

The Bedouin Association for Education & Health
Development , Taibeh

FINANCIAL REPORTS

AS at December 31 , 2008

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Auditor Report to the members of

The Bedouin Association for Education & Health Development , Taibeh

We have audited the Statement of financial status of The Bedouin Association for Education & Health Development, Taybeh as at 31 December 2008 & 31 December 2007 . The statement of activity for each year then ended (hereafter financial statements).These financial statements are the responsibility of the association Managers, 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 and according to standards prescribed under the auditors Regulations (Auditors mode of performance).Those standards required that we plan and perform the obtain reasonable 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 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 financial statement present fairly, in all material respects, the financial status of the association at 31 December 2008 & 31 December 2007, the result of its operations for the years ended 31 December 2008 & 31 December 2007 in conformity with generally accepted accounting principles for NGOS.

We state that we have optioned all information and explanation we have required and that our opinion on the financial statements is given according to the best of our information and the explanations received by us and as shown by the books of the association .

HAJ YAHIA HANY

C.P.A (i.s.r)

Taybeh , February 8, 2009

The Bedouin Association for Education & Health
Development, Taibeh

Statements of Financial Status

	<u>Clarification</u>	<u>December 31</u>	
		<u>2007</u>	<u>2008</u>
		<u>NIS</u>	
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	3	167,345	62,596
<u>Long-lived Assets</u>	4	79,117	149,208
<u>Total Assets</u>		246,462	211,804
<u>Liabilities & Net Assets</u>			
<u>Current liabilities</u>			
Employee severance pay liability		13,950	12,750
Institutional severance pay liability		13,551	13,799
Suppliers and other liabilities		56,084	10,200
<u>Current Liabilities total</u>		83,585	36,749
<u>Net Assets</u>			
Unrestricted Net Assets for Activity		83,760	25,847
Unrestricted Net Assets for Fixed Assets		79,117	149,208
		162,877	175,055
<u>Total Liabilities & Net Assets</u>		246,462	211,804

Financial report clarifications are integral to the report

Hassan Azbarga
ID - 029940236

Musa Azbarga
ID - 056313737

Taibeh, February 8, 2009





The Bedouin Association for Education & Health
Development, Taybeh

Statements of Activities

		2007	2008
	<u>Clarification</u>	<u>NIS</u>	
<u>Activity Cycle</u>			
Income from contributions	1	319,836	218,012
<u>Cost of Activities</u>			
Salaries and related expenses	5	172,166	153,019
Other expenses	6	33,010	73,498
Assets Devaluation		2,527	14,548
Total cost of activity		<u>207,703</u>	<u>241,065</u>
Net Income		112,133	(23,053)
General and administrative expenses	7	30,303	45,034
Net income, not including funding		81,830	(68,087)
Net funding expenses		311	1,140
Net income		<u>81,519</u>	<u>(69,227)</u>

Financial report clarifications are integral to the report

Hassan Azbarga
ID - 029940236

Taybeh, February 8, 2009




Musa Azbarga
ID - 056313737



The Bedouin Association for Education & Health
Development, Taibeh

Statements of Changes in Net Assets
For the year that ended December 31, 2008
In NIS

	Net Assets			Total
	Unrestricted For Activity	Fixed Assets	Temporarily Restricted	
Balance on 1.1.07	23,456	2,902	-	26,358
<u>Additions during the year 2007</u>				
Net Income	81,519	-	-	81,519
Contribution	-	-	55,000	55,000
<u>Subtractions through the year 2007</u>				
Transfers of Unrestricted amounts For Fixed assets	(23,742)	78,742	(55,000)	-
Sums transferred to cover Depreciate	2,527	(2,527)	-	-
Total Additions/Subtractions through the year 2007	60,304	76,215	-	136,519
Balance on 31.12.07	83,760	79,117	-	162,877
<u>Additions during the year</u>				
Contribution	-	-	81,405	81,405
<u>Subtractions through the year</u>				
Net Income	(69,227)	-	-	(69,227)
Transfers of Unrestricted amounts For Fixed assets	(3,234)	84,639	(81,405)	-
Sums transferred to cover Depreciate	14,548	(14,548)	-	-
Total Additions/Subtractions through the year	(57,913)	70,091	-	12,178
Balance on 31.12.08	25,847	149,208	-	175,055

The Bedouin Association for Education & Health
Development, Taibeh

Clarifications of the Financial Statements
December 31, 2008

Clarification No. 1 – General

The Association was legally registered at the Ministry of Interior according to the Associations Act of 1980 on May 22, 2002, and began its financial activity in 2006.

