

Zochrot

Israeli certified NGO Registration No 580389526

Audited Financial Report

As of December 31, 2018

ZIRLER MOSHE
CERTIFIED PUBLIC ACCOUNTANT

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June 30, 2019

To: Board of Zochrot (Registered Non-Profit Organization)
34 Yitzhak Sade St. Tel Aviv

To whom it may concern,

I have audited accounts of Zochrot (registered non-profit organization; hereafter, "the Association") as of December 31, 2018, and 2017, and hereby present its financial reports together with my professional opinion, as follows:

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Annex: Depreciation Form No. 11

Sincerely,


Zirler Moshe, CPA

**Auditor's Report to the Members of
Zochrot (Registered Non-Profit Organization)**

I have audited the attached balance sheets for Zochrot (registered non-profit organization; hereafter, "the Association") as of December 31, 2018, and 2017, and the related statements of activities and changes in net assets for each of the years ending on those dates. These financial statements are the responsibility of the Association's board of directors and management. My responsibility is to express an opinion on these financial statements based on my review.

I have conducted my audit in accordance with generally accepted auditing standards in Israel, including those prescribed by the Auditors' Regulations (Auditor's Mode of Performance, 5733-1973). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes a sample examination of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the board of directors and management, as well as evaluating the overall appropriateness of the financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, these financial statements provide an accurate reflection, according to accepted accounting standards and in all material respects relevant to non-profit organizations, the Association's financial status as of December 31, 2018 and 2017, and the results of its activities, changes in net assets and cash flows for each of the years ending on said dates, according to the accepted accounting rules in Israel (Israeli GAAP).


Zirler Moshe, CPA

Tel Aviv, June 30, 2019

**Zochrot (registered non-profit)
Balance Sheets
(NIS)**

		<u>December 31</u>	
	<u>Note</u>	<u>2017</u>	<u>2018</u>
<u>Current Assets</u>			
Cash and cash equivalents	3	241,898	255,904
Donations, allocations and grants receivable		97,000	—
Other debtors and debt balances		16,519	16,519
3,016	16,519 ⁴	16,519	16,519
Total Current Assets		355,417	272,423
Permanent Assets	5	29,574	19,012
Total Assets		384,991	291,435

The attached notes comprise an integral part of the financial reports.

**Zochrot (registered non-profit)
Balance Sheets
(NIS)**

December 31

	<u>Note</u>	<u>2017</u>	<u>2018</u>
Current Liabilities			
Suppliers		22,432	12,526
Creditors and credit balances	6	115,418	14,636
Total Current Liabilities		137,850	27,162
<u>Long-Term Liabilities</u>			
Reserves for employees' severance benefits		25,532	25,532
Total Liabilities		163,382	52,694
<u>Net Assets</u>			
Unrestricted for use in activities:			
Designated by Association bodies		200,000	200,000
Not designated by Association bodies		(7,965)	19,729
Used for permanent assets		29,574	19,012
		221,609	238,741
Restricted net assets:			
		221,609	238,741
Total Net Assets		221,609	238,741
Total Net Liabilities and Assets		384,991	291,435

The attached notes comprise an integral part of the financial reports.

JWb 17 Approved, July 17, 2019



Member of the Board

Dr. Tom Pessah



Member of the Board

Niva Grunzweig

Zochrot (registered non-profit)
Report on Activities
NIS

		December 31	
		<u>2017</u>	<u>2018</u>
	<u>Note</u>		
<u>Turnover</u>			
Donations	7	1,698,681	1,358,579
Revenues from services		59,473	126,840
Total Turnover		1,758,154	1,485,419
<u>Cost of Activities</u>			
	8	1,553,617	1,199,667
Net Revenues from Activities		204,537	285,752
Management & general expenses	9	321,995	264,674
Net Expenses before Financing		(117,458)	21,078
Net financing expenses		(5,374)	(3,946)
Net Expenses after Financing		(122,832)	17,132

The attached notes comprise an integral part of the financial reports.

**Zochrot (registered non-profit)
Report on Changes in Net Assets**

	<u>Unrestricted</u>		<u>Restricted</u>			<u>TOTAL</u>
	<u>For use in activities</u>	<u>For use as permanent assets</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Designated by Association bodies</u>	
Balance, Jan 1, 2017	103,246	41,195			200,000	344,441
Net revenues (deficit) for the year	(122,832)					(122,832)
Transfer of unrestricted amounts used for permanent assets	(1,894)	(1,894)				-
Amounts transferred to cover amortization costs	13,515	(13,515)				-
Balance, Dec. 31, 2017	(7,965)	29,574			200,000	221,609
Net revenues (deficit) for the year	17,132					17,132
Transfer of unrestricted amounts used for permanent assets		(10,562)				(10,562)
Amounts transferred to cover amortization costs	10,562					10,562
Balance, Dec. 31, 2018	19,729	19,012			200,000	238,741

The attached notes comprise an integral part of the financial reports.

