

Interfaith Encounter Association

*Financial reports
For the year Ended December 31st 2007
Interfaith Encounter Association*

Financial reports
For the Year Ended December 31st 2007

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***Report of CPA auditing
Interfaith Encounter Association***

We have audited the enclosed balance sheets of the **Interfaith Encounter Association** (IEA) for the days 31 of December 2007 and 2006, and the reports on activity, the reports on net changes in assets and the reports on cash flow for each of the years that ended in these dates. These financial reports are under the responsibility of the directorate and management of IEA. Our responsibility is to express an opinion on these financial reports based on our audit.

We have performed our audit according to accepted standards of auditing, including standards determined in the CPA Standards (way of action of a CPA), 1973. According to these standards it was required from us to plan and perform the audit in order to achieve a reasonable measure of security that the financial reports do not include an essential mistaken presentation. The audit includes sample examination of evidence that support sums and information that appear in the financial reports. The audit includes also examination of the accounting rules applied and of the significant assessments made by the directorate and management of IEA as well as an evaluation of the properness of presentation in the financial reports as a whole. It is our opinion that our audit supplies sufficient basis for our opinion.

As explained in note 2, the above mentioned financial reports are presented as amounts reported, according to the accounting standards of the Israeli institution for standardization in accounting.

In our opinion, these financial reports properly reflect according to acceptable accounting standards, of all essential aspects, the financial situation of IEA for the days 31 December 2007 and 2006 and the results of its activities, net changes in assets and cash flows for each of the years ending in these dates.

**Baransi and Co.
CPA**

Jerusalem, 12 August 2008

Members of the Association of Chartered Certified Accountants (UK)

Interfaith Encounter Association
Balance Sheet
For the Year Ended December 31st 2007

	<u>Note</u>	<u>December 31st</u>	
		<u>2006</u>	<u>2007</u>
		<u>New Israeli shekels</u>	
Current Assets -			
Cash and Cash Equivalent	(2)	269815	57771
Other Debtors	(3)	<u>6493</u>	<u>83110</u>
		276308	140881
		-----	-----
Fixed Assets, Net -	(4)	<u>10797</u>	<u>16627</u>
		-----	-----
Total Assets		<u>287105</u>	<u>157508</u>
Current Liabilities			
Suppliers	(5)	40321	6788
Other Creditors	(6)	<u>25957</u>	<u>58599</u>
		66278	65387
		-----	-----
Long term liabilities -			
Severance Pay	(7)	<u>28353</u>	<u>36467</u>
		28353	36467
		-----	-----
NET ASSETS-			
Non Restricted Assets for Activities:			
For Activities		259006	69866
For Fixed Assets		<u>10797</u>	<u>16627</u>
		269803	86493
		-----	-----
Temporary Restricted		<u>(77329)</u>	<u>(30839)</u>
Net Assets		<u>192474</u>	<u>55654</u>
		-----	-----
Total Liabilities and Net Assets		<u>287105</u>	<u>157508</u>

The notes annexed to the reports are an integral part from the financial reports

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Interfaith Encounter Association
Activities report
For the Year Ended December 31st 2007

	<u>Note</u>	<u>December 31st</u>	
		<u>2006</u>	<u>2007</u>
		<u>New Israeli shekels</u>	
Total Revenues-			
General Donations		243640	204807
Membership Fees		4265	5080
Amounts Released from Restriction		<u>176304</u>	<u>212474</u>
		424209	422361
Cost of Activities-	(8)	<u>437808</u>	<u>507398</u>
		(13599)	(85037)
General and Administrative Exp.-	(10)	<u>91417</u>	<u>87978</u>
Net Income before Financial Exp.-		(105016)	(173015)
Net Financial Income (Exp.)-	(11)	<u>(12272)</u>	<u>(10295)</u>
Net Surplus (Deficit) for the Year		<u>(117288)</u>	<u>(183310)</u>

The notes annexed to the reports are an integral part from the financial reports
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Interfaith Encounter Association
The Change in Net Assets
For the Year Ended December 31st 2007

