of these financial statements.

**AMERICAN FRIENDS OF THE ISRAEL MUSEUM  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)**

Exhibit II

	Year Ended December 31, 2015					Year Ended December 31, 2014	
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total	Total	
	Operating	Works of Art					Total
<b>Support and revenue:</b>							
Contributions revenue	\$ 8,007,942		\$ 8,007,942	\$ 558,048	\$ 6,995,125	\$ 15,561,115	\$ 10,327,367
Special events - New York Gala (net of expenses of \$500,614 - 2015; \$438,169 - 2014)	2,308,674		2,308,674		2,308,674	2,308,674	2,164,657
Special events - other (net of expenses of \$1,164,518 - 2015; \$863,671 - 2014)	2,412,604		2,412,604		2,412,604	2,412,604	1,701,391
Patron and guardian membership	464,219		464,219		464,219	464,219	543,967
Investment income (net of investment expenses of \$498,355 - 2015; \$453,397 - 2014)	19,633		19,633	1,495,193	1,514,826	1,514,826	1,863,564
	<u>13,213,072</u>		<u>13,213,072</u>	<u>2,053,241</u>	<u>6,995,125</u>	<u>22,261,438</u>	<u>16,600,946</u>
Unrealized appreciation (depreciation) on investments	(278,378)		(278,378)	(3,980,549)	(4,258,927)	(4,258,927)	3,445,749
Contributed works of art	\$ 13,851,770		13,851,770		13,851,770	13,851,770	3,041,695
<b>Total support and revenue</b>	<u>12,934,694</u>	<u>13,851,770</u>	<u>26,786,464</u>	<u>(1,927,308)</u>	<u>6,995,125</u>	<u>31,854,281</u>	<u>23,088,390</u>
<b>Expenses and transmissions:</b>							
Support and expenses - Israel Museum	15,478,731		15,478,731		15,478,731	15,478,731	13,853,973
Administration and general	494,985		494,985		494,985	494,985	453,317
Fundraising	3,056,269		3,056,269		3,056,269	3,056,269	3,235,030
<b>Total expenses and transmissions</b>	<u>19,029,985</u>	<u>-</u>	<u>19,029,985</u>		<u>19,029,985</u>	<u>19,029,985</u>	<u>17,542,320</u>
<b>Change before other items</b>	<u>(6,095,291)</u>	<u>13,851,770</u>	<u>7,756,479</u>	<u>(1,927,308)</u>	<u>6,995,125</u>	<u>12,824,296</u>	<u>5,546,070</u>
<b>Other items:</b>							
Net assets released from restrictions	4,555,681		4,555,681	(4,555,681)			
<b>Change in net assets</b>	<u>(1,539,610)</u>	<u>13,851,770</u>	<u>12,312,160</u>	<u>(6,482,989)</u>	<u>6,995,125</u>	<u>12,824,296</u>	<u>5,546,070</u>
<b>Net assets, beginning of year</b>	<u>12,482,365</u>	<u>78,078,957</u>	<u>90,561,322</u>	<u>21,128,784</u>	<u>80,517,305</u>	<u>192,207,411</u>	<u>186,661,341</u>
<b>Net assets, end of year</b>	<u>\$ 10,942,755</u>	<u>\$ 91,930,727</u>	<u>\$ 102,873,482</u>	<u>\$ 14,645,795</u>	<u>\$ 87,512,430</u>	<u>\$ 205,031,707</u>	<u>\$ 192,207,411</u>

The accompanying notes are an integral part of these financial statements.

