



**Bethlehem Chamber
of Commerce and Industry
BCCI**

Annual Report 2016

**Integrated efforts and
sustainable performance**



**Lloyd's Register
LROA**

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Letter from the Chairman of the Board of directors



Dr. Samir Hazboun
Chairman of the Board

Distinguished sisters and brothers,

The Board of Directors of the Bethlehem Chamber of Commerce and Industry adopted a clear strategic plan in order to conduct its activities based on a vision, mission and objectives that were reflected during the implementation of a work plan and budget during 2016. This work plan set out to serve members who are owners of small and medium-sized enterprise, as well as premium and private members from business men and women. The Board also sought to achieve qualitative transformation in various services that aim to respond to the needs of members and the business community. It also worked on promoting relations through the establishment of links and communication with governmental and civil society organizations, and create positive interactions and partnerships to protect the rights of the business sector and draw economic policies

that contribute to the creation of new job opportunities in order to promote and develop the economy of the Bethlehem Governorate.

In terms of developing the administrative performance of BCCI, the Board adopted the corporate governance code, which is an important step towards institutional building, in order to promote the concepts of transparency and internal monitoring. Part of the principle of integration with local organizations, the Board established a vocational and technical training unit to respond to the needs of the labor market in combatting unemployment and providing employment opportunities for youth, with an aim to achieve sustainable development.

Our commitment to the concept of Corporate Social Responsibility entails its development and expanding the pool of beneficiaries to include various sectors, both organizations and individuals, in the Bethlehem area. The year 2016 witnessed considerable advancements in serving marginalized groups, and alongside the participation of citizens to promote this concept, efforts were conducted by the BCCI staff and Board and generous donations were made by members of the General Assembly.

This report is but a brief about the most important activities and achievements of the BCCI during 2016. We highly appreciate and value the efficiency and effectiveness of our executive team and Board members who played major role in creating so many success stories. In spite of all the circumstances, we aspire to achieve all the goals that contribute to the development of the local economy, and our team continues to raise the BCCI banner towards a limitless sky to attain a bright and flourishing economic future for the Bethlehem governorate.

On our journey to build the economic foundation for an independent Palestinian state, we are strongly committed to achieving the highest level of development and advancement in the business community, as well as promoting the position of BCCI among private sector organizations, through hard work, diligence and promotion of local and international cooperation.

Members of the Board of Directors



Dr. Samir Hazboun
Chairman of the Board



Mr. Sami Thaljiyeh
Second Vice President



Eng. Khaled Al Dara'wi
Senior Vice President



Mr. Saqer Ramadan
Senior Vice President



Mr. Sami Abu Aita
Treasurer



Mr. Rabei Al Helo
Deputy Secretary



Eng. Issa Mousa
Secretary



Eng. Dirar Abdeen
Board Member



Mrs. Majedah Salsa
Board Member



Mr. Iyad Al Hroub
Deputy Treasurer

The Bethlehem Chamber of Commerce and Industry in Brief

The Bethlehem Chamber of Commerce & Industry (BCCI) is an independent and non-profit organization with public benefit. It represents the private sector in the Bethlehem Governorate, and plays an important role in the economy, considering it is among the leading organizations that work in the field of promoting the national economy. BCCI conducts utmost efforts to assist members of the General Assembly to endure difficult circumstances and encourage them to grow and develop.

The BCCI falls under the umbrella of the Ramallah-based Palestinian Federation of Chambers of Commerce and Industry, which includes a total of 18 other chambers in Palestine.

In July 2011, the third elections in the history of BCCI were held, whereby the elected Board of Directors included 10 members who work side by side to serve BCCI members and develop its programs. For the first time in the history of BCCI and on a national level, a woman was an elected member to the Board of Directors. The new Board, under the leadership of economist and former Board Chairman Dr. Samir Hazboun, pledged to raise the BCCI performance level, to provide the best services to its members, and support local products and industries in order to achieve sustainable economic development on a local scale.

Every year, the BCCI prepares a work plan that includes activities and events with measurable verification indicators in order to commit to the implementation of its strategic plan. This annual report reveals the most important achievements and activities conducted by the BCCI Board and executive team during 2016.

