

# **Hotline for Migrant Workers (R.A.)**

## **Financial Reports**

**For December 31, 2008**

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**Auditing Accountant Report**  
**for**  
**The Hotline for Migrant Workers (R.A.)**

We have audited the enclosed balance sheets of **The Hotline for Migrant Workers (R.A.)** for the dates December 31, 2009 and 2008 the activities report, and the statement of changes in assets for each of the years ended at these dates. The organisation's board of directors and management are responsible for these reports. Our responsibility is to comment on these reports based on our audit.

We have conducted our audit according to customary standards of auditing, including standards set forth in the regulations of accountants (accountant's conduct) 5733 – 1973. We are required according to these standards to plan the audit and carry it out in order to attain a reasonable degree of confidence that the financial statements do not contain a fundamental false representation. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes an examination of the accounting rules applied and of the significant estimates made by the organisation's directors and management, as well as evaluation of the overall validity of the representation in the financial statements. We believe that our audit

In our opinion these reports give a true and fair view, according to the customary standards of accounting in all essential aspects, of the financial state of affairs of the organisation for the dates December 31, 2009 and 2008 and the outcomes of its actions for each of the years ended at these dates – in nominal values.

*Romano Blanga and Associates*  
Accountants

**Tel-Aviv, July 14, 2010**

# Hotline for Migrant Workers (R.A.)

## Balance Sheet

	Note	December 31	
		2008	2009
		NIS	
<b>Current Assets</b>			
Cash and cash equivalents		1,124,172	1,027,884
Checks to be collected		16,552	--
Prepaid Expenses	2	106,625	120,665
		<u>1,247,349</u>	<u>1,148,549</u>
<b>Fixed Assets</b>			
Cost	3	206,590	217,766
Minus accumulated depreciation		<u>(117,605)</u>	<u>(144,068)</u>
		<u>88,985</u>	<u>73,698</u>
<b>Other Assets</b>			
Cost		34,531	37,419
Minus accumulated depreciation		<u>(10,720)</u>	<u>(18,810)</u>
		<u>23,811</u>	<u>18,609</u>
		<u>1,360,145</u>	<u>1,240,856</u>
<b>Current Liabilities</b>			
Suppliers and service providers	4	92,761	43,453
Creditors and positive balance amounts	5	459,529	175,451
		<u>552,290</u>	<u>218,904</u>
<b>Reserves</b>			
Severance pay reserve	6	97,106	37,503
<b>Net Assets</b>			
<b>Unrestricted net assets:</b>			
For activities usage		442,855	549,317
Used for buying tangible fixed assets		112,796	92,307
		<u>555,651</u>	<u>641,624</u>
<b>Temporarily restricted net assets:</b>			
		155,098	342,825
		<u>710,749</u>	<u>984,449</u>
		<u>1,360,145</u>	<u>1,240,856</u>

Myriam Darmoni Sharvit  
Board Chairperson

Ellen Kuchali  
Board Member

Tel-Aviv, July 14, 2010

Date of approval of financial reports

The enclosed notes and lists form an integral part of the financial statements.

# Hotline for Migrant Workers (R.A.)

## Activities Report

	Notes	For the year ending	
		December 31	
		2008	2009
		NIS	
<b>Turnover from Activities</b>			
Donations		415,490	461,967
Governemnt grants	7	18,074	12,344
Membership dues		5,000	11,850
Other income		33,976	31,750
Amounts released from restriction		1,589,329	1,181,660
<b>Total Turnover from Activities</b>		<b>2,061,869</b>	<b>1,699,571</b>
Cost of activities	8	1,629,229	1,429,530
<b>Net Revenues from Activities</b>		<b>432,640</b>	<b>270,041</b>
General and Administrative Expenses	9	88,162	82,921
Fundraising		73,996	80,804
<b>Net Revenues Before Financing</b>		<b>270,482</b>	<b>106,316</b>
Net financing costs	10	71,718	20,343
<b>Net Surplus (Deficit) for This Year</b>		<b>198,764</b>	<b>85,973</b>

The enclosed notes and lists form an integral part of the financial statements.

