

BIMKOM
PLANNERS FOR PLANNING RIGHTS (R”A)

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2019

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2019

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AUDITOR'S REPORT TO THE MEMBERS OF
BIMKOM – PLANNERS FOR PLANNING RIGHTS (R"A)

We have audited the attached Statement of Financial Position of Bimkom – Planners for Planning Rights (R"A) (hereinafter: "the Amuta"), as of December 31, 2019 and 2018, and the related Statement of Activities, Changes in Net Assets and Cash Flows for the two years then ended. These financial statements are the responsibility of the members of the committee and the management of the Amuta. Our responsibility is to express an opinion on these financial statements, based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Israel, including those prescribed under the Israeli Auditors Regulations (Auditors' Mode of Performance), 1973. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examination, on a test basis, 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 management, 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, in all material aspect, the financial position of the Amuta, as of December 31, 2019 and 2018, and the results of its operations, the changes in its net assets and its cash flow for the two years then ended, in conformity with accounting principles generally accepted in Israel (Israel GAAP).


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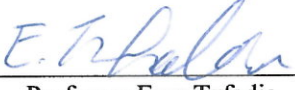
Certified Public Accountants (Isr.)


Jerusalem, May 11, 2020

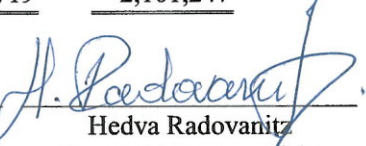
BIMKOM – PLANNERS FOR PLANNING RIGHTS (R''A)
Statements of Financial Position

	<u>Note</u>	<u>31.12.2019</u> <u>N.I.S.</u>	<u>31.12.2018</u> <u>N.I.S.</u>
ASSETS			
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	3	492,980	1,253,190
Short term investments		215,619	494,834
Supports, contributions and grants receivable	4	281,975	259,164
Debtors and debit balances	5	150,107	3,728
		<u>1,140,681</u>	<u>2,010,916</u>
<u>NON CURRENT ASSETS</u>			
Debtors and debit balances	5	-	11,028
Deposits for severance pay fund, net	9	59,324	59,559
Fixed assets	6	17,714	19,744
TOTAL ASSETS		<u>1,217,719</u>	<u>2,101,247</u>
LIABILITIES AND NET ASSETS			
<u>CURRENT LIABILITIES</u>			
Short term credit		-	638
Suppliers and service providers	7	92,016	76,277
Creditors and credit balances	8	242,649	209,145
		<u>334,649</u>	<u>286,060</u>
<u>NET ASSETS</u>			
Unrestricted net assets:			
Used for operations-			
Designated by the Amuta's institutes		145,000	145,000
Not designated by the Amuta's institutes		685,477	861,230
Used for fixed assets		17,714	19,744
		<u>848,191</u>	<u>1,025,974</u>
Temporarily restricted net assets	13	34,863	789,213
		<u>883,054</u>	<u>1,815,187</u>
		<u>1,217,719</u>	<u>2,101,247</u>

May 11, 2020
Date of approval of
the financial
statements:


Professor Erez Tzfadia
Chairman of the Management
Committee


Dr. Oren Shlomo
Member of the Management
Committee


Hedva Radovanitz
General Manager of the
Amuta

The Notes to the Financial Statements are an integral part thereof.

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

STATEMENTS OF ACTIVITIES

	Note	For the Year Ending	
		31.12.2019	31.12.2018
		N.I.S.	N.I.S.
<u>Operating Turnover:</u>			
Income from grants and contributions	10	4,001,401	4,342,953
Other income		8,196	11,707
Total income		4,009,597	4,354,300
<u>Cost Of Activities:</u>			
	11	3,461,888	3,640,463
Net operating income		547,709	713,837
General and administrative expenses	12	591,249	518,623
Fundraising costs		101,560	97,628
Net income (expense) before financing income		(145,100)	97,586
Net Finance Expenses		32,683	14,520
Net income (expense) for the year		(177,783)	83,066

The Notes to the Financial Statements are an integral part thereof.

