

OTI (formerly “The Association for Children at Risk”)

Financial Statements as at December 31, 2022

OTI (formerly “The Association for Children at Risk”)
Consolidated Financial Statements as at December 31, 2022

Contents

	<u>Page</u>
Auditors' Report	1
Statements of Financial Position- association and consolidated	2-3
Statements of Operations- association and consolidated	4
Statements of Changes in Net Assets	5-6
Statements of Cash Flows- association and consolidated	7-8
Notes to the Financial Statements	9-23

Auditor's Report for the Management of OTI (formerly "The Association for Children at Risk")

We have audited the accompanying statements of financial position of **OTI (formerly "The Association for Children at Risk")** (hereinafter – "**The Association**") as at December 31, 2022 and 2021, the consolidated statements of financial position as of those dates, the statements of operation, changes in net assets, and cash flow statements – of the association and consolidated - of each for 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 misstatements. 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 an 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 of the overall financial statement's 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, 2022, and 2021 and the results of their operations, as well as changes in net assets and cash flows – of the association and consolidated - for each of the years ended in accordance with the Israeli accounting standards (Israeli GAAP).

Tel-Aviv, August 7, 2023


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

OTI (formerly “The Association for Children at Risk”)
Statements of Financial Position (In Thousands NIS)


		Consolidated		The Association	
		As at December 31		As at December 31	
		2022	2021	2022	2021
	Note				
<u>Current assets</u>					
Cash and cash equivalents	3	7,336	9,583	6,936	9,333
Accounts receivable	4	37,777	23,254	37,754	23,094
Other receivables	5	7,119	7,744	7,117	7,715
Accessibility Fund	6	10,800	12,883	10,800	12,883
		<u>63,032</u>	<u>53,464</u>	<u>62,607</u>	<u>53,025</u>
<u>Non-current assets</u>					
Investments in subsidiary company	7	-	-	408	423
Long-term earmarked investments	8	45,679	55,675	45,679	55,675
Long-term foreign currency deposits		10,911	9,947	10,911	9,947
Fixed assets, net	9	8,641	9,020	8,641	9,020
Long-term securities		10,034	10,942	10,034	10,942
		<u>75,265</u>	<u>85,584</u>	<u>75,673</u>	<u>86,007</u>
		<u>138,297</u>	<u>139,048</u>	<u>138,280</u>	<u>139,032</u>

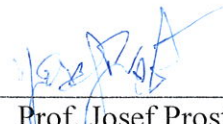
The accompanying notes form an integral part of the financial statements.

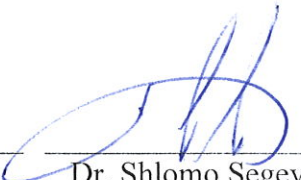
OTI (formerly "The Association for Children at Risk")
Statements of Financial Position (In Thousands NIS)

		Consolidated		The Association	
		As at December 31		As at December 31	
		2022	2021	2022	2021
<u>Current liabilities</u>					
Account payables	10	6,981	6,507	6,966	6,504
Other payables	11	52,958	46,656	52,956	46,643
		<u>59,939</u>	<u>53,163</u>	<u>59,922</u>	<u>53,147</u>
<u>Non-current liabilities</u>					
Severance payment, net	12	8,089	2,330	8,089	2,330
Commitments	13				
<u>Net assets</u>					
Net assets not restricted:					
For operations not designed by the Association		8,487	4,649	8,487	4,649
For operations been designed by the Association		36,823	49,929	36,823	49,929
Net assets used for fixed assets		8,641	9,020	8,641	9,020
		<u>53,951</u>	<u>63,598</u>	<u>53,951</u>	<u>63,598</u>
Restricted net assets		16,318	19,957	16,318	19,957
		<u>70,269</u>	<u>83,555</u>	<u>70,269</u>	<u>83,555</u>
		<u>138,297</u>	<u>139,048</u>	<u>138,280</u>	<u>139,032</u>

August 7, 2023
Date of the
approval of the
financial statements


Adv. Tzipi Nagel
Edelstein
CEO of the
Association


Prof. Josef Prost
Member of the
Committee


Dr. Shlomo Segev
Member of the
Committee

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

OTI (formerly “The Association for Children at Risk”)
Statement of Operations (In Thousands NIS)