Vision, Mission, Philosophy, Values & Strategic Objectives

Our Vision

A Chamber with an outstanding performance to achieve sustainable economic prosperity.

Our Mission

We strive to provide high quality services to our members and the local community through the provision of counseling, guidance and capacity development using technological methods. We represent our members effectively, as well as protect their interests. We also work on initiating partnerships with civil society organizations and the private and public sectors, raise the capacity and quality of local products and promote them, and focus on persons with special needs, women and youth.

Our Philosophy and Values

BCCI's philosophy is to encourage the spirit of teamwork and initiative among members, employees and institutional cooperation, to achieve sustainable economic development in the local community. BCCI believes that its activities are the derivative of members' needs and priorities, and has therefore committed itself to a set of values that assist it in achieving its vision. These values include but are not limited to, integrity, accountability, transparency, integration, change and adaption, openness, social responsibility, professionalism and adherence to international standards in performance.

Strategic Objectives

1. To encourage economic activities in the various sectors in the governorate.
2. To raise the performance level of BCCI in the governorate.
3. To promote communication between Board members, the local community and donor organizations.
4. To develop and expand BCCI's financial resources.

The Bethlehem Chamber of Commerce and Industry during 2016

163 new members



1,282 board members



150 trainees and 6 different training courses



50 press releases in the various media outlets



2,374 likes on our Facebook page



13,853 SMS to our members



1,980 visitors to our YouTube page



1,275 visitors to our website



78 announcements for commercial and industrial fairs



5 workshops
500 participants



4 electronic newsletters



300 visitors to the Permanent Exhibition

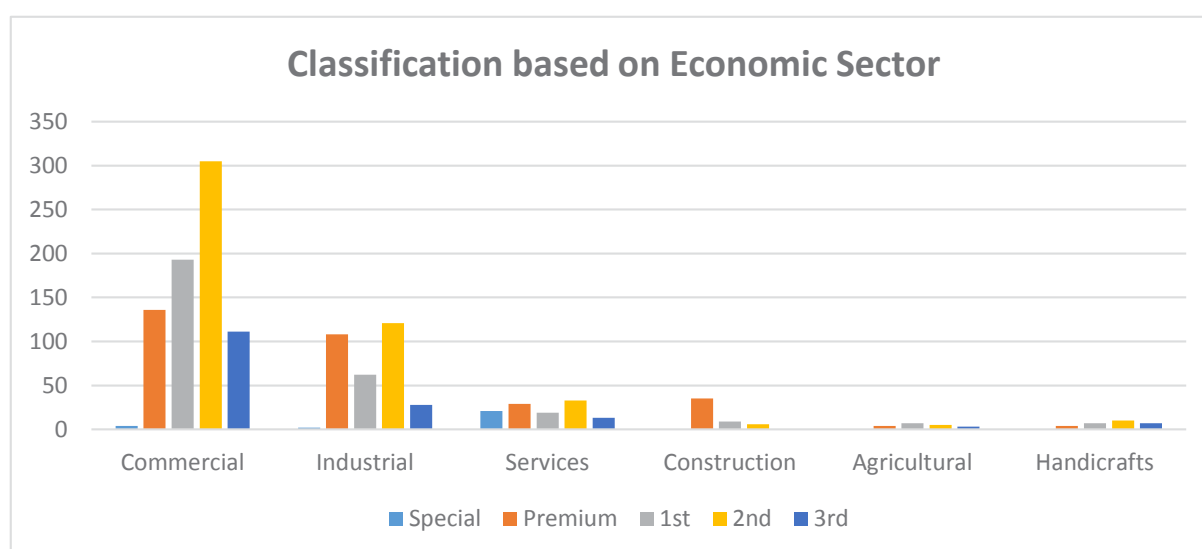


General Assembly Memberships during 2016

Distribution of Memberships Based on Economic Sectors Classifications and Grades

Classification based on Economic Sector	Grade-based Classification					Total based on Economic Sector
	Special	Premium	1st	2nd	3rd	
Commercial	4	137	193	305	111	749
Industrial	2	108	62	121	28	321
Services	21	29	19	33	13	115
Construction	0	35	9	6	0	50
Agricultural	0	4	7	5	3	19
Handicrafts	0	4	7	10	7	28
Total according to grade classification	27	316	297	480	162	1,282