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

STATEMENTS OF CHANGES IN NET ASSETS

	Unrestricted Net Assets				
	Used for Operations				
	Not designated by the Amuta's institutes N.I.S.	Designated by the Amuta's institutes N.I.S.	Used for fixed assets N.I.S.	Temporarily restricted net assets (Note 13) N.I.S.	Total N.I.S.
Balance as of January 01, 2018	721,991	145,000	70,917	883,710	1,826,618
<u>Additions during the year</u>					
Allocations from funds and contributions	-	-	-	4,076,237	4,076,237
<u>Deductions during the year</u>					
Amounts released from restriction	-	-	-	(4,170,734)	(4,170,734)
Net income for the year	83,066	-	-	-	83,066
Amounts released to cover depreciation expenses	51,173	-	(51,173)	-	-
Balance as of December 31, 2018	<u>861,230</u>	<u>145,000</u>	<u>19,744</u>	<u>789,213</u>	<u>1,815,187</u>
<u>Additions during the year</u>					
Allocations from funds and contributions	-	-	-	2,956,737	2,956,737
<u>Deductions during the year</u>					
Amounts released from restriction	-	-	-	(3,711,087)	(3,711,087)
Net expense for the year	(177,783)	-	-	-	(177,783)
Transfer of unrestricted sums - used for fixed assets	(21,104)	-	21,104	-	-
Amounts released to cover depreciation expenses	23,134	-	(23,134)	-	-
Balance as of December 31, 2019	<u>685,477</u>	<u>145,000</u>	<u>17,714</u>	<u>34,863</u>	<u>883,054</u>

The Notes to the Financial Statements are an integral part thereof.

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

STATEMENTS OF CASH FLOW

	For the Year Ended	
	31.12.2019	31.12.2018
	N.I.S.	N.I.S.
Cash flow from Operating Activities:		
Net income (expense)	(177,783)	83,066
Adjustments to reconcile to net cash from operating activities (Schedule 1)	(3,517,422)	(4,168,958)
Net cash used for Operating Activities	(3,695,205)	(4,103,892)
Cash flow from Investment Activities:		
Purchase of fixed assets	(21,104)	-
Net cash used for investment activities	(21,104)	-
Cash flow from Financial Activities:		
Short term credit	(638)	617
Receipt of temporarily restricted allocations and grants	2,956,737	4,076,237
Net cash provided of Financial Activities	2,956,099	4,076,854
Decrease in cash and cash equivalents	(760,210)	(27,038)
Cash and cash equivalents at the beginning of the year	1,253,190	1,280,228
Cash and cash equivalents at the end of the year	492,980	1,253,190

The Notes to the Financial Statements are an integral part thereof.

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

STATEMENTS OF CASH FLOW

	For the Year Ended	
	31.12.2019	31.12.2018
	N.I.S.	N.I.S.
Schedule 1		
Adjustments to reconcile to net cash from operating activities:		
Income and expense items which do not affect the cash flow		
Amounts released from restriction	(3,711,087)	(4,170,734)
Depreciation	23,134	51,173
Decrease (increase) in deposits for severance pay liability	235	(57,136)
Loss from short term investments	279,215	37,897
	<u>(3,408,503)</u>	<u>(4,138,800)</u>
Changes in assets and liabilities:		
Increase in debtors and debit balances	(135,351)	(1,871)
Decrease (increase) in contributions and grants receivable	(22,811)	130,039
Increase (decrease) in suppliers and service providers	15,739	(2,930)
Increase (decrease) in creditors and credit balances	33,504	(173,396)
	<u>(108,919)</u>	<u>(48,158)</u>
	<u>(3,517,422)</u>	<u>(4,186,958)</u>

The Notes to the Financial Statements are an integral part thereof.

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2019

1. GENERAL:

- A. The Amuta, Bimkom – Planners for Planning Rights (R”A) (hereinafter: the “Amuta”) was registered on May 11, 1999, and began its activities in April 1999.
- B. The main goals of the Amuta include the promotion of planning rights in the region and to increase the democratization of planning processes.
- C. The Amuta is classified as a public institution pursuant to Section 9(2) of the Income Tax Ordinance, and as a non-profit organization concerning the Value Added Tax Law.