		Consolidated		The Association	
		For the year ended December 31		For the year ended December 31	
		2022	2021	2022	2021
	Note				
<u>Operating turnover</u>					
Donations, allocations, support and revenues	14	273,693	232,291	273,646	232,052
Revenues from services without consideration	15	8,460	7,237	8,460	7,237
Total operating turnover		<u>282,153</u>	<u>239,528</u>	<u>282,106</u>	<u>239,289</u>
Operating costs	16	<u>260,472</u>	<u>221,710</u>	<u>260,439</u>	<u>221,599</u>
Operating income, net		<u>21,681</u>	<u>17,818</u>	<u>21,667</u>	<u>17,690</u>
General and administrative expenses	17	9,715	9,666	9,684	9,623
Donation recruitment expenses, net	18	1,397	957	1,397	957
Providers of services for no consideration		<u>8,460</u>	<u>7,237</u>	<u>8,460</u>	<u>7,237</u>
		<u>19,572</u>	<u>17,860</u>	<u>19,541</u>	<u>17,817</u>
Income (expenses) net before financing		<u>2,109</u>	<u>(42)</u>	<u>2,126</u>	<u>(127)</u>
Financial income, net	19	<u>(274)</u>	<u>(62)</u>	<u>(275)</u>	<u>(63)</u>
Income (expenses) net after financing		<u>2,383</u>	<u>20</u>	<u>2,401</u>	<u>(64)</u>
Other income		<u>11</u>	<u>665</u>	<u>11</u>	<u>665</u>
Income before profits in subsidiary companies		<u>2,394</u>	<u>685</u>	<u>2,412</u>	<u>601</u>
The Association's share of profits (losses) in subsidiary companies		<u>-</u>	<u>-</u>	<u>(18)</u>	<u>84</u>
<u>Net income for the year</u>		<u>2,394</u>	<u>685</u>	<u>2,394</u>	<u>685</u>

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

OTI (formerly “The Association for Children at Risk”)
Statements of Changes in Net Assets (In Thousands NIS)

	Net assets not restricted				
	For operations				
	not designated by the Association	been designated by the Association	For fixed assets	Restricted net assets	Total
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	41	(3,952)	-	-	(3,911)
Amounts designation by the Association's management	(666)	666	-	-	-
Purchase of fixed assets	(97)	-	600	(503)	-
Release of amounts to cover depreciation	735	-	(735)	-	-
Balance as at December 31, 2021	4,649	49,929	9,020	19,957	83,555

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

OTI (formerly “The Association for Children at Risk”)
Statements of Changes in Net Assets (In Thousands NIS)

	Net assets not restricted				
	For operations				
	not designated by the Association	been designated by the Association	For fixed assets	Restricted net assets	Total
Balance as at December 31, 2021	4,649	49,929	9,020	19,957	83,555
Net income	2,394	-	-	-	2,394
Donations	-	-	-	967	967
Release of amounts from net assets that have been temporarily restricted	-	-	-	(4,122)	(4,122)
Amounts released from designation by the Association's management bodies	581	(13,106)	-	-	(12,525)
Amounts designation by the Association's management bodies	-	-	-	-	-
Purchase of fixed assets	(56)	-	540	(484)	-
Release of amounts to cover depreciation	919	-	(919)	-	-
Balance as at December 31, 2022	8,487	36,823	8,641	16,318	70,269

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

OTI (formerly “The Association for Children at Risk”)
Statement of Cash Flows (In Thousands NIS)

	Consolidated		The Association	
	For the year ended December 31		For the year ended December 31	
	2022	2021	2022	2021
Cash flows from operating activities:				
Net income for the year	2,394	685	2,394	685
Adjustments required to present cash flows from operating activities – Appendix (A)	(15,153)	3,132	(15,303)	2,948
Net cash from operating activities	(12,759)	3,817	(12,909)	3,633
Cash flows from investing activities:				
Purchase of fixed assets	(540)	(600)	(540)	(600)
long-term earmarked investments	12,079	(5,367)	12,079	(5,367)
Investment in securities	(63)	(84)	(63)	(84)
long-term foreign currency deposits	(964)	633	(964)	633
Net cash used for investing activities	10,512	(5,418)	10,512	(5,418)
Decrease in cash and cash equivalents	(2,247)	(1,601)	(2,397)	(1,785)
Balance of cash and cash equivalents at the beginning of the year	9,583	11,184	9,333	11,118
Balance of cash and cash equivalents at the end of the year	7,336	9,583	6,936	9,333

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

OTI (formerly “The Association for Children at Risk”)
Statement of Cash Flows (In Thousands NIS)

