

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

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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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, 2017 and 2016, 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 2017 and 2016 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 29, 2018



**BALANCE SHEET**

		<b>As at December 31</b>	
		<b>2017</b>	<b>2016 (*)</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b><u>CURRENT ASSETS</u></b>			
Cash in bank and in hand		<b>319,247</b>	19,949
Income receivable	3	<b>285,019</b>	288,436
Other receivables	4	<b>2,773,312</b>	1,244,361
		<b>3,377,578</b>	1,552,746
<b><u>NET FIXED ASSETS</u></b>			
	5	<b>8,027,819</b>	6,990,992
<b>Total assets</b>		<b>11,405,397</b>	8,543,738
<b><u>CURRENT LIABILITIES</u></b>			
Credit from financial institutions		-	80,456
Suppliers and checks payable	6	<b>137,093</b>	148,265
Accounts payable	7	<b>269,574</b>	232,432
		<b>406,667</b>	461,153
<b><u>LONG-TERM LIABILITIES:</u></b>			
Net liability for employees' accrued severance pay	8	<b>213,166</b>	208,411
Provision for employees' vacation pay		<b>41,522</b>	24,401
		<b>254,688</b>	232,812
		<b>661,355</b>	693,965
<b><u>NET ASSETS</u></b>			
<b><u>Unrestricted net assets:</u></b>			
Used for activities		<b>1,274,054</b>	858,781
Designated by the nonprofit organization		<b>1,442,169</b>	-
Used for fixed assets		<b>8,027,819</b>	6,990,992
<b>Total net assets</b>		<b>10,744,042</b>	7,849,773
<b>Total liabilities and net assets</b>		<b>11,405,397</b>	8,543,738

(\*) Reevaluated

\_\_\_\_\_  
Ilan Giat  
Trustee

\_\_\_\_\_  
Chaim Bismot  
Trustee

Date of approval: August 29, 2018

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

**STATEMENTS OF OPERATIONS**

	Note	Year ended December 31	
		2017	2016 (*)
		\$	\$
Income from the Government Ministries and Local Authorities	9	<b>605,428</b>	432,878
Donations received	10	<b>8,138,958</b>	7,284,499
In-kind Donations	11	<b>15,164,676</b>	12,832,496
Rental Income	12	<b>4,667</b>	4,374
Other Income		-	12,777
Total Operating Cycle		<b>23,913,729</b>	20,567,024
Operation Costs	13	<b>20,171,438</b>	17,450,108
Net Income from Charitable expenditure		<b>3,742,291</b>	3,116,916
General and Administrative Expenses	14	<b>1,719,396</b>	1,720,016
Net Financial expenses		<b>83,845</b>	93,938
Net Income before Expenses of Previous Years		<b>1,939,050</b>	1,302,962
Income (Expenses) of Previous Years		<b>2,686</b>	(33,283)
Net Income before Capital Gain		<b>1,941,736</b>	1,269,680
Capital Gain		<b>21,488</b>	-
Net Surplus for The Year		<b>1,963,224</b>	1,269,680

(\*) Reevaluated

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

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

**STATEMENTS OF CHANGES IN NET ASSETS**

	<u>Unrestricted net assets</u>			<u>Restricted net assets</u>	
	Used for activities	Designated by the nonprofit organization	Used for fixed assets	Temporary	total
	\$	\$	\$	\$	\$
<b>Balance as of January 1, 2016</b>	246,736	-	6,238,668	-	6,485,404
<b>Changes in 2016:</b>					
Net surplus for the year	1,269,680	-	-	-	1,269,680
Amounts transferred to be used for the acquisition of fixed assets	(927,038)	-	927,038	-	-
Amounts transferred to cover depreciation expenses	267,198	-	(267,198)	-	-
Capital fund from differences in exchange rate & translation	2,205	-	92,484	-	94,689
<b>Balance on December 31, 2016</b>	<b>858,781</b>	<b>-</b>	<b>6,990,992</b>	<b>-</b>	<b>7,849,773</b>
<b>Changes in 2017:</b>					
Net surplus for the year	1,963,224	-	-	-	1,963,224
Amounts designated by the organization	(1,420,051)	1,420,051			
Amounts transferred to be used for the acquisition of fixed assets	(657,209)	-	657,209	-	-
Amounts transferred to cover depreciation expenses	360,200	-	(360,200)	-	-
Derecognition of fixed assets	298,395	-	(298,395)	-	-
Derecognition of depreciation	(275,999)	-	275,999	-	-
Capital fund from differences in exchange rate & translation	146,713	22,118	762,214	-	931,045
<b>Balance on December 31, 2017</b>	<b>1,274,054</b>	<b>1,442,169</b>	<b>8,027,819</b>	<b>-</b>	<b>10,744,042</b>

