

**One Family - Registered Association Ltd.**

**Financial Statements  
As at December 31, 2015**

**Financial Statements as at December 31, 2015 One Family - Registered Association Ltd.**

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**AUDITORS REPORT**  
**To the Members of the Management of**  
**ONE FAMILY-REGISTERED ASSOCIATION (R.A)**

We have audited the accompanying balance sheet of One Family-Registered Association, an Association registered under the Association Law, 1980 ("The Association") as of December 31, 2015 and 2014, and the related Statement of Activities, Changes in Net Assets and Cash Flows for each of the years then ended period. The Financial Statements are the responsibility of the executive committee and management of the Association. 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 in Israel, including those prescribed under the Auditor's Regulations (Auditor's Mode of Performance), 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance 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 the Executive Committee and Management of the Association, 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 Financial Statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2015 and 2014 and the results of its activities, changes in net assets and cash flows for each of the years then ended, in conformity with generally accepted accounting principles in Israel.

Barak Sofrin Bachar & Co.  
C.P.A. (Isr.)

\_\_\_ June, 2016 Ramat-Gan,

**Balance Sheet****One Family - Registered Association Ltd.**

	Note	December 31,	
		2015	2014
		NIS	NIS
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	9,856,626	5,901,049
Accrued income		1,170,212	-
Accounts receivable	4	656,650	477,050
		<u>11,683,488</u>	<u>6,378,099</u>
<b>LONG-TERM RECEIVABLES</b>			
Mutual Assistance Fund	5	<u>548,970</u>	<u>548,970</u>
<b>FIXED ASSETS:</b>			
Cost	6	827,090	731,309
Less accumulated depreciation		<u>452,920</u>	<u>344,256</u>
		<u>374,170</u>	<u>387,053</u>
		<b><u>12,606,620</u></b>	<b><u>7,314,122</u></b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES</b>			
<b>Short term credit from banking institutions</b>			
Trade payables	7	894,726	667,924
Other accounts payable	8	473,723	490,424
		<u>1,368,449</u>	<u>1,158,348</u>
<b>LONG - TERM LIABILITIES:</b>			
Accrued severance pay	9	<u>136,828</u>	<u>254,609</u>
<b>NET ASSETS:</b>			
Unrestricted net assets used in operations		9,979,234	4,766,166
Unrestricted net assets used for fixed assets		573,139	586,029
Restricted net assets		548,970	548,970
		<u>11,101,343</u>	<u>5,901,165</u>
		<b><u>12,606,620</u></b>	<b><u>7,314,122</u></b>

\_\_\_\_\_  
Joseph Harari  
Member of the Association Management

\_\_\_\_\_  
Chantal Belzberg  
Chairman of the Association

\_\_\_ June, 2016 Ramat-Gan,

The accompanying notes are an integral part of the financial statements.

	Note	Year ended December 31,	
		2015	2014
		N.I.S	
<b>Revenues from operations:</b>			
Donations received	12a	17,969,195	15,600,606
Cost of operations:			
Current expenditures	12b	10,915,360	10,217,020
General and administrative expenses (*)	12c	1,673,134	1,443,168
<u>Total cost of operation</u>		<u>12,588,494</u>	<u>11,660,188</u>
Revenues (expenses) from operations, net		5,380,701	3,940,418
Financing expenses, net	12d	(180,523)	92,703
Surplus (Deficit)		<u>5,200,178</u>	<u>4,033,121</u>
(*)Reclassification			

The accompanying notes are an integral part of the financial statements.

**Statements of Changes in Shareholders' Equity                      One Family - Registered Association Ltd.**

	<u>Unrestricted net assets</u>		<u>Restricted net assets</u>	
	<u>Used in operations</u>	<u>Used for fixed assets</u>	<u>Mutual assistance</u>	<u>Total</u>
<b>Balance at January 1, 2014</b>	695,525	623,549	541,990	1,861,064
financing Income			6,980	6,980
Surplus revenues	4,033,121			4,033,121
Subtractions during the year:				
Transfer of unrestricted amounts used for fixed assets	(58,862)	58,862		-
Amounts used for covering depreciation expenses	<u>96,382</u>	<u>(96,382)</u>		<u>-</u>
<b>Balance at December 31, 2014</b>	<u>4,766,166</u>	<u>586,029</u>	<u>548,970</u>	<u>5,901,165</u>
financing Income			-	-
Surplus revenues	5,200,178			5,200,178
Subtractions during the year:				
Transfer of unrestricted amounts used for fixed assets	(95,781)	95,781		-
	<u>108,671</u>	<u>(108,671)</u>		<u>-</u>
<b>Balance at December 31, 2015</b>	<u>9,979,234</u>	<u>573,139</u>	<u>548,970</u>	<u>11,101,343</u>

