

**ISRAEL GUIDE DOG CENTER
FOR THE BLIND**

Financial Statements

December 31, 2020

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, 2019 - December 31, 2020 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 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, 2019 - December 31, 2020 and the results of its operations and changes in fund balances for the years then ended in conformity with generally accepted accounting principles.

Information as to the effect of the general purchasing power of the Israeli currency in accordance with opinions of the Institute of Certified Public Accountants in Israel, has not been included in the above statements.

Tel Aviv, May 27, 2021

Sharon & Co.
Certified Public Accountants (Israel)


ISRAEL GUIDE DOG CENTER FOR THE BLIND
(Non-Profit Organization)
Balance Sheet as per December 31, 2020
(New Israeli Shekels)

	<u>Note</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash & Deposits	2	4,592,470	5,335,625
Debtors		<u>45,689</u>	<u>48,701</u>
		4,638,159	5,384,326
<u>Fixed Assets</u>	3	<u>22,029,872</u>	<u>22,841,941</u>
<u>Other Assets</u>	4	<u>708,134</u>	<u>731,176</u>
<u>Total Assets</u>		<u>27,376,165</u>	<u>28,957,443</u>
<u>LIABILITIES</u>			
<u>Provision for Employees Rights</u>	5	-	-
<u>Current Liabilities</u>			
Creditors		<u>1,325,863</u>	<u>1,121,923</u>
<u>Total Liabilities</u>		<u>1,325,863</u>	<u>1,121,923</u>
<u>Net Assets</u>		26,050,302	27,835,520
		=====	=====
<u>Unrestricted Assets</u>			
- to use for activities		4,020,426	4,993,579
- used for Fixed Assets		<u>15,122,948</u>	<u>15,687,204</u>
		<u>19,143,374</u>	<u>20,680,783</u>
<u>Restricted Assets</u>			
Beit Oved Center		6,906,928	7,154,737
		=====	=====
<u>Total Assets</u>		<u>26,050,302</u>	<u>27,835,520</u>
<u>Total Assets & Liabilities</u>		<u>27,376,165</u>	<u>28,957,443</u>
		=====	=====

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



Haim Shwartz
Chairman of the Board



Roni Dick
Treasurer

ISRAEL GUIDE DOG CENTER FOR THE BLIND
(Non-Profit Organization)
**Statement of Activities for the
Year Ending on December 31, 2020**
(New Israeli Shekels)

<u>Income</u>	<u>Note</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Funds Transferred from the US Friends		3,934,667	5,002,535
Funds Transferred from UK Friends		1,069,678	886,800
Funds Transferred from Canada Friends		871,112	940,010
Direct Donations – Israel		1,605,852	1,719,812
- Overseas (US, UK, Can, Other)		983,243	2,116,797
Public & Government Support		874,396	488,192
Transfers for construction in the eastern area			
In-Kind Donations & Miscellaneous		<u>882,681</u>	<u>592,677</u>
Total Income		<u>10,221,629</u>	<u>11,746,823</u>
 <u>Cost of Activities</u>			
Training & Support Services	6	6,858,229	6,519,976
Training Center Maintenance	7	1,454,996	1,445,384
Depreciation		<u>665,226</u>	<u>1,224,754</u>
Total Cost of Activities		<u>8,978,451</u>	<u>9,190,114</u>
Net Income from Activities:		<u>1,243,178</u>	<u>2,556,709</u>
 Expenses:			
Management & General Expenses	8	1,648,501	1,300,486
Public Relations & Fund Raising	9	<u>1,347,002</u>	<u>1,433,798</u>
		<u>2,995,503</u>	<u>2,734,284</u>
Income (deficit) before financing		(1,752,325)	(177,575)
Finance (expenses) income	10	(32,893)	(47,371)
Capital gain			<u>1,000</u>
Net Income (deficit)		(1,785,218)	(223,946)
		=====	=====

ISRAEL GUIDE DOG CENTER FOR THE BLIND
(Non-Profit Organization)
**Statement of Changes in the Net Assets -
for the Year Ending on December 31, 2020**
(New Israeli Shekels)

