

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

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**ZOHAR YOSEF**  
Certified Public Accountants

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

We have audited the accompanying Balance Sheets of the "YAD EZRA V'SHULAMIT, JERUSALEM" charitable organization (hereinafter - the Organization) for the years ended December 31, 2021 and 2020, incorporating the Statement of Operations, Statement of changes in net assets and cash flows. These financial statements are the responsibility of the Organization's members. Our responsibility is to give an opinion on these financial statements based on my audits.

We conducted our audit according to the auditing standards generally accepted in Israel, including those laid down by the Israeli Auditors Regulations (Mode of Performance), 1973. According to those standards we are required to plan and perform the audit to obtain reasonable assurance that the financial statements are true and fair.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

In our opinion, the financial statements give a true and fair view of the state of the organization's affairs as at 31 December 2021 and 2020 of its incoming resources and, changes in net assets and cash flows for the years then ended, in accordance with generally accepted accounting principles in Israel (Israeli GAAP).

**Yosef Zohar**

**C.P.A.**

Bnei Brak, Israel. August 3, 2022



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

**BALANCE SHEET**

		<b>As at December 31</b>	
		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>NIS</b>	<b>NIS</b>
<b><u>CURRENT ASSETS</u></b>			
Cash in bank and in hand		<b>2,710,516</b>	165,074
Income receivable	3	<b>3,840,581</b>	3,613,553
Other receivables	4	<b>8,558,651</b>	9,823,880
		<b>15,109,748</b>	13,602,507
<b><u>INVESTMENT PROPERTY:</u></b>			
		<b>1,360,000</b>	1,360,000
<b><u>NET FIXED ASSETS</u></b>			
Long term deposits	5	<b>51,228,815</b>	48,751,989
		<b>300,203</b>	-
<b>Total Assets</b>		<b>67,998,766</b>	63,714,496
<b><u>CURRENT LIABILITIES</u></b>			
Credit from financial institutions		<b>200,297</b>	11,997
Short-term loan and current payments	6	<b>863,937</b>	3,264,925
Suppliers and checks payable	7	<b>679,152</b>	1,545,019
Accounts payable	8	<b>1,001,740</b>	1,653,780
		<b>2,745,126</b>	6,475,721
<b><u>LONG-TERM LIABILITIES:</u></b>			
Net liability for employees' accrued severance pay	9	<b>798,553</b>	582,252
Provision for employees' vacation pay		<b>275,058</b>	208,538
Long term loan, net	10	<b>7,885,584</b>	8,737,663
		<b>8,959,195</b>	9,528,453
		<b>11,704,321</b>	16,004,174
<b><u>NET ASSETS</u></b>			
<b><u>Unrestricted net assets:</u></b>			
Used for activities		<b>65,630</b>	(1,041,667)
Designated by the nonprofit organization		<b>5,000,000</b>	-
Used for fixed assets		<b>51,228,815</b>	48,751,989
<b>Total net assets</b>		<b>56,294,445</b>	47,710,322
<b>Total liabilities and net assets</b>		<b>67,998,766</b>	63,714,496

\_\_\_\_\_  
Nathaniel Arzoan  
Trustee

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Chaim Bismot  
Trustee

Date of approval: August 3, 2022

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

**STATEMENTS OF OPERATIONS**

	<u>Note</u>	<u>Year ended December 31</u>	
		<u>2021</u>	<u>2020</u>
		<u>NIS</u>	<u>NIS</u>
<b>Operating Cycle</b>			
Income from the Government Ministries and Local Authorities	11	<b>4,063,735</b>	4,068,625
Donations received	12	<b>41,006,455</b>	30,708,193
In-kind Donations		<b>96,122,433</b>	84,118,657
Income from participation benefits		<b>440,750</b>	-
Rental Income		-	3,000
<b>Total Operating Cycle</b>		<b><u>141,633,373</u></b>	<u>118,898,475</u>
Operation Costs	13	<b><u>127,791,261</u></b>	<u>109,712,180</u>
Net Income from operation		<b><u>13,842,112</u></b>	<u>9,186,295</u>
General and Administrative Expenses	14	<b>4,725,045</b>	4,314,272
Net Financial expenses		<b><u>565,910</u></b>	<u>340,894</u>
Net Income before Capital Loss (Gain)		<b>8,551,157</b>	4,531,129
Capital Loss (Gain)		<b><u>(32,966)</u></b>	<u>16,832</u>
Net Surplus for The Year		<b><u>8,584,123</u></b>	<u>4,514,297</u>

