

The Association for Children at Risk

Financial Statements As of December 31, 2021

The Association for Children at Risk
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Contents

	<u>Page</u>
Auditors' Report	1
Statements of Financial Position- association and consolidated	2-3
Statements of Operations- association and consolidated	5
Statements of Changes in Net Assets	6-7
Statements of Cash Flows- association and consolidated	8-9
Notes to the Financial Statements	10-25



Auditor's Report to the Shareholders of the
The Association for Children at Risk

We have audited the accompanying statement of financial position of **The Association for Children at Risk** (hereinafter – "The Association") as of December 31, 2021 and 2020, the consolidated statement of financial position as of those dates, the statements of operations, changes in net assets and cash flows statement – of the association and consolidated - for each of the years ended on those dates. These financial statements are the responsibility of the Association's Board of Directors and management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, including those prescribed under the Auditors' Regulations (Auditor's Mode of Performance) - 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes the examination, on a test basis, of the evidence supporting the amounts and disclosures in the financial statements. An audit also includes the assessment of the accounting principles that have been implemented and the significant estimates made by the Board of Directors and Management, as well as an assessment 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 all material respects, the financial position of the Association and consolidated as at December 31, 2021 and 2020 and the results of their operations, changes in net assets and cash flows – of the association and consolidated - for each of the years then ended in accordance with the Israeli accounting standards (Israeli GAAP).

Tel-Aviv, August 3, 2022

Ziv Haft
Certified Public Accountants (Isr.)
BDO member firm

The Association for Children at Risk
Statements of Financial Position – association and consolidated

		<u>Consolidated</u>		<u>The Association</u>	
		<u>As at December 31</u>		<u>As at December 31</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Note</u>		<u>NIS thousands</u>		<u>NIS thousands</u>	
<u>Current assets</u>					
Cash and cash equivalents	3	9,583	11,184	9,333	11,118
Account receivables	4	23,254	23,896	23,094	23,665
Other receivables	5	7,744	7,673	7,715	7,636
Accessibility Fund	6	12,883	12,883	12,883	12,883
		<u>53,464</u>	<u>55,636</u>	<u>53,025</u>	<u>55,302</u>
<u>Non-current assets</u>					
Investments in subsidiary company	7	-	-	423	293
Long-term earmarked investments	8	55,675	50,308	55,675	50,308
Long-term foreign currency deposits		9,947	10,580	9,947	10,580
Fixed assets, net		9,020	9,155	9,020	9,155
Long-term securities	9	10,942	10,420	10,942	10,420
		<u>85,584</u>	<u>80,463</u>	<u>86,007</u>	<u>80,756</u>
		<u>139,048</u>	<u>136,099</u>	<u>139,032</u>	<u>136,058</u>

The accompanying notes form an integral part of the financial statements

The Association for Children at Risk
Statements of Financial Position – association and consolidated

		Consolidated		The Association	
		As at December 31		As at December 31	
		2021	2020	2021	2020
		NIS thousands		NIS thousands	
<u>Current liabilities</u>					
Account payables	10	6,507	* 6,084	6,504	*6,050
Other payables	11	46,656	* 40,168	46,643	*40,161
		53,163	46,252	53,147	46,211
<u>Non-current liabilities</u>					
Severance payment, net	12	2,330	1,938	2,330	1,938
Contingent liabilities and commitments	13				
<u>Net assets</u>					
Net assets not restricted					
For operations not designed by the Association		4,649	3,951	4,649	3,951
For operations been designed by the Association		49,929	*53,215	49,929	*53,215
For fixed assets		9,020	9,155	9,020	9,155
		63,598	* 66,321	63,598	* 66,321
Restricted net assets		19,957	21,588	19,957	21,588
		83,555	87,909	83,555	87,909
		139,048	136,099	139,032	136,058

***Re-Classified**

August 3, 2022			
Date of the approval of the financial statements	Adv. Tzipi Nagel Edelstein CEO of the Association	Cpa. Alona Bar - On Chairwoman of the Committee	Dr. Shlomo Segev Member of the Committee

The accompanying notes form an integral part of the financial statements

The Association for Children at Risk
Statements of Operations - association and consolidated