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	
	2022	2021	2022	2021
Revenues and expenses not involving cash flows				
Depreciation	919	735	919	735
Increase in severance payment, net	5,759	392	5,759	392
Revaluation of securities	971	(438)	971	(438)
The application of conditions to amounts from operations (waiver of conditions to operations), net	(15,680)	(5,039)	(15,680)	(5,039)
The Association's share of profits from subsidiary companies	-	-	18	(85)
	<u>(8,031)</u>	<u>(4,350)</u>	<u>(8,013)</u>	<u>(4,435)</u>
Changes in assets and liabilities				
Decrease (increase) in other receivables	625	(71)	595	(124)
Decrease (increase) in account receivables	(14,523)	642	(14,660)	571
Increase in account payables	474	423	462	454
Increase in other payables	6,302	6,488	6,313	6,482
	<u>(7,122)</u>	<u>7,482</u>	<u>(7,290)</u>	<u>7,383</u>
	<u>(15,153)</u>	<u>3,132</u>	<u>(15,303)</u>	<u>2,948</u>

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

OTI (formerly “The Association for Children at Risk”)
Notes to the Financial Statements as at December 31, 2022

Note 1: General

- A. OTI (formerly “The Association for Children at Risk”) (hereinafter – “The Association”) is a charitable institution, that 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 was 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.
- F. 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, that require a multi-year planning of operations, as well as the source of their funding.

Note 2: Principal accounting policies

A. Definitions:

In these financial statements:

The Association	-	The OTI (formerly “The Association for Children at Risk”)
Net assets	-	The difference between the Association's assets and its liabilities.
Unrestricted net assets	-	The portion of the net assets that is not conditional on restrictions on their use 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 awarders of grants to the Association.
Related parties	-	Within the meaning of that term in Financial Standards 41 of the Institute of Certified Public Accountants in Israel.
Index	-	The Consumer Price 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 accrual's 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 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 with respect to which no restrictions exist.
 - b) Net assets with respect to which restrictions exist.

The net assets with respect to which a restriction exists are 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 is 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 were derived in the accounting year from the disposal of fixed assets and amounts that were transferred in the accounting year to cover depreciation expenses.

Note 2: Principal accounting policies (Continued)

D. Transactions in foreign currency

1. A transaction that is denoted in foreign currency recorded in the functional currency, at the time of the initial recognition, while 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 and cash equivalents

Highly liquid investments, which include, inter alia, short-term deposits that have been deposited in banks and 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, that have been promised but 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.

Note 2: Principal accounting policies (Continued)

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

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.

* Accrued revenue was not recorded from a government institution when, according to the assessment of the association's management, due to an unreasonable delay in the payment, there is doubt about its receipt.

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.

G. 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.

H. Fixed assets

1. The fixed assets are presented at cost less accumulated depreciation.
2. 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.
3. The depreciation is calculated under the "straight-line method" on the basis of the estimated useful life 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).
4. 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.

I. The recognition of revenues and changes in net assets

1. Revenues and changes in net assets that have been restricted recorded on the accrual's 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.

Note 2: Principal accounting policies (Continued)

I. The recognition of revenues and changes in net assets (Continued)

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 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. Income 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.

J. 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.

K. 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 clear the liability simultaneously.

Note 2: Principal accounting policies (Continued)

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

M. 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.

Note 3: Cash and cash equivalents

	<u>Consolidated</u>		<u>The Association</u>	
	<u>As at December 31</u>		<u>As at December 31</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
In NIS, cash on hand and in banks	535	409	135	159
In foreign currency, cash on hand and in banks	8	4	8	4
Short-term deposits in NIS	6,793	9,170	6,793	9,170
Total	<u>7,336</u>	<u>9,583</u>	<u>6,936</u>	<u>9,333</u>

OTI (formerly “The Association for Children at Risk”)**Notes to the Financial Statements as at December 31, 2022 (In Thousands NIS)****Note 4: Accounts receivable**

	Consolidated		The Association	
	As at December 31		As at December 31	
	2022	2021	2022	2021
The Ministry of Health	31,477	15,127	31,477	15,127
The Ministry of Welfare	827	1,050	827	1,050
Health funds	2,353	2,970	2,353	2,970
In account of checks receivable	691	1,128	691	1,128
Support and donations receivable	2,109	2,383	2,109	2,383
Municipalities	14	65	16	65
The Ministry of Education	-	100	-	100
Others	349	474	324	314
	<u>37,820</u>	<u>23,297</u>	<u>37,797</u>	<u>23,137</u>
Less – provision for doubtful debts	(43)	(43)	(43)	(43)
Total	<u><u>37,777</u></u>	<u><u>23,254</u></u>	<u><u>37,754</u></u>	<u><u>23,094</u></u>