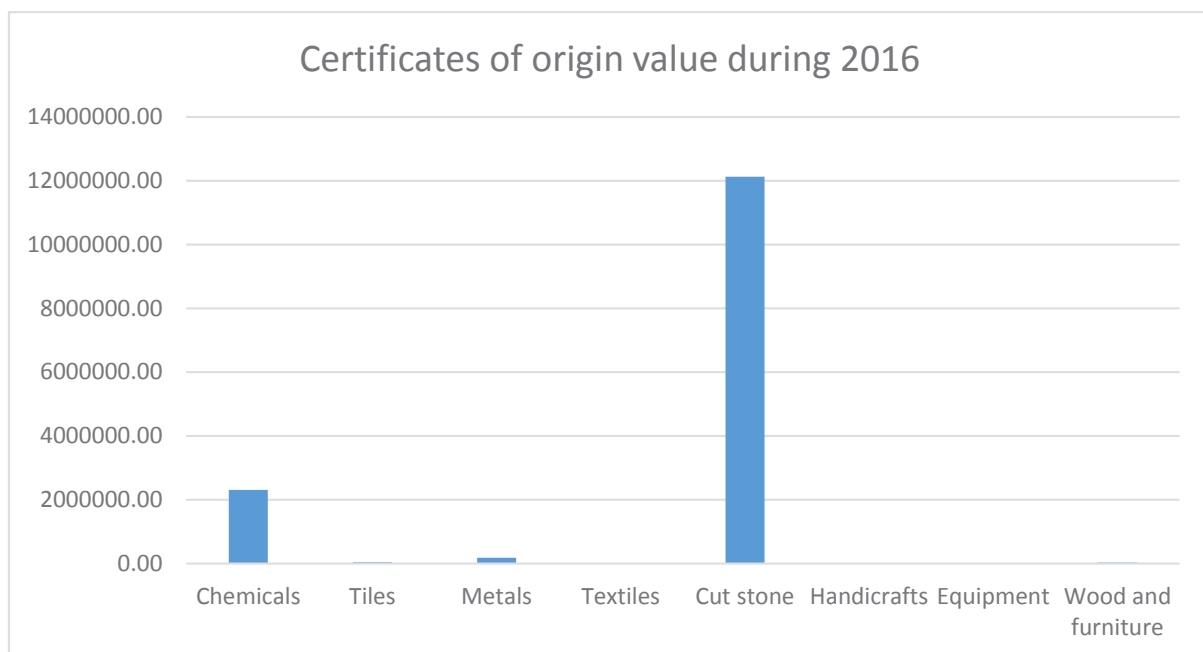
Distribution of Members of the General Assembly
in accordance with classifications and grades of the economic sector



Certificates of Origin Statistics:

The year 2016 witnessed a decrease in the value of certificates of origin and the value of exports compared with 2015. Cut stone exports recorded the highest rate of exports from the governorate, followed by pharmaceutical and chemical exports, whereby a total of 1,052 certificates of origin were issued this year in the amount of \$15,244,007.70, compared with 1,161 certificates of origin issued in 2015 in the amount of \$19,0486.217.

Certificates of origin value during 2016	Amount in USD	
	15,224,007.70	
Item	Amount	%
Chemicals	2,311,461.83	15.18
Tiles	40,749.00	0.27
Metals	183,057.01	1.20
Textiles	20.00	0.00
Cut stone	12,129,446.59	79.74
Handicrafts	508.990.39	3.34
Equipment	8,883.00	0.06
Wood and furniture	31,399.88	0.21
Total	15,224,007.70	100
Number of certificates of origin	1,052	



The Role of BCCI in Following Up on the Affairs of the Members of the General Assembly

Since the BCCI represents the interests of members of the General Assembly before governmental and official entities, it is always concerned with following up on their issues and affairs as well as solving any pending matters in accordance with the laws applicable in Palestine. The BCCI represents owners of these economic establishments whose businesses are confronted with obstacles and challenges, and follows up with decisions makers based on their ranks and locations. One example is the BCCI following up on the issue of commercial permits that were suspended by an order from the Israeli authorities, thus preventing merchants from crossing borders into Israel. The BCCI followed up on the matter with the District Coordination Office and the permits were reissued. The BCCI also managed to solve issues with the various units at the tax department (income tax, value added tax and customs) in order to facilitate the process of obtaining obstacle-free services. Last but not least, the BCCI managed to solve pending issues at the department of Civil Defense concerning outstanding financial fees for economic establishments, and the procedures that need to be followed during the application of public safety.

