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AUDITORS REPORT

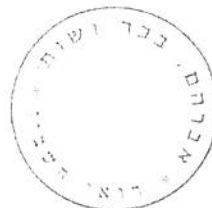
We have examined the balance sheet of the " Center for Beit mo'etzet Yahad" as at December 31, 2015 and 2014 and the related statement of income for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, including those prescribed under the auditors regulations (auditors mode of performance) – 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the above mentioned financial statements, present fairly in conformity with generally accepted accounting principles the financial position of the above named organization as of December 31, 2015 and 2014 and the results of its operations for the years then ended, based on the historical cost convention.

Jerusalem
June 19th 2016

ABRAHAM-BEHAR
C.P.A (Isr.)



BEIT MOETZET YAHAD N.P.O

STATEMENT OF FINANCIAL POSITION - December 31 2015

		2015	2014
<u>ASSETS</u>	<u>note</u>	<u>Shekel</u>	<u>Shekel</u>
<u>CURRENT ASSETS</u>			
Cash & Short term deposits		122,248	163,720
Accounts receivable & misce.			279,706
		<u>122,248</u>	<u>443,426</u>
<u>FIXED ASSETS</u>			
Furniture and equipment-cost		258,747	250,247
less: accumulated depreciation		<u>(242,614)</u>	<u>(236,041)</u>
		<u>16,133</u>	<u>14,206</u>
		<u>138,381</u>	<u>457,632</u>
 <u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts payable and accrued expenses	4	<u>441,015</u>	<u>747,144</u>
		<u>441,015</u>	<u>747,144</u>
 <u>PROVISION FOR EMPLOYEE SEVERANCE PAY - NET</u>			
		<u>76,723</u>	<u>87,345</u>
 <u>NET ASSETS</u>			
<u>TEMPORARLY RESTRICTED UNRESTRICTED</u>			
NET ASSETS - UNRESTRICTED		(395,490)	(391,063)
NET ASSETS-USED FOR FIXED ASSETS		<u>16,133</u>	<u>14,206</u>
		<u>(379,357)</u>	<u>(376,857)</u>
		<u>138,381</u>	<u>457,632</u>
		<u>Director</u>	<u>Director</u>

The accompanying notes are an integral part of the financial statements

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31 2015

	<u>note</u>	2015 <u>Shekel</u>	2014 <u>Shekel</u>
SUPPORT AND REVENUE			
Government			
Foundation and donations		3,538,491	3,600,773
Participation in activities		423,689	392,000
		<u>3,962,180</u>	<u>3,992,773</u>
Sums released from restricted funds		<u>3,962,180</u>	<u>3,992,773</u>
 EXPENSES			
Cost of activities	5	3,495,461	3,718,278
Public relations and fund raising		68,606	59,858
Management and general (Schedule a)		363,315	385,886
Financial expenses		37,298	22,352
		<u>3,964,680</u>	<u>4,186,374</u>
 CHANGE IN NET ASSETS		 <u>(2,500)</u>	 <u>(193,601)</u>

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

STATEMENT OF CHANGES IN NET ASSETS

	<u>current funds</u>		<u>unrestricted</u>	
	<u>unrestricted</u>	<u>Temporarily</u>	<u>equipment</u>	<u>Total</u>
	<u>Shekel</u>	<u>restricted</u>	<u>fund</u>	<u>all funds</u>
	<u>Shekel</u>	<u>Shekel</u>	<u>Shekel</u>	<u>Shekel</u>
As of December 31st 2013	(202,926)		19,670	(183,256)
contributions				
Gain (Loss) for year ending Dec. 31 2014	(193,601)			(193,601)
temporary restricted funds released to operations				
Unrestricted funds used to purchase fixed assets				
Sums transferred to cover depreciation expenses	5,464		(5,464)	
As of Dec. 31 2014	<u>(391,063)</u>		<u>14,206</u>	<u>(376,857)</u>
Gain (Loss) for year ending Dec. 31 2015	(2,500)			(2,500)
Unrestricted funds used to purchase fixed assets	(8,500)		8,500	
Sums transferred to cover depreciation expenses	6,573		(6,573)	
<u>As of Dec. 31 2015</u>	<u>(395,490)</u>		<u>16,133</u>	<u>(379,357)</u>

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

ADMINISTRATIVE & GENERAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31 2015

Schedule a

	2015	2014
	<u>Shekel</u>	<u>Shekel</u>
Salaries	229,008	202,944
Office rental & expenses	58,424	76,642
Professional fees	7,072	61,517
Office expenses and communication	41,456	17,989
Municipal taxes, Banking costs & misc.	20,782	21,330
Depreciation	6,573	5,464
	<u>363,315</u>	<u>385,886</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - **THE ORGANIZATION**

The organization was established on January 18th 2001 and began its financial operations.

The organization is a nonprofit organization under Israeli law.

NOTE 2 - **ACCOUNTING POLICY**

- a. **HISTORICAL COST CONVENTION**-These financial statements are drawn up in conformity with generally accepted accounting principles on the basis of the historical cost convention and do not reflect the effect of the general purchasing power of the Israel currency on the results of operations.
- b. **EXCHANGE RATES**-Assets and liabilities in foreign currency are presented on the basis of Israel representative rate as of;

	Dec. 31st 2014	Dec. 31st 2015	average 2014	average 2015
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
1 U.S Dollar =	<u>3.889</u>	<u>3.902</u>	<u>3.576</u>	<u>3.7</u>

- c. Income items are translated at actual exchange rates at the dates of the transactions or at exchange rates that approximate the actual rate.
- d. **FIXED ASSETS** – Fixed assets are stated at cost less accumulated depreciation. Depreciation has provided by the straight line method based on cost.

NOTE 4 - **Accounts payable and accrued expenses**

Composition as of December 31;	2015 Shekel	2014 Shekel
Employees, Employer taxes and social benefits	119,254	156,021
suppliers & misce.	321,761	591,123
	<u>441,015</u>	<u>747,144</u>

NOTE 5 - **Program services**

Composition as of December 31;	2015 Shekel	2014 Shekel
Direct costs	1,739,619	1,516,932
Salaries and social benefits	1,562,654	2,019,985
Maintenance, Security & Transportation	193,188	181,361
	<u>3,495,461</u>	<u>3,718,278</u>