

ACCESS ISRAEL (N.G.O.)
registered society no' 580341204

FINANCIAL STATEMENTS

31 DECEMBER 2019

ACCESS ISRAEL (N.G.O.)
registered society No' 580341204
Financial Statements, as at December 31, 2019

TABLE OF CONTENTS

	<u>page</u>
Independent Auditor's Report	3
Balance Sheet, for 31 December 2019, 2018	4
Operating Activities, for the years ended 31 December 2019, 2018	5
Statement of Changes in Assets, for the years ended 31 December 2019, 2018	6
Statement of Cash Flows, for the years ended 31 December 2019, 2018	7
Notes to the Financial Statements	8-16



עזרא כדורי ושות'
EZRA KADOURI & CO.
רואי חשבון | Certified Public Accountants

ACCESS ISRAEL (N.G.O.)
Independent Auditor's Report

We have audited the accompanying balance sheets of ACCESS ISRAEL (N.G.O.- Non Governmental Organization) as of 31 December, 2019 and 2018 and the related statements of operations for the years ended 31 December, 2019 and 2018. These financial statements are the responsibility of the management of the organization. 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 Auditors' (Mode of Performance) Regulations (Israel), 1973. Those standards required 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 management of the Organization, 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 aforementioned financial statements present fairly the financial position of the organization as of 31 December, 2019 and 2018 and the results of its operations for the years ended 31 December, 2019 and 2018, in conformity with generally accepted accounting principles.

Ezra kadouri & Co.
Certified Public Accountants (Israel)


Petah-Tikva, Israel,
October 19, 2020


ACCESS ISRAEL (N.G.O.)

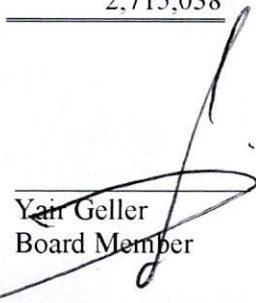
BALANCE SHEET

		<u>31 December</u>	
	<u>Note</u>	<u>2019</u>	<u>2018</u>
		<u>NIS</u>	<u>NIS</u>
<u>Current assets</u>			
Cash and bank cashier		1,326,787	2,071,172
Cheques for collection		68,672	53,924
Receivable Income		-	166,074
Other receivables		4,388	6,506
		<u>1,399,847</u>	<u>2,297,676</u>
<u>Fixed assets, net</u>			
	3	<u>359,082</u>	<u>417,362</u>
Total assets		<u>1,758,929</u>	<u>2,715,038</u>
<u>Current liabilities</u>			
Payable checks		9,890	78,717
Suppliers		162,456	302,456
Accounts Payable	4	<u>450,131</u>	<u>499,396</u>
		<u>622,477</u>	<u>880,569</u>
Retirement benefit, net	5	-	-
<u>Assets, net</u>			
Used for activities		390,149	17,529
Used to purchase fixed assets		359,082	417,362
Net assets with temporary restrictions	6	<u>387,221</u>	<u>1,399,578</u>
Total		<u>1,136,452</u>	<u>1,834,469</u>
Total liabilities		<u>1,758,929</u>	<u>2,715,038</u>


Michal Rimon
CEO


Rani Benjamini
Treasurer


Yuval Wagner
Chairman of Board


Yair Geller
Board Member

The accompanying notes are an integral part of the financial statements

ACCESS ISRAEL (N.G.O.)

STATEMENT OF OPERATING ACTIVITIES

	<u>Note</u>	<u>For the year ended</u>	
		<u>31 December</u>	
		<u>2019</u>	<u>2018</u>
		<u>NIS</u>	<u>NIS</u>
Total Revenue	7	9,928,237	9,754,783
Operating Expenses	8	8,329,646	8,502,556
Operating Income from activities		<u>1,598,591</u>	<u>1,252,227</u>
Administrative and general expenses	9	1,269,957	1,541,563
Net Income (Expense) before financial income		<u>(328,634)</u>	<u>(289,336)</u>
Financial Expense net		14,294	12,089
Net Profit (Loss) for the year		<u>314,340</u>	<u>(301,425)</u>

The accompanying notes are an integral part of the financial statements

ACCESS ISRAEL (N.G.O.)

