

"BIZCHUT"
The Israel Human Rights Center for People with Disabilities, an Association

Financial Statements 2022

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Ilan Segev,

Certified Public Accountants

Ilan Segev, C.P.A (Isr.)

Ilan Zarbiv, C.P.A (Isr.)

Avner Shezifi, C.P.A (Isr.)

Igal Phalkovich, C.P.A (Isr.)

Daniel Fitoussi, C.P.A (Isr.)

Shani Nadav, C.P.A (Isr.)

Ashira Rich, C.P.A (Isr.)

Dvir Twil, C.P.A (Isr.)

Chemda Taguri, C.P.A (Isr.)

22 Beit hadfus St.

Jerusalem, Israel

Tel 02-5489222

INDEPENDENT AUDITORS' REPORT

To the members of

"BIZCHUT"

The Israel Human Rights Center for People with Disabilities, an Association

We have audited the accompanying balance sheet of BIZCHUT - The Human Rights Center for People with Disabilities, an Association (herein "the Association") as of December 31, 2022 and 2021, the statements of activities, the statements of changes in net assets and the statements of cash flows for the years ended on these dates. These financial statements are the responsibility of the Association Board. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Israel, including those prescribed by the Auditors' Regulations (Auditors' Mode of Performance) - 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Board and the Directors of the Association, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in conformity with generally accepted accounting principles, in all material respects the financial position of the Association as of December 31, 2022 and 2021 the results of its activities, the changes in its net assets and its cash flows for the years ended on these dates, in conformity with accounting principles of the institute of accountancy standards in Israel (Israeli GAAP).

ILAN SEGEV
C.P.A (ISR)

June 13, 2022
Jerusalem, Israel

"BIZCHUT"
The Israel Human Rights Center for People with Disabilities, an Association.

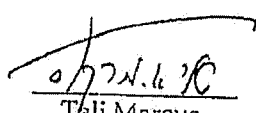
Statement of financial position


	Note	December 31	
		2022	2021
		NIS	NIS
<u>Current assets</u>			
Cash and cash equivalents	3	436,498	807,089
Investments		842,271	1,163,612
Debtors and debit balances	4	328,907	167,141
		<u>1,607,676</u>	<u>2,137,842</u>
<u>Fixed assets, net</u>			
Severance pay plans, net	8	48,778	72,121
Fixed Assets, net	5	17,096	22,186
		<u>65,874</u>	<u>94,307</u>
Total assets		<u>1,673,550</u>	<u>2,232,149</u>
<u>Current liabilities</u>			
Suppliers and service providers	6	30,882	17,465
Institutions and employees for salaries	7	96,334	97,460
		4,693	
		<u>131,909</u>	<u>114,925</u>
<u>Net assets</u>			
Net assets in respect of which no restriction exists-			
Earmarked by the Association's Management	9	1,000,000	1,000,000
Undesignated by the Association's Management		162,356	240,338
Used in the purchase of fixed assets		17,096	22,186
		<u>1,179,452</u>	<u>1,262,524</u>
Net assets in respect of which a temporary restriction exists	14	362,189	854,700
Total net assets		<u>1,541,641</u>	<u>2,117,224</u>
		<u>1,673,550</u>	<u>2,232,149</u>

The Notes to the Financial Statements form an integral part thereof.

June 13, 2023
Date of approval of
the financial
statements


Doron Tamir
Association
Committee
Member


Tali Marcus,
Adv
Executive
Director


Yoav Kraiem
Association
Chairperson

"BIZCHUT"
The Israel Human Rights Center for People with Disabilities, an Association.

Statements of activities

	Note	For the year ending on	
		December 31	
		2022	2021
		<u>NIS</u>	<u>NIS</u>
Income	10	2,308,759	2,191,217
Operating expenses	11	<u>1,959,177</u>	<u>2,017,548</u>
Surplus from activities		349,582	173,669
Administrative and general expenses	12	<u>346,130</u>	<u>306,068</u>
Surplus (Deficit) before financing		3,452	(132,399)
Finance income, net	13	<u>(86,524)</u>	<u>76,861</u>
Surplus (Deficit) for the year		<u>(83,072)</u>	<u>(55,538)</u>

"BIZCHUT"
The Israel Human Rights Center for People with Disabilities, an Association.