		Consolidated		The Association	
		For the year ended December 31		For the year ended December 31	
		2021	2020	2021	2020
	Note	NIS thousands		NIS thousands	
<u>Operating turnover</u>					
Donations, allocations, support and revenues	14	232,291	221,348	232,052	220,963
Revenues from services for no consideration	15	7,237	7,773	7,237	7,773
Total operating turnover		239,528	229,121	239,289	228,736
Operating costs	16	221,710	209,613	221,599	209,306
Operating income, net		17,818	19,508	17,690	19,430
General and administrative expenses	17	9,666	8,077	9,623	8,025
Donation recruitment expenses, net	18	957	2,631	957	2,631
Providers of services for no consideration		7,237	7,773	7,237	7,773
		17,860	18,481	17,817	18,429
Income (expenses) net before financing		(42)	1,027	(127)	1,001
Financial expenses (income), net	19	(62)	870	(63)	868
Income (expenses) net after financing		20	157	(64)	133
Other income		665	532	665	532
Income net before profits subsidiary in companies		685	689	601	665
The Association share of profits in subsidiary companies		-	-	84	24
<u>Net income for the year</u>		685	689	685	689

The accompanying notes form an integral part of the financial statements.

The Association for Children at Risk
Statements of Changes in Net Assets

	Net assets not restricted				
	For operations				
	not designated by the Association	been designated by the Association	For fixed assets	Restricted net assets	Total
	NIS thousands				
Balance as at January 1, 2020	3,182	* 52,570	9,577	21,974	87,303
Net income	689	-	-	-	689
Donations	-	-	-	1,906	1,906
Release of amounts from net assets that have been temporarily restricted	-	-	-	(1,989)	(1,989)
Amounts released from designation by the Association's management	2	(2)	-	-	-
Amounts designation by the Association's management	(647)	647	-	-	-
Purchase of fixed assests	(16)	-	319	(303)	-
Release of amount to cover depreciation	741	-	(741)	-	-
Balance as at December 31, 2020	3,951	*53,215	9,155	21,588	87,909

***Re-Classified**

The accompanying notes form an integral part of the financial statements.

The Association for Children at Risk
Statements of Changes in Net Assets

	Net assets not restricted				
	For operations				
	not designated by the Association	been designated by the Association	For fixed assets	Restricted net assets	Total
	NIS thousands				
Balance as at January 1, 2021	3,951	*53,215	9,155	21,588	87,909
Net income	685				685
Donations	-	-	-	1,308	1,308
Release of amounts from net assets that have been temporarily restricted	-	-	-	(2,436)	(2,436)
Amounts released from designation by the Association's management bodies	41	(3,952)	-	-	(3,911)
Amounts designation by the Association's management bodies	(666)	666	-	-	-
Purchase of fixed assests	(97)	-	600	(503)	-
Release of amount to cover depreciation	735	-	(735)	-	-
Balance as at December 31, 2021	4,649	49,929	9,020	19,957	83,555

***Re-Classified**

The accompanying notes form an integral part of the financial statements.

The Association for Children at Risk
Statements of Cash Flows - association and consolidated

	Consolidated		The Association	
	For the year ended December 31		For the year ended December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Cash flows from operating activities:				
Net income for the year	685	689	685	689
Adjustments required to present cash flows from operating activities – Appendix (A)	3,132	9,163	2,993	9,207
Net cash from operating activities	3,817	9,852	3,678	9,896
Cash flows from investing activities:				
Purchase of fixed assets	(600)	(319)	(600)	(319)
Increase in long-term earmarked investments	(5,367)	(7,594)	(5,367)	(7,594)
Investment in securities	(84)	* (5,049)	(84)	* (5,049)
Decrease in long-term foreign currency deposits	633	790	633	790
Net cash used for investing activities	(5,418)	(12,172)	(5,418)	(12,172)
Cash flows from financing activities:				
Changes in the Investments in subsidiary companies	-	-	(45)	(38)
Net cash generated by financing activities	-	-	(45)	(38)
Decrease in cash and cash equivalents	(1,601)	(2,320)	(1,785)	(2,314)
Balance of cash and cash equivalents at the beginning of the year	11,184	13,504	11,118	13,432
Balance of cash and cash equivalents at the end of the year	9,583	11,184	9,333	11,118

The accompanying notes form an integral part of the financial statements.