STATEMENT OF CHANGES IN ASSETS, NET

	<u>Unrestricted</u>			<u>Restricted</u>		<u>TOTAL</u>
	<u>For Activities</u>			<u>Temporary</u>	<u>Permane nt</u>	
	<u>Not marked by nonprofit institution</u>	<u>Designate d by nonprofit institution</u>	<u>For Fixed Assets</u>			
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
Balance at 1st January 2017	304,556	-	304,223	201,269	-	810,048
Allocations				1,389,388		1,389,388
Expenses				(1,070,656)		(1,070,656)
Year net income	127,536					127,536
Amounts transferred - used to purchase fixed assets	(167,323)		167,323			-
Amounts transferred to cover depreciation costs	90,751		(90,751)			-
Balance at 31 December 2017	355,520	-	380,795	520,001	-	1,256,316
Allocations				2,037,792		2,037,792
Expenses				(1,158,215)		(1,158,215)
Year net deficit	(301,425)					(301,425)
Amounts transferred - used to purchase fixed assets	(127,922)		127,922			-
Amounts transferred to cover depreciation costs	91,355		(91,355)			-
Balance at 31 December 2018	17,529	-	417,362	1,399,578	-	1,834,469
Allocations				694,091		694,091
Expenses				(1,706,448)		(1,706,448)
Year net income	314,340					314,340
Amounts transferred - used to purchase fixed assets	(28,031)		28,031			-
Amounts transferred to cover depreciation costs	86,311		(86,311)			-
Balance at 31 December 2019	390,149	-	359,082	387,221	-	1,136,452

The accompanying notes are an integral part of the financial statements

ACCESS ISRAEL (N.G.O.)

CASH FLOW STATEMENT

	<u>For the Year</u>	
	<u>Ended 31 December</u>	
	<u>2019</u>	<u>2018</u>
	<u>NIS</u>	<u>NIS</u>
<u>Cash flow from current activities</u>		
Surplus Income (Expenses)	314,340	(301,425)
Adjustments required to present cash flows from operations and cash equivalents, Appendix A	(18,337)	(237,189)
Net cash deriving from current activities	296,003	(538,614)
<u>Cash flow from investment activities</u>		
Purchase of fixed assets	(28,031)	(127,923)
Net cash deriving used for investment activities	(28,031)	(127,923)
<u>Cash flow from financing activities</u>		
Temporarily restricted assets transfer	(1,012,357)	879,577
Net cash deriving used for financing activities	(1,012,357)	879,577
Increase (decrease) in cash and cash equivalents	(744,385)	213,040
Balance of cash and cash equivalents at beginning of year	2,071,172	1,858,132
Balance of cash and cash equivalents at end of year	<u>1,326,787</u>	<u>2,071,172</u>
<u>Appendix A</u>		
Income and expenses not involving cash flow:		
Depreciation and amortization	86,311	91,356
Appointed to the reserve surplus decrease	-	(58,171)
Changes in assets and liabilities:		
Decrease (increase) of checks for collection	(14,748)	6,396
Decrease (increase) in accounts receivable	2,118	1,663
Increase (decrease) in suppliers and service providers	(208,827)	(201,213)
Increase (decrease) in Receivable Income	166,074	(116,436)
Increase (decrease) in accounts payable	(49,265)	39,216
	<u>(18,337)</u>	<u>(237,189)</u>

The accompanying notes are an integral part of the financial statements

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

Note 1: General

Access Israel (N.G.O.), is an organization registered by Non-for-Profit Organizations Law. Its objectives that derived its vision are to enable people with disabilities in Israel to integrate into the society with dignity, respect, equally, safely and with maximum independency. Access Israel is registered in the IRS as non profit organization.

Note 2: Main accounting policies

A - Significant accounting policies

The following significant accounting policies were applied on a consistent basis in preparing the Financial Statements:

- 1 - The Financial Statements are presented in accordance with Opinion No. 69 of the Institute of Certified Public Accountants in Israel.
- 2 - Cash and cash equivalents
Cash equivalents refer to highly liquid investments, including, among others, short-term bank deposits with due dates not exceeding three months from the date of deposit.
- 3 - Short-term investments
Stated at market value on balance sheet date, in accordance with the provisions of the Opinion of the Institute of Certified Public Accountants in Israel. The change in value of the investments is carried to Financial Income
- 4 - Fixed Assets
These assets are stated at cost, less accumulated depreciation. Depreciation is computed by the straight-line method on the basis of the estimated useful life of the assets.

