



**Financial Statements  
for year ending December 31, 2020**

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## **Auditing Accountants' Report to Members of the Shanti House Association (Registered Association)**

We have audited the attached balance sheets of the Shanti House (Registered Association) (hereinafter: the "Association") for December 31, 2020, including the Operations Statements, Statements of Net Changes in Assets, and Cash Flow Statements for each of the years ending on the specified dates. These financial statements are under responsibility of the Association's management and board. Our responsibility is to provide an expert opinion about these financial statements based on our audit.

The financial statements as of December 31, 2019 and for the year ended on that date have been audited by other auditors, and include an unconditional opinion dated June 28, 2020

We conducted our audit in accordance with generally accepted auditing standards in Israel, including standards prescribed by the Israeli Auditors Regulations (Manner of Auditor's Performance) of 1973. According to these standards, we are required to plan the audit and execute it such that we are able to determine, at a reasonable level of confidence, that these financial statements are free of material misstatement. An audit involves execution of a sample examination of evidence that supports the amounts and disclosures contained within the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Association's management and acting board, as well as an evaluation of the overall presentation of the financial statements. We are confident that our audit constitutes a reasonable basis for our opinion.

To our opinion, these financial statements properly reflect, in all material aspects, the financial position of the Association as of December 31, 2020, as well as the results of the association's activities, the changes in net assets, and Cash Flow Statements for the years ending on the said dates, all in accordance with international Financial Reporting Standards (IFRS) and the Generally Accepted Accounting Principles in Israel (GAAP).

Jerusalem 22 June 2021

Ziv Haft

Accountants

**Balance Sheets for December 31**

		<b>2020</b>	<b>2019</b>
<b>Assets:</b>	<b>No</b>	<b>Thousands</b>	<b>Thousands NIS</b>
	<b>te</b>	<b>NIS</b>	
<b>Current Assets:</b>			
Cash and cash equivalents		5,202	30
Short-term deposits		157	-
Debtors and debit balances	3		<b>2,996</b>
		<u>5,359</u>	<u>3,026</u>
<b>Fixed Assets</b>			
Fixed assets	4	14,751	14,673
Cash designated for investment in fixed assets		4,471	2,000
		<u>19,222</u>	<u>16,673</u>
		<u>24,581</u>	<u>19,699</u>
<b>Current Liabilities</b>			
Suppliers		425	485
Creditors and credit balances	5	1,533	1,687
		<u>1,958</u>	<u>2,172</u>
<b>Liabilities due to termination of employee–employer relations, net</b>	6	1,153	1,140
<b>Commitments and amounts</b>	7		
<b>Net Assets</b>			
<b>Net assets – For which no restrictions exist</b>			
Used for operations (deficit)		1,248	(285)
Used for management		1,000	
Used for fixed assets		7,699	7,242
Total Net Assets - for which no restrictions exist		<u>9,947</u>	<u>6,957</u>
<b>Net assets - For which restrictions of temporary nature exist:</b>	7E	4,471	2,000
<b>Net assets - For which restrictions of permanent nature exist:</b>			
Used for fixed assets for which there is a restriction on use as consideration of sale	8	7,052	7,430
Total Net Assets		<u>21,470</u>	<u>16,387</u>
		<u>24,581</u>	<u>19,699</u>
Committee member			
Committee member			
Date of approval of the financial statements: 28 June 2020			

The attached notes constitute an integral part of the financial statements.

**Operations Statement For the year ending December 31**

		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>Thousands NIS</b>	<b>Thousands NIS</b>
<b>Operations Turnover</b>			
Total Income	9	20,685	<b>22,338</b>
<b>Cost of Operations</b>			
Operational Expenses – Shanti Tel Aviv	10	6,978	<b>8,918</b>
Operational Expenses – Desert Shanti	10	9,252	<b>9,968</b>
		16,230	<b>18,886</b>
<b>Income Surplus over operational expenses</b>		4,455	<b>3,452</b>
Administration and General Expenses	11	2,498	<b>2,878</b>
<b>Income Surplus (expenses over income) on expenses before financing</b>		1,957	<b>574</b>
Income (expenses) from financing, Net	12	(230)	<b>35</b>
<b>Net Annual Surplus (deficit)</b>		1,727	<b>609</b>
<b>Other expenses</b>		8	
<b>Net Income</b>		1,719	<b>609</b>

The attached notes constitute an integral part of the financial statements.

