

Bat Melech (R.A)

Financial Statements as of December 31, 2018

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Auditors' Report
To the members of
Bat Melech (R.A)

We have audited the accompanying balance sheets of Bat Melech (R.A) (hereafter: "the Association") as of December 31, 2018 and 2017, 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 management Committee. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Israel, 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 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 board of directors and management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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, 2018 and 2017, and the results of its activities, and the changes in net assets for each of the years then ended, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).

BDSK
Ben David Shalvi Kop & Co.
Certified Public Accountants

Jerusalem,

Bat Melech (R.A)
Balance Sheets
(In U.S. Dollar)

		<u>As of December 31</u>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>
<u>Curret Assets</u>			
Cash and cash equivalents	3	324,707	274,247
Short term deposits in foreign currency	4	283,440	239,435
Debtors and debit balances	5	49,779	38,266
		<u>657,926</u>	<u>551,948</u>
<u>Long - term deposit</u>		203,136	-
<u>Fixed Assets, Net</u>	6	3,302,649	3,411,251
		<u>4,163,711</u>	<u>3,963,199</u>
<u>Current Liabilities</u>			
Short-term credit from banks		30,825	30,095
Suppliers and service providers	7	34,955	22,568
Creditors and credit balances	8	96,544	109,199
		<u>162,324</u>	<u>161,862</u>
<u>Long-term Liabilities</u>			
Long-term loan from banks	10	273,282	304,088
Liabilities for employee severance benefits, net	9	27,742	21,903
		<u>301,024</u>	<u>325,991</u>
<u>Net Assets</u>			
<u>Unrestricted Net Assets</u>			
Used for activities		328,527	69,551
Used for fixed and other assets		3,302,649	3,411,250
		<u>3,631,176</u>	<u>3,480,801</u>
<u>Foreign currency translation adjustments</u>		(7,555)	(5,455)
<u>Temporarily Restricted Net Assets</u>		76,742	-
		<u>4,163,711</u>	<u>3,963,199</u>

18/6/2019

Date



Board Member



Board Member

The attached notes are an integral part of these statements

Bat Melech (R.A)
Statements of Activities
(In U.S. Dollar)

		Year ended	
		December 31	
		2018	2017
Activities turnover	11	2,707,709	2,470,282
Cost of activities	12	2,546,231	2,334,682
Net income from activities		161,478	135,600
Administrative and general expenditure	19	221,104	193,540
Net expense before financing		(59,626)	(57,940)
Net financial expenses (income)	20	(20,440)	63,128
Deficit for the year		(39,186)	(121,068)

The attached notes are an integral part of these statements

Bat Melech (R.A)
Statements of Changes in Net Assets
(In U.S. Dollar)

	<u>Unrestricted Net Assets</u>			Capital fund from translation differences	Total
	<u>Used for Activities</u>	<u>Used for Fixed Assets</u>	<u>Temporarity Restricted Net Assets</u>		
Balance as of January 1, 2017	230,725	3,031,580	-	(10,242)	3,252,063
<u>Changes during the year:</u>					
Deficit for the year	(121,068)	-	-	-	(121,068)
Designated income	-	-	756,764	-	756,764
<u>Amounts released from restrictions:</u>					
For activities	-	-	(341,524)	-	(341,524)
For Fixed assets	-	339,564	(339,564)	-	-
For overhead expenses	-	-	(75,676)	-	(75,676)
<u>Transfer of unrestricted sums:</u>					
Used for fixed assets	(293,872)	293,872	-	-	-
To cover depreciation expenses	253,766	(253,766)	-	-	-
Capital fund from translation differences	-	-	-	4,787	4,787
Balance as of December 31, 2017	69,551	3,411,250	-	(5,455)	3,475,346
<u>Changes during the year:</u>					
Deficit for the year	(39,186)	-	-	-	(39,186)
Designated income	-	-	733,761	-	733,761
Contribution of fixed assets	-	11,091	-	-	11,091
<u>Amounts released from restrictions:</u>					
For activities	-	-	(430,694)	-	(430,694)
For overhead expenses	-	-	(47,855)	-	(47,855)
<u>Transfer of unrestricted sums:</u>					
Used for fixed assets	-	-	-	-	-
To cover depreciation expenses	298,162	(298,162)	-	-	-
Capital fund from translation differences	-	-	-	(2,100)	(2,100)
Balance as of December 31, 2018	328,527	3,124,179	255,212	(7,555)	3,700,363

The attached notes are an integral part of these statements

Bat Melech (R.A)
Notes to Financial Statements
(In U.S. Dollar)

Note 1 - General

Bat Melech (R.A) (hereafter: "the Association") is registered as an Association at the Registrar of Public, Nonprofit Associations in accordance with Associations' Law. Its number is 580270395.

The Association's goals are: To work for women from the religious sector in every possible way. Among other things: Establishment of a shelter for battered women, the construction of shelters for women in distress, assistance to battered women, the establishment of support groups.