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

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

**STATEMENTS OF CHANGES IN NET ASSETS**

	Unrestricted Net Assets			<u>Restricted Net assets</u>	<u>Total</u>
	Used for	Designated	Used for		
	Activities	by the	Fixed		
	nonprofit	Assets			
	NIS	organization	Assets	NIS	NIS
	NIS	NIS	NIS	NIS	NIS
<b>Balance as of January 1, 2020</b>	<u>1,362,551</u>	<u>11,469,535</u>	<u>30,363,939</u>	<u>-</u>	<u>43,196,025</u>
<b>Additions (deductions) during the year:</b>					
Net Surplus for the year	4,514,297	-	-	-	4,514,297
Amounts transferred to be used for the acquisition of fixed assets	-	(11,469,535)	11,469,535	-	-
Amounts transferred unrestricted, to be used for acquisition of fixed assets	(8,416,025)	-	8,416,025	-	-
Amounts transferred to cover depreciation expenses	1,480,678	-	(1,480,678)	-	-
Derecognition of fixed assets	30,420	-	(30,420)	-	-
Derecognition of depreciation	(13,588)	-	13,588	-	-
<b>Balance on December 31, 2020</b>	<u>(1,041,667)</u>	<u>-</u>	<u>48,751,989</u>	<u>-</u>	<u>47,710,322</u>
<b>Additions (deductions) during the year:</b>					
Net surplus for the year	8,584,123	-	-	-	8,584,123
Amounts designated by the non-profit's governing organization (*)	(5,000,000)	5,000,000	-	-	-
Amounts transferred unrestricted, to be used for acquisition of fixed assets	(5,213,936)	-	5,213,936	-	-
Amounts transferred to cover depreciation expenses	2,733,076	-	(2,733,076)	-	-
Derecognition of fixed assets	2,783,298	-	(2,783,298)	-	-
Derecognition of depreciation	(2,779,264)	-	2,779,264	-	-
<b>Balance on December 31, 2021</b>	<u>65,630</u>	<u>5,000,000</u>	<u>51,228,815</u>	<u>-</u>	<u>56,294,445</u>

(\*) At the organization's general meeting on December 30, 2021, it was decided to allocate a total of 5 million NIS for the construction of the organization's activity center in Jerusalem.

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

**STATEMENTS OF CASH FLOW**

	<b>Year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>NIS</b>	<b>NIS</b>
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES:</u></b>		
Net Surplus for the year	<u>8,584,123</u>	<u>4,514,297</u>
Adjustments required to reflect the cash flows from current activities - <b>Appendix A</b>		
Income and expenses not relating to cash flows	<u>2,994,224</u>	<u>1,138,288</u>
Changes in assets and liabilities	<u>(779,909)</u>	<u>1,638,753</u>
Total Adjustments required to reflect the cash flows from current activities - <b>Appendix A</b>	<u>2,214,315</u>	<u>2,777,041</u>
<b>Cash flows provided by Operating activities</b>	<u>10,798,438</u>	<u>7,291,338</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Purchase of Fixed assets	<u>(5,213,936)</u>	<u>(19,885,560)</u>
Proceeds from sales of fixed assets	<u>37,000</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u>(5,176,936)</u>	<u>(19,885,560)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Credit Received from financial institutions	<u>188,300</u>	<u>11,997</u>
(Repayment) receiving a short-term loan and current payments	<u>(2,400,424)</u>	<u>3,264,361</u>
(Repayment) receiving a long-term loan	<u>(863,936)</u>	<u>8,735,638</u>
<b>Net Cash flows used in Financing activities</b>	<u>(3,076,060)</u>	<u>12,011,996</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<u>2,545,442</u>	<u>(582,226)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>165,074</u>	<u>747,300</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>2,710,516</u>	<u>165,074</u>