The Association for Children at Risk
Statements of Cash Flows - association and consolidated

Adjustments to present the cash flow from operating activities-Appendix A

	Consolidated		The Association	
	For the year ended December 31		For the year ended December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Revenues and expenses not involving cash flows:				
Depreciation	735	741	735	741
Increase in severance payment, net	392	451	392	451
Revaluation of securities	(438)	*58	(438)	*58
The application of conditions to amounts from operations (waiver of conditions to operations), net	(5,039)	*7,631	(5,039)	*7,631
The Association's share in profits from subsidiary companies	-	-	(85)	(24)
	<u>(4,350)</u>	<u>8,881</u>	<u>(4,435)</u>	<u>8,857</u>
Changes in assets and liabilities				
Increase in other receivables	(71)	(215)	(79)	(220)
Decrease (increase) in account receivables	642	(3,662)	571	(3,586)
Increase (decrease) in account payables	423	(648)	454	(644)
Increase in other payables	6,488	*4,807	6,482	*4,800
	<u>7,482</u>	<u>282</u>	<u>7,428</u>	<u>350</u>
	<u><u>3,132</u></u>	<u><u>9,163</u></u>	<u><u>2,993</u></u>	<u><u>9,207</u></u>

***Re-Classified**

The accompanying notes form an integral part of the financial statements.

The Association for Children at Risk
Notes to the Financial Statements as of December 31, 2021

Note 1: General

- A. The Association for Children at Risk (Registered Association) (hereinafter – "The Association") is a charitable institution, which operates to achieve public objectives.
- B. The Association's assets and its revenues are used to promote its above mentioned objectives and a significant portion of its revenues is received other than for the provision of benefits to the parties who are paying.
- C. The Association's net assets are not distributable to its members.
- D. The Association founded in Israel on December 6, 1990 and it commenced its operations on that date.
- E. The association has been working for years to raise awareness of the field of autism, and to develop services and solutions for children, youth and graduates in the field.

Given the dramatic rise in the rate of autism in the world in general, and in Israel in particular (1:59), the association faces many challenges, including:

The need to develop new services, methods of treatment, research advancement, professional leadership training at the local and national levels in professions in which there is a lack of nationalism and retention of therapists in the organization.

These multiple needs, on the one hand, and the existence of measured and limited resources, on the other hand, present challenges and difficulties, which require a multi-year planning of operations, as well as the source of their funding.

- F. In January 2021, the World Health Organization declared the outbreak of the corona virus as a global health emergency. Simultaneously with the dangerous effects on human life. As a result of the eruption, significant, global and local business impacts are recorded. As of March 2021, restrictions were imposed by the government on civilian movement and activity in the public and private sectors, which increased day by day. In addition, in light of the fact that this is a worldwide event, activity in the Israeli economy was also affected by these events. As part of the association's response to the consequences of the economic slowdown, the association has taken a number of preliminary steps:
 - The association has initiated an online work program in order to continue the therapeutic continuum for the children. The association has received approval from all funding bodies (including the Ministry of Health, the Ministry of Welfare, the Health Funds, etc.) to operate online treatment programs while taking precautionary measures and preventing infection as published by the Israeli government.
 - The association took out about 220 employees to unpaid leave and another part of its employees moved to work from home.
 - The association took immediate action to reduce costs while constantly thinking about keeping its employees and reducing costs in light of the uncertainty regarding the continuation of the epidemic and its consequences.

The Association for Children at Risk
Notes to the Financial Statements as of December 31, 2021

Note 2: Principal accounting policies

A. Definitions:

In these financial statements:

The Association	-	The Association for Children at Risk
Net assets	-	The difference between the Association's assets and its liabilities.
Unrestricted net assets	-	That part of the net assets on the use of which no permanent or temporary restriction has been place, which been determined by the donors.
Restricted net assets	-	A restriction on the use of the net assets, which has been determined under a restriction placed by the donors, the supporters or to awarers of grants to the Association.
Restriction of a temporary nature	-	A restriction which expires, or which is removed on the occurrence of a particular event or with the passage of time or which can be affected or can be removed on the performance of certain acts, all of which is to be in accordance with the directives of the donors or the external parties who provided the resources.
Restriction of a permanent nature	-	A restriction, which does not expire, or is not removed on the occurrence of a particular event or with the passage of time and which cannot be affected or removed by the performance of certain acts. This restriction only enables the use of the income deriving from the donations received.
Related parties	-	Within the meaning of that term in Financial Standards 41 of the Institute of Certified Public Accountants in Israel.
Index	-	The Consumer Prices Index as published by the Central Bureau of Statistics.

Note 2: Principal accounting policies (Continued)

B. The basis for the recording:

1. The Association records its assets, its liabilities, its revenues and its expenses, on an accruals basis.
2. The financial statements have been prepared under the historical cost convention without the adjustment of the financial statements for the impact of changes in the general purchasing power of the Israeli currency and without disclosure being given of the impact thereof on the financial position and on the operating results.

