

# "BIZCHUT"

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

## **Financial Statements 2019**

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## **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, 2019 and 2018, 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, 2019 and 2018 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)**

**July 20, 2020  
Jerusalem, Israel**

**"BIZCHUT"**

**THE ISRAEL HUMAN RIGHTS CENTER FOR PEOPLE WITH  
DISABILITIES, AN ASSOCIATION**

**BALANCE SHEETS**

(in NIS)

		December 31	
	<u>Note</u>	<u>2019</u>	<u>2018</u>
<b><u>Current assets</u></b>			
Cash and cash equivalents	3	808,783	704,695
Investments		1,046,898	936,893
Debtors and debit balances	4	170,581	253,649
Severance pay plans, net	8	91,858	15,310
		<u>2,118,120</u>	<u>1,910,547</u>
<b><u>Fixed assets, net</u></b>			
	5	<u>33,609</u>	<u>41,343</u>
		<u>2,151,729</u>	<u>1,951,890</u>
<b><u>Current liabilities</u></b>			
Suppliers and service providers	6	56,719	149,344
Institutions and employees for salaries	7	102,374	108,382
		<u>159,093</u>	<u>257,726</u>
<b><u>Net assets</u></b>			
Net assets in respect of which no restriction exists-			
Used in activities		1,140,257	991,974
Used in the purchase of fixed assets		33,609	41,343
		<u>1,173,866</u>	<u>1,033,317</u>
Net assets in respect of which a temporary restriction exists	13	818,770	660,847
		<u>1,992,636</u>	<u>1,694,164</u>
		<u>2,151,729</u>	<u>1,951,890</u>

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

Date of approval of the financial statements	Doron Tamir Association Committee Member	Neta Dagan, Adv Executive Director	Mandy Leighton Belisha Association Chairperson
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**"BIZCHUT"**

**THE ISRAEL HUMAN RIGHTS CENTER FOR PEOPLE WITH  
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**STATEMENTS OF ACTIVITIES**

(in NIS)

	Note	For the year ending on December 31	
		<u>2019</u>	<u>2018</u>
Income	9	2,708,850	3,007,800
Operating expenses	10	<u>2,234,204</u>	<u>2,481,503</u>
Surplus from activities		474,646	526,297
Administrative and general expenses	11	<u>396,763</u>	<u>450,072</u>
Surplus (deficit) before financing		77,883	76,225
Finance income, net	12	<u>62,666</u>	<u>(25,567)</u>
Surplus (deficit) for year		<u><u>140,549</u></u>	<u><u>50,658</u></u>

**"BIZCHUT"**

**THE ISRAEL HUMAN RIGHTS CENTER FOR PEOPLE WITH  
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(in NIS)

**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	Used in the purchase of fixed assets		
Balance at 31 <sup>st</sup> December 2017	<u>941,992</u>	<u>40,667</u>	<u>238,490</u>	<u>1,221,149</u>
Surplus for the year	50,658	-	-	50,658
Change in net assets in respect of which a temporary restriction exists	-	-	422,357	422,357
Amounts used in the purchase of fixed assets	(11,289)	11,289	-	-
Release of amounts to cover depreciation	10,613	(10,613)	-	-
Balance at 31 <sup>st</sup> December 2018	<u>991,974</u>	<u>41,343</u>	<u>660,847</u>	<u>1,694,164</u>
Surplus for the year	140,549	-	-	140,549
Change in net assets in respect of which a temporary restriction exists	-	-	157,923	157,923
Amounts used in the purchase of fixed assets	(3,932)	3,932	-	-
Release of amounts to cover depreciation	11,666	(11,666)	-	-
Balance at 31 <sup>st</sup> December 2019	<u>1,140,257</u>	<u>33,609</u>	<u>818,770</u>	<u>1,992,636</u>

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**THE ISRAEL HUMAN RIGHTS CENTER FOR PEOPLE WITH  
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**CASH FLOW STATEMENTS**

(in NIS)

	For the year ending on December 31	
	2019	2018
<b><u>Cash flows from current activities</u></b>		
Surplus for year	140,549	50,658
Adjustments required for the presentation of cash flows from current operations (Annex A)	(144,352)	(5,456)
Change in net assets in respect of which a temporary restriction exists	157,923	422,357
Cash arising from current activities	<u>154,120</u>	<u>467,559</u>
<b><u>Cash flows from investment activities</u></b>		
Sale of securities	564,388	1,229,529
Purchase of securities	(610,488)	(1,224,164)
Purchase of fixed assets	(3,932)	(11,289)
Loss from sale of securities	-	35,218
Cash arising from (used in) investment activities	<u>(50,032)</u>	<u>29,294</u>
Increase (Decrease) in cash and cash equivalents	<u>140,088</u>	<u>496,853</u>
Balance of cash and cash equivalents at start of year	704,695	207,842
Balance of cash and cash equivalents at end of year	<u>808,783</u>	<u>704,695</u>

