

Auditing Accountant Report
for
The Hotline for Refugees and Migrants (R.A.)

We have audited the enclosed balance sheets of **The Hotline for Refugees and Migrants (R.A.)** for the dates December 31, 2016 and 2015 the activities report, and the statement of changes in assets for each of the years ended at these dates. The organisation's board of directors and management are responsible for these reports. Our responsibility is to comment on these reports based on our audit.

We have conducted our audit according to customary standards of auditing, including standards set forth in the regulations of accountants (accountant's conduct) 5733 – 1973. We are required according to these standards to plan the audit and carry it out in order to attain a reasonable degree of confidence that the financial statements do not contain a fundamental false representation. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes an examination of the accounting rules applied and of the significant estimates made by the organisation's directors and management, as well as evaluation of the overall validity of the representation in the financial statements. We believe that our audit

In our opinion these reports give a true and fair view, according to the customary standards of accounting in all essential aspects, of the financial state of affairs of the organisation for the dates December 31, 2016 and 2015 and the outcomes of its actions for each of the years ended at these dates – in nominal values.

Romano Blanga and Associates
Accountants

Tel-Aviv, June 21st, 2017

Hotline for Refugees and Migrants (R.A.)

Balance Sheet

		<u>2015</u>	<u>2016</u>
	<u>Note</u>	<u>NIS</u>	
<u>Current Assets</u>			
Cash and cash equivalents		2,053,377	620,941
Prepaid Expenses	2	<u>398,686</u>	<u>439,970</u>
		<u>2,452,063</u>	<u>1,060,911</u>
<u>Fixed Assets</u>			
Cost	3	415,006	438,556
Minus accumulated depreciation		<u>(319,876)</u>	<u>(353,163)</u>
		<u>95,130</u>	<u>85,393</u>
<u>Other Assets</u>			
Cost		37,418	37,418
Minus accumulated depreciation		<u>(36,341)</u>	<u>(36,697)</u>
		<u>1,077</u>	<u>721</u>
		<u>494,893</u>	<u>1,147,025</u>
<u>Current Liabilities</u>			
Suppliers and service providers	4	112,030	150,182
Creditors and positive balance amounts	5	<u>637,560</u>	<u>440,035</u>
		<u>749,590</u>	<u>590,217</u>
<u>Reserves</u>			
Severance pay reserve	6	<u>46,518</u>	<u>44,883</u>
<u>Net Assets</u>			
Unrestricted net assets:			
For activities usage		174,790	217,096
Used for buying tangible fixed assets		<u>96,207</u>	<u>86,114</u>
		<u>270,997</u>	<u>303,210</u>
Temporarily restricted net assets:		<u>1,481,165</u>	<u>208,715</u>
		<u>1,752,162</u>	<u>511,925</u>
		<u>2,548,270</u>	<u>1,147,025</u>

Barry Levenfeld
Board Member

Ellen Kuchali
Board Chairperson

Tel-Aviv, June 21st, 2017

Date of approval of financial reports

The enclosed notes and lists form an integral part of the financial statements.

Hotline for Refugees and Migrants (R.A.)

Activities Report

		<u>For the year ending</u> <u>December 31</u>	
	<u>Notes</u>	<u>2015</u>	<u>2016</u>
		<u>NIS</u>	
Turnover from Activities			
Donations		1,482,276	1,491,774
Governemnt grants	7	22,509	31,972
Membership dues		2,600	1,000
Other income		53,867	65,698
Amounts released from restriction		<u>2,494,625</u>	<u>2,402,863</u>
Total Turnover from Activities		4,055,877	3,993,307
Cost of activities	8	<u>3,723,523</u>	3,618,316
Net Revenues from Activities		332,354	374,991
General and Administrative Expenses	9	121,037	107,073
Fundraising		<u>200,572</u>	<u>201,023</u>
Net Revenues Before Financing		10,745	66,895
Net financing costs	10	<u>23,707</u>	<u>34,682</u>
Net Surplus (Deficit) for This Year		<u>(12,962)</u>	<u>32,213</u>

The enclosed notes and lists form an integral part of the financial statements.

Hotline for Refugees and Migrants (R.A.)

