

**"YAD EZRA V'SHULAMIT, JERUSALEM"**  
**(Reg. Assoc.)**

**Financial Statements**  
**for the year ended December 31, 2020**

**Financial Statements as on 31 December 2020**  
**Reported Amounts**

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**ZOHAR YOSEF**  
Certified Public Accountants

**AUDITOR'S REPORT TO THE TRUSTEES OF**  
**"YAD EZRA V'SHULAMIT, JERUSALEM" CHARITABLE ORGANIZATION**

I have audited the accompanying Balance Sheets of "YAD EZRA V'SHULAMIT, JERUSALEM" (Reg. Assoc.) (hereinafter - the Association) for the years ended December 31, 2020 and 2019, the Statement of Operations, Statement of Changes in Net Assets and the Cash Flow Statement for each of the years then ended. These financial statements are the responsibility of the Association's committee and management. My responsibility is to give an opinion on these financial statements based on my audits.

I have conducted my audit in accordance with Generally Accepted Auditing Standards including those prescribed by the Auditors' Regulations (Manner of Auditors' Performance), 5733-1973. Such standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of any 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 Association committee and management, as well as the evaluation of the overall presentation of the financial statements. I believe that my audit provides a fair basis for my opinion.

In my opinion, the said financial statements fairly present, in all material respects, the financial position of the Association as of December 31, 2020 and 2019 and the results of its operations and changes in net assets and cash flows for each of the years then ended – in accordance with Generally Accepted Accounting Principles in Israel (Israeli GAAP).

**Yosef Zohar**

**CPA**

Bnei Brak  
2 June 2021

**"YAD EZRA V'SHULAMIT, JERUSALEM"**

**Balance Sheets**

**Reported Amounts**

		As at December 31	
		2020	2019
	Note	NIS	NIS
<b><u>Current Assets</u></b>			
Cash and cash equivalent		165,074	747,300
Receivables	3	3,613,553	1,143,713
Debtors and debit balances	4	9,823,880	14,213,567
		<u>13,602,507</u>	<u>16,104,580</u>
<b><u>Investment Property:</u></b>			
Investment Property		1,360,000	1,360,000
<b><u>Fixed Assets, Net</u></b>	5	<u>48,751,989</u>	<u>30,363,939</u>
<b>Total Assets</b>			
		<u>63,714,496</u>	<u>47,828,519</u>
<b><u>Current Liabilities</u></b>			
Credit from financial institutions		11,997	-
Short-term loans and current maturities	6	3,264,925	-
Suppliers and checks payable	7	1,545,019	2,386,810
Creditors and credit balances	8	1,653,780	1,093,083
		<u>6,475,721</u>	<u>3,479,893</u>
<b><u>LONG-TERM LIABILITIES:</u></b>			
Net liability for employees' accrued severance pay	9	585,252	984,730
Provision for employees' vacation pay		208,538	167,871
Long-term loan, net	10	8,737,663	-
		<u>9,528,453</u>	<u>1,152,601</u>
		<u>16,004,174</u>	<u>4,632,494</u>
<b><u>Unrestricted net assets:</u></b>			
Used for activities		(1,041,667)	1,362,551
Designated by the nonprofit organization		-	11,469,535
Used for fixed assets		48,751,989	30,363,939
<b><u>Total net assets</u></b>		<u>47,710,322</u>	<u>43,196,025</u>
<b>Total liabilities and net assets</b>			
		<u>63,714,496</u>	<u>47,828,519</u>

\_\_\_\_\_  
Netanel Arazuan  
Committee Member

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Chaim Bismot  
Committee Member

Financial statement approval date: 2 June 2021

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

**Statements of Operations**

**Reported Amounts**

		Year ended December 31	
		2020	2019
	Note	NIS	NIS
<b>Operation Turnover</b>			
Income from the government ministries and local authorities	11	4,068,625	2,249,476
Donations received	12	30,708,194	28,345,853
Revenues in kind	13	84,118,656	72,000,510
Rental Income		3,000	16,800
<b>Total Operational Turnover</b>		<b>118,898,475</b>	102,612,639
Operation cost	14	109,712,180	96,855,301
Net income derived of operations		9,186,295	5,757,338
General and Administrative Expenses	15	4,314,272	5,192,052
Net financing expenses		340,894	275,981
Net Income before capital loss (gain)		4,531,129	289,305
Capital loss (Gain)		16,832	(782,119)
Net surplus for the year		4,514,297	1,071,424

