

Arugot – Child and Family Development Center
(formerly: The Haifa Center for Children with Learning Disabilities)

Financial statements
As of 31st December 2015

Non-Profit Org.:580174225

Arugot

Amuta registration no.: 580174225

Financial statements as of 31st December 2015

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

Mishor, Accounting and Business Counseling Services

Avigail Shkovitzki, Certified Accountant

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 2015 and 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.

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, 2015 and 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 2016

Arugot, Child and Family Development Center

Balance Sheets as of 31st December 2014

	Notes	31.12.15 NIS	31.12.14 NIS
Current assets			
Cash and cash value		1,298,911	755,176
Open deposits		145,462	730,339
Accounts receivable and debit balances	3	<u>385,122</u>	<u>487,840</u>
		1,829,495	1,973,355
Fixed assets			
	4	<u>1,128,446</u>	<u>1,074,210</u>
		<u>2,957,941</u>	<u>3,047,565</u>
Current liabilities			
Suppliers and checks to be paid		190,845	198,846
Employee liabilities in respect of salaries (Dec.) including Income Tax & National Insurance	5	373,401	358,747
Payable expenses		<u>23,328</u>	<u>19,580</u>
		<u>587,574</u>	<u>577,173</u>
Long term liabilities			
Liabilities arising from termination of employer-employee relations, net	6	<u>408,290</u>	<u>463,506</u>
Total Liabilities		<u>995,864</u>	<u>1,040,679</u>
Assets, net			
Net assets that are not limited:			
For current activities		(48,369)	50,676
For acquisition of fixed assets		1,128,446	1,074,210
To a limited building fund designated by the Amuta		<u>882,000</u>	<u>882,000</u>
		<u>1,962,077</u>	<u>2,006,886</u>
Total Liabilities and net assets		<u>2,957,941</u>	<u>3,047,565</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 2015

		31.12.2015	31.12.14
	Notes	NIS	NIS
Operating cycle:			
Allocations from government offices and the authorities	7	2,277,254	1,984,622
Donations	8	1,166,406	1,172,858
Income from services provided	9	1,033,710	944,388
Payments by Parents: Day Care Center		385,811	285,840
Other Income		<u>64,620</u>	<u>59,190</u>
		4,927,801	4,446,898
Cost of activities:			
Salaries and accompanying payments		3,404,012	3,067,290
Treatments (independent workers)		178,427	175,520
Volunteer value		128,800	120,000
Educational, activities, supervision		108,549	99,122
Hot meals for children		77,548	74,470
Materials and textbooks		48,820	29,741
Rent: Preschool and Day Care Center		115,200	115,200
Maintenance		110,589	93,714
Electricity and Water		53,591	50,814
Insurance		37,889	31,015
Depreciation		<u>166,357</u>	<u>172,424</u>
		<u>(4,429,782)</u>	<u>(4,029,310)</u>
Net income from activities		498,019	417,588
Administrative and general expenditures	10	489,787	713,137
Fundraising Expenses		<u>44,025</u>	<u>50,766</u>
Net Expenses prior to funding		(35,793)	(346,315)
Net Funding		<u>(9,017)</u>	<u>(3,056)</u>
Surplus (deficit) during the year		<u>(44,810)</u>	<u>(349,371)</u>

The notes constitute an integral part of the financial statements.

Arugot, Child and Family Development Center

Reports of net changes in assets for the year ending on the 31st of December 2015

		Not designated by association	designate d by the Associatio n	for use of fixed assets	Total
		NIS		NIS	NIS
Balance as of 1 January 2014	-	(270,028)	1,500,000	1,126,285	2,356,257
Additions during the year:					
Deficit		(349,371)	-	-	(349,371)
Amounts designated in previous years By the Association, and the designation was cancelled		618,000	(618,000)		
		<u>268,629</u>	<u>(618,000)</u>	=	(349,371)
Deductions during the year:					
Amounts for which there are no limitations					
For use of fixed assets		(129,849)		129,849	
Amounts transferred to cover depreciation costs		<u>181,924</u>		<u>(181,924)</u>	
		<u>52,075</u>		<u>(52,075)</u>	
Balance as of December 2014	-	50,676	882,000	1,074,210	2,006,886
Additions in the course of the year:					
Surplus (deficit)		(44,810)			(44,810)
	-		-	-	
Deductions during the year:					
Amounts transferred In regard to which there are no limitations					
Pertaining to use of fixed assets		180,738	-	234,974	415,712
Amounts transferred to cover depreciation costs	-	<u>(234,973)</u>	<u>-</u>	<u>(180,738)</u>	<u>(415,711)</u>
		<u>(54,235)</u>		<u>54,236</u>	<u>1</u>
Balance as of 31 December 2015		<u>(48,369)</u>	<u>882,000</u>	<u>1,128,446</u>	<u>1,962,077</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 2015

