

THE IDF WIDOWS AND ORPHANS ORGANIZATION

**FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018**

THE IDF WIDOWS AND ORPHANS ORGANIZATION

FINANCIAL STATEMENTS
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**AUDITORS' REPORT TO THE PARTNERS OF
THE IDF WIDOWS AND ORPHANS ORGANIZATION**

We have audited the attached balance sheets of **the IDF Widows and Orphans Organization (Registered Society)** (hereinafter – "the Organization") as of December 31, 2018 and 2017 and the statements of operations, statements of changes in assets, net and statements of cash flows for each of the years then ended. These financial statements are the responsibility of the Organization's executive committee and management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was made in accordance with generally accepted auditing standards in Israel, including those prescribed by the Israeli Auditors (Auditor's Mode of Performance) Regulations, 5733-1973. These standards require us to plan and perform the audit in order to obtain reasonable assurance that these 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 Organization's executive committee and management and evaluating the fairness of the overall presentation in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As stated in note 2(a) of the financial statements, these financial statements are presented in nominal values and not in reported amounts as required by Israeli GAAP.

In our opinion, except for the previous paragraph, the aforementioned financial statements present fairly, in all material respects, the Organization's financial position as of December 31, 2018 and 2017 and the results of its operations, changes in net assets and cash flows for each of the years then ended, in accordance with Israeli GAAP - in nominal values.

Avidor Berdichev Gazit
CPA (Isr.)

Ramat Gan

_____, 2019

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)
BALANCE SHEETS

	<u>Note</u>	<u>As of December 31</u>	
		<u>2018</u>	<u>2017</u>
		NIS	
<u>Current assets</u>			
Cash and cash	3	1,819,148	1,797,858
Marketable securities		361,169	438,554
Accounts and trade receivable	4	512,208	1,212,595
		-----	-----
<u>Excess of amount funded over liability for termination of employer-employee relations, net</u>			
	5	12,345	31,396
		-----	-----
<u>Short-term investments and assets</u>			
Attala Scholarship Fun's endowment	6	3,097,393	3,060,700
Aid funds	7	4,907,800	5,142,968
Fund for the Establishment of Activity Centers	8	7,845,930	7,118,571
Fund for the distribution of scholarships	9	784,516	541,578
		-----	-----
<u>Fixed assets, net</u>			
	10	302,900	266,458
		-----	-----
		19,643,409	19,610,678
<u>Current liabilities</u>			
Trade payables	11	380,149	848,164
Other accounts payable	12	378,058	359,332
		-----	-----
		758,207	1,207,496
<u>Assets, net</u>			
Net assets for which there is no restriction			
Not designated by the Organization's institutions		1,946,663	2,272,907
Designated by the Organization's institutions		8,189,064	7,475,371
Used as fixed assets		302,900	266,458
		-----	-----
		10,438,627	10,014,736
Net assets for which there is a temporary restriction			
		5,349,182	5,327,746
Net assets for which there is a permanent restriction			
	6	3,097,393	3,060,700
		-----	-----
		18,885,202	18,403,182
		-----	-----
		19,643,409	19,610,678
		=====	=====

<u>2019</u> Date of approval of the financial statements	_____ Nechama Muskal Committee member	_____ Tammy Shelach Chairman of the Organization
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The accompanying notes are an integral part of the financial statements.

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)
STATEMENTS OF OPERATIONS

		For the year ended December 31	
		2018	2017
		NIS	
Turnover from operations	Note		
Donations		4,830,353	3,961,086
Defense Ministry's appropriations		2,078,164	2,010,000
Membership fees		2,037,531	1,861,737
Publications in journals		-	24,902
Revenues from activities organized		2,174,737	1,689,724
Amounts released from restricted net assets		721,780	620,542
Total turnover from operations		11,842,565	10,167,991
Cost of operations	13	9,441,954	7,536,589
Net income from operations		2,400,611	2,631,402
Administrative and general expenses	14	1,595,625	1,385,903
Net income before financing expenses		804,986	1,245,499
Financing expenses, net	15	(94,788)	(58,538)
Tax expenses		-	(1,133)
Net income for the year		710,198	1,185,828

The accompanying notes are an integral part of the financial statements.