The Committees of the Board of Directors

(Industrial Committee / Commercial Committee)

The Committees of the Board of Directors is an instrument that continuously identifies the situation of the private sector, the problems it is confronted with and the obstacles it faces, and follows up on them to seek appropriate solutions. The commercial and industrial committees of the Board of Directors organized a number of meetings with relevant bodies to discuss the affairs of merchants and industrialists. Among these meetings included one with the Director of the Value Added Tax in Bethlehem; the Director of the directorate of labor, to discuss the problems confronted by business owners and laborers alike, and assist them in solving work-related affairs; a meeting with the civil defense; and a meeting with the Directorate of National Economy



Networking and Business Meetings:

The BCCI General Assembly seeks to promote and create opportunities and meetings to network with international chambers of commerce and foreign companies in order to encourage cooperation and increase investment opportunities and commercial and economic exchange. The most important events that were implemented in 2016 include the following:

A trade mission from the Greek island of Crete. The program included bilateral meetings between several Greek companies and members of the General Assembly, to encourage import and export opportunities between them in the field of clothing, food commodities and cleaning supplies



Signing an agreement with the Chamber of Commerce of Heraklion in Crete in an attempt to establish trade relations, open new markets to promote local products and encourage export and import opportunities

A trade mission from the Czech Republic. The program included bilateral business meetings with leading Czech companies in the fields of construction, engineering, contracting, roof insulation, and production of building materials from recycled material. Meeting discussions included methods of cooperation, import and export possibilities, and experience exchange in the field of construction.



A trade mission to the Czech Republic with several members of the General Assembly, including exporters, importers, and merchants who are interested in importing Czech products or exporting products to the Czech Republic.



Meeting with the Ambassador of the Ivory Coast to discuss the possibility of organizing trade missions to encourage trade exchange between both countries.

A meeting with a distinguished delegation from the office of the Quartet to discuss the role of the latter in developing the private sector and the possibility of organizing a trade mission to Oman.



The participation of Dr. Samir Hazboun, Chairman of the BCCI Board of Directors, in the Hungarian Palestinian Forum, as the representative of the Palestinian Federation of Chambers of Commerce, Industry and Agriculture, where a cooperation agreement was signed between Hungarian and Palestinian chambers of commerce.

The participation of BCCI in the Palestinian Diaspora Convention, which was organized by the Bethlehem Municipality. The BCCI was one of the partner entities for organizing the convention, especially involved in the preparation of bilateral business meetings.



The participation of BCCI in a workshop in Jordan to discuss the Trade Preferential System between member states of the Organization for Islamic Cooperation, and international trade issues.



Development Partners:

Local Employment and Training (LET) / Local Economic Development (LED): The BCCI, in cooperation and coordination with local organizations, seeks to mobilize efforts to combat unemployment, and conduct networking and follow up on local community issues, as well as develop the local economy through various



projects that support the community and promotes its capacities. To achieve this, the BCCI is a main member in the Local Employment and Training Council and the Local Economic Development Council considering their importance in combatting unemployment promoting economic growth in the governorate. The BCCI conducted several meetings during 2016 to achieve these objectives.



The Bethlehem handicraft Forum :The BCCI in cooperation with VIS seeks to develop the handicrafts sector and the possibility of promoting and marketing these products in Europe. A catalog was created containing all traditional handicrafts, as a first step for marketing through the formation of the Bethlehem handicraft Forum. Several meetings were held during 2016 to develop of performance of the forum and draw future policies.

Bethlehem Treasures Project: Members of the Bethlehem Treasures Cluster participated in the Christmas markets that were held in Austria. This is the first participation of its kind in the Market of Altes AKH and the Schönbrunn Palace in Vienna. These prestigious markets provide the opportunity to discover the special values of unique products from the birthplace of Jesus by hosting Palestinian artisans from the Bethlehem Treasures cluster. This project was developed through support from the Cluster Development program of Creative Cultural Industries south of the Mediterranean, funded by the European Union and the Italian Development Cooperation, and implemented by UNIDO in cooperation with the BCCI.



