

OneFamily - Registered Association Ltd.

**Financial Statements
As of December 31, 2021**

Financial Statements as of December 31, 2021 OneFamily - Registered Association Ltd.

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AUDITORS REPORT

To the Members of the Management of ONEFAMILY-REGISTERED ASSOCIATION (R.A)

We have audited the accompanying balance sheet of OneFamily-Registered Association, an Association registered under the Association Law, 1980 ("the Association") as of December 31, 2021 and 2020, and the related Statement of Activities, Changes in Net Assets and Cash Flows for each of these years. The Financial Statements are the responsibility of the Executive Committee and management of the Association. 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 in Israel, including those prescribed under the Auditor's Regulations (Auditor's Mode of Performance), 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes testing and examining 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 Executive Committee and Management of the Association, as well as evaluating the overall financial statement presented. 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 as of December 31, 2021 and 2020 and the results of its activities, changes in net assets and cash flows for each of the years then ended, in conformity with generally accepted accounting principles in Israel.

Sofrin Bachar & Co.
C.P.A. (Isr.)

14 June, 2022 Ramat-Gan,

Balance Sheet

OneFamily- Registered Association Ltd.

	Note	December 31,	
		2021 NIS	2020 NIS
ASSETS			
Current Assets			
Cash and cash equivalents	3	3,727,221	1,713,437
Designated deposits	4	3,221,571	3,221,459
Trust funds (familis)		-	91,788
Accrued income		942,000	358,864
Accounts receivable	5	577,375	1,064,686
		<u>8,468,167</u>	<u>6,450,234</u>
Long –Term Receivables			
Mutual Assistance Fund	6	556,300	544,384
Fixed Assets			
Cost	7	601,366	536,246
Less accumulated depreciation		461,139	431,217
		<u>140,227</u>	<u>105,029</u>
		<u>9,164,694</u>	<u>7,099,647</u>
LIABILITIES			
Current Liabilities			
Trade payables	8	256,489	203,000
Other accounts payable	9	344,075	324,170
		<u>600,564</u>	<u>527,170</u>
Long –Term Liabilities			
Accrued severance pay	10	-	51,551
Net Assets			
Unrestricted net assets used in operations		3,867,603	1,871,513
Unrestricted net assets used for fixed assets		140,227	105,029
Restricted net assets		4,556,300	4,544,384
		<u>8,564,130</u>	<u>6,520,926</u>
		<u>9,164,694</u>	<u>7,099,647</u>

Chaim Sacknovits
Member of the Association Management

Chantal Belzberg
Exec. Vice Chairman of the Association

____ June, 2022 Ramat-Gan,

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

	Note	Year ended December 31,	
		2021	2020
		N.I.S	
Revenues from operations:			
Donations received, net	13a	9,528,299	6,095,595
Cost of operations:			
Current expenditures	13b	6,671,529	5,506,399
General and administrative expenses	13c	614,354	550,052
<u>Total cost of operations</u>		<u>7,285,883</u>	<u>6,056,451</u>
Income of operations, net		2,242,416	39,144
Financing expenses, net	13d	<u>(211,127)</u>	<u>(137,829)</u>
Surplus (Deficit)		<u><u>2,031,289</u></u>	<u><u>(98,685)</u></u>

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

Statements of Changes in Shareholders' Equity OneFamily - Registered Association Ltd.

	<u>Unrestricted net assets</u>		<u>Restricted net assets</u>		<u>Total</u>
	<u>Used in operations</u>	<u>Used for fixed assets</u>	<u>Mutual assistance</u>	<u>Purchase a structure</u>	
Balance at January 1, 2020	1,739,686	335,541	544,384	4,000,000	6,619,611
Financing Expenses	-	-	-	-	-
Deficit	(98,685)				(98,685)
Reclassification unrestricted net assets	202,022	(202,022)			-
Subtractions during the year:					
Transfer of unrestricted amounts used for fixed assets	(23,300)	23,300			-
Amounts used for covering depreciation expenses	51,790	(51,790)			-
Balance at December 31, 2020	<u>1,871,513</u>	<u>105,028</u>	<u>544,384</u>	<u>4,000,000</u>	<u>6,520,926</u>
Financing income	-	-	11,916	-	11,916
Surplus	2,031,289				2,031,289
Subtractions during the year:					
Transfer of unrestricted amounts used for fixed assets	(65,151)	65,151			-
Amounts used for covering depreciation expenses	29,922	(29,922)			-
Balance at December 31, 2021	<u>3,867,603</u>	<u>140,227</u>	<u>556,300</u>	<u>4,000,000</u>	<u>8,564,130</u>