The accompanying notes are an integral part of the financial statement

**Statements of Cash Flows****One Family - Registered Association Ltd.**

	<b>Year ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>N.I.S</b>	
<b>Cash flows from current operating activities:</b>		
Surplus revenues	5,200,178	4,033,121
Adjustments required to reconcile surplus to net cash provided by current operating activities (a):	<u>(1,148,820)</u>	<u>1,305,180</u>
Net cash provided by (used to) operating activities	4,051,538	5,338,301
<b><u>Cash flows from investing activities:</u></b>		
Proceeds from sale of fixed assets	-	-
Purchase of fixed assets	<u>(95,781)</u>	<u>(58,682)</u>
Net cash provided by (used in) investing activities	<u>(95,781)</u>	<u>(58,682)</u>
<b><u>Cash flows from financing activities:</u></b>		
Credit from banking institutions, net	-	-
Net cash used in financing activities	-	-
Increase (decrease) in cash and cash equivalents	3,955,577	5,279,439
Cash and cash equivalents at beginning of the year	<u>5,901,049</u>	<u>621,610</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>9,856,626</u></u>	<u><u>5,901,049</u></u>
<b><u>Adjustments required to reconcile surplus to net cash provided by operating activities</u></b>		
Revenue and expenses not involving cash flows:		
Depreciation	108,671	96,382
Increase (decrease) in accrued severance pay	(117,781)	(18,576)
Changes in asset and liability items:		
Decrease (increase) in accrued income	(1,170,212)	867,632
Decrease (increase) in accounts receivable	(179,600)	49,018
Increase (decrease) trade payables and other accounts payable	210,102	310,724
	<u>(1,148,820)</u>	<u>1,305,180</u>

The accompanying notes are an integral part of the financial statements.

**Note 1 - GENERAL**

**1. Description of business**

One Family - Registered Association ("the Association ") was registered on October 21, 2001, as an Association in accordance with the Associations Law, 1980. The Association has proper management approval from the Registrar of Associations which was in effect until December 31, 2014. In addition, the Association obtained an approval for charitable donations pursuant to section 46 to the Income Tax Ordinance (see note 10).

The Association`s purposes are:

To provide financial, emotional and social assistance to the victims of terrorism and their families and to provide any assistance they will require as victims of terrorist attacks.

To provide assistance at the community level in confronting terror damages and in this context providing financial and logistic support to organizations that are engaged in providing assistance to victims of terrorism.

Around 20 permanent volunteers and other volunteers, among others, assist the Association. The volunteer's main activity is to maintain a personalized relationship with the victims and their families, to provide emotional and personal care, visits and so forth.

**Note 2 – SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of the financial statements on a consistent basis are as follows:

**A. Recognition basis:**

The financial statements are prepared on an accrual basis, except for revenues from donations which are recognized on basis of actual receipts.

**B. Reporting basis of the financial statements:**

The financial statements have been prepared in nominal amounts based on the historical cost convention.

**C. Net assets:**

The Association applies accounting standard no. 5 of the Israel Accounting Standards Association (which superseded opinion no. 69 of the Institute of Certified Public Accountants in Israel) regarding accounting and reporting principles for non – profit organizations.

Net assets are classified into two principal categories:



**Note 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**1. Unrestricted net assets:**

The Association's net assets whose use is not subject to any restriction, either permanent or temporary, by donors.

**2. Restricted net assets:**

Reflects net assets that are subject to restriction, either permanent or temporary.

**D. Cash equivalents:**

The Association considers all highly liquid investments, including unrestricted short-term bank deposits purchased with original maturities of three months or less, to be cash equivalents.

**E. Fixed assets:**

1. Fixed assets are stated at cost net of accumulated depreciation.
2. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are as follows:

	%
Furniture and equipment	6-15
Computers	33
Motor vehicle	15
Electrical equipment	15

**F. Impairment of fixed assets:**

The Association applies accounting standard no. 15, "Impairment of Assets". The standard applies to all of the assets included in the balance sheet other than inventories, assets arising from construction contracts, assets arising from employee benefits, deferred tax assets and financial assets (with the exception of investments in affiliates). According to the standard, whenever there is an indication that an asset may be impaired, the Association should determine if there has been an impairment of the asset by comparing the carrying amount of the asset to its recoverable amount. The recoverable amount is the higher of an assets net selling price or value in use, which is determined based on the present value of estimated future cash flows derived by expected to be the continuing use of an asset and by its disposal at the end of its useful life. If the carrying amount of an asset exceeds its recoverable amount, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. An impairment loss recognized should be reversed only if there have been changes in the estimates used to determine the assets recoverable amount since the impairment loss was recognized.

