

## **Alkaimah – Association for Education & Development**

### **FINANCIAL STATEMENTS**

**AS at December 31 , 2009**

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**Alkheimah – Association for Education & Development****FINANCIAL STATEMENTS****AS at December 31 , 2009**

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## Auditor Report to the members of

### Alkhaimah – Association for Education & Development

We have audited the Statement of financial status of " Alkhaimah – Association for Education & Development", as at 31 December 2009 & 31 December 2008 , The statements of activities 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 2009 & 31 December 2008, the result of its operations for the years ended 31 December 2009 & 31 December 2008 in conformity with generally accepted accounting principles of The Convention of historical cost.

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 , April 10, 2010


**Alkhaimah – Association for Education & Development****Balance sheet**

	<u>Clarification</u>	<u>December 31</u>	
		<u>2008</u>	<u>2009</u>
		<u>NIS</u>	
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and cash equivalents	3	62,596	316,186
Receivables & Debt Balances		-	11,650
		<u>62,596</u>	<u>327,836</u>
<b><u>Fixed Assets</u></b>			
	4	<u>149,208</u>	<u>175,232</u>
<b><u>Total Assets</u></b>		<u>211,804</u>	<u>503,068</u>
<b><u>Liabilities &amp; Net Assets</u></b>			
<b><u>Current liabilities</u></b>			
Employee & Institutional severance pay liability		26,549	7,493
Suppliers and other liabilities		10,200	40,025
Income in advance		-	222,739
<b>Current Liabilities total</b>		<u>36,749</u>	<u>270,257</u>
<b><u>Net Assets</u></b>			
Unrestricted Net assets for Activity		25,847	57,579
Unrestricted Net assets for Fixed Assets		<u>149,208</u>	<u>175,232</u>
		<u>175,055</u>	<u>232,811</u>
<b><u>Total Liabilities &amp; Net Assets</u></b>		<u>211,804</u>	<u>503,068</u>

**Clarifications are integral to the Financial Statements**

  
Hassan Azbarga  
ID - 029940236

Association Stamp

  
Sami Tayeh  
ID - 034564112


Taybeh , April 10, 2010

**Alkhaimah – Association for Education & Development****Statements of Activities**

	<u>Clarification</u>	<u>2008</u>	<u>2009</u>
		<u>NIS</u>	
<b><u>Activity Turnover</u></b>			
Income from contributions	1	218,012	403,895
Participants' contribution		-	11,490
Net assets released from temporarily limitation	8	-	38,726
		<u>218,012</u>	<u>454,111</u>
<b><u>Cost of Activities</u></b>			
Salaries and related expenses	5	153,019	109,442*
Other expenses	6	73,498	207,553*
Assets Devaluation		14,548	19,089
Total cost of activity		<u>241,065</u>	<u>336,084</u>
Net Income		(23,053)	118,027
General and administrative expenses	7	45,034	59,043
Net income, not including funding		(68,087)	58,984
Net funding expenses		1,140	1,228
Net Income		<u>(69,227)</u>	<u>57,756</u>

re-classified (\*)

**Clarifications are integral to the Financial Statements**

  
Hassan Azbarga  
ID - 029940236

Association Stamp

  
Salim Tayeh  
ID - 034564112

Taybeh , April 10, 2010

**Alkhaimah – Association for Education & Development**

**Statements of Changes in Net Assets**  
**For the year that ended December 31, 2009**  
**In NIS**

	Net Assets			Total
	Unrestricted For Activity	Fixed Assets	Temporarily Restricted	
Balance on 1.1.08	83,760	79,117	-	162,877
<b><u>Additions during the year 2008</u></b>				
Contribution	-	-	81,405	81,405
<b><u>Subtractions through the year 2008</u></b>				
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 2008	<u>(57,913)</u>	<u>70,091</u>	<u>-</u>	<u>12,178</u>
Balance on 31.12.08	<u>25,847</u>	<u>149,208</u>	<u>-</u>	<u>175,055</u>
<b><u>Additions during the year</u></b>				
Net Income	57,756	-	-	57,756
Contribution – see clarification no' 8	-	-	38,726	38,726
<b><u>Subtractions through the year</u></b>				
Net assets released from temporarily limitation	-	-	(38,726)	(38,726)
Transfers of Unrestricted amounts For Fixed assets	(45,113)	45,113	-	-
Sums transferred to cover Depreciate	19,089	(19,089)	-	-
Total Additions/Subtractions through the year	<u>31,732</u>	<u>26,024</u>	<u>-</u>	<u>57,756</u>
Balance on 31.12.09	<u>57,579</u>	<u>175,232</u>	<u>-</u>	<u>232,811</u>

## **Alkhaimah – Association for Education & Development**

### **Clarifications of the Financial Statements** **December 31 , 2009**

#### **Clarification No. 1 – General**

- a. The Association was legally registered at the Associations registrar (Ministry of Justice) according to the Associations Act of 1980 on May 22, 2002, and began its financial activity in 2006.
- b. Association's Aims:
- to develop educational and health services for kids in the Bedouin community in Taibeh
  - to carry out projects for the kids in the Bedouin community in Taibeh.

In 2009, Associations registrar agreed on the Association's demand for updating its aims to include :

- to develop the education in various places.
  - Financial and educational Empowerment for women through workshops and carrying out projects which can give them the tools to market their handworks.
  - To present the Bedouin community in front of the authorities.
  - To raise the awareness in aspect of health and environment.
  - To revive the Bedouin culture in the centre of Israel.
- c. In 2009, the Associations registrar certified the changing of the Association's name from: "The Association for Education & Health Development" to : "Alkhaimah- Association for Education and Development".
- d. Most of the Association's income is derived from contributions .

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

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

## Alkheimah – Association for Education & Development

### Clarifications of the Financial Statements December 31 , 2009

#### Clarification No. 2 – The main features of the accounting policy (continue)

c. **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.

- d. 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 equivalents

	2008	2009
	NIS	
Bank Leumi Account	62,596	316,186

#### Clarification No. 4 – Fixed Assets

	Cost	Accumulated Depreciation	Reduced Cost	31.12.08
	NIS			NIS
Renovations of the building	152,549	11,495	141,054	110,156
Furniture and Equipment for classes	58,946	24,768	34,178	39,052
	211,495	36,263	175,232	149,208

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 .

#### Clarification No. 5 – Salaries and Related Expenses

	2008(*)	2009
	NIS	
Salaries	137,284	104,314
National Insurance	5,439	5,128
Salaries Tax	10,296	-
	153,019	109,442

(\*) re-classified



## Alkhaimah – Association for Education & Development

### Clarifications of the Financial Statements December 31 , 2009

#### Clarification No. 6 – Other expenses

	2008	2009
	NIS	
Rent	6,500	32,100
Education and social events	23,416 *	81,281
Cultural activity - Reviving	23,181 *	70,506
Bedouin Culture Project		
Classroom needs	34,638	23,666
	87,735	207,553

(\*) re-classificated

#### Clarification No. 7 – General and Administrative Expenses

	2008	2009
	NIS	
Salaries and Related Expenses	15,603	14,915
Communications and Electricity	4,687	5,272
Transports expenses	10,937	18,316
Professional Services	8,400	13,114
Office expenses and Maintenance	2,410	5,545
Tolls and other expenses	2,997	1,881
	45,034	59,043

#### Clarification No. 8 – Reviving Bedouin Culture Project

The Association received a grant estimated 38,276 ILS from The Ministry of Culture, Science and Technology for Reviving the Bedouin Culture Project. The Project granted and carried out in 2009.