The accompanying notes are an integral part of the financial statement

	Year ended December 31,	
	2021	2020
	N.I.S.	
<u>Cash flow from current operating activities:</u>		
Surplus (Deficit)	2,031,289	(98,685)
Adjustments required to reconcile surplus to net cash used by current operating activities (A):	<u>(44,060)</u>	<u>1,823,251</u>
Net cash used by operating activities	1,987,229	1,724,566
<u>Cash flow from investing activities:</u>		
Increase in designated deposits	(112)	(3,000,414)
Purchase of fixed assets	<u>(65,121)</u>	<u>(23,300)</u>
Net cash used for investing activities	<u>(65,233)</u>	<u>(3,023,714)</u>
<u>Cash flow from financing activities:</u>		
Decrease (increase) in trust funds	<u>91,788</u>	-
Net cash used in financing activities	<u>91,788</u>	-
Decrease in cash and cash equivalents	2,013,784	(1,299,148)
Cash and cash equivalents at beginning of the year	<u>1,713,437</u>	<u>3,012,585</u>
(A) Cash and cash equivalents at end of year	<u><u>3,727,221</u></u>	<u><u>1,713,437</u></u>
<u>Adjustments required to reconcile surplus to net cash provided by operating activities</u>		
<u>Revenue and expenses not involving cash flow:</u>		
Depreciation	29,922	51,790
Increase (decrease) in accrued severance pay	(51,551)	(7,712)
<u>Changes in asset and liability items:</u>		
Decrease (increase) in accrued income	(583,136)	2,364,717
Decrease (increase) in accounts receivable	487,311	(457,972)
Increase (decrease) trade payables and other accounts payable	73,394	(127,572)
	<u>(44,060)</u>	<u>1,823,251</u>

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

Note 1 - GENERAL

1. Description of business

OneFamily - Registered Association No 580382620 ("the Association ") was registered on October 21, 2001, as an Association in accordance with the Associations Law, 1980. The Association has proper management approval from the Registrar of Associations which was in effect until December 31, 2022. In addition, the Association obtained an approval for charitable donations pursuant to section 46 to the Income Tax Ordinance (see note 11).

The Association`s purpose:

To provide financial, emotional and social assistance to the victims of terrorism and their families and to provide any assistance they will require as victims of terrorist attacks.

To provide assistance at the community level for those dealing with the effects of terror and to provide financial and logistical support to organizations that are engaged in providing assistance to victims of terrorism.

Set up approximately 60 permanent volunteers and other occasional volunteers to assist in the work of the Association. The volunteers` main activities are to maintain a personal relationship with the victims and their families, provide emotional and personal care, visit their homes, and more.

Note 2 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the financial statements on a consistent basis are as follows:

A. Recognition basis:

The financial statements are prepared on an accrual basis, except for revenues from donations which are recognized on the basis of actual receipts.

B. Reporting basis of the financial statements:

The financial statements have been prepared in nominal amounts based on the historical cost convention.

C. Net assets:

The Association applies accounting standard no. 5 of the Israel Accounting Standards Association (which superseded opinion no. 69 of the Institute of Certified Public Accountants in Israel) regarding accounting and reporting principles for non – profit organizations.

Net assets are classified into two principal categories:

Note 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

1. Unrestricted net assets:

The Association's net assets whose use is not subject to any restrictions, either permanent or temporary, by donors.

2. Restricted net assets:

Reflects net assets that are subject to restrictions, either permanent or temporary.

D. Cash equivalents:

The Association considers all highly liquid investments, including unrestricted short-term bank deposits purchased with original maturities of three months or less, to be cash equivalents.

E. Fixed assets:

- 1. Fixed assets are stated at cost net of accumulated depreciation.
- 2. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are as follows:

	_____ % _____
Furniture and equipment	6-15
Computers	33
Motor vehicle	15
Electrical vehicle	15

F. Impairment of fixed assets:

The Association applies accounting standard no. 15, "Impairment of Assets". The standard applies to all of the assets included in the balance sheet other than inventories, assets arising from construction contracts, assets arising from employee benefits, deferred tax assets and financial assets (with the exception of investments in affiliates). According to the standard, whenever there is an indication that an asset may be impaired, the Association should determine if there has been an impairment of the asset by comparing the carrying amount of the asset to its recoverable amount. The recoverable amount is the higher of an asset's net selling price or value in use, which is determined based on the present value of estimated future cash flows derived by expected to be the continuing use of an asset and by its disposal at the end of its useful life. If the carrying amount of an asset exceeds its recoverable amount, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. An impairment loss recognized should be reversed only if there have been changes in the estimates used to determine the assets recoverable amount since the impairment loss was recognized.

Note 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

G. Exchange rate and linkage basis:

1. Assets and liabilities in or linked to foreign currency are presented according to the Representative Exchange Rates published by the Bank of Israel at balance sheet date.
2. Assets and liabilities linked to the Israeli CPI are presented according to the relevant index for each linked asset or liability.

Below are data about the Israeli CPI and the exchange rates of U.S. dollar.

As of December 31,	Israeli CPI For December points	Representative Exchange rate of USD1 NIS
2021	102.9	3.11
2020	100.1	3.215
Change during the year ended	%	%
2021	2.8	(3.27)
2020	(0.7)	(7)

H. The amount of cash and cash equivalents, credit from banks, trade payables and other accounts payable approximate their **fair value of financial instruments**.