The Association is recognized as a "public institution" as defined in section 9(2) and section 46 of the Income Tax Ordinance until December 2020.

The Organization has a proper management confirmation form in 2019.

Note 2 - Significant Accounting Policies

A. Historical Cost Convention

The financial statements are presented in conformity with generally accepted accounting principles, on the basis of the historical cost convention wherein no adjustments have been made for the changes in the purchasing power of the Shekel on the business results.

B. Cash and Cash Equivalents

The Company 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.

C. Fixed Assets

Fixed assets are stated at cost and are depreciated by the straight-line method over the estimated useful lives of the assets. Annual rates of depreciation are as follows:

Buildings	4%-10%
Furniture and office equipment	6%-33%
Leasehold Improvements	10%
Software	33%

D. Marketable Securities

The marketable securities are stated according to the market value on the dates of the financial statements.

E. Translation of the Statements Into U.S. Dollars

Bat Melech (R.A)
Notes to Financial Statements
(In U.S. Dollar)

Note 2 - Significant Accounting Policies (Cont.)

The figures in the statements of activities were converted using an average rate of exchange for the Israeli Shekel (2018 - \$1 = NIS 3.5949; 2017 - \$1 = NIS 3.5998), or the actual dollar rate at the date of transaction. Figures in the balance sheets were calculated at the representative rate of exchange at the 31.12.18 (\$1 = NIS 3.748).

F. Statement of Cash Flows

Not conducted Statement of Cash Flows because it does not add significant information beyond financial statements and reality.

G. Worth money

The organization received donations worth money for the association's activities. Kind donations are recorded based on the market value of the donation, in accordance with the opinion of management.

In addition, income from value-ins volunteers. Volunteers valuation made by the association management and is based on common tariff per hour worked.

Note 3 - Cash and cash equivalents

	Year ended December 31	
	2018	2017
Cash in the bank - Israeli currency	115,497	85,561
Cash on hand	4,831	621
Short-term bank deposits - Israeli currency	198,489	95,699
Short-term bank deposits - foreign currency	5,890	92,366
	<u>324,707</u>	<u>274,247</u>

Note 4 - Short term deposits in foreign currency

The deposit is lien in favor of Bank Mizrahi for a mortgage that was taken from the bank during 2015.

Bat Melech (R.A)
Notes to Financial Statements
(In U.S. Dollar)

Note 5 - Debtors and debit balances

	Year ended December 31	
	2018	2017
Checks for collection and credit cards	21,385	24,683
Prepaid expenses	17,183	9,185
Deposit leasing company	11,211	4,398
	<u>49,779</u>	<u>38,266</u>

Note 6 - Fixed Assets, Net

	<u>Buildings</u>	<u>Furniture and office equipment</u>	<u>Leasehold Improvements</u>	<u>Computers</u>	<u>Total</u>
<u>Cost</u>					
Balance as of January 1, 2018	3,898,198	681,272	935,734	8,981	5,524,185
Additions	-	31,870	157,690	-	189,560
Balance as of December 31, 2018	3,898,198	713,142	1,093,424	8,981	5,713,745
<u>Accumulated Depreciation</u>					
Balance as of January 1, 2018	1,511,394	496,192	97,914	7,434	2,112,934
Depreciation for the year	174,348	27,650	95,834	330	298,162
Balance as of December 31, 2018	1,685,742	523,842	193,748	7,764	2,411,096
Fixed Assets, Net as of December 31, 2018	<u>2,212,456</u>	<u>189,300</u>	<u>899,676</u>	<u>1,217</u>	<u>3,302,649</u>
Fixed Assets, Net as of December 31, 2017	<u>2,386,805</u>	<u>185,080</u>	<u>837,819</u>	<u>1,547</u>	<u>3,411,251</u>

* In 2016, a building in Jerusalem was donated to the Association by a donor from the United States. The Association recognized this property in a symbolic value.

Bat Melech (R.A)
Notes to Financial Statements
(In U.S. Dollar)

Note 7 - Suppliers and service providers

	As of December 31	
	2018	2017
Open accounts	28,304	12,387
Checks payable	6,651	10,181
	34,955	22,568

Note 8 - Creditors and credit balances

	As of December 31	
	2018	2017
Employees and related institutions	91,640	46,498
Accrued expenses	4,904	9,515
Income in advance	-	53,186
	96,544	109,199

Note 9 - Liabilities for employee severance benefits, net

	As of December 31	
	2018	2017
Reserve for severance pay	77,630	73,847
A designated deposit	(49,888)	(51,944)
	27,742	21,903

A. The liability for severance pay was calculated on the basis of the employees' last salary and their seniority, for employees who are employed by the Amuta beyond one year and who are not signed under Section 14.