# Hotline for Migrant Workers (R.A.)

## Statement of Changes in Net Assets

	Net assets on which there is no restriction		Net assets on which there is temporary restriction (*)	Total
	Used for activities	Used for fixed assets		
	NIS			
<b>Balance as at January 1, 2008</b>	284,617	72,270	55,837	412,724
<b>Transactions in 2008</b>				
<b>Additions during the year</b>				
Donations	--	--	1,688,590	1,688,590
Net surplus (deficit) for the year	198,764	--	--	198,764
<b>Withdrawals during the year</b>				
Amounts released from restriction	--	--	(1,589,329)	(1,589,329)
Transfer of amounts on which there is no restriction used for fixed assets	(72,353)	72,353	--	--
Amounts transferred to cover depreciation expenses	31,827	(31,827)	--	--
<b>Balance as at December 31, 2008</b>	<b>442,855</b>	<b>112,796</b>	<b>155,098</b>	<b>710,749</b>
<b>Transactions in 2009</b>				
<b>Additions during the year</b>				
Donations	--	--	1,369,387	1,369,387
Net surplus (deficit) for the year	85,973	--	--	85,973
<b>Withdrawals during the year</b>				
Amounts released from restriction	--	--	(1,181,660)	(1,181,660)
Transfer of amounts on which there is no restriction used for fixed assets	(14,064)	14,064	--	--
Amounts transferred to cover depreciation expenses	34,553	(34,553)	--	--
<b>Balance as at December 31, 2009</b>	<b>549,317</b>	<b>92,307</b>	<b>342,825</b>	<b>984,449</b>

# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2009

### Note 1 - Principle Accounting Policies

#### A. General

- 1) The Hotline for Migrant Workers (R.A.) was founded in 1999 and registered at the Israeli Associations Registrar (Rasham Ha'amotot).  
Registered Association number: 58-033-309-4.

Its goals are:

To assist migrant workers, asylum seekers and refugees in fulfilling their rights and to impact government policy to this end.

To provide assistance to migrant workers, asylum seekers and refugees and to their families

To increase public awareness to the ongoing violations of rights of migrant workers, asylum seekers

To eradicate the phenomenon of trafficking in persons in Israel

To act against racism and xenophobia in Israeli society

#### 2) Definitions:

The association Hotline for Migrant Workers (R.A.)

Attached parties As defined in statement no. 29 of the Israeli Institute of Certified Public Accountants.

#### B. Effects of changes in purchasing power of Israeli currency:

The financial statements are set according to customary accounting rules, based on the historical value, without accounting for changes in the purchasing power of Israeli currency.

#### C. Cash equivalents:

Cash equivalents are considered by the Association to be investments with high liquidity, including bank deposits that are closed for up to three months.

#### D. Assets and equipment:

The sums of non financial assets do not necessarily reflect the realization value or current economic value, rather only the original historical costs. The assets and equipment are shown according to cost. The depreciation is calculated according to the equal depreciation method, based on the estimated period of use.

#### Yearly depreciation rates:

	%
Furniture and equipment	7-15
Computers and computer equipment	33

The rates of depreciation used are identical to the permitted rates according to the Tax Order

#### E. Other Assets:

Other assets are depreciated according to the expected lifespan as estimated by the Association's management.

<u>Yearly depreciation rates:</u>	%
	10

#### F. Exchange rate and linking base:

	<u>2008</u>	<u>2009</u>	<u>Rates of change during the year</u>
Consumer price index	110.44	114.77	3.92%
U.S. dollar	3.802	3.775	-0.71%

- G. A cash flow report, as stipulated in statement no. 51 of the Israeli Institute of Certified Public Accountants, is not given because it does not provide any additional meaningful information.

# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2009

### Note 2 - Prepaid Expenses

	December 31	
	2008	2009
	NIS	
Income tax	689	--
Income to be received	74,488	80,620
Prepaid expenses	31,448	40,045
	<u>106,625</u>	<u>120,665</u>

### Note 3 - Net Fixed Assets

	Balance			Balance at the end of the year
	at the start of the year	Additions	Reductions	
	NIS			
<b>Cost:</b>				
Furniture and equipment	66,123	4,279	--	70,402
Computers and computer equipment	126,803	6,897	--	133,700
Renovation of rented offices	13,664	--	--	13,664
	<u>206,590</u>	<u>11,176</u>	--	<u>217,766</u>
<b>Accumulated depreciation:</b>				
Furniture and equipment	17,195	7,984	--	25,179
Computers and computer equipment	98,133	17,113	--	115,246
Renovation of rented offices	2,277	1,366	--	3,643
	<u>117,605</u>	<u>26,463</u>	--	<u>144,068</u>
<b>Net fixed assets:</b>	<u>88,985</u>			<u>73,698</u>

### Note 4 - Suppliers and service providers

	December 31	
	2008	2009
	NIS	
Suppliers and service providers	7,992	4,236
Checks to be redeemed	84,769	39,217
	<u>92,761</u>	<u>43,453</u>

