

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

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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ZOHAR YOSEF  
Chartered 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, 2022 and 2021, 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 2022 and 2021 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. June 13, 2023

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

**BALANCE SHEET**

	Note	As at December 31	
		2022	2021
		NIS	NIS
<b><u>CURRENT ASSETS</u></b>			
Cash in bank and in hand		1,536,104	2,710,516
Income receivable	3	6,962,471	3,840,581
Other receivables	4	7,838,530	8,558,651
		<u>16,337,105</u>	<u>15,109,748</u>
<b><u>INVESTMENT PROPERTY:</u></b>			
		1,360,000	1,360,000
<b><u>NET FIXED ASSETS</u></b>	5	<u>62,695,679</u>	<u>51,228,815</u>
Long term deposits		-	300,203
<b>Total Assets</b>		<u>80,392,784</u>	<u>67,998,766</u>
<b><u>CURRENT LIABILITIES</u></b>			
Credit from financial institutions		-	200,297
Short-term loan and current payments	6	4,877,959	863,937
Suppliers and checks payable	7	1,386,592	679,152
Accounts payable	8	1,004,265	1,001,740
		<u>7,268,816</u>	<u>2,745,126</u>
<b><u>LONG-TERM LIABILITIES:</u></b>			
Net liability for employees' accrued severance pays	9	645,840	798,553
Provision for employees' vacation pay		255,222	275,058
Long term loan, net	10	7,012,820	7,885,584
		<u>7,913,882</u>	<u>8,959,195</u>
		<u>15,182,698</u>	<u>11,704,321</u>
<b><u>NET ASSETS</u></b>			
<b><u>Unrestricted net assets:</u></b>			
Used for activities		1,202,975	65,630
Designated by the nonprofit organization		1,311,432	5,000,000
Used for fixed assets		62,695,679	51,228,815
<b>Total net assets</b>		<u>65,210,086</u>	<u>56,294,445</u>
<b>Total liabilities and net assets</b>		<u>80,392,784</u>	<u>67,998,766</u>

  
 \_\_\_\_\_  
 Elbez Aharon  
 Trustee

  
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 Chaim Bismot  
 Trustee

Date of approval: June 13, 2023

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

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

**STATEMENTS OF OPERATIONS**

	Note	Year ended December 31	
		2022	2021
		NIS	NIS
<b>Operating Cycle</b>			
Income from the Government Ministries and Local Authorities	11	7,461,508	4,063,735
Donations received	12	42,650,966	41,006,455
In-kind Donations		123,931,334	96,122,433
Income from participation benefits	15	1,903,575	440,750
<b>Total Operating Cycle</b>		<u>175,947,383</u>	<u>141,633,373</u>
Operation Costs	13	<u>161,479,987</u>	<u>127,791,261</u>
Net Income from operation		<u>14,467,396</u>	<u>13,842,112</u>
General and Administrative Expenses	14	4,822,102	4,725,045
Net Financial expenses		<u>731,110</u>	<u>565,910</u>
Net Income before Previous years expenses		8,914,184	8,551,157
Previous years expenses		88,543	-
Net Income before Capital Gain		8,825,641	8,551,157
Capital Gain		<u>90,000</u>	<u>32,966</u>
Net Surplus for The Year		<u>8,915,641</u>	<u>8,584,123</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				Total NIS
	Designated by the nonprofit organization	Used for Activities	Used for Fixed Assets	Restricted Net assets	
	NIS	NIS	NIS	NIS	
<b>Balance as of January 1, 2021</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 institutions	(5,000,000)	5,000,000	-	-	-
Transfer of amounts for which there is no restriction - invested in 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>
<b>Additions (deductions) during the year:</b>					
Net surplus for the year	8,915,641	-	-	-	8,915,641
Release of amounts intended for the purchase of fixed assets	-	(3,688,568)	3,688,568	-	-
Amounts transferred unrestricted, to be used for acquisition of fixed assets	(9,977,990)	-	9,977,990	-	-
Amounts transferred to cover depreciation expenses.	2,199,694	-	(2,199,694)	-	-
Derecognition of fixed assets	1,000,832	-	(1,000,832)	-	-
Derecognition of depreciation	(1,000,832)	-	1,000,832	-	-
<b>Balance on December 31, 2022</b>	<u>1,202,975</u>	<u>1,311,432</u>	<u>62,695,679</u>	<u>-</u>	<u>65,210,086</u>