**The accompanying notes are an integral part of the financial statement.**

**Statements of Changes in Net Assets**

**Reported Amounts**

	<u>Unrestricted Net Assets</u>			<u>Restricted Net assets</u>	<u>Total NIS</u>
	Used for Activities	Designated by the NPO	Used for Fixed Assets	Temporary	
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	
<b>Balance as of 1 Jan., 2019</b>	81,920	13,000,000	29,042,681	-	42,124,601
<b>Additions (Deductions) during the year</b>					
Net Surplus for the year	1,071,424	-	-	-	1,071,424
Release of amounts designated for fixed asset acquisition	-	(1,530,465)	1,530,465	-	-
Transfer of unrestricted amounts – used for fixed assets	(3,131,386)	-	3,131,386	-	-
Amounts transferred to cover depreciation expenses	1,212,833	-	(1,212,833)	-	-
Fixed asset derecognition	2,638,944	-	(2,638,944)	-	-
Accrued depreciation derecognition	(511,184)	-	511,184	-	-
<b>Balance on 31 Dec. 2019</b>	<b>1,362,551</b>	<b>11,469,535</b>	<b>30,363,939</b>	<b>-</b>	<b>43,196,025</b>
<b>Additions (Deductions) during the year</b>					
Net surplus for the year	4,514,297	-	-	-	4,514,297
Release of amounts designated for fixed asset acquisition	-	(11,469,535)	11,469,535	-	-
Transfer of unrestricted amounts – used for fixed assets	(8,416,025)	-	8,416,025	-	-
Amounts transferred to cover depreciation expenses	1,480,678	-	(1,480,678)	-	-
Fixed asset derecognition	30,420	-	(30,420)	-	-
Accrued depreciation derecognition	(13,588)	-	13,588	-	-
<b>Balance on 31 Dec. 2020</b>	<b>(1,041,667)</b>	<b>-</b>	<b>48,751,989</b>	<b>-</b>	<b>47,710,322</b>

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

**Cash Flow Reports**

**Reported Amounts**

	<b>Year ended Dec. 31</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
<b><u>Net cash from ongoing activities:</u></b>		
Net surplus for the year	<b>4,514,297</b>	1,071,424
Appendix A - Adjustments required to reflect the cash flows from ongoing activities -		
Income and expenses unrelated to cash flows	<b>1,138,288</b>	551,845
Changes in assets and liabilities		
	<b>1,638,753</b>	451,213
Total adjustments required to reflect the cash flows from ongoing activities - Appendix A	<b>2,777,041</b>	1,003,058
Net cash derived of ongoing activities	<b>7,291,338</b>	2,074,482
<b><u>Cash flows from investment activities:</u></b>		
Purchase of fixed assets	<b>(19,885,560)</b>	(4,661,851)
Proceeds from sales of fixed assets	<b>-</b>	2,909,879
Net cash used in investing activities	<b>(19,885,560)</b>	(1,751,972)
<b><u>Cash flows from financing activities:</u></b>		
Credit received (repaid) for financial institutions	<b>11,997</b>	(39,478)
Long term loan	<b>8,735,638</b>	-
Short term loan and current maturities	<b>3,264,361</b>	-
Net cash derived from (used for) financing activities	<b>12,011,996</b>	(39,478)
<b>(Decline) Increase in cash and cash equivalents</b>	<b>(582,226)</b>	283,032
<b>Cash and cash equivalents – Opening Balance</b>	<b>747,300</b>	464,268
<b>Cash and cash equivalents – Closing Balance</b>	<b>165,074</b>	747,300

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

**Cash Flow Reports**

**Reported Amounts**

**Appendix A - Adjustments required to reflect the cash flows from current activities:**

	<b>Year ended 31 Dec.</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
<b><u>Income and expenses unrelated to cash flows:</u></b>		
Depreciation expenses	<b>1,480,678</b>	1,212,833
Increase (decline) in liabilities for termination of employee- employer relations, net	<b>(402,478)</b>	118,819
Increase in liabilities for vacation provisions	<b>40,667</b>	2,312
Capital loss (gain) from fixed asset derecognition	<b>16,832</b>	(782,119)
Loan revaluation	<b>2,589</b>	-
	<b>1,138,288</b>	551,845
<b><u>Changes in assets and liabilities</u></b>		
(Increase) Decline in receivables	<b>(2,469,840)</b>	459,533
Decline (Increase) in debtors and debit balances	<b>4,389,687</b>	(2,420,893)
Increase (Decline) in suppliers and checks payable	<b>(841,791)</b>	2,070,990
Increase in creditors and credit balances	<b>560,697</b>	341,583
	<b>1,638,753</b>	451,213
Total Adjustments required to reflect the cash flows from ongoing activities - Appendix A	<b>2,777,041</b>	1,003,058