**Note 2 – SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**G. Exchange rate and linkage basis:**

1. Assets and liabilities in or linked to foreign currency are presented according to the Representative exchange rates published by the Bank of Israel at balance sheet date.
2. assets and liabilities linked to the Israeli CPI are presented according to the relevant index for each linked asset or liability.

Below are data about the Israeli CPI and the exchange rates of U.S. dollar.

As of December 31,	<u>Israeli CPI For December points</u>	<u>Representative Exchange rate of USD1 Nis</u>
2014	102.1	3.889
2015	101.2	3.902
<b>Change during the year ended</b>	<u>%</u>	<u>%</u>
2014	(0.2)	12.04
2015	(0.9)	0.33

H. The ledgered carrying amount of cash and cash equivalents, credit from banks, trade payables and other accounts payable approximate their **fair value of financial instruments**.

**NOTE 3: CASH AND CASH EQUIVALENTS**

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
	NIS	
By currency:		
In NIS	3,296,411	1,415,726
In foreign currency (1)	6,560,215	4,485,323
	<u>9,856,626</u>	<u>5,901,049</u>

(1) The balance includes 1,244 thousand Nis, funds only for children Henkin Family.

**NOTE 4: ACCOUNTS RECEIVABLE**

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>NIS</b>	
Prepaid expenses	23,034	27,136
Check payable and credit cards	371,523	191,817
Institutions	62,050	58,000
Rental deposit (see note 11)	105,818	105,818
Other receivables	94,225	94,279
	<b>656,650</b>	<b>477,050</b>

**NOTE 5: MUTUAL ASSISTANCE LOAN FUND**

In 2002, the Association in collaboration with the Organization of Israel's Terror Victims "Irgun Hayatzig" founded a Mutual assistance Fund, "the Fund" with the purpose of providing loans to families of terror victims. The amount in the fund amounted to 1 Million Nis. NIS 1million. Each party invested in the Fund NIS 500 thousand. Income and expenses incurred in connection with the Fund's activity will be to the Fund.

The loans are retrieved through the bank account of the organization of Israel's Terror Victims in Bank Leumi of Israel Ltd. The loans are interest free and unlinked for periods of up to 36 months. The repayment of the loans requires the guarantee of only one person.

Any addition, the Fund will be made through equal investment by both parties. The fund may be liquidated at any time and each party will receive its share in the fund's assets and liabilities.

In 2013 the Association applied for the funds to be returned in according with the agreement. The Organization of Israel's Terror Victims refused to return the investment. The Association's legal counsel believe that Association has a high chance to regain its funds.

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**NOTE 5: MUTUAL ASSISTANCE FUND (Cont.)**

**B. Composition:**

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>NIS</b>	
<b>Cash</b>	12,013	12,013
Bank deposits	-	-
	<u>12,013</u>	<u>12,013</u>
Loans granted (see c below)	1,114,463	1,114,463
Less – Loan from community fund	(28,537)	(28,537)
Less – doubtful accounts	-	-
	<u>1,097,939</u>	<u>1,097,939</u>
Less the share of the Organization of Israel's Terror Victims	548,969	548,969
	<u>548,970</u>	<u>548,970</u>

**C. Following are maturity dates of loans granted:**

First year	706,972	706,972
Second year	350,375	350,375
Third year	50,905	50,905
Debts	6,211	6,211
	<u>1,114,463</u>	<u>1,114,463</u>

**Note 6- FIXED ASSETS**

	<b>Furniture and equipment</b>	<b>Computers</b>	<b>Motor vehicles</b>	<b>Total</b>
	NIS			
Cost:				
Balance at January 1, 2015	141,757	266,618	322,934	731,309
Additions during the year	10,280	85,501		95,781
Subtractions during the year	-	-	-	-
Balance at December 31, 2015	<u>152,037</u>	<u>352,119</u>	<u>322,934</u>	<u>827,090</u>
Accumulated depreciation:				
Balance at January 1, 2015	58,598	194,187	91,464	344,256
Additions during the year	17,069	43,161	48,441	108,664
Subtractions during the year	-	-	-	-
Balance at December 31, 2015	<u>75,667</u>	<u>237,348</u>	<u>139,905</u>	<u>452,920</u>
Depreciated cost at December 31, 2015	<u><u>76,370</u></u>	<u><u>114,771</u></u>	<u><u>183,029</u></u>	<u><u>374,170</u></u>
Depreciated cost at December 31, 2014	<u><u>83,159</u></u>	<u><u>72,431</u></u>	<u><u>231,463</u></u>	<u><u>387,053</u></u>