**Zochrot (registered non-profit)
Notes on Financial Statement**

Note 1 – General

- A. The Association promotes a public discourse that is open to diverse histories and develops educational programs to further pluralism in Israel
- B. The Association is registered according to law as a Non-Profit Organization. It was incorporated and registered according to law on February 25, 2002, and was assigned Association No. 58-038952-6 by the Israeli Registrar of Associations.
- C. The Association's revenues derive mostly from foreign entities and institutes.

Note 2 – Accounting Policy Principles

The accounting policy principles consistently applied in compiling this financial statement are as follows:

1. Starting point for preparation of financial reports

The Association has compiled its financial reports based on Opinion 69 on "Accounting and Financial Reporting Rules for Non-Profit Organizations" of the Institute of Certified Public Accountants in Israel (hereafter, Opinion 69).

The financial reports are presented in terms of reported amounts as required by Accounting Standards 12 & 17 of the Israel Accounting Standards Board. A reported amount is a nominal amount adjusted to changes in the consumer price index until the index of December 2003, plus nominal amounts added after the date of transition (December 31, 2003), and minus amounts deducted thereafter.

2. Revenues and expenses

- 2.1 The Association records all its expenses and revenues on an accumulative basis.
- 2.2 The financial reports are based on Opinion 69.

3. Permanent assets

- 3.1 Permanent assets are presented on a cost basis.
- 3.2 Amortization is calculated according to the straight-line basis at annual rates considered sufficient for amortizing the assets based on their estimated usage period.
- 3.3 Amortization rates – between 7 and 33 percent.

4. Negotiable securities are presented by their market value on balance date

5. Net assets

According to Opinion 69, the Association's net assets are presented as follows:

- Unrestricted net assets used for current activities – for the Association's current activities.
- Unrestricted net assets used for permanent property – for amounts designated for permanent property (including purchases and amortization expenses)
- Temporarily restricted net assets – for a charity fund run by the Association that is designated for special purposes.

Zochrot (registered non-profit)
Notes on Financial Statement

6. Liabilities for termination of employee-employer relations

The association regularly deposits amounts to cover its liabilities for severance payments in executive insurance policies and pension plans.

Note 3 – Cash and cash equivalents

	December 31	
	2017	2018
Cash in Israeli currency	40,383	114,391
Cash in foreign currency	1,514	1,514
Deposits	200,001	139,999
	241,898	255,904
	=====	=====

Note 4 - Various debtors and debt balances

	December 31	
	2017	2018
Employees	16,519	16,519
	=====	=====

Note 5 – Permanent assets

	Cost	Accumulated amortization	Amortized cost	
	Dec. 31/ 2018	Dec. 31/ 2018	Dec. 31, 2017	Dec. 31 2018
Office equipment & furniture	51,176	40,951	12,418	10,225
Computers & electronics	96,463	87,676	17,156	8,787
	147,639	128,627	29,574	19,012
	=====	=====	=====	=====

Zochrot (registered non-profit)
Notes on Financial Statement

Note 6 – Various suppliers and credit balances

	December 31	
	2017	2018
Expenses payable	12,285	–
Employees	1,536	6,651
Institutes for pay	27,808	7,985
Advance revenues	73,789	–
	115,418	14,636
	=====	=====

Note 7 – Donations

	December 31	
	2017	2018
Misereor	152,716	173,551
Broderlijk Delen	19,984	–
Christian Aid	263,591	304,370
CCFD	163,557	–
MCC	91,600	93,505
AFSC	54,245	–
HEKS Badil	204,000	81,148
HEKS Core	40,000	–
HEKS Education	255,937	234,272
HEKS Odna	228,611	108,864
Private donor	42,552	–
Rockefeller Foundation	71,739	68,849
Stichting het Solidariteitsfonds	97,533	105,817
Various Donors	12,616	43,060
EMHR	–	145,143
	1,698,681	1,358,579
	=====	=====

Zochrot (registered non-profit)
Notes on Financial Statement

Note 8 – Activity costs

	December 31	
	2017	2018
Salaries & related expenses	1,111,966	877,146
Printing, proofreading and graphic design	72,358	48,138
Travel & transportation to tours & events	36,210	37,033
Lectures	20,120	1,194
Exhibits & photographs	12,051	2,689
Rent & art gallery maintenance	120,632	113,155
Professional consulting	7,342	–
Art scholarships	15,999	10,033
Catering in lectures & conferences	10,418	4,022
Program production	81,480	73,182
Various operating costs	14,494	7,262
Advertising & media PR	19,575	5,383
Website development & maintenance	30,972	20,430
	1,553,617	1,199,667
	=====	=====

Note 9 - Administrative and general expenses

	December 31	
	2017	2018
	–	(1)
	=====	=====
Management salaries & related expenses	201,371	144,294
Municipal taxes and maintenance	44,907	45,679
Communication	4,726	3,091
Electricity and fees	8,960	6,988
Office expenses	15,499	27,038
Accounting & auditing	22,178	19,305
Professional services	1,702	1,702
Insurances	9,137	6,016
Amortization costs	13,515	10,562
	321,995	264,675
	=====	=====