

Zochrot (AR)

**Audited Financial
Report 2023**

September 16, 2024

To: Board of Zochrot (Registered Non-Profit Organization)
2 Ben Zvi St. Tel Aviv

To whom it may concern,
I have audited the accounts of Zochrot (registered non-profit organization; hereafter, "the Association") as of December 31, 2023, and 2022, and hereby present its financial reports together with my professional opinion, as follows:

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Annex: Depreciation Form No. 11

Sincerely,

Qais Tibi, CPA

**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, 2023, and 2022, 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, from all aspects material to non-profit corporations, of the Association's financial status as of December 31, 2023 and 2022, 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).

Qais Tibi, CPA

Tel Aviv, September 16, 2024



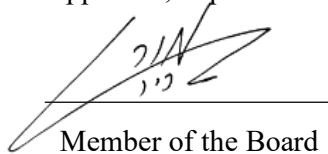
		<u>December 31</u>	
	<u>Note</u>	<u>2022</u>	<u>2023</u>
<u>Current Assets</u>			
Cash and cash equivalents		359,105	594,155
Other debtors and debt balances		5,000	9,708
Total Current Assets		364,105	603,863
Permanent Assets	3	111,624	111,624
Total Assets		<u>475,729</u>	<u>705,027</u>

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

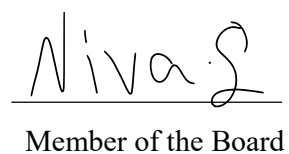
	<u>December 31</u>		
	<u>Note</u>	<u>2022</u>	<u>2023</u>
Current Liabilities			
Suppliers		13,690	16,528
Creditors and credit balances		25,135	17,687
Total Current Liabilities		<u>38,825</u>	<u>34,215</u>
<u>Total Liabilities</u>		<u>38,825</u>	<u>34,215</u>
<u>Net Assets</u>			
Unrestricted for use in activities:			
Designated by Association bodies		-	400,000
Not designated by Association bodies		<u>326,401</u>	<u>170,769</u>
Used for permanent assets		<u>326,401</u>	<u>570,769</u>
Restricted net assets:		<u>110,503</u>	<u>100,043</u>
Total Net Assets		<u>436,904</u>	<u>670,812</u>
Total Net Liabilities and Assets		<u>475,729</u>	<u>705,027</u>

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

Approved, September 16, 2024


Member of the Board

Barir Moran


Member of the Board

Niva Grunzweig

		December 31	
		<u>2022</u>	<u>2023</u>
	<u>Note</u>		
<u>Turnover</u>			
Donations	4	1,361,057	1,658,766
Revenues from services		33,904	17,399
Total Turnover		<u>1,394,961</u>	<u>1,676,165</u>
<u>Cost of Activities</u>			
	5	(1,034,156)	(1,186,171)
Net Revenues from Activities		<u>360,805</u>	<u>489,994</u>
Management & general expenses	6	(209,230)	(220,905)
Net Expenses before Financing		<u>151,575</u>	<u>269,089</u>
Net financing expenses		(6,954)	(35,181)
Net Expenses after Financing	7	<u>144,621</u>	<u>233,908</u>

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

	Unrestricted		Restricted			TOTAL
	For use in activities	For use as permanent assets	Temporarily restricted	Permanently restricted	Designated by Association bodies	
Balance, Jan 1, 2022	126,086	80,150			86,047	292,283
Net revenues (deficit) for the year	144,621					144,621
Amounts transfer of Designated by Association bodies	86,047				(86,047)	
Transfer of unrestricted amounts used for permanent assets	(43,269)	43,269				
Amounts transferred to cover amortization costs	12,916	(12,916)				
Balance, Dec. 31, 2022	326,401	110,503			-	436,904
Net revenues (deficit) for the year						
Net revenues (deficit) for the year	233,908					233,908
Amounts transfer of Designated by Association bodies	(400,000)				400,000	
Transfer of unrestricted amounts used for permanent assets	(4,810)	4,810				
Amounts transferred to cover amortization costs	15,270	(15,270)				
Balance, Dec. 31, 2023	326,401	100,043			400,000	670,812

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

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.

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 – Permanent assets

	Reduced Cost		Accumulated	Cost, Dec. 31
	Dec. 31		amortization	
	2022	2023	Dec. 31/ 2023	2023
Office Equipment & Furniture	10,303	10,720	53,554	64,274
Computers & Electronics	-	469	101,945	102,414
Website & Application	101,321	89,975	24,602	114,577

Note 4 – Donations

	December 31	
	2022	2023
MISEREOR	192,496	118,362
CHRISTIAN AID	-	92,062
MCC	34,327	37,614
HEKS EPER	146,479	42,727
KURVE WUSTROW	263,989	266,005
ROCKERFELLER BROTHERS FOUNDATION	211,440	-
THE WESPAC FOUNDATION	-	10,858
AKITON HOFNUNG	-	41,942
ST. HET SOLIDAREITETSFOND	53,636	82,814
VARIOUS DONATIONS	111,238	286,968
EMHR	84,012	22,275
AFSC	33,377	29,271
IHL Human Rights Fund	128,539	115,663
Kaleidoscope Foundation	17,921	28,350
HAELLA	19,269	-
SIVMO	5,365	-
ROSA LUXEMBURG STIFTUNG	26,250	34,000
CCFD	16,558	58,757
MEDICO ITERATIONAL	16,161	-
Naftali Orner Estate	-	391,098
	<u>1,361,057</u>	<u>1,658,766</u>

Note 5 – Activity costs

	December 31	
	2022	2023
Salaries & related expenses	(845,247)	(980,317)
Printing, proofreading and graphic design	(16,719)	-
Rent & art gallery maintenance	(48,100)	(44,400)
Media, Advocacy & Public operation	(4,548)	(41,047)
Application	(25,108)	(29,742)
Community & Education	(67,559)	(72,048)
Organizational development	(26,875)	(18,617)
	<u>(1,034,156)</u>	<u>(1,186,171)</u>

Note 6 - Administrative and general expenses

	December 31	
	2022	2023
Management salaries & related expenses	(151,871)	(163,713)
Communication	(84)	(691)
Electricity and fees	(1,162)	(1,215)
Office expenses	(4,475)	(8,212)
Accounting & auditing	(21,060)	(21,060)
Professional services	(9,500)	-
Insurances	(4,543)	(6,088)
Business meal	(3,034)	(3,513)
Transportation	(585)	(1,143)
Depreciation expenses	(12,916)	(15,270)
	<u>(209,230)</u>	<u>(220,905)</u>

Note 7 – Financing, Net

	December 31	
	2022	2023
Interest & Commission	(1,648)	(1,803)
Exchange rate difference	(5,306)	(33,378)
	<u>(6,954)</u>	<u>(35,181)</u>