## Statement of Net Changes in Assets

	Non-restricted Assets			Restricted Assets		Total
	Used for Operations (deficit)	Used for Fixed Assets	Used by management	Temporary Nature	Permanent Nature	
	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	
<b>Balance as of January 1, 2019</b>	(1,389)	6,148		-	7,809	12,568
<b>Changes during year</b>						
Donations	-	-	-	2,000	-	2,000
Government support				1,210		1,210
Annual net surplus	609	-		-	-	609
Sums released from restriction						
Fixed Assets	711			(711)		
Transfer of non-restricted sums used for purchase of fixed assets, Net	(1,215)	1,215		-	-	-
Sums released from restriction into fixed assets		499		(499)		
Sums transferred for coverage of depreciation costs, net	999	(620)	-	-	(379)	-
<b>Balance as of December 31, 2019</b>	(285)	7,242	-	2,000	7,430	16,387
<b>Changes over year</b>						
Donations	-	-	-	3,364	-	3,364
Annual net income	1,719	-	-	-	-	1,719
Transfer of non-restricted sums used for purchase of fixed assets, Net	(190)	190		-	-	-
Sums released from restriction	-	893	-	(893)	-	-
Sums used by management	(1,000)	-	1,000	-	-	-
Sums transferred for coverage of depreciation costs, Net	1,004	(626)	-	-	(378)	-
<b>Balance as of December 31, 2018</b>	<b>1,248</b>	<b>7,699</b>	<b>1,000</b>	<b>4,471</b>	<b>7,052</b>	<b>21,470</b>

The attached notes constitute an integral part of the financial statements.

**Cash Flow Statements for the year ending December 31**

	<b>2020</b>	<b>2019</b>
	<b>Thousands NIS</b>	<b>Thousands NIS</b>
<b>Cash flows from regular activities</b>		
Annual net surplus (deficit)	1,719	609
Adjustments required for disclosure of cash flows from regular activities (App. A)	3,650	(691)
Net cash flow from regular activities	5,369	(82)
<b>Cash flows from Investment activities</b>		
Value from the realization of fixed assets	4	
Repayment of short-term deposits		117
Cash designated for investment in fixed assets	(2,471)	(2,000)
Purchase of fixed assets	(1,094)	(1,714)
Net cash used for investment activities	(3,561)	(3,597)
<b>Cash flows from financing activities</b>		
Contribution to net assets for which permanent restrictions exist	3,364	3,210
Net cash from financing activities	3,364	3,210
<b>Increase (decrease) in cash and cash equivalents</b>	5,172	(469)
<b>Cash and cash equivalents for beginning of year</b>	30	499
<b>Cash and cash equivalents for end of year</b>	5,202	30
Appendix A – Adjustments required for presenting f cash flows from regular activities		
<b>Income and expenses not related to cash flows:</b>		
Capital loss from the realization of fixed assets	8	
Depreciation	1,004	999
	1,012	999
<b>Changes in asset and liability articles:</b>		
Increase in debtors and debit balances	2,839	(1,985)
Increase (decrease) in vendors	(60)	75
Increase in creditors and credit balances	(154)	165
Change in liabilities due to termination of employee – employer relations, Net	13	55
	2,638	(1,690)
	3,650	(691)

The attached notes constitute an integral part of the financial statements.

**NOTE 1 – General**

A) The Shanti House (hereinafter: the “Association”) was registered as required by the Associations Law on November 23, 1992.

B) The objectives of the Shanti House Association are as follows:

1. To provide a roof, shelter and warm home for runaways and youth at risk.
2. To offer solutions to youth in distress by way of therapeutic tools.
3. To assist youth in adopting a normative lifestyle.
4. To raise awareness among the youth.

C) The association operates in two primary frameworks:

The first is Shanti House located at the edge of Jaffa as of February, that continues the operations of the old house that was located in Tel Aviv ever since the association was established, and the second is the Shanti Desert Youth Village located in the Negev Desert since November 2009.

The Association's vision is to return runaway and homeless youth to an optimal life path by creating an environment that is supportive, directed, and adapted to their needs.

The association serves as both a temporary home and as a long-term framework for runaway and homeless youth aged 14-21, regardless of religion, race, gender or background. The association cares for youth that is under immediate risk or are about to deteriorate to physical violence, sexual abuse, crime, prostitution etc. In addition, the association also operates preventive programs for youth at risk across the country. The association has come a long way in the unique methods it has developed methods for youth in distress.

D) The association has been recognized as a “public institution” for income tax purposes under Section 9(2) of the Income Tax Ordinance. The Association is in possession of an approval from the Israel Tax Authority regarding contributions under section 46 of the Income Tax Ordinance.



