



**Israel Guide
Dog Center**

Israel Guide Dog Center for the Blind

Financial Statements

December 31, 2021

אליאב ושות'
דואי חשבון ועו"ד



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ISRAEL GUIDE DOG CENTER FOR THE BLIND

Financial Statements as of December 31, 2021

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Independent Auditors Report

To the Members of the Non-Profit Organization Israel Guide Dog Center for the Blind Beit Oved, Israel

We have audited the accompanying balance sheets of the Israel Guide Dog Center for the Blind as of December 31, 2021, and the related statements of support and revenue, expenses and changes in fund balances for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

The financial statements, as of December 31, 2020, and for the years then ended, were audited by a previous auditor whose audit report from the date of May 27th, 2021 has an unqualified opinion.

The audit was conducted in accordance with the generally accepted auditing standards. Those standards require that we plan and conduct the audit to obtain reasonable assurance about whether the financial statements are free of inherent misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that this audit provides a reasonable basis for our opinion.

We believe that the financial statements referred to above present fairly, in all material respects, the financial position of the Israel Guide Dog Center for the Blind as of December 31, 2021, and the results of its operations and changes in fund balances for the years then ended in conformity with generally accepted accounting principles.

Tel Aviv, May 16, 2022



Eliav & Co.
Certified Public Accountants (Israel)

ISRAEL GUIDE DOG CENTER FOR THE BLIND
(Non-Profit Organization)

Balance Sheet as per December 31, 2021

	<u>Note</u>	<u>Dec. 31, 2021</u> NIS	<u>Dec. 31, 2020</u> NIS
<u>Assets</u>			
<u>Current Assets:</u>			
Cash & Cash Equivalents	3	2,209,443	449,212
Short-Term Deposits	4	4,322,852	4,143,258
Receivables & Debit Balance	5	191	45,689
Total Current Assets		6,532,487	4,63,159
<u>Non-Current Assets:</u>			
Net Fixed Assets	6	21,655,944	22,029,872
Deferred Expenses	7	685,092	708,134
Total Non-Current Assets		22,341,036	22,738,006
Total Assets		<u>28,873,523</u>	<u>27,376,165</u>
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Trade Payables	8	173,131	62,781
Other Payables	9	1,235,026	1,263,082
Total Liabilities		1,408,157	1,325,863
<u>Net Assets</u>			
<u>Unrestricted Net Assets:</u>			
Net Assets to use for activities weren't designated by the NGO institutions		5,809,422	4,020,426
Net assets invested in fixed assets		14,979,689	15,122,948
		20,789,111	19,143,374
<u>Restricted Net Assets:</u>			
Beit Oved Center		6,676,255	6,906,928
Total Net Assets		<u>2,465,366</u>	<u>26,050,302</u>
Total Liabilities & Net Assets		<u>28,873,523</u>	<u>27,376,165</u>

The accompanying notes are an Integral part of the Financial Statements.

Haim Schwartz
Chairman of the Board

Roni Dick
Treasurer

ISRAEL GUIDE DOG CENTER FOR THE BLIND
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**Statement of Activities for the
Years Ended December 31, 2021 and December 31, 2020.**

	<u>Note</u>	<u>For the year ended Dec. 31, 2021</u>	<u>For the year ended Dec. 31, 2020</u>
		NIS	NIS
Income	11	14,188,962	10,221,629
Cost of Activities	12	9,007,883	8,665,156
Net Income from Activities		<u>5,181,079</u>	<u>1,556,473</u>
Management & General Expenses	13	1,921,059	1,48,501
Public Relations & Fund Raising	14	1,643,528	1,347,002
Total Indirect Expenses		<u>3,564,587</u>	<u>2,995,503</u>
Income (deficit) before financing		1,616,492	(1,439,030)
Net Financing Expenses		212,376	346,188
Income from Sales of Fixed Property		<u>47,000</u>	<u>-</u>
Net Income (Deficit) Per Year		<u>1,451,116</u>	<u>(1,785,218)</u>

The accompanying notes are an Integral part of the Financial Statements.