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

**STATEMENTS OF CASH FLOW**

	<u>Year ended December 31</u>	
	<u>2017</u>	<u>2016 (*)</u>
	<u>\$</u>	<u>\$</u>
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES:</u></b>		
Net Surplus for the year	<u>1,963,224</u>	<u>1,269,680</u>
Adjustments required to reflect the cash flows from current activities - <b>Appendix A</b>		
Income and expenses not relating to cash flows	<u>359,766</u>	<u>135,102</u>
Changes in assets and liabilities	<u>(1,499,565)</u>	<u>(200,426)</u>
Total Adjustments required to reflect the cash flows from current activities - <b>Appendix A</b>	<u>(1,139,799)</u>	<u>(65,324)</u>
<b>Cash flows provided by operating activities</b>	<u>823,425</u>	<u>1,204,356</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Purchase of fixed assets	<u>(657,209)</u>	<u>(927,038)</u>
Proceeds from sales of fixed assets	<u>44,707</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u>(612,502)</u>	<u>(927,038)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Credit from financial institutions	<u>(80,456)</u>	<u>(125,347)</u>
Current maturities	<u>-</u>	<u>(256,735)</u>
Capital fund from differences in exchange rate & translation	<u>168,831</u>	<u>2,205</u>
<b>Net cash flows used in financing activities</b>	<u>88,375</u>	<u>(379,877)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<u>299,298</u>	<u>(102,559)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>19,949</u>	<u>122,508</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>319,247</u>	<u>19,949</u>

(\*) Reevaluated

**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:

	Year ended December 31	
	2017	2016 (*)
	\$	\$
<b><u>Income and expenses not relating to cash flows:</u></b>		
Depreciation expenses	360,200	267,198
Net Increase (Decrease) in Accrued Employees' Severance Pay Fund	4,755	(132,096)
Increase in Allocations for Employees' Vacation Pay	17,122	1,511
Capital gains from fixed asset sales	(22,311)	-
	<u>359,766</u>	<u>136,614</u>
<b><u>Changes in assets and liabilities</u></b>		
Decrease in income receivable	3,416	447,665
Increase in accounts receivable	(1,528,951)	(431,591)
Decrease in Suppliers and checks payable	(11,172)	(127,079)
Increase (Decrease) in accounts payable	37,142	(90,933)
	<u>(1,499,565)</u>	<u>(201,938)</u>
Total Adjustments required to reflect the cash flows from current activities -	<u>(1,139,799)</u>	<u>(65,324)</u>
<b>Appendix A</b>		

(\*) Reevaluated

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: the creation of a distribution center that collects and packs boxes of food and clothing to be provided to the poor, the provision of financial assistance to the needy and the sick, running soup kitchens and centers for disadvantaged children, providing support to vulnerable young people, providing services for families and young immigrants, activities to rehabilitate prisoners, sharing the word of the Torah through shiurim, distributing leaflets, organizing visits to religious sites and arranging Shabbatons.
- 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**

The financial statements are presented in accordance with the Public Statement No. 69 of the Institute of Certified Public Accountants, Accounting Standard No. 5 of the Israel Accounting Standards Board.

**a. Financial statement reporting**

**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.

**Net assets used for fixed assets**

The part of the net assets used to acquire fixed assets less accumulated depreciation and less capital gain or loss from sales of fixed assets.

**Temporarily restricted net assets**

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**b. Revenue and expense recognition**

Revenues and expenses are recorded in the financial statements on an accrual basis.

**c. Basis recognition of financial reports**

The organization's financial statements are expressed in nominal NIS, conducted primarily for reporting to legal authorities.

**d. Financial Statement Reporting**

1. The amounts of non-monetary assets do not necessarily represent a value or current economic value, but only the reported amounts of assets.
2. In the Financial Statements, "cost" refers to cost in reported amounts.