C. The manner of the presentation of the in the financial statements

1. The classification of the balances that are included in the group of net assets, with a distinction between:
 - a) Net assets in respect of which no restriction exists.
 - b) Net assets in respect of which a restriction of a temporary nature exists.
 - c) Net assets in respect of which a restriction of a permanent nature exists.

The net assets in respect of which a restriction exists presented with a distinction being made between net assets that have been used for operations:

- a) Which have been designated by the Association's management bodies.
 - b) Which have not yet been designated by the Association's management bodies.
 - c) Net assets that have been used for fixed assets
2. The statement of operations includes all of the revenues and all of the expenses in the reporting period.

The revenues include all of the revenues that have been received and which have arisen in the period without any restriction on their use as well as the portion of the net assets that had been restricted and which has been released in the course of the period from restrictions placed by the donors. The expenses also include the expenses that have been financed from resources that have been restricted by whoever provided them.

3. The statement of changes in net assets includes the net result from the statement of operations as well as all of the sources that have been received with a restriction upon their use and the amounts that have been released from restrictions.

A fixed asset that received as a gift (where no restriction placed on the consideration from its disposal) is transferred directly to the balance of net assets in respect of which a restriction exists in the statement of changes in net assets.

4. The statement of changes in net assets also includes transfers between net assets in respect of which no transaction exists – for use in operations and net assets in respect of which no restrictions exist – used for fixed assets.

In respect of amounts that used for fixed assets in the accounting year, amounts that derived in the accounting year from the disposal of fixed assets and amounts that been transferred in the accounting year to cover depreciation expenses.

Note 2: Principal accounting policies (Continued)

D. Transactions in foreign currency

1. A transaction that denoted in foreign currency recorded in the functional currency, at the time of the initial recognition, whilst using the immediate exchange rate between the functional currency and the foreign currency at the time of the transaction,
2. At the date of every statement of financial position, monetary items in foreign currency are translated using the immediate exchange rate at the date of the statement of financial position.
3. At the date of every statement of financial position non-monetary items that are measured at historical cost in foreign currency, are translated using the exchange rate at the time of the transaction.
4. At the date of every statement of financial position non-monetary items that are measured at fair value in foreign currency using the exchange rate in force at the time of the determination of the fair value.
5. Exchange differences deriving from the clearance of monetary items, or which derive from the translation of monetary items in accordance with exchange rates that are different from those used for the translation at the time of the initial recognition, in the course of the period, or from those used for the translation of the previous financial statements, will be recognized in the statement of operations in the period in which they arise, except for exchange differences as stated in Section 6.
6. Exchange differences deriving from the clearance of monetary items, or which derive from the translation of monetary items in accordance with exchange rates that are different from those that were used for translation at the time of the initial recognition during the period, or from those that were used for translation in the previous financial statements, will be recognized in the statement of operations in the period in which they arise.

E. Cash equivalents

Highly liquid investments, which include, inter alia, short-term deposits that have been deposited in banks, whose period to redemption at the time of the investment therein does not exceed three months, are considered to be cash equivalents.

This item does not include cash and short-term deposits with banks whose use has been restricted by donors for certain uses or which have been designated by the Association's committee for specific uses.

F. Donations, allocations, support and grants receivable

1. Donations, allocations, support, grants, bequests and gifts, which have been promised but which have not yet been received as at the date of the financial statements, are recorded as income or as an addition to net assets whose use is restricted, if all of the following conditions have been met:
 - There is an irrevocable commitment by the giver and this relates to the reporting period.
 - The promise has been met after the date of the financial statements or it is legally enforceable and realizable, where the realization of the promise is not conditional upon the occurrence of a future event.

Note 2: Principal accounting policies (Continued)

G. Donations, allocations, support and grants receivable (Continued)

2. Amounts receivable are presented after deducting a provision in respect of the promises, which the Association's Committee has assessed that they will not be realized.
3. Donations that have been received for the purpose of their transfer to others and where the donor has made the donation conditional upon their transfer to a particular beneficiary, and where the Association has not been given the exclusive right to change its designation, or the control over the benefit that is expected from the donation, have not been recorded as revenues and as expenses.

Assets that have been received as aforesaid, and which have not yet been transferred to the beneficiaries are presented as assets that have been received for the purpose of their transfer to others and as liabilities in respect of assets that have been received for the purpose of their transfer to others.

