

**Financial Reports**

**for**

**Karmey Chessed**

**2013**

**580431138**

**Karmey Chesed**  
**Financial Reports for Fiscal Year of 2013**

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**Mishor Accountancy & Business Counseling for Institutions**  
**Avigail Shikuvitzky, 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 (henceforth, the organization) of December 31, 2013 and 2012, 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 present all essential aspects of the financial state of the organization from December 31, 2013 and 2012, 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 Shikuvitzky, C.P.A.

Date: June 22, 2014

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**15326253678a@gmail.com**

**Karmey Chesed—Registered Organization 580431138**

**Balance Sheets**

**For December 31**

	Explanation	2013 NIS	2012 NIS
<b><u>Quick Assets</u></b>			
Cash and cash equivalents		14,001	15,405
Donations to receive		<u>1,137</u>	<u>1,102</u>
		<u>15,138</u>	<u>16,507</u>
<b><u>Fixed Assets, Net</u></b>		<u>74,456</u>	<u>2,893</u>
<b>Total Assets</b>	3	<u>89,594</u>	<u>19,400</u>
<b><u>Current Liabilities</u></b>			
Corporate and bank credit		-	391
Salaries for employees and institutions		5,060	2,222
Expenses to pay		<u>20,059</u>	<u>16,521</u>
		<u>25,119</u>	<u>19,134</u>
<b><u>Long Term Liabilities</u></b>			
Employees' reserve after retirement		<u>1,797</u>	<u>2,639</u>
<b><u>Total Liabilities</u></b>		<u>26,916</u>	<u>21,773</u>
<b><u>Net Assets</u></b>			
Unlimited net assets (deficit)			
Net assets for activity use:			
Not designated for institution use		(13,137)	(6,624)
Net assets functioning as fixed assets		<u>75,815</u>	<u>4,251</u>
		<u>62,678</u>	<u>(2,373)</u>
<b>Total liabilities and assets</b>		<u>89,594</u>	<u>19,400</u>

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

June 19, 2014  
Date

Dovid Rubin, Board Member

Michoel Chaim Neuman, Board Member

**Karmey Chesed—Registered Organization 580431138**

**Activity Report**

**For December 31**

	Explanation	2013	2012
		NIS	NIS
Activity cycle	4	714,414	601,062
Activity cost & support for needy		<u>525,272</u>	<u>472,681</u>
Net income from activities			
Administrational & general	5	189,142	128,381
expenses		<u>117,895</u>	<u>136,759</u>
Net income (expenses) before			
funding		71,247	(8,378)
Net funding		<u>(6,196)</u>	<u>(3,851)</u>
Period deficit		65,051	(12,229)

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

**Karmey Chesed—Registered Organization 580431138**  
**Report of Changes in Net Assets**

	Unlimited		Limited	
	Not designated by institutions	Net assets that served as fixed assets	Temporary	Total
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
<b><u>Balance for January 1, 2012</u></b>	4,496	<u>5,360</u>	-	<u>9,586</u>
<b><u>Additions throughout year</u></b>				
Annual deficit	(12,229)	-	-	<u>(12,229)</u>
<b><u>Deficits throughout year</u></b>				
<b><u>Transfer of unlimited sums</u></b>				
Funds transferred to cover depreciation costs	1,109	<u>(1,109)</u>	-	-
Balance for December 31, 2012	(6,624)	<u>4,251</u>	-	<u>(2,373)</u>
<b><u>Additions throughout year</u></b>				
Donations	-	-	75,000	75,000
Net annual income	<u>65,051</u>	-	-	<u>65,051</u>
	65,051	-	75,000	140,051
<b><u>Deficits throughout year</u></b>				
Funds released from limits	-	-	(75,000)	(75,000)
<b><u>Transfer of unlimited funds</u></b>				
Served as fixed assets	(75,000)	75,000	-	-
Funds transferred to cover depreciation costs	<u>3,436</u>	<u>(3,436)</u>	-	-
	(71,564)	(71,564)	-	-
	<u>(71,564)</u>	<u>(71,564)</u>	(75,000)	<u>(75,000)</u>
Balance for December 31, 2013	<u>(13,137)</u>	75,815	-	<u>62,678</u>

**Karmey Chesed—Registered Organization 580431138**

**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.

For this reason and other practical reasons that stem from the scope of the organization and needs of this report, the financial reports are prepared using conventional nominal values of the historical cost and not according to reported sums, as required by the Accountancy Policy 12 of the Israel Institute for Accountancy Policies. The reported sums make use of nominal values that are matched to the changes in the consumer price index that are valid through the month of December, 2003, in addition to nominal values that were added after this date (December 31,2003) and after deducting the amounts subtracted after this date.

The cash flow report 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

As of January 1, 2007, fixed assets are presented according to the cost minus depreciation, in accordance to the life expectancy of the assets. Fixed assets that were purchased or received as a gift prior to January 1, 2007 are expressed in symbolic values.