**e. Presentation of Financial Statements**

1. Classification in the framework of the net assets group is made by distinction between:
  - Unrestricted net assets used for activities.
  - Unrestricted net assets designated by the organization members
  - Unrestricted net assets used for fixed assets.
  - Temporarily restricted net assets
2. The statement of operations includes all the incomes and expenses incurred during the reporting period. "Income" includes all income received and originated during the period during which there are no restrictions on its use. Additionally, it includes the proportional part of the net assets which were restricted and conditionally released during the period. "Expenses" include the expenses from funds which were conditionally donated or allocated.

In addition, Income/expenses include In-kind incomes and expenses respectively.

3. The statements of changes in net assets include, in addition to net outcome transferred from Statements of activities, the total funding received, noting the restrictions and amounts that have been released from restriction. Restricted amounts that have been released as a result of usage in activity are recorded as revenue in the statement of activities. Restricted amounts that have been released as a result of usage in acquiring fixed assets are transferred to the "Unrestricted net assets to be used as fixed assets" balance in the statements of changes in net assets.

**NOTES TO THE FINANCIAL STATEMENTS**

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

**f. Data Regarding the Exchange Rate of the U.S. Dollar during the Reporting Period:**

	Year ended December 31		Percentage of change in the year ended December 31	
	2017	2016	2017	2016
USD	3.467	3.845	(0.10)	(0.01)
EURO	4.153	4.044	0.03	(0.05)
CAD	2.765	2.851	(0.03)	0.01
GBP	4.682	4.725	(0.01)	(0.18)

**g. Cash in bank and in hand**

Cash in bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**h. Fixed assets**

- Fixed assets are displayed according to the cost less accumulated depreciation.
- 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

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

**i. Statement of Operations**

The statement of operations reflects all the activities of the organization. The report does not include restricted contributions received that have not yet been released or any amounts released from restrictions to be used to acquire fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS**

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

**j. Property Transfer**

Assets received in part as an agent or intermediary and not yet delivered to a third party, will be presented as property and the amount to be transferred to a third party will be shown as a liability.

**k. Recognition of donations**

Income from all types of financing (such as funding from the government, municipalities, or other related bodies included in the budget of the previous period which overlaps the reporting period of the organization.) which have been granted but not yet received are recognized as revenue or as an addition to net assets restricted by the donor, only if all the following conditions are met:

1. The available information, on the date the financial statements are published, shows the establishment of an irrevocable commitment by the donor, which refers to the reporting period.
2. Realization of the commitment does not depend on a future event.
3. Promises for donations that have not yet been received will be recognized as income or additions to net limited assets only if they are actually received by the organization or a Trustee on behalf of the organization by the date of the preparation of the financial statements. In irregular cases, where promises for donations that have not yet been received can be legally enforced, they will be recognized as detailed above on the date the promise was made.
4. The organization recognized In-kind donations according to the goods received as a donation. Recognition is based on the estimated value of the goods received as a donation. Also, the organization recognizes the value of volunteers' work, subject to a working hour and the value of minimum wages per hour. Also, the organization has in-kind income from buildings which it may use at no cost.

**l. 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 statements 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.

**NOTES TO THE FINANCIAL STATEMENTS**

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

**m. 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.

**n. Taxes**

As a non-profit organization, the organization pays the payroll tax which is calculated at a certain rate of salary. The payroll tax is included in salary and related expenses.

**o. Related Parties**

Since the organization is a supported organization, the definition of a "related party" in financial statements is in accordance with the directives of the Accountant General and is broader than the accounting guideline listed in Opinion No. 29 of the Institute of Certified Public Accountants in Israel ("the Israeli Institute") and Standard Review 52 on the registration of organizations.

The Accountant General's Definition of Related Parties is as follows:

1. One non-profit organizations that has financial ties to the subsidized entity.
2. A person or legal body providing services and/or giving loans to the organization and having family/legal/business ties to any Member of the Board or Members of the Audit Committee of the supported body.
3. Non-profit organization Members of the Board and/or Members of the Audit Committee or its Co-managers and Co-managers of its supported body, an organization whose managers have the ability to influence the supported body or the appointment of the position-holders therein.
4. Related institutions as defined in the Opinion No. 29 of the Institute of Certified Public Accountants in Israel ("the Israeli Institute").

