

LOTEM - Making Nature Accessible (Registered Non-Profit Association)

**FINANCIAL REPORT
UP TO DECEMBER 31st 2016**

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COMPTROLLER'S AUDITORS REPORT TO MEMBERS OF LOTEM
– Making Nature Accessible (Registered Non-Profit Association)

I have audited the attached balance sheets of Lotem - Making Nature Accessible, a registered non-profit association (hereinafter, "the Association") as of December 31st 2015-2016 and the reports on revenues, expenses and changes in the net assets report for all the years ending on the above dates. These financial reports are the responsibility of the committee and the executive of the association. My own responsibility is an expression of opinion on these financial statements based on my audit.

I conducted my audit in accordance with the accepted auditing standards including standards determined in the Israel Accounting Standards (Auditors code of practices) 1973. According to these standards I am obliged to plan and perform the audit with the objective of attaining, with a reasonable degree of confidence, that the financial reports submitted are not fundamentally misleading. The audit includes a specimen assessment evaluating evidence supporting the amounts and disclosures in the financial statements. The audit includes an evaluation of the accounting principles employed. The audit also includes assessment of significant evaluations performed by the executive as well as an appropriate evaluation of the presentation of the entire financial statements.

It is my opinion that these financial statements suitably conform to accepted auditing regulations and present from all material aspects a replication of the financial state of the Association as of December 31st 2015-2016 and the results of its operations and its net assets for the years that ended on these same dates.

As explained in Explanation "2 n" the financial statements for the dates and periods after December 2003 are presented in the stated amounts in accordance with accounting standards of the Israel Accounting Standards Board.

Sincerely yours,

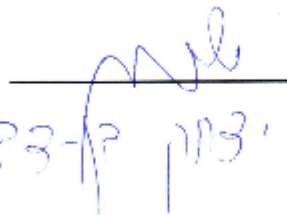
Ephraim David
Auditor



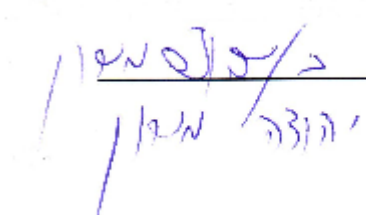
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BALANCE SHEET UP TO DECEMBER 31ST 2016

		IN NEW ISRAEL SHEKELS UP TO DECEMBER 31ST	
	<u>EXPLANATION</u>	<u>2015</u>	<u>2016</u>
<u>ASSETS</u>			
<u>QUICK ASSETS</u>			
	CASH & CASH EQUIVALENTS	(3) 1,323,434	1,278,788
	SECURITIES		
	OWED AND DEBIT BALANCES	(4) <u>352,468</u>	<u>875,190</u>
		1,675,902	2,153,978
<u>FIXED ASSETS</u>			
		(5) <u>2,747,242</u>	<u>2,468,131</u>
		4,423,144	4,622,109
		=====	=====
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
	SUPPLIERS AND SERVICE PROVIDERS	(6) 685,823	151,981
	CREDITORS AND CREDIT BALANCES	(7) <u>207,043</u>	<u>88,511</u>
		892,866	240,492
		=====	=====
<u>LONG TERM LIABILITIES</u>			
	VACATION RESERVE	204,799	187,837
	LIABILITIES DUE TO END OF EMPLOYER/EMPLOYEE RELATIONS, NET	<u>181,946</u>	<u>192,920</u>
		386,745	320,757
<u>NET ASSETS</u>			
<u>NET ASSETS THAT EXIST WITHOUT RESTRICTION:</u>			
	FOR ACTIVITIES USE	396,291	1,532,728
	TO BE USED FOR FIXED ASSETS	<u>2,747,242</u>	<u>2,468,132</u>
		3,143,533	4,000,860
		=====	=====
		4,423,144	4,622,109



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REPORT ON ACTIVITIES

IN NEW ISRAEL SHEKEL
AS OF DECEMBER 31ST

	<u>EXPLANATION</u>	<u>2015</u>	<u>2016</u>
ACTIVITIES TURNOVER	(8)	5,469,833	5,466,697
ACTIVITIES COSTS	(9)	<u>4,468,994</u>	<u>3,833,992</u>
NET INCOME FROM ACTIVITIES		1,000,839	1,632,705
ADMINISTRATIVE & GENERAL EXPENDITURES	(10)	<u>778,495</u>	<u>745,669</u>
NET INCOME (EXPENDITURE) BEFORE FUNDING		222,344	887,036
NET FUNDING EXPENDITURES	(11)	<u>10,464</u>	<u>29,709</u>
NET INCOME (DEFICIT) FOR YEAR		<u>211,880</u>	<u>857,321</u>

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CHANGES IN NET ASSETS REPORTS

IN NEW ISRAEL SHEKELS

	<u>NO RESTRICTION EXISTS</u>		<u>RESTRICTION EXISTS</u>	
	<u>FOR USE FOR ACTIVITIES</u>	<u>USED FOR FIXED ASSETS</u>	<u>PROVISIONAL</u>	<u>TOTAL</u>
BALANCE ON DECEMBER 31ST 2015	396,291	2,747,242		3,143,533
Net surplus for the year	857,327	-		857,327
ADDITIONS DURING THE YEAR AMOUNTS RELEASED FROM NET ASSETS RESTRICTED FOR ACTIVITIES	(94,278)	94,278		-
AMOUNTS TRANSFERRED TO COVER FOR DEPRECIATION	373,388	(373,388)		-
BALANCE ON DECEMBER 31ST 2016	1,532,728 =====	2,468,132 =====	- =====	4,000,860 =====