Statements of Changes in Net Assets

	Assets in respect of which no restriction exists			Assets in respect of which there is a temporary restriction	Total
	Used in operations	Earmarked by the Association's Management	Used in the purchase of fixed assets		
	NIS	NIS	NIS		
Balance at 31 st December 2020	295,339	1,000,000	22,723	831,534	2,149,596
Deficit for the year	(55,538)	-	-	-	(55,538)
Change in net assets in respect of which a temporary restriction exists	-	-	-	23,166	23,166
Amounts used in the purchase of fixed assets	(9,500)	-	9,500	-	-
Release of amounts to cover depreciation	10,037	-	(10,037)	-	-
Balance at 31 st December 2021	240,338	1,000,000	22,186	854,700	2,117,224
Deficit for the year	(83,072)	-	-	-	(83,072)
Change in net assets in respect of which a temporary restriction exists	-	-	-	(492,511)	(492,511)
Amounts used in the purchase of fixed assets	(6,571)	-	6,571	-	-
Release of amounts to cover depreciation	11,661	-	(11,661)	-	-
Balance at 31 st December 2022	162,356	1,000,000	17,096	362,189	1,541,641

The Notes to the Financial Statements form an integral part thereof.

"BIZCHUT"
The Israel Human Rights Center for People with Disabilities, an Association.

Statements of Cash Flow

	For the year ending on	
	December 31	
	2022	2021
	NIS	NIS
<u>Cash flows from current activities</u>		
Net profit for the year	(83,072)	(55,538)
Adjustments required for the presentation of cash flows from current operations (Annex A)	(12,316)	105,237
Change in net assets in respect of which a temporary restriction exists	(492,511)	23,764
Cash arising from current activities	<u>(587,899)</u>	<u>72,865</u>
<u>Cash flows from investment activities</u>		
Sale of securities	512,307	284,233
Purchase of securities	(288,428)	(300,010)
Purchase of fixed assets	(6,571)	(9,500)
Cash arising from (used in) investment activities	<u>217,308</u>	<u>(25,277)</u>
Increase (Decrease) in cash and cash equivalents	<u>(370,591)</u>	<u>47,588</u>
Balance of cash and cash equivalents at start of year	807,089	759,501
Balance of cash and cash equivalents at end of year	<u>436,498</u>	<u>807,089</u>

The Notes to the Financial Statements form an integral part thereof.

"BIZCHUT"
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Statements of Cash Flow

Adjustments required for the presentation of cash flows from current activities – Annex A

	For the year ending on	
	December 31	
	2022	2021
	NIS	NIS
Expenses and income not entailing cash flows:		
Depreciation	11,661	10,037
Decrease (Increase) in severance pay liabilities, net	23,343	87,512
Revaluation of securities	97,462	(59,441)
Increase (Decrease) in provision for vacation	(1,227)	(9,571)
Loss of securities	-	-
	<u>131,239</u>	<u>28,537</u>
Changes in assets and liabilities items		
Decrease (Increase) in debtors and debit balances	(161,766)	91,127
Increase (Decrease) in institutions and employees	101	(7,162)
Increase (Decrease) in suppliers and service providers	13,417	(7,265)
Increase (Decrease) in other beneficiaries	4,693	-
	<u>(143,555)</u>	<u>76,700</u>
The total adjustments required for the presentation of cash flows from current activities – Annex A	<u>(12,316)</u>	<u>105,237</u>

"BIZCHUT"

The Israel Human Rights Center for People with Disabilities, an Association.

Notes to the Financial Statements

Note 1 - General

- a. "Bizchut – The Human Rights Center for People with Disabilities, Association (herein "the Association") was established by the Association for Civil Rights in Israel - Registered Society on February 26th 1998.
- b. The aim of the Association is "to act for the advancement of the welfare and wellbeing of people with disabilities, in recognition that they have the same rights as any other person".
- c. On 7/5/2001, the Association was granted the status of a public institution for the purpose of donations pursuant to Section 46 of the Income Tax Ordinance. The period of the approval is extended from time to time. The certificate held by the Association at the signing of these statements is valid through 31/12/2023.