The main goals for which the Association was founded are:

- Development of educational and health services for preschool children in the Bedouin Community of Taibeh.
- Creating and running community projects for children in Taibeh's Bedouin communities.
- Women's Empowerment: building programs in the areas of literacy, economic development, health and child development and consciousness raising.
- Advocacy: we seek to work with the local and national authorities to improve the living conditions and to educate and empower the residents to improve their lot.

The Association's income is derived from contributions. Following is the Association's list of donors:

<u>Donor Name</u>	<u>2007</u>	<u>2008</u>
	<u>NIS</u>	
Bil Hilft e.v	-	27,002
Sparle phy Foundation	-	36,156
Levi lassen fund	85,046	79,425
A.Ian B.Sufka Foundation	29,323	35,410
The Dutch Embassy in Israel	34,128	-
New Israel Fund	76,250	-
American Embassy	49,020	-
British Shalom Salam Trust	43,069	-
Other Contributions	3,000	40,019
Total	319,836	218,012

Designated contributions

(1)International Christian Embassy Jerusalem	-	25,000
(2)Yad Hanadiv	-	56,405
(3)German Embassy	55,000	-
	<u>55,000</u>	<u>81,405</u>

- (1) The contribution designated for renovations of the building of the association .
 (2) The contribution designated for Equipment, Computers and establishing lab .
 (3) The contribution designated for renovations of the building of the association .

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**The Bedouin Association for Education & Health
Development, Taibeh**

Clarifications of the Financial Statements
December 31, 2008

Clarification No. 2 – The main features of the accounting policy

The financial statements are completed on a cumulative basis, according to the accounting principles set in the 69th Public Statement of the Israeli Board of Accountants, and Norm no. 5 of the Israeli Accountancy Standardization Agency.

Amounts and payments for permanent property are credited to the investment in immobile property clause. The percentage of depreciation on immobile property is set according to the assets sustenance. The depreciation is calculated according to the "straight line" system.

The impact of changes in the buying power of Israeli currency

These financial statements are composed according to accepted accountancy norms, using the convention of the historical prices. The influence of the fluctuations on the buying power of Israeli currency is not accounted for in these reports.

As a non-profit organization, the Association is not eligible for VAT returns paid on input. The VAT paid is therefore included in the expenses clauses in which it is relevant.

Clarification No. 3 – Cash and cash worth

	2007	2008
	NIS	
Bank Leumi Account	167,345	62,596

Clarification No. 4 – Immobile property

	Cost	Accumulated Depreciation	Reduced Cost	31.12.07
Renovations of the building	115,859	5,703	110,156	68,655
Furniture and Equipment for classes	50,513	11,471	39,052	10,462
	166,382	17,174	149,208	79,117

Immobile property is depreciated according to the "straight line" system, through the projected sustenance of the assets. The depreciation values of furniture and equipment for classes are 10%-33% a year. The depreciation value of renovations of the building is 4% a year.

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The Bedouin Association for Education & Health
Development, Taibeh

Clarifications of the Financial Statements
December 31, 2008

Clarification No. 5 - Salaries and Related Expenses

	<u>2007</u>	<u>2008</u>
	<u>NIS</u>	
Salaries	148,656	137,284
National Insurance	6,370	5,439
Employer's Tax	5,948	-
Salaries Tax	11,252	10,296
	<u>172,156</u>	<u>153,019</u>

Clarification No. 6 - Other expenses

	<u>2007</u>	<u>2008</u>
	<u>NIS</u>	
Rent	19,000	6,500
Education and social events	-	52,360
Classroom needs	14,010	34,638
	<u>33,010</u>	<u>73,498</u>

Clarification No. 7 - General and Administrative Expenses

	<u>2007</u>	<u>2008</u>
	<u>NIS</u>	
Salaries and Related Expenses	-	15,603
Communications and Electricity	4,640	4,687
Transports expenses	14,191	10,937
Professional Services	8,400	8,400
Office expenses and Maintenance	1,452	1,410
Tolls and other expenses	1,620	2,997
	<u>20,303</u>	<u>45,034</u>