

E.S.R.A. English Speaking Residents Association (Reg.N.P.O)

Financial Statements

as at December 31, 2017

E.S.R.A. English Speaking Residents Association (Reg.N.P.O)

Financial Statements

as at December 31, 2017

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שטרק את שטרק STARK & STARK

רואי חשבון

Certified Public Accountants (Isr.)

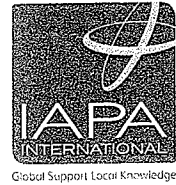
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Auditors' Report to the Members

of

E.S.R.A. English Speaking Residents Association (Reg.N.P.O)

We have audited the accompanying balance sheets of E.S.R.A. English Speaking Residents Association (Reg.N.P.O) (hereinafter - the "Amutah") as at December 31, 2017 and 2016 and the related statements of activities and changes in net assets, for each of the years then ended. These financial statements are the responsibility of the committee and its management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards, including those prescribed by the Israeli Auditors' Regulations (Auditor's Mode of Performance), 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes 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 committee and management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the above financial statements present fairly for nonprofit organizations in all material respects, the financial position of the Amutah as at December 31, 2017 and 2016 and the results of its activities and changes in net assets, for each of the years then ended, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).


Stark & Stark
Certified Public Accountants (Israel)

Ra'anana, June 14, 2018

E.S.R.A English Speaking Residents Association (Reg.N.P.O)

Balance Sheet As At December 31, 2017

	<u>Note</u>	<u>31.12.17</u>	<u>31.12.16</u>
		<u>NIS</u>	<u>NIS</u>
<u>Current Assets</u>			
Cash and Cash equivalents	3	523,194	707,838
Securities	4	7,692,678	5,251,923
Accounts receivable	5	312,330	322,763
Inventory		--	3,296
		<u>8,528,202</u>	<u>6,285,820</u>
<u>Fixed Assets</u>			
	6	103,446	73,218
		<u>8,631,648</u>	<u>6,359,038</u>
<u>Current Liabilities</u>			
Checks payable and suppliers		479,731	586,293
Accounts payable	7	352,454	643,343
		<u>832,185</u>	<u>1,229,636</u>
<u>Provision For Severance Pay</u>	8	276,066	282,627
<u>Net Assets</u>			
<u>Unrestricted Net Assets</u>			
For activities		321,848	227,559
For fixed assets		103,446	73,218
		<u>425,294</u>	<u>300,777</u>
<u>Temporarily Restricted Net Assets</u>	9	6,456,389	3,904,284
<u>Permanently Restricted Net Assets</u>	10	641,714	641,714
<u>Total Net Assets</u>		<u>7,523,397</u>	<u>4,846,775</u>
		<u>8,631,648</u>	<u>6,359,038</u>



Baruch Tanaman
Chairperson



Terence Elliot Morris
Vice Chairperson

The notes to the financial statements are an integral part thereof.

E.S.R.A. English Speaking Residents Association (Reg.N.P.O)

Statement of Activities

For The Year Ended December 31, 2017

	Note	2017 NIS	2016 NIS
Income			
Donations		89,401	28,609
Transferred from restricted net assets		3,251,603	2,770,521
Volunteers contribution to activities	11	2,495,136	2,079,626
Membership fees		324,809	265,953
Rentals		19,050	20,995
Income from events, social and cultural activities		1,818,917	1,726,196
		<u>7,998,916</u>	<u>6,891,900</u>
Cost of Activities – Projects			
Assistance to new immigrants, needy etc.		2,421,247	2,064,987
Events, social and cultural activities		1,289,137	1,198,218
Value of volunteers to activities	11	2,495,136	2,079,626
Salaries and related expense		946,541	1,054,545
		<u>7,152,061</u>	<u>6,397,376</u>
Net Income From Activities		<u>846,855</u>	<u>494,524</u>
General and Administrative Expenses			
Salaries and related expenses		588,177	631,234
General expenses		267,162	218,282
Depreciation		26,649	18,636
Credit card fees and bank charges		51,629	53,687
		<u>933,617</u>	<u>921,839</u>
Net expenses before financing			
Net financing income		(86,762)	(427,315)
Net income (deficit)		<u>211,279</u>	<u>114,989</u>
		<u>124,517</u>	<u>(312,326)</u>

The notes to the financial statements are an integral part thereof.

E.S.R.A. English Speaking Residents Association (Reg.N.P.O)

Statement of Changes in Net Assets

For The Year Ended December 31st, 2016

	Permanently Restricted	Temporarily Restricted	Unrestricted		Total NIS
			For Fixed Assets NIS	For Activities NIS	
<u>2016:</u>	<u>Net Assets NIS</u>	<u>Net Assets NIS</u>	<u>For Fixed Assets NIS</u>	<u>For Activities NIS</u>	<u>Total NIS</u>
Opening balance 1.1.2016	1,207,964	2,762,379	78,383	534,720	4,583,446
<u>Changes during the year</u>					
Donations	--	3,346,176	--	--	3,346,176
Allocations – local	(566,250)	566,250	--	--	--
Net deficit for the year	--	--	--	(312,326)	(312,326)
Sums transferred from temporarily restricted net assets	--	(2,770,521)	--	--	(2,770,521)
Sums used for acquisition of fixed assets	--	--	13,471	(13,471)	--
Sums used for depreciation of fixed assets	--	--	(18,636)	18,636	--
Balance as at 31.12.2016	641,714	3,904,284	73,218	227,559	4,846,775

The notes to the financial statements are an integral part thereof.

