

**“COMET-ME”**

**Community, Energy and Technology In The Middle East**

**(Community Interest Company)**

**FINANCIAL STATEMENTS**

**As of December 31, 2016**

August 27, 2017

**"COMET-ME"**  
**Community,Energy and Technology In The Middle East**  
**(Community Interest Company)**

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**Contents**

|                                   | <b><u>Page</u></b> |
|-----------------------------------|--------------------|
| <u>Auditors' Report</u>           | 3                  |
| <u>Financial Statements</u>       |                    |
| Balance Sheets                    | 4                  |
| Statements of Activities          | 5                  |
| Notes to the Financial Statements | 6-10               |

**To The Board of Directors  
Community, Energy and Technology in the Middle-East (Comet-ME)  
(Community Interest Company)**

**Auditors' Report**

We have audited the balance sheet of Community, Energy and Technology in the Middle-East (Comet-ME) as of 31 December 2016 and 2015 and the related statement of activities for the years then ended. These financial statements are the responsibility of the organization's Board of Directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, including those prescribed by the Auditors, Regulations (Auditor of performance) - 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance that 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 organization's Board of Directors and management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The above mentioned financial statements have been prepared in nominal values. Information as to the effect of the changes in the general purchasing power of the Israeli currency on the financial statements, in accordance with the pronouncements of the Institute of Certified Public Accountants in Israel, has not been included in the financial statements.

In our opinion, subject to non-inclusion of the information in the previous paragraph, the aforementioned financial statements present fairly, in conformity with generally accepted accounting principles applicable to non-profit organizations and subject to that stated above, in all material aspects the financial position of Community, Energy and Technology in the Middle-East (Comet-ME) as of December 31, 2016 and 2015 and the results of its operations, for the years then ended, on the basis of historical cost in nominal Israeli currency.

  
**George Deek**  
**Certified Public Accountant (Isr.)**

**Tel-Aviv-Jaffa**  
**August 27, 2017**

**Community, Energy and Technology in the Middle East  
(Comet-ME)**

**Balance Sheet**

**As of 31 December 2016**

|  |             | <u>2016</u>             | <u>2015</u>           |
|--|-------------|-------------------------|-----------------------|
|  | <u>Note</u> | <u>NIS</u>              | <u>NIS</u>            |
| <b><u>ASSETS</u></b>                     |             |                         |                       |
| <b><u>CURRENT ASSETS:</u></b>            |             |                         |                       |
| Cash and Cash Equivalents                |             | 1,201,494               | 628,080               |
| Other debts and debit balances           | (3)         | <u>602,554</u>          | <u>62,203</u>         |
|  |             | <b><u>1,804,048</u></b> | <b><u>690,283</u></b> |
| FIXED ASSETS                             | (4)         | <u>104,209</u>          | <u>117,850</u>        |
| <b>TOTAL ASSETS</b>                      |             | <b><u>1,908,257</u></b> | <b><u>808,133</u></b> |
| <b><u>LIABILITIES AND NET ASSETS</u></b> |             |                         |                       |
| <b><u>CURRENT LIABILITIES:</u></b>       |             |                         |                       |
| Employee's                               |             | -                       | 3,266                 |
| Suppliers and Checks Payable             |             | 78,663                  | -                     |
| Creditors and Accounts Payable           | (5)         | <u>1,709,898</u>        | <u>356,439</u>        |
| <b>Total Current Liabilities</b>         |             | <b><u>1,788,561</u></b> | <b><u>359,705</u></b> |
| <b><u>Long Term Liabilities</u></b>      |             |                         |                       |
| Employee benefit liabilities, net        |             | <u>29,947</u>           | <u>9,260</u>          |
| <b>Total Liabilities</b>                 |             | <b><u>1,818,508</u></b> | <b><u>368,965</u></b> |
| <b><u>NET ASSETS:</u></b>                |             |                         |                       |
| Unrestricted Net Assets of activities    |             | <u>89,749</u>           | <u>439,168</u>        |
| Total Net Assets                         |             | <u>89,749</u>           | <u>439,168</u>        |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  |             | <b><u>1,908,257</u></b> | <b><u>808,133</u></b> |