**NOTE 3 - INCOME RECEIVABLE**

	<b>As at December 31</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Ministry of Welfare - Food Baskets	<b>285,019</b>	211,140
Ministry of Welfare - Holiday Food	<b>-</b>	77,296
	<b>285,019</b>	<b>288,436</b>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 – OTHER RECEIVABLES

	As at December 31	
	2017	2016
	\$	\$
Credit Funds	2,736,620	1,229,020
Prepaid Expenses	25,469	9,785
Other Receivables	11,223	5,556
	<u>2,773,312</u>	<u>1,244,361</u>

NOTE 5 – NET FIXED ASSETS

	Building (**)	Vehicles & Trucks	Furniture and equipment (*)	Other equipment (*)	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
Balance as of January 1, 2017	6,783,647	514,535	1,090,497	199,968	8,588,647
Additions throughout the Year	355,688	191,800	101,999	7,722	657,209
Derecognition of fixed assets	(99,767)	(298,395)	-	-	(398,162)
Capital fund from differences in exchange rate & translation	739,607	56,099	118,895	21,802	936,403
Balance as of December 31, 2017	<u>7,779,175</u>	<u>464,039</u>	<u>1,311,391</u>	<u>229,492</u>	<u>9,784,097</u>
<b>Depreciation</b>					
Balance as of January 1, 2017	582,495	432,763	419,911	162,486	1,597,655
Additions throughout the Year	209,013	45,595	96,055	9,537	360,200
Derecognition of depreciation	(99,767)	(275,999)	-	-	(375,766)
Capital fund from differences in exchange rate & translation	63,508	47,183	45,782	17,716	174,189
Balance as of December 31, 2017	<u>755,249</u>	<u>249,542</u>	<u>561,748</u>	<u>189,739</u>	<u>1,756,278</u>
<b>Depreciated Costs – December 31, 2017</b>	<u>7,023,926</u>	<u>214,497</u>	<u>749,643</u>	<u>39,753</u>	<u>8,027,819</u>
<b>Depreciated Costs – December 31, 2016</b>	<u>6,201,152</u>	<u>81,772</u>	<u>670,586</u>	<u>37,482</u>	<u>6,990,992</u>

(\*) Reevaluated

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

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 - FIXED ASSETS, NET (continued)**

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

	<u>Jerusalem Chaim Ozer</u>	<u>Jerusalem Rabenu Gersom</u>	<u>Safed (under construction)</u>	<u>Hashmonaim</u>	<u>Leasehold improvements</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
Balance as of January 1, 2017	2,089,912	641,664	3,459,311	353,706	239,054	6,783,647
Additions throughout the Year	1,875	-	350,246	-	3,567	355,688
Disposals throughout the Year	-	-	-	-	(99,767)	(99,767)
Translation differences capital reserve	227,859	69,959	377,161	38,564	26,064	739,607
Balance as of December 31, 2017	2,319,646	711,623	4,186,718	392,270	168,918	7,779,175
<b>Depreciation</b>						
Balance as of January 1, 2017	359,132	79,827	72,812	-	70,724	582,495
Additions throughout the Year	41,316	14,233	67,352	-	86,112	209,013
Disposals throughout the Year	-	-	-	-	(99,767)	(99,767)
Translation differences capital reserve	39,155	8,703	7,939	-	7,711	63,508
Balance as of December 31, 2017	439,603	102,763	148,103	-	64,780	755,249
<b>Depreciated Costs – December 31, 2017</b>	<b>1,880,043</b>	<b>608,860</b>	<b>4,038,615</b>	<b>392,270</b>	<b>104,138</b>	<b>7,023,926</b>
<b>Depreciated Costs – December 31, 2016</b>	<b>1,730,780</b>	<b>561,837</b>	<b>3,386,499</b>	<b>353,706</b>	<b>168,330</b>	<b>6,201,152</b>

**NOTE 6 - SUPPLIERS AND CHECKS PAYABLE**

	<u>As at December 31</u>	
	<u>2017</u>	<u>2016</u>
	\$	\$
Suppliers	136,600	148,227
Outstanding checks	493	38
	<b>137,093</b>	<b>148,265</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 – ACCOUNTS PAYABLE**

	<b>As at December 31</b>	
	<b>2017</b>	<b>2016 (*)</b>
	<b>\$</b>	<b>\$</b>
Employees	<b>178,549</b>	156,551
Salaries	<b>77,201</b>	65,010
Assets received for transfer to others (**)	<b>9,141</b>	8,356
Accrued Expenses	<b>4,683</b>	-
Allocations for Surplus	<b>-</b>	2,515
	<b>269,574</b>	232,432

(\*) Reevaluated

(\*\*) In 2016, the organization received 37,388 ILS for transfer to others for a bone marrow transplant project. In the year 2017 the transfers amounted to 5,696 ILS.