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

**"BIZCHUT"**

**THE ISRAEL HUMAN RIGHTS CENTER FOR PEOPLE WITH  
DISABILITIES, AN ASSOCIATION**

**CASH FLOW STATEMENTS**

(in NIS)

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

	For the year ending on December 31	
	<u>2019</u>	<u>2018</u>
<b>Expenses and income not entailing cash flows:</b>		
Depreciation	11,666	10,613
Increase (Decrease) in severance pay liabilities, net	(76,548)	19,890
Revaluation of securities	(63,905)	15,210
Increase in provision for vacation	2,569	(29,827)
	<u>(126,218)</u>	<u>15,886</u>
<b>Changes in assets and liabilities items</b>		
Decrease (Increase) in debtors and debit balances	83,068	(81,892)
Increase in institutions and employees	(8,577)	4,512
Increase in suppliers and service providers	(92,625)	56,038
Decrease in deferred income	-	-
	<u>(18,134)</u>	<u>(21,342)</u>
	<u>(144,352)</u>	<u>(5,456)</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, An Amuta (herein: "Amuta") was established by the Association for Civil Rights in Israel - Registered Society on February 26<sup>th</sup> 1998.
- b. The aim of the Amuta 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 Amuta 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 Amuta at the signing of these statements is valid through 31/12/2020.

##### 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.
- 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. The depreciation is calculated using the direct method at rates reflecting, in the opinion of the management of the Amuta, the useful lifetime of the depreciated assets.
- d. Exchange rates

	<u>As at December 31</u>	
	<u>2019</u>	<u>2018</u>
Pound Sterling	4.5597	4.7934
Euro	3.8782	4.2916
US dollar	3.456	3.748



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**Notes to the Financial Statements**

**Note 3 Cash and cash equivalents**

a. Composition:

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
	<u>NIS</u>	<u>NIS</u>
Cash in bank	805,693	704,236
Foreign currency deposits (b):	3,090	459
	<u>808,783</u>	<u>704,695</u>
Composition:		
In US dollars (b)	3,025	443
In euro (b)	59	10
In pound sterling (b)	6	6
	<u>3,090</u>	<u>459</u>

- b. 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:

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
	<u>NIS</u>	<u>NIS</u>
In open accounts	58,275	69,217
Income receivable	111,285	184,432
Prepaid expenses	1,021	-
	<u>170,581</u>	<u>253,649</u>

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**Notes to the Financial Statements**

**Note 5 Fixed assets**

Composition:

	Cost	Accumulated depreciation	December 31	
			2019	2018
			Depreciat ed cost	Depreciat ed cost
			NIS	NIS
Internet site	126,507	126,507	-	-
Computers and peripheral equipment	187,932	175,204	12,728	14,329
Office furniture and equipment	65,813	44,932	20,881	27,014
	<u>380,252</u>	<u>346,643</u>	<u>33,609</u>	<u>41,343</u>

**Note 6 Suppliers and service providers**

Composition:

	December 31	
	2019	2018
	NIS	NIS
In open accounts	55,849	121,808
In checks payable	870	27,536
	<u>56,719</u>	<u>149,344</u>

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**Notes to the Financial Statements**

**Note 7 Accrued salaries and employees benefits**

a. Composition:

	December 31	
	2019	2018
	<u>NIS</u>	<u>NIS</u>
Accrued salaries and employees benefits	64,275	72,852
Vacation provision (b)	<u>38,099</u>	<u>35,530</u>
	<u>102,374</u>	<u>108,382</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.

**Note 8 Severance pay liabilities, net**

a. Composition:

	December 31	
	2019	2018
	<u>NIS</u>	<u>NIS</u>
Liabilities in respect of severance pay (b)	69,830	(4,554)
Less:		
Amounts deposited in severance pay funds	<u>22,028</u>	<u>19,864</u>
	<u>91,858</u>	<u>15,310</u>

b. The liability covers the Amuta's obligation for the payment of severance pay to workers over and above the amounts accumulated for them in pension funds.