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

STATEMENTS OF CHANGES IN ASSETS, NET

	<u>Unrestricted net assets</u>			<u>Restricted net assets</u>		<u>Total</u>
	<u>Not designated by the Organization's institutions</u>	<u>Designated by the Organization's institutions</u>	<u>Used for fixed assets</u>	<u>Of a temporary nature</u>	<u>Of a permanent Nature</u>	
	NIS					
<u>Balance as of January 1, 2017</u>	2,062,294	6,348,537	291,243	5,265,534	3,057,716	17,025,324
Net income for the year	1,185,828	-	-	-	-	1,185,828
Financing expenses – reserves	-	-	-	(459)	-	(459)
Withdrawal from reserves	-	-	-	(620,542)	-	(620,542)
Re-designation of reserves for the construction of activity centers	(1,000,000)	1,000,000	-	-	-	-
Adjusting the Attala Fund's value in line with the terms of the endowment	-	-	-	-	2,984	2,984
Increase in the value of designated reserves	-	126,834	-	173,773	-	300,607
Transfer to Assistance and Loan Fund	-	-	-	509,440	-	509,440
Amounts released from net assets that were used for fixed assets	(39,797)	-	39,797	-	-	-
Amounts transferred to pay for depreciation expenses						
<u>Balance as of December 31, 2017</u>	<u>2,272,907</u>	<u>7,475,371</u>	<u>266,458</u>	<u>5,327,746</u>	<u>3,060,700</u>	<u>18,403,182</u>
Net income for the year	710,198	-	-	-	-	710,198
Financing expenses – reserves	-	-	-	(721,780)	-	(721,780)
Withdrawal from reserves	(1,000,000)	1,000,000	-	-	-	-
Re-designation of reserves for the construction of activity centers	-	-	-	-	36,693	36,693
Adjusting the Attala Fund's value in line with the terms of the endowment	-	(286,307)	-	(17,720)	-	(304,027)
Increase in the value of designated Reserves	(111,880)	-	111,880	-	-	-
Transfer to Assistance and Loan Fund						
Amounts released from net assets that were used for fixed assets	75,438	-	(75,438)	-	-	-
Amounts transferred to pay for depreciation expenses						
<u>Balance as of December 31, 2018</u>	<u>1,946,663</u>	<u>8,189,064</u>	<u>302,900</u>	<u>5,349,182</u>	<u>3,097,393</u>	<u>18,885,202</u>

The accompanying notes are an integral part of the financial statements.

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)
STATEMENTS OF CASH FLOWS

	For the year ended December 31	
	<u>2018</u>	<u>2017</u>
	NIS	
<u>Cash flow from operating activities</u>		
Net income for the year		
Adjustments required to present cash flow from operating activities – see Appendix	710,198	1,185,828
	484,223	(7,427)
Net cash provided by operating activities	1,194,421	1,178,401
<u>Cash flow from investment activities</u>		
Amounts deposited in a reserve for the construction of activity centers	(1,000,000)	(1,000,000)
Proceeds from the sale (acquisition) of marketable securities, net	(61,251)	793,360
Acquisition of fixed assets	(111,880)	(39,797)
Net cash used in investment activities	(1,173,131)	(246,437)
	21,290	931,964
Increase in cash and cash equivalents	1,797,858	865,894
Balance of cash and cash equivalents at the start of the year	1,819,148	1,797,858
Balance of cash and cash equivalents at the end of the year	=====	=====

The accompanying notes are an integral part of the financial statements.