Statement of Changes in Net Assets

	Net assets on which there is no restriction		Net assets on which there is temporary restriction (*)	Total
	Used for activities	Used for fixed assets		
NIS				
Balance as at December 31, 2014	189,449	94,510	59,535	343,494
Transactions in 2015				
Additions during the year				
Donations	--	--	3,916,255	3,916,255
Net surplus (deficit) for the year	(12,962)	--	--	(12,962)
Withdrawals during the year				
Amounts released from restriction	--	--	(2,494,625)	(2,494,625)
Transfer of amounts on which there is no restriction used for fixed assets	(35,269)	35,269	--	--
Amounts transferred to cover depreciation expenses	33,572	(33,572)	--	--
Balance as at December 31, 2015	174,790	96,207	1,481,165	1,752,162
Transactions in 2016				
Additions during the year				
Donations	--	--	1,130,412	1,130,412
Net surplus (deficit) for the year	32,213	--	--	32,213
Withdrawals during the year				
Amounts released from restriction	--	--	(2,402,863)	(2,402,863)
Transfer of amounts on which there is no restriction used for fixed assets	(23,550)	23,550	--	--
Amounts transferred to cover depreciation expenses	33,643	(33,643)	--	--
Balance as at December 31, 2016	217,096	86,114	208,715	511,924

(*) The restrictions used to categorise the net assets were those imposed by external bodies.

Hotline for Refugees and Migrants (R.A.)

Notes to the Financial Statements for December 31, 2016

Note 1 - Principle Accounting Policies

A. General

- 1) The Hotline for Migrant Workers (R.A.) was founded in 1999 and registered at the Israeli Associations Registrar (Rasham Ha'amotot).
Registered Association number: 58-033-309-4.
The organisation has Sec 46 certificate.

Its goals are:

To assist migrant workers, asylum seekers and refugees in fulfilling their rights and to impact government policy to this end.

To provide assistance to migrant workers, asylum seekers and refugees and to their families

To increase public awareness to the ongoing violations of rights of migrant workers, asylum seekers and refugees

To eradicate the phenomenon of trafficking in persons in Israel

To act against racism and xenophobia in Israeli society

2) Definitions:

The association Hotline for Migrant Workers (R.A.)

Attached parties As defined in statement no. 29 of the Israeli Institute of Certified Public Accountants.

B. Effects of changes in purchasing power of Israeli currency:

The financial statements are set according to customary accounting rules, based on the historical value, without accounting for changes in the purchasing power of Israeli currency.

C. Cash equivalents:

Cash equivalents are considered by the Association to be investments with high liquidity, including bank deposits that are closed for up to three months.

D. Assets and equipment:

The sums of non financial assets do not necessarily reflect the realization value or current economic value, rather only the original historical costs. The assets and equipment are shown according to cost. The depreciation is calculated according to the equal depreciation method, based on the estimated period of use.

Yearly depreciation rates:

	<u>%</u>
Furniture and equipment	7-15
Computers and computer equipment	33

The rates of depreciation used are identical to the permitted rates according to the Tax Order

E. Other Assets:

Other assets are depreciated according to the expected lifespan as estimated by the Association's management.

<u>Yearly depreciation rates:</u>	<u>%</u>
	10

F. Exchange rate and linking base:

	<u>2015</u>	<u>2016</u>	<u>Rates of change during the year</u>
Consumer price index	112.82	112.59	0.20%
U.S. dollar	3.902	3.85	1.48%
Euro	4.247	4.04	5.02%

- G. A cash flow report, as stipulated in statement no. 51 of the Israeli Institute of Certified Public Accountants, is not given because it does not provide any additional meaningful information.

Hotline for Refugees and Migrants (R.A.)

Notes to the Financial Statements for December 31, 2016

Note 2 - Prepaid Expenses

	December 31	
	2015	2016
	NIS	
Income to be received	398,686	422,557
Prepaid expenses	--	17,413
	<u>398,686</u>	<u>439,970</u>

Note 3 - Net Fixed Assets

	Balance			Balance at the end of the year
	at the start of the year	Additions	Reductions	
	NIS			
Cost:				
Furniture and equipment	151,733	4,555	--	156,288
Computers and computer equipment	226,160	18,995	--	245,155
Renovation of rented offices	37,113	--	--	37,113
	<u>415,006</u>	<u>23,550</u>	--	<u>438,556</u>
Accumulated depreciation:				
Furniture and equipment	107,804	12,240	--	120,044
Computers and computer equipment	195,175	18,027	--	213,202
Renovation of rented offices	16,897	3,020	--	19,917
	<u>319,876</u>	<u>33,287</u>	--	<u>353,163</u>
Net fixed assets:	<u>95,130</u>			<u>85,393</u>

Note 4 - Suppliers and service providers

	December 31	
	2015	2016
	NIS	
Suppliers and service providers	34,545	29,034
Checks to be redeemed	77,485	121,148
	<u>112,030</u>	<u>150,182</u>

Note 5 - Creditors and positive balance amounts

	December 31	
	2015	2016
	NIS	
Expenses payable	87,706	319,392
Institutions	58,360	70,451
Employees	109,859	--
Provision for staff vacation pay	5,675	--
Advanced income	375,960	50,192
	<u>637,560</u>	<u>440,035</u>

Hotline for Refugees and Migrants (R.A.)