English Speaking Residents Association (Reg.N.P.O)
Statement of Changes in Net Assets – (Cont'd)
For The Year Ended December 31st, 2017

	Permanently Restricted		Temporarily Restricted	Unrestricted		Total NIS
	Net Assets NIS	Net Assets NIS	Net Assets NIS	For Fixed Assets NIS	For Activities NIS	
2017:						
Opening balance 1.1.2017	641,714	3,904,284		73,218	227,559	4,846,775
<u>Changes during the year</u>						
Donations	--	5,803,708	--	--	--	5,803,708
Net income for the year	--	--	--	--	124,517	124,517
Sums transferred from temporarily restricted net assets	--	--	--	--	--	--
Sums used for acquisition of fixed assets	--	(3,251,603)	--	--	--	(3,251,603)
Sums used for depreciation of fixed assets	--	--	56,877	(26,649)	(56,877)	--
Balance as at 31.12.2017	641,714	6,456,389		103,446	321,848	7,523,397

The notes to the financial statements are an integral part thereof.

E.S.R.A. English Speaking Residents Association (Reg.N.P.O)

Notes to the Financial Statements

as at December 31,2017

Note 1 - General

- A. The Association was registered as an "Amutah" on December 4, 1983 and its aims are to facilitate the social integration of English speakers by organizing social, cultural, educational and volunteering activities, creating community involvement to enable volunteers to participate in projects and to raise funds for the weaker sectors of society.
- B. The Amutah is approved as a "Public Institution" (Mossad Tziburi) under the terms of Clause 9(2) of the Income Tax Ordinance.
- C. The Amutah has a certification according to clause 46 of the Income Tax Ordinance, which enables a tax credit to the donor until 31/12/2018.
- D. Registration No. of the Amutah at the Registrar of Nonprofit Organizations is: 580037455.
- E. The Amutah has proper management certification until 31/12/2018.
- F. Amendment number 11 of the law of associations, 2008:
The Amutah has not received donations during the current year from a foreign political entity.

Note 2 - Accounting Principles

- A. The financial statements have been prepared in accordance with the Opinion no. 69 issued by the Israel Institute of Certified Public Accountants and in accordance with Standard No. 5 of the Israel Accounting Standards Board.
- B. Financial Statements' Reporting Basis
The financial Statement have been prepared in reported values in accordance with the provisions of Accounting Standard 12 of Israeli Accounting Standards Boards, regarding the cessation of financial Statement adjustment.
- C. Income and expenses are recorded by the accrual basis and according to generally accepted accounting standards.
- D. Cash and cash equivalents
 - 1. Includes short term bank deposits made for a period not exceeding three months.
 - 2. Short term bank deposits include interest and indexation differences accrued to the balance sheet date.
- E. Fixed assets
 - 1. Fixed Assets are presented according to cost less accumulated depreciation. Depreciation is computed by the straight line method over the estimated useful lives of the assets.
 - 2. Improvements and betterments are carried to the cost of the assets while expenses on maintenance and repairs are carried to the statement of activities as incurred.

E.S.R.A. English Speaking Residents Association (Reg.N.P.O)

Notes to the Financial Statements

as at December 31,2017

Note 2 - Accounting Principles (cont'd)

- F. Investments in securities are presented according to market value at Balance Sheet date. Changes in market value are credited to net financing income in the Statement of Activities.
- G. Balances involving foreign currencies
Balances involving foreign currencies were valued at the exchange rate for the Balance Sheet date. The exchange rate was:
1 USD= 3.4670 NIS (December 31st, 2016 -1 USD=3. 8450 NIS).
1 GBP= 4.6819 NIS (December 31st, 2016 -1 GBP=4. 7520 NIS).
- H. The inventory is stated at the lowest of historical cost or market value.
As of December 31, 2017, the Amuta has no significant inventory, the inventory is old and its value is less than NIS 1,000.
- I. The financial statements do not include statement of Cash Flows. There is no obligation to include those statements in this report if it does not add significant information contained in the financial statements.