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

**STATEMENTS OF CASH FLOW**

	<b>Year ended December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>NIS</b>	<b>NIS</b>
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES:</u></b>		
Net Surplus for the year	<u>8,915,641</u>	<u>8,584,123</u>
Adjustments required to reflect the cash flows from current activities - Appendix A		
Income and expenses not relating to cash flows	<u>1,961,387</u>	<u>2,994,224</u>
Changes in assets and liabilities	<u>(1,391,601)</u>	<u>(779,909)</u>
Total Adjustments required to reflect the cash flows from current activities - Appendix A	<u>569,786</u>	<u>2,214,315</u>
<b>Cash flows provided by Operating activities</b>	<u>9,485,427</u>	<u>10,798,438</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Purchase of Fixed assets	<u>(13,666,558)</u>	<u>(5,213,936)</u>
Proceeds from sales of fixed assets	<u>90,000</u>	<u>37,000</u>
<b>Net cash used in investing activities</b>	<u>(13,576,558)</u>	<u>(5,176,936)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Credit Received from financial institutions	<u>(200,297)</u>	<u>188,300</u>
(Repayment) receiving a short-term loan and current payments	<u>4,003,678</u>	<u>(2,400,424)</u>
(Repayment) receiving a long-term loan	<u>(886,662)</u>	<u>(863,936)</u>
<b>Net Cash flows used in Financing activities</b>	<u>2,916,719</u>	<u>(3,076,060)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<u>(1,174,412)</u>	<u>2,545,442</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>2,710,516</u>	<u>165,074</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>1,536,104</u>	<u>2,710,516</u>

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

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

**STATEMENTS OF CASH FLOW**

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

	<b>Year ended December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>NIS</b>	<b>NIS</b>
<b><u>Income and expenses not relating to cash flows:</u></b>		
Depreciation expenses	2,199,694	2,733,076
Net Decrease in Accrued Employees' Severance Pay Fund	(152,713)	216,301
Increase in Allocations for Employees' Vacation Pay	(19,836)	66,520
Capital loss (gains) from fixed asset sales	(90,000)	(32,966)
Revalue loan	24,242	11,293
	<u>1,961,387</u>	<u>2,994,224</u>
<b><u>Changes in assets and liabilities</u></b>		
Increase in income receivable	(3,121,890)	(227,028)
Decrease in debtors and payable balances	720,121	1,265,229
Increase in long-term investments	300,203	(300,203)
Decrease in Suppliers and checks payable	707,440	(865,867)
Increase (Decrease) in entitlements and entitlement balances	2,525	(652,040)
	<u>(1,391,601)</u>	<u>(779,909)</u>
Total Adjustments required to reflect the cash flows from current activities -	<u>569,786</u>	<u>2,214,315</u>
<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**

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>2022</b>	<b>2021</b>
	<b>NIS</b>	<b>NIS</b>
Ministry of Welfare - Food Baskets	6,365,684	3,261,981
Ministry of Welfare – Passover Charity	358,199	128,895
Ministry of Welfare - Holiday Food	238,588	449,705
	<b>6,962,471</b>	<b>3,840,581</b>

**NOTE 4 – OTHER RECEIVABLES**

	<b>As at December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>NIS</b>	<b>NIS</b>
Credit Funds (*)	7,749,656	8,481,141
Checks for collection	14,864	3,500
Other Receivables	74,010	74,010
	<b>7,838,530</b>	<b>8,558,651</b>

(\*) Credit funds include income from donations for transactions made in the year of the report and expected to be received in the following years. Despite the fact that these are future revenues, in accordance with accepted accounting rules, these amounts were presented as income in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – NET FIXED ASSETS

	Buildings (*) NIS	Vehicles & Trucks NIS	Furniture and equipment NIS	Office equipment NIS	Total NIS
<b>Cost</b>					
Balance as of January 1, 2022	50,802,993	3,670,411	4,186,428	1,520,751	60,180,583
Additions throughout the Year	11,813,302	535,275	1,152,225	165,756	13,666,558
Deductions throughout the Year	(135,135)	(459,126)	(406,571)	-	(1,000,832)
Balance as of December 31, 2022	<u>62,481,160</u>	<u>3,746,560</u>	<u>4,932,082</u>	<u>1,686,507</u>	<u>72,846,309</u>
<b>Accumulated Depreciation</b>					
Balance as of January 1, 2022	4,495,667	1,653,669	1,486,944	1,315,488	8,951,768
Additions throughout the Year	948,771	531,328	642,601	76,994	2,199,694
Deductions throughout the Year	135,135	(459,126)	406,571	-	(1,000,832)
Balance as of December 31, 2022	<u>5,309,303</u>	<u>1,725,871</u>	<u>1,722,974</u>	<u>1,392,482</u>	<u>10,150,630</u>
<b>Depreciated Costs – December 31, 2022</b>	<u>57,171,857</u>	<u>2,020,689</u>	<u>3,209,108</u>	<u>294,025</u>	<u>62,695,679</u>
<b>Depreciated Costs – December 31, 2021</b>	<u>46,307,326</u>	<u>2,016,742</u>	<u>2,699,484</u>	<u>205,263</u>	<u>51,228,815</u>