	<u>Used for Activities</u>	<u>Restricted Assets Used for Fixed Assets</u>	<u>Invested in Beit-Oved</u>	<u>Total</u>
Balance on January 1, 2018	4,566,071	15,844,647	7,648,748	28,059,466
<u>Increase during 2019:</u>				
Contributions:				
- for Beit Oved Center	--	--	--	--
- for Office Equipment	--	--	--	--
<u>Decrease during 2019</u>				
Net Reserve	(223,946)			(223,946)
Used for Beit Oved Center	--	--	--	--
Used for Fixed Assets, Net	(817,829)	817,829		--
Depreciation	1,469,283	(975,272)	(494,011)	--
<u>Balance on December 31, 2019</u>	<u>4,993,579</u>	<u>15,687,204</u>	<u>7,154,737</u>	<u>27,835,520</u>
<u>Decrease during 2020</u>				
Net Reserve	(1,785,218)			(1,785,218)
Used for Beit Oved Center	--	--	--	--
Used for Fixed Assets, Net	(119,343)	119,343		--
Depreciation	931,408	(683,599)	(247,809)	--
<u>Balance on December 31, 2020</u>	<u>4,020,426</u>	<u>15,122,948</u>	<u>6,906,928</u>	<u>26,050,302</u>

ISRAEL GUIDE DOG CENTER FOR THE BLIND
(Non-Profit Organization)
Cash Flow Report for the
Year Ending on December 31, 2020
(New Israeli Shekels)

	<u>2 0 2 0</u>	<u>2 0 1 9</u>
<u>Cash Flow from Current Activities:</u>		
Reserve (Deficit)	(1,785,218)	(223,946)
Required Adjustments made for showing	<u>1,161,402</u>	<u>1,509,440</u>
The cash flow for current activities		
Net Cash used for Current Activities	<u>(623,816)</u>	<u>1,285,494</u>
 <u>Cash Flow from Investment Activities:</u>		
Sales of Fixed Assets		1,000
Purchase of Fixed Assets	<u>(119,343)</u>	<u>(817,829)</u>
	(119,343)	(816,829)
	=====	=====
Increase (Decrease) in Cash on Hand	743,159	(468,665)
Cash on Hand at the beginning of the year	<u>5,335,625</u>	<u>4,866,960</u>
Cash on Hand at the end of the year	<u>4,592,466</u>	<u>5,335,625</u>
	=====	=====
 <u>Required Adjustments made for showing</u>		
<u>The Cash Flow Current Activities</u>		
Depreciation	954,450	1,492,325
Provision for Employees Rights	-	-
Capital Gains	-	<u>(1,000)</u>
	<u>954,450</u>	<u>1,491,325</u>
 <u>Changes in Assets & Liabilities:</u>		
Increase (Decrease) in Creditors	203,940	37,844
Increase (Decrease) in Debtors	3,012	<u>(19,729)</u>
	<u>206,952</u>	<u>18,115</u>
<u>Total Adjustment</u>	<u>1,161,402</u>	<u>1,509,440</u>
	=====	=====

ISRAEL GUIDE DOG CENTER FOR THE BLIND
(Non-Profit Organization)
Notes to the Statements for the
Year ending on December 31, 2019

Notes No. 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 2020, 38 partnerships were created (as opposed to 30 in 2019).
- 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.

In accordance with the compromise agreement, the payment transferred in January 2013.

- 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.
- 5) In December 2006, the IGDCB signed a contract for the purchase of an additional 6 dunam property with a 150 sq.m building adjacent to the IGDCB campus. The cost of this property was US\$840,000 which was fully paid to the sellers. After planning and approval, construction to build a Puppy Development & Training Campus commenced in November 2016 and was completed in 2017. The new campus will help ensure that the IGDCB increases the number of guide dogs raised and trained. The new campus was dedicated in April 2018.
- 6) The expenses for the construction of the Puppy Development & Training Campus are noted in the section of the 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. In addition, extensive landscaping and land development including the construction of training yards, paths, access ways and parking.
- 7) The IGDCB is supported by funds raised in Israel; from Friends organizations in the US, UK and Canada, as well as from individual donations from around the world. Additional income includes payments for training from the Israeli government.
- 8) The IGDCB is a non-profit organization, and is therefore exempt from paying income tax on its income. On June 16, 1992, the IGDCB was recognized as a public institution for the purposes of receiving donations according to Section 46 of the Israel Income Tax Law.
- 9) The financial statements were prepared according to the historical basis.
Up until December 31, 2003, non-financial items in the Financial Statements are presented on a cost base, in accordance to the cost of living index. From this period on, the amounts were adjusted according to the reporting period.
- 10) 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.

Notes No. 1 – General (continued)

- 11) 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.
- 12) 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.
- 13) Effects of the Corona Pandemic on the Association.

The 2020 calendar year was characterized by dealing with the global pandemic. The activities of the IGDCB were uninterrupted - primarily assisting people with blindness, and ensuring the welfare of the animals under its care.