Capacity Building and Development

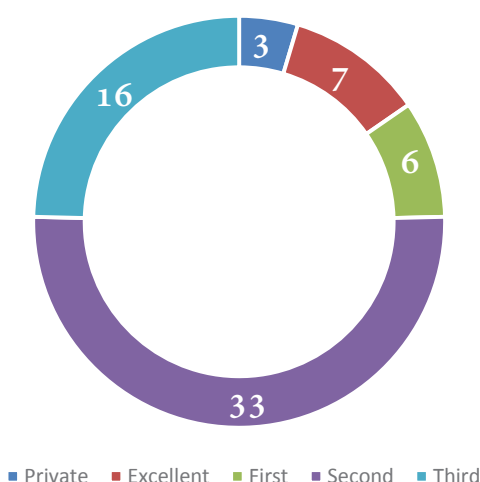
Among the main objectives of the BCCI is developing the capacities of its members so that they are able to rival developments within the business community. Based on that, a graduation was held for 150 trainees members in the General Assembly who enrolled in various training courses that were organized by the Vocational Training Unit. Trainees received training on health and public safety, results-based management, Business etiquette and protocol, electronic marketing, and marketing small and medium-sized enterprises. The BCCI also implemented several awareness workshops for members of the General Assembly including a commercial, financial and tax-related workshop, and one in coordination with the Palestinian Bureau of Statistics.



Ladies and Businesswomen

The year 2016 was marked by the registration of 11 businesswomen in the membership of the General Assembly, whereby the total number of women members reached 65. Several activities were implemented during 2016, which aimed to empower businesswomen, promote their participation and achievements in economic development through the implementation of training workshops and awareness meetings, and increase their participation in conventions and events, as well as encourage networking with donor organizations to support women's projects implemented in the Bethlehem Governorate.

Businesswomen distribution in the general assembly



Ceremony for Businesswomen





Visit to the Industrial Park (BMIP) – Bethlehem



Meeting for businesswomen with Dutch experts



Visit by the Ramallah and Al Bireh chambers of commerce and industry

Developing the Capacities of BCCI Staff

The participation of the Vocational and Technical Training Coordinator in a series of training courses in Germany. The purpose of the visit was to benefit from the German experience in the field of education and vocational training through a comprehensive program that involved identifying the role of the Cologne Chamber in the field of handicrafts, getting to know trainees, handicrafts, the number of participating companies and the size of investment involved, in addition to studying contracts and certificates related to vocational training.



Professional Standards Training Course in Ramallah

The participation of the Director of Memberships and Services in a training course that covered the implementation of external auditing procedures and prepare local auditors, part of the UNESCO Technical Vocational Education and Training (TVET) project at Al Kifayat Center for Food Production in Al Arroub College, in addition to Al Kifayat Center for Automobile Technology, which is part of the Multipurpose Vocational and Technical Training Center in Halhul.

The participation of the Vocational and Technical Training Coordinator in a series of training courses organized by the Japanese International Cooperation Agency (JICA). The trainings were conducted in the fields of service provision and consultations to members of chambers of commerce.

Enhancing Communication and Networking with Members of the General Assembly

Part of BCCI's efforts to achieve its strategic objectives, which include enhancing communication with members of the General Assembly and providing comprehensive and unique services to business sectors, the BCCI implemented several field visits to economic establishments in the governorate, with an aim to assess their situation, listen to them and follow up on any issues they may have.



Memorandums of Understanding

The BCCI signed several memorandums of understandings with various entities, and established the Vocational and Technical Training unit to find an educational training system that is able to promote the appropriate skills for youth with an aim to generate employment opportunities and raise living standards

- ◆ The BCCI signed a memorandum of understanding with the Alumni Training Unit at Palestine Ahliya University.