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

**STATEMENTS OF CASH FLOW**

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

	<b>Year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>NIS</b>	<b>NIS</b>
<b><u>Income and expenses not relating to cash flows:</u></b>		
Depreciation expenses	<b>2,733,076</b>	1,480,678
Net Decrease in Accrued Employees' Severance Pay Fund	<b>216,301</b>	(402,478)
Increase in Allocations for Employees' Vacation Pay	<b>66,520</b>	40,667
Capital loss (gains) from fixed asset sales	<b>(32,966)</b>	16,832
Revalue loan	<b>11,293</b>	2,589
	<b>2,994,224</b>	1,138,288
<b><u>Changes in assets and liabilities</u></b>		
Increase in income receivable	<b>(227,028)</b>	((2,469,840)
Decrease in debtors and payable balances	<b>1,265,229</b>	4,389,687
Increase in long-term investments	<b>(300,203)</b>	-
Decrease in Suppliers and checks payable	<b>(865,867)</b>	(841,791)
Increase (Decrease) in entitlements and entitlement balances	<b>(652,040)</b>	560,697
	<b>(779,909)</b>	1,638,753
Total Adjustments required to reflect the cash flows from current activities -	<b>2,214,315</b>	2,777,041
<b>Appendix A</b>		

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



**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - GENERAL**

- a. "YAD EZRA V'SHULAMIT, JERUSALEM" charitable organization (hereinafter - the organization) is a non-profit organization registered charity in accordance with the Organizations Act on January 13, 1998. The organization number is: 58-031-364-1.
- b. The main goals of the organization are: establishing a center to distribute food and clothing to the needy, financial assistance to the needy and sick, operating specialized homes and clubs for children, treatment of at-risk youth, activities for the rehabilitation of prisoners, distribution of Torah by conducting Torah lessons for all strata of the congregation, distribution of a Torah bulletin and operation of an event hall for the benefit of families in need.
- c. The Organization was granted approval by the Tax Commissioner as a public institution pursuant to section 2(9) and sections 46 to the Income Tax Ordinance

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRINCIPLES**

In August 2020, the Israel Accounting Standards Institute published accounting **standard number 40 - Accounting rules and financial reporting by non-profits** (hereinafter: "the standard") The standard replaces Opinion 69 regarding accounting rules and financial reporting by non-profits and the amendments thereto as well as the Accounting Standard No. 9.

Below are the main changes included in the standard:

1. Donations of fixed assets and contributions of cash for investment in fixed income will be recognized as income in the statement of activities when the asset is ready for its intended use or during the limitation period set by the donor, and not directly as an addition to net assets, as was customary until now.
2. Services received free of charge will be included in the reports if they have substantial financial value on an overall basis, in relation to the scope of the non-profit's activities; the fair value can be reliably estimated; the services are of the type that require professional skill and expertise, and if they were not received, the non-profit would have been forced to purchase them In return, either the services create or increase a non-financial asset.
3. Adjustment of the income recognition requirements, distinguishing between a conditional contribution and an unconditional contribution. Unconditional donations received will be recognized in the period they are received, while a conditional donation is not recognized until it becomes unconditional. Revenues from agency transactions will be presented in the report on the activities in a net amount.
4. Abolition of the distinction between internal acceptance and external acceptance.
5. Abolition of the distinction between net assets for which there is a restriction of a temporary nature and net assets for which there is a restriction of a permanent nature, while providing expanded disclosure in the notes to financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRINCIPLES (Continued)**

6. Receipts from donations for which there is a restriction will be included in the cash flows from current activities, with the exception of donations that the donor has limited their use for a long time, which will be included in the cash flows from financing activities.
7. A non-profit may choose an accounting policy as specified in the standard regarding works of art, historical assets and similar assets that meet the definition of a collection.
8. The standard includes general characteristics of presenting financial statements from Accounting Standard No. 34. The standard also includes additional disclosure requirements.

The starting date of the standard is with reference to annual reporting periods starting on or after January 1, 2021. A non-profit is required to report the effect of the adoption of the measurement provisions of the standard at the time of its first application as a reconciliation of the net asset balances to the beginning of the period in which the standard was first adopted, without re-presentation of comparison numbers for changes in measurement resulting from the provisions of this standard. However, a non-profit will implement the presentation instructions of the previous standard.

Below are the main accounting policies, which were applied in the preparation of the financial statements in a consistent manner:

**a. Net assets:**

The difference between assets and liabilities.

**Unrestricted net assets:**

That part of the net assets with no restriction on its use.

**Unrestricted net assets designated by the organization members:**

That part of the net assets designated by the organization members for construction of a distribution center for the needy.

**Unrestricted net assets used for fixed assets:**

The part of the net assets used to acquire fixed assets less accumulated depreciation.