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)
STATEMENTS OF CASH FLOWS (continued)

Appendix – adjustments required to present the cash flow from operating activities

	For the year ended December 31	
	2018 NIS	
<u>Income and expenses not involving cash flows:</u>		
Depreciation	75,438	64,582
Decrease in excess of reserve over liability for termination of employer-employee relations, net	19,051	9,920
Decrease in value of marketable securities, net	138,636	48,691
<u>Changes in asset and liability items:</u>		
Decrease (increase) in other accounts receivable	700,387	(504,211)
Increase (decrease) trade payables	(468,015)	323,674
Increase in other accounts payable	18,726	66,070
	484,223	(7,427)
	=====	=====

The accompanying notes are an integral part of the financial statements.

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – GENERAL:

- A. The IDF Widows and Orphans Organization (Registered Society) (hereinafter – “**the Organization**”) was established on December 22, 1991 and operates in accordance with the Associations Law, 1980. Initially the Organization was registered under the name: “The Organization for Family Members of Israeli War Casualties”, and in 1999 changed its name to: “the IDF Widows and Orphans Organization”. In 1996 the Organization was recognized by the Minister of Defense as the representative organization by virtue of the Fallen Soldiers Families Law (Pension and Rehabilitation), 1950. As a result of this decision, among others, the Organization is awarded an annual budget by the Ministry of Defense.

The Organization's objectives, as determined in the Organization's Articles of Association, is acting vis-à-vis any person or entity, organization or government authority or the public in general for the rehabilitation of members of the organization, both in general and as individuals, and enlisting the help and assistance of different social and economic entities, with respect to education and employment, medical, mental, legal and financial support to the Organization's members. To achieve these goals, the Organization is soliciting donations, grants, endowments, loans, member fees and other budgets to finance its activities and provide assistance to its members.

The Organization's activities are carried out in pursuit of public purposes within their meaning in the Income Tax Ordinance, and therefore its income is not liable to tax by virtue of Section 9(2) of the Income Tax Ordinance.

The Organization has obtained a “certificate of proper management” under section 46 of the Income Tax Ordinance, whereby donations made to a charitable institution entitle an individual donor to tax credit at the rate of 35% of the amount of donation (or, for corporations - tax credit at the rate of corporate tax).

- B. Government support:

The Organization receives budget support from the Ministry of Defense.

- C. The definitions in these financial statements are in accordance with Accounting Standard No. 5 of the Israeli Accounting Standards Board regarding “Accounting Principles and Financing Reporting by Non-Profit Organizations”.

Restricted Net Assets

Net assets deriving from charitable donations received by the Organization or other inflow of funds, which must be used for specific purposes as stipulated by the donors.

Temporary restrictions

Donor stipulations that expire upon the occurrence of a specific event or with the passage of time, or that can be fulfilled or lifted by taking specific actions in accordance with said stipulations.

Permanent restrictions

Donor stipulations that do not expire with the passage of time, and that cannot be fulfilled or lifted by taking specific actions in accordance with said stipulations.

Other information

As defined in Audit Standard 75 of the Bureau of Certified Public Accountants in Israel regarding “Other Information in Documents Containing Audited Financial Statements”.

- D. The preparation of financial statements in conformity with generally accepted accounting principles requires management to use estimates or assessments that affect the reported amounts of assets and liabilities, the disclosure regarding contingent assets and liabilities and the amount of income and expenses for reported periods. Actual results may differ from these estimates.

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies set out below have been consistently applied in the preparation of these financial statements:

A. Effect of changes in the general purchasing power of Israeli currency

The Financial Statements have been prepared in accordance with generally accepted accounting principles, based on the historical cost convention. No disclosure has been provided in these reports regarding the impact of changes in the general purchasing power of Israeli currency on the Organization's activities. Furthermore, the financial statements are not presented in reported amount as required by generally accepted Israeli accounting rules.

B. Restricted donations

Donations and/or other inflow of assets, which were earmarked for specific purposes by the donors, and used to fund the non-profit's activities during the reported year, are recorded as revenues on the statement of activities.