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**Statement of Changes in the Net Assets -
for the Years Ended December 31, 2021, and December 31, 2020.**

	<u>Net Assets:</u>			
	Unrestricted	Net assets	Restricted	Total
	Net Assets to use for	invested in	Beit Oved Center	
	activities weren't	fixed assets		
	designated by the			
	NGO institutions			
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
Balance as of January 1st, 2020	4,993,579	15,687,204	7,154,737	27,835,520
<u>Decrease during the year:</u>				
Net Income (Deficit)	(1,785,218)	---	---	(1,785,218)
<u>Reductions during the year:</u>				
Transferring unrestricted sums:				
Into Fixed Assets	(119,343)	119,343	---	---
Into depreciation expenses	931,408	(683,599)	(247,809)	---
<u>Total Reductions during the year</u>	<u>812,065</u>	<u>(564,256)</u>	<u>(247,809)</u>	<u>----</u>
<u>Balance as of December 31, 2020</u>	<u>4,020,426</u>	<u>15,122,948</u>	<u>6,906,928</u>	<u>26,050,302</u>
<u>Increase during the Year:</u>				
Net Income	1,451,116	---	---	1,451,116
Adjustments to fix previous years balances	(36,052)			(36,052)
<u>Reductions during the year:</u>				
Transferring unrestricted sums:				
Into Fixed Assets	(547,123)	547,123	---	---
Into depreciation expenses	921,055	(690,382)	(230,673)	---
<u>Total Reductions during the year</u>	<u>373,932</u>	<u>(143,259)</u>	<u>(230,673)</u>	<u>0</u>
Balance as of December 31, 2021	<u>5,809,422</u>	<u>14,979,689</u>	<u>(*) 6,676,255</u>	<u>27,465,366</u>

(*) See explanation in Note 6 Comment 2.

The accompanying notes are an Integral part of the Financial Statements.

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**Cash Flow Report for the
Years Ended December 31, 2021, and December 31, 2020.**

	<u>For the year ended</u> <u>Dec. 31, 2021</u> NIS	<u>For the year ended</u> <u>Dec. 31, 2020</u> NIS
<u>Cash Flow from Current Activities:</u>		
Reserve (Deficit)	1,451,116	(1,785,218)
Adaptations required for presenting cash flow from current activities – Appendix A		
Income and Expenses without cash flow	908,044	954,450
Changes in creditors and debtors	<u>127,792</u>	<u>206,952</u>
<u>Total adaptations required for displaying cash flow from current activities – Appendix A</u>	1,035,836	1,161,402
<u>Net Cash used for current activities</u>	2,486,952	(623,816)
<u>Cash Flow From Investment Activity</u>		
Investment in Fixed assets	<u>(547,123)</u>	(119,343)
Net Cash used for investment activity	(547,123)	(119,343)
<u>Total Growth in Cash & Cash Equivalent</u>	1,939,829	743,159
Cash on Hand at the beginning of the year	4,592,466	5,335,625
Cash on Hand at the end of the year		
<u>Cash on Hand at the beginning of the year</u>	<u>6,532,295</u>	<u>4,592,466</u>
<u>Cash on Hand at the end of the year</u>		
<u>The Adaptations Required for Presenting the Cash Flow from Current Activity – Appendix A'</u>		
Income and Expenses that are Not Bound by Cash Flow		
Depreciation and Reductions	944,091	954,450
<u>Adaptations based on previous years</u>	(36,047)	---
	908,044	954,450
Changes in Equipment and Liability Articles		
Reduction (Increase) in Receivables and Mandatory Balances	45,498	3,012
<u>Rise (Decrease) in Suppliers and Checks for Repayment</u>	110,150	41,264
<u>Increase in Other Entitlements and Credit Balances</u>	<u>(28,056)</u>	<u>162,676</u>
	<u>127,792</u>	<u>206,952</u>
<u>Total in Adaptations that are Required for displaying Cash Flow from Current Activity – Appendix A'</u>	1,035,836	1,161,402

The accompanying notes are an Integral part of the Financial Statements.