Bat Melech (R.A)
Notes to Financial Statements
(In U.S. Dollar)

Note 10 - Long-term loan from banks

		As of December 31	
		2018	2017
Composition:	<u>Interest</u> <u>rate</u>		
Loan from Bank Mizrahi	3.1%	304,107	334,183
Less current maturities		(30,825)	(30,095)
		273,282	304,088
<u>Outstanding loan balance after the balance sheet date at</u>			
Second year - 2019		31,842	
Third year - 2020		32,893	
Fourth year and onwards		208,527	
		273,282	
		273,282	

Note 11 - Activities turnover

		Year ended December 31	
		2018	2017
Allocations from ministry of labor and welfare		1,309,604	1,130,089
Donations in Israel		546,553	457,607
Amounts released from restrictions for activities		408,772	355,584
Donations from abroad		175,891	236,326
Volunteer value *		93,034	111,434
Amounts released from restrictions for overhead expenses		45,419	78,792
Other income		71,251	69,890
Donations in kind *		57,185	30,560
		2,707,709	2,470,282
		2,707,709	2,470,282

*see note 2G

Bat Melech (R.A)
Notes to Financial Statements
(In U.S. Dollar)

Note 12 - Cost of activities

		Year ended December 31	
		2018	2017
Operation of Women's Shelter (A) **	13	761,464	710,442
Operation of Women's Shelter (B) **	14	718,894	633,252
Subsidies - government project	15	440,531	383,759
Depreciation		282,673	262,717
Department for legal aid for women	16	107,721	99,637
Volunteer value*		93,034	107,934
Operation and maintenance of apartments beyond - leaving women **	17	74,625	71,724
Education and explanation	18	67,289	65,217
		<u>2,546,231</u>	<u>2,334,682</u>

*see note 2G.

**Including expenses in money equivalent, see note 2G.

Note 13 - Operation of Women's Shelter (A)

		Year ended December 31	
		2018	2017
Salaries and related expenses		431,318	409,324
Shelter maintenance		99,235	95,307
Food and living expenses		98,763	85,309
Social activities and workshops		46,859	34,964
Transportation and vehicle maintenance		43,267	42,121
Supporting expenses		16,178	21,220
Participation in tuition fees		8,240	8,246
Office expenses and computer maintenance		6,135	4,115
Women and children clothing		4,767	1,168
Girls service fees		4,036	5,738
Telephone and postage		2,666	2,930
		<u>761,464</u>	<u>710,442</u>

Bat Melech (R.A)
Notes to Financial Statements
(In U.S. Dollar)

Note 14 - Operation of Women's Shelter (B)

	Year ended December 31	
	2018	2017
Salaries and related expenses	394,159	372,255
Shelter maintenance	101,469	68,239
Food and living expenses	97,172	80,010
Social activities and workshops	51,743	31,954
Transportation and vehicle maintenance	23,446	38,006
Supporting expenses	16,437	16,887
Participation in tuition fees	10,198	3,690
Women and children clothing	8,535	4,716
Office expenses and computer maintenance	8,570	10,896
Girls service fees	4,544	4,254
Postage and communication	2,621	2,345
	718,894	633,252

Note 15 - Subsidies - government project

	Year ended December 31	
	2018	2017
Subsidies	432,396	371,132
Salaries and related expenses	8,135	12,627
	440,531	383,759

Bat Melech (R.A)
Notes to Financial Statements
(In U.S. Dollar)

Note 16 - Department for legal aid for women

	Year ended December 31	
	2018	2017
Salaries and related expenses	100,191	87,097
Office expenses and computer maintenance	2,061	640
Maintenance	1,577	1,712
Transportation and vehicle maintenance	1,215	3,189
Insurance	1,253	1,375
Taxes and fees	805	933
Postage and communication	619	656
Advertising	-	535
Volunteer value *	-	3,500
	<u>107,721</u>	<u>99,637</u>

* see note 2G.

Note 17 - Operation and maintenance of apartments beyond - leaving women

	Year ended December 31	
	2018	2017
Supporting expenses	41,563	37,400
Salaries and related expenses	17,660	28,605
Gifts and trips	10,789	1,274
Rent and maintenance	3,150	2,533
Insurance	1,012	1,460
Postage and communication	451	452
	<u>74,625</u>	<u>71,724</u>

Bat Melech (R.A)
Notes to Financial Statements
(In U.S. Dollar)

Note 18 - Education and explanation

	Year ended December 31	
	2018	2017
Salaries and related expenses	65,858	64,939
advertising	1,318	-
Office expenses	113	278
	67,289	65,217

Note 19 - Administrative and general expenditure

	Year ended December 31	
	2018	2017
Salaries and related expenses	119,561	109,887
Fundraising	37,102	24,382
Office expenses and computer maintenance	17,374	13,370
Vehicle maintenance and movers	15,978	15,478
Professional services	14,411	13,674
Advertising and public relations	10,959	9,256
Postage and communication	2,581	3,401
Travel abroad	2,475	2,928
Taxes and fees	350	590
Depreciation	313	574
	221,104	193,540

Note 20 - Net financial expenses (income)

	Year ended December 31	
	2018	2017
Income from revaluation	(30,865)	(1,357)
Interest rates and fees	(9,841)	(14,896)
Exchange rate differences	584	49,589
	(20,440)	63,128