Note 2 - Accounting policy

- a. The financial statements were prepared based on the guiding principles and the reporting standards published in standard number 5 of the Israel Accounting Standards Board, regarding non-profit organizations. The financial statements were prepared in accordance with accounting principles that are based on the historical cost method and as so, changes in the purchasing power of the Israeli Shekel and their effect on the financial results are not reflected in them.
The financial statements are prepared on an accrual basis.
The expenses in the reports on the activities are presented according to the "characteristic of the activity" and in the annotations the expenses are presented according to "The essence of the expense".
- b. Cash equivalents take into account investments with high liquidity that include, among others, short-term bank deposits that the period until their redemption does not exceed 3 months and that their use is not restricted.
- c. Fixed assets are presented at cost less accumulated depreciation.
- d. The depreciation is calculated using the direct method at rates reflecting, in the opinion of the management of the Association, the useful lifetime of the depreciated assets.

The annual depreciation rates are as follows:

	%
Website	33
Office furniture and equipment	6-15
Computers and ancillary equipment	25-33

"BIZCHUT"

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Notes to the Financial Statements

e. Exchange rates

	As at December 31	
	2022	2021
Pound Sterling	4.237	4.203
Euro	3.753	3.52
US dollar	3.519	3.11

Note 3 - Cash and cash equivalents

a. Composition:

	December 31	
	2022	2021
	NIS	NIS
Cash in bank	265,420	805,400
Foreign currency deposits (b):	171,078	1,599
	<u>436,498</u>	<u>807,089</u>

b. Composition:

In US dollars	171,007	1,532
In euro	67	63
In pound sterling	4	4
	<u>171,078</u>	<u>1,599</u>

The deposits are adjusted to their value in new shekels at the representative exchange rate at the date of the financial statement.

Note 4 - Debtors and debit balances

Composition:

	December 31	
	2022	2021
	NIS	NIS
Income receivable	184,085	140,001
In open accounts	143,724	26,042
withholding tax.	1,098	1,098
	<u>328,907</u>	<u>167,141</u>

"BIZCHUT"
The Israel Human Rights Center for People with Disabilities. an Association.

Notes to the Financial Statements

Note 5 - Fixed assets

Composition:

	<u>Cost</u> NIS	<u>Accumulated depreciation</u> NIS	<u>December 31</u>	
			<u>2022</u>	<u>2021</u>
			<u>Depreciated cost</u> NIS	<u>Depreciated cost</u> NIS
			<u>NIS</u>	<u>NIS</u>
Internet site	126,507	126,507	-	-
Computers and peripheral equipment	204,003	189,515	14,488	13,571
Office furniture and equipment	65,813	63,205	2,608	8,615
	<u>396,323</u>	<u>379,227</u>	<u>17,096</u>	<u>22,186</u>

Note 6 - Suppliers and service providers

Composition:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>NIS</u>	<u>NIS</u>
In open accounts	30,882	17,020
In checks payable	-	445
	<u>30,882</u>	<u>17,465</u>

Note 7 - Accrued salaries and employees benefits

a. Composition:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>NIS</u>	<u>NIS</u>
Accrued salaries and employees benefits	55,369	55,268
Vacation provision (b)	40,965	42,192
	<u>96,334</u>	<u>97,460</u>

b. The provision is calculated based on the provision method in which the last salary is multiplied by the number of vacation days to which the workers are entitled, not accounting for social benefit expenses in respect to the calculated salary.

"BIZCHUT"
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Notes to the Financial Statements

Note 8 - Severance pay liabilities, net

Composition:

	December 31	
	2022	2021
	NIS	NIS
Balances accumulated in personal funds	587,957	626,475
Obligations due to employer-employee relations	(560,872)	(578,759)
	27,085	41,716
in addition:		
Amounts deposited in severance pay funds	21,693	24,405
Balance, net	<u>48,778</u>	<u>72,121</u>

Note 9 - Net assets designated by the association's institutions

In June 2017 a resolution was adopted by the institutions of the association pursuant to which a total of 1 million NIS will be used as safety reserve that will be used by the association to secure its activity in times of crisis or for a temporary strategic need. It was further determined that the use of the funds out of that amount, even if it is a need that arises from a temporary gap in cash flow, will require special approval pursuant to the rules determined in such resolution.