ISRAEL GUIDE DOG CENTER FOR THE BLIND
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Notes for the Financial Statements for the Years ended on December 31, 2021

Note 1. General

1. The IGDCB was registered as non-profit organization by the Registrar of Non-Profit Organizations in the Israel Ministry of Justice on June 11, 1990 and began operations on January 1, 1991. In 1999 the name was officially re-registered as the Israel Guide Dog Center for the Blind, non-profit organization no. 580168961.
2. The mission of the Israel Guide Dog Center for the Blind is to help blind Israelis regain their lives by providing independence, mobility and self-confidence through the use of guide dogs, and to provide aftercare services to all graduates and other guide dog users who request assistance. There is no charge made for the guide dog, the instruction or the aftercare. During 2021, 32 guide dog partnerships were created (as opposed to 38 in 2020)
3. In 1993 the IGDCB purchased the leasing rights on a six dunam property (1.48 acres), adjacent to the Ayanot Youth Village (and opposite Moshav Beit Oved), which included a residence, for the purpose of establishing a training and instruction IGDCB. The land is owned by the Israel Land Authority (ILA).

On December 5, 2012 a compromise agreement was signed with the ILA. The IGDCB would pay the ILA a reduced sum of NIS 1,158,438 for the leasing rights on the property. This fee would cover a period of 49 years beginning October 1, 2001 through September 30, 2050.

4. The Lady Elizabeth Kaye Student Center: In 1998, Lady Elizabeth Kaye of London, Great Britain donated a sum of £515,000 in order to construct a permanent building. Under one roof, this structure would contain a Students' Dormitory for clients receiving guide dogs and the administrative offices of the IGDCB. Over the years, additional donations were received for this building, they all included in the restricted net assets.
5. In December 2006, the IGDCB signed a contract for the purchase of an additional 6 dunam property with a 50 sq.m building adjacent to the IGDCB campus. The cost of this property was US\$840,000 which was fully paid to the sellers
6. The IGDCB invested in building the eastern area on a plot of land described in Paragraph 3 above. The construction was completed in the beginning of 2018 and appears under fixed assets. The surplus in the activities, in excess of the actual implementation costs and the operating expenses of the center were invested in the construction of the new campus. The new campus included the construction of: Guide Dog Training Center, Puppy Development Center, Storage Building, and Emergency Water Tank.
7. The IGDCB's income is obtained from donations from the United States, Canada and Great Britain by Associations/Friends Associations with an identical name that operate in these countries and transfer funds and donations from abroad and from Israel along with government payments.

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Notes for the Financial Statements for the Years ended on December 31, 2021

Note 1. General (Cont.)

8. The IGDCB is a non-profit organization, and therefore their income is exempt from income tax. In the year 1992 the IGDCB was authorized as a public institution regarding donations according to Section 46 of the Israel Income Tax Law. The authorization is valid in the tax year till the end of 2023.
9. The IGDCB was awarded the Seal of Effectiveness by Midot, a non-profit organization that strives to promote effectiveness and impact in NPO's. This seal signifies that the IGDCB places a high priority on planning and evaluation, focusing on results and striving for continuous improvement, in order to impact on its beneficiaries and make significant changes in their lives.
10. The effects of the coronavirus crisis on the IGDCB
For details about the coronavirus crisis effects on the association, see Note 1, Paragraph 13, of the 2020 financial reports.

Throughout the year of 2021 the IGDCB continued its consistent and normal activity

The association is consistently conducting talks regarding the renewed dispersion of the coronavirus or another virus and how this could affect its activity, as a result of the essential manpower entering isolation or as a result of an additional decrease in income from donations.

