



**ISRAEL
ENDOWMENT
FUNDS
INC.**

**A Prescient Partnership
by
Prof. Eliezer D. Jaffe**

**76th
ANNUAL
REPORT
1998**

We thought that this year you are entitled to some relief from the PEF officers and so we have asked Professor Eliezer D. Jaffe, the Centraide-L. Jacques Menard Professor for the Study of Volunteering, Nonprofit Organizations, and Philanthropy at the Hebrew University of Jerusalem to write the introduction to our annual report, which follows:

A Prescient Partnership
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If only Justice Brandeis, Julian Mack, Robert Szold and the other founders of PEF in 1922 could see the fruits of their creation in 1999. They would be pleased to learn how much of an impact PEF has had on Israeli society and how absolutely correct they were in promoting direct, unpoliticized, private philanthropy to hundreds of grassroots nonprofit organizations in Israel. They understood, as did all subsequent PEF presidents and board members, that it was essential to nurture a partnership between philanthropists abroad and hardworking Israeli volunteers striving to create a healthy, educated, and socially secure society in Mandate Palestine and Israel.

How ironic it is to know that for 76 years PEF has quietly worked to support nonprofit "Third Sector" organizations in Israel, insisting on accountability, low overhead, program review, and fiscal responsibility. Today, we Israelis live in a post-socialist, emerging capitalist society where government has pulled back drastically on social spending, often choosing to contract out to nonprofit and for-profit organizations. The standard of accountability set by PEF is more relevant now than ever before, as is the need for increasing designated giving partnerships between diaspora philanthropists and the Israeli nonprofit sector that PEF pioneered in 1922.

PEF's astute representatives in Israel and visiting Board members have sought out areas of need and innovative programs for support, while keeping a close watch on changing developments in Israeli society. Their consultation to donors and nonprofit managers alike has been very important in shaping partnerships.

Congratulations to PEF on its outstanding contribution to the welfare of Israel and for its special role in helping Israelis to help themselves with dignity and pride.

PEF Israel Endowment Funds, Inc.

Selected Information Taken from the Financial Report For the Year Ended
November 30, 1998 as audited by Greenfield & Fortuna, LLP, Certified
Public Accountants

Revenue	<u>November 30, 1998</u>
Interests and Dividends	\$3,282,691
Net Gain from Investments	528,969
Contributions and Bequests	26,843,032
Total Revenue	<u>\$30,654,692</u>
Expenses	
Grants	\$31,540,147
General and Administrative Expenses	
General Fund 5 – Allocable	405,937
Incurred by Individual Funds	3,151
Depreciation	8,118
Total Expenses	<u>\$31,957,353</u>
Excess of Revenue over Expenses	<u>(\$1,302,661)</u>
Net Worth	
Cash (Including Liquid Assets Funds and Time Deposits in US and in Israel)	\$7,712,552
Receivable from Brokers, etc.	3,847,132
Marketable Securities (Market Value)	<u>64,273,036</u>
Fund Balance at Market	\$75,832,720