The global economic crisis did not bypass the IGDCB; there were challenges in global fundraising which created a financial deficit.

In spite of the aforementioned, the association did everything in its power to maintain its ongoing services and meet the challenges created by the pandemic. In fact, the number of guide dog partnerships grew to 38, compared to 30 in 2019.

It is worth noting that the presence of large cash balances enabled the association to operate well and efficiently. At this time, the trends indicate that the situation is returning to normal.

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

Note No. 2 - Cash & Deposits

	<u>2 0 2 0</u>	<u>2 0 1 9</u>
<u>Banks:</u>		
Cash (current accounts)	419,505	912,246
Deposits	4,143,258	4,420,332
 <u>Cash</u>	 <u>29,707</u>	 <u>3,047</u>
	4,592,466	5,335,625
	=====	=====

Note No. 3 - Fixed Assets

	<u>Beit-Oved Center</u>	<u>Vehicles</u>	<u>Equip. & Furniture</u>	<u>Total</u>
Balance for Jan. 1, 2020	31,199,286	2,416,143	2,209,517	35,824,946
 <u>Investment in 2020, Net</u>	 <u>35,801</u>	 <u>52,500</u>	 <u>31,042</u>	 <u>119,343</u>
	<u>31,235,087</u>	<u>2,468,643</u>	<u>2,240,559</u>	<u>35,944,289</u>
 <u>Depreciation</u>				
Balance for Jan. 1, 2020	10,201,825	1,121,607	1,659,577	12,983,009
Depreciation - 2020, Net	549,628	<u>266,182</u>	<u>115,598</u>	<u>931,408</u>
	<u>10,751,453</u>	<u>1,387,789</u>	<u>1,775,175</u>	<u>13,914,417</u>
Net Fixed Assets on Dec. 31, 2020	<u>20,483,634</u>	<u>1,080,854</u>	<u>465,384</u>	<u>22,029,872</u>

Note No. 4 - Other Assets

	<u>2 0 2 0</u>	<u>2 0 1 9</u>
Capitalization of Leasing fees	1,158,438	1,158,438
Reduction	<u>(450,304)</u>	<u>(427,262)</u>
	708,134	731,176
	=====	=====

Note No. 5 - 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.

In accordance to a decision by the IGDCB Board of Directors on March 26, 2014, the funds for these retirement policies have been transferred as required to cover the commitments by the IGDCB.

During 2015 each member of the employed staff of the IGDCB signed addendum 14 of the Severance Pay Law.

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

Note No. 6 - Training & Support Services

	<u>2 0 2 0</u>	<u>2 0 1 9</u>
Salaries & Benefits	5,232,508	4,845,375
Vehicle Expense	594,394	529,867
Psychological Support	126,691	231,200
Dog Medication & Vet Expenses	282,703	268,309
Dog Food & Supplies	580,594	572,961
Aftercare & Puppy Raising	<u>41,339</u>	<u>72,264</u>
Total:	<u>6,858,229</u>	<u>6,519,976</u>

Note No. 7 - Training Center Maintenance

	<u>2 0 2 0</u>	<u>2 0 1 9</u>
Salaries & Benefits	451,888	416,136
Maintenance	658,289	685,168
Utilities	217,102	216,737
Insurance	70,807	70,458
Taxes – Real Estate	<u>56,910</u>	<u>56,885</u>
Total:	<u>1,454,996</u>	<u>1,445,384</u>

Note No. 8 - Management & General Expenses

	<u>2 0 2 0</u>	<u>2 0 1 9</u>
Salaries & Benefits	1,266,492	968,410
Office Supplies & Printing	280,567	239,131
Telephone/Fax	24,638	26,780
Hospitality, events, gifts	9,028	10,710
Professional Expense & Membership fees	57,806	51,245
Misc. Expenses	<u>9,970</u>	<u>4,210</u>
Total:	<u>1,648,501</u>	<u>1,300,486</u>

Note No. 9 - Public Relations & Fund Raising

	<u>2 0 2 0</u>	<u>2 0 1 9</u>
Salaries & Benefits	1,265,242	1,253,204
Public Relations including travel abroad	81,760	180,594
Total:	<u>1,347,002</u>	<u>1,433,798</u>

Note No. 10 - Finance (Expenses)income

	<u>2 0 2 0</u>	<u>2 0 1 9</u>
Bank service charges	32,893	47,371
Adjustment for exchange rates	<u>-</u>	<u>-</u>
Total:	<u>32,893</u>	<u>47,371</u>