H. Consolidated financial statements

The consolidated financial statements include the statements of a subsidiary over which the association has full control.

Significant balances and reciprocal transactions between the Group companies were eliminated in the consolidated financial statements.

I. Fixed assets

1. The Association's management decided to change the policy for the treatment of fixed assets as from January 1, 1997 and thereafter, which was done in accordance with Statement of Opinion 69 of the Institute of Certified Public Accountants in Israel, and in accordance with Accounting Standard Number 5, which replaced Statement of Opinion 69 as from December 19, 2010, and in accordance with which the fixed assets that are used by the Association and which were purchased up to that date, were presented as expenses in previous reporting years.
2. The fixed assets (are presented at cost less accumulated depreciation.
3. For a fixed asset that has been received for no consideration, the cost will be taken as being the fair value on the date of its receipt.
4. The depreciation is calculated under the "straight-line method" on the basis of the estimated useful lifetimes of the assets. A provision for impairment in value is recorded where the carrying value of an asset exceeds its value to the Association (which is generally deemed to be the higher of its value in use and its realizable value.
5. A fixed asset, which in accordance with the donors' conditions or decisions of the Association's Committee is to be transferred for the exclusive use or operation by a third party without any time restriction and without any monetary consideration.

Note 2: Principal accounting policies (Continued)

J. The recognition of revenues and changes in net assets

1. Revenues and changes in net assets that have been restricted recorded on the accruals basis.
2. Consumable assets and goods, which have been received for no consideration, which have a significant monetary value on an overall basis in relation to the scale of the Association's operations and whose fair value can be assessed reasonably reliably, are recorded both as revenues and also as costs, in the statement of operations.
3. Services that require professional skills and expertise, and which the Association would have been forced to purchase, if they had not been received, which have a significant monetary value on an on an overall basis in relation to the scale of the Association's operations and whose fair value can be assessed reasonably reliably, are recorded both as revenues and also as costs, in the statement of operations.
4. Income from investments:

Gains and losses deriving from a change in the fair value of current investments are reflected in the statement of operations and/or in the statement of changes in net assets at the time that they arise as part of the financing income (expenses), net in the period.

Gains and losses deriving from the realization of investments that are defined as a permanent investment or from impairment in the value of permanent investments are reflected in the statement of operations and/or in the statement of changes in net assets at the time that they are realized or in the period in which a provision for impairment in value has been recorded.

5. Surpluses deriving from the use of assets that have been received for no consideration with a restriction according to which they may be used solely for particular purposes and the consideration from their disposal is to be used solely for those purposes, are reflected directly under net assets that have been restricted.
6. Revenues from overheads:

Part of the donations that have been received, at rates that are agreed with the donors, are used to cover the Association's general and administrative expenses. This part is recorded as income from overheads in the statement of operations.

The overhead amounts that have been received in respect of donations in respect of which a restriction exists and which have not yet been received from the restriction, are reflected under net assets in respect of which a restriction of a temporary nature exists.

Note 2: Principal accounting policies (Continued)

K. Taxes

1. Salaries Tax, which is levied under the Value Added Tax Law and Employers Tax, are recorded under salary expenses. Value Added Tax, which has been paid in respect of inputs, which cannot be recovered, is recorded under the expense or asset items in respect of which the tax was levied.
2. Taxes in respect of certain expenses ("excess expenses") are recorded under the expenses or the assets in respect of which the tax was levied.
3. Taxes relating to additions to net assets that have been restricted are presented as a deduction from those amounts.

L. The offsetting of financial instruments

Financial assets and financial liabilities are only presented as a net amount in the statement of financial position where the Association has an enforceable legal right to offset and there is also an intention to clear the asset and the liability on a net basis or to dispose of the asset and the clear the liability simultaneously.

M. The use of estimates

The preparation of the financial statements and their presentation in conformity with generally accepted accounting principles requires the Association's management to make estimates and assessments, which affect the figures that are presented in the financial statements and in the accompanying notes thereto.

By the very nature of the estimates and assessments, the actual results may well be different from them.

N. Financial instruments

The fair value of financial instruments is determined in accordance with the following principles:

1. The fair value financial instruments are the amount in consideration for which it would be possible to exchange the asset or to clear the liability in a transaction conducted in good faith between a willing buyer and a willing seller, operating in sophisticated manner.
2. Where a financial instrument is traded in an active and liquid market, its market price provides the best evidence of the fair value.
3. Where there is infrequent activity in the market, the market is not well-founded, small volumes are traded relative to the number of marketable units of the financial instrument or where the market price is not available – it is possible to use evaluation techniques to determine the fair value.
4. The carrying amount of the historical cost of amounts receivable and payable under regular commercial credit terms generally approximates to the fair value.
5. The fair value of a liability in respect of a deposit without a defined repayment time is the amount of the payment on demand as at the reporting date.

