

**Arugot**

**(formerly: The Haifa Center for Children with Learning Disabilities)**

Financial statements

As of 31st December 2014

# Arugot

Amuta registration no.: 580174225

## Financial statements as of 31st December 2014

### Table of Contents

	<u>Page</u>
Auditor's report	2
Balance sheets	3
Activities report	4
Changes in net assets report	5
Notes to the financial statements	6 - 10

**Auditor's report to the Committee of Arugot  
Child and Family Development Center**

We have audited the herein enclosed balance sheets of Arugot (hereinafter, the non-profit organization) as of the 31st of December 2014, as well as the activities reports, and the changes in net assets reports for the year ending on the said date. The administration of the non-profit organization bears sole responsibility for the accuracy of these financial statements. Our own responsibility applies to our considered opinion of the said financial report, based on our audit.

The audit for 31 December 2013, for the period ending on the said date, was conducted by a different accountant on June 26, 2014, which included an unqualified opinion.

We have conducted our audit according to accepted auditing standards, including the standards set in the 1973 CPA regulations (CPA practice). According to said standards we are required to plan and carry out an audit aimed at assuring with a plausible measure of confidence that there is no essential misrepresentation in said financial statements. The audit included a sample testing of the evidence presented in support of the sums and information quoted in the financial statements. The audit also includes an inspection of the accounting rules applied to the reports and the significant estimations performed by the non-profit organization's administration, as well as an assessment of the general appropriateness of the general presentation of the financial statements. It is our opinion that our audit may serve as an appropriate basis for my opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the association as of December 31, 2014, and the results of its operation and changes in its net assets of the year ended on this date, according to the accepted rules of accountancy in Israel (Israely GAAP).

**Avigail Shkovitzki, CPA**

June 2015

# Arugot, Child and Family Development Center

## Balance Sheets as of 31st December 2014

	Notes	31.12.14 NIS	31.12.13 NIS
<b>Current assets</b>			
Cash and cash value		755,176	819,019
Short term deposits		-	255,607
Open deposits		730,339	718,861
Accounts receivable and debit balances	3	<u>487,840</u>	<u>539,929</u>
		1,973,355	2,333,416
<b>Fixed assets</b>			
	4	<u>1,074,210</u>	<u>1,126,285</u>
		<u>3,047,565</u>	<u>3,459,701</u>
<b>Current liabilities</b>			
Suppliers and checks to be paid		198,846	154,417
Employee liabilities in respect of salaries (Dec.) including Income Tax & National Insurance	5	358,747	547,262
Payable expenses		<u>19,580</u>	<u>12,000</u>
		<u>577,173</u>	<u>713,679</u>
<b>Long term liabilities</b>			
Liabilities arising from termination of employer-employee relations, net	6	<u>463,506</u>	<u>389,765</u>
Total Liabilities		<u>1,040,679</u>	<u>1,103,444</u>
<b>Assets, net</b>			
Net assets that are not limited:			
For current activities		50,676	(270,028)
For acquisition of fixed assets		1,074,210	1,126,285
To a limited building fund designated by the Amuta		<u>882,000</u>	<u>1,500,000</u>
		<u>2,006,886</u>	<u>2,356,257</u>
<b>Total Liabilities and net assets</b>		<u>3,047,565</u>	<u>3,459,701</u>

(-)  
**Dr. Jeremiah Lubasch**  
 Institute Chairman

(-)  
**Mr. Daniel Hoffner**  
 Committee Member

The notes constitute an integral part of the financial statements.

## **Arugot, Child and Family Development Center**

### **Activities Reports for the year ending on the 31st of December 2014**

	Notes	31.12.2014 NIS	31.12.13 NIS
<b>Operating cycle:</b>			
Allocations from government offices and the authorities	7	1,984,622	2,090,526
Donations	8	1,172,858	877,646
Income from services provided	9	944,388	820,304
Payments by Parents: Day Care Center		285,840	244,179
Other Income		<u>59,190</u>	<u>44,301</u>
		4,446,898	4,076,956
<b>Cost of activities:</b>			
Salaries and accompanying payments		3,067,290	2,810,771
Treatments (independent workers)		175,520	186,743
Volunteer value		120,000	-
Educational, activities, supervision		96,082	24,340*
Hot meals for children		74,470	72,606
Materials and textbooks		29,741	30,380
Rent: Preschool and Day Care Center		115,200	115,200
Maintenance		93,714	96,388*
Electricity and Water		50,814	31,965
Insurance		31,015	27,516
Advanced courses for staff		3,040	1,430
Depreciation		<u>172,424</u>	<u>152,954</u>
		<u>(4,029,310)</u>	<u>(3,550,293)</u>
Net income from activities		417,588	526,663
Administrative and general expenditures	10	713,137	580,983
Fundraising Expenses		<u>(50,766)</u>	<u>(198,819)</u>
Net Expenses prior to funding		(346,315)	(253,139)
Net Funding		<u>(3,056)</u>	<u>(51,879)</u>
Surplus (deficit) during the year		<u>(349,371)</u>	<u>(305,018)</u>

The notes constitute an integral part of the financial statements.