Note 5: Other receivables

	Consolidated		The Association	
	As at December 31		As at December 31	
	2022	2021	2022	2021
Prepaid expenses	6,970	7,452	6,970	7,452
Government authorities	2	29	-	-
Advance payments to vendors	147	263	147	263
Total	<u><u>7,119</u></u>	<u><u>7,744</u></u>	<u><u>7,117</u></u>	<u><u>7,715</u></u>

Note 6: Accessibility Fund

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

OTI (formerly “The Association for Children at Risk”)**Notes to the Financial Statements as at December 31, 2022 (In Thousands NIS)****Note 7: Investments in subsidiary companies**

	Holding	Consolidated		The Association	
		As at December 31		As at December 31	
		2022	2021	2022	2021
Tshuot Ltd.	100%				
Investment in stocks		-	-	1	1
Losses		-	-	(298)	(280)
Current liabilities for services		-	-	705	702
Total		-	-	408	423

Note 8: Long-term earmarked investments

	Consolidated		The Association	
	As at December 31		As at December 31	
	2022	2021	2022	2021
Investments earmarked for a unique one-off addition to the periphery	12,679	18,960	12,679	18,960
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	12,000	15,715	12,000	15,715
Total	45,679	55,675	45,679	55,675

OTI (formerly “The Association for Children at Risk”)**Notes to the Financial Statements as at December 31, 2022 (In Thousands NIS)****Note 9: Fixed assets, net**

	Consolidated						
	Building s*	Laboratory	Office and Kindergarten furniture and equipment	Computers	Vehicles	Leasehold improvements	Total
Cost							
As of January 1, 2021	10,415	579	4,232	4,264	34	4,377	23,901
Additions	-	-	55	485	-	-	540
As of at December 31, 2022	10,415	579	4,287	4,749	34	4,377	24,441
Accumulated depreciation							
As of January 1, 2021	(3,541)	(579)	(3,509)	(3,596)	(34)	(3,622)	(14,881)
Additions during the year	(233)	-	(176)	(364)	-	(146)	(919)
Balance as at December 31, 2022	(3,774)	(579)	(3,685)	(3,960)	(34)	(3,768)	(15,800)
Fixed assets, net as at December 31, 2022	6,641	-	602	789	-	609	8,641
Fixed assets, net as at December 31, 2021	6,874	-	723	668	-	755	9,020

* 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).

OTI (formerly “The Association for Children at Risk”)**Notes to the Financial Statements as at December 31, 2022 (In Thousands NIS)****Note 10: Accounts payables**

	Consolidated		The Association	
	As at December 31		As at December 31	
	2022	2021	2022	2021
In NIS	3,213	2,920	3,204	2,917
Checks payable	505	403	505	403
Accrued expenses	3,263	3,184	3,257	3,184
Total	6,981	6,507	6,966	6,504

Note 11: Other payables

	Consolidated		The Association	
	As at December 31		As at December 31	
	2022	2021	2022	2021
Liability to employees for wages and salaries	35,108	30,523	35,106	30,510
Provision for vacation and recuperation pay	16,851	15,244	16,851	15,244
Advance Revenues	999	889	999	889
Total	52,958	46,656	52,956	46,643

Note 12: Severance payment, net

	Consolidated		The Association	
	As at December 31		As at December 31	
	2022	2021	2022	2021
Liability	13,765	8,203	8,203	13,765
Less amounts deposited	(5,676)	(5,873)	(5,873)	(5,676)
Total	8,089	2,330	2,330	8,089

OTI (formerly “The Association for Children at Risk”)
Notes to the Financial Statements as at December 31, 2022

Note 13: 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 with the employees in the various projects.
2. Agreements with the providers of services and professional counselors.
3. Contracts with the 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 with the Ministry of Welfare.
5. Contracts with the Health Institutions.
6. Agreements for the receipt of rights in land. The main is an agreement with the Tel-Aviv Municipality relating to the "Center for Children at Risk," 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.
7. Contract with the Ministry of Education.

