

Financial Reports
for
Karmey Chessed

2014

580431138

Karmey Chesed
Financial Reports for Fiscal Year of 2014

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Mishor Accountancy & Business Counseling for Institutions
Avigail Shkovitzki, C.P.A.

Certified Public Accountant Report to Members of the Board
Karmey Chesed—Registered Organization

We have reviewed the attached balance sheets of Karmey Chesed (hereafter, the organization) of December 31, 2014 and 2013, as well as the activity report and changes in free assets for the year that terminated on this date. The veracity of these reports is the sole responsibility of the organization's directorate; our responsibility is to express an opinion on the above reports based on our official inspection.

We conducted our review in accordance with the accepted standards, included Accountancy Laws of 1973. According to the above, we are required to plan and conduct our review with the goal of ensuring that these reports do not contain any essential errors as well as to conduct a general overview, including a sample check of proofs supporting the data and information included in the reports. In addition, this review also includes an assessment of the implemented accountancy policies; the significant estimates made by the organization's administration; and an appraisal of the general presentation of the financial reports. We believe that our review provides us with a clear basis to express our opinion.

In our opinion, these financial reports clearly reflect all essential aspects of the financial state of the organization from December 31, 2014 and 2013, as well as the results of its activities and the changes in net assets for each of the years that ended on these dates, in accordance with accepted accountancy policies in Israel (Israeli GAAP)

Avigail Shkovitzki, C.P.A.

Date:

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Karmey Chesed—Registered Organization

Balance Sheets

For December 31

	Explanation	2014 NIS	2013 NIS
<u>Quick Assets</u>			
Cash and cash equivalents	3	40,244	14,001
Donations to receive		<u>13,103</u>	<u>1,137</u>
		<u>53,347</u>	<u>15,138</u>
<u>Fixed Assets, Net</u>			
Total Assets	4	<u>54,623</u>	<u>74,456</u>
		<u>118,970</u>	<u>89,594</u>
<u>Current Liabilities</u>			
Salaries for employees and institutions		5,581	5,060
Expenses to pay and credits		<u>9,012</u>	<u>20,059</u>
		<u>14,593</u>	<u>25,119</u>
<u>Long Term Liabilities</u>			
Employees' reserve after retirement		<u>295</u>	<u>1,797</u>
Total Liabilities		<u>14,888</u>	<u>26,916</u>
<u>Net Deficit in Assets</u>			
Unlimited net assets (deficit)			
Net assets for activity use:			
Not designated for institution use		38,458	(11,778)
Net assets functioning as fixed assets		65,624	<u>74,456</u>
		<u>104,082</u>	<u>62,678</u>
Total liabilities and assets		<u>118,970</u>	<u>89,594</u>

The attached explanations are an indistinguishable aspect of this financial report.

June 19, 2014

Dovid Rubin, Board Member

Michoel Chaim Neuman, Board Member

Date

**Karmey Chesed—Registered Organization
Activity Report**

For December 31

	Explanation	2014	2013
		NIS	NIS
<u>Activity cycle</u>			
Donations			
Activity Cost and Donations to Needy			
Net income from activities	5	<u>1,118,980</u>	714,414
Administrational & general expenses		<u>928,103</u>	<u>525,272</u>
Net income (expenses) before funding		<u>190,877</u>	189,142
Net funding		<u>160,428</u>	<u>117,895</u>
Net income after funding		30,449	71,247
Other income		<u>(4,710)</u>	<u>(6,196)</u>
Period surplus		<u>25,709</u>	65,051
		15,695	--
		<u>41,404</u>	<u>65,051</u>

The attached explanations are an indistinguishable aspect of this financial report.