\*reassorted

## Arugot, Child and Family Development Center

### Reports of net changes in assets for the year ending on the 31st of December 2014

		<u>In regard to which there are no limitations</u>			Total
		Not designated by association	designated by the Association	for use of fixed assets	
		NIS		NIS	
<b>Balance as of 1 January 2013</b>	-	(604,271)	1,500,000	557,004	2,661,275
<b>Additions during the year:</b>					
Deficit		(305,018)	-	-	(305,018)
<b>Deductions during the year:</b>					
<b>Amounts for which there are no limitations</b>					
For use of fixed assets		731,523		731,523	
Amounts transferred to cover depreciation costs		<u>162,242</u>		<u>(162,242)</u>	
		<u>(569,281)</u>		<u>569,281</u>	
<b>Balance as of December 2013</b>	-	<b>(270,028)</b>	<b>1,500,000</b>	<b>1,126,285</b>	<b>1,126,285</b>
<b>Additions in the course of the year:</b>					
Surplus (deficit)		(349,371)			(349,371)
	-		-	-	
Amounts designated in previous years by the Association, and the designation was cancelled		<u>618,000</u>	<u>(618,000)</u>		
		<u>268,629</u>	<u>(618,000)</u>	-	<u>(349,371)</u>
<b>Deductions during the year:</b>					
<b>Amounts transferred In regard to which there are no limitations</b>					
Pertaining to use of fixed assets		(129,849)	-	129,849	-
Amounts transferred to cover depreciation costs	-	<u>181,924</u>	<u>-</u>	<u>(181,924)</u>	<u>-</u>
		<u>52,075</u>		<u>(52,075)</u>	
<b>Balance as of 31 December 2014</b>		<u>50,676</u>	<u>882,000</u>	<u>1,074,210</u>	<u>2,006,886</u>

The notes constitute an integral part of the financial statements.

## **Arugot, Child and Family Development Center**

### **Notes to the financial statements as of 31st December 2014**

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#### **Note 1 - General**

##### **General**

The Amutah (non-profit organization no. 580174225) was founded in 1990 with the purpose of:

- 1) identifying and treating learning disabled children in the areas of: learning difficulties, developmental delays, behavioral problems, including the treatment of entire families in a variety of frameworks.
- 2) providing therapy for youngsters from age 0 – 3 who have developmental delays in an integrated day care center
- 3) providing an after-school program for immigrant youngsters
- 4) treating victims of terror, anxiety and post-trauma and their families including individual and family counseling
- 5) operating special-education pre-schools
- 6) identifying, treating and preventing problems affecting the child and family including para-medical services and family counseling

#### **Note 2 - Principles of Accounting Policy**

- A.** Commencing from the financial statements as of 31st December 1997, the non-profit organization prepares its financial statements according to Statement No. 69 of Financial Accounting Standards issue by the Israeli Bureau of CPAs (hereinafter, the standards).

##### **Financial statements in nominal values**

According to the standards and based on the volume of income, the non-profit organization has prepared its financial statements on the basis of the convention of calculating historical cost in nominal values.

No cash flow report has been shown as required by accepted Accounting Standards because the administration of the Association this report will not add significant financial information to what already has been reported.

##### **B. Fixed Assets**

- (1) Fixed assets are presented at their cost value (minus depreciation)
- (2) Annual Depreciation has been calculated according to the following rates:

	<u>%</u>
Office furniture	6-7
Computers	33
Air conditioners and electronic equipment	10-15
Improvements of rental premises	10

##### **C. Net Assets**

According to Statement No. 69 of Financial Accounting Standards, net assets of the Association are presented as follows:

Net Assets are not limited and were used for general use for the Association.

Net Assets that were not limited and were used as fixed assets – for amounts covering purchase of fixed assets, including purchase and depreciation .