Donations, which were earmarked for specific purposes by the donors, but were not used by the non-profit to fund its activities during the reported year, are recorded on the statement of changes in net assets, as an addition to the restricted net assets. Once the non-profit has used this donation for the specific purposes for which it was given, this donation is recorded on the statement of changes in net assets and on the statement of activities as amounts released from restricted net assets – to be used for the non-profit's activities.

C. Cash and Cash Equivalents

The Company considers highly-liquid investments, which include short-term bank deposits (up to three months from date of deposit) that are not restricted as to withdrawal or use, to be cash and cash equivalents.

Balances in or linked to foreign currency were included according to the representative exchange rates at the balance sheet date, as follows:

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
Consumer Price Index (in points)		
NIS / USD exchange rate	132.76	131.71
NIS / Euro exchange rate	3.748	3.467
	4.2916	4.1526

D. Investments

Debentures, shares and options were included according to their value on the Tel Aviv Stock Exchange as of the Balance Sheet Date. Certificates of participation in mutual funds were included according to redemption prices as of the date of the financial statements. Bank deposits include linkage differences, exchange rate differences and accumulated interest as of the date of the financial statements. Gains (losses) on these investments were included on the statements of activities under financing income (expenses), net.

E. Fixed Assets

Fixed assets are included at cost net of accumulated depreciation.

Depreciation is calculated using the straight line method over the estimated useful life of the assets.

F. Liabilities

Include commitments, which the Organization assumed up to the date of the financial statements date.

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued):

G. Revenue recognition

Revenue is recognized on an accrual basis, including deferred donations receivable by means of credit cards and checks for collection, which relate to the report period but which have not been received as of the balance sheet date, and outstanding checks for the report period, which have not been received until the balance sheet date and the collection of which is expected subsequent to the balance sheet date, as well as donations relating to the reported period which have been received by the date of signing of the financial statements.

Donations, which were received in the form of assets, were included in the Financial Statements according to the fair value of the assets as assessed by the Organization.

H. Expenses

Expenses are recorded on an accrual basis and include provisions for liabilities, which were incurred by the Organization up to the date of the financial statements.

NOTE 3 – CASH EQUIVALENTS

Composed as follows:

	December 31	
	<u>2018</u>	<u>2017</u>
	NIS	
Cash in Israeli currency	<u>1,678,217</u>	<u>821,484</u>
Cash in foreign currency	<u>92,234</u>	<u>928,698</u>
Short-term deposits	<u>48,697</u>	<u>47,676</u>
	<u>1,819,148</u>	<u>1,797,858</u>
	<u>=====</u>	<u>=====</u>

NOTE 4 – ACCOUNTS RECEIVABLE AND DEBIT BALANCES

Composed as follows:

	December 31	
	<u>2018</u>	<u>2017</u>
	NIS	
Unearned income	-	679,000
Credit card companies and outstanding checks	481,192	504,648
Prepaid expenses	31,016	28,947
	<u>512,208</u>	<u>1,212,595</u>
	<u>=====</u>	<u>=====</u>

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – EXCESS OF AMOUNT FUNDED OVER LIABILITY FOR TERMINATION OF EMPLOYER-EMPLOYEE RELATIONS, NET

The Organization's liabilities due to termination of employer-employee relations in respect of its employees are fully covered by regular payments to insurance companies and by the balance of the reserve for severance pay. The amounts accumulated in insurance policies are not under the Organization's control and management, and therefore are not presented in the balance sheet.

The Organization's liabilities due to termination of employer-employee relations, which are not included in pension plans or insurance policies, are included in the balance sheet in accordance with the Labor Law and labor agreements, and are computed based on the last salary of the Organization's employees at the balance sheet date.

The funded amount in the severance pay fund includes accumulated profits, which may be withdrawn once these liabilities have been repaid pursuant to labor agreements and the Severance Pay Law.

