

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

**Financial Statements 2021**

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## **Ilan Segev,**

Certified Public Accountants

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### **INDEPENDENT AUDITORS' REPORT**

**To the members of**

**"BIZCHUT"**

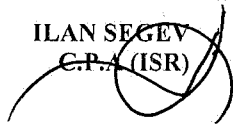
**The Israel Human Rights Center for People with Disabilities, an Association**

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, 2021 and 2020, 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, 2021 and 2020 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 28, 2021  
Jerusalem, Israel

**"BIZCHUT"**  
**The Israel Human Rights Center for People with Disabilities, an Association.**  
**Statement of financial position**

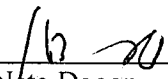
	Note	December 31	
		2021 NIS	2020 NIS
<b><u>Current assets</u></b>			
Cash and cash equivalents	3	807,089	759,501
Investments		1,163,612	1,088,394
Debtors and debit balances	4	167,141	258,268
		<u>2,137,842</u>	<u>2,106,163</u>
<b><u>Fixed assets, net</u></b>			
Severance pay plans, net	8	72,121	159,633
Fixed Assets, net	5	22,186	22,723
		<u>94,307</u>	<u>182,356</u>
		<u>2,232,149</u>	<u>2,288,519</u>
<b><u>Current liabilities</u></b>			
Suppliers and service providers	6	17,465	24,730
Institutions and employees for salaries	7	97,460	114,193
		<u>114,925</u>	<u>138,923</u>
<b><u>Net assets</u></b>			
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		240,338	240,338
Used in the purchase of fixed assets		22,186	22,186
		<u>1,262,524</u>	<u>1,262,524</u>
Net assets in respect of which a temporary restriction exists	13	854,700	831,534
		<u>2,117,224</u>	<u>2,149,596</u>
		<u>2,232,149</u>	<u>2,288,519</u>

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

June 28, 2021

Date of approval of  
the financial  
statements

Doron Tamir  
Association  
Committee  
Member

  
Neta Dagan,  
Adv  
Executive  
Director

Mandy Leighton  
Belisha  
Association  
Chairperson

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

**Statements of activities**

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	Note	For the year ending on	
		December 31	
		2021	2020
		<u>NIS</u>	<u>NIS</u>
Income	10	2,191,217	2,402,447
Operating expenses	11	<u>2,017,548</u>	<u>1,872,710</u>
Surplus from activities		173,669	529,737
Administrative and general expenses	12	<u>306,068</u>	<u>397,666</u>
Surplus before financing		(132,399)	132,071
Finance income, net	13	<u>76,861</u>	<u>12,125</u>
Surplus for year		<u>(55,538)</u>	<u>144,196</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		
Balance at 31 <sup>st</sup> December 2019	(*)140,257	(*)1,000,000	33,609	818,770	1,992,636
Surplus for the year	144,196		-	-	144,196
Change in net assets in respect of which a temporary restriction exists	-		-	12,764	12,764
Amounts used in the purchase of fixed assets	-		-	-	-
Release of amounts to cover depreciation	10,886		(10,886)	-	-
Balance at 31 <sup>st</sup> 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	-	-	-	-	-
Release of amounts to cover depreciation	9,500		(9,500)	-	-
Balance at 31 <sup>st</sup> December 2021	240,338	1,000,000	22,186	854,700	2,117,224

(\*) Restartment

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	
	2021	2020
	NIS	NIS
<b><u>Cash flows from current activities</u></b>		
Net profit for the year	(55,538)	144,196
Adjustments required for the presentation of cash flows from current operations (Annex A)	105,237	(166,490)
Change in net assets in respect of which a temporary restriction exists	23,764	12,764
Cash arising from current activities	72,865	(9,530)
<b><u>Cash flows from investment activities</u></b>		
Sale of securities	284,233	518,107
Purchase of securities	(300,010)	(557,859)
Purchase of fixed assets	(9,500)	-
Cash arising from (used in) investment activities	(25,277)	(39,752)
Increase (Decrease) in cash and cash equivalents	(47,588)	(49,282)
Balance of cash and cash equivalents at start of year	759,501	808,783
Balance of cash and cash equivalents at end of year	807,089	759,501

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**

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

	For the year ending on	
	December 31	
	2021	2020
	<u>NIS</u>	<u>NIS</u>
<b>Expenses and income not entailing cash flows:</b>		
Depreciation	10,037	10,886
Increase (Decrease) in severance pay liabilities, net	87,512	(67,775)
Revaluation of securities	(59,441)	(5,276)
Increase in provision for vacation	(9,571)	13,664
Loss of securities	-	3,532
	<u>28,537</u>	<u>(44,969)</u>
<b>Changes in assets and liabilities items</b>		
Decrease (Increase) in debtors and debit balances	91,127	(87,687)
Increase in institutions and employees	(7,162)	(1,845)
Increase in suppliers and service providers	(7,265)	(31,989)
	<u>76,700</u>	<u>(121,521)</u>
	<u>105,237</u>	<u>(166,490)</u>

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

## "BIZCHUT"

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

### Notes to the Financial Statements

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#### 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 26<sup>th</sup> 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 31/12/2021.