The Association for Children at Risk
Notes to the Financial Statements as of December 31, 2021

Note 2: Principal accounting policies (Continued)

O. New standards in the period before their application:

Israeli Accounting Standard No. 40, Accounting Rules and Financial Reporting by Non-Profit Organizations:

In August 2020, the Israel Accounting Standards Board issued Accounting Standard No. 40, which replaces the combined wording of GLD 69 and Accounting Standard No. 9. The standard includes many changes compared to the existing standard, such as the rules for recognizing nonprofits' income (income from donations, including assets and services). Received without consideration), in the rules for the recognition and measurement of works of art, historical assets and similar assets, classification of cash flows in the framework of a statement of cash flows and more. The standard will apply to financial statements for annual periods beginning on or after January 1, 2021. Many of the changes included in the new standard were adjusted to the American standard.

The first application of the standard will not have a material effect on the financial position of the association and the results of its operations.

Note 3: Cash and cash equivalents

	Consolidated		The Association	
	As at December 31		As at December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
In Shekels, in hand and in banks	409	225	159	159
In foreign currency, in hand and in banks	4	61	4	61
Short-term deposits in Shekels	9,170	10,898	9,170	10,898
Total	9,583	11,184	9,333	11,118

The Association for Children at Risk
Notes to the Financial Statements as of December 31, 2021

Note 4: Account receivables

	Consolidated		The Association	
	As at December 31		As at December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
The Ministry of Health	15,127	16,536	15,127	16,536
The Ministry of Welfare	1,050	596	1,050	596
Health funds	2,970	2,157	2,970	2,157
On account of checks receivable	1,128	1,334	1,128	1,334
Support and donations receivable	2,383	2,410	2,383	2,410
Municipalities	65	55	65	55
The Ministry of Education	100	300	100	300
Other	474	551	314	320
	<u>23,297</u>	<u>23,939</u>	<u>23,137</u>	<u>23,708</u>
Less – provision for doubtful debts	(43)	(43)	(43)	(43)
Total	<u>23,254</u>	<u>23,896</u>	<u>23,094</u>	<u>23,665</u>

Note 5: Other receivables

	Consolidated		The Association	
	As at December 31		As at December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Prepaid expenses	7,452	7,636	7,452	7,636
Government authorities	29	37	-	-
Other	263	-	263	-
Total	<u>7,744</u>	<u>7,673</u>	<u>7,715</u>	<u>7,636</u>

The Association for Children at Risk
Notes to the Financial Statements as of December 31, 2021

Note 6: Accessibility Fund

	Consolidated		The Association	
	As at December 31		As at December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Accessibility Fund	12,883	12,883	12,883	12,883

As of 2018, the association decided to increase her budgets in relation to accessing the association's activities in local authorities (especially in peripheral areas) in which the association operates, for the of these budgets, the association has established the fund.

Note 7: Investments in subsidiary companies

		Consolidated		The Association	
		As at December 31		As at December 31	
	Holding	2021	2020	2021	2020
		NIS thousands		NIS thousands	
Tshuot Ltd.	100%				
Investment in stocks		-	-	1	1
Losses		-	-	(280)	(365)
Current liabilities for services		-	-	702	657
Total		-	-	423	293

Note 8: Long-term earmarked investments

	Consolidated		The Association	
	As at December 31		As at December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Investments earmarked for a unique addition to the periphery	18,960	18,308	18,960	18,308
Investments designated for the Fund for the Preservation of Operations	16,000	16,000	16,000	16,000
Investments designated for the Building Fund	5,000	5,000	5,000	5,000
Investments designated for the Employee Retention Grant	15,715	11,000	15,715	11,000
Total	55,675	50,308	55,675	50,308

The Association for Children at Risk
Notes to the Financial Statements as of December 31, 2021