**NOTE 8 – 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 9 - INCOME FROM GOVERNMENT MINISTRIES AND LOCAL AUTHORITIES

	Year ended December 31	
	2017	2016
	\$	\$
Ministry of Welfare (*)	486,684	398,273
Netanya municipality	2,904	3,360
Bat Yam municipality	115,840	-
Bat Yam Religious Council	-	31,245
	<b>605,428</b>	<b>432,878</b>

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

NOTE 10 - INCOME FROM DONATIONS

	Year ended December 31	
	2017	2016
	\$	\$
Donations from Israel	6,697,534	5,420,684
Donations from Abroad	1,421,927	1,849,975
The Jewish Agency	19,497	17,702
Keren Or L'noar	-	5,873
Assets that received for transfer to others	-	(9,735)
	<b>8,138,958</b>	<b>7,284,499</b>

NOTE 11 - INCOME IN-KIND

	Year ended December 31	
	2017	2016
	\$	\$
In-Kind Income - Food Baskets	13,286,175	11,161,032
In-kind Income - Food for Passover	826,383	660,695
In-kind Income - Food for Holidays	1,008,696	962,114
In-Kind Income – Volunteer work	43,422	48,655
	<b>15,164,676</b>	<b>12,832,496</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 12- RENTAK INCOME**

In Note 15 - Transactions with related parties

**NOTE 13 – OPERATING COSTS**

	<b>Year ended December 31</b>	
	<b>2017</b>	<b>2016 (*)</b>
	<b>\$</b>	<b>\$</b>
Payroll and Related Expenses	<b>1,441,351</b>	1,580,187
In-Kind Expenses	<b>15,164,676</b>	12,832,496
Food Baskets	<b>750,106</b>	999,533
Food for Passover	<b>461,642</b>	307,535
Food for Holidays	<b>365,032</b>	184,735
Accompanying Expenses of Food Collection and Distribution	<b>1,031,439</b>	869,708
Expenses for the Warm Home	<b>251,059</b>	121,756
Maintenance	<b>158,556</b>	166,490
Rentals	<b>92,981</b>	88,819
Treating At-Risk Youth	<b>81,385</b>	8,087
Outreach (Kiruv L'evavot)	<b>19,074</b>	12,223
Assistance and Support to the Needy	<b>13,326</b>	18,013
Depreciation	<b>340,811</b>	260,526
	<b>20,171,438</b>	17,450,108

(\*) Reevaluated

**NOTE 14 - GENERAL AND ADMINITRATIVE EXPENSES**

	<b>Year ended December 31</b>	
	<b>2017</b>	<b>2016 (*)</b>
	<b>\$</b>	<b>\$</b>
Payroll and related expenses	<b>1,196,258</b>	1,140,779
Fundraising fees	<b>116,558</b>	171,389
Professional Services	<b>235,868</b>	206,565
Printing and office supplies	<b>93,550</b>	93,295
Mail, telephone and communications	<b>45,937</b>	78,926
Rental and Maintenance	<b>15,640</b>	19,953
Accommodation, Refreshments and Travel	<b>7,443</b>	1,039
Taxes and Fees	<b>2,041</b>	1,092
Depreciation	<b>6,101</b>	6,978
	<b>1,719,396</b>	1,720,016

(\*) Reevaluated

The organization meets the General and Administrative Expenses ceiling in accordance with the directives of the Accountant General and the instructions of the Tax Authority.

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 15 – TRANSACTIONS WITH RELATED PARTIES**

The organization has exchanged rental property with a related party since the month of March 2015, according to the following particulars: The organization's Chairman owns a part of the property (1/6<sup>th</sup>) located on Simeon Rokakh Street 28, Jerusalem. The remaining 5/6<sup>th</sup> of this property is owned by the organization. The organization decided to rent 1/6<sup>th</sup> of the property from the Chairman in order that the organization can maintain its operations on the full area of the property. The Chairman rents out to the organization his 1/6<sup>th</sup> of the property for the organization to use.

