

**Parents Circle – Families Forum:  
Bereaved Families Supporting Peace,  
Reconciliation and Tolerance  
(Registered N.G.O)**

**Financial Statements  
December 31, 2016**

**Parents Circle – Families Forum  
Bereaved Families Supporting Peace,  
Reconciliation and Tolerance  
(Registered N.G.O.)**

**Financial Statements  
31.12.16  
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**Independent Auditor's Report  
To the Members of  
Parents Circle – Families Forum  
Registered N.G.O.**

We have audited the balance sheets of Parents Circle – Families Forum (Registered NGO According to the Law of NGOs passed in 1980) as of December 31<sup>st</sup>, 2016, and the related statement of activities for that same year. These financial statements are the responsibility of Parents Circle – Families Forum management committee. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing statements, including those prescribed by 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 statement are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in accordance with generally accepted accounting principles for non-profit institutions, in all material respects, the financial position of the Association as of December 31<sup>st</sup>, 2016 and 2015, and the results of its activities and report on changes in nominal values for the year ended on those dates.

Without qualifying our opinion, we wish to direct attention to note 1(d) in the financial statements, regarding the association's accumulated deficit.

June 2017

  
Shemesh & Co.  
Certified Public Accountants (Isr.)

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 Activities Report

	Note	As of December 31	
		2015	2016
		NIS	NIS
Revenues from Activities		4,361,115	4,739,286
Cost of Activities	7	<u>3,837,670</u>	<u>3,998,901</u>
Net Surplus from Activities		523,445	740,385
Property and General Expenses	8	<u>541,679</u>	<u>559,943</u>
Net Surplus (Expenses)		(18,234)	180,442
Surplus (Expenses) of Financial Income		<u>(41,297)</u>	<u>(46,877)</u>
Net Surplus (Expenses) After Income		(59,531)	133,565
Balance Deficit at the Beginning of the Year		<u>(83,987)</u>	<u>(143,518)</u>
Balance Deficit for the Fiscal Year		<u>(143,518)</u>	<u>(9,953)</u>

*Notes to the financial statements are an integral part of the financial statements.*

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Statement of Changes in Net Assets as of December 31, 2016

	Without a Temporary Restriction	With a Temporary Restriction	Total
Surplus as of 31.12.14	-83,987	251,077	167,090
Net Surplus of the year (deficit)	59,531		59,531
Donations		4,114,978	4,114,978
Amount Released from Restriction		-3,837,670	-3,837,670
Surplus as of 31.12.15	-143,518	528,385	384,867
Net Expenses of the year (deficit)	133,565		133,565
Donations		3,485,258	3,485,258
Amount Released from Restriction		-3,998,901	-3,998,901
Surplus as of 31.12.16	-9,953	14,742	4,789

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NOTE 1 - General

- A. The NGO was founded in September 1998 and registered according to the *Law of Amnot*, established in 1980.
- B. In the directory of NGOs, the NGO's number is 580328995.
- C. The main goals of this NGO is the promotion of reconciliation between the Israeli Nation and the Palestinian Nation, education for peace and reconciliation.
- D. As of December 31, 2016, the deficit of this NGO is a total of 9,953 NIS. Therefore, the activities of the NGO are dependent on continuous funding from suppliers and donors.

NOTE 2 - Accounting Policies

- A. The financial statements were prepared according to Knowledge Disclosure Guideline No. 69 of the Institute of Certified Public Accountants of Israel, and Accounting Standard No. 5 of the Accounting Standards Board, concerning accounting and financial reporting principles in the state of Israel.
- B. The fixed assets are listed according to accumulated cost depreciation. Depreciation is calculated according to the straight line method based on the estimated period of use. The annual calculated depreciations are:

Computers	$\frac{9}{33}$
Furniture & Equipment	6-15
- C. The net compensation reserve represents the organization's obligation, minus money deposited in pension funds and insurances in the name of the workers.

Note 3 - Debtors and Debts

	December 31	
	2015	2016
	NIS	NIS
Prepaid payments	17,132	109,529
Income to be received	501,609	322,468
<b>Total</b>	<b>518,741</b>	<b>431,997</b>

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Notes to the Financial Statements (cont.)