**Note 7 – TRADE PAYABLES**

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	NIS	
Open balances	270,235	173,313
Checks payable	<u>624,491</u>	<u>494,611</u>
	<u><u>894,726</u></u>	<u><u>667,924</u></u>

**NOTE: 8- OTHER ACCOUNTS PAYABLE**

	<b>Year ended</b>	
	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>N.I.S</b>	
Accrued expenses	8,050	121,781
Employees and payroll accruals	465,673	368,643
	<u>473,723</u>	<u>490,424</u>

**NOTE: 9 – ACCRUED SEVERANCE PAY**

The Association's liabilities to some of its employees are covered by Managers' Insurance Policies.

The accrued liability amounts and the policies' value for compensation purposes are not included in the balance sheet as they are not under the control and management of the Association .

The amount of liability as of the balance sheet date reflects the Association's entire liabilities for the payment of severance pay to its employees which are not covered by deposits with Managers' Insurance policies stated above.

Since November 2014 the association deposits each month 20 thousand Nis for covering commitments to employees, up to a total of 280 thousand Nis. The balance of the fund as at 31/12/2014 (40 thousand Nis) presented in cash and cash equivalents.

**NOTE 10: TAXES ON INCOME**

A. The Association is considered as a public institution under paragraph 9(2) to the Income Tax Ordinance and, accordingly, its income is tax exempt as long as the income does not constitute a business activity that is liable for tax.

B. In 2005, the Association was approved as a public institution for charitable purposes. Accordingly, pursuant to Section 46 to the Income Tax Ordinance, donors are entitled to tax credit.

The approval is in effect until December 31, 2016 and each time it will be extended by three additional years unless the director of the Tax Authority decides that the Association did not fulfill the conditions stipulated by the law or the commitment that the Association had signed before the Tax Authority.

**NOTE 11: COMMITMENTS**

In 2007, the Association leased a building with an area of 500 sq.m, in the center of Jerusalem. The monthly lease fee totals \$ 7.5 thousand. The Association uses this building for all of its activities. The Association has the option to extend the lease term for an additional 12 months. Secure the payment of the lease fees, the Association deposited NIS 106,000, which is equivalent to \$ 30,000.

**Note 12- Supplementary Information to Statement of Operation (cont'd)**

	<b>Year ended</b>	
	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>N.I.S</b>	
<b>A. Donations received:</b>		
Donations in foreign currency (1)	13,182,177	13,426,129
Donations in NIS	4,787,018	2,174,477
	<u>17,969,195</u>	<u>15,600,606</u>
 (1)Includes 1,635 thousand Nis, intended for the children of the Henkin Family.		
<b>B. Current expenditures:</b>		
Financial assistance to families	2,830,952	1,759,164
Tangible assistance	261,385	549,782
Psychological support and rehabilitation for adults	1,533,709	1,285,344
Recreations, workshops and fun days in Israel for adults	2,388,424	2,320,025
Holiday Support for groups overseas	792,296	131,866
Emotional support for children,boyhood,adult	2,583,834	2,361,497
Rabin square unity event	-	1,531,967
"Step to the future" project	286,752	211,897
"Taste for life"project	238,008	47,718
Memorial book project	-	17,760
	<u>10,915,360</u>	<u>10,217,020</u>
<b>C. General and administrative expenses:</b>		
Salary and related expenses	107,872	103,590
Fundraising donations in Israel and overseas	1,357,265	1,120,863
Rent	19,874	23,474
Office expenses	12,236	4,763
Maintenance, municipal taxes and insurance	22,079	21,871
Depreciation of fixed assets	108,671	96,380
Professional fees	29,500	51,780
Computer maintenance	12,168	14,173
Advanced studies, professional literature	1,251	1,203
Gifts, hosting and fines	2,218	5,071
	<u>1,673,134</u>	<u>1,443,168</u>

**Note 12- Supplementary Information to Statement of Operation (cont'd)**

	<b>Year ended</b>	
	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>N.I.S</b>	
<b>Financing income ( expenses), net:</b>		
Financing income	503	131,299
Less- financing expenses	(181,026)	(38,596)
	<u>(180,523)</u>	<u>92,703</u>