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Definitions

In these financial statements:

The Amuta	-	Bimkom – Planners For Planning Rights (R”A)
Net assets	-	The difference between the assets and liabilities.
Restriction	-	A restriction on the use of net assets set by the conditions imposed by donors, supporters or those giving grants to the Amuta.
Temporary restriction	-	A restriction that expires or is removed upon the occurrence of a specific event or with the passage of time, or that can be fulfilled or removed with the performance of specific activities, all of which are contingent upon the conditions imposed by the donors or the outside factors which provided the funds.
Index	-	The Consumer Price Index as published by the Central Bureau for Statistics.

B. Basis of report:

Accounting Standard No.12 of the Israeli Accounting Standards Board concerning the cessation of the adjustment of financial statements as from the financial statements for periods as from December 31, 2003. The Amuta prepares its financial statements in nominal historic values which are not essentially different from the reported sums as defined in the above Standard.

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2019

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

C. Presentation of financial statements:

The financial statements were prepared according to Opinion No. 69 of the Institute of Certified Public Accountants in Israel, and Accounting Standard No.5 of the Israeli Accounting Standards Board.

In accordance with Opinion No. 69. of the Institute of Certified Public Accountants in Israel and Accounting Standard No.5 of the Israeli Accounting Standards Board, all of the Amutas' accounts are presented in the financial statements in an all inclusive accounting framework only, while classifying all of the fund balances under the heading of “Net Assets”.

The balances included in the grouping of Net Assets are categorized as follows:

- Unrestricted Net Assets.
- Temporarily Restricted Net Assets.
- Permanently Restricted Net Assets.

The Unrestricted Net Assets are classified as follows:

- Not designated by the Amuta's institutes
- Designated by the Amuta's institutes.
- Used for fixed assets.

The Statement of Activities includes all of the income and all of the expenditure during the reported period. “Income” includes all of the income receivable and which grew during the period without any restriction on the use thereof and also that portion of the net assets that were restricted but were released from the contributors' restrictions during the course of the period. “Expenses” also include those expenses that were financed from sources that had been restricted by donors.

The statement on changes in net assets includes, in addition to the net result that is passed on from the statement on activities, also all of the sources that were received with a restriction on the use thereof and those sums that were released from restriction. Sums that were released from restrictions owing to being used for operations are transferred as revenues to the statement of activities and those sums that were released from restriction owing to their use for purchasing fixed assets are transferred directly to the net assets balance of the assets that are unrestricted in the statement on changes in net assets.

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2019

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

D. Linkage to the Index or foreign currency:

1. Assets and liabilities in foreign currency or linked thereto are presented according to the representative exchange rate on the balance sheet date.
2. Assets and liabilities linked to the Consumer Price Index are presented according to the index terms of each balance.
3. Income and expenditure and other activities in foreign currency are registered according to the exchange rates at the time of executing said activity.
4. Linkage and exchange rate differentials are recorded in the financial statements at the time of their creation.
5. Below are details of the indices and foreign currency exchange rates of the dollar and the euro on the balance sheet date:

	<u>31.12.2019</u>	<u>31.12.2018</u>
Consumer Price Index (in points)	100.8	100.2
US dollar (in NIS / Dollar)	3.456	3.748
Euro (in NIS / Euro)	3.878	4.292
	For the Year Ending	
	<u>31.12.2019</u>	<u>31.12.2018</u>
	<u>%</u>	<u>%</u>
Rate of increase(decrease) of:		
Index	0.60	0.80
US dollar	(7.79)	8.10
Euro	(9.63)	3.35

E. Cash and cash equivalents:

Investments with high liquidity are considered as having cash value, including, *inter alia*, short-term deposits that were deposited in banks where the period until the date of their realisation at the time of the investment therein does not exceed three months.

F. Short term investments:

Short term investments include investments in marketable securities mainly debentures.

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2019

2. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

G. Fixed assets:

- 1) Fixed assets are presented at cost less accumulated depreciation.
- 2) Depreciation is calculated using the straight-line method at rates that reflect, in the opinion of the Amuta’s management, the lifetime of the depreciated asset.

The annual depreciation rates are:

Office furniture and equipment	6%-15%
Web site	33%
Computers and ancillary equipment	33%
Leasehold improvements	20%
Data center	6%-33%

H. Income recognition:

Income and expenditure are included in the financial statements on an accrued basis.