**"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, 2022	<u>19,197,949</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>50,802,993</u>
Additions throughout the Year	<u>38,041</u>	<u>3,688,568</u>	<u>2,135,812</u>	<u>-</u>	<u>5,343,845</u>	<u>607,036</u>	<u>11,813,302</u>
Deductions throughout the Year	<u>-</u>	<u>-</u>	<u>(135,135)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(135,135)</u>
Balance as of December 31, 2022	<u>19,235,990</u>	<u>11,843,764</u>	<u>18,402,116</u>	<u>1,038,275</u>	<u>10,604,670</u>	<u>1,356,345</u>	<u>62,481,160</u>
<b>Accumulated Depreciation</b>							
Balance as of January 1, 2022	<u>385,512</u>	<u>2,098,550</u>	<u>1,618,382</u>	<u>13,933</u>	<u>-</u>	<u>379,290</u>	<u>4,495,667</u>
Additions throughout the Year	<u>265,468</u>	<u>179,605</u>	<u>370,951</u>	<u>13,933</u>	<u>-</u>	<u>118,814</u>	<u>948,771</u>
Deductions throughout the Year	<u>-</u>	<u>-</u>	<u>(135,135)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(135,135)</u>
Balance as of December 31, 2022	<u>650,980</u>	<u>2,278,155</u>	<u>1,854,198</u>	<u>27,866</u>	<u>-</u>	<u>498,104</u>	<u>5,309,303</u>
<b>Depreciated Costs – December 31, 2022</b>	<u>18,585,010</u>	<u>9,565,609</u>	<u>16,547,918</u>	<u>1,010,409</u>	<u>10,604,670</u>	<u>858,241</u>	<u>57,171,857</u>
<b>Depreciated Costs – December 31, 2021</b>	<u>18,812,437</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>46,307,326</u>

**NOTES TO THE FINANCIAL STATEMENTS**

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

	As at December 31	
	2022	2021
	NIS	NIS
Bank loan	3,957,691	-
Current diseases	920,268	863,937
	<u>4,877,959</u>	<u>863,937</u>

**NOTE 7 - SUPPLIERS AND CHECKS PAYABLE**

	As at December 31	
	2022	2021
	NIS	NIS
Suppliers	1,371,280	600,360
Outstanding checks	15,312	78,792
	<u>1,386,592</u>	<u>679,152</u>

**NOTE 8 – ACCOUNTS PAYABLE**

	As at December 31	
	2022	2021
	NIS	NIS
Employees	689,558	686,370
Salary institutions	297,065	297,728
Purchase tax	17,642	17,642
	<u>1,004,265</u>	<u>1,001,740</u>

**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

	As at December 31	
	2022	2021
	NIS	NIS
Long term loan	8,749,521	7,933,088
Current diseases	(920,268)	(863,937)
	<u>7,012,820</u>	<u>7,885,584</u>

NOTE 11 - INCOME FROM GOVERNMENT MINISTRIES AND LOCAL AUTHORITIES

	Year ended December 31	
	2022	2021
	NIS	NIS
Ministry of Welfare (*)	7,141,693	4,043,430
Jerusalem municipality	-	11,000
Netanya municipality	5,815	9,305
Bat Yam municipality	314,000	-
	<u>7,461,508</u>	<u>4,063,735</u>

(\*) 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

	Year ended December 31	
	2022	2021
	NIS	NIS
Donations from Israel	31,963,945	28,857,642
Donations from Abroad	10,687,021	12,148,813
	<u>42,650,966</u>	<u>41,006,455</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 13 – OPERATING COSTS**

	<b>Year ended December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>NIS</b>	<b>NIS</b>
Payroll and related expenses	7,451,478	6,852,319
In-Kind expenses	123,931,333	96,122,433
Accompanying expenses of food collection and distribution	9,546,441	8,053,030
Food baskets	7,622,793	6,029,922
Food for Passover	3,022,840	2,884,540
Food for Holidays	1,246,339	1,544,820
Halls maintenance expenses (*)	2,774,840	455,697
Expenses for the Warm Home	2,329,077	1,894,109
Maintenance	1,217,620	926,154
Rentals	398,005	320,066
Treating at-risk youth	157,147	121,751
Assistance and support to the needy	142,973	41,483
Depreciation	1,639,101	2,544,937
	<b>161,479,987</b>	<b>127,791,261</b>

