

Zochrot

**Israeli certified NGO Registration No
580389526**

**Audited Financial Report As of
December 31, 2019**

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:

1. Auditors' Report to the Members of the Association.....	2
2. Balance sheets for December 31, 2018 and 2017	3
3. Report on activities for the years ending on December 31, 2018 and 2017.....	5
4. Report on changes in net assets	6
5. Notes to financial statements	7

Annex: Depreciation Form No. 11

Sincerely,


Zirler Moshe, CPA

ZIRLER MOSHE
CERTIFIED PUBLIC ACCOUNTANT

34 YITZHAK SADE ST. TEL AVIV
TEL. 03 - 6874533 FAX. 03-5379535

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>2018</u>	<u>2019</u>
<u>Current Assets</u>			
Cash and cash equivalents	3	255,904	30,765
Other debtors and debt balances	4	16,519	16,519
<hr/>			
Total Current Assets		272,423	47,284
Permanent Assets	5	19,012	12,305
Total Assets		291,435	59,589

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

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

December 31

	<u>Note</u>	<u>2018</u>	<u>2019</u>
Current Liabilities			
Suppliers		12,526	32,490
Creditors and credit balances	6	14,636	16,968
Total Current Liabilities		27,162	49,458
<u>Long-Term Liabilities</u>		25,532	25,532
Reserves for employees' severance benefits		25,532	25,532
<u>Total Liabilities</u>		52,694	74,990
<u>Net Assets</u>			
Unrestricted for use in activities:			
Designated by Association bodies		200,000	200,000
Not designated by Association bodies		19,729	(227,706)
Used for permanent assets		19,012	12,305
		238,741	(15,401)
Restricted net assets:			
Total Net Assets		238,741	(15,401)
Total Net Liabilities and Assets		291,435	59,589

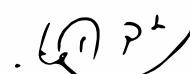
The attached notes comprise an integral part of the financial reports.

Approved, July 12, 2020



Member of the Board

Dr. Tom Pessah



Member of the Board

Niva Grunzweig

Zochrot (registered non-profit)
Report on Activities
NIS

		December 31	
		<u>2018</u>	<u>2019</u>
	<u>Note</u>		
<u>Turnover</u>			
Donations	7	1,358,579	1,099,607
Revenues from services		126,840	39,544
Total Turnover		1,485,419	1,139,151
<u>Cost of Activities</u>			
	8	1,199,667	1,184,079
Net Revenues from Activities		285,752	(44,928)
Management & general expenses	9	264,675	201,075
Net Expenses before Financing		21,077	(246,003)
Net financing expenses		(3,945)	(8,139)
Net Expenses after Financing		17,132	(254,142)

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>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>	<u>TOTAL</u>
<u>Balance, Jan 1, 2018</u>	(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
<u>Balance, Dec. 31, 2018</u>	19,729	19,012			200,000	238,741
Net revenues (deficit) for the year	(247,435)					(247,435)
Transfer of unrestricted amounts used for permanent assets		(6,707)				(6,707)
<u>Balance, Dec. 31, 2019</u>	(227,706)	12,305			200,000	(15,401)

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	
	2018	2019
Cash in Israeli currency	114,391	30,765
Cash in foreign currency	1,514	—
Deposits	139,999	—
	<u>255,904</u>	<u>30,765</u>
	=====	=====

Note 4 - Various debtors and debt balances

	December 31	
	2018	2019
Employees	16,519	16,519
	=====	=====

Note 5 – Permanent assets

	Reduced Cost Dec. 31		Accumulated amortization Dec. 31/ 2019	Cost, Dec. 31 2019
	2018	2019		
Office equipment & furniture	10,225	8,086	43,000	51,086
Computers & electronics	8,787	4,219	94,334	98,553
	<u>19,012</u>	<u>12,305</u>	<u>137,334</u>	<u>149,639</u>
	=====	=====	=====	=====

Zochrot (registered non-profit)
Notes on Financial Statement

Note 6 – Various suppliers and credit balances

	December 31	
	2018	2019
Employees	6,651	5,530
Institutes for pay	7,985	11,438
	14,636	16,968

Note 7 – Donations

	December 31	
	2018	2019
Misereor	173,551	209,247
Christian Aid	304,370	187,727
MCC	93,505	36,750
HEKS Badil	81,148	133,327
HEKS Education	234,272	—
HEKS Odn	108,864	95,328
Rockefeller Foundation	68,849	72,260
Stichting Het Silidariteitsfonds	105,817	72,559
Various Donors	43,060	62,463
EMHR	145,143	—
2 additional ad hocs	—	22,098
AFSC	—	35,932
IHL Trust	—	61,123
The Jerusalem Fund	—	17,645
Kleidoscope Foundation	—	27,292
Sparkplug	—	35,912
Haella	—	22,144
SIVMO	—	7,800
	1,358,579	1,099,607
	=====	=====

Zochrot (registered non-profit)
Notes on Financial Statement

Note 8 – Activity costs

	December 31	
	2018	2019
Salaries & related expenses	877,146	859,375
Printing, proofreading and graphic design	48,138	47,486
Travel & transportation to tours & events	37,033	16,848
Lectures	1,194	—
Exhibits & photographs	2,689	11,151
Rent & art gallery maintenance	113,155	72,859
Art scholarships	10,033	—
Catering in lectures & conferences	4,022	2,410
Program production	73,182	159,027
Various operating costs	7,262	1,760
Advertising & media PR	5,383	2,662
Website development & maintenance	20,430	10,501
	1,199,667	1,184,079
	=====	=====

Note 9 - Administrative and general expenses

	December 31	
	2018	2019
Management salaries & related expenses	144,294	109,938
Municipal taxes and maintenance	45,679	29,770
Communication	3,091	3,400
Electricity and fees	6,988	4,560
Office expenses	27,038	15,812
Accounting & auditing	19,305	21,060
Professional services	1,702	—
Insurances	6,016	7,828
Amortization costs	10,562	8,707
	264,675	201,075
	=====	=====