Note 9: Fixed assets, net

Consolidated

	Buildings*	Laboratory	Office and Kindergarten furniture and equipment	Computers	Vehicles	Leasehold improvements	Total
	NIS thousands						
Cost							
As of January 1, 2021	10,415	579	4,232	3,664	34	4,377	23,301
Additions	-	-	-	600	-	-	600
As of at December 31, 2021	10,415	579	4,232	4,264	34	4,377	23,901
Accumulated depreciation							
As of January 1, 2021	(3,300)	(579)	(3,401)	(3,385)	(34)	(3,447)	(14,146)
Additions during the year	(241)	-	(108)	(211)	-	(175)	(735)
As of December 31, 2021	(3,541)	(579)	(3,509)	(3,596)	(34)	(3,622)	(14,881)
Fixed assets, net							
As of December 31, 2021	<u>6,874</u>	<u>-</u>	<u>723</u>	<u>668</u>	<u>-</u>	<u>755</u>	<u>9,020</u>
As of December 31, 2020	<u>7,115</u>	<u>-</u>	<u>831</u>	<u>279</u>	<u>-</u>	<u>930</u>	<u>9,155</u>

* The building of the Children at Risk Center – the Center was built on an overall area of approximately 1,500 square meters on ground belonging to the Tel-Aviv Municipality, on which usage rights have been granted to the Association for a period of 25 years, commencing in April 2006 (Assignment Final 4/2031).

The Association for Children at Risk
Notes to the Financial Statements as of December 31, 2021

Note 10: Accounts payables

	Consolidated		The Association	
	As at December 31		As at December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Suppliers in Shekels	2,920	3,088	2,917	3,076
Checks payable	403	187	403	187
Accrued expenses	3,184	*2,809	3,184	* 2,787
Total	6,507	6,084	6,504	6,050

***Re-Classified**

Note 11: Other payables

	Consolidated		The Association	
	As at December 31		As at December 31	
	2021	(*) 2020	2021	(*) 2020
	NIS thousands		NIS thousands	
Liability to employees and liabilities for salaries and wages	30,523	26,179	30,510	26,172
Provision for vacation and recuperation pay	15,244	13,281	15,244	13,281
Revenues in advance	889	708	889	708
Total	46,656	40,168	46,643	40,161

***Re-Classified**

Note 12: Severance payment, net

	Consolidated		The Association	
	As at December 31		As at December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Liability	8,203	7,050	8,203	7,050
Less amounts deposited	(5,873)	(5,112)	(5,873)	(5,112)
Total	2,330	1,938	2,330	1,938

Note 13: Contingent liabilities and commitments

Commitments:

Within the context of the Association's operations (the Center for Children at Risk and the Resilience Center), the Association creates various commitments, the main ones being:

1. Employment agreements vis-a-vis the employees in the various projects.
2. Agreements vis-a-vis providers of services and professional counselors.
3. Contracts vis-a-vis local authorities for the operation of the programs/ the provision of authority for the use of buildings, which are renewed each year.
4. A contract vis-a-vis the Ministry of Welfare.
5. Contracts vis-a-vis Health Institutions.
6. A contract for increasing the level of the public's awareness and recruiting resources. (Ended at the end of 2020)
7. Agreements for the receipt of rights in land. The main one being an agreement opposite the Tel-Aviv Municipality relating to the "Center for Children at Risk Center", which was built by the Tel-Aviv-Jaffa Municipality on land that was allocated by the Municipality. The usage right is for at least 25 years less one day, which are counted from April 2006.
8. Contract with the Ministry of Education.

The Association for Children at Risk
Notes to the Financial Statements as of December 31, 2021

Note 14: Donations, allocations, support and revenues

	Consolidated		The Association	
	For the year ended		For the year ended	
	December 31		December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Comprise				
Donations				
Donations designated for resilience	1,962	1,482	1,962	1,482
Donations designated for autism and others	475	606	475	606
Revenues from donation events	746	82	746	82
Undesignated donations	6,046	6,027	6,046	6,027
	<u>9,229</u>	<u>8,197</u>	<u>9,229</u>	<u>8,197</u>
Designated allocations from government ministries and institutions				
The Ministry of Health	184,145	178,510	184,145	178,510
The Ministry of Welfare	6,055	6,163	6,055	6,163
Health Funds	1,680	1,434	1,680	1,434
The Ministry of Aliyah and Integration	42	64	42	64
Municipalities	40	40	40	40
	<u>191,962</u>	<u>186,211</u>	<u>191,962</u>	<u>186,211</u>
Revenues				
Participation by parents in kindergarten expenses	9,817	8,016	9,817	8,016
Revenues from operating activities	21,283	18,924	21,044	18,539
	<u>31,100</u>	<u>26,940</u>	<u>30,861</u>	<u>26,555</u>
Total	<u>232,291</u>	<u>221,348</u>	<u>232,052</u>	<u>220,963</u>