**Temporarily restricted net assets**

That part of the net assets which has temporary restrictions on their use placed by the funding providers.

**b. Cash and cash equivalents**

Cash and cash equivalents include short-term deposits in banks whose redemption period, at the time of investment, did not exceed three months.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRINCIPLES** (continued)

**c. 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.

**d. Fixed assets**

1. Fixed assets are displayed according to the cost less accumulated depreciation.
2. Depreciation is calculated by the straight-line method at annual rates based on the continued use of the assets, as follows:

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

3. Notes to the Financial Statements presented details about the organization's real estate assets.

**e. Report on the activities**

A report on the activities will include all income and all expenses during the reporting period, including amounts released from groups of net assets for which there is a restriction following the existence, or cancellation, of the restrictions imposed on the use of those net assets. However, the report on the activities should not include donations for which there is a restriction as long as they have not been released from the restrictions.

**f. revenue recognition to receive.**

Income from all types of transfers (such as allowances from governmental and municipal bodies or related to them within a budget framework for a period that overlaps with the association's report year), which were promised but not yet received, is recognized as income or as an addition to net assets whose use was limited by the grantor, provided all the conditions below are met:

1. The information available at the time of publication of the financial statements shows that an irrevocable obligation of the provider was created, referring to the period of the report.
2. The realization of the accepted commitment is not conditioned by the controls of a certain future event.
3. An unconditional promise is recognized as income in the period in which the promise was received, if there is sufficient evidence in the form of verifiable documentation that a promise was given and that the promise is legally enforceable.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRINCIPLES** (continued)

**g. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles or matters whose final effect in the financial statements, cannot be accurately determined at the time of the financial statement's preparation. Although the estimates and assumptions are based on the best judgment of the management, actual results of transactions or related issues could differ from those estimates or assumptions.

**h. Cash flows**

Statements of cash flows are prepared in according to the Public Statement No. 51 of the Institute of Certified Public Accountants in Israel.

**NOTE 3 - INCOME RECEIVABLE**

	<b>As at December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>NIS</b>	<b>NIS</b>
Ministry of Welfare - Food Baskets	<b>3,261,981</b>	2,869,907
Ministry of Welfare - Holiday Food	<b>449,705</b>	447,302
Ministry of Welfare – Passover Charity	<b>128,895</b>	210,844
Social Security - Corona grant	-	80,000
Income tax - Employer incentive grant	-	5,500
	<b>3,840,581</b>	<b>3,613,553</b>

**NOTE 4 – OTHER RECEIVABLES**

	<b>As at December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>NIS</b>	<b>NIS</b>
Credit Funds	<b>8,481,141</b>	9,767,420
Other Receivables	<b>77,510</b>	56,460
	<b>8,558,651</b>	<b>9,823,880</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – NET FIXED ASSETS**

	<b>Buildings (*) NIS</b>	<b>Vehicles &amp; Trucks NIS</b>	<b>Furniture and equipment (*) NIS</b>	<b>Office equipment (*) NIS</b>	<b>Total NIS</b>
<b>Cost</b>					
Balance as of January 1, 2021	47,953,834	3,087,074	5,092,744	1,616,293	57,749,945
Additions throughout the Year	<b>3,090,178</b>	<b>708,527</b>	<b>1,355,730</b>	<b>59,501</b>	<b>5,213,936</b>
Deductions throughout the Year	<b>(121,535)</b>	<b>(125,190)</b>	<b>(2,381,530)</b>	<b>(155,043)</b>	<b>(2,783,298)</b>
Balance as of December 31, 2021	<b>50,922,477</b>	<b>3,670,411</b>	<b>4,066,944</b>	<b>1,520,751</b>	<b>60,180,583</b>
<b>Accumulated Depreciation</b>					
Balance as of January 1, 2021	3,822,694	1,331,396	2,514,037	1,329,829	8,997,956
Additions throughout the Year	<b>795,239</b>	<b>443,429</b>	<b>1,353,706</b>	<b>140,702</b>	<b>2,733,076</b>
Deductions throughout the Year	<b>(121,535)</b>	<b>(121,156)</b>	<b>(2,381,530)</b>	<b>(155,043)</b>	<b>(2,779,264)</b>
Balance as of December 31, 2021	<b>4,496,398</b>	<b>1,653,669</b>	<b>1,486,213</b>	<b>1,315,488</b>	<b>8,951,768</b>
<b>Depreciated Costs – December 31, 2021</b>	<b>46,426,079</b>	<b>2,016,742</b>	<b>2,580,731</b>	<b>205,263</b>	<b>51,228,815</b>
<b>Depreciated Costs – December 31, 2020</b>	44,131,140	1,755,678	2,578,707	286,464	48,751,989