### Note 5 - Creditors and positive balance amounts

	December 31	
	2008	2009
	NIS	
Expenses payable	53,308	16,754
Various creditors	20,932	--
Institutions	28,914	31,397
Employees	--	1,550
Provision for staff vacation pay	48,750	50,750
Advanced income	307,625	75,000
	<u>459,529</u>	<u>175,451</u>

# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2009

### Note 6 - Severance pay reserve

- A. The obligation towards severance pay is covered, for some employees, by employee insurance policies. Monies deposited with insurance companies are not included in the balance sheet as they are not under the control of the Association.
- B. The severance pay reserve included in the balance sheet reflects the remaining obligation, which is not covered by the above said insurance policies, and is calculated in accordance with the elements of the salaries to which, in the opinion of the management, the employees are entitled when receiving severance pay.
- C. The reserve does not include monies put aside for temporary employees that are not yet entitled to severance pay according to the law.
- D. The make up of this section is as follows:

Severance pay reserve	December 31	
	2008	2009
	NIS	
	97,106	37,503

### Note 7 - Government grants

Includes grant from the Tel Aviv Municipality for 2009 in the sum of 12,344 NIS (18,074 NIS in 2008). In addition, the Association was granted a reduction in municipal taxes in the sum of 17,733 NIS, which were decreased from the expenses in 2009 (16,958 NIS in 2008).

### Note 8 - Cost of Activities

	December 31	
	2008	2009
	NIS	
Wages and related expenses	942,616	992,571
Head of legal department	126,272	--
Office supplies	69,100	58,476
National service volunteers	49,132	51,653
Publishing expenses	88,381	29,910
Public activities and events	18,640	38,489
Rent	59,889	52,465
Post, telephone and communications	56,481	40,711
Humanitarian aid	60,723	18,509
Legal expenses	40,050	23,447
Insurance	8,018	7,399
Travel	25,684	19,833
Travel abroad	3,840	1,545
Municipal taxes and association fees	33,196	51,614
Training	18,516	11,810
Depreciation expenses	28,692	31,098
	<u>1,629,229</u>	<u>1,429,530</u>

# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2009

### Note 9 - General and Administrative Expenses

	December 31	
	2008	2009
	NIS	
Wages and related expenses	19,647	20,038
Office supplies	7,678	4,815
Post, telephone and communications	4,483	4,524
Rent and maintenance	6,654	5,830
Bookkeeping	20,796	20,871
Municipal taxes and association fees	18,794	10,000
Accountant	3,688	5,735
Gifts	1,556	3,453
Insurance	850	822
Travel	1,118	1,648
Travel abroad	--	2,295
Other	(238)	(565)
Depreciation costs	3,135	3,455
	<u>88,162</u>	<u>82,921</u>

### Note 10 - Net Financing Costs

	December 31	
	2008	2009
	NIS	
Bank interest and commissions	6,656	8,892
Differences in exchange rates	79,591	12,129
Income from interest	(14,529)	(678)
	<u>71,718</u>	<u>20,343</u>

# Hotline for Migrant Workers (R.A.)

## Addendum to the Financial Statements for December 31, 2009

### Addendum A: List of donors who gave at least 20,000 NIS

<u>Name of Donor</u>	<u>NIS</u>	<u>Purpose</u>
Sigrid Rausing Trust	316,450	General Support
The New Israel Fund	58,956	General Support
The New Israel Fund (at the request of an anonymous donor)	121,642	General Support
	180,598	
UNHCR	210,000	Refugees
Sebba Trust	81,250	Refugees
Moriah Fund	145,765	Combating Trafficking in Persons
The Zanyvl and Isabelle Krieger Foundation	120,600	General Support
Kaisirer Foundation	82,000	Refugees
Christian Aid	78,600	Migrants and Refugees
Levi Lassen Foundation	55,300	Combating Trafficking in Persons
The Beracha Fund	39,620	Assisting Unaccompanied Minors
Jewish Women's Foundation of Chicago	28,951	Combating Trafficking in Persons
EU Commission (Joint project with CET)	53,040	Human Rights Education

### Addendum B: List of donations received from external political entities

<u>Name of Donor</u>	<u>NIS</u>	<u>Purpose</u>
UNHCR	210,000	Refugees
EU Commission (Joint project with CET)	53,040	Human Rights Education
Total	<u>263,040</u>	

### Addendum C: List of five highest salaries

	<u>Name of Employee</u>	<u>Gross wages</u>	<u>Additional costs</u>	<u>Total cost of wages</u>
1	Rozen Sigal	116,828	37,086	153,914
2	Saar Emi	111,424	35,263	146,687
3	Korzen Batsheva	85,703	26,932	112,635
4	Barzilai Gila	70,154	19,992	90,146
5	Willinger Adi	68,385	21,439	89,824