	December 31	
	<u>2018</u>	<u>2017</u>
	NIS	
Composition:		
Amount funded	120,102	124,340
Less – reserve for severance pay	(107,757)	(92,944)
	<u>12,345</u>	<u>31,396</u>
	=====	=====

NOTE 6 – ENDOWMENT OF THE ATALLA SCHOLARSHIP FUND

In accordance with the court's decision, the Non-Profit Organization (NPO) serves as Trustee-Manager of the aforesaid endowment as of 1994. The amount of endowment in nominal values as of February 8, 1994, the date on which the funds were transferred to the NPO's trust, is NIS 1,446,160. The Organization serves as the trustee and manager of the Atalla-Margalit Fund's endowment. The terms of the endowment limit the Organization to provide scholarships to IDF orphans out of the profits from the deposit (the real return on the funds, linked to the CPI).

	December 31	
	<u>2018</u>	<u>2017</u>
	NIS	
Composed as follows:		
The donation	1,446,160	1,446,160
Linkage differences accrued to the Fund, net	1,651,233	1,614,540
	3,097,393	3,060,700
	=====	=====

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – ASSISTANCE FUNDS

Composed as follows:	December 31	
	<u>2018</u>	<u>2017</u>
	NIS	
Loan deposit to members of the NPO (A)	4,405,051	4,153,648
Medical Assistance Fund (B)	502,749	989,320
	<u>4,907,800</u>	<u>5,142,968</u>
	=====	=====

- A. The fund was established in 2005 and is funded with monthly membership fees in the amount of NIS 5.00, in accordance with the resolution of the Knesset's Labor and Welfare Committee, which are deducted from the membership fees paid to the Organization by its members.

The amount is deposited with a bank and bears annual interest of Prime minus 1.5%.
The deposit is used as the Organization's guarantee for loans taken by its members, which are provided by the bank on favorable terms.

NOTE 8 – FUND FOR THE CONSTRUCTION OF ACTIVITY CENTERS

The Organization's Executive Committee resolved in the past to designate a sum of NIS 3,500,000 from the Organization's balances for the construction of activity centers for member widows. In 2015, the Executive Committee decided to set aside a sum of NIS 5,000,000. In the period 2016 to 2018, it was decided to designate an additional sum of NIS 1,000,000 per year, so that the fund's balance as of December 31, 2018 was NIS 7,845,930 (including changes in the value of securities, which are attributed to the fund).

NOTE 9 – FUND FOR THE DISTRIBUTION OF SCHOLARSHIPS

- A. In the past, the Organization's Executive Committee resolved to designate a sum of NIS 1,000,000 from the Organization's balances for the provision of scholarships and wedding gifts. The fund is included in the balance sheet at the designated amount after deducting the amounts withdrawn for the distribution of scholarships and adding the changes in the value of securities, which are attributed to the fund.

During the reported year and the preceding year, no scholarships were paid from the fund's deposit.

- B. The fund includes a donation, which is designated for the distribution of scholarships from the endowment of the late Sarah and Joseph Graff, which was received in 2011. During the reported year and the preceding year, no scholarships were paid from the fund's deposit.

- C. The fund includes a donation in the amount of NIS 256,656, which is designated for the distribution of scholarships from the endowment of the late Charlotte and Heinrich Bergman, which was received in 2018. During the reported year and the preceding year, no scholarships were paid from the fund's deposit.

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 – FIXED ASSETS, NET

Composed as follows:	<u>Computers</u>	<u>Furniture and office equipment</u>	<u>Leasehold improvement</u>	<u>Total</u>
<u>Cost</u>				
Balance as of January 1, 2018	425,440	444,144	462,119	1,331,703
Additions during the year	94,104	17,776	-	111,880
Balance as of December 31, 2018	<u>519,544</u>	<u>461,920</u>	<u>462,119</u>	<u>1,443,583</u>
<u>Accumulated depreciated</u>				
Balance as of January 1, 2018	384,128	350,124	330,993	1,065,245
Depreciation during the year	26,041	16,618	32,779	75,438
Balance as of December 31, 2018	<u>410,169</u>	<u>366,742</u>	<u>363,772</u>	<u>1,140,683</u>
<u>Depreciated cost</u>				
As of December 31, 2018	109,375	95,178	98,347	302,900
As of December 31, 2017	41,312	94,020	131,126	266,458
Depreciation rates	33%	15%-7%	10%	