OTI (formerly “The Association for Children at Risk”)**Notes to the Financial Statements as at December 31, 2022 (In Thousands NIS)****Note 14: Donations, allocations, support and revenues**

	Consolidated		The Association	
	For the year ended		For the year ended	
	December 31		December 31	
	2022	2021	2022	2021
Comprise				
Donations				
Donations designated for “Hosen”	3,308	1,962	3,308	1,962
Donations designated for autism and others	813	475	813	475
Revenues from donation events	482	746	482	746
Undesignated donations	7,306	6,046	7,306	6,046
	<u>11,909</u>	<u>9,229</u>	<u>11,909</u>	<u>9,229</u>
Designated allocations from government ministries and institutions				
The Ministry of Health	220,624	184,145	220,624	184,145
The Ministry of Welfare	6,385	6,055	6,385	6,055
Health Funds	1,667	1,680	1,667	1,680
The Ministry of Aliyah and Integration	-	42	-	42
Municipalities	40	40	40	40
	<u>228,716</u>	<u>191,962</u>	<u>228,716</u>	<u>191,962</u>
Revenues				
Participation by parents in kindergarten expenses	12,932	9,817	12,932	9,817
Revenue other	20,136	21,283	20,089	21,044
	<u>33,068</u>	<u>31,100</u>	<u>33,021</u>	<u>30,861</u>
Total	<u>273,693</u>	<u>232,291</u>	<u>273,646</u>	<u>232,052</u>

Note 15: Revenues from services for no consideration

	Consolidated		The Association	
	For the year ended		For the year ended	
	December 31		December 31	
	2022	2021	2022	2021
Rental of buildings	4,124	3,467	4,124	3,467
Municipal taxes	3,761	3,375	3,761	3,375
Student volunteers	484	314	484	314
Legal consultancy	60	58	60	58
The auditing body	12	12	12	12
Others	19	11	19	11
Total	<u>8,460</u>	<u>7,237</u>	<u>8,460</u>	<u>7,237</u>

OTI (formerly “The Association for Children at Risk”)**Notes to the Financial Statements as at December 31, 2022 (In Thousands NIS)****Note 16: Operating costs**

	Consolidated		The Association	
	For the year ended December 31		For the year ended December 31	
	2022	2021	2022	2021
Salaries and professional treatments	244,361	208,411	244,361	208,411
Routine operating costs for projects	16,111	13,299	16,078	13,188
Total	260,472	221,710	260,439	221,599

Note 17: General and administrative expenses

	Consolidated		The Association	
	For the year ended December 31		For the year ended December 31	
	2022	2021	2022	2021
Payroll and related expenses	7,516	7,343	7,516	7,343
Office maintenance	1,513	1,742	1,513	1,742
Professional services	352	428	323	428
Depreciation	229	77	229	77
Others	105	76	103	33
Total	9,715	9,666	9,684	9,623

Note 18: Donation recruitment expenses, net**Composition:**

	Consolidated		The Association	
	For the year ended December 31		For the year ended December 31	
	2022	2021	2022	2021
Commissions and expenses for designated donations	406	298	406	298
Commissions and expenses for general donations	991	659	991	659
Total	1,397	957	1,397	957

OTI (formerly “The Association for Children at Risk”)**Notes to the Financial Statements as at December 31, 2022 (In Thousands NIS)****Note 19: Financial income, net**

	Consolidated		The Association	
	For the year ended		For the year ended	
	December 31		December 31	
	2022	2021	2022	2021
Financial expenses				
Bank commissions	62	64	61	62
Credit card commissions	71	68	71	68
Commissions to others	16	28	16	28
Interest and revaluation of securities	890	-	890	-
Exchange differences	-	335	-	336
	<u>1,039</u>	<u>495</u>	<u>1,038</u>	<u>494</u>
Financing income				
Interest and revaluation of securities	-	(545)	-	(545)
Exchange differences	(1,291)	-	(1,291)	-
Interest from banks	(22)	(12)	(22)	(12)
	<u>(1,313)</u>	<u>(557)</u>	<u>(1,313)</u>	<u>(557)</u>
Total	<u>(274)</u>	<u>(62)</u>	<u>(275)</u>	<u>(63)</u>

Note 20: Income Tax

- 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.

OTI (formerly “The Association for Children at Risk”)
Notes to the Financial Statements as at December 31, 2022 (In Thousands NIS)

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 2022 financial year, as detailed regulations, is presented below:

Donor's name:

Plus 500 Ltd	175,000
Hakdesh Pinkelshtein	150,000
Lea Paskin	100,308
Saroisi Ltd	100,000
Total	<u>525,308</u>