I. Estimates and assumptions:

The preparation of the financial statements and the presentation thereof in accordance with generally accepted accounting principles, require that management make estimates and assumptions which affect the data in the financial statements and the related notes. Due to the nature of the estimates and assumptions, actual results may differ from those estimates.

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2019

3. CASH AND CASH EQUIVALENTS:

	<u>31.12.2019</u>	<u>31.12.2018</u>
	<u>N.I.S.</u>	<u>N.I.S.</u>
Cash - on hand and in banks - Israeli currency	437,836	843,928
Short-term deposits in Israeli currency	120	51,000
Short-term deposits in foreign currency	55,024	358,262
	<u>492,980</u>	<u>1,253,190</u>

4. SUPPORTS, CONTRIBUTIONS AND GRANTS RECEIVABLE:

	<u>31.12.2019</u>	<u>31.12.2018</u>
	<u>N.I.S.</u>	<u>N.I.S.</u>
EU	206,548	-
ACPP	23,000	-
University of Northumbria	17,000	-
The Moriah Fund	34,560	72,140
The New Israel Fund	867	-
Oxfam	-	9,757
The European Union	-	158,522
Netherlands Representative office	-	16,995
Others	-	1,750
	<u>281,975</u>	<u>259,164</u>

5. LONG TERM RECEIVABLES:

	<u>31.12.2019</u>	<u>31.12.2018</u>
	<u>N.I.S.</u>	<u>N.I.S.</u>
Employee loans (*)	6,238	3,728
Credit companies	143,869	-
	<u>150,107</u>	<u>3,728</u>

(*) In the report year, a conceptual interest rate for an employee loan was charged at 3.41% in accordance with the Income Tax Ordinance (in 2018 - 3.48%).

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2019

6. FIXED ASSETS

	Office furniture and equipment N.I.S.	Web site N.I.S.	Computers & ancillary equipment N.I.S.	Leasehold improvements N.I.S.	Data center N.I.S.	Total N.I.S.
Cost:						
As of January 1, 2019	93,599	52,706	467,323	259,209	78,911	951,748
Addition	-	-	5,722	15,382	-	21,104
As of December 31, 2019	93,599	52,706	473,045	274,591	78,911	972,852
 As of January 1, 2019	89,136	52,706	467,323	244,070	78,769	932,004
Depreciation 2019	645	-	3,039	19,308	142	23,134
As of December 31, 2019	89,781	52,706	470,362	263,378	78,911	955,138
Depreciated cost						
As of December 31, 2019	3,818	-	2,683	11,213	-	17,714
As of December 31, 2018	4,463	-	-	15,139	142	19,744

7. SUPPLIERS AND SERVICE PROVIDERS:

	<u>31.12.2019</u> N.I.S.	<u>31.12.2018</u> N.I.S.
Open accounts	90,391	35,513
Checks payable	1,625	40,764
	<u>92,016</u>	<u>76,277</u>

8. CREDITORS AND CREDIT BALANCES:

	<u>31.12.2019</u> N.I.S.	<u>31.12.2018</u> N.I.S.
Workers and Institutions due to salaries	89,284	90,635
Provision for vacation pay	153,365	118,510
	<u>242,649</u>	<u>209,145</u>

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2019

9. RESERVE FOR SEVERANCE PAY, NET:

The Amuta deposits funds for its employees in personal pension funds on a regular basis, subject to the Obligatory Pension Law. The obligation reflects the Amuta's obligation to provide severance pay to employees over and above those sums accumulated for them in the pension funds and benefits funds.