**AMERICAN FRIENDS OF THE ISRAEL MUSEUM  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)**

	<u>2015</u>	<u>2014</u>
<b>Cash flows from operating activities:</b>		
<b>Change in net assets</b>	<b>\$ 12,824,296</b>	<b>\$ 5,546,070</b>
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
<b>Depreciation</b>	<b>10,621</b>	<b>9,531</b>
<b>Unrealized appreciation on investments</b>	<b>4,258,927</b>	<b>(3,445,749)</b>
<b>Change in operating assets and liabilities:</b>		
<b>(Increase) decrease in accrued receivables</b>	<b>29,158</b>	<b>(90,960)</b>
<b>(Increase) decrease in prepaid expenses</b>	<b>(26,751)</b>	<b>13,799</b>
<b>(Increase) decrease in works of art</b>	<b>(14,601,770)</b>	<b>(3,041,695)</b>
<b>(Increase) decrease in pledge receivables - Art</b>	<b>750,000</b>	
<b>Increase (decrease) in accounts payable and accrued expenses</b>	<b>37,753</b>	<b>(10,779)</b>
<b>Increase (decrease) in deferred compensation payable</b>	<b>(242,000)</b>	<b>402,000</b>
<b>Net cash provided (used) by operating activities</b>	<b><u>3,040,234</u></b>	<b><u>(617,783)</u></b>
<b>Cash flows from investing activities:</b>		
<b>Acquisition of investments</b>	<b>(2,494,603)</b>	<b>(239,101)</b>
<b>Capital expenditures</b>	<b>(8,290)</b>	<b>(470)</b>
<b>Net cash used in investing activities</b>	<b><u>(2,502,893)</u></b>	<b><u>(239,571)</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>537,341</b>	<b>(857,354)</b>
<b>Cash and cash equivalents-beginning of year</b>	<b><u>9,114,021</u></b>	<b><u>9,971,375</u></b>
<b>Cash and cash equivalents-end of year</b>	<b><u>\$ 9,651,362</u></b>	<b><u>\$ 9,114,021</u></b>

**The accompanying notes are an integral part of these financial statements.**

**AMERICAN FRIENDS OF THE ISRAEL MUSEUM  
SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)**

Exhibit IV

	Year Ended December 31, 2015			Year Ended December 31, 2014	
	Program Services Support and Expenses - Israel Museum	Supporting Services		Total	Total
		Administration and General	Fundraising		
Transmissions to the Israel Museum	\$ 15,478,731			\$ 15,478,731	\$ 13,853,973
Salaries		\$ 293,559	\$ 880,678	1,174,237	1,019,100
Payroll taxes and employee benefits		52,662	157,987	210,649	214,234
Payroll service fees		372	1,116	1,488	1,436
Consultant expenses			1,447,524	1,447,524	1,429,293
Telephone and faxes		2,469	9,027	11,496	7,168
Office supplies		971	2,914	3,885	3,576
Computer expenses		8,328	24,984	33,312	31,538
Rent		42,273	126,818	169,091	159,023
Audit and other professional fees		7,750	25,566	33,316	78,664
Travel and entertainment		786	120,952	121,738	97,427
Insurance		3,497	10,643	14,140	13,036
Subscriptions		818	2,455	3,273	4,434
Printing and stationery		1,049	3,147	4,196	4,862
Postage		1,914	5,860	7,774	7,041
Repairs and maintenance		744	2,233	2,977	2,653
Credit card fees and bank charges		19,343	58,031	77,374	58,720
Depreciation		2,654	7,967	10,621	9,531
Pension contribution		26,057	78,171	104,228	92,607
Deferred compensation		15,000	45,000	60,000	402,000
California office expenses		13,863	41,592	55,455	47,908
Miscellaneous		876	3,604	4,480	4,096
<b>Total expenses and transmissions</b>	<b>\$ 15,478,731</b>	<b>\$ 494,985</b>	<b>\$ 3,056,269</b>	<b>\$ 19,029,985</b>	<b>\$ 17,542,320</b>

**AMERICAN FRIENDS OF THE ISRAEL MUSEUM**  
**SCHEDULE OF CHANGES IN PERMANENTLY RESTRICTED FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