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

The notes to the financial statements form an integral part thereof

**Community, Energy and Technology in the Middle East  
(Comet-ME)  
Statement of Activities**

|   | <u>Note</u> | <u>2016</u><br><u>NIS</u> | <u>2015</u><br><u>NIS</u> |
|---|-------------|---------------------------|---------------------------|
| <b><u>GROSS INCOME FROM ACTIVITIES:</u></b>           |             |                           |                           |
| INCOME  | (6)         | <u>4,833,498</u>          | <u>4,676,995</u>          |
| <b><u>COST OF ACTIVITIES:</u></b>                     |             |                           |                           |
| Salaries and Benefits                                 |             | (363,936)                 | (261,192)                 |
| Material Costs  |             | (2,614,227)               | (2,650,259)               |
| Project Managers Salary and Maintenance               | (7)         | (1,093,273)               | (467,525)                 |
| Service Providers                                     | (8)         | <u>(548,938)</u>          | <u>(570,585)</u>          |
| <b>Total Cost of Activities</b>                       |             | <u>(4,620,374)</u>        | <u>(3,949,561)</u>        |
| <b>Net Income from Activities</b>                     |             | 213,124                   | 727,435                   |
| General and Administrative Expenses                   | (9)         | <u>(558,181)</u>          | <u>(665,230)</u>          |
| <b>Net Income (Expense) Before Financial Expenses</b> |             | (345,057)                 | 62,205                    |
| Financial (Expenses) Income, Net                      |             | <u>(4,362)</u>            | <u>(2,833)</u>            |
| <b>Net Income After Financial Expenses</b>            |             | <u><b>(349,419)</b></u>   | <u><b>59,372</b></u>      |

The notes to the financial statements form an integral part thereof

# Community, Energy and Technology in the Middle East (Comet-ME)

## Notes to Financial Statements

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### 1. Background:

Community, Energy and Technology in the Middle-East (Comet-ME) is an NGO based in Israel – Tsafiririm.

Comet-ME is a Community Interest Company officially registered on 14<sup>th</sup> September 2009 under registration number 5-143261-07.

The mission of Comet-ME is to facilitate social and economical empowerment in the poorest and most marginalized communities of the occupied Palestinian territories through material support and capacity building. The core of our activity is the provision of basic energy services for off-grid communities using solar and wind power, in a way that is both environmentally and socially sustainable.

Its main initiative is to build renewable energy systems for communities that are not connected to the electricity grid because of political reasons and build local capacity to install and maintain those systems.

#### 1.1 Source of Funds:

Comet-ME sources of funds are donations from international and local organizations and from current activities.

### 2. Principal Accounting Policies:

- a. The financial statements have been compiled in accordance to audit statement no. 69 of the institute of Certified Public Accountant in Israel and according to standard no. 5 of the institute of accounting standards.
- b. **Cash and cash equivalents** – include bank deposits for up to three months deposit from the balance sheet date.

## 2. Principal Accounting Policies: (continued)

- c. **Fixed assets** – include computers, furniture and office equipment. The annual rates of depreciation are between 6% and 33%, improvements to rented premises are amortized on a straight line method over the rental contract period, which does not exceed the estimated useful life of the improvements.
- d. Below are the details of consumer price index and the Euro rate of exchange:

|  | <u>31 December</u> |             |
|--|--------------------|-------------|
|  | <u>2016</u>        | <u>2015</u> |
| Consumer price index (average base 1998) | 139.6              | 139.9       |
| EURO currency (N.I.S for 1 Euro)         | 3.8450             | 3.902       |
| U.S Dollar                               | 4.0438             | 4.246       |

## 3. Other debts and debit balances:

|                               | <u>31 December</u>    |                      |
|-------------------------------|-----------------------|----------------------|
|                               | <u>2016</u>           | <u>2015</u>          |
|                               | <u>NIS</u>            | <u>NIS</u>           |
| Attorney deposit              | 558,609               | 17,818               |
| Advance payment for suppliers | <u>43,945</u>         | <u>44,385</u>        |
|                               | <u><b>602,554</b></u> | <u><b>62,203</b></u> |

## 4. Fixed Assets:

|                         | <u>Cost</u>           | <u>Accumulated<br/>Depreciation</u> | <u>31 December</u>    |                       |
|-------------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|
|                         |                       |                                     | <u>2016</u>           | <u>2015</u>           |
|                         | <u>NIS</u>            | <u>NIS</u>                          | <u>NIS</u>            | <u>NIS</u>            |
| Leasehold Improvements  | 64,684                | 27,467                              | 37,217                | 43,685                |
| Machinery and Equipment | <u>143,736</u>        | <u>76,744</u>                       | <u>66,992</u>         | <u>74,165</u>         |
|                         | <u><b>208,420</b></u> | <u><b>104,211</b></u>               | <u><b>104,209</b></u> | <u><b>117,850</b></u> |

**5. Creditors and Accounts Payables:**

|                     | <u>31 December</u>      |                       |
|---------------------|-------------------------|-----------------------|
|                     | <u>2016</u>             | <u>2015</u>           |
|                     | <u>NIS</u>              | <u>NIS</u>            |
| Income in advance * | 1,672,931               | 318,514               |
| Institutions        | 7,405                   | 8,051                 |
| Employees           | 1,035                   | -                     |
| Other creditors     | <u>28,527</u>           | <u>29,874</u>         |
|                     | <b><u>1,709,898</u></b> | <b><u>356,439</u></b> |

\*The article income in advance includes income received at the current year for activities to be implemented in the year after.

