

**The Amutah for NGO Responsibility (R.A.)**

**Financial Statements as of December 31, 2015**

## **The Amutah for NGO Responsibility (R.A.)**

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**Auditors' Report**  
**To the memberd of the Association**  
**The Amutah for NGO Responsibility (R.A.)**

We have audited the accompanying balance sheets of The Amutah for NGO Responsibility (R.A.) ("the Association") as of December 31, 2015 and 2014, the statements of activities, and the statements of changes in net assets for each of the years then ended. These financial statements are the responsibility of the Association's executive. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Israeli Generally Accepted Auditing Standards, including those prescribed by the Auditors' Regulations (Auditor's Mode of Performance) – 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes an examining, on a test basis, 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 Executive and management of the Association, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2015 and 2014, the results of its activities and the changes in its net assets for each of the two years then ended, according to Israeli GAAP.

**Ben David - Shalvi, Kop**

**Certified Public Accountants, (Isr.)**

**Jerusalem, \_\_\_\_\_ 2016**

**The Amutah for NGO Responsibility (R.A.)**  
**Balance Sheets**  
**(New Israeli Shekels)**

		<u>As of December 31</u>	
	<u>Note</u>	<u>2015</u>	<u>2014</u>
<b><u>Curret Assets</u></b>			
Cash and cash equivalents	3	201,503	929,958
Debtors and debit balances	4	1,230,277	198,175
		<u>1,431,780</u>	<u>1,128,133</u>
<b><u>Fixed Assets, Net</u></b>	5	111,891	85,865
		<u>1,543,671</u>	<u>1,213,998</u>
	***		
<b><u>Current Liabilities</u></b>			
Supliers and service providers	6	47,172	59,928
Creditors and credit balances	7	492,776	343,764
		<u>539,948</u>	<u>403,692</u>
<b><u>Long Term Liabilities</u></b>			
Provision for severance pay	8	208,976	136,854
<b><u>Net Assets</u></b>			
<b><u>Unrestricted Net Assets</u></b>			
Used for current activities		682,856	587,587
Used for fixed assets		111,891	85,865
		<u>794,747</u>	<u>673,452</u>
		<u>1,543,671</u>	<u>1,213,998</u>

Date	Member of the board	Member of the board
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The attached notes are an integral part of these statements

**The Amutah for NGO Responsibility (R.A.)**  
**Statements of Activities**  
**(New Israeli Shekels)**

		<b>Year ended December 31</b>	
		<b>2015</b>	<b>2014</b>
Income from activities	9	5,001,237	4,310,944
Cost of activities	10	4,122,870	3,393,924
Net income from activities		878,367	917,020
General and administrative expenses	11	759,521	527,601
Net income before finance		118,846	389,419
Financial income, Net		2,449	37,717
Net income for the year		<b>121,295</b>	<b>427,136</b>

**The attached notes are an integral part of these statements**

**The Amutah for NGO Responsibility (R.A.)**  
**Statements of Changes in Net Assets**  
**(New Israeli Shekels)**

	<b>Unrestricted Net Assets</b>		<b>Total</b>
	<b>Used for activities</b>	<b>Used for fixed</b>	
<b>Balance as of January 1, 2014</b>	<b>136,522</b>	<b>109,794</b>	<b>246,316</b>
<u>Changes during the year</u>			
Net Income for the year	427,136	-	427,136
Transfer of unrestricted amounts for fixed assets	(10,414)	10,414	-
Amounts transferred to cover depreciation expenses	34,343	(34,343)	-
<b>Balance as of December 31, 2014</b>	<b>587,587</b>	<b>85,865</b>	<b>673,452</b>
<u>Changes during the year</u>			
Net Income for the year	121,295	-	121,295
Transfer of unrestricted amounts for fixed assets	(62,748)	62,748	-
Amounts transferred to cover depreciation expenses	36,722	(36,722)	-
<b>Balance as of December 31, 2015</b>	<b>682,856</b>	<b>111,891</b>	<b>794,747</b>

The attached notes are an integral part of these statements

**The Amutah for NGO Responsibility (R.A.)**  
**Notes to Financial Statements**  
**(New Israeli Shekels)**

**Note 1 - General**

The Amutah for NGO Responsibility (R.A.) (hereafter: "the Association") was established as a non-profit organization according to the Association law 1980, and began its activity in February 2007.

The aim of the Association is to serve as a public research institute that publicly (not politically) analyses the activities of NGO's, especially those working within the international community and in the Palestinian Authority territories and who deal with the Arab-Israeli conflict, and to examine the transparency of the mission statements of the humanitarian NGO's.

The association is defined as a public institution as defined in Article 9(2) of the Income Tax Ordinance.

The Organization has a proper management confirmation form in 2016.

**Note 2 - Significant Accounting Policies**

A. The financial statements were prepared according to generally accepted accounting principles for non-profit institution and in accordance with Standard No. 5 of the Israel Accounting Standard Board, regarding "accounting principles and financial reporting by nonprofit organizations."

B. Historical Cost Convention

The financial statements were prepared on the basis of the historical cost convention and do not include the impact of changes in the general purchasing power of the Israeli currency on the results of the activities.

C. Cash and Cash Equivalents

The Association considers all highly liquid investments, including short-term bank deposits (up to three months from date of deposit) that are not restricted as to withdrawal or use, to be cash equivalents.