Note 4 – Fixed Assets, Net

<u>Cost</u>	<u>Furniture &amp; Equipment</u> <u>NIS</u>
Surplus at the Beginning of the Period	184,418
Acquisitions for the Period	9,300
<b>Surplus at the end of the period</b>	<b>193,718</b>
<u>Accumulated Depreciation</u>	
Surplus at the Beginning of the Period	153,929
Decrease for the Period	13,608
Surplus at the End of the Period	167,537
Fixed Assets for December 31 <sup>st</sup> , 2016	26,181
Fixed Assets for December 31 <sup>st</sup> , 2015	36,454

Note 5 - Payables

	<u>December 31</u>	
	<u>2015</u> <u>NIS</u>	<u>2016</u> <u>NIS</u>
Suppliers	156,166	339,485
Outstanding Checks	55,162	187,642
Payable Expenses	60,577	20,148
Payable Wages	136,531	143,182
Prepaid Income	232,760	-
<b>Total</b>	<b>641,196</b>	<b>690,457</b>

Note 6 - Activity Cycle

	<u>For the Period Ending on December 31</u>	
	<u>2015</u> <u>NIS</u>	<u>2016</u> <u>NIS</u>
Donations	541,482	740,385
Amount Released From Temporary Restricted Donations	3,819,633	3,998,901
<b>Total from Activities Cycle</b>	<b>4,361,115</b>	<b>4,739,286</b>

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Notes to the Financial Statements (cont.)

Note 7 - Activity Costs

		For the Period Ending on December 31	
		2015	2016
		NIS	NIS
1.	Project of International Affairs and Public Outreach	145,823	145,823
2.	Women For Change Project	-	70,568
3.	Research Project	-	215,773
4.	Diakonie, Austria – Education Project	107,500	112,015
5.	German Friends Education Project	128,974	-
6.	USIP Project	145,109	158,278
7.	USAID Project-Narrative 1	7,918	-
8.	USAID Project – NFC	1,161,425	1,400,408
9.	On the Road to Reconciliation Education Project	151,179	198,374
10.	Summer Camp Project	120,730	132,471
11.	EED Project	412,148	-
12.	Connecting Threads	3,736	1,994
13.	PCFF Women’s Group	243,179	38,582
14.	Peace Square	269,764	73,110
15.	EU Across Two Narratives	855,108	724,597
16.	Taking Steps	85,077	188,232
17.	BFTW 2016-2018	-	586,737
<b>Total Activity Costs</b>		<b>3,837,670</b>	<b>3,998,901</b>



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Note 8 - Administrative and General Expenses

	For the Period Ending on	
	December 31	
	2015	2016
	NIS	NIS
Salaries and Related Expenses	465,060	496,776
Building Maintenance	11,983	12,221
Depreciation Expenses	12,678	13,608
Communications	10,497	10,409
Professional Services	18,300	18,900
Office Expenses	9,529	5,544
Taxes and Fees	1,314	2,199
Travel	12,318	286
<b>Total Administrative and General Expenses</b>	<b>541,679</b>	<b>559,943</b>

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 Balance

	Note	As of December 31	
		2015 NIS	2016 NIS
<b>Current Assets</b>			
Cash and Bank Accounts		431,076	403,491
Short Term deposits		252,168	-
Receivables and Debt Balances	3	518,741	431,997
		<u>1,201,985</u>	<u>835,488</u>
<b>Fixed Assets</b>			
	4	36,454	26,181
Total Assets		1,238,439	861,669
<b>Current Liabilities</b>			
Accounts Payable	5	641,196	690,457
<b>Reserves</b>			
Net Reserve for Severance Pay		212,376	166,423
<b>Net Assets</b>			
Net Assets with a Temporary Restriction		528,385	14,742
Balance Deficit at the End of the Year		<u>(143,518)</u>	<u>(9,953)</u>
		384,867	4,789
<b>Total Liabilities and Capital</b>		1,238,439	861,669

*Notes to the financial statements are an integral part of the financial statements.*

July 12<sup>th</sup>, 2017

Date of  
Approval

Board Member

Board Member

General  
Manager