10. INCOME FROM GRANTS AND CONTRIBUTIONS:

A. Detailed Operating Turnover by Source

	For the Year Ending	
	31.12.2019	31.12.2018
	N.I.S.	N.I.S.
The New Israel Fund	472,949	269,314
The Blaustein Foundation through the New Israel Fund	270,525	257,971
The Moriah Fund through the New Israel Fund	69,134	143,521
The Irish Embassy (*)	665,871	346,223
NRC (*)	-	66,916
Kathryn Ames through the New Israel Fund	69,702	68,093
The European Union (*)	704,126	1,402,102
Netherlands Representative Office (*)	-	335,428
Oxfam – Novib (*)	-	99,253
Private Family Fund through the New Israel Fund	88,956	174,946
UN-Habitat/ EU (*)	-	102,500
Foundation for Middle East Peace through the New Israel Fund	17,645	17,351
UN- Habitat/ AECID (*)	195,910	196,398
Bread for the World (*)	433,826	376,439
Lifta	14,789	-
University of Northumbria	17,000	-
UNDP (*)	389,808	-
Sparkplug Foundation	54,105	-
Embassy of Switzerland (*)	78,960	179,486
ENABEL (*)	18,510	-
Misc. donations	186,534	10,987
ACPP (*)	93,556	96,594
OCHA (*)	159,495	199,071
	<u>4,001,401</u>	<u>4,342,593</u>

(*) Foreign State Entity

B. Detailed Classification of Contributions

Contributions to operating activities	290,314	171,859
Amounts released from temporarily restricted net assets	3,711,087	4,170,734
	<u>4,001,401</u>	<u>4,342,593</u>

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2019

11. COST OF ACTIVITIES:

	For the Year Ending	
	31.12.2019	31.12.2018
	N.I.S.	N.I.S.
International relations expenses	167,435	183,242
Bedouin project	376,471	396,271
East Jerusalem project	635,725	468,045
Arab Localities project	238,610	223,649
Area C project	959,955	1,102,823
Urbanism Project	72,640	474,189
Salaries and related expenses for general activities	432,062	318,220
Rent and maintenance fees	281,598	283,833
Travel	7,931	14,401
Legal costs for projects	335	5,516
Computer and web site	62,660	23,251
Postage and communications	18,077	16,936
Public outreach	174,056	73,517
Other operating costs	13,975	11,538
Depreciation	20,358	45,032
	<u>3,461,888</u>	<u>3,640,463</u>

12. ADMINISTRATIVE AND GENERAL EXPENSES:

	For the Year Ending	
	31.12.2019	31.12.2018
	N.I.S.	N.I.S.
Salaries and related expenses	508,241	443,631
Office Expenditure	1,496	1,604
Refreshments and gifts	7,995	7,222
Telephone and communications	2,465	2,309
Maintenance	8,091	4,903
Professional fees	24,648	13,338
Travel and delivery	1,081	1,964
Rent	30,309	33,801
Professional literature and further education	770	1,226
Website maintenance	3,377	2,485
Depreciation	2,776	6,140
	<u>591,249</u>	<u>518,623</u>

BIMKOM – PLANNERS FOR PLANNING RIGHTS (R”A)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2019

13. TEMPORARY RESTRICTED NET ASSETS:

	31.12.2018	Additions During 2019	Releases During 2019	31.12.2019
	N.I.S.	N.I.S.	N.I.S.	N.I.S.
LIFTA	20,000	8,076	(14,789)	13,287
The New Israel Fund	-	472,949	(472,949)	-
Sparkplug foundation	-	54,105	(54,105)	-
The Irish Embassy	355,606	310,265	(665,871)	-
UN OCHA	-	159,495	(159,495)	-
ENABEL	-	18,510	(18,510)	-
Kathryn Ames Foundation through the New Israel Fund	-	69,702	(69,702)	-
The European Union	35,600	668,526	(704,126)	-
Bread for the World	157,000	298,402	(433,826)	21,576
The Blaustein Foundation through the New Israel Fund	-	270,525	(270,525)	-
UN Habitat Belgium	132,052	63,858	(195,910)	-
Private Family Fund through the New Israel Fund	88,955	-	(88,955)	-
Embassy of Switzerland	-	78,960	(78,960)	-
U.N.D.P	-	389,808	(389,808)	-
ACPP	-	93,556	(93,556)	-
	789,213	2,956,737	(3,711,087)	34,863

14. SUBSEQUENT EVENTS

Following the outbreak of the Coronavirus pandemic in February 2020, and decisions of the Government of Israel relating to the crisis, Bimkom decided to furlough some staff for two months, and will also be implementing pay-cuts. Certain projects have been realigned to tackle issues related to the impact of the virus on target communities, in consultation with donors.