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**Notes to the Financial Statements**

**Note 9 Income**

A. Composition:

	December 31	
	2019	2018
	NIS	NIS
Grants from the Lazlo N. Tauber Foundation	106,747	71,162
Grants from the New Israel Fund	17,614	17,500
Grants from the Jacob and Hilda Blaustein Foundation	90,175	129,960
Grants from the Weinberg Foundation	442,035	442,006
Yedidut Toronto supported by the Friedberg Charitable Foundation	-	173,981
Grants from the Wendy Weiker Endowment Fund	-	45,252
Grants from the Ruderman Family Foundation	8,000	29,640
Matan – Investing in the Community	-	60,000
UJA New York Federation	-	34,000
Yad Hanadiv	-	150,000
Kathryn Ames Foundation	-	26,579
The Stein Family Foundation through Signing Anew.	100,000	136,000
Grants from Signing Anew	17,475	17,500
The Liebhaber Family Foundation	87,668	90,709
Donations from outside Israel (C)	132,608	96,609
Law Office NAV	61,160	67,267
Open Society Foundations (B)	338,476	369,319
European Union (B)	393,678	519,030
Fritz Naphtali Foundation	-	30,000
Donations from Israel	196,591	141,380
Grants from the Sam and Bella Sebba Foundation (B)	250,000	250,000
Income from activities		
Grants from P.E.F.	26,518	29,626
Israel Koret Fund	-	40,280
The Pfeifer Foundation	32,400	30,000
The Arkin Foundation	10,000	10,000
Nash Family Foundation	35,695	-
Amut Ltd.	60,000	-
The Genesis Prize	36,996	-
The Bernays-Richard Foundation	73,724	-
The Zarrow Foundation	69,656	-
Municipal Bank	25,000	-
Alex Greenbaum	69,120	-
Open Society Foundations Project 2019-2020(B)	27,514	-
	<u>2,708,850</u>	<u>3,007,800</u>

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**Notes to the Financial Statements**

**Note 9 Income (continued)**

- B. Some of the contributions, received from the Open Society Foundations, the European Union, Grants from the Sam and Bella Sebba Foundation, and the Open Society Foundations Project 2019-2020 were restricted for use in 2020.
- C. The remaining amount was received from different donors each of whom donated less than 20,000 NIS.

**Note 10 Operating expenses**

Composition:

	For the year ending on December 31	
	2019	2018
	NIS	NIS
Salaries and associated expenses	1,729,349	1,727,879
Project expenses	197,038	423,867
Legal expenditure	3,592	4,867
Office rental and maintenance	212,217	225,593
Communications and mail	7,073	5,790
Office expenses	8,175	10,660
Travel and parking	5,236	8,438
Professional literature and courses	1,161	8,603
Professional course	62,863	56,254
Depreciation expenses	10,500	9,552
	<u>2,234,204</u>	<u>2,481,503</u>

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**Notes to the Financial Statements**

**Note 11 Administrative and general expenses**

Composition:

	For the year ending on December 31	
	2019	2018
	NIS	NIS
Salaries and associated expenses	328,645	377,392
Office rental and maintenance	24,608	24,866
Professional services	11,314	11,335
Communications and mail	785	645
Conferences and supplementary education	129	956
Office expenses	910	1,185
Travel and parking	582	938
Bank charges	15,636	16,642
Refreshments and gifts	12,988	15,052
Depreciation	1,166	1,061
	<u>396,763</u>	<u>450,072</u>

**Note 12 Financial income (expenses), net**

	For the year ending on December 31	
	2019	2018
	NIS	NIS
Revenues -		
Profits from securities	11,381	34,845
Exchange rate differences	67,785	-
	<u>79,166</u>	<u>34,845</u>
Less:		
Loss of securities	(3,602)	(35,218)
Bank commission of securities	(4,621)	(5,326)
Expenses - exchange rate differences	(8,277)	(4,658)
Revaluation of securities	(-)	(15,210)
	<u>(16,500)</u>	<u>(60,412)</u>
Financial income (expenses), net	<u>62,666</u>	<u>(25,567)</u>

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**Notes to the Financial Statements**

**Note 13 Assets in respect of which a temporary restriction exists**

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
	<u>NIS</u>	<u>NIS</u>
Israel Koret Fund	43,464	-
Sam and Bella Sebba Charitable Foundation	125,000	125,000
OSF Foundation	530,306	336,544
The Tauber Foundation	-	106,747
The Ruderman Foundation	-	8,000
The Genesis Prize	-	39,996
European Union	120,000	47,560
	<u>818,770</u>	<u>660,847</u>