(\*) See note 15

**NOTE 14 - GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>Year ended December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>NIS</b>	<b>NIS</b>
Payroll and related expenses	3,057,881	3,149,834
Fundraising fees	397,295	361,548
Professional Services	774,970	672,838
Printing and office supplies	343,741	340,992
Mail, telephone and communications	123,416	113,564
Rental and Maintenance	23,482	34,082
Accommodation, Refreshments and Travel	91,674	37,528
Taxes and Fees	1,162	3,158
Depreciation	8,481	11,501
	<b>4,822,102</b>	<b>4,725,045</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 3,797,369</b>
	<b>Total</b>	<b>NIS 14,822,369</b>

The G&A expenditure weighted ceiling percentage: 8.4%

The G&A expenditure percentage in the period: 2.7%

**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 4,822,102 constitute 2.7% 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 – OPERATION OF EVENT HALLS**

	<b>Year ended December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>NIS</b>	<b>NIS</b>
Income from participation benefits	<b>1,903,575</b>	440,750
Hall maintenance expenses (including depreciation)	<b>2,774,840</b>	455,697
 Net deficit for the year	 <b>(871,265)</b>	 <b>(14,947)</b>

**NOTE 16 – DESCRIPTION OF THE GEOGRAPHIC DISPERSAL OF THE ORGANIZATION'S ACTIVITIES**

<u>City</u>	<u>Address</u>	<u>Building Category</u>	<u>Uses</u>
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 17 – STATEMENT OF SOURCES AND USE

Year ended December 31, 2022

	Food Baskets	Food for Passover	Food for Holidays	Other activity	Total
	NIS	NIS	NIS	NIS	NIS
<b>Operations Cycle</b>					
Ministry of Welfare (*)	6,365,684	430,990	345,019	-	7,141,693
Bat Yam municipality	-	-	-	314,000	314,000
Netanya municipality	-	-	-	5,815	5,815
Income from Donations	4,580,454	2,591,850	901,320	34,577,342	42,650,966
In-Kind Donations	111,329,421	5,236,443	7,309,127	56,343	123,931,334
Income from participation benefits	-	-	-	1,903,575	1,903,575
<b>Total Operations</b>	<b>122,275,559</b>	<b>8,259,283</b>	<b>8,555,466</b>	<b>36,857,075</b>	<b>175,947,383</b>
<b>Costs of Operations</b>					
Payroll and Related Expenses	2,510,745	-	-	4,940,733	7,451,478
In-Kind Expenses	111,329,421	5,236,443	7,309,127	56,342	123,931,333
Accompanying expenses of food collection and distribution	812,600	-	-	8,733,841	9,546,441
Food Baskets	7,622,793	-	-	-	7,622,793
Passover Food	-	3,022,840	-	-	3,022,840
Rosh Hashana Food	-	-	1,246,339	-	1,246,339
Hall maintenance expenses	-	-	-	2,774,840	2,774,840
Expenses for the Warm Home	-	-	-	2,329,077	2,329,077
Maintenance	-	-	-	1,217,620	1,217,620
Rentals	-	-	-	398,005	398,005
Treating At-Risk Youth	-	-	-	157,147	157,147
Assistance and Support to the Needy	-	-	-	142,973	142,973
Depreciation	-	-	-	1,639,101	1,639,101
<b>Total Costs of Operations</b>	<b>122,275,559</b>	<b>8,259,283</b>	<b>8,555,466</b>	<b>22,389,679</b>	<b>161,479,987</b>
<b>General and Administrative Expenses</b>	-	-	-	4,822,102	4,822,102
<b>Net Financial Expenses</b>	-	-	-	731,110	731,110
<b>Previous years expenses</b>	-	-	-	88,543	88,543
<b>Capital gain</b>	-	-	-	90,000	90,000
<b>Net Surplus for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,915,641</b>	<b>8,915,641</b>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16 – STATEMENT OF SOURCES AND USE (continued)

(\*) Difference between approved amount and paid amount

Amount approved	6,368,741	433,049	345,405
Amount added / subtracted	<u>(3,057)</u>	<u>(2,059)</u>	<u>(386)</u>
Amount received	<u>6,365,684</u>	<u>430,990</u>	<u>345,019</u>