#### 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.
- 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	<u>33</u>
Office furniture and equipment	6-15
Computers and ancillary equipment	25-33



**"BIZCHUT"**

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

**Notes to the Financial Statements**

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**e.**     Exchange rates

	<u>As at December 31</u>	
	<u>2021</u>	<u>2020</u>
Pound Sterling	4.203	4.392
Euro	3.52	3.944
US dollar	3.11	3.215

**f.**     Accounting standard no. 40

In August 2020, accounting standard no. 40 was published "Accounting Rules and Financial Reporting by Nonprofits", that applies to financial statements for the periods commencing from 01/01/2021 going forward. Herein below are the main provisions of the standard that are relevant to the association:

1. Contributions that are restricted to investment in fixed assets (or fixed assets that were received) will be recognized as income and will not be transferred directly as an addition to "net assets".  
Contributions that are restricted to fixed assets, while the contributor restricted their use to a predefined period of time or the entire useful life of the property (or for another predefined period of time) will be recorded as an addition to restricted net assets and will be recognized as income every year according to the relative share of the restriction period.
2. The distinction between a temporary restriction and a permanent restriction was canceled - that does not have material consequences except for a section name change.
3. Contributions the use of which was restricted for the long-term will be included in the framework of the cash flows from financing activities, however, restrictions that are not long-term will be in the cash flows from current operations.
4. If a comparison between the budget and performance data is presented, it will be in the framework of an appendix as additional information and not in the framework of the audited notes.
5. A distinction will be made between current assets and non-current assets.

**"BIZCHUT"**

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

**Notes to the Financial Statements**

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6. The classification of expenses in the financial statements will be performed according to one of two methods - according to the nature of the expense or according to the characteristic of the activity - and in the notes to the financial statements the other approach not implemented in the financial statements will be presented.

**Note 3 - Cash and cash equivalents**

- a. Composition:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
	NIS	NIS
Cash in bank	805,400	196,787
Foreign currency deposits (b):	<u>1,599</u>	<u>562,714</u>
	<u>807,089</u>	<u>759,501</u>

- b. Composition:

In US dollars (b)	1,532	3,025
In euro (b)	63	59
In pound sterling (b)	<u>4</u>	<u>6</u>
	<u>1,599</u>	<u>3,090</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:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
	NIS	NIS
Income receivable	140,001	215,567
In open accounts	26,042	42,701
withholding tax.	<u>1,098</u>	<u>-</u>
	<u>167,141</u>	<u>258,268</u>

**"BIZCHUT"**

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

**Notes to the Financial Statements**

**Note 5 - Fixed assets**

Composition:

	Cost	Accumulated depreciation	December 31			
			NIS	NIS	2021	2020
					Depreciated	Depreciated
					cost	cost
		NIS	NIS			
Internet site	126,507	126,507	-	-		
Computers and peripheral equipment	187,932	183,861	13,571	7,975		
Office furniture and equipment	65,813	57,198	8,615	14,748		
	<u>380,252</u>	<u>367,566</u>	<u>22,186</u>	<u>22,723</u>		

**Note 6 - Suppliers and service providers**

Composition:

	December 31	
	2021	2020
	NIS	NIS
In open accounts	17,020	23,839
In checks payable	445	891
	<u>17,465</u>	<u>24,730</u>

**Note 7 - Accrued salaries and employees benefits**

a. Composition:

	December 31	
	2021	2020
	NIS	NIS
Accrued salaries and employees benefits	55,268	62,430
Vacation provision (b)	42,192	51,763
	<u>97,460</u>	<u>114,193</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"**

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

**Notes to the Financial Statements**

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**Note 8 - Severance pay liabilities, net**

Composition:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Liabilities in respect of severance pay (b)	137,450	69,830
Less:		
Amounts deposited in severance pay funds	<u>24,405</u>	<u>22,183</u>
	<u>72,121</u>	<u>159,633</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.

In this matter, in the year of the financial statements, the management of the association decided not to express in accounting terms such resolution in the statement on the financial condition in the section "unrestricted net assets", and in addition in the statement on the changes in net assets, including in the comparison figures for the previous year by way of reclassification.