Note 15: Revenues from services for no consideration

	Consolidated		The Association	
	For the year ended		For the year ended	
	December 31		December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Rental of buildings	3,467	3,550	3,467	3,550
Municipal taxes	3,375	3,246	3,375	3,246
Student volunteers	314	896	314	896
Legal consultancy	58	62	58	62
The auditing body	12	12	12	12
Others	11	7	11	7
Total	<u>7,237</u>	<u>7,773</u>	<u>7,237</u>	<u>7,773</u>

The Association for Children at Risk
Notes to the Financial Statements as of December 31, 2021

Note 16: Operating costs

	Consolidated		The Association	
	For the year ended		For the year ended	
	December 31		December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Salaries and professional treatments	208,411	196,092	208,411	196,092
Routine operating costs for projects	13,299	13,521	13,188	13,214
Total	221,710	209,613	221,599	209,306

Note 17: General and administrative expenses

	Consolidated		The Association	
	For the year ended		For the year ended	
	December 31		December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Payroll and related	7,343	6,027	7,343	6,027
Office maintenance	1,742	1,552	1,742	1,552
Professional services	428	327	428	327
Depreciation	77	115	77	115
Others	76	56	33	4
	9,666	8,077	9,623	8,025

Note 18: Donation recruitment expenses, net

A. Composition:

	Consolidated		The Association	
	For the year ended		For the year ended	
	December 31		December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Commissions and expenses for designated donations	298	195	298	195
Commissions and expenses for general donations	659	2,436	659	2,436
Total	957	2,631	957	2,631

The Association for Children at Risk
Notes to the Financial Statements as of December 31, 2021

Donation recruitment expenses, net (Continued)

B. Additional details:

The Association has entered into a commitment with Chai (as of 2001) – The Company for Children at Risk Ltd., which is engaged in fundraising in support of the Association, with a significant part of the donations being recruited by it. During the year 2020, a reorganization of the association's fundraising system will be carried out. A temporary change was made for several months, when at the beginning of November 2020, the engagement agreement with Chai was ended. The association will expand her internal resource mobilization.

Note 19: Financial expenses (income), net

	Consolidated		The Association	
	For the year ended		For the year ended	
	December 31		December 31	
	2021	2020	2021	2020
	NIS thousands		NIS thousands	
Financial expenses				
Bank commissions	64	70	62	68
Credit card commissions	68	62	68	62
Commissions to others	28	21	28	21
Exchange differences	335	804	336	804
	<u>495</u>	<u>957</u>	<u>494</u>	<u>955</u>
Financing income				
Interest and revaluation of securities	(545)	(7)	(545)	(7)
Interest from banks	(12)	(80)	(12)	(80)
	<u>(557)</u>	<u>(87)</u>	<u>(557)</u>	<u>(87)</u>
Total	<u>(62)</u>	<u>870</u>	<u>(63)</u>	<u>868</u>

Note 20: Tax on income

- A.** The Association as a "Public Institution" being a not for profit organization in accordance with Section 9(2) of the Income Tax Ordinance ("A public institution", as defined in the Income Tax Ordinance, is exempt from tax on its income) received the approval from the Income Tax Commission that it has no debts to Income Tax and that it meets the conditions set forth in the Law of Transactions of Public Bodies and is exempt from the obligation to deduct tax at source from income that it receives. The certificate is in force until March 31, 2023.
- B.** The report on the income and expenses of a "public institution" that the Association transfers as a "public institution" to the Assessing Officer of the Public Institutions and Not for Profit Organizations Department includes, inter alia, a management's declaration that the Association has no revenues for which it is not tax exempt. In Management's opinion all the revenues received by the Association, during the year of account are in the framework of public activities in accordance with its articles and do not include revenues which are liable to tax.

The Association for Children at Risk
Notes to the Financial Statements as of December 31, 2021

Note 21: List of donors

The information that is required under the Associations Regulations (The determination of the maximum amount and the maintenance of a record of anonymous donations in the financial reporting) – 2002, consisting of a list of the names of the donors who made donations in the 2021 financial year, as detailed regulations, is presented below:

Donor's name	Amount (NIS)
Meir company for vehicles and Trucks Inc	133,400
Pnair (land) 2010 Inc	105,250
Keren Cherny	710,126
Amina Charity Foundation	64,220