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



**Notes to Financial Statements**

**Reported Amounts**

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**NOTE 1 - General**

- A.** "YAD EZRA V'SHULAMIT, JERUSALEM" (Reg. Association) (hereinafter - the Association) is a non-profit organization registered with the Registrar of Associations on January 13, 1998. The Association number is: 58-031-364-1.
- B.** The main goals of the Association are: the creation of a center for distributing food and clothing to the needy, financial assistance to the needy and the sick, running soup kitchens and centers for children, providing support to youth at risk, prisoner rehabilitation, sharing the word of the Torah through lessons to all tiers of society, distributing Torah leaflets and operating a banquet hall for needy families.
- C.** The Association was approved by the Tax Commissioner as a public institution pursuant to section 9(2) and section 46 to the Income Tax Ordinance.

**NOTE 2 - Significant Accounting Policies and Reporting Principles**

The main accounting policies consistently applied in the preparation of the financial statements, are as follows:

**A. Net assets**

The difference between assets and liabilities.

**Unrestricted net assets**

The portion of net assets whose use is unrestricted.

**Unrestricted net assets designated by the management**

The portion of the net assets designated by the Association members for establishing a distribution center for the needy.

**Net assets used for fixed assets**

The portion of the net assets used to acquire fixed assets less accumulated depreciation and less capital loss derived of sales of fixed assets.

**Temporarily restricted net assets**

The portion of the net assets subject to temporary usage restrictions set by the donors.

- B.** The Association records its assets, liabilities, revenues and expenses on a cumulative basis.

## Notes to Financial Statements

### Reported Amounts

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#### NOTE 2 - Significant Accounting Policies and Reporting Principles (cont.)

##### C. Basis of Recognition

The Association's financial statements are expressed in nominal NIS, prepared primarily for reporting to various authorities as required by law.

##### Financial statements in reported amounts

1. The amounts of non-monetary assets do not necessarily represent a current realization or economic value, but rather the said assets' reported amounts.
2. In the financial statements, "cost" refers to cost in reported amounts.

##### D. Presentation of Financial Statements

1. Balances included in the net asset group are classified upon distinction between:
  - Unrestricted net assets used for activities.
  - Unrestricted net assets designated by management
  - Unrestricted net assets used for fixed assets.
  - Temporarily restricted net assets
2. The operational statement includes all revenues and expenses incurred during the reporting period. "Revenues" include all income received and originating during the period with no restrictions on its use and the portion of net assets that were restricted and released from donor stipulations during the period. "Expenses" also include expenses financed by sources restricted by the donor.

In addition, revenues/expenses include revenues and expenses in kind, respectively.

3. The statement of changes in net assets includes, in addition to net results transferred from the operational statement, the total funding received, noting the restrictions and amounts released from restriction and amounts released from restrictions due to use toward fixed assets are directly transfer to the balance of unrestricted net assets used for fixed assets in the statement of changes in net assets.

##### E. Cash and Cash Equivalents

Cash and cash equivalents include short term bank deposits whose period to maturity, upon the investment date, did not exceed three months.

##### F. Investment Property

The Investment Property is presented according to the cost model and in accordance with Accounting Standard No. 16 of the Israeli Accounting Standards Board.

## Notes to Financial Statements

### Reported Amounts

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#### G. Fixed assets

1. Fixed assets are displayed at cost less accumulated depreciation.
2. Depreciation is calculated by the straight-line method at annual rates based on the assets' estimated lifetime.

#### Annual depreciation rates

	%
Structures	2,10
Vehicles	15-20
Furniture and equipment	7-15
Office equipment	7-33

3. Notes to the financial statements presented details about the Association's real estate assets.

#### H. Statement of Operations

The statement of operations reflects all Association activities. The report does not include restricted donations received that have not yet been released or any amounts released from restrictions toward the acquisition of fixed assets.