Note 3 – Cash and Cash equivalents

	<u>31.12.17</u> <u>NIS</u>	<u>31.12.16</u> <u>NIS</u>
Cash at bank and on hand- local currency	507,559	492,899
Cash at bank- foreign currency	15,635	214,939
	<u>523,194</u>	<u>707,838</u>

E.S.R.A. English Speaking Residents Association (Reg.N.P.O)

Notes to the Financial Statements

as at December 31,2017

Note 4 –Securities

	<u>31.12.17</u>	<u>31.12.16</u>
	<u>NIS</u>	<u>NIS</u>
Government Bonds	442,409	747,580
Corporate Bonds	6,981,642	4,075,151
Unit Trust funds (mainly bonds)	268,627	429,192
	<u>7,692,678</u>	<u>5,251,923</u>

Note 5 – Accounts receivable

	<u>31.12.17</u>	<u>31.12.16</u>
	<u>NIS</u>	<u>NIS</u>
Checks receivable	4,510	5,655
Customers, net	32,941	20,537
Credit-card companies	191,790	136,256
Pre-paid expenses	83,089	157,715
Income receivables	--	2,600
	<u>312,330</u>	<u>322,763</u>

Note 6 - Fixed Assets

	<u>Computers And programs NIS</u>	<u>Leasehold Improvements NIS</u>	<u>Furniture and office Equipment NIS</u>	<u>31.12.17 NIS</u>	<u>31.12.16 NIS</u>
<u>Cost:</u>					
Cost at the beginning of the year	47,544	29,544	78,950	156,038	142,567
Acquisitions during the year	46,958	2,100	7,819	56,877	13,471
Cost at the end of the year	<u>94,502</u>	<u>31,644</u>	<u>86,769</u>	<u>212,915</u>	<u>156,038</u>
<u>Depreciation:</u>					
Depreciation at the beginning of the year	30,453	7,746	44,621	82,820	64,184
Depreciation during the year	14,851	3,102	8,696	26,649	18,636
Accumulated depreciation	<u>45,304</u>	<u>10,848</u>	<u>53,317</u>	<u>109,469</u>	<u>82,820</u>
<u>Written Down Value:</u>	<u>49,198</u>	<u>20,796</u>	<u>33,452</u>	<u>103,446</u>	<u>73,218</u>
<u>Depreciation Rates:</u>	<u>33%</u>	<u>10%</u>	<u>7 -15%</u>		

E.S.R.A. English Speaking Residents Association (Reg.N.P.O)

Notes to the Financial Statements

as at December 31,2017

Note 7 – Accounts payable

	<u>31.12.17</u> <u>NIS</u>	<u>31.12.16</u> <u>NIS</u>
Accrued payroll taxes and social benefits	27,709	30,924
Vacation provision	79,376	129,167
Accrued expenses	105,092	97,266
Income in advance	140,277	385,986
	<u>352,454</u>	<u>643,343</u>

Note 8 - Provision For Severance Pay

The provision covers the Association's obligation towards its employment at the end of employer – employee relations while part of the obligation is covered by a comprehensive pension fund and managers insurance plans.

Note 9 - Temporarily Restricted Net Assets

The temporarily restricted net assets were established for the purpose of education and welfare projects which assist the needs of the community.

Note 10 - Permanently Restricted Net Assets

The permanently restricted net assets represent the sums received. The capital is to remain intact and the interest is for the sole use of educational projects.

No funds of the permanently restricted net assets were released during the reporting year.

Note 11 – Volunteering Activities

During the year 2017 volunteers of the Amutah contributed 92,364 hours at the value of NIS 2,495,136 (81,650 hours at the value of NIS 2,079,626 in 2016). This does not include additional hours contributed by volunteers assisting in management and administration.

Incomes and expenses are included in the financial statements according to the management's estimation and Standard 5 and Opinion No. 69.

E.S.R.A. English Speaking Residents Association (Reg.N.P.O)

Notes to the Financial Statements

as at December 31,2017

Note 12 – Operating Lease Commitments

The Amutah has long term commitments in respect of rental agreements as detailed below:

- A. Ra'anana Store – In October 2015 the Amutah signed a new lease agreement for a period of 1 year commencing January 1, 2015 with an option for a further 4 years. The monthly rental under this agreement is approximately NIS 3.8 thousand plus VAT. The minimum future rental payments at balance sheet date amount to NIS 91 thousand plus VAT.
- B. Kfar Saba Store – In January 2014 the Amutah signed an extension to its rental agreement from 2005. The extension is for a further 6 years commencing March 1, 2014. The monthly rental under the extension is NIS 6 thousand plus VAT. The minimum future rentals payments at balance sheet date amount to NIS 150 thousand plus VAT.
- C. Modiin Bookstore – In October 2015 the Amutah signed an extension to its rental agreement from 2008. The extension is for 3 years from October 1, 2015. The monthly rental under the extension is NIS 915 plus VAT. The minimum future rental payments at balance sheet date amount to NIS 11 thousand plus VAT. This amount does not include management fees.
- D. Gan Rashal, Herzliya Offices – In September 2013 the Amutah signed a new lease agreement for a period of 5 years commencing January 1, 2014. The monthly rental under this agreement is approximately NIS 5 thousand plus VAT. The minimum future rental payments at balance sheet date amount to NIS 57 thousand plus VAT.
- E. Beit Fischer, Ra'anana Offices – In June 2016 the Amutah signed a new lease agreement for a period of 2 years commencing June 1, 2016 with an option for a further 3 years. The monthly rental under this agreement is approximately NIS 1,200 plus VAT. The minimum future rental payments at balance sheet date amount to NIS 9 thousand plus VAT.
- F. Certain of the above rentals are linked to the consumer price index.