

**Financial Reports  
for  
Karmey Chessed**

**580431138  
2015**

**Karmey Chesed**  
**Financial Reports for Fiscal Year of 2015**

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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, 2015 and 2014, 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 achieving a reasonable measure of confidence that these reports do not contain any essential 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 essential 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: June, 2016

Official Stamp dated June 30, 2016

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**Karmey Chesed—Registered Organization**

**Balance Sheets**

**For December 31**

	Explanation	<b>2015 NIS</b>	<b>2014 NIS</b>
<u>Quick Assets</u>			
Cash and cash equivalents	3	26,504	40,244
Donations to receive		<u>3,774</u>	<u>13,103</u>
		30,277	<u>53,347</u>
<u>Fixed Assets, Net</u>			
Total Assets	4	<u>56,593</u>	<u>54,623</u>
		<u>86,870</u>	<u>118,970</u>
<u>Current Liabilities</u>			
Salaries for employees and institutions		1,870	5,581
Expenses to pay and credits		<u>2,502</u>	<u>9,012</u>
		<u>4,372</u>	<u>14,593</u>
<u>Long Term Liabilities</u>			
Employees' reserve after retirement		<u>340</u>	<u>295</u>
<b>Total Liabilities</b>		4,712	14,888
<u>Net Deficit in Assets</u>			
Unlimited net assets (deficit)			
Net assets for activity use:			
Not designated for institution use		25,565	38,458
Net assets functioning as fixed assets		<u>56,593</u>	65,624
		<u>82,158</u>	<u>104,082</u>
<b>Total liabilities and assets</b>		<b><u>86,870</u></b>	<b><u>118,970</u></b>

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

June 21, 2016

Dovid Rubin, Board Member

Michoel Chaim Neuman, Board Member

Date

**Karmey Chesed—Registered Organization  
Activity Report**

**For December 31**

	Explanation	2015 NIS	2014 NIS
<b><u>Activity cycle</u></b>			
Donations		715,507	1,118,980
<b><u>Activity Cost</u></b>			
Donations to Needy		576,153	928,103
Food and help for needy		<u>32,001</u>	-
		<u>608,154</u>	<u>928,103</u>
Net income from activities		<u>107,353</u>	<u>190,877</u>
Administrational & general expenses	5	<u>116,343</u>	<u>160,428</u>
Net income (expenses) before funding		(8990)	30,449
Net funding		<u>(12,934)</u>	<u>(4,710)</u>
Net income (expenses) after funding		(21,924)	<u>25,709</u>
Other income		-	15,695
Period surplus (deficit)		(21,924)	<u>41,404</u>

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>
<b>Balance for January 1, 2014</b>	(11,778)	74,456	62,678
<b><u>Additions throughout year</u></b>			
Net annual income	41,404	---	41,404
<b><u>Deficits throughout year</u></b>			
<b>Transfer of unlimited sums</b>			
Served as fixed assets	(3,140)	3,140	=
Funds transferred to cover depreciation costs	<u>11,972</u>	<u>(11,972)</u>	=
	<u>8,832</u>	<u>(8,832)</u>	=
Balance for December 31, 2014	34,458	65,624	104,082
<b><u>Additions throughout year</u></b>			
Annual deficit	<u>(21,924)</u>	----	(21,924)
<b><u>Deficits throughout year</u></b>			
<b>Transfer of unlimited sums</b>			
Served as fixed assets	(4,948)	4,948	-
Sums transferred to cover depreciation costs	<u>13,979</u>	<u>(13,979)</u>	-
	<u>9,031</u>	<u>(9,031)</u>	=
Balance for December 31, 2015	<u>25,565</u>	<u>56,593</u>	<u>82,158</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:

The organization compiles 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**

	<b>2015</b>	<b>2014</b>
	<b>NIS</b>	<b>NIS</b>
Cash in banks	9,025	32,377
Fund	10,000	-
Credit funds	<u>7,478</u>	<u>7,867</u>
	<u>26,503</u>	<u>40,244</u>

**Explanation 4--Net Fixed Assets**

**For December 31**

	<b>2015</b>			<b>2014</b>	
	<b>Cars</b>	<b>Computers</b>	<b>Total</b>	<b>Total</b>	
	<b>NIS</b>	<b>NIS</b>	<b>NIS</b>	<b>NIS</b>	
<b>Cost</b>					
Balance for January 1, 2015	76,138	14,296	90,434	87,296	
Additions throughout year	-	<u>4,948</u>	<u>4,948</u>	3,318	
Balance for December 31, 2015	76,138	19,244	95,382	90,434	
<b>Accumulated depreciation</b>					
Balance for January 1, 2015	13,998	10,813	24,811	12,839	
Additions throughout year	<u>11,421</u>	<u>2,557</u>	<u>13,987</u>	<u>11,972</u>	
Balance for December 31, 2015	<u>25,419</u>	<u>13,370</u>	<u>38,789</u>	<u>24,811</u>	
<b>Depreciated cost for December 31, 2015</b>	<u>50,719</u>	<u>5,874</u>	<u>56,593</u>	<u>65,623</u>	

**Explanation 5: Administrational and General Expenses**

**December 31**

	<b>2015</b>	<b>2014</b>
	<b>NIS</b>	<b>NIS</b>
Salaries, etc.	37,596	65,034
Office, mail, media	2,905	2,905
Professional services	12,145	12,578
Car expenses	16,723	7,516
Advertising and fundraising	33,379	59,107
Fees	1,314	1,316
Depreciation costs	<u>31,978</u>	<u>11,972</u>
	<u>116,343</u>	<u>160,428</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>
-----	86,990.00
-----	56,555.00
-----	31,600.00
-----	25,399.00
-----	37,172.33

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

June 12, 2015

**RE: Karmey Chessed Registered Organization 580431138**

**To Whom It May Concern,**

**I hereby affirm that, according to the data at my disposal, the organization has perpetuated its steady activities of supporting the needy this year, as in the past.**

**Attached please find the Assessment Balance printed by the organization's Accounting offices and marked with my stamp for identification purposes.**

**Yours truly,**

**A. Shkovitzki, CPA**

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