11. Fixed Assets

The fixed assets are displayed according to the cost minus accrued depreciation. The depreciation in the depreciation method that is equal to rates that are considered sufficient to reduce the assets to the length of their anticipated usage period. The depreciation rates are:

Furniture & Equipment 6% - 25%; Computerization & Software 33%; Real Estate – 2%

Note 2. Accounting Policy

1. The financial statements were conducted on the basis of historical cost.
2. The Financial reports do not include the economic cost-benefit impact of volunteers, despite the fact that volunteers are involved in the Center's activities in and out of the IGDCB campus in Beit Oved, carrying out a variety of activities, and this is in accordance with the rules that were determined in accounting regulation No. 40.
3. Rate of Foreign Exchange - Foreign currency balances in the Financial Statements are according to the Bank of Israel Currency Exchange Rates for the date of the Financial Statements.
4. The financial statements were conducted according to accounting regulation Number 40 – Accounting principles and financial report by the non-profit organization.

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Notes for the Financial Statements for the Years ended on December 31, 2021

Note 2. Accounting Policy (Cont.)

5. The IGDCB examined the fixed assets in accordance with what is required by accounting regulation Number 15 and according to them there is no need to execute adaptations due to the decrease in the value of the assets.
6. Services that were obtained without compensation were included in the financial statements' income by their fair value and under the conditions that were determined in the accounting regulation number 40.

The fair value of the services that were obtained without compensation, is determined by the association management for market price of the same services.

7. Effects of new accounting regulations – Accounting Regulation Number 40 Accounting Rules and Financial Reporting by Non-Profit Organizations

On August 13th, 2020, the professional committee of the Israeli Institution for Standardization in Accounting, authorized Accounting Regulation Number 40 regarding accounting rules and financial reporting by non-profit organizations.

The regulation unites the accounting rules and the financial reporting for non-profit organizations, and with its becoming valid, the regulation replaced manifesto number 69 of the Israeli GAAP bureau regarding accounting rules and financial reporting by non-profit organizations and its repairs in accounting regulation number 5: "Repairs and clarifications for Manifesto Number 69 regarding accounting rules and financial reporting by non-profit organizations" and Accounting Regulation Number 36: "Fixing Manifesto Number 69 regarding account rules and financial reporting by non-profit organizations and Accounting Regulation Number 5 regarding fixes and clarifications for Manifesto Number 69" and in Paragraphs 2 and for "improving existing regulations 2017 (A)" that deal with the issue of non-profit organizations.

The regulation includes changes compared to the existing regulation, for example in the company's recognition of non-profit organizations for fixed assets and cash for investment in fixed assets as well as regarding services that were obtained without compensation and more.

The regulation is incurred on the financial statements for yearly periods as of January 1, 2021. The repercussions of the changes for Regulation 40 do not affect the association's documents.

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Notes for the Financial Statements for the Years ended on December 31, 2021

Note 2. Accounting Policy (Cont.)

8. Exchange rates and Linkage Base

1. Foreign currency balances, or those adjacent to it, are included in the financial statements according to the representative exchange rates that were published by Bank Israel and were valid as of the balance date.

2. Balances that are attached to the consumer price index in accordance with the last known index on the balance date or in accordance with the index for the last month of the report date in accordance with conditions of the transaction.

3. The following are data regarding the exchange rate of the dollar:

	<u>Exchange rate of the dollar</u>		<u>Change Rate for the Year</u>	
	<u>As of December 31,</u>		<u>Ended December 31</u>	
	2021	2020	2021	2020
	NIS	NIS	%	%
US Dollar	3.11	3.21	(3.3)	(6.97)
Canadian Dollar	2.44	2.52	(3.2)	(4.97)
Pound Sterling	4.2	4.4	(4.3)	(3.68)

4. Exchange rates and linkage is credited to profit and loss with their appearance

Note 3. Cash & Cash Equivalents

	<u>As of December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Cash	85,143	29,707
Banks	<u>2,124,300</u>	<u>419,505</u>
Total	<u>2,209,443</u>	<u>449,212</u>