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

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – NET FIXED ASSETS (continued)**

(\* The Organization has the following Real Estate Assets:

	<u>Jerusalem Beit Hadfus NIS</u>	<u>Jerusalem Chaim Ozer NIS</u>	<u>A building in Safed NIS</u>	<u>An apartment in Safed NIS</u>	<u>Bnei Brak B.B.C Central NIS</u>	<u>Leasehold improvements NIS</u>	<u>Total NIS</u>
<b>Cost</b>							
Balance as of January 1, 2021	18,776,220	8,107,496	15,987,646	1,038,275	3,254,547	789,650	47,953,834
Additions throughout the Year	541,213	47,700	494,987	-	2,006,278	-	3,090,178
Deductions throughout the Year	-	-	(81,194)	-	-	(40,341)	(121,535)
Balance as of December 31, 2021	<u>19,317,433</u>	<u>8,155,196</u>	<u>16,401,439</u>	<u>1,038,275</u>	<u>5,260,825</u>	<u>749,309</u>	<u>50,922,477</u>
<b>Accumulated Depreciation</b>							
Balance as of January 1, 2021	209,605	1,953,844	1,335,598	-	-	323,647	3,822,694
Additions throughout the Year	176,638	144,706	363,978	13,933	-	95,984	795,239
Deductions throughout the Year	-	-	(81,194)	-	-	(40,341)	(121,535)
Balance as of December 31, 2021	<u>386,243</u>	<u>2,098,550</u>	<u>1,618,382</u>	<u>13,933</u>	<u>-</u>	<u>379,290</u>	<u>4,496,398</u>
<b>Depreciated Costs – December 31, 2021</b>	<u>18,931,190</u>	<u>6,056,646</u>	<u>14,783,057</u>	<u>1,024,342</u>	<u>5,260,825</u>	<u>370,019</u>	<u>46,426,079</u>
<b>Depreciated Costs – December 31, 2020</b>	<u>18,566,615</u>	<u>6,153,652</u>	<u>14,652,048</u>	<u>1,038,275</u>	<u>3,254,547</u>	<u>466,003</u>	<u>44,131,140</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 - SHORT-TERM LOAN AND CURRENT PAYMENTS**

	<b>As at December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>NIS</b>	<b>NIS</b>
Bank loan	-	2,500,564
Current diseases	<b>863,937</b>	764,361
	<b>863,937</b>	<b>3,264,925</b>

**NOTE 7 - SUPPLIERS AND CHECKS PAYABLE**

	<b>As at December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>NIS</b>	<b>NIS</b>
Suppliers	<b>600,360</b>	1,543,782
Outstanding checks	<b>78,792</b>	1,237
	<b>679,152</b>	<b>1,545,019</b>

**NOTE 8 – ACCOUNTS PAYABLE**

	<b>As at December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>NIS</b>	<b>NIS</b>
Employees	<b>686,370</b>	623,986
Salary institutions	<b>297,728</b>	255,633
Purchase tax	<b>17,642</b>	774,161
	<b>1,001,740</b>	<b>1,653,780</b>

**NOTE 9 – NET LIABILITIES FOR EMPLOYEES' SEVERANCE PAY**

- The organization'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 (accumulations resulting from these deposits are not under the control and management of the organization and therefore are not reflected in the balance sheet).

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 10 - LONG-TERM LOAN, NET**

	<b>As at December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>NIS</b>	<b>NIS</b>
Long term loan	<b>8,749,521</b>	9,502,024
Current diseases	<b>(863,937)</b>	(764,361)
	<b>7,885,584</b>	8,737,663

**NOTE 11 - INCOME FROM GOVERNMENT MINISTRIES AND LOCAL AUTHORITIES**

	<b>Year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>NIS</b>	<b>NIS</b>
Ministry of Welfare (*)	<b>4,043,430</b>	3,759,475
Social Security - corona grant	-	100,000
Income tax - employer incentive grant	-	30,750
Jerusalem municipality	<b>11,000</b>	11,000
Netanya municipality	<b>9,305</b>	-
Bat Yam municipality	-	167,400
	<b>4,063,735</b>	4,068,625

(\*) Income from the Ministry of Welfare is for activities in distributing food baskets and food before Passover and Rosh Hashana to the needy.