- ◆ **The BCCI signed an agreement for the Training for Employment project funded by GIZ**, which aims to provide employment opportunities through the implementation of short-term training courses with the Multipurpose Vocational Training Center in Halhul. Another agreement was signed with owners of mechanical professions (automobile bodies and painting), part of the Training for Employment project, which aims to provide capacity building to 20 unemployed persons living in marginalized and less advantaged areas. At the end of the training, the Association of Workers in Mechanical Professions conducts the follow up and supervision to find employment for beneficiaries.
- ◆ **The BCCI signed an agreement with the Palestinian Market Development Program (PMDP)** with an aim to open new markets for Palestinian products and develop handicrafts that that suit the European market. The BCCI also played an important role in facilitating the export of these products by issuing the Euro Certificate from the Customs Department at the Directorate of the Ministry of Finance in Bethlehem. This endeavor is intended to support owners of small and micro-sized enterprises.
- ◆ **The BCCI signed a memorandum of understanding with the Holy Land Christian Ecumenical Foundation (HCEF)** for the Future Entrepreneurs project that aims to promote and strengthen the Palestinian economy by facilitating trade, developing businesses and encouraging investment in Palestine.

Meetings with Local Delegations

Meeting with the Attorney General and a group of district attorneys



The Director of the Arab Bank

Meeting with the Director of the Customs Department



Meeting with the Director of the Palestinian Military Liaison

Meeting with the National Security



Meeting with the Director of Laki Sayidati site

Corporate Social Responsibility

Corporate social responsibility and serving the community is one of the major priorities on the agenda of the BCCI. The latter works diligently to anchor this concept, considering it the main basis that distinguishes it from other entities and a source for developing its sense of belonging and loyalty to the Bethlehem Governorate and its citizens. The year 2016 witnessed several campaigns, contributions and in-kind and financial assistance.

Al Amani Tree Campaign (the tree of wishes):

Al Amani Tree Campaign fulfilled the wishes of 165 children with special needs from five organizations in the Bethlehem Governorate. Through generous donations, the BCCI managed to respond to the wishes of the following children:

Hearing-impaired children from EFFETA
Children with mental and motion disorders from the House of Hope



Children from Al Shuruq School for the blind Children with slow learning abilities from Sira

Children from the Holy Child Program

The campaign aimed to draw a smile on the faces of children with special needs, promote communication between the BCCI and civil society organizations, and the role of the BCCI in the local community and the business community.



The concept of the campaign was to collect the wishes of children with disabilities enrolled in official organizations, and hang them on a tree located at the entrance of the BCCI. A random wish was chosen from the tree, and its value donated to the BCCI, which in turn fulfills the child's wish. Children's wishes ranged from toys, to stationary and clothing.

The campaign, which was announced on the BCCI social media pages and website, attracted the attention of a large number of local media outlets because of its distinguished idea away from the traditional way of collecting donations, which also speeded up the collection process and fulfilling the wishes of children.

Support for Various Local Organizations:

As part of its commitment to corporate social responsibility, the BCCI provided a great deal of assistance during 2016: blankets to the elderly through the Ministry of Social Affairs within the governorate; support for Al Awda School and the provision of financial assistance to send one of its students to Germany; Assistance for Al Shuruq School for the Blind to cover the costs of a visa to Tunisia to participate in the International Festival of Blind Musicians; meals and caps for summer camps; sports shoes for a football teams; and a computer for the Palestinian detainees Society.



Campaign for students in need during the holy month of Ramadan:

This campaign was organized to support university students in need, and covered students from Bethlehem University, Al Quds Open University, Palestine Ahliya University and the SOS Children's Village





السيد سمير خزيون المحترم ،

انتم اليوم احدثتم فرقاً في حياة الأطفال !

Social Solidarity Society – Bethlehem Governorate:

The BCCI is proud to be a member in the Social Solidarity Society, which was established by the Bethlehem Governorate to support the poor through a project entitled Saint Mary's Hospice, which provides hot and healthy meals to families in need in all areas across the governorate, and distribute meals to organizations, hospitals and societies, as well as Iftar meals during the holy month of Ramadan.