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Notes for the Financial Statements for the Years ended on December 31, 2021

Note 4. Short-Term Deposits

	<u>As of December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Short term deposits in Banks – in foreign currency	3,932,161	3,752,610
Short term deposits in Banks- in NIS	<u>390,691</u>	<u>390,648</u>
Total	<u>4,322,852</u>	<u>4,143,258</u>

Note 5. Receivables and Debit Balance

	<u>As of December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Income Tax	----	7,887
Others	<u>191</u>	<u>37,802</u>
Total	<u>191</u>	<u>45,689</u>

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Notes for the Financial Statements for the Years ended on December 31, 2021

Note 6. Net Fixed Assets

	<u>As of December 31, 2021</u>					<u>As of December 31, 2020</u>
	Computers & Software	Real Estate	Vehicles	Furniture & Equipment	Total	Total
	NIS	NIS	NIS	NIS	NIS	NIS
Cost						
Balance for January 1, 2021	---	31,235,087	2,468,643	2,240,559	35,944,289	35,824,946
Investment in 2021	34,941	---	(1) 484,351	27,831	(1) 547,123	119,343
Reductions in 2021 (2)	---	(1,286,590)	(389,183)	(1,421,937)	(3,097,710)	---
Balance for December 31, 2021	<u>34,941</u>	<u>29,948,497</u>	<u>2,563,811</u>	<u>846,453</u>	<u>33,393,702</u>	<u>35,944,289</u>
Accumulated Depreciation						
Balance for January 1, 2021	---	10,751,453	1,387,789	1,775,175	13,14,417	12,983,009
Depreciation in 2021	5,855	532,232	286,266	96,698	921,051	931,408
Reductions in 2021 (2)	---	(1,286,590)	(389,183)	(1,421,937)	(3,097,710)	---
Balance for December 31, 2021	<u>5,855</u>	<u>9,997,095</u>	<u>1,24,872</u>	<u>449,936</u>	<u>11,737,758</u>	<u>13,914,417</u>
Net Fixed Assets on Dec. 31, 2021	<u>29,086</u>	<u>(3) 19,951,402</u>	<u>1,278,939</u>	<u>396,617</u>	<u>21,655,944</u>	<u>22,029,872</u>

Comments:

(1) Including additional sum of NIS 48,965 based on previous years adjustments.

(2) In the year of 2021, reductions were conducted on assets whose reduced cost was zeroed and the assets were already not in use. In addition, 3 vehicles were sold whose reduced cost was zeroed.

(3) This sum includes a total of NIS 6,676,255 of the cost of the structures acquired through restricted donations for the purposes of permanent buildings at Beit Oved.

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Notes for the Financial Statements for the Years ended on December 31, 2021

Note 7. Deferred Expenses

	<u>As of December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Capitalization of Lease Fees	1,158,438	1,158,438
Accrued deduction (2% a year)	<u>(473,346)</u>	<u>(450,304)</u>
Total	<u>685,092</u>	<u>708,134</u>

Note 8. Trade Payables

	<u>As of December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Open Debts – Israeli suppliers	<u>173,131</u>	<u>62,781</u>

Note 9. Other Payables

	<u>As of December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Institutions	272,074	286,800
Employees	351,072	401,518
Vacation Provision	605,640	574,764
Income in Advance	<u>6,240</u>	<u>---</u>
	<u>1,235,026</u>	<u>1,263,082</u>

Note 10. Provision for Employees Rights

The IGDCB covered in full its commitment to pay retirement compensation to workers by direct deposit to their retirement policies.

The accumulative sums in these policies are not controlled by the IGDCB and therefore are not reflected in the financial reports. The reserved funds noted are sums not yet deposited by the IGDCB.