#### I. Donation Recognition

Income derived of all transfers (such as government and municipal or related allocations included in the budget corresponding with the Association's reporting year), approved but not yet received are recognized as revenue or as an addition to net assets restricted by the donor, upon meeting all of the following conditions:

1. The available information, as of financial statement publication, demonstrates an irrevocable commitment by the donor, referring to the reporting period.
2. Realization of the commitment is not contingent upon a future event.
3. Promises for donations that have not yet been received will be recognized as income or additions to restricted net assets only if they are actually received by the Association or a Trustee on its behalf by the date of financial statement preparation.
4. The Association recognizes donations in kind according to the goods received as a donation. Recognition is based on the estimated value of the goods received as a donation. In addition, the Association recognizes the value of volunteer work by work hour and minimum hourly wages.

**Notes to Financial Statements****Reported Amounts****J. Use of estimates**

When preparing financial statements in conformity with generally accepted accounting principles, company management is required to apply estimates and assumptions relating to transactions or matters whose final effect in the financial statements, cannot be accurately determined upon preparation. Although the estimates and assumptions are based on the best judgment of the management, the actual impact of transactions or related issues may differ from those estimates or assumptions.

**K. Cash flows**

Cash flow statements are prepared in accordance with to the Standard 51 of the Institute of Certified Public Accountants in Israel.

**NOTE 3 - Receivables**

	<b>As at 31 Dec.</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
Ministry of Welfare - Food Baskets	<b>2,869,907</b>	1,143,713
Ministry of Welfare – Additional Holiday	<b>447,302</b>	-
Ministry of Welfare – Kamcha dePascha (Passover Charity)	<b>210,844</b>	-
NII – COVID Grant	<b>80,000</b>	-
Income Tax – Employer Incentive Grant	<b>5,500</b>	-
	<b><u>3,613,553</u></b>	<b><u>1,143,713</u></b>

**NOTE 4 – Debtors and Debit Balances**

	<b>As at 31 Dec.</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
Credit Funds	<b>9,767,420</b>	11,304,946
Prepaid Expenses	-	87,911
Various debtors	<b>56,460</b>	2,820,710
	<b><u>9,823,880</u></b>	<b><u>14,213,567</u></b>

Notes to Financial Statements

Reported Amounts

NOTE 5 – Fixed Assets, Net

	Buildings (**) NIS	Vehicles & Trucks NIS	Furniture and equipment (*) NIS	Office equipment (*) NIS	Total NIS
<b>Cost</b>					
Balance as of 1 Jan. 2020	28,847,264	2,698,158	4,881,032	1,468,351	37,894,805
Additions throughout the year	<b>19,106,570</b>	<b>419,336</b>	<b>211,712</b>	<b>147,942</b>	<b>19,885,560</b>
Deductions throughout the year	-	<b>(30,420)</b>	-	-	<b>(30,420)</b>
Balance as of 31 Dec. 2020	<b>47,953,834</b>	<b>3,087,074</b>	<b>5,092,744</b>	<b>1,616,293</b>	<b>57,749,945</b>
<b>Accumulated Depreciation</b>					
Balance as of 1 Jan. 2020	3,105,096	1,010,615	2,182,667	1,232,488	7,530,866
Additions throughout the year	<b>717,598</b>	<b>334,369</b>	<b>331,370</b>	<b>97,341</b>	<b>1,480,678</b>
Deductions throughout the year	-	<b>(13,558)</b>	-	-	<b>(13,558)</b>
Balance as of December 31, 2020	<b>3,822,694</b>	<b>1,331,396</b>	<b>2,514,037</b>	<b>1,329,829</b>	<b>8,997,956</b>
<b>Depreciated Costs – 31 Dec. 2020</b>	<b>44,131,140</b>	<b>1,755,678</b>	<b>2,578,707</b>	<b>286,464</b>	<b>48,751,989</b>
<b>Depreciated Costs – 31 Dec. 2019</b>	25,742,168	1,687,543	2,698,365	235,863	30,363,939

(\*) Reclassified

Notes to Financial Statements

Reported Amounts

NOTE 5 – Fixed Assets, Net (cont.)