**6. Gross Income:**

|                                | <u>31 December</u>      |                         |
|--------------------------------|-------------------------|-------------------------|
|                                | <u>2016</u>             | <u>2015</u>             |
|                                | <u>NIS</u>              | <u>NIS</u>              |
| Donations from foreign funds * | 4,757,873               | 4,617,347               |
| Local private donations        | -                       | 20,100                  |
| Income from current activities | <u>75,625</u>           | <u>39,549</u>           |
|                                | <b><u>4,833,498</u></b> | <b><u>4,676,996</u></b> |

**Donations from Foreign Funds: \***

|  | <u>31 December</u> |             |
|--|--------------------|-------------|
|  | <u>2016</u>        | <u>2015</u> |
|  | <u>NIS</u>         | <u>NIS</u>  |
| The Rockefeller Brothers Foundation            | 191,307            | 197,377     |
| Medico International – Germany                 | -                  | 184,691     |
| Svenska  | -                  | 203,778     |
| Irish Aid                                      | 19,137             | 344,973     |
| Swiss Olive Oil Campaign                       | 97,028             | 167,265     |
| European Union                                 | -                  | 1,483,101   |
| Ministry of Foreign Affairs of The Netherlands | 1,394,212          | 1,805,093   |
| The Osprey Foundation                          | 288,236            | 179,168     |
| Minax Uriel                                    | -                  | 7,438       |
| PSCC   | -                  | 22,711      |
| The Federal Republic of Germany                | 2,667,987          | -           |



|  | <u>31 December</u>      |                         |
|--|-------------------------|-------------------------|
|  | <u>2016</u>             | <u>2015</u>             |
|  | <u>NIS</u>              | <u>NIS</u>              |
| Firedoll Foundation                              | 75,903                  | -                       |
| Other funds from abroad                          | <u>24,063</u>           | <u>21,752</u>           |
| <b><u>Total Donations from Foreign Funds</u></b> | <b><u>4,757,873</u></b> | <b><u>4,617,347</u></b> |

#### **7. Project Managers Salary and Maintenance**

|   | <u>31 December</u> |             |
|---|--------------------|-------------|
|   | <u>2016</u>        | <u>2015</u> |
|   | <u>NIS</u>         | <u>NIS</u>  |
| Project Managers Salary and Maintenance | 1,093,273          | 467,525     |

The increase in the project managers' salaries and maintenance clause is due to the development personal salaries on the amount of 486,000 NIS and the increase in the number of employees of the Palestinian Authority.

#### **8. Service Provider's**

|                       | <u>31 December</u>    |                       |
|-----------------------|-----------------------|-----------------------|
|                       | <u>2016</u>           | <u>2015</u>           |
|                       | <u>NIS</u>            | <u>NIS</u>            |
| Technical coordinator | 296,000               | 296,000               |
| Community Organizer   | 40,000                | 49,577                |
| Fundraiser            | 141,118               | 141,008               |
| Finance Manager       | <u>71,820</u>         | <u>84,000</u>         |
|                       | <b><u>548,938</u></b> | <b><u>570,585</u></b> |

The fundraising section was reclassified against the 2015 salary expenses clause.

#### **9. General and Administrative Expenses:**

|                                  | <u>31 December</u> |             |
|----------------------------------|--------------------|-------------|
|                                  | <u>2016</u>        | <u>2015</u> |
|                                  | <u>NIS</u>         | <u>NIS</u>  |
| Communication Expenses           | 13,105             | 23,495      |
| Office Supplies Expenses         | 12,554             | 7,980       |
| Business & equipment maintenance | 11,846             | 31,358      |
| Refreshments Expenses            | 11,629             | 10,787      |
| Travel Expenses                  | 362,123            | 322,453     |
| Travel Abroad Expenses           | 6,670              | 26,507      |

|                                    | <u>31 December</u>      |                         |
|------------------------------------|-------------------------|-------------------------|
|                                    | <u>2016</u>             | <u>2015</u>             |
|                                    | <u>NIS</u>              | <u>NIS</u>              |
| Printing and Publications Expenses | -                       | 30,925                  |
| Fees and Membership                | 1,120                   | 1,158                   |
| Professional Education             | -                       | 5,150                   |
| Depreciation Expenses              | 24,671                  | 22,060                  |
| Legal Expenses                     | 81,037                  | 162,943                 |
| Audit and Bookkeeping Expenses     | <u>33,426</u>           | <u>20,414</u>           |
|                                    | <b><u>(558,181)</u></b> | <b><u>(665,230)</u></b> |