Exhibit V

	Balance January 1, 2015	Contributions	Internal Transfers	Balance December 31, 2015
General Fund	\$ 53,303,548	\$ 2,895,125		\$ 56,198,673
Kolliner Prize Fund	50,000			50,000
Jesselson Judaica Fund	60,000			60,000
Bergman Visiting Artists Fund	210,000			210,000
Kaplan Book Purchase Fund	20,000			20,000
Schimmel Prize Fund	95,000			95,000
Berg Curator Fund	350,000			350,000
Rodman Youth Wing Fund	450,000			450,000
Haas Gardens Fund	375,000			375,000
Willner Endowment Fund	150,000			150,000
Warschaw Archaeology Fund	250,000			250,000
Shapiro Exhibit Fund	130,000			130,000
Fischbach Scholarship Fund	127,125			127,125
Montgomery Archaeology Fund & Genesis	139,500			139,500
Pattiz Israeli Art Fund	25,000			25,000
Harwood Flower Fund	50,471			50,471
Myden Youth Wing Fund	254,712			254,712
Skirball Judaica Fund	4,802,920			4,802,920
Weisbord Pavilion Fund	8,389,123			8,389,123
Adam Kimmel Bar Mitzvah Fund	200,000			200,000
Cummings and Kravis Building Fund	200,000			200,000
Forchheimer Ethnography Fund	1,200,000			1,200,000
Asian Art Fund	235,000			235,000
Littauer et al Library Fund	115,775			115,775
Weiss et al. A.O.A.	1,672,543			1,672,543
Berg U.S.A. Fund	1,450,000			1,450,000
Rosen Egyptian Art Curator Fund	1,187,500			1,187,500
Krupp Shrine of the Book Fund	700,000	100,000		800,000
Madeleine Lejwa Fund	1,664,088			1,664,088
Stella Fischbach Modern Art	200,000			200,000
Abrams Library Fund	360,000			360,000
Bernard & Ella Snyder Lecture Fund	100,000			100,000
Mandel JAL Wing Fund	2,000,000	1,000,000		3,000,000
Ayala Zacks Abramov Fund		3,000,000		3,000,000
	<b>\$ 80,517,305</b>	<b>\$ 6,995,125</b>		<b>\$ 87,512,430</b>

**AMERICAN FRIENDS OF THE ISRAEL MUSEUM**  
**SCHEDULE OF TRANSMISSIONS AND RELATED EXPENSES**  
**YEAR ENDED DECEMBER 31, 2015**

Exhibit VI

	Net Assets Released from Restrictions	Other Operating Transmissions	Total
Contemporary Art Acquisition Fund	\$ 351,490		\$ 351,490
BEC Circle	75,000		75,000
Bronfman Biblical & Archaeological Museum	4,629	\$ 559,722	564,351
Bezalel Art Museum Fund	136,264	9,581,940	9,718,204
Youth Wing		781,388	781,388
General Fund	2,549,700		2,549,700
Kolliner Prize Fund	2,500		2,500
Jesselson Judaica Fund	3,000		3,000
Kaplan Book Purchase Fund	224		224
Schimmel Prize Fund	4,750		4,750
Berg Curator Fund	41,374		41,374
Willner Fund	8,250		8,250
Rodman Youth Wing Fund	31,000		31,000
Haas Gardens Funds	22,500		22,500
Fischbach Scholarship Fund	7,500		7,500
Shapiro, Montgomery and Genesis Archaeology Fund	17,000		17,000
Pattiz Israeli Art Fund	1,650		1,650
Harwood Flower Fund	3,000		3,000
Myden Youth Wing Fund	15,000		15,000
Skirball Judaica Fund	250,000		250,000
Weisbord Pavilion Fund	475,000		475,000
Adam Kimmel Bar Mitzvah Fund	11,500		11,500
Cummings and Kravis Building Fund	13,750		13,750
Forchheimer Ethnography Fund	75,000		75,000
Asian Art Fund	14,500		14,500
Littauer et al Library Fund	6,600		6,600
Weiss et al. A.O.A.	105,000		105,000
Berg U.S.A. Fund	97,750		97,750
Rosen Egyptian Art Curator Fund	62,500		62,500
Krupp Shrine of the Book Fund	38,500		38,500
Madeleine Lejwa Fund	92,500		92,500
Stella Fischbach Modern Art	11,500		11,500
Abrams Library Fund	21,000		21,000
Bernard & Ella Snyder Lecture Fund	5,750		5,750
	<u>\$ 4,555,681</u>	<u>\$ 10,923,050</u>	<u>\$ 15,478,731</u>

