

Financial Report of

"BIZCHUT"

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

Financial Report as of December 31, 2023

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ILAN SEGEV

INDEPENDENT AUDITORS' REPORT

To the members of

"BIZCHUT"

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, 2023] and 2022the 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, 2023] and [2022] 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).

May 21, 2024

ILAN SEGEV
C.P.A (ISR)



Balance Sheet

		<u>As at December 31,</u>	
		<u>2023</u>	<u>2022</u>
		<u>New Sheqels</u>	<u>New Sheqels</u>
<u>Curret Assets</u>			
Cash and cash equivalents	3	53,232	436,498
Investments		871,427	842,271
Debtors and debit balances	4	239,667	328,907
		<u>1,164,326</u>	<u>1,607,676</u>
<u>Fixed assets, net</u>			
Severance pay plans, net	7	89,538	48,778
Fixed Assets, net	5	13,141	17,096
		<u>102,679</u>	<u>65,874</u>
Total assets		<u>1,267,005</u>	<u>1,673,550</u>
<u>Current liabilities</u>			
Suppliers and service providers		16,830	30,882
	6	67,035	96,334
Institutions and employees for salaries		960	4,693
		<u>84,825</u>	<u>131,909</u>
<u>Total net assets</u>			
Net assets in respect of which no restriction exists-			
Earmarked by the Association's Management			
	8	1,000,000	1,000,000
Undesignated by the Association's Management			
		164,039	162,356
Used in the purchase of fixed assets			
		13,141	17,096
		<u>1,177,180</u>	<u>1,179,452</u>
Net assets in respect of which a temporary restriction exists			
		5,000	362,189
		<u>1,182,180</u>	<u>1,541,641</u>
		<u>1,267,005</u>	<u>1,673,550</u>
May 21, 2024			
Date of approval			
	Tali Marcus, Executive Director	Doron Tamir Association Committee Member	Yoav Kraiem Association Chairperson

Statement of Income

		Year ended December 31,	
		2023	2022
		<u>New Sheqels</u>	<u>New Sheqels</u>
Income	9	1,890,468	2,308,759
Operating expenses	10	1,593,207	1,959,177
Surplus from activities		297,261	349,582
Administrative and general expenses	11	346,879	346,130
Surplus (Deficit) before financing		(49,618)	3,452
Finance income, net	12	47,346	(86,524)
Surplus (Deficit) for the year		<u>(2,272)</u>	<u>(83,072)</u>

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

Statement of Changes in Equity

	Assets in respect of which no restriction exists			Assets in respect of which there is	Total
	Not earmarked by the association management	Earmarked by the association management	Used in the purchase of fixed		
	New Sheqels	New Sheqels	New Sheqels		
Balance at	<u>240,338</u>	<u>1,000,000</u>	<u>22,186</u>	<u>854,700</u>	<u>2,117,224</u>
Changes during the year:					
Deficit for the year	(83,072)	-	-	-	(83,072)
	-	-	-	362,189	362,189
Amounts released from restrictions	-	-	-	(854,700)	(854,700)
Transfer of amounts for which there is no restriction:					
Amounts used in the purchase of fixed assets	(6,571)	-	6,571	-	-
Release of amounts to cover depreciation	<u>11,661</u>	<u>-</u>	<u>(11,661)</u>	<u>-</u>	<u>-</u>
	<u>162,356</u>	<u>1,000,000</u>	<u>17,096</u>	<u>362,189</u>	<u>1,541,641</u>
Changes during the year:					
Deficit for the year	(2,272)	-	-	-	(2,272)

Statement of Changes in Equity

	-	-	-	5,000	5,000
Amounts released from restrictions	-	-	-	(362,189)	(362,189)
Amounts used in the purchase of fixed assets	(4,500)	-	4,500	-	-
Release of amounts to cover depreciation	8,455	-	(8,455)	-	-
	<u>164,039</u>	<u>1,000,000</u>	<u>13,141</u>	<u>5,000</u>	<u>1,182,180</u>