Corporate Governance

Members from the BCCI Board of Directors established a corporate governance committee concerned with the regulations and procedures through which the organization is managed and monitored, through the organization of relations between the Board of Directors, the Executive Committee, members of the General Assembly and other relevant persons, and monitor the extent to which the BCCI is committed to legal and legislative frameworks and the instructions issued by official body. This is done in order to promote corporate and good governance at the BCCI. A questionnaire was prepared and filled out by the Board of Directors and employees, and included five main standards. Furthermore, a random sample of members from the General Assembly representing all economic sectors, were chosen to gather opinions about the extent to which the BCCI is committed to the application of corporate governance standards



Quality Control (ISO 9001:2008)

Since 2002, the BCCI has maintained its certificate for quality in the provision of services, and continuously updates its work mechanisms to respond to the needs of members of the General Assembly. Mac International, representative of Lloyds, conducts the auditing on all processes.



Conclusion

2016 was a fruitful year for the Bethlehem Chamber of Commerce and Industry, whereby the activities and events that were implemented served the interests of the business community in the Bethlehem Governorate, mainly members of the General Assembly who represent the various economic sectors and who are classified based on their capital. For 2017, we seek to improve and develop our performance and fulfill all our responsibilities and duties towards the private sector. We will also endeavor to pay more attention to the affairs and issues of economic establishments and defend their interests before official bodies, in order to achieve our vision for a sustainable and prosperous economy that engages all relevant sectors and stakeholders.



Samir B. Sahhar

Certified Public Accountants

Local in Touch, Global in Reach

Bethlehem Chamber of Commerce & Industry



غرفة تجارة وصناعة محافظة بيت لحم
Bethlehem Chamber of Commerce & Industry

Financial Statements
For The Year Ended December 31,2016
And Independent Auditor's Report
(Translated from the Arabic original)

Financial Report



Samir B. Sahhar

Certified Public Accountants

Local in Touch, Global in Reach

Independent Auditor's Report

To the Board of Directors of
Bethlehem Chamber of Commerce & Industry
Bethlehem

We have audited the accompanying financial statements of **Bethlehem Chamber of Commerce and Industry**, which comprise the statement of financial position as of **December 31, 2016** and the related statement of activities, statement of cash flows and statement of changes in net asset for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Bethlehem Chamber of Commerce and Industry** at **December 31, 2016** and the results of its activities, changes in its net assets and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Samir B Sahhar

Certified Public Accountants

Bethlehem: February 7, 2017



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HLB Local in Touch, HLB Global in Reach

Financial Report

Bethlehem Chamber of Commerce and Industry Financial Statements for the year ended December 31, 2016

Statement of Financial Position

(All amounts in NIS)

	Note	December 31, 2016	December 31, 2015
Assets			
Current Assets			
Cash and cash equivalents	3	1,202,908	963,392
Inventory		1,600	-
Pledges receivable	4	207,750	-
Accounts receivable		34,302	11,250
Prepaid expenses	5	11,502	35,304
Total Current Assets		1,458,062	1,009,946
Non-Current Assets			
Fixed assets, Net	6	4,006,462	4,135,474
Investments	2.d	142,771	142,771
Total Non-Current Assets		4,149,233	4,278,245
Total Assets		5,607,295	5,288,191
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	7	257,274	185,528
Outstanding checks		5,305	60,346
Accrued liabilities	8	74,525	82,552
Total Current Liabilities		337,104	328,426
Non-Current Liabilities			
Accumulated Employees' Severance Benefits	9	292,283	284,752
Employees' Provident Fund		96,940	56,075
Total Non-current Liabilities		389,223	340,827
Total Liabilities		726,327	669,253
Net Assets			
Unrestricted net assets		742,388	483,464
Temporarily restricted net assets (for projects)		132,118	-
Temporarily restricted net assets (for fixed assets)		4,006,462	4,135,474
Total Net Assets		4,880,968	4,618,938
Total Liabilities and Net Assets		5,607,295	5,288,191

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

Dr. Samir Hazboun
Chairman, Board of Directors



Sami Abu Aita
Treasurer

Financial Report

Bethlehem Chamber of Commerce and Industry

Financial Statements for the year ended December 31, 2016

Statements of Activities

(All amounts in NIS)