The Association holds the following real estate assets:

	Jerusalem Beit HaDfus(*) NIS	Jerusalem Chaim Ozer NIS	Safed Structure NIS	Safed Apartment NIS	Bnei Brak B.B.C. Center NIS	Leasehold improvements NIS	Total NIS
<b>Cost</b>							
Balance as of 1 Jan. 2020	-	8,042,210	15,798,589	1,030,125	3,254,547	721,793	28,847,264
Additions throughout the year	<b>18,776,220</b>	<b>65,286</b>	<b>189,057</b>	<b>8,150</b>	-	<b>67,857</b>	<b>19,106,570</b>
Balance as of 31 Dec. 2020	<b>18,776,220</b>	<b>8,107,496</b>	<b>15,987,646</b>	<b>1,038,275</b>	<b>3,254,547</b>	<b>789,650</b>	<b>47,953,834</b>
<b>Accumulated Depreciation</b>							
Balance as of 1 Jan. 2020	-	1,810,346	1,047,761	-	-	246,989	3,105,096
Additions throughout the year	<b>209,590</b>	<b>143,503</b>	<b>287,866</b>	-	-	<b>76,668</b>	<b>717,627</b>
Balance as of 31 Dec. 2020	<b>209,590</b>	<b>1,953,849</b>	<b>1,335,627</b>	-	-	<b>323,657</b>	<b>3,822,723</b>
<b>Depreciated Costs – 31 Dec. 2020</b>	<b>18,566,630</b>	<b>6,153,647</b>	<b>14,652,019</b>	<b>1,038,275</b>	<b>3,254,547</b>	<b>465,993</b>	<b>44,131,111</b>
<b>Depreciated Costs – 31 Dec. 2019</b>	-	6,231,864	14,750,828	1,030,125	3,254,547	474,804	25,742,168

(\*) During the reporting year, the Association acquired a banquet hall at 30 Beit HaDfus St., Jerusalem to conduct events for needy families, according to the Association's registered objectives.

**Notes to Financial Statements**

**Reported Amounts**

**NOTE 6 – Short Term Loans and Current Maturities**

	<b>As at 31 Dec.</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
Bank loan	<b>2,500,564</b>	-
Current maturities – Long-term loan	<b>764,361</b>	-
	<b>3,264,925</b>	-

**NOTE 7 - Suppliers and Checks Payable**

	<b>As at 31 Dec.</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
Suppliers	<b>1,543,782</b>	2,381,979
Outstanding checks	<b>1,237</b>	4,831
	<b>1,545,019</b>	2,386,810

**NOTE 8 – Creditors and Credit Balances**

	<b>As at 31 Dec.</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
Employees	<b>623,986</b>	656,256
Salary institutions	<b>255,633</b>	239,152
Accounts payable	-	144,000
Purchasing tax	<b>774,161</b>	53,675
	<b>1,653,780</b>	1,093,083

**NOTE 9 – Liabilities for Termination of Employee Employer Relations, Net**

- The Association's liability for severance pay to its employees is based on their last salary and period of employment by the organization
- The liability is covered by current deposits in an insurance company (accruals derived of these deposits are not controlled and managed by the Association and therefore are not reflected in the balance sheet).

**Notes to Financial Statements**

**Reported Amounts**

**NOTE 10 – Long Term Loans, net**

	<b>As at 31 Dec.</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
Long term loan	<b>9,502,024</b>	-
Less- current maturities	<b>(764,361)</b>	-
	<b>8,737,663</b>	-

**NOTE 11 - Income from Government Ministries and Local Authorities**

	<b>Year ended 31 Dec.</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
Ministry of Welfare (*)	<b>3,759,475</b>	2,228,249
NII – COVID Grant	<b>100,000</b>	-
Income Tax – Employer Incentive Grant	<b>30,750</b>	-
Bat Yam municipality	<b>167,400</b>	-
Jerusalem municipality	<b>11,000</b>	13,000
Netanya municipality	<b>-</b>	8,227
	<b>4,068,625</b>	2,249,476

(\*) Income from the Ministry of Welfare relates to Association activities in distributing food baskets, additional holiday and Kamcha dePascha (Passover Charity) to the needy.