NOTE 11 – TRADE PAYABLES

Composed as follows:	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
	NIS	
Open accounts	189,443	353,320
Checks outstanding	190,705	494,844
	<u>380,148</u>	<u>848,164</u>
	=====	=====

NOTE 12 – OTHER ACCOUNTS PAYABLE

Composed as follows:	<u>For the year ended December 31</u>	
	<u>2018</u>	<u>2017</u>
	NIS	
Employees and institutions in respect of wages	191,737	212,019
Accrued expenses	107,000	63,780
Finance Ministry – Income Tax	1,133	1,133
Others	78,188	82,400
	<u>378,058</u>	<u>359,332</u>
	=====	=====

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 – COST OF ACTIVITIES

Composed as follows:

	For the year ended December 31	
	2018	2017
	NIS	
Family events (travel, summer camps, culture, etc.)	6,027,977	4,579,420
Support to the families	1,009,090	797,792
Production of the Organization's magazine	289,615	274,434
Distribution of scholarships and wedding gifts	405,530	331,190
Payroll and related costs	948,837	861,347
Rent and electricity	343,158	357,643
Municipal taxes	75,044	72,360
Office maintenance	171,543	155,516
Postal fees and communications	91,563	46,138
Car maintenance	10,227	-
Depreciation	67,894	58,124
Transportation and errands	1,476	2,625
	<u>9,441,954</u>	<u>7,536,589</u>
	=====	=====

NOTE 14 – ADMINISTRATIVE AND GENERAL EXPENSES:

Composed as follows:

	For the year ended December 31	
	2018	2017
	NIS	
Payroll and related expenses	704,342	695,170
Office rent and electricity	38,129	39,738
Municipal taxes	8,338	8,040
Communications	10,700	4,940
Legal fees	106,677	107,521
Bookkeeping and audit	147,268	158,411
Strategic consulting, public relations and governance	221,775	71,303
Office equipment and maintenance	23,072	16,708
Refreshments, membership fees and seminars	30,765	25,604
Car maintenance, parking, travels and errands	29,138	47,859
Advertising	71,909	80,093
Office insurance	43,952	-
Officers liability insurance	3,731	1,663
Solicitation of donations	7,667	9,146
Depreciation	139,362	111,796
Miscellaneous	7,544	6,458
	<u>1,595,625</u>	<u>1,385,903</u>
	=====	=====

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 – FINANCING INCOME (EXPENSES), NET

Composed as follows:

	For the year ended December 31	
	NIS	
	2 0 1 8	2 0 1 7
Financing income		
Dividend and interest income	88,282	68,677
Realized gains and revaluation of marketable securities, net	-	254,900
	<u>88,282</u>	<u>323,577</u>
Less – the restricted funds' share in financing income	-	(303,591)
Total financing income	<u>88,282</u>	<u>19,986</u>
	-----	-----
Financing expenses		
Bank fees and credit card fees	(31,819)	(31,331)
Investment consulting and management	(9,640)	(7,250)
Exchange rate difference, net	(2,975)	(39,943)
Realized losses and revaluation of marketable securities, net	(415,511)	-
Total financing expenses	<u>(459,945)</u>	<u>(78,524)</u>
	-----	-----
Less – the restricted funds' share in financing expenses	276,875	-
Total financing income (expenses), net	<u>(94,788)</u>	<u>(58,538)</u>
	=====	=====

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

NOTES TO THE FINANCIAL STATEMENTS

Comparison with the Budget

The budget was approved at a meeting of the Organization's selected representation. Budget data which are defined as "Other Information", are not audited.