NOTE 3 - CASH AND CASH EQUIVALENTS

	December 31,	
	2021	2020
	NIS	
By currency:		
In NIS	2,693,932	419,067
In foreign currency	1,033,289	1,294,370
	<u>3,727,221</u>	<u>1,713,437</u>

NOTE 4 - DESIGNATED DEPOSITS

	December 31,	
	2021	2020
	NIS	
A designated deposit to cover a liability for compensation	221,571	221,259
A designated deposit in favor of purchasing a structure (1)	3,00,000	3,000,200
	<u>3,221,571</u>	<u>3,221,459</u>

- (1) In May 2020 the association decided to designate an amount of 4 million NIS, till year 2018 for purchasing a structure for the association's activities. For the purpose of realizing this goal, in year 2020 the association has allocated NIS 3,000,000 for deposit aimed at purchasing a building

NOTE 5 - ACCOUNTS RECEIVABLE

	December 31,	
	2021	2020
	NIS	
Prepaid expenses	60,848	29,744
Check payable and credit cards	250,563	769,978
Institutions	66,550	65,550
Rental deposit (see note 12)	105,818	105,818
Other receivables	93,596	93,596
	<u>577,375</u>	<u>1,064,686</u>

NOTE 6 - MUTUAL ASSISTANCE LOAN FUND

In 2002, the Association in collaboration with the Organization of Israel's Terror Victims - "Hayatzig" founded a Mutual Assistance Fund, "the Fund" with the purpose of "Irgun providing loans to families of terror victims. The amount in the fund amounted to 1 Million NIS. Each party invested in the Fund NIS 500,000. Income and expenses incurred in connection with the Fund's activity will be to the Fund.

The loans are retrieved through the bank account of the organization of Israel's Terror Victims in Bank Leumi of Israel Ltd. The loans are interest free and unlinked for periods of up to 36 months. The repayment of the loans requires the guarantee of only one person.

NOTE 6 - MUTUAL ASSISTANCE LOAN FUND (Cont.)

Any addition to the Fund will be made through equal investment by both parties. The Fund may be liquidated at any time and each party will receive its share in the Fund's assets and liabilities.

In 2013 the Association applied for the funds to be returned in accordance with the agreement. The Organization of Israel's Terror Victims refused to return the investment. The Association's legal counsel believes that Association has a high chance to regain its funds.

In addition, as of the signing of the financial statements has not yet provided the organization refuses the information about the Fund data for 2021 so the numbers shown are the data of the Fund as presented in the previous year. Amounts presented in 2020 constitute the data of the fund for 2019

B. Composition

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>NIS</u>	
Cash	9,649	71,882
Bank deposits	-	-
	<u>9,649</u>	<u>71,882</u>
Loans granted (see c below)	1,142,599	1,061,779
Less - doubtful accounts	-	-
	<u>1,152,248</u>	<u>1,133,661</u>
Less balance of debt (loan from assistance fund)	39,648	44,894
Less the share of the Organization of Israel's Terror Victims	556,300	544,384
	<u>556,300</u>	<u>544,384</u>
C. Following are maturity dates of loans granted:		
First year	706,896	719,409
Second year	347,769	310,030
Third year	87,934	32,340
	<u>1,142,599</u>	<u>1,061,779</u>

NOTE 9 - OTHER ACCOUNTS PAYABLE

	Year ended December 31,	
	2021	2020
	N.I.S	
Accrued expenses	58,500	65,174
Employees and payroll accruals	285,575	258,996
	<u>344,075</u>	<u>324,170</u>

NOTE 10 - ACCRUED SEVERANCE PAY

The Association's liabilities to some of its employees are covered by Managers' Insurance Policies.

The accrued liability amounts and the policies' value for compensation purposes are not included in the balance sheet as they are not under the control and management of the Association.

The amount of liability as of the balance sheet date reflects the Association's entire liabilities for the payment of severance pay to its employees which are not covered by deposits with Managers' Insurance policies stated above. In 2021 there is no net commitment, net.

The balance of the fund as at 31/12/2021 (Nis 221 thousands) presented in cash and cash equivalents.

NOTE 11 - TAXES ON INCOME

A. The Association is considered a public institution under paragraph 9 (2) to the Income Tax Ordinance and, accordingly, its income is tax exempt as long as the income does not constitute business activity that is liable for tax.

B. In 2005, the Association was approved as a public institution for charitable purposes. Accordingly, pursuant to Section 46 to the Income Tax Ordinance, donors are entitled to tax credit.

The approval is in effect until December 31, 2022 and each time it will be extended by three additional years unless the director of the Tax Authority decides that the Association did not fulfill the conditions stipulated by the law or the commitment that the Association had signed before the Tax Authority.

NOTE 12 - COMMITMENTS

In 2007, the Association leased a building with an area of 500 sq.m, in the center of Jerusalem. The monthly lease fee totals \$ 7,500. The Association uses this building for all of its activities. Secure the payment of the lease fees, the Association deposited NIS 106,000, which is equivalent to \$ 30,000.

Note 13 - Supplementary Information to Statement of Operation (cont'd)

	Year ended December 31,	
	2021	2020
	N.I.S	
Financing income (expenses), net:		
Financing income	3,851	413
Less- financing expenses and exchange rate differences	(214,978)	(138,242)
	<u>(211,127)</u>	<u>(137,829)</u>