<u>Total</u>	<u>Not restricted</u>		<u>Restricted in two Ways</u>		
	<u>For activities</u>	<u>for Fixed Assets</u>	<u>Temporary</u>	<u>Permanent</u>	
	<u>New Israeli shekels</u>				
Balance for January 1st	259006	10797	(77329)	-	192474
Additions through the year:					
Donations	-	-	258964	-	258964
Net Surplus (deficit)	(183310)	-	-	-	(183310)
Decreases through the year:					
Released from Restriction	-	-	(212474)	-	(212474)
Released from restricted For Fixed Assets	(10118)	10118	-	-	-
Released to cover Depreciation Exp.	<u>4288</u>	<u>(4288)</u>	<u>-</u>	<u>-</u>	<u>=</u>
Balance for December 31st	<u>69866</u>	<u>16627</u>	<u>(30839)</u>	<u>-</u>	<u>55654</u>

The notes annexed to the reports are an integral part from the financial reports
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Interfaith Encounter Association
Notes for the financial reports
For the Year Ended December 31st 2007

Note (8) Cost of Activities--

A Cost of activities for 2007

	<u>Temple</u> <u>Mount</u> <u>Project</u>	<u>Women</u> <u>interfaith</u> <u>group</u>	<u>Regional</u> <u>Encounter</u> <u>Groups</u>	<u>Total</u>
Communication and Post	274	-	5850	6124
Office Maintenance	1037	-	-	1037
Salary Exp.	163369	-	200340	363709
Pension Trust	12322	-	3488	15810
Severance Pay	11100	-	13197	24297
Transportation	-	-	3640	3640
Refreshments	-	-	4302	4302
Advertisement and printing	2348	-	-	2348
Rent, electricity, water, taxes	-	-	21000	21000
Paintings and sketches	7393	-	-	7393
Rent of halls and equipment	-	-	39000	39000
Group coordination	13316	-	-	13316
Conference Arrangement	<u>1315</u>	<u>-</u>	<u>4107</u>	<u>15358</u>
Total	<u>212474</u>	=	<u>294924</u>	<u>507398</u>

B Cost of activities for 2006

	<u>Temple</u> <u>Mount</u> <u>Project</u>	<u>Women</u> <u>interfaith</u> <u>group</u>	<u>Regional</u> <u>Encounter</u> <u>Groups</u>	<u>Total</u>
Telephone, Post, Mobile	144	-	5220	5364
Office Maintenance	514	-	-	514
Salary Exp.	134140	-	139200	273340
Pension Trust	6992	-	2784	9776
Severance Pay	9055	-	9976	19031
Transportation	950	-	8421	9371
Refreshments	2051	2017	1362	5430
Cultural sites visits	-	300	90	390
Advertisement	6908	-	679	7587
Rent, electricity, water, taxes	-	-	26680	26680
Transportation and per diem abroad	434	-	-	434
Lectures and courses	1128	-	4761	5889
Presents	-	-	200	200
Paintings and sketches	6810	-	-	6810
Support team	4060	-	-	4060
Rent of halls and equipment	800	-	-	800
Group coordination	-	-	6000	6000
Conference Arrangement	<u>-</u>	<u>-</u>	<u>5000</u>	<u>5000</u>
Total	<u>173986</u>	<u>2317</u>	<u>210373</u>	<u>386676</u>

Interfaith Encounter Association
Notes for the financial reports
For the Year Ended December 31st 2007

Note (9) – surplus / (deficit) during this year in activities -

	<u>Temple Mount Project</u>	<u>Regional Encounter Groups</u>	<u>Total</u>
Income	258963	204807	463770
Expenses	<u>(212474)</u>	<u>(250584)</u>	<u>(463058)</u>
surplus / (deficit)	46489	(45777)	712

Note (10) - general and administrative -

	<u>December 31st</u>	
	<u>2006</u>	<u>2007</u>
	<u>New Israeli shekels</u>	
Salary expenses	49256	43330
Communication and Post	2686	618
Rent, Electricity, Water and City Tax	9903	6927
Professionals fees	6967	5196
Office Maintenance	3462	5093
Transportation	-	7472
Transportation abroad	351	2141
Memberships	210	-
Refreshments	1025	867
Lectures	160	-
Office Insurance	1064	1067
Directors' fees	2902	3465
Governmental fees	1232	1103
Severance pay	6753	-
Pension trust	2341	5073
Advertisement	72	1218
Presents	175	120
Support team	384	-
Depreciation	<u>2684</u>	<u>4288</u>
	<u>91417</u>	<u>87978</u>

Note (11) – financing income (expenses) -

	<u>December 31st</u>	
	<u>2006</u>	<u>2007</u>
	<u>New Israeli shekels</u>	
Commissions and bank interest	1913	3519
Rate differences	<u>10359</u>	<u>6776</u>
	<u>12279</u>	<u>10295</u>