In return for the above transfer of property for the organization's use from the Chairman, the organization rents out its owned property to the Chairman on Rabbeinu Gershom Street 26, Jerusalem (residential apartments).

Since according to an evaluation by an appraiser, there is a gap in rental property values between the two properties, and the property rented to the Chairman costs more, it was decided that the Chairman of the organization pays to the organization the gap of NIS 1,400 per month as stated.

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

**Below are the list of properties owned by the organization:**

<u>City</u>	<u>Address</u>	<u>Building Category</u>	<u>Uses</u>
Jerusalem	29 Chaim Ozer St.	Owned by the Organization	Activities for the Needy
Jerusalem	26 Rabenu Gershom	Owned by the Organization	Rental
Safed	2 Zahal St.	Municipality Allocation	Activities for the Needy
Hashmonaim	Property Investment	Owned by the Organization	Property Investment

**Below are the list of places where the the organization has Operations and Activities:**

<u>City</u>	<u>Address</u>	<u>Building Category</u>	<u>Uses</u>
Karmiel	16 HaMelacha St.	Municipality Allocation	Activities for the Needy
Safed	Azor HaTashiya Safed	Rental	Activities for the Needy
Jerusalem	20 Yoel St.	Rental	Activities for the Needy
Jerusalem	Shouk Sitonti- Tenuva	Rental	Distribution Warehouse
Beitar Illit	17 Rambanl St.	Rental	Activities for the Needy

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

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 17 – STATEMENT OF SOURCES AND USES**

	<b>Food for Passover</b>	<b>Food for Holidays</b>	<b>Food Baskets</b>	<b>Activities that not supported</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Operations Cycle</b>					
Ministry of Welfare	114,711	97,469	274,504	-	<b>486,684</b>
Local municipalities	-	-	-	118,744	<b>118,744</b>
Income from Donations	346,673	265,096	793,110	6,734,079	<b>8,138,958</b>
In-Kind Donations	826,383	1,008,696	13,286,175	43,422	<b>15,164,676</b>
Other Income	-	-	-	4,667	<b>4,667</b>
<b>Total Operations</b>	<b>1,287,767</b>	<b>1,371,261</b>	<b>14,353,789</b>	<b>6,900,912</b>	<b>23,913,729</b>
<b>Cost of Operations</b>					
Payroll and Related Expenses	-	-	488,087	953,264	<b>1,441,351</b>
In-Kind Expenses	826,383	1,008,696	13,286,175	43,422	<b>15,164,676</b>
Food Baskets	461,642	365,032	750,106	-	<b>1,576,780</b>
Accompanying Expenses of Food Collection and Distribution	-	-	-	1,031,439	<b>1,031,439</b>
Expenses for the Warm Home	-	-	-	251,059	<b>251,059</b>
Maintenance	-	-	-	158,556	<b>158,556</b>
Rentals	-	-	-	92,981	<b>92,981</b>
Treating At-Risk Youth	-	-	-	81,385	<b>81,385</b>
Outreach (Kiruv L'evavot)	-	-	-	19,074	<b>19,074</b>
Assistance and Support to the Needy	-	-	-	13,326	<b>13,326</b>
Depreciation	-	-	-	340,811	<b>340,811</b>
<b>Total Cost of Operations</b>	<b>1,288,025</b>	<b>1,373,728</b>	<b>14,524,368</b>	<b>2,985,317</b>	<b>20,171,438</b>
<b>General and Administrative Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,719,396</b>	<b>1,719,396</b>
<b>Net Financial Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,845</b>	<b>83,845</b>
<b>Income of Previous Years</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,686</b>	<b>2,686</b>
<b>Capital Gain</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,488</b>	<b>21,488</b>
<b>Surplus for the Year before Investments in fixed assets</b>	<b>(258)</b>	<b>(2,467)</b>	<b>(170,579)</b>	<b>2,136,528</b>	<b>1,963,224</b>
<b>Investments in fixed assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>632,964</b>	<b>632,964</b>
<b>Net Surplus for the Year after Investments in fixed assets</b>	<b>(259)</b>	<b>(2,467)</b>	<b>(170,579)</b>	<b>1,503,564</b>	<b>1,330,260</b>