LOTEM - Making Nature Accessible (Registered Non-Profit Association)

**NEW ISRAEL SHEKELS
FOR YEAR ENDING DECEMBER 31ST**

2015	2016
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EXPLANATION 3 - CASH & CASH EQUIVALENTS

COMPOSITION:

CURRENT ACCOUNT	1,311,617	1,235,441
PETTY CASH	<u>11,817</u>	<u>43,347</u>
	1,323,434	1,278,788
	=====	=====

EXPLANATION 4 - OWING & DEBIT BALANCE

COMPOSITION:

CUSTOMERS	352,468	292,455
ADVANCED EXPENDITURE	-	582,735
	=====	=====
	352,468	875,190

EXPLANATION 5 - FIXED ASSETS

	<u>PROFESSIONAL LITERATURE</u>	<u>TRAINING EQUIPMENT</u>	<u>OFFICE FURNITURE & EQUIPMENT</u>	<u>HIRED IMPROVEMENTS</u>	<u>TOTAL</u>
a. <u>COMPOSITION</u>					
COST:					
BALANCE AT BEGINNING OF YEAR	4,904	211,524	231,788	3,718,993	4,167,209
ADDITIONS	<u>0</u>	<u>34,390</u>	<u>3,800</u>	<u>56,088</u>	<u>94,278</u>
	4,906	<u>245,914</u>	<u>235,588</u>	<u>3,775,081</u>	<u>4,261,487</u>
	=====	=====	=====	=====	=====
ACCUMULATED DEPRECIATION					
BALANCE AT BEGINNING OF YEAR	4,904	181,039	208,969	1,025,056	1,419,968
FOR THE YEAR OF THE REPORT		<u>20,161</u>	<u>1,439</u>	<u>351,788</u>	<u>373,388</u>
	<u>4,904</u>	<u>201,200</u>	<u>210,408</u>	<u>1,376,844</u>	<u>1,793,356</u>
	=====	=====	=====	=====	=====
REDUCED COST ON DECEMBER 31 ST 2016		44,714	25,180	2,398,237	2,468,131
REDUCED COST ON DECEMBER 31 ST 2015		30,485	22,820	2,693,937	2,747,242
b. <u>DEPRECIATION RATE</u> (IN PERCENTAGES)					
	15	15	15-33	10	

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NEW ISRAEL SHEKELS
FOR YEAR ENDING DECEMBER 31ST
2015 2016

EXPLANATION 6 - SUPPLIERS & SERVICE PROVIDERS

COMPOSITION:

OPEN ACCOUNTS	487,938	(23,845)
CHECKS FOR REDEMPTION	<u>197,885</u>	<u>175,826</u>
	685,823	151,981
	=====	=====

EXPLANATION 7 - CREDITORS AND CREDIT BALANCES

COMPOSITION:

EMPLOYEES & RECOUPMENT INSTITUTIONS	<u>207,043</u>	<u>88,511</u>
ADVANCED INCOME	<u>207,043</u>	<u>88,511</u>
	=====	=====

EXPLANATION 8 - ACTIVITIES TURNOVER

COMPOSITION:

PROBONO DONATIOS	140,312	132,000
INSTRUCTION	1,571,045	1,729,404
DONATIONS	2,234,374	2,363,197
ALLOCATIONS	<u>1,524,102</u>	<u>1,242,096</u>
	5,469,833	5,466,697

EXPLANATION 9 - ACTIVITIES COSTS

COMPOSITION:

ADVANCED STUDIES	143,389	105,581
APARTMENT RENTED FOR ACTIVITIES	358,761	203,262
INSURANCE	25,000	26,639
TELEPHONES	14,826	12,692
PRODUCING TRAINING MATERIAL & ADVERTISING	81,432	73,642
MAINTENANCE OF ACTIVITIES AREA	182,642	246,949
ALLOCATION FOR VACATION RESERVE	321,353	371,949
INSTRUCTION: SALARIES & RELATED EXPENSES	2,434,142	1,897,554
LECTURES & GROUP EXPENSES	896,572	878,489
OTHERS	<u>10,877</u>	<u>17,235</u>
	4,468,994	3,833,992
	=====	=====

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NEW ISRAEL SHEKELS

FOR YEAR ENDING DECEMBER 31ST

2015

2016

EXPLANATION 10 – ADMINISTRATION AND GENERAL EXPENDITURES

COMPOSITION:

SALARIES & RELATED EXPENSES	575,944	621,122
MAIL, TELEPHONE & COMMUNICATIONS	12,841	15,377
PROFESSIONAL SERVICES	42,848	13,174
INSURANCE	5,594	5,000
COMPUTER EXPENSES	74,656	49,406
DEPRECIATION	3,567	1,439
OFFICE EXPENSES	16,234	9,692
TRIPS ABROAD	36,811	28,459
ADVERTISING & PR	<u>2,000</u>	<u>10,000</u>
	778,495	745,669
	=====	=====

EXPLANATION 11 – EXPENDITURES (INCOME) FUNDING, NET

EXPENDITURES (INCOME) FUNDING	8,785	4,524
DOLLAR EXCHANGE DIFFERENCES	<u>1,679</u>	<u>25,185</u>
	10,464	29,709
	=====	=====