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

Statement of Cash Flows

	Year ended December 31,	
	2023	2022
	New Sheqels	New Sheqels
<u>Cash Flows from Operating Activities</u>		
Net profit for the year	(2,272)	(83,072)
Adjustments required for the presentation of cash flows from current operations (Annex A)	(28,009)	(12,316)
Change in net assets in respect of which a temporary restriction exists	(357,189)	(492,511)
	<u>(387,470)</u>	<u>(587,899)</u>
<u>Cash Flows from Investing Activities</u>		
Sale of securities	226,866	512,307
Purchase of securities	(218,162)	(288,428)
Purchase of fixed assets	(4,500)	(6,571)
Cash arising from (used in) investment activities	<u>4,204</u>	<u>217,308</u>
Decrease in cash	(383,266)	(370,591)
Cash at the beginning of the year	436,498	807,089
	<u>53,232</u>	<u>436,498</u>

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

Statement of Cash Flows

Adjustments required for the presentation of cash flows from current operations (Annex A)

	Year ended December 31,	
	2023	2022
	New Sheqels	New Sheqels
Expenses and income not entailing cash flows:		
Depreciation	8,455	11,661
Decrease (Increase) in severance pay liabilities, net	(40,760)	23,343
Revaluation of securities	(37,860)	97,462
Increase (Decrease) in provision for vacation	(19,230)	(1,227)
	<u>(89,395)</u>	<u>131,239</u>
Changes in assets and liabilities items		
Decrease (Increase) in debtors and debit balances	89,240	(161,766)
Increase (Decrease) in institutions and employees	(10,069)	101
Increase (Decrease) in suppliers and service providers	(14,052)	13,417
Increase (Decrease) in other beneficiaries	(3,733)	4,693
	<u>61,386</u>	<u>(143,555)</u>
The total adjustments required for the presentation of cash flows from current activities – Annex A	<u>(28,009)</u>	<u>(12,316)</u>

Notes to Financial Statements

Note 1 -

- 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 31/12/2025.

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

Notes to Financial Statements

Note 2 - Accounting policy (Cont.)

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

e. Exchange rates

	As at December 31	
	2023	2022
Pound Sterling	4.6209	4.237
Euro	4.0116	3.753
US dollar	3.627	3.519

Note 3 - Cash and cash equivalents

	As at December 31,	
	2023	2022
	New Sheqels	New Sheqels
Cash in bank	53,092	265,420
Foreign currency deposits (b):	140	171,078
	<u>53,232</u>	<u>436,498</u>
b. Composition:		
In US dollars	68	171,007
In euro	72	67
In pound sterling	-	4
	<u>140</u>	<u>171,078</u>

Notes to Financial Statements

Note 4 - Debtors and debit balances

Composition:

	As at December 31,	
	2023	2022
	<u>New Sheqels</u>	<u>New Sheqels</u>
Income receivable	204,569	184,085
In open accounts withholding tax	1,098	1,098
Advance expenses	9,006	-
Donors through clearing sites	24,994	143,724
	<u>239,667</u>	<u>328,907</u>

Note 5 - Fixed Assets, net

Composition:

	As at December 31,			
	2023		2022	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Total</u>	<u>Total</u>
	<u>New Sheqels</u>	<u>New Sheqels</u>	<u>New Sheqels</u>	<u>New Sheqels</u>
Internet site	126,507	126,507	-	-
Computers and peripheral equipment	208,503	195,154	13,349	14,488
Office furniture and equipment	65,813	66,021	208	2,608
	<u>400,823</u>	<u>387,682</u>	<u>13,141</u>	<u>17,096</u>

Note 6 - Accrued salaries and employees benefits

Composition:

Note 6 - Accrued salaries and employees benefits (Cont.)

	As at December 31,	
	2023	2022
	<u>New Sheqels</u>	<u>New Sheqels</u>
Accrued salaries and employees benefits	45,300	55,369
Vacation provision (b)	21,735	40,965
	<u>67,035</u>	<u>96,334</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 7 - Severance pay plans, net

Composition:

	As at December 31,	
	2023	2022
	<u>New Sheqels</u>	<u>New Sheqels</u>
Balances accumulated in personal funds	552,260	587,957
Obligations due to employer-employee elations	(485,764)	(560,872)
	66,496	47,716
Amounts deposited in severance pay funds	23,042	21,693
balance, net	<u>89,538</u>	<u>48,778</u>

Note 8 - 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.