D. Fixed Assets

Fixed assets are shown at cost less accumulated depreciation. The depreciation was calculated according to the estimated length of use of the assets and at the following rates:

Computers	33%
Furniture and equipment	7-15%
Leasehold improvements	10%

**The Amutah for NGO Responsibility (R.A.)**  
**Notes to Financial Statements**  
**(New Israeli Shekels)**

**Note 2 - Significant Accounting Policies (Cont.)**

E. Indexation to Foreign Currency

Balances in or indexed to foreign currency are recorded at the exchange rate on the balance sheet. Income and expenses indexed to foreign currency are recorded on the transaction day, as follows:

	<b><u>As of December 31</u></b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>
US dollar	3.902	3.889
Euro	4.2468	4.7246

F. Statements of Changes in Cash Flows

The financial statements do not include a statement of cash flow, as such a statement would not add significant financial information to that already included in the financial statements.

**Note 3 - Cash and cash equivalents**

	<b><u>As of December 31</u></b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>
Cash on hand and in banks - NIS	201,503	919,458
Deposits	-	10,500
	<b><u>201,503</u></b>	<b><u>929,958</u></b>

**Note 4 - Debtors and debit balances**

	<b><u>As of December 31</u></b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>
Income receivable	1,168,570	150,000
Prepaid expenses	61,707	48,175
	<b><u>1,230,277</u></b>	<b><u>198,175</u></b>



**The Amutah for NGO Responsibility (R.A.)**  
**Notes to Financial Statements**  
**(New Israeli Shekels)**

**Note 5 - Fixed Assets, Net**

	<u>Computer:</u>	<u>Furniture</u>	<u>Leasehold improvement</u>	<u>Total</u>
<u>Cost</u>				
Balance as at January 1 2015	177,312	62,829	46,200	286,341
Additions	61,799	949	-	62,748
Balance as at December 31 2015	239,111	63,778	46,200	349,089
<u>Accumulated Depreciation</u>				
Balance as at January 1 2015	148,756	21,138	30,582	200,476
Depreciation for the year	27,907	4,195	4,620	36,722
Balance as at December 31 2015	176,663	25,333	35,202	237,198
Fixed Assets, Net as at December 31 2015	<u><u>62,448</u></u>	<u><u>38,445</u></u>	<u><u>10,998</u></u>	<u><u>111,891</u></u>
Fixed Assets, Net as at December 31 2014	<u><u>31,455</u></u>	<u><u>38,792</u></u>	<u><u>15,618</u></u>	<u><u>85,865</u></u>

**Note 6 - Suppliers and service providers**

	<u>As of December 31</u>	
	<u>2015</u>	<u>2014</u>
Checks payable	42,687	42,710
Open accounts	4,485	17,218
	<u><u>47,172</u></u>	<u><u>59,928</u></u>

**Note 7 - Creditors and credit balances**

	<u>As of December 31</u>	
	<u>2015</u>	<u>2014</u>
Employees and related institutions	450,755	332,339
Expenses payable	42,021	11,425
	<u><u>492,776</u></u>	<u><u>343,764</u></u>

**The Amutah for NGO Responsibility (R.A.)**  
**Notes to Financial Statements**  
**(New Israeli Shekels)**

**Note 8 - Provision for severance pay**

- A. The provision for severance pay is computed based on the last salary of the employees and according to their seniority, for the employees who worked in the Association over than one year.
- B. The liability for severance pay to employees as of the balance sheet date is covered by payments to a management insurance policy and funds included in a provision for severance pay.

**Note 9 - Income from activities**

	<b>Year ended December 31</b>	
	<b>2015</b>	<b>2014</b>
Donations	4,788,089	3,940,003
Donations in kind (*)	210,384	193,377
Income from research and consulting	2,764	177,564
	<b><u>5,001,237</u></b>	<b><u>4,310,944</u></b>

- (\*) Institute "REPORT" performed researches for the association without charge. Calculation of the value of the contribution was carried out by the management of the Association, according to its assessment of the market value.

**The Amutah for NGO Responsibility (R.A.)**  
**Notes to Financial Statements**  
**(New Israeli Shekels)**

**Note 10 - Cost of activities**

	<b>Year ended December 31</b>	
	<b>2015</b>	<b>2014</b>
Salaries and related expenses	3,421,048	2,801,752
Research expenses in kind	210,384	193,377
Office expenses, advertising, printing and research	196,533	177,599
Travel (includes travel abroad)	183,579	137,942
Rent	72,004	47,081
Depreciation	33,050	30,909
Events	3,322	4,674
Translation	2,950	590
	<b><u>4,122,870</u></b>	<b><u>3,393,924</u></b>

**Note 11 - General and administrative expenses**

	<b>Year ended December 31</b>	
	<b>2015</b>	<b>2014</b>
Salaries and related expenses	300,992	153,280
Fundraising - travel abroad	199,317	112,073
Professional services	92,323	135,059
Hospitality from Israel and abroad	55,355	29,660
Telephone and postage	33,861	19,466
Property tax	33,083	32,894
Insurance	14,209	13,839
Office expenses	13,363	8,712
Professional training and literature	6,763	3,574
Depreciation	3,672	3,434
Bank fees	3,670	12,530
Gifts	1,590	1,710
Taxes and fees	1,323	1,370
	<b><u>759,521</u></b>	<b><u>527,601</u></b>