**AMERICAN FRIENDS OF THE ISRAEL MUSEUM  
SCHEDULE OF CHANGES IN TEMPORARILY RESTRICTED FUNDS  
YEAR ENDED DECEMBER 31, 2015**

Exhibit VII

	Balance January 1, 2015	Contributions	Net Investment Income	Unrealized Appreciation On Investments	Net Assets Released From Restrictions Operating	Balance December 31, 2015
Contemporary Art Acquisition Fund	\$ 144,952	\$ 409,655			\$ 351,490	\$ 203,117
BCE Circle	80,639	7,500			75,000	13,139
AFIM Art Acquisition	535,104		\$ 26,755			561,859
Bronfman Biblical&Archaeological Museum		4,629			4,629	
Bezalel Art Museum Fund		136,264			136,264	
General Fund	13,648,701		943,001	\$ (2,556,224)	2,549,700	9,485,778
Kolliner Prize Fund	12,330		839	(2,274)	2,500	8,395
Jesselson Judaica Fund	15,206		1,007	(2,729)	3,000	10,484
Bergman Visiting Artists Fund	142,252		3,524	(9,552)		136,224
Kaplan Book Purchase Fund	14,048		336	(910)	224	13,250
Schimmel Prize Fund	24,221		1,594	(4,321)	4,750	16,744
Berg Curator Fund	206,372		5,873	(15,920)	41,374	154,951
Willner Fund	37,087		2,517	(6,823)	8,250	24,531
Rodman Youth Wing Fund	97,412		7,551	(20,468)	31,000	53,495
Haas Gardens Funds	89,843		6,292	(17,057)	22,500	56,578
Warschaw Archaeology Fund	265,003		4,195	(11,371)		257,827
Fischbach Scholarship Fund	30,670		2,133	(5,782)	7,500	19,521
Shapiro, Montgomery and Genesis Archaeology Fund	62,668		4,522	(12,258)	17,000	37,932
Pattiz Israeli Art Fund	5,490		420	(1,137)	1,650	3,123
Harwood Flower Fund	12,295		847	(2,296)	3,000	7,846
Myden Youth Wing Fund	61,803		4,274	(11,586)	15,000	39,491
Skirball Judaica Fund	1,265,036		80,592	(218,463)	250,000	877,165
Weisbord Pavilion Fund	2,108,729		140,768	(381,583)	475,000	1,392,914
Adam Kimmel Bar Mitzvah Fund	51,016		3,356	(9,097)	11,500	33,775
Cummings and Kravis Building Fund	43,616		3,356	(9,097)	13,750	24,125
Forchheimer Ethnography Fund	284,101		20,136	(54,583)	75,000	174,654
Asian Art Fund	57,282		3,943	(10,689)	14,500	36,036
Littauer et al Library Fund	26,631		1,943	(5,266)	6,600	16,708
Weiss et al. A.O.A.	421,821		28,065	(76,076)	105,000	268,810
Berg U.S.A. Fund	268,500		24,331	(65,954)	97,750	129,127
Rosen Egyptian Art Curator Fund	336,531		19,926	(54,014)	62,500	239,943
Krupp Shrine of the Book Fund	129,244		13,424	(36,388)	38,500	67,780
Madeleine Lejwa Fund	391,785		27,923	(75,692)	92,500	251,516
Stella Fischbach Modern Art	46,588		3,356	(9,097)	11,500	29,347
Abrams Library Fund	64,913		6,041	(16,376)	21,000	33,578
Bernard & Ella Snyder Lecture Fund	18,059		1,678	(4,550)	5,750	9,437
Mandel JAL Wing Fund	128,836		50,339	(136,457)		42,718
Ayla Zachs Abramov Fund			50,336	(136,459)		(86,123)
	<u>\$ 21,128,784</u>	<u>\$ 558,048</u>	<u>\$ 1,495,193</u>	<u>\$ (3,980,549)</u>	<u>\$ 4,555,681</u>	<u>\$ 14,645,795</u>