Karmey Chesed—Registered Organization
Report of Changes in Net Assets

	Unlimited		Limited	Total
	Not designated by institutions	Net assets that served as fixed assets	Temporary	
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
<u>Balance for January 1, 2013</u>	(6,624)	4,251	---	(2,373)
<u>Additions throughout year</u>				
Donation	---	---	75,000	75,000
Net annual income	65,051	---	---	65,051
	<u>65,051</u>	---	<u>75,000</u>	<u>140,051</u>
<u>Deficits throughout year</u>				
Sums released from limits	---	---	(75,000)	(75,000)
<u>Transfer of unlimited sums</u>				
Served as fixed assets	(75,000)	75,000	---	---
Funds transferred to cover depreciation costs	4,795	(4,795)	---	---
	<u>(70,205)</u>	<u>70,205</u>	---	---
	<u>(70,205)</u>	<u>70,205</u>	(75,000)	(75,000)
Balance for December 31, 2013	<u>(11,778)</u>	<u>74,456</u>	---	62,678
<u>Additions throughout year</u>				
Net annual income	41,404	----	---	41,404
<u>Deficits throughout year</u>				
<u>Transfer of unlimited sums</u>				
Served as fixed assets	(3,140)	3,140	---	---
Sums transferred to cover depreciation costs	11,972	(11,972)	---	---
	<u>8,832</u>	<u>(8,832)</u>	---	---
Balance for December 31, 2014	<u>38,458</u>	<u>65,624</u>	---	<u>104,082</u>

Karmey Chesed—Registered Organization
Explanation of Financial Reports

Explanation 1—General:

1. The organization is legally registered as a non-profit organization according to the Law of Non-Profit Organizations, and its registration number is **580431138**.
2. The organization's objectives: Assistance and support for the needy.
3. The organization is authorized to accept donations according to Paragraph 46 at the Income Tax Administration.

Explanation 2—Accounting Policies

The following accounting policies were implemented consistently throughout the compilation of these financial reports:

A. Foundations of financial report:

Beginning from year 1997, the organization has compiled its reports in accordance with transparency policies as specified in Law 69 of the Institute of Certified Public Accountants in Israel.

The financial reports are prepared using conventional nominal values of the historical cost and do not reflect the effect of changes in the general consumer power of the Israeli shekel on the business results.

The cash flow report usually required by conventional accountancy policies is not presented, as the organization's directorate does not believe that it adds any essential financial data to the information already presented in the other sections of this report.

B. Fixed Assets

Fixed assets are presented according to the cost minus depreciation, in accordance to the life expectancy of the assets.

Annual depreciation costs are follows:

	%
Cars	15
Furniture & office equipment	7-15
Computers	33

C. Net Assets

In accordance with Transparency Law 69 of the Accountants' Bureau in Israel, the organization's net assets are presented as follows:

Unlimited assets that served for regular activity use—for steady activity of the company.

Unlimited assets that served as fixed assets—for the sums designated as fixed assets (including purchases and depreciation costs).

Explanation 3—Cash and Cash Equivalencies

For December 31

	2014	2013
	NIS	NIS
Cash in banks	32,377	14,001
Credit funds	<u>7,867</u>	---
	<u>40,244</u>	14,001

Explanation 4--Net Fixed Assets

For December 31

	2014			2013
	Cars	Furniture & Equipment	Total	Total
	NIS	NIS	NIS	NIS
Cost				
Balance for January 1, 2014	75,000	12,296	87,296	12,296
Additions throughout year	<u>1,138</u>	<u>2,000</u>	<u>3,138</u>	<u>74,999</u>
Balance for December 31, 2014	<u>76,138</u>	<u>14,296</u>	<u>90,434</u>	<u>87,295</u>
Accumulated depreciation				
Balance for January 1, 2014	2,656	10,183	12,839	9,403
Additions throughout year	<u>11,342</u>	<u>630</u>	<u>11,972</u>	<u>3,436</u>
Balance for December 31, 2014	<u>13,998</u>	<u>13,813</u>	<u>24,811</u>	<u>12,839</u>
Depreciated cost for December 31, 2014	<u>62,140</u>	<u>3,483</u>	<u>65,623</u>	<u>74,456</u>

Explanation 5: Administrative and General Expenses

December 31

	2014	2013
	NIS	NIS
Salaries, etc.	65,034	74,481
Office, mail, media	2,905	2,125
Professional services	12,578	11,558
Car expenses	7,516	---
Advertising and fundraising	59,107	25,004
Fees	1,316	1,291
Depreciation costs	<u>11,972</u>	<u>3,436</u>
	<u>16,428</u>	<u>117,895</u>

Explanation 6 – Donations above 20,000 NIS

During the course of year 2014, the organization received donations exceeding 20,000 NIS from the following donor:

<u>Name</u>	<u>Sum</u>
Yitzchak Levi	21,600 NIS