Annual depreciation costs are follows:

	%
Buildings	2
Furniture & office equipment	6-10
Vehicles	15
Computers	20-33
Renovations of leased items	Throughout rental period

### Explanation 3—Net Fixed Assets

For December 31

	2013		2012
	<b>Cars</b>	<b>Furniture &amp; Equipment</b>	<b>Total</b>
	<b>NIS</b>	<b>NIS</b>	<b>NIS</b>
<b>Cost</b>			<b>Total NIS</b>
Balance for January 1, 2012	--	<u>12,296</u>	12,296
Additions throughout year	<u>74,999</u>	--	<u>74,999</u>
Balance for December 31, 2013	<u>74,999</u>	<u>12,296</u>	<u>87,295</u>
<b>Accumulated depreciation</b>			
Balance for January 1, 2013	--	9,403	9,403
Additions throughout year	<u>2,656</u>	<u>780</u>	<u>3,436</u>
Balance for December 31, 2013	<u>2,656</u>	<u>10,183</u>	<u>12,839</u>
<b>Depreciated cost for December 31, 2013</b>	<u>72,343</u>	<u>2,113</u>	<u>74,456</u>

### Explanation 4: Activity Cycle

For the period that ended on  
December 31

	2013 NIS	2012 NIS
Donations from Israel	526,582	559,851
Donations from abroad	<u>187,832</u>	<u>41,211</u>
	714,414	601,062



**Karmeï Chessed—Registered Organization 580431138**

**Explanation of Financial Reports**

**Explanation 5: Administrative and General Expenses**

**December 31**

	<b>2013 NIS</b>	<b>2012 NIS</b>
Salaries, etc.	74,481	70,234
Office, mail, media	2,125	8,129
Professional services	11,558	10,720
Advertising and fundraising	25,004	45,294
Taxes and levies	1,291	1,273
Depreciation	<u>3,436</u>	<u>1,109</u>
	<u>117,895</u>	<u>136,759</u>

**Explanation 6 – Donations above 20,000 NIS**

During the course of year 2013, the organization received donations of more than 20,000 NIS from the following donors:

<b><u>Name</u></b>	<b><u>Sum</u></b>
C. Blum	87,000 NIS
Ruth Fending	21,581 NIS
Yitzchak Levi	20,800 NIS

Name of Organization **Karmey Chessed (Registered Organization)** Number **580431138**

### Verbal Accounting for Year 2013

In accordance with Paragraph 37A of the Law of Non-Profit Organizations, 1980, the directorate is honored to present to the Registry of Non-Profit Organizations an accounting of the organization's activities as specified in the third addendum to the law, as stipulated:

#### Part A: Verbal Report

**1. Primary activities executed during this accounting year:**

Primary activities executed by organization for the purpose of advancing its goals throughout the year of this report:	Sum disbursed by organization to execute activities as stated in the fiscal report:
<b>Support for needy</b>	<b>525,272 NIS</b>

**2. Organizational structure (employees and volunteers at end of accounting year):**

No official positions.

Number of employees during accounting year	1
Number of volunteers during accounting year	0

**3. List of affiliated corporations during accounting year:**

No affiliated corporations.

**4. Services provided by organization during accounting year that were central to its activities:**

General description of services/purchases representing a vital aspect of the corporation's activities:	Annual fiscal scope of provided service or purchase:
<b>Advertising and fundraising</b>	25,003 NIS
<b>Professional services</b>	11,558 NIS

**5. Use of donations monies during accounting year:**

Donation sum	Purpose of donation	Use of donation during accounting period
<b>714,415 NIS</b>	<b>Organization's activities</b>	<b>General activities</b>

**6. Costs of fundraising during accounting year:**

Fundraising method	Cost of fundraising	Income received
<b>Online</b>	<b>25,003 NIS</b>	<b>714,415 NIS</b>

**7. Transfer of funds and assets not for payment that does not constitute an essential aspect of regular activities during accounting year:**

No funds or assets were transferred without payment.

**8. Detailed list of real estate purchases/sales during accounting year:**

No real estate purchases/sales were carried out.

**9. Non-real estate deals brokered by organization with other parties during accounting year:**

No deals were brokered with other parties.

**10. Requests to fix deficiencies by a certified party during accounting year:**

No requests were made.

**11. List of unusual events that took place during accounting year:**

(Examples include one institution becoming independent of umbrella organization; resignation of any director; significant change in target group; significant change in activities; criminal investigation of organization or member of its directorate; lawsuit against organization or member of the directorate.)

No unusual events or incidents.

**12. Description of scope of location activities during accounting year:**

Location	Activity
Beitar Illit	45/4 Hamaggid Mimezritch St.

**13. Details of any significant issue or event during accounting year:**

None.

**14. Additional information:**

(Changes in specified issues that occurred from the end of the accounting year until submission of this report.)