Notes to the Financial Statements for December 31, 2016

Note 6 - Severance pay reserve

- A. The obligation towards severance pay is covered, for some employees, by employee insurance policies. Monies deposited with insurance companies are not included in the balance sheet as they are not under the control of the Association.
- B. The severance pay reserve included in the balance sheet reflects the remaining obligation, which is not covered by the above said insurance policies, and is calculated in accordance with the elements of the salaries to which, in the opinion of the management, the employees are entitled when receiving severance pay.
- C. The reserve does not include monies put aside for temporary employees that are not yet entitled to severance pay according to the law.
- D. The make up of this section is as follows:

Severance pay reserve	December 31	
	2015	2016
	NIS	
	46,518	44,883

Note 7 - Governemnt grants

Includes grant from the Tel Aviv Municipality for 2016 in the sum of 11,919 NIS (12,509 NIS in 2015) as well as municipality taxes discount of about 20,053 NIS.

The valeu of volunteer services of 36,050 NIS was not registered as income and expense due to its low valeu and based on the regulations of accountants number 5.

Note 8 - Cost of Activities

	December 31	
	2015	2016
	NIS	
Wages and related expenses	1,850,630	1,604,248
Outsourcing	796,037	1,146,375
Publishing expenses	134,548	154,246
Public activities and events	117,955	74,868
National service and Humanitarian aid	107,228	63,960
Office supplies	102,699	92,637
Books, research and training	72,035	61,290
Rent	133,414	118,686
Post, telephone and communications	37,531	29,928
Legal expenses	142,383	103,012
Insurance	16,402	17,662
Travel	26,071	27,301
Travel abroad	82,479	43,535
Municipal taxes and association fees	55,218	39,398
Accounting	17,000	9,209
Depreciation expenses	31,893	31,961
	<u>3,723,523</u>	<u>3,618,316</u>

Hotline for Refugees and Migrants (R.A.)

Notes to the Financial Statements for December 31, 2016

Note 9 - General and Administrative Expenses

	December 31	
	2015	2016
	NIS	
Wages and related expenses	43,867	44,151
Office supplies	10,758	9,654
Post, telephone and communications	4,170	3,340
Rent and maintenance	12,757	13,187
Bookkeeping	8,156	--
Accountant	10,000	12,000
Municipal taxes and association fees	6,630	--
Accountant	6,374	4,378
Gifts	15,816	14,867
Insurance	887	1,049
Travel	2,897	3,033
Vocational training	--	--
Other	(2,954)	(268)
Depreciation costs	1,679	1,682
	<u>121,037</u>	<u>107,073</u>

Note 10 - Net Financing Costs

	December 31	
	2015	2016
	NIS	
Bank interest and commissions	15,020	12,025
Differences in exchange rates	8,994	22,840
Income from interest	(307)	(183)
	<u>23,707</u>	<u>34,682</u>

Hotline for Refugees and Migrants (R.A.)

Addendum to the Financial Statements for December 31, 2015

Addendum A: List of donors who gave at least 20,000 NIS

<u>Name of Donor</u>	<u>NIS</u>	<u>Purpose</u>
The Samuel Sebba Charitable Trust	120,000	General
The Blaustein Foundation	57,899	Refugees
cafod	84,203	General
The Moriah Fund	191,812	General
Pro Victims	59,390	Women and trafficking
A.C.R.C.	30,000	General
Caritas France	68,250	Refugees
One region one future	56,874	Refugees
NIF	57,841	General
NIF for legal department	58,248	Legal Department
Joey Low	37,994	General

822,511

Addendum B: List of donations received from external political entities

<u>Name of Donor</u>	<u>NIS</u>	<u>Purpose</u>
Heinrich-Boll-Stiftung E.V	50,990	Refugees
UNHCR	496,250	Refugees
UNVTFCS	116,025	Trafficking
EU- Removing Barriers	145,325	Refugees

808,590

Addendum C: List of five highest salaries

	<u>Name of Employee</u>	<u>Gross wages</u>	<u>Additional costs</u>	<u>Total cost of wages</u>
1	Michaeli Reut	207,889	-847	207,042
2	Sigal Rozen	159,283	0	159,283
3	Asaf Weitzen	155,238	0	155,238
4	Ester Marie Saar	153,521	0	153,521
5	Anat Guthman	145,917	0	145,917