"BIZCHUT"
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Statements of Changes in Net Assets

Note 10 - Income

a. Composition:

	December 31	
	2022	2021
	NIS	NIS
Shusterman Foundation	-	85,100
Carl Bianco	-	51,561
Jacob and Hilda Blaustein Foundation	64,799	94,223
Lepofsky (New Israel Fund)	38,000	24,705
Ruderman Family Foundation	-	10,000
Hans and Gini Bachrach Foundation Pty Ltd. (through United Israel Appeal Refugee Relief Fund Ltd)	45,000	59,000
Yad Hanadiv	-	100,000
American Jewish Joint Distribution Committee	-	86,622
Stein Family Foundation (through Signing Anew)	-	100,000
Liebhaber Family Foundation	132,747	80,688
Donations from outside of Israel (C)	89,321	72,167
Law Office NAV	29,442	56,879
Open Society Foundations	384,699	385,801
Donations from within Israel	331,638	285,627
Sam and Bella Sebba Foundation (B)	300,000	250,000
Income generating activities	28,234	28,438
Israel Koret Fund	20,460	19,338
Pfeifer Foundation	-	15,000
Arkin Foundation	15,000	15,000
Nash Family Foundation	33,436	32,056
Friendship Toronto through the Friedberg Foundation	80,600	81,000
A settlement agreement as part of a lawsuit ("BIZCHUT" is not involved)	15,315	15,000
Alex Greenbaum	-	31,500
Open Society Foundations Project 2019-2020	-	205,000
Sherman Foundation through the New Israel Foundation	10,000	6,512
Nacht Foundation	25,000	-
Wendy Weiker Endowment through New Israel Fund	53,206	-
Silver Foundation through Israel Toremet	15,562	-
Greenbaum Family Foundation through Keshet Donor Advised Fund	320,000	-
Mizrachi Foundation (B)	276,300	-
	<u>2,308,759</u>	<u>2,191,217</u>

- a. Some of the contributions, received from the Grants from the Sam and Bella Sebba Foundation and Mizrachi Foundation, were restricted for use in 2023.
- b. The remaining amount was received from different donors each of whom donated less than 20,000 NIS.

"BIZCHUT"
The Israel Human Rights Center for People with Disabilities, an Association.

Notes to the Financial Statements

Note 11 - Operating expenses

Composition:

	For the year ending on December 31	
	2022	2021
	NIS	NIS
Salaries and associated expenses	1,655,499	1,594,414
Project expenses	121,307	138,017
Legal expenditure	8,713	3,864
Office rental and maintenance	132,575	213,051
Communications and mail	4,800	5,622
Office expenses	16,947	11,205
Travel and parking	1,616	1,158
Professional course	7,225	41,184
Depreciation expenses	10,495	9,033
	<u>1,959,177</u>	<u>2,017,548</u>

Note 12 - Administrative and general expenses

Composition:

	For the year ending on December 31	
	2022	2021
	NIS	NIS
Salaries and associated expenses	271,606	248,872
Office rental and maintenance	15,997	23,672
Professional services	22,830	-
Communications and mail	533	625
Conferences and supplementary education	1,419	1,398
Office expenses	744	867
Travel and parking	180	129
Bank charges	23,776	21,257
Refreshments and gifts	7,879	8,244
Depreciation	1,166	1,004
	<u>346,130</u>	<u>306,068</u>

"BIZCHUT"
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Notes to the Financial Statements

Note 13 - Financial income (expenses), net

	For the year ending on December 31	
	2022	2021
	NIS	NIS
Revenues -		
Profits from securities	13,315	18,188
Revaluation Reserve Definition	-	60,863
Exchange rate differences	3,140	3,418
	16,455	82,469
Less:		
Loss of securities	-	-
Bank commission of securities	(5,517)	(5,608)
Expenses - exchange rate differences	-	-
Revaluation of securities	(97,462)	(-)
	(102,979)	(5,608)
Financial income (expenses), net	(86,524)	76,861

Note 14 - Assets in respect of which a temporary restriction exists

Composition:

	December 31	
	2022	2021
	NIS	NIS
Sam and Bella Sebba Charitable Foundation	150,000	150,000
Ted Arison Foundation	167,189	-
Mizrachi Foundation	45,000	-
OSF Foundation	-	384,700
Greenbaum Family Foundation through Keshet		
Donor Advised Fund	-	320,000
	362,189	854,700

b. The balance in 2022 arises fully from amounts that were received in the statement year.