B - Effect of changes in general purchasing power of Israeli currency:

These financial statements were prepared in accordance with accepted accounting principles on the basis of cost convention, irrespective of the influence of changes in general purchasing power of Israeli currency on the financial statements.

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

C - Indexation and Currency:

Foreign exchange reserves or linked to it, are included in the financial statements by currency exchange rates at balance sheet date.

Balance linked to the CPI are included, based on the last index published before the balance sheet date.

Exchange rate and linkage are charged to income with formation.

The following data is exchange rates of U.S. Dollar and consumer price index :

<u>Day</u>	<u>Representative exchange rate of U.S. Dollar – NIS</u>	<u>December index points</u>
31.12.2019	3.456	224.67
31.12.2018	3.748	224

Rate of change in the ending
on

31.12.2019	-7.8%	0.3%
31.12.2018	8.1%	1.2%

* The index average basis 1993=100

D - Fixed Assets:

The fixed assets are shown at cost less accumulated depreciation. Depreciation is calculated according to the equal depreciation method at annual rates that are considered sufficient to depreciate the assets during their estimated useful life.

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

Note 3: Fixed assets, net

	<u>Computer Equipment</u>	<u>Furniture and Equipment</u>	<u>Website</u>	<u>Leasehold improvements</u>	<u>Total</u>
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
Cost	595,394	345,177	152,356	239,209	1,332,136
Cost of opening balance	28,031	-	-	-	28,031
Additions this year	623,425	345,177	152,356	239,209	1,360,167
Accumulated depreciation	(536,720)	(169,578)	(152,356)	(56,120)	(914,774)
Depreciation is accumulated	(32,424)	(29,966)	-	(23,921)	(86,311)
Additions this year	(569,144)	(199,544)	(152,356)	(80,041)	(1,001,085)
Fixed assets, net, as of December 31, 2019	<u>54,281</u>	<u>145,633</u>	<u>-</u>	<u>159,168</u>	<u>359,082</u>
Fixed assets, net, as of December 31, 2018	<u>58,674</u>	<u>175,599</u>	<u>-</u>	<u>183,089</u>	<u>417,362</u>

Note 4: Accounts Payable

	<u>31 December</u>	
	<u>2018</u>	<u>2018</u>
	<u>NIS</u>	<u>NIS</u>
Institutions	124,509	120,275
Employees	325,622	379,121
	<u>450,131</u>	<u>499,396</u>

Note 5: Retirement benefit, net

	<u>31 December</u>	
	<u>2019</u>	<u>2018</u>
	<u>NIS</u>	<u>NIS</u>
Employees' compensation reserve	1,149,663	993,435
Mission compensation	(1,149,663)	(993,435)
	<u>-</u>	<u>-</u>

For most of the employees, the organization deposits severance pay to the insurance funds at a rate of 8.33% when they are signed under section 14. Employees who are not signed under section 14 are covered by a central severance pay fund. Therefore, the organization has no obligation that is not covered

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

Note 6: Net assets with temporary restrictions

	<u>Opening Balance</u>	<u>Income</u>	<u>Expenses</u>	<u>Closing Balance</u>
PRATT Foundation (1)	5,000	-	-	5,000
Ted Arison Family Foundation (2)	12,500	116,557	107,737	21,320
Clal Foundation (3)	50,000	100,000	131,547	18,453
PMI Foundation – Philip Moris (Israel) (4)	1,778	-	1,778	-
Migdal Insurance Foundation (5)	-	75,000	61,600	13,400
"Knowing in Advance" Project (6)	-	150,000	150,000	-
Silver Foundation (7)	18,157	17,414	17,414	18,157
Clal Foundation – (From Legal Settlement) (8)	1,260,480	-	949,589	310,891
Center for Accessible Information (9)	51,662	-	51,662	-
Public inquiries center for people with disabilities Project (10)	-	195,120	195,120	-
Promotion of integrated sports in Eilat Project (11)	-	40,000	40,000	-
	<u>1,399,577</u>	<u>694,091</u>	<u>1,706,447</u>	<u>387,221</u>

1 - PRATT Foundation

In 2011, a donation of NIS 253,824 was received from the PRATT Foundation for the establishment of new picnic areas around Israel. By December 31, 2017, a total of NIS 248,824 had been used.