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 2015

Note 3 - Accounts payable and debit balances

	<u>31.12.15</u>	<u>31.12.14</u>
	NIS	NIS
Post Dated Checks	16,053	10,071
Various Obligations	17,290	9,830
Advance Payments	95,096	135,220
Monies to be received	256,683	332,719
	<u>385,122</u>	<u>487,840</u>

Note 4 - Fixed Assets Net

Composition:

	Computers	Improve- ments of rental premises	Office furniture & equipment	Air- Conditioning & electronic equipment	Total 2015`	Total 2014
	NIS	NIS	NIS	NIS	NIS	
Cost						
Balance January 2015	179,053	2,013,513	592,692	330,633	3,115,891	2,986,038
Additions during the year	<u>10,172</u>	<u>74,961</u>	<u>136,042</u>	<u>13,798</u>	<u>234,973</u>	<u>129,852</u>
Balance December 2015	189,225	2,088,474	728,734	344,431	3,350,864	3,115,890
Accumulated depreciation						
Balance January 2015	160,845	1,179,115	429,528	272,192	2,041,680	1,859,756
Additions during the year	<u>14,381</u>	<u>116,537</u>	<u>33,745</u>	<u>16,075</u>	<u>180,738</u>	<u>181,924</u>
Balance December 2015	<u>175,226</u>	<u>1,295,652</u>	<u>463,273</u>	<u>288,267</u>	<u>2,222,418</u>	<u>2,041,680</u>
Depreciated balance as of 31st December 2015	<u>13,999</u>	<u>792,822</u>	<u>265,461</u>	<u>56,164</u>	<u>1,128,446</u>	<u>1,074,210</u>

Notes to the financial statements as of 31st December 2015

Note 5 – Employees and Payable Organizations

	<u>2015</u>	<u>2014</u>
	NIS	NIS
Employees (December)	235,996	199,391
Organizations (December)	85,031	90,869
Allocations for vacation payment*	52,374	68,487
	<u>373,401</u>	<u>358,747</u>

*funding from Ministry of Education for Preschools for months of September to December 2015 include the portion of the funding of salaries for July – August 2016 vacation.

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

	<u>31.12.15</u>	<u>31.12.14</u>
	NIS	NIS
Reserves for retirement compensations*	639,027	690,802
Retained sums deposited in reserve	230,737	227,296
	<u>408,290</u>	<u>463,506</u>

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

Note 7 – Funding and Support

	<u>2015</u>	<u>2014</u>
	NIS	NIS
Ministry of Education	1,518,982	1,329,703
Ministry of Social Welfare	107,780	117,254
Haifa Municipality (including Igrot chutz)	158,077	146,172
Ministry of Economics	492,415	391,493
	<u>2,277,254</u>	<u>1,984,622</u>

Note 8 – Donations*

	<u>2015</u>	<u>2014</u>
	<u>NIS</u>	<u>NIS</u>
Private donations	62,098	64,408
Foundations - Israel	125,541	54,617
Foundations - Overseas	978,767	<u>1,053,833</u>
Total	<u>1,166,406</u>	<u>1,172,858</u>

*Donations 2015 above NIS 20,000

	NIS
Keren Nefesh Kol Chai	22,000
Doris Pacey Charitable Foundation	53,886
Donations through P.E.F.	96,961
Ballas Charitable Trust	117,000
Donations through Jewish Child's Day	47,384
Neter	390,000
Salvisberg-Wessely Foundation	20,564
Harry and Jeanette Weinberg Foundation	200,000
European Friends of Arugot	75,722

Note 9 – Income from Treatments and Assessments

	December 31	
	<u>2015</u>	<u>2014</u>
	<u>NIS</u>	<u>NIS</u>
Tuition paid by parents	539,425	471,418
Income from Health Services	317,485	249,974
Value of volunteers	128,800	120,000
Elwyn Israel Supervision	48,000	48,000
Ma'ayan HaChinuch HaTorani	-	54,996
Total	<u>1,033,710</u>	<u>944,388</u>

Note 10 - Administrative and general expenditures

	<u>2015</u>	<u>2014</u>
	<u>NIS</u>	<u>NIS</u>
Salaries	235,089	440,255
Accompanying payments	65,243	105,270
Professional Services	62,274	69,624
Public Relations, Publicity	67,416	49,043
Telephone, Postal Expenses, Communications	42,221	36,785
Transportation	3,163	2,660
Depreciation	14,381	9,500
<u>Total</u>	<u>489,787</u>	<u>713,137</u>