## Notes to the financial statements as of 31st December 2014

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### Note 3 - Accounts payable and debit balances

	<u>31.12.14</u>	<u>31.12.13</u>
	NIS	NIS
Post Dated Checks	10,071	31,655
Various Obligations	9,830	52,662
Advance Payments*	135,220	15,275
Monies to be received	332,719	439,344
Advance payments to suppliers	-	993
	<b><u>487,840</u></b>	<b><u>539,929</u></b>

\*Rental expenses paid in advance NIS 115,200 with post-dated checks until the end of the school year 2014/15

### Note 4 - Fixed Assets Net

Composition:	Computers	Improve- ments of rental premises	Office furniture & equipment	Air- Conditioning & electronic equipment	Total
	NIS	NIS	NIS	NIS	NIS
<b>Cost</b>					
Balance as of year's beginning	162,386	1,925,085	579,806	318,761	2,986,038
Additions during the year	<u>16,667</u>	<u>100,299</u>	<u>12,886</u>	-----	<u>129,852</u>
Balance as of year's end	179,053	2,025,384	592,692	318,761	3,115,890
<b>Accumulated depreciation</b>					
Balance as of year's beginning	152,097	1,056,621	395,058	255,980	1,859,756
Additions during the year	<u>8,748</u>	<u>122,494</u>	<u>34,470</u>	<u>16,212</u>	<u>181,924</u>
Balance as of year's end	<u>160,845</u>	<u>1,179,115</u>	<u>429,528</u>	<u>272,192</u>	<u>2,041,680</u>
Depreciated balance as of 31st December 2014	<u>18,208</u>	<u>846,269</u>	<u>163,164</u>	<u>46,569</u>	<u>1,074,210</u>
Depreciated balance as of 31st December 2013	<u>10,289</u>	<u>868,464</u>	<u>184,748</u>	<u>62,784</u>	<u>1,126,285</u>



## Notes to the financial statements as of 31st December 2014

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### Note 5 – Employees and Payable Organizations

	<b>2014</b>	<b>2013</b>
	<u>NIS</u>	<u>NIS</u>
Employees (December)	199,391	201,109
Organizations (December)	90,869	77,481
Allocations for vacation payment*	68,487	86,902
Allocations for returning salaries	-	<u>181,770</u>
	<u>358,747</u>	<u>547,262</u>

\*funding from Ministry of Education for Preschools for months of September to December 2014 include the portion of the funding of salaries for July – August 2015 vacation.

### Note 6 - Liabilities Arising from Termination of Employee-Employer Relations

	<b>31.12.14</b>	<b>31.12.13</b>
	<u>NIS</u>	<u>NIS</u>
Reserves for retirement compensations*	690,802	611,155
Retained sums deposited in reserve	227,296	221,390
	<u>463,506</u>	<u>389,765</u>

\*Reserves for retirement compensations are shown as deductions in the name of employees

### Note 7 – Funding and Support

	<b>2014</b>	<b>2013</b>
	<u>NIS</u>	<u>NIS</u>
Ministry of Education	1,329,703	1,427,700
Ministry of Social Welfare	117,254	110,108
Haifa Municipality (including Igrot chutz)	146,172	106,309
Ministry of Economics	391,493	436,409
Ministry of Health	-	10,000
	<u>1,984,622</u>	<u>2,090,526</u>

## Note 8 - Donations

	<b>2014</b>	<b>2013</b>
	<b>NIS</b>	<b>NIS</b>
Private donations	64,408	61,993
Foundations - Israel	54,617	42,400
Foundations - Overseas	<u>1,053,833</u>	<u>773,253</u>
<b>Total</b>	<b><u>1,172,858</u></b>	<b><u>877,646</u></b>

### List of donors who donated in 2014 above NIS 20,000

<u>Name of Donor</u>	<u>Amount NIS</u>
Neter	390,000
P.E.F.	363,490
Glencore	106,000
Ballas	104,760
BIBLE	37,480
Keren Nefesh Kol Chai	24,000

## Note 9 – Income from Treatments and Assessments

	<b>December 31</b>	
	<b>2014</b>	<b>2013</b>
	<b>NIS</b>	<b>NIS</b>
Tuition paid by parents	471,418	486,286
Income from Health Services	249,974	183,362
Value of volunteers	120,000	-
Elwyn Israel Supervision	48,000	48,000
Ma'ayan HaChinuch HaTorani	54,996	102,656
<b>Total</b>	<b><u>944,388</u></b>	<b><u>820,304</u></b>

## Note 10 - Administrative and general expenditures

	<u>2014</u>	<u>2013</u>
	<u>NIS</u>	<u>NIS</u>
Salaries	440,255	357,024
Accompanying payments	105,270	74,485
Professional Services	69,624	52,236
Public Relations, Publicity	49,043	59,470
Telephone, Postal Expenses, Communications	36,785	26,634
Transportation	2,660	1,846
Depreciation	9,500	9,288
Total	<b><u>713,137</u></b>	<b><u>580,983</u></b>