In 2018 and 2019 there was no movement in the fund. The balance of the fund as of December 31, 2019 is NIS 5,000.

2 - Ted Arison Family Foundation

In 2017, a donation was received from the Ted Arison Foundation for training in schools for students and teachers in the amount of NIS 360,573. The balance of the fund as of December 31, 2017 is NIS 106,460.

In 2018, an additional donation of NIS 361,473 was received and a total of NIS 455,433 was used.

In 2019, an additional donation of 117,109 NIS was received and a total of 108,289 NIS was used.

The balance of the fund as of December 31, 2019 is NIS 21,320.

3 - Clal Foundation - To promote accessibility education in schools

During 2018, donations totaling NIS 100,000 were received for educational activities promoting accessibility and integration in schools.

In 2018, a total of NIS 50,000 was used and the balance of the fund as of December 31, 2018 is NIS 50,000.

In 2019, an additional donation of 100,000 NIS was received and a total of 131,547 NIS was used. The balance of the fund as of December 31, 2019 is 18,453 NIS.

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

- 4 - PMI Foundation – Philip Moris (Israel)

In 2017, a donation was received from PMI Philip Morris (Israel) in the amount of NIS 105,390 for the "Help me help you" project, which deals with training employees in local authorities in providing an accessible service to people with disabilities. The project won international awards. In 2018, 103,612 NIS were used for the activity. The balance of the fund as of December 31, 2018 is 1,778 NIS.
In 2019, the balance of the fund was fully utilized
- 5 - Migdal Insurance Foundation

During 2017, donations totaling NIS 100,000 were received from Migdal Insurance for educational activities in schools.
In 2017, 80,599 NIS were used for the benefit of the project. In 2018, the balance of 2017 was used in full.
In November 2018, a donation of NIS 25,000 was received for the project. In the reporting year, the donation was fully utilized.
During 2019, donations totaling NIS 75,000 were received and a total of NIS 61,600 was used.
The balance of the fund as of December 31, 2019 is 13,400 NIS.
- 6 - "Knowing in Advance" Project

In December 2017, a donation of 150,000 NIS was received from "Poaleim Ba Kehilah" (Poalim in the Community) for assistance in making the Organization's website accessible to people with disabilities. In 2018, the donation was fully utilized.
In 2019, an additional donation of NIS 150,000 was received. In the reporting year, the donation was fully utilized.
- 7 - Silver Foundation

In October 2018, a total of NIS 18,157 was received in cooperation with Freewheel to promote the independence of parents with disabilities
As of December 31, 2018, the donation has not yet been used.
In 2019, an additional donation of NIS 17,414 was received, this donation was fully utilized.
The balance of the fund as of December 31, 2019 is NIS 18,157.
- 8 - Clal Foundation – (From Legal Settlement)

In December 2018, a total of NIS 1,260,480 was received according to a settlement agreement T.A 1838/08 T.Z 31686-01-10, which was decided upon on December 20, 2018. It was agreed that the total contribution in the compromise would be for the current activities of the Organization according to the details sent to the donor.
As of December 31, 2018, the donation has not yet been used.
In 2019, 949,588 NIS were used for the benefit of the project.
The balance of the fund as of December 31, 2019 is NIS 310,891.
- 9 - Center for Accessible Information

In December 2018, a decision was made by the Help for the Blind Foundation for a donation of NIS 51,662 for assistance in purchasing software to make information accessible to the blind. In 2019, the donation was received and fully utilized.

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

10 - Public inquiries center for people with disabilities Project

In October 2018, a decision was made on a donation by the United Israel Appeal of Canada Inc fund in the amount of 100,000 Canadian dollars for a public inquiry center for people with disabilities. Out of the above total, 25% of the project was carried out in 2018 in the amount of 25,000 Canadian dollars. In 2019, a donation of NIS 195,120 was received for the project. The donation was fully utilized in the reporting year.

