

TABLE OF CONTENTS

	<u>PAGE</u>
<u>Auditors report</u>	
Statement of financial position - for the year ended December 31 2014	2
Statement of activities - for the year ended December 31 2014	3
Statement of changes in net assets	4
Schedule A - Administrative and general expenses	5
Notes to financial statements	6

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AUDITORS REPORT

We have examined the balance sheet of the " Center for Beit mo'etzet Yahad" as at December 31, 2014 and 2013 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, 2014 and 2013 and the results of its operations for the years then ended, based on the historical cost convention.

Jerusalem
June 28th 2015

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

BEIT MOETZET YAHAD N.P.O

STATEMENT OF FINANCIAL POSITION - December 31 2014

<u>ASSETS</u>	<u>note</u>	2014 <u>Shekel</u>	2013 <u>Shekel</u>
<u>CURRENT ASSETS</u>			
Cash & Short term deposits		163,720	89,544
Accounts receivable & misce.		279,706	610,946
		<u>443,426</u>	<u>700,490</u>
<u>FIXED ASSETS</u>			
Furniture and equipment-cost		250,247	250,247
less: accumulated depreciation		(236,041)	(230,577)
		<u>14,206</u>	<u>19,670</u>
		<u>457,632</u>	<u>720,160</u>
 <u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts payable and accrued expenses	4	747,144	790,625
		<u>747,144</u>	<u>790,625</u>
 <u>PROVISION FOR EMPLOYEE SEVERANCE PAY - NET</u>			
		<u>87,345</u>	<u>112,791</u>
 <u>NET ASSETS</u>			
<u>TEMPORARLY RESTRICTED UNRESTRICTED</u>			
NET ASSETS - UNRESTRICTED		(391,063)	(202,926)
NET ASSETS-USED FOR FIXED ASSETS		14,206	19,670
		<u>(376,857)</u>	<u>(183,256)</u>
		<u>457,632</u>	<u>720,160</u>

Director

Director

The accompanying notes are an integral part of the financial statements

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31 2014

	<u>note</u>	<u>2014</u> Shekel	<u>2013</u> Shekel
SUPPORT AND REVENUE			
Government			86,622
Foundation and donations		3,600,773	1,813,781
Participation in activities		392,000	383,000
		<u>3,992,773</u>	<u>2,283,403</u>
Sums released from restricted funds			820,866
		<u>3,992,773</u>	<u>3,104,269</u>
 EXPENSES			
Cost of activities	5	3,718,278	2,866,208
Public relations and fund raising		59,858	47,419
Management and general (Schedule a)		385,886	325,507
Financial expenses		22,352	79,524
		<u>4,186,374</u>	<u>3,318,658</u>
 CHANGE IN NET ASSETS		<u>(193,601)</u>	<u>(214,389)</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>Total</u>
	<u>unrestricted</u>	<u>Temporarily</u>	<u>equipment</u>	<u>all funds</u>
	<u>Shekel</u>	<u>restricted</u>	<u>fund</u>	<u>Shekel</u>
		<u>Shekel</u>	<u>Shekel</u>	
As of December 31st 2012	2,927	820,866	28,206	851,999
contributions				
Gain (Loss) for year ending Dec. 31 2013	(214,389)			(214,389)
temporary restricted funds released to operations		(820,866)		(820,866)
Unrestricted funds used to purchase fixed assets				
Sums transferred to cover depreciation expenses	8,536		(8,536)	
As of Dec. 31 2013	<u>(202,926)</u>		<u>19,670</u>	<u>(183,256)</u>
Gain (Loss) for year ending Dec. 31 2014	(193,601)			(193,601)
Restricted funds for new projects				
Sums transferred to cover depreciation expenses	5,464		(5,464)	
<u>As of Dec. 31 2014</u>	<u>(391,063)</u>		<u>14,206</u>	<u>(376,857)</u>

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

ADMINISTRATIVE & GENERAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31 2014

Schedule a

	2014	2013
	<u>Shekel</u>	<u>Shekel</u>
Salaries	202,944	160,110
Office rental & expenses	76,642	67,233
Professional fees	61,517	53,017
Office expenses and communication	17,989	21,263
Municipal taxes, Banking costs & misc.	21,330	15,348
Depreciation	5,464	8,536
	<u>385,886</u>	<u>325,507</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 2013	average 2014	average 2013
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
1 U.S Dollar =	<u>3.889</u>	<u>3.471</u>	<u>3.576</u>	<u>3.624</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;	2014 Shekel	2013 Shekel
Employees, Employer taxes and social benefits	<u>156,021</u>	<u>84,458</u>
suppliers & misc.	<u>591,123</u>	<u>706,167</u>
	<u>747,144</u>	<u>790,625</u>

NOTE 5 - **Program services**

Composition as of December 31;	2014 Shekel	2013 Shekel
Direct costs	<u>1,516,932</u>	<u>917,480</u>
Salaries and social benefits	<u>2,019,985</u>	<u>1,777,497</u>
Maintenance, Security & Transportation	<u>181,361</u>	<u>171,231</u>
	<u>3,718,278</u>	<u>2,866,208</u>