**NOTE 12 - INCOME FROM DONATIONS**

	<b>Year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>NIS</b>	<b>NIS</b>
Donations from Israel	<b>28,857,642</b>	23,386,138
Donations from Abroad	<b>12,148,813</b>	7,182,972
	<b>41,006,455</b>	30,708,193



NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 – OPERATING COSTS

	Year ended December 31	
	2021	2020
	NIS	NIS
Payroll and related expenses	6,852,319	5,824,708
In-Kind expenses	96,122,433	84,118,656
Accompanying expenses of food collection and distribution	8,053,030	7,719,000
Food baskets	6,029,922	3,933,853
Food for Passover	2,884,540	3,132,588
Food for Holidays	1,544,820	980,979
Expenses for the Warm Home	1,894,109	1,320,672
Maintenance	926,154	665,775
Hall maintenance expenses (including depreciation)	455,697	13,962
Rentals	320,066	318,382
Treating at-risk youth	121,751	117,595
Assistance and support to the needy	41,483	95,827
Depreciation	2,544,937	1,470,183
	<b>127,791,261</b>	<b>109,712,180</b>

NOTE 14 - GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31	
	2021	2020
	NIS	NIS
Payroll and related expenses	3,149,834	2,631,487
Fundraising fees	361,548	418,408
Professional Services	672,838	788,642
Printing and office supplies	340,992	227,048
Mail, telephone and communications	113,564	194,421
Rental and Maintenance	34,082	33,470
Accommodation, Refreshments and Travel	37,528	8,790
Taxes and Fees	3,158	1,511
Depreciation	11,501	10,495
	<b>4,725,045</b>	<b>4,314,272</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 14 - GENERAL AND ADMINISTRATIVE EXPENSES (continued)**

**14.1- Compliance related to General and Administrative expenditure limits in accordance with the regulation of the Comptroller General of the State of Israel.**

As a result of the Organization being classified as a “Supported Organization” in accordance with section 3(a) of the Israeli budget law, the Organization is required to comply with the maximum General and Administrative Expenses limits in accordance with the guidance set forth by the Comptroller General of the Ministry of Treasury. The following is a table that indicates that the Organization meets these requirements:

	<b>Guidelines set forth by the Comptroller General</b>	<b>General &amp; Administrative Expenses Recorded by the Organization</b>
<b>Overall annual income (in millions of NIS)</b>	<b>Maximum marginal percent of G&amp;A expenses as a percentage of overall income from Operations</b>	<b>The G&amp;A expenditure ceiling of the Organization in Relation to the Annual Turnover</b>
<b>Up to 10</b>	<b>22%</b>	<b>NIS 2,200,000</b>
<b>Between 10 and 25</b>	<b>15.5%</b>	<b>NIS 2,325,000</b>
<b>Between 25 and 50</b>	<b>10%</b>	<b>NIS 2,500,000</b>
<b>Between 50 and 75</b>	<b>8.5%</b>	<b>NIS 2,125,000</b>
<b>Between 75 and 100</b>	<b>7.5%</b>	<b>NIS 1,875,000</b>
<b>Over 100</b>	<b>5%</b>	<b>NIS 2,081,669</b>
	<b>Total</b>	<b><u>NIS 13,106,669</u></b>

The G&A expenditure weighted ceiling percentage: 9.3%

The G&A expenditure percentage in the period: 3.3%

**14.2- Compliance related to General and Administrative expenditure limits in accordance with the regulation of the Israeli Tax Authority.**

As a result of the Organization being classified as a “Public Institution” in accordance with section 46 of the Israeli Tax Ordinance, the Organization is required to comply with the maximum General and Administrative expenses limits in accordance with the guidance set forth by the Israeli Tax Authority. The guidelines stipulate that for an Amuta which financial return is between NIS 51-100 million, the General and Administrative Expenses ceiling as a percentage of the turnover will be 7%.

In this case, Administrative and General Expenses in the amount of NIS 4,725,045 constitute 3.3% of the turnover of the Organization's activities. Accordingly, the Organization meets the directives of the Tax Authority regarding the compliance with the General and Administrative Expenses ceiling.