11 - Promotion of integrated sports in Eilat Project

In 2019, a donation of NIS 40,000 was received from the Eilat Economic Company for the promotion of integrated sports in Eilat. In the reporting year, the donation was fully utilized.

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

Note 7: Income from activities

	<u>31 December</u>	
	<u>2019</u>	<u>2018</u>
	<u>NIS</u>	<u>NIS</u>
Income from donations and Fundraising events	2,018,095	1,908,402
Consultation and accessibility distribution	2,518,807	2,348,199
Income of the Center for Information Accessibility	1,329,301	980,265
Income from education and awareness promotion	1,773,944	1,805,264
Income from professional training	1,187,237	1,704,138
Sponsorships and grants*	1,100,853	1,008,515
	<u>9,928,237</u>	<u>9,754,783</u>

*Includes grants from the Upper Galil Regional Council for 10,000 NIS

Note 8: Cost of activities

	<u>31 December</u>	
	<u>2019</u>	<u>2018</u>
	<u>NIS</u>	<u>NIS</u>
Consultation and accessibility distribution expenses	3,454,010	2,438,576
Center for Information Access expenses	749,587	626,482
Education and awareness promotion expenses	1,180,212	1,266,340
Professional training expenses	1,188,920	1,545,375
Independent life in the Galilee area supported by Joint Israel	581,679	733,713
The Druze branch	55,903	66,424
Access Israel North A.I.N	21,468	47,006
Access Israel Eilat and the Arava area	129,379	125,005
Pass it forward project	241,196	361,760
Computers and web portal depreciation	32,424	39,983
Sponsorships and grants	694,868	1,251,892
	<u>8,329,646</u>	<u>8,502,556</u>

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

Note 9: Administrative and General Expenses

	<u>31 December</u>	
	<u>2019</u>	<u>2018</u>
	<u>NIS</u>	<u>NIS</u>
Salaries and related expenses – management	544,015	698,765
Rent	51,558	42,744
Maintenance	57,907	64,291
Office and administrative expenses	65,906	67,081
Insurance	49,492	75,658
Mail and communication	38,664	58,664
Fundraising	81,192	93,923
Accommodation	59,441	25,498
Tolls, registration and municipal fees	29,680	121,840
Legal and professional fees	238,215	241,726
Office equipment depreciation	53,887	51,373
	<u>1,269,957</u>	<u>1,541,563</u>

Note 10: Guarantees

The Organization gave bank guarantees during its Normal Course of Business of approximately 38,000 NIS

ACCESS ISRAEL (N.G.O.)

FINANCIAL STATEMENTS NOTES

Note 11: Donation

Below the names of its contributors, which donated to the organization amount of NIS 100,000 in 2019:

	<u>A Contributor</u>	
1	Clal Insurance Company Ltd	203,000
2	Public through Shufersel Ltd	268,414
3	Joint Israel	246,912
4	United Israel Appeal of Canda Inc	230,120
5	Poalim in the community	155,000
6	Ted Arison Family Foundation	116,557
7	Globrands Ltd	103,000
8	Amot Investments Ltd	100,000

Note 12: Contribution from a foreign political entity

On 02/07/2019, a donation of NIS 37,719 was received from the US Embassy to bring lecturers from the United States for lectures at the Access Israel's International Accessibility Conference.

Note 13: Events after the balance sheet date

The outbreak of the corona epidemic was discovered at the end of 2019 - the beginning of 2020 in China, spread throughout the world and in Israel.

Dealing with the outbreak of the virus in Israel and in the world includes different regulatory guidelines, which are updated frequently. The spread of the virus has profound consequences for the global economy and the economy in Israel, including consequences for the business continuity of many businesses, when as of the time of preparing these financial statements it is not yet known how long it will take to continue to deal with the aforementioned consequences.

The organization prepares and responds to the aforementioned events in order to try to reduce, as much as possible, their impact on the organization and therefore, in 2020 the organization took employees on unpaid leave and events were canceled

A decrease in current costs is also expected due to the reduction of activity.

It should be noted that at the time of approval of these financial statements, a substantial impact on the turnover of the organization's activity is evident, but the results of the activity are positive. At the same time, the spread of the virus and the measures taken may have a negative effect on the organization, the extent of which cannot yet be estimated.