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Notes for the Financial Statements for the Years ended on December 31, 2021

Note 11. Income

	<u>For Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
<u>Donations</u>		
Donations in Israel	2,479,678	1,535,496
Donations from the U.S.	599,238	680,722
Donations from other countries	403,332	302,521
<u>Unilateral Transfers from related associations</u>		
Transfers – USA	5,570,072	3,934,667
Transfers – England	2,716,380	1,069,678
Transfers – Canada	748,160	871,112
Services received without compensation	(*)833,383	792,581
Membership Fees	120,769	42,435
Assistance from government offices	612,168	874,396
Income from services providing	71,680	69,600
Other Income	<u>34,102</u>	<u>48,421</u>
Total Income	<u>14,188,962</u>	<u>10,221,629</u>

(*) The services that were obtained without compensation are as follows: (see also Note 12 hereinafter)

	<u>2021</u>
	<u>NIS</u>
Courses and Publicity	261,910
Drinks	3,809
Vehicle Security	96,690
Dog Medication	56,532
Dog Food	226,078
Bicycle Group	15093
Cleaning Fluids and Housekeeping	8,455
Electrical Equipment	<u>7,500</u>
	676,067
Vehicle Acquisition – Fixed Asset	<u>157,316</u>
Total	<u>833,383</u>

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Notes for the Financial Statements for the Years ended on December 31, 2021

Note 12. Cost of Activities

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
	NIS	NIS
<u>Training & Support Services</u>		
Vehicle Expense	468,337	261,561
Professional Consultation	68,042	126,691
Expenses for Manpower and House Mother	3,657,721	3,609,990
	<u>4,194,100</u>	<u>3,998,242</u>
 <u>Doghouse Expenses</u>		
Dog Food & Supplies	424,040	580,894
Dog Medication & Vet Expenses	285,660	282,703
Manpower and National Service Expenses	1,066,184	902,394
	<u>1,775,885</u>	<u>1,65,991</u>
 <u>Aftercare & Puppy Raising</u>		
Aftercare, families assistance	54,821	41,339
Vehicle Expense	44,085	66,651
Manpower Expenses	747,123	720,124
	<u>846,030</u>	<u>828,114</u>
 <u>Yes and No Department expenses</u>	 <u>294,620</u>	 <u>127,265</u>
 <u>Training Center Maintenance</u>		
Salaries & Benefits	383,428	451,888
Maintenance, courses and activities	165,730	153,571
Land Leasing Fees	41,898	64,158
Taxes – Real Estate	292,332	274,012
Insurance	69,768	70,807
	<u>953,157</u>	<u>1,014,436</u>
 <u>Depreciation & Amortization</u>	 <u>944,091</u>	 <u>931,408</u>
 <u>Total Cost of the Activities</u>	 <u>9,007,883</u>	 <u>8,665,156</u>

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Notes for the Financial Statements for the Years ended on December 31, 2021

Note 13. Management & General Expenses

	<u>For Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Salaries & Benefits	1,503,541	1,266,492
Office Supplies & Maintenance	218,239	280,567
Communication and IT	43,223	24,638
Professional Services	68,527	57,806
Events, Gifts and Welfare	89,361	9,028
Miscellaneous	<u>(1,832)</u>	<u>9,970</u>
Total	<u>1,921,059</u>	<u>1,648,501</u>

Note 14. Publicity and Donation Recruitment Expenses

	<u>For Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Salaries & Benefits	1,439,844	1,265,242
Public Relations and Advertising	<u>201,664</u>	<u>81,760</u>
Total	<u>1,643,628</u>	<u>1,347,002</u>

Note 15. Financing Expenses

	<u>For Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	<u>NIS</u>
Bank service charges	31,349	32,893
Adjustment for exchange rates- see <i>comment</i>	<u>180,857</u>	<u>*313,296</u>
Miscellaneous	<u>170</u>	<u>---</u>
	<u>212,376</u>	<u>346,188</u>

Comment:

Rate differentials emerge from the decrease in value of the dollar bank account, and due to a decrease in the dollar rate. The dollar rate decreased by about 7% throughout the year 2020 and by 3.3% throughout the year 2021.

*The figure was reclassified – as in 2020 statements was included in cost of activities expenses.