

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

**Financial Statements and Independent Audit Report
December 31, 2017**

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

**Financial Statements
31.12.16
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שמש ושות' - רואי חשבון
שמש משה - רואה חשבון, MBA, משפטן.
שמש שאול - רואה חשבון, MBA, מגשר מוסמך.

**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 31st, 2017, 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 31st, 2017 and 2016, 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.

Shemesh & Co.

Certified Public Accountants (Isr.)

July 2018

בן גוריון 1, ת.ד. 2399, בני ברק 51123
טלפון: 03 6169993 (רב קווי) פקסימיליה: 03 6169983

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

**Statement of Financial Position
31.12.17
Balance**

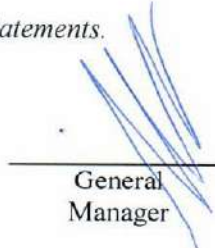
	Note	As of December 31	
		2016	2017
		NIS	NIS
Current Assets			
Cash and Bank Accounts		403,491	268,781
Receivables and Debt Balances	3	431,997	821,360
		<u>835,488</u>	<u>1,090,141</u>
Fixed Assets			
	4	26,181	16,509
Total Assets		861,669	1,106,650
Current Liabilities			
Accounts Payable	5	690,457	738,177
Reserves			
Net Reserve for Severance Pay		166,423	182,226
Net Assets			
Net Assets with a Temporary Restriction		14,742	242,959
Balance Deficit at the End of the Year		(9,953)	(56,712)
		<u>4,789</u>	<u>186,247</u>
Total Liabilities and Net Assets		861,669	1,106,650

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

July 12th, 2018
Date of
Approval


Board Member


Board Member


General
Manager

**Parents Circle – Families Forum
Bereaved Families Supporting Peace,
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**Statement of Financial Position
31.12.17
Activities Report**

	<u>Note</u>	<u>As of December 31</u>	
		<u>2016</u>	<u>2017</u>
		<u>NIS</u>	<u>NIS</u>
Revenues from Activities	Annex I	4,739,286	4,811,616
Cost of Activities	7	<u>(3,998,901)</u>	<u>(4,214,655)</u>
Net Surplus from Activities		740,385	596,961
Property and General Expenses	8	<u>(559,943)</u>	<u>(595,194)</u>
Net Surplus (Expenses)		180,442	1,767
Surplus (Expenses) of Financial Income		<u>(46,877)</u>	<u>(48,525)</u>
Net Surplus (Expenses) After Income		133,565	(46,758)
Balance Deficit at the Beginning of the Year		<u>(143,518)</u>	<u>(9,954)</u>
Balance Deficit for the Fiscal Year		<u>(9,953)</u>	<u>(56,712)</u>

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

**Parents Circle – Families Forum
Bereaved Families Supporting Peace,
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Statement of Changes in Net Assets as of December 31, 2017

	Without a Temporary Restriction	With a Temporary Restriction	Total
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
Net Expenses of the year (deficit)	-46,758		-46,758
Donations		4,442,871	4,442,871
Amount Released from Restriction		-4,214,655	-4,214,655
Surplus as of 31.12.17	-56,711	242,958	186,247

**Parents Circle – Families Forum
Bereaved Families Supporting Peace,
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**Statement of Financial Position
31.12.17
Notes to the Financial Statements**

NOTE 1 - General

- A. The NGO was founded in September 1998 and registered according to the *Law of Amutot*, 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, 2017, the deficit of this NGO is a total of 56,712 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:

	<u>%</u>
Computers	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	
	2016	2017
	NIS	NIS
Prepaid payments	109,529	68,963
Income to be received	322,468	752,397
Total	518,741	821,360

**Parents Circle – Families Forum
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Statement of Financial Position

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Notes to the Financial Statements (cont.)

Note 4 – Fixed Assets, Net

	Furniture & Equipment	
	2016	2017
<u>Cost</u>	<u>NIS</u>	<u>NIS</u>
Surplus at the Beginning of the Period	184,418	193,718
Acquisitions for the Period	9,300	-
Surplus at the end of the period	193,718	193,718
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<u>Accumulated Depreciation</u>	<u>NIS</u>	<u>NIS</u>
Surplus at the Beginning of the Period	153,929	167,533
Decrease for the Period	13,608	9,676
Surplus at the End of the Period	167,537	177,209
	-----	-----
Fixed Assets for December 31 st Current Year	<u>26,181</u>	<u>16,509</u>
Fixed Assets for December 31 st Previous Year	<u>36,454</u>	<u>26,181</u>

Note 5 - Payables

	December 31	
	2016	2017
	<u>NIS</u>	<u>NIS</u>
Suppliers	339,485	263,759
Outstanding Checks	187,642	24,742
Payable Expenses	20,148	72,387
Payable Wages	143,182	252,319
Deferred Income	-	124,970
	-----	-----
Total	690,457	738,177
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Note 6 - Activity Cycle

	For the Period Ending on December 31	
	2016	2017
	<u>NIS</u>	<u>NIS</u>
Donations	740,385	596,961
Amount Released From Temporary Restricted Donations	3,998,901	4,214,655
	-----	-----
Total from Activities Cycle	4,739,286	4,811,616
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**Parents Circle – Families Forum
Bereaved Families Supporting Peace,
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**Statement of Financial Position
31.12.17
Notes to the Financial Statements (cont.)**

Note 7 - Activity Costs

		For the Period Ending on December 31	
		2016	2017
		NIS	NIS
1.	Project of International Affairs and Public Outreach	145,823	84,501
2.	Research Project	215,773	-
3.	USIP Project	158,278	-
4.	On the Road to Reconciliation Education Project	198,374	332,020
5.	Diakonie, Austria – Education Project	112,015	196,600
6.	USAID Project-NFC	1,400,408	836,638
7.	USAID Project – CCNV	-	88,703
8.	YAP & Summer Camp Project	132,471	327,447
9.	Women For Change Project	70,568	158,911
10.	Connecting Threads	1,994	-
11.	PCFF Women’s Group	38,582	409,305
12.	Taking Steps	188,232	10,985
13.	Peace Square	73,110	211,251
14.	EU Across Two Narratives	724,597	684,819
15.	BFTW 2016-2018	586,737	873,475
Total Activity Costs		(3,998,901)	(4,214,655)

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Notes to the Financial Statements (cont.)

Note 8 - Administrative and General Expenses

	For the Period Ending on December 31	
	2016	2017
	NIS	NIS
Salaries and Related Expenses	496,776	529,484
Building Maintenance	12,221	21,766
Depreciation Expenses	13,608	9,676
Communications	10,409	3,578
Professional Services	18,900	19,500
Office Expenses	5,544	8,973
Taxes and Fees	2,199	1,299
Travel	286	918
Total Administrative and General Expenses	(559,943)	(595,194)