**NOTES TO THE FINANCIAL STATEMENTS****NOTE 15 – DESCRIPTION OF THE GEOGRAPHIC DISPERSAL OF THE ORGANIZATION'S ACTIVITIES**

<b>City</b>	<b>Address</b>	<b>Building Category</b>	<b>Uses</b>
Jerusalem	29 Chaim Ozer St.	Owned by the Organization	Organization's activities
Jerusalem	26 Beit Hadfus St.	Owned by the Organization	Event hall for the needy
Hashmonaim		Owned by the Organization	Property Investment
Bnei Brak	B.B.C. Center	Owned by the Organization	Organization's activities
Safed	2 Zahal St.	Owned by the Organization	Organization's activities
Safed	2 Lechi St.	Municipality Allocation (*)	Organization's activities
Hatzor HaGlilit	34 Rambam St.	Private Use Permit (*)	Distribution warehouse
Rechasim	18 Hadekel St.	Private Use Permit (*)	Distribution warehouse
Migdal HaEmek	29 HaRav Ovadia St.	Private Use Permit (*)	Distribution warehouse
Bat Yam	12 Ehud cinnamon St.	Municipality Allocation of Bat Yam	Organization's activities
Jerusalem	20 Yoel St.	Rental	Organization's activities
Jerusalem	Market Sitonai Givat Shaul	Rental	Distribution warehouse
Moshav Elifelet	9 Elifelet St.	Rental	Distribution warehouse

(\*) Since, for cost-benefit reasons, the value of the appraiser's assessment of the use of the said assets was not made, no income and expenses from the value of the use of the buildings were presented in the organization's books.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 16 – STATEMENT OF SOURCES AND USE**

**Year ended December 31, 2021**

	<b>Food Baskets</b>	<b>Food for Passover</b>	<b>Food for Holidays</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 Cycle</b>					
Ministry of Welfare (*)	3,261,981	355,726	425,723	-	4,043,430
Jerusalem municipality	-	-	-	11,000	11,000
Netanya municipality	-	-	-	9,305	9,305
Income from Donations	5,217,372	2,528,814	1,119,097	32,141,172	41,006,455
In-Kind Donations	80,716,287	5,413,012	7,497,405	2,495,729	96,122,433
Income from participation benefits	-	-	-	440,750	440,750
<b>Total Operations</b>	<b>89,195,640</b>	<b>8,297,552</b>	<b>9,042,225</b>	<b>35,097,956</b>	<b>141,633,373</b>
<b>Costs of Operations</b>					
Payroll and Related Expenses	1,860,347	-	-	4,991,972	6,852,319
In-Kind Expenses	80,716,287	5,413,012	7,497,405	2,495,729	96,122,433
Accompanying expenses of food collection and distribution	589,084	-	-	7,463,946	8,053,030
Food Baskets	6,029,922	-	-	-	6,029,922
Passover Food	-	2,884,540	-	-	2,884,540
Rosh Hashana Food	-	-	1,544,820	-	1,544,820
Expenses for the Warm Home	-	-	-	1,894,109	1,894,109
Maintenance	-	-	-	926,154	926,154
Hall maintenance expenses (including depreciation)	-	-	-	455,697	455,697
Rentals	-	-	-	320,066	320,066
Treating At-Risk Youth	-	-	-	121,751	121,751
Assistance and Support to the Needy	-	-	-	41,483	41,483
Depreciation	-	-	-	2,544,937	2,544,937
<b>Total Costs of Operations</b>	<b>89,195,640</b>	<b>8,297,552</b>	<b>9,042,225</b>	<b>21,255,844</b>	<b>127,791,261</b>
<b>General and Administrative Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,725,045</b>	<b>4,725,045</b>
<b>Net Financial Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>565,910</b>	<b>565,910</b>
<b>Capital Lose</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,966</b>	<b>32,966</b>
<b>Net Surplus for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,584,123</b>	<b>8,584,123</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 16 – STATEMENT OF SOURCES AND USE** (continued)

**(\*) Difference between approved amount and paid amount**

Amount approved	3,253,407	355,726	425,723
Amount added	<u>8,574</u>	<u>-</u>	<u>-</u>
Amount received	<u><b>3,261,981</b></u>	<u><b>355,726</b></u>	<u><b>425,723</b></u>