Notes to Financial Statements

Note 9 - Income

a. Composition:

	Year ended December 31,	
	2023	2022
	<u>New Sheqels</u>	<u>New Sheqels</u>
RAYNE Foundation	91,422	-
Open Society	-	384,699
Sam and Bella Sebba Foundation	300,000	300,000
Liebhaber Family Foundation	128,234	132,747
H.&G. Bachrach Foundation	-	45,000
Israel Koret Fund	22,344	20,460
Law Office NAV	16,642	29,442
Nacht Foundation	-	25,000
Lepofsky (New Israel Fund)	53,398	38,000
Jacob and Hilda Blaustein Foundation	70,580	64,799
Nash Family Foundation	37,147	33,436
Wendy Weiker Endowment through New Israel Fund	33,248	53,206
Silver Foundation through Israel Toremot	33,974	15,562
The Arison Foundation	162,189	-
Arkin Foundation	15,000	15,000
A settlement agreement as part of a lawsuit ("BIZCHUT" is not involved)	16,219	15,315
Sherman Foundation through the New Israel Foundation	10,000	10,000
Friendship Toronto through the Friedberg Foundation	16,435	80,600
Donations from within Israel	172,274	331,638
Income generating activities	20,553	28,234
Donations from outside of Israel (C)	65,811	89,321
Associated Donors Fund	319,998	320,000
Mizrachi Foundation	305,000	276,300
	<u>1,890,468</u>	<u>2,308,759</u>

Notes to Financial Statements

Note 9 - Income (Cont.)

b. Some of the donations received from the Ted Arison Foundation were transferred, limiting them to activity until 2024

.c. The amount includes donations of less than NIS 100,000 from each donor

Note 10 - Operating expenses

Composition:

	Year ended December 31,	
	2023	2022
	New Sheqels	New Sheqels
Salaries and associated expenses	1,244,951	1,655,499
Professional course	7,225	7,225
Project expenses	88,376	121,307
Office rental and maintenance	177,513	132,575
Office expenses	38,581	16,947
Communications and mail	3,363	4,800
Travel and parking	4,402	1,616
Legal expenditure	4,105	8,713
Depreciation expenses	7,610	10,495
Continuing Education	17,081	-
	<u>1,593,207</u>	<u>1,959,177</u>

Notes to Financial Statements

Note 11 - Administrative and general expenses

Composition:

	Year ended December 31,	
	2023	2022
	<u>New Sheqels</u>	<u>New Sheqels</u>
Salaries and associated expenses	273,090	271,606
Office rental and maintenance	19,723	15,997
Professional services	13,601	22,830
Bank charges	14,357	23,776
Refreshments and gifts	5,961	7,879
Office expenses	838	744
Communications and mail	374	533
Travel and parking	489	180
Conferences and supplementary education	1,899	1,419
Depreciation	846	1,166
Legal fees	15,701	-
	<u>346,879</u>	<u>346,130</u>

Note 12 - Finance income, net

Composition:

	Year ended December 31,	
	2023	2022
	<u>New Sheqels</u>	<u>New Sheqels</u>
Revenues -		
Profits from securities	11,001	13,315
Revaluation of securities	37,861	-
Exchange rate differences	2,857	3,140
	<u>51,719</u>	<u>16,455</u>
Expenses		
Revaluation of securities	(-)	(97,462)
Bank commission of securities	(4,373)	(5,517)
	<u>(4,373)</u>	<u>(102,979)</u>
Financial income (expenses), net	<u>47,346</u>	<u>(86,524)</u>

Notes to Financial Statements

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

	December 31	
	<u>2023</u>	<u>2022</u>
Sam and Bella Sabba foundation	-	150,000
Ted Arison foundation	5,000	167,189
Mizrachi foundation	-	45,000
	<u>5,000</u>	<u>362,189</u>

The balance in 2023 arises fully from amounts that were received in the statement year.