**Note 10 - Income**

a. Composition:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Shusterman Foundation	85,100	-
Carl Bianco	51,561	-
Jacob and Hilda Blaustein Foundation	94,223	43,884
Social Security	60,000	-
Lepofsky (New Israel Fund)	24,705	48,261
Wendy Weiker Endowment (through New Israel Fund)	-	25,463

**"BIZCHUT"**

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

**Notes to the Financial Statements**

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Ruderman Family Foundation	10,000	-
Jewish Child's Day	-	16,385
Beracha (through New Israel Fund)	59,000	71,156
Yad Hanadiv	100,000	50,000
American Jewish Joint Distribution Committee	86,622	42,861
Stein Family Foundation (through Signing Anew)	100,000	100,000
Signing Anew	-	-
Liebhaber Family Foundation	80,688	84,801
Donations from outside of Israel (C)	72,167	122,962
Law Office NAV	56,879	58,625
Open Society Foundations (B)	385,801	342,207
European Union (B)	-	228,459
Fritz Naphtali Foundation	-	30,000
Donations from within Israel	285,627	205,257
Sam and Bella Sebba Foundation (B)	250,000	250,000
Income generating activities	28,438	49,257
Israel Koret Fund	19,338	63,930
Pfeifer Foundation	15,000	-
Arkin Foundation	15,000	15,000
Nash Family Foundation	32,056	34,030
Amut Ltd.	-	15,000
Genesis Prize	-	34,154
Friendship Toronto through the Friedberg Foundation	81,000	-
A settlement agreement as part of a lawsuit ("BIZCHUT" is not involved)	15,000	-
Municipal Bank	-	-
Alex Greenbaum	31,500	64,300
Open Society Foundations Project 2019-2020(B)	205,000	236,925
Silver Foundation	-	15,040
National Insurance Institute	-	60,000
Sherman Foundation through the New Israel Foundation	6,512	14,486
Nacht Foundation	-	48,566
Tmura Organization	-	31,438
	2,191,217	2,402,447

- b. Some of the contributions, received from the Open Society Foundations, Donor-Advised Fund, Grants from the Sam and Bella Sebba Foundation, were restricted for use in 2022.
- c. 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.**  
**Statements of Changes in Net Assets**

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**Note 11 - Operating expenses**

Composition:

	For the year ending on December 31	
	2021	2020
	NIS	NIS
Salaries and associated expenses	1,594,414	1,462,238
Project expenses	138,017	122,725
Legal expenditure	3,864	6,477
Office rental and maintenance	213,051	184,823
Communications and mail	5,622	5,627
Office expenses	11,205	9,010
Travel and parking	1,158	1,956
Professional course	41,184	70,057
Depreciation expenses	9,033	9,797
	<u>2,017,548</u>	<u>1,872,710</u>

**Note 12 - Administrative and general expenses**

Composition:

	For the year ending on December 31	
	2021	2020
	NIS	NIS
Salaries and associated expenses	248,872	337,536
Office rental and maintenance	23,672	21,557
Professional services	-	11,314
Communications and mail	625	625
Conferences and supplementary education	1,398	180
Office expenses	867	1,001
Travel and parking	129	217
Bank charges	21,257	15,348
Refreshments and gifts	8,244	8,799
Depreciation	1,004	1,089
	<u>306,068</u>	<u>397,666</u>

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

**Notes to the Financial Statements**

**Note 13 - Financial income (expenses), net**

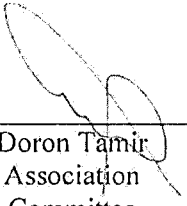
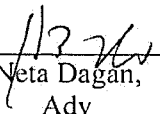
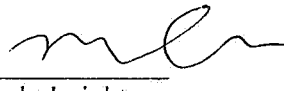
	For the year ending on December 31	
	2021	2020
	NIS	NIS
Revenues -		
Profits from securities	18,188	24,043
Revaluation Reserve Definition	60,863	(2,669)
Exchange rate differences	3,418	
	82,469	21,374
Less:		
Loss of securities	-	(3,532)
Bank commission of securities	(5,608)	(5,384)
Expenses - exchange rate differences	-	(333)
Revaluation of securities	(-)	(-)
	(5,608)	(9,249)
Financial income (expenses), net	76,861	12,125

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

Composition:

	December 31	
	2021	2020
	NIS	NIS
Donor-Advised Fund	320,000	-
Sam and Bella Sebba Charitable Foundation	150,000	125,000
OSF Foundation	384,700	513,800
Yad Hanadiv	-	85,000
Dan Schusterman Family Foundation	-	75,100
The Blaustein Foundation	-	32,634
European Union	-	-
	854,700	831,534

b. The balance in 2021 arises fully from amounts that were received in the statement year.

<p>June 28, 2021 Date of approval of the financial statements</p>	 <hr style="width: 100%;"/> <p>Doron Tamir Association Committee Member</p>	 <hr style="width: 100%;"/> <p>Neta Dagan, Adv Executive Director</p>	 <hr style="width: 100%;"/> <p>Mandy Leighton Belisha Association Chairperson</p>
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