

**Financial Reports
for
Karmey Chessed**

**580431138
2016**

Karmey Chesed
Financial Reports true to December 31, 2017

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Avigail Shkovitzki, C.P.A.
of the Mishor Group, Accountant Avigail Shkovitzki

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

We have audited the attached balance sheets of Karmey Chesed (hereafter, the organization) of December 31, 2017 and 2016, 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 audit.

We conducted our audit 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 achieving a reasonable measure of confidence that these reports do not contain any fundamental errors. The review includes 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 fundamental aspects of the financial state of the organization from December 31, 2015 and 2014, 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:

Karmey Chesed—Registered Organization

Balance Sheets

for December 31

	Explanation	2017 NIS	2016 NIS
<u>Quick Assets</u>			
Cash and cash equivalents	3	67,114	32,982
<u>Fixed Assets, Net</u>	4	32,953	47,032
Total Assets		<u>100,067</u>	<u>80,014</u>
<u>Current Liabilities</u>			
Salaries for employees and institutions		7,499	2,388
Expenses to pay and credits		<u>682</u>	<u>1,786</u>
		<u>8,181</u>	<u>4,174</u>
<u>Long Term Liabilities</u>			
Employees' reserve after retirement		<u>4,039</u>	-
Total Liabilities		8,181	8,213
<u>Net Assets</u>			
Unlimited net assets (deficit)			
Net assets for activity use:			
Not designated for institution use		58,933	24,769
Net assets functioning as fixed assets		<u>32,953</u>	<u>47,032</u>
		<u>91,886</u>	<u>71,801</u>
Total net liabilities and assets		<u>100,067</u>	<u>80,014</u>

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

_____ Doivid Rubin, Board Member Michoel Chaim Neuman, Board Member
Date

**Karmey Chesed—Registered Organization
Activity Report**

**For the year that concluded on
December 31**

	Explanation	2017 NIS	2016 NIS
<u>Activity cycle</u>			
Donations		744,257	683,615
<u>Activity Cost</u>			
Donations to Needy		525,966	593,883
Net income from activities		<u>180,374</u>	<u>157,649</u>
Administrational & general expenses		<u>144,961</u>	<u>152,807</u>
Net income (expenses) before funding		35,413	4,842
Net funding	5	<u>(15,328)</u>	<u>(15,199)</u>
Annual surplus (deficit)		(20,085)	(10,357)

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

**Karmey Chesed—Registered Organization
Report of Changes in Net Assets**

Unlimited

	Not designated by institutions	Net assets that served as fixed assets	Total
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
<u>Balance for January 1, 2016</u>			
<u>Additions throughout year</u>	<u>25,565</u>	<u>56,593</u>	<u>82,158</u>
Annual deficit			
<u>Deficits throughout year</u>	<u>(10,357)</u>	-	<u>(10,357)</u>
<u>Transfer of unlimited sums</u>			
Served as fixed assets	(4,440)	4,440	-
Funds transferred to cover depreciation costs	<u>14,001</u>	<u>(14,001)</u>	-
	<u>9,561</u>	<u>(9,561)</u>	-
Balance for December 31, 2016	24,769	47,032	71,801
<u>Additions throughout year</u>			
Net annual income	20,085	-	<u>20,085</u>
<u>Deficits throughout year</u>			
<u>Transfer of unlimited sums</u>			
Served as fixed assets			
Sums transferred to cover depreciation costs	<u>14,079</u>	<u>(14,079)</u>	-
Balance for December 31, 2017	<u>58,933</u>	<u>32,953</u>	<u>91,886</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.
4. In this year's report, the Organization did not receive donations from any foreign entity.

Explanation 2—Accounting Policies

The following accounting policies were implemented consistently throughout the compilation of these Financial Reports:

A. Premises of Financial Report:

The Organization compiles its reports in accordance with transparency policies as specified in Law 69 of the Institute of Certified Public Accountants in Israel and following Amendment #36 of the Israel Accounting Standard Boards.

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:

	<u>%</u>
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 current activity of the Organization.

Unlimited Assets that served as Fixed Assets—for the sums designated as Fixed Assets (including Purchases and Depreciation Costs).

- D. Cash and Cash Equivalencies including investments that are highly liquid that include, among others, short-term deposits with bank corporations whose original deposit period at the time of investment does not exceed 3 months and are unlimited for use.

Explanation 3—Cash and Cash Equivalents

	For December 31	
	2017	2016
	NIS	NIS
Cash in banks	55,160	24,235
Credit funds	<u>11,954</u>	<u>8,747</u>
	67,114	<u>32,982</u>

Explanation 4--Net Fixed Assets

	For December 31			
	2017		2016	
	Cars	Computers & equipment	Total	Total
	NIS	NIS	NIS	NIS
Cost				
Balance for January 1, 2017	76,138	23,684	99,822	95,382
Additions throughout year	-	--	--	<u>4,440</u>
Balance for December 31, 2017	76,138	23,684	99,822	99,822
Accumulated depreciation				
Balance for January 1, 2017	38,840	15,950	52,790	38,789
Additions throughout year	<u>11,421</u>	<u>2,685</u>	<u>14,079</u>	<u>14,001</u>
Balance for December 31, 2017	<u>48,261</u>	<u>18,608</u>	<u>66,869</u>	<u>52,790</u>
Depreciated cost for December 31, 2017	<u>27,877</u>	<u>32,953</u>	<u>32,953</u>	<u>47,032</u>

Explanation 5: Administrative and General Expenses

December 31

	2017 NIS	2016 NIS
Salaries, etc.	80,065	78,812
Office, mail, media	450	924
Professional services	8,140	8,537
Car expenses	15,329	14,800
Advertising and fundraising	25,599	34,430
Fees	1,299	1,303
Depreciation costs	<u>14,013</u>	<u>14,001</u>
	144,961	152,807

Explanation 6 – Donations above 20,000 NIS

During the course of year 2017, the organization received donations exceeding 20,000 NIS from the following donors:

<u>Name</u>	<u>Sum</u>	<u>I.D.</u>
Sinton, Andro	120,000 NIS	32745478-1
Yitzchak, Levi	64,800 NIS	06552912-5
Silver, Yosef Baruch	36,400 NIS	01643648-7
Kovitchek, Asher	26,480 MOS	05683192-8
Yoav, Nachum	24,000 NIS	03576967-8
Greenberger, Chaim	24,000 NIS	03300842-6
Sasson, Yossef	\$18,000	14762122-2