**NOTE 12 - Income from Donations**

	<b>Year ended 31 Dec</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
Donations from Israel	<b>23,525,222</b>	21,725,149
Donations from Abroad	<b>7,182,972</b>	6,620,704
	<b>30,708,194</b>	28,345,853

**NOTE 13 - Income In-Kind**

	<b>Year ended 31 Dec.</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
Food products for the needy	<b>84,118,656</b>	71,917,520
Volunteer work equivalent	<b>-</b>	82,990
	<b>84,118,656</b>	72,000,510

**Notes to Financial Statements**



**Reported Amounts**

**NOTE 14 – Operating Costs**

	<b>Year ended 31 Dec.</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
Payroll and related expenses	<b>5,824,708</b>	6,245,070
Expenses in kind	<b>84,118,655</b>	72,000,510
Expenses related to food distribution and collection	<b>7,719,000</b>	5,518,444
Food baskets	<b>3,933,853</b>	3,564,174
Kamcha dePascha (Passover Charity)	<b>3,132,588</b>	3,802,386
Additional holiday	<b>980,979</b>	1,952,250
Warm Home expenses	<b>1,320,673</b>	1,404,406
Maintenance	<b>679,737</b>	530,490
Rental fees	<b>318,382</b>	315,878
Treating At-Risk Youth	<b>117,595</b>	290,154
Helping the needy	<b>95,827</b>	14,136
Courses & seminars	-	17,457
Depreciation	<b>1,470,183</b>	1,199,946
	<b>109,712,180</b>	96,855,301

**NOTE 15 - General and Administrative Expenses**

	<b>Year ended 31 Dec.</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS</b>	<b>NIS</b>
Payroll and related expenses	<b>2,631,487</b>	3,122,319
Fundraising commissions	<b>418,408</b>	557,459
Professional services	<b>788,642</b>	849,097
Printing and office supplies	<b>227,048</b>	290,962
Mail, telephone and communications	<b>194,421</b>	174,030
Rental and maintenance	<b>33,470</b>	44,408
Per diem, refreshments and travel	<b>8,790</b>	82,111
Taxes and fees	<b>1,511</b>	58,779
Depreciation	<b>10,495</b>	12,887
	<b>4,314,272</b>	5,192,052

**Notes to Financial Statements**

**Reported Amounts**

### **15.1- Compliance with G&A Overhead Ceiling set by the Accountant General**

As the Association is classified as a "Supported Corporation" under with section 3(a) of the Israeli Budget Law, it is required to comply with the General and Administrative Expenses limits in accordance with the guidance set forth by the Ministry of Finance Accountant General. Following is a table indicating that the Association meets these requirements:

	<b>Accountant General Guidelines</b>	<b>Association G&amp;A Expenses</b>
<b>Annual Revenue Turnover (M NIS)</b>	<b>Maximum Marginal Rate for G&amp;A Expenses relating to the Annual Revenue Turnover</b>	<b>G&amp;A Expense Ceiling for Annual Revenue Turnover</b>
Up to 10	22%	NIS 2,200,000
Between 10 and 25	15.5%	NIS 2,325,000
Between 25 and 50	10%	NIS 2,500,000
Between 50 and 75	8.5%	NIS 2,125,000
Between 75 and 100	7.5%	NIS 1,875,000
Over 100	5%	NIS 994,924
		<b>NIS 11,969,924</b>

**Weighted G&A ceiling percentage:** 10.1%

**Actual G&A percentage:** 3.6%

### **15.2- Compliance with G&A Overhead Ceiling set by the Israeli Tax Authority.**

As the Association is classified as a "Public Institution" in accordance with section 46 of the Israeli Tax Ordinance, it is required to comply with General and Administrative Expenses limits in accordance with the guidance set forth by the Israeli Tax Authority. The guidelines stipulate that for an association which financial turnover exceeds 100M NIS, the General and Administrative Expenses ceiling as a percentage of the turnover will be 7%.

In this case, Administrative and General Expenses of NIS 4,314,272 constitute 3.6% of Associations operational turnover.

As such, the Association meets the directives of the Tax Authority regarding compliance with the General and Administrative Expenses ceiling.