	December 31		
	2019	2018	2018
	NIS		
Budget	Executed	Budget	
Revenue from operations			
Defense Ministry's appropriations	2,020,000	2,078,164	2,010,000
Income from membership fees	2,490,000	2,037,531	2,490,000
Donations	4,997,000	4,830,353	4,551,000
Amounts released from restricted net assets	-	721,780	-
Income from organizing activities	1,400,000	2,174,737	2,000,000
Other income	50,000	-	50,000
	<hr/>	<hr/>	<hr/>
	10,957,000	11,842,565	11,101,000
	=====	=====	=====
Expenses related to the Organization's activities			
Cost of activities			
Support of the families of Organization members	1,820,000	1,936,067	1,955,000
Events and activities for Organization members	5,402,000	5,506,530	5,392,000
Production of the Organization's magazine	288,000	289,615	245,000
Payroll and related expenses	900,000	948,837	810,000
Rent and electricity	350,000	343,158	350,000
Municipal taxes	90,000	75,044	90,000
Office and maintenance expenses	170,000	108,178	170,000
Postal fees and communications	140,000	91,563	140,000
Car maintenance, travels and parking	55,000	10,227	10,000
Computer and website maintenance	50,000	63,365	50,000
Errands	10,000	1,476	10,000
Depreciation	-	67,894	-
Unexpected and miscellaneous expenses	25,000	-	25,000
Financing expenses, net	40,000	94,788	40,000
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Total cost of activities	9,340,000	9,536,742	9,287,000
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(*) Income from membership fees, net, are presented after deducting membership fees totaling NIS 504,280 payable to Assistance Funds, which are classified under Temporarily Restricted Net Assets.

THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

NOTES TO THE FINANCIAL STATEMENTS

Comparison with the Budget (continued):

	For the year ended December 31		
	2019	2018	2018
	Budget	Executed NIS	Budget
Administrative and general expenses			
Payroll and related expenses	700,000	652,768	710,000
Office rent and electricity	45,000	38,129	45,000
Municipal taxes	12,000	8,338	12,000
Communications	15,000	10,700	15,000
Legal fees	130,000	106,677	130,000
Bookkeeping and audit	185,000	147,268	163,000
Office equipment and maintenance	40,000	26,803	40,000
Refreshments, gifts and entertainment	15,000	30,765	15,000
Levies, membership fees and seminars	15,000	29,138	15,000
Car maintenance, parking, travels and errands	49,000	71,909	94,000
Advertising	-	43,952	-
Depreciation	-	7,544	-
Marketing strategy	206,000	221,775	220,000
Directors' insurance	15,000	7,667	15,000
Compensation to members of the Executive Committee for meetings	70,000	51,574	70,000
Cost of soliciting donations	100,000	139,362	250,000
Unexpected and miscellaneous	20,000	1,256	20,000
Total administrative and general expenses	<u>1,617,000</u>	<u>1,595,625</u>	<u>1,814,000</u>
Net revenue for the year	-	710,198	-
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THE IDF WIDOWS AND ORPHANS ORGANIZATION (R.S.)

NOTES TO THE FINANCIAL STATEMENTS

List of donations in 2018 above NIS 20,000

Information on donations are considered "Other Information" and are not audited

<u>Source of donation</u>	<u>Date of donation</u>	<u>Amount in NIS</u>
FIDF	January 11	136,000
GOLDA ACADEMY	January 22	26,532
FIDF	January 23	85,963
FIDF	March 12	1,072,813
COLEGIO ISRAELIAN DE MEXICO	May 10	21,104
Bank Hapoalim	June 24	20,000
Achievement Fund	July 1	196,350
ADELA KATS	July 16	182,150
MOISE VAINER	July 16	24,745
FIDF	August 16	195,481
AMERICAN SUPPORT	August 22	41,832
The General Custodian	August 28	68,900
FIDF	October 8	457,943
PEF	October 25	93,064
Municipality of Ramat Hasharon	October 25	50,000
PEE	October 25	27,484
FIDF	November 20	184,490
The Ahuva Mashat Endowment	November 25	50,000
FIDF	November 27	1,079,970
ORY WEIHS	December 17	37,369
PEF	December 31	37,630
EPSILON ALPHA	December 31	67,980