

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

**Financial Statements as of December 31, 2014**

# **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, 2014 and 2013, 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, 2014 and 2013, 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,**

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

## **Balance Sheets** **(New Israeli Shekels)**

		<u>As of December 31</u>	
	<u>Note</u>	<u>2014</u>	<u>2013</u>
<u>Curret Assets</u>			
Cash and Cash Equivalents	3	929,958	357,299
Debtors and Debit Balances	4	198,175	57,326
		<u>1,128,133</u>	<u>414,625</u>
<u>Fixed Assets, Net</u>	5	85,865	109,794
		<u>1,213,998</u>	<u>524,419</u>

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### **Current Liabilities**

Supliers and Service providers	6	59,928	57,619
Creditors and Credit Balances	7	343,764	119,757
		<b>403,692</b>	<b>177,376</b>

### **Long Term Liabilities**

Provision for Severance Pay	8	<b>136,854</b>	<b>100,727</b>
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### **Net Assets**


#### **Unrestricted Net Assets**

Used for Current Activities	587,587	136,522
Used for Fixed Assets	85,865	109,794
	<b>673,452</b>	<b>246,316</b>
	<b>1,213,998</b>	<b>524,419</b>

25/6/15

Date

  
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>2014</b>	<b>2013</b>
Income from Activities	9	4,310,944	3,564,519
Cost of Activities	10	3,393,924	2,996,537
Net Income from Activities		917,020	567,982
General and Administrative Expenses	11	527,601	669,212
Net Income (Deficit) Before Financing Expenses		389,419	(101,230)
Financial Income (Expenses) Net		37,717	(41,991)
Net Income (Deficit) for the year		<b>427,136</b>	<b>(143,221)</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>Used for activities</b>	<b>Used for fixed</b>	<b>Total</b>
<b>Balance as of January 1, 2013</b>	<b>273,066</b>	<b>116,471</b>	<b>389,537</b>
<u>Changes during the year</u>			
Deficit for the Year	(143,221)	-	(143,221)
Transfer of unrestricted amounts for fixed assets	(27,482)	27,482	-
Amounts transferred to cover depreciation expenses	34,159	(34,159)	-
<b>Balance as of December 31, 2013</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>

**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 2015.

**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 and accessories	33%
Office 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>2014</u></b>	<b><u>2013</u></b>
US dollar	3.889	3.471
Euro	4.7246	4.7819

**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>2014</u></b>	<b><u>2013</u></b>
Cash on hand and in banks - NIS	919,458	342,953
Cash in banks - foreign currency	-	14,346
Deposits	10,500	-
	<b><u>929,958</u></b>	<b><u>357,299</u></b>

**Note 4 - Debtors and Debit Balances**

	<b><u>As of December 31</u></b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>
Income receivable	150,000	-
Prepaid expenses	48,175	57,326
	<b><u>198,175</u></b>	<b><u>57,326</u></b>



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

**Note 5 - Fixed Assets, Net**

	<u>Computers</u>	<u>Furniture</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>Cost</u>				
Balance as at January 1 2014	169,799	59,930	46,200	275,929
Additions	10,414	-	-	10,414
Balance as at December 31 2014	180,213	59,930	46,200	286,343
<u>Accumulated Depreciation</u>				
Balance as at January 1 2014	123,230	16,943	25,962	166,135
Additions	25,528	4,195	4,620	34,343
Balance as at December 31 2014	148,758	21,138	30,582	200,478
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>
Fixed Assets, Net as at December 31 2013	<u><u>39,528</u></u>	<u><u>50,028</u></u>	<u><u>20,238</u></u>	<u><u>109,794</u></u>

**Note 6 - Suppliers and Service providers**

	<u>As of December 31</u>	
	<u>2014</u>	<u>2013</u>
Checks payable	42,710	53,487
Open accounts	17,218	4,132
	<u><u>59,928</u></u>	<u><u>57,619</u></u>

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

**Note 7 - Creditors and Credit Balances**

	<b><u>As of December 31</u></b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>
Employees and related institutions	332,339	99,876
Expenses payable	11,425	19,881
	<b><u>343,764</u></b>	<b><u>119,757</u></b>

**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><u>Year ended December 31</u></b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>
Donations	3,940,003	3,488,498
Donations in kind (*)	193,377	26,021
Income from research and consulting	177,564	50,000
	<b><u>4,310,944</u></b>	<b><u>3,564,519</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>2014</b>	<b>2013</b>
Salaries and related expenses	2,801,752	2,537,525
Research expenses in kind (*)	193,377	26,021
Travel (includes travel abroad)	137,942	150,470
Office expenses, Advertising, printing and Research	177,599	202,540
Rent	47,081	38,502
Depreciation	30,909	30,743
Events	4,674	-
Translation	590	4,391
Specialized	-	6,345
	<b><u>3,393,924</u></b>	<b><u>2,996,537</u></b>

(\*) See note 9.

**Note 11 - General and Administrative Expenses**

	<b>Year ended December 31</b>	
	<b>2014</b>	<b>2013</b>
Salaries and Related expenses	153,280	353,592
Professional Services	135,059	84,896
Fundraising - travel abroad	112,073	83,666
Office expenses	8,712	8,579
Property tax	32,894	32,403
Refreshments	29,660	31,034
Telephone and Postage	19,466	38,559
Insurance	13,839	12,893
Bank fees	12,530	9,549
Professional training and literature	3,574	7,110
Depreciation	3,434	3,416
Gifts	1,710	657
Fees	1,370	1,518
Travel	-	1,340
	<b><u>527,601</u></b>	<b><u>669,212</u></b>