**Notes to Financial Statements**

**Reported Amounts**

**NOTE 16 – Geographical Distribution of Association Operations in the Reporting Year**

<b>City</b>	<b>Address</b>	<b>Activity Type</b>	<b>Rights to Asset</b>
Jerusalem	29 Chaim Ozer St.	Association activity	Owned by the Association
Jerusalem	30 Beit HaDfus St.	Banquet hall for the needy	Owned by the Association
Hashmonaim		Investment real estate	Owned by the Association
Bnei Brak	B.B.C. Center	Association activity	Owned by the Association
Safed	2 Zahal St.	Association activity	Owned by the Association
Safed	2 Lechi St.	Association activity	Owned by the Association
Safed	2 Lechi St.	Association activity	Safed Municipality allocation (*)
Hatzor HaGlilit	34 Rambam St.	Distribution warehouse	Private use permit(*)
Rechasim	18 Hadekel St.	Distribution warehouse	Private use permit(*)
Migdal	29 HaRav Ovadia St.	Distribution warehouse	Private use permit(*)
HaEmek			
Bat Yam	12 Ehud Cinnamon St.	Association activity	Bat Yam usage permit(*)
Jerusalem	20 Yoel St.	Association activity	Rental
Jerusalem	Givat Shaul Wholesale Market	Distribution warehouse	Rental
Moshav Elifelet	9 Elifelet St.	Distribution warehouse	Rental

(\*) As no assessor valuation was conducted for the said properties, based on considerations of cost effectiveness, the Association books do not present revenues and expenses derived of the structures' usage value.

**Notes to Financial Statements**

**Reported Amounts**

**NOTE 18 – Statement of Sources and Uses**

**Year ended 31 Dec. 2020**

	<b>Ministry of Welfare Food Baskets</b>	<b>Ministry of Welfare – Kamcha dePascha (Passover Charity)</b>	<b>Ministry of Welfare - Additional Holiday</b>	<b>Other activity</b>	<b>Total</b>
	<b>NIS</b>	<b>NIS</b>	<b>NIS</b>	<b>NIS</b>	<b>NIS</b>
<b>Operations Turnover</b>					
Ministry of Welfare(*)	2,869,907	442,266	447,302	-	<b>3,759,475</b>
NII – COVID Grant	-	-	-	100,000	<b>100,000</b>
Income Tax – Employer Incentive Grant	-	-	-	30,750	<b>30,750</b>
Bat Yam Municipality Jerusalem Municipality	-	-	-	167,400	<b>167,400</b>
Income from donations	3,071,638	2,690,322	533,677	24,412,557	<b>30,708,194</b>
Donations in kind	70,688,875	5,936,222	7,493,559	-	<b>84,118,656</b>
Rental income	-	-	-	3,000	<b>3,000</b>
	<b>76,630,420</b>	<b>9,068,810</b>	<b>8,474,538</b>	<b>24,724,707</b>	<b>118,898,475</b>
<b>Costs of Operations</b>					
Payroll and related expenses	2,007,693	-	-	3,817,015	<b>5,824,708</b>
Expenses in kind	70,688,874	5,936,222	7,493,559	-	<b>84,118,655</b>
Food distribution and collection expenses	-	-	-	7,719,000	<b>7,719,000</b>
Food Baskets	3,933,853	-	-	-	<b>3,933,853</b>
Kamcha dePascha (Passover Charity)	-	3,132,588	-	-	<b>3,132,588</b>
Additional holiday	-	-	980,979	-	<b>980,979</b>
Warm Home expenses	-	-	-	1,320,673	<b>1,320,673</b>
Maintenance	-	-	-	679,737	<b>679,737</b>
Rental fees	-	-	-	318,382	<b>318,382</b>
Youth at risk	-	-	-	117,595	<b>117,595</b>
Helping the needy	-	-	-	95,827	<b>95,827</b>
Depreciation	-	-	-	1,470,183	<b>1,470,183</b>
	<b>76,630,420</b>	<b>9,068,810</b>	<b>8,474,538</b>	<b>15,538,412</b>	<b>109,712,180</b>
<b>G&amp;A Expenses</b>	-	-	-	<b>4,314,272</b>	<b>4,314,272</b>
<b>Financing expenses, net</b>	-	-	-	<b>340,894</b>	<b>340,894</b>
<b>Capital loss</b>	-	-	-	<b>16,832</b>	<b>16,832</b>
<b>Net Surplus for year</b>	-	-	-	<b>4,514,297</b>	<b>4,514,297</b>

(\*) Difference between the approved and paid amount

Approved amount	2,869,907	453,662	447,302
Deducted amount	-	(11,396)	-
Amount actually received	<b>2,869,907</b>	<b>442,266</b>	<b>447,302</b>