	Note	2016	2015
Changes in Unrestricted Net Assets			
Revenues			
Membership Subscriptions	10	602,751	609,246
Service Fees	11	749,598	703,477
Income from Activities and Rentals		10,763	26,884
Financial Revenues, Net	13	-	2,272
Total Revenues		1,363,112	1,341,879
Net Assets Released from Temporary Restriction	App. I	190,118	68,353
Revenues and Net Assets Released from Temporary Restriction		1,553,230	1,410,232
Expenditures			
Program Direct Expenses	14	334,307	197,683
Salaries and Related Benefits	15	703,293	618,638
General and Administrative Expenses	16	215,281	239,594
Financial Expenses, Net	13	10,425	-
Depreciation	6	160,012	160,395
Total Expenditures		1,423,318	1,216,310
Increase in Unrestricted Net Assets for the Year		129,912	193,922
Reclassification of Temporarily Restricted to Unrestricted Net Assets		129,012	156,497
Prior-Period Adjustments		-	(7)
Changes in Unrestricted Net Assets		258,924	350,412
Changes in Temporarily Restricted Net Assets			
Temporarily Restricted Contributions and Donations	12	322,236	-
Net assets released from temporary restriction	App. I	(190,118)	(68,353)
Reclassification of Temporarily Restricted to Unrestricted Net Assets		(129,012)	(156,497)
Changes in the Temporarily Restricted Net Assets		3,106	(224,850)
Changes in Net Assets for the Year		262,030	125,562

- The accompanying notes constitute an integral part of the financial statements.

Bethlehem Chamber of Commerce and Industry

Financial Statements for the year ended December 31, 2016

Statement of Changes in Net Assets

(All amounts in NIS)

	Unrestricted Net assets General	Temporarily Restricted Net assets Projects	Fixed Assets	Total
Net Assets as of 31/12/2014	133,052	68,353	4,291,971	4,493,376
Prior-Period Adjustments	(7)	-	-	(7)
Revenues	1,341,879	-	-	1,341,879
Total	1,341,872	-	-	1,341,879
Expenses	(1,147,957)	-	-	(1,147,957)
Reclassification	156,497	-	(156,497)	-
Released from temporary restriction	-	(68,353)	-	(68,353)
Total	(991,460)	(68,353)	(156,497)	(1,216,310)
Changes in Net Assets for the year	350,412	(68,353)	(156,497)	125,562
Net Assets as of 31/12/2015	483,464	-	4,135,474	4,618,938
Revenues	1,363,112	-	-	1,363,112
Donations	-	322,236	-	322,236
Total	1,363,112	322,236	-	1,685,348
Expenses	(1,233,200)	-	-	(1,233,200)
Reclassification	129,012	-	(129,012)	-
Released from temporary restriction	-	(190,118)	-	(190,118)
Total	(1,104,188)	(190,118)	(129,012)	(1,423,318)
Changes in Net Assets for the year	258,924	132,118	(129,012)	262,030
Net Assets as of 31/12/2016	742,388	132,118	4,006,462	4,880,968

- The accompanying notes constitute an integral part of the financial statements.

Financial Report

Bethlehem Chamber of Commerce and Industry

Financial Statements for the year ended December 31, 2016

Statement of Cash Flows

(All amounts in NIS)

	2016	2015
Cash Flows From Operating Activities		
Changes in net assets for the year	262,030	125,562
Adjustments to reconcile current year changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	160,012	160,395
(Increase) decrease in inventory	(1,600)	-
(Increase) decrease in pledges receivable	(207,750)	68,353
(Increase) decrease in accounts receivable	(23,052)	(10,450)
Decrease (increase) in prepaid expenses	23,802	(31,904)
Increase (decrease) in accounts payable	71,746	(317,162)
(Decrease) increase in outstanding checks	(55,041)	60,346
(Decrease) increase in accrued expenses	(8,027)	(27,304)
Increase (decrease) in employees' provident fund	7,531	56,075
Increase (decrease) in accumulated employees' severance benefits	40,865	51,416
Net Cash Provided by (Used in) Operating Activities	270,516	135,327
Cash Flows from Investing Activities		
Purchase of fixed assets	(31,000)	(3,898)
Net Cash Used in Investing Activities	(31,000)	(3,898)
Increase (Decrease) in Cash and Cash Equivalents	239,516	131,429
Cash and cash equivalents at the beginning of year	963,392	831,963
Cash and Cash Equivalents at the End of Year	1,202,908	963,392

-The accompanying notes constitute an integral part of the financial statements.