Not applicable

**15. Part II – Notice Regarding Positions in the Organization**

People with positions in the organization, true to the date of signing this documents.

For your information: The law obligates you to note the identity of every board member.

<b>Role</b>	<b>ID/Passport #</b>	<b>Name</b>	<b>City</b>
Board member	27262567	Michoel Chaim Neuman	Beitar Illit
Board member	29327848	Dovid Rubin	Beitar Illit
Board supervisory member	23886450	Dovid Holles	Beitar Illit
Board supervisory member	23967896	Dovid Perlman	Beitar Illit
Authorized signatory	57363228	Aryeh Weingarten	Beitar Illit
Authorized signatory	29327848	Dovid Rubin	Beitar Illit
Accountant	35793991	Avigayil Shikuvitzky	8 Bleilus St. Jerusalem

The organization’s code permits appointing authorized signatories who are not members of the board.

The organization is not obligated to appoint an accountant.

**Signatures of the Organization Board Members:**

**We, the undersigned, two members of the organization’s board hereby affirm all the details of this verbal accounting for Year 2013, detailed above.**

**The general assembly took place on June 16, 2014, during which Paragraphs 1 through 14 of the report were affirmed.**

**In addition, a notice is attached regarding the members with positions in the organization, true to the date of signing this document.**

**Board Member 1**

<b>ID:</b> 27262567	<b>Name:</b> Michoel Chaim Neuman
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**Board Member 2**

<b>ID:</b> 29327848	<b>Name:</b> Dovid Rubin
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**Karmey Chessed**  
**(Registered Organization)**

**580431138**

**Protocol**  
**from**  
**General Assembly**  
**that took place on**  
**June 16, 2014**

**In attendance:**

Majority of board members

**Agenda:**

1. Appointment of board members
2. Appointment of members of the supervisory board
3. Appointment of signatories
4. Affirmation of Financial Report and Verbal Report of 2013
5. Appointment of accountant

**Resolutions:**

1. Elected members of the board:  
    Michael Chaim Neuman      27262567  
    Dovid Rubin                 29327848
2. Elected members of the supervisory board:  
    Dovid Holles                23886450  
    Dovid Perlman               23967896
3. Elected signatories:  
    Aryeh Weingarten          57363228  
    Dovid Rubin                 29327848
4. Financial reports and verbal reports for Year 2013 were affirmed.
5. Avigayil Shikuvitzky of 8 Blelius St., Jerusalem, was appointed as the organization's accountant.

***Michael Chaim Neuman***  
**Board Member**

***Dovid Rubin***  
**Board Member**

**Karmey Chessed**  
**(Registered Organization)**

**580431138**

**Date: June 26, 2013**

**Recommendations of the Supervisory Board**

We, the members of the supervisory board/inspecting party assessed the veracity of the activities performed by the organization and its institutes in accordance with our roles, as detailed in Paragraph 30 of the Laws of Non-Profit Organizations of 1980.

We have read the financial reports and verbal reports for Year 2013.

Our opinion is as follows:

1. The organization ended the year with a surplus.
2. The supervisory board assessed the organization and its institutes and found it to be functional.
3. The organization administered its finances legally, and works actively to advance its goals.

Hence, we advise the General Assembly to affirm the financial report and verbal report for Year 2013.

***David Holles***  
**Supervisory Board**

***David Perlman***  
**Supervisory Board**

**Karmey Chessed**

**(Registered Organization)**

**580431138**

**Date: June 26, 2013**

**Declarations for Year 2013**

We the members of the board of Karmey Chessed hereby declare:

1. No legal claims were submitted against the organization or one of its board members due to his role in the organization.
2. There is no familial relationship between the members of the board and the members of the supervisory board.

***Michael Chaim Neuman***  
**Board Member**

***David Rubin***  
**Board Member**

**Karmey Chessed**  
**(Registered Organization)**

**580431138**

**Received Payment during Year 2013**

Name	ID	Total
Aryeh Weingarten	57363228	62,217 NIS

***Michael Chaim Neuman***  
**Board Member**

***Dovid Rubin***  
**Board Member**



State of Israel  
Ministry of Justice

Israeli Corporations Authority  
Registry of Non-Profit Organizations

**Report of Donations Received from Foreign Entities as Defined by Paragraph 36A in the Law of  
Non-Profit Organizations of Year 2013**

(for completion only by non-profit organizations with an annual cycle exceeding 300,000)

Name of organization: Karmey Chessed #: 58-804-311-38

A. Did the organization receive donations from foreign entities whose total value surpasses 20,000 NIS during Year 2013?

No.

B. If yes, please fill in the following chart.

C. Does the organization feature a website?

Yes.

(If the organization features a website, it is obliged to publicize the information.)

Signature of Signatory:

Name: Aryeh Weingasrteh

Role: CEO + signatory along with Dovid Rubin.

Signature: ???

Date: June 1, 2014