**NOTE 2 - Accounting Policy and Reporting Principles****A) Cash and Cash Equivalents**

Cash and cash equivalents include short-term bank deposits, which the period until their date of withdrawal, at the time of investment, was no more than three months.

Cash received from donors with a condition that the donation not be used for investment in fixed assets, are not included as part of the Cash and cash equivalents, but rather in a separate section under fixed assets.

**B) Reporting Principles**

The Financial Statements are prepared in accordance with the format prescribed by consolidated version of Audit Statement No. 69 and Accounting Standard No. 5 dealing with the accounting principles and financial reporting by nonprofit organizations, and accounting standard number 36.

All net assets are divided into three groups based on restrictions imposed on the use thereof. Two groups refer to net assets and have a permanent or temporary restriction which was imposed by external entities (primarily donors). The third group includes net assets for which no restrictions have been imposed by external entities and is represented as follows – Net assets for which no restrictions exist pertaining to use in activities and net assets for which there is no restriction for use as fixed assets.

**Net Assets for which there are restrictions of a permanent nature -**

Includes all assets which were donated to the association but carry conditions imposed by the donors which do not expire over time. Furthermore, should the association obtain perpetual funds primarily from donations, when according to the terms of donation it is only the fruits they bear which may be used for financing of the activities for which they were established, they shall also be included under this section

**Net Assets for which there are restrictions of a temporary nature -**

There are restrictions that were imposed by donors regarding the manner by which their donation is used. When the donor's place a restriction for use during activities only, when used for the purposes for which they were designated, the sums are released and disclosed in the Operations Statement. When the donor's restriction limits use to fixed assets only, the sums are released and the net assets designated for fixed assets are disclosed when the fixed assets are purchased.

All funds which are limited by temporary restrictions are closed once the objective for which they were designated is carried out or once financing of the fund is completed, the latter of the two.

#### C. Basis for Recognition

1. The Association recognizes its assets, liabilities, incomes and expenses on a cumulative basis
2. The financial statements of the Association are presented in ILS, in nominal values. These financial statements do not include any information regarding the effects of the changes in the actual general purchasing power of the Israeli currency over the financial statements, as prescribed by the standards of the Israeli Accounting Standards Board.

#### D. Linkage to the CPI or the Foreign Currency Exchange Rate

1. Any assets or liabilities in foreign currency, or linked to it, are presented in accordance with the official foreign currency exchange rate as for the date of the financial statements.
2. Any assets or liabilities linked to the CPI, are presented based on the linkage terms of each balance.
3. Incomes and expenses, as well as other activities in foreign currencies have been recognized in accordance with the foreign currency exchange rate as on the actual date of operation.
4. Linkage and exchange rate differentials are recognized upon occurrence.
5. Detailed hereunder are the CPI and the exchange rates of the main currencies:

	<u>31.12.2020</u>	<u>31.12.2019</u>
In lieu Consumer Price Index (CPI) (in points)	100.1	100.8
US Dollar 1 (in ILS to USD 1)	3.215	3.456
Euro 1 (in ILS to Euro 1)	4.392	4.559
	<u>Change for the year ended</u>	
	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>%</u>	<u>%</u>
In lieu CPI *	(0.69)	0.60
US Dollar	(6.97)	(7.79)
Euro	(3.68)	(4.88)

#### E) Fixed Assets

##### 1. Recognition and Measurement

Fixed assets items are measured at cost less accrued depreciation. The cost includes exits that may be directly attributed to the purchase of the property.

When significant parts of fixed assets (including costs of significant periodic audits) have a different lifespan, they are treated as separate (principle components) of fixed assets.

## 2. Subsequent Costs

The cost of replacing a part of a fixed asset item is recognized as part of the book value of that item if it is expected that future economic benefit embodied in that item will flow to the association and if its cost may be measured in a reliable manner. The book value of the replaced part is then subtracted. Regular maintenance costs are attributed to the Operations statement upon their creation.

## 3. Depreciation

Depreciation is attributed to the Operations Statement according to the straight-line method based on the estimated useful life of each part of the fixed asset items.

The useful life estimates for the current period and other comparative periods are as follows:

- Improvements and renovations 25 years
- Computers and Peripheral equipment 3 Years
- Electronic equipment 7 years
- Furniture 10-15 years

All estimates regarding the depreciation method used, useful life and residual value are reevaluated at least once a year at the end of the reporting year.

## F) Decrease of Value of Assets

The Association applies Accounting Standard No. 15 dealing with the decrease in values of assets (hereinafter: "the Standard"). The Standard specifies various procedures which the Association is required to implement in order to ensure all assets included in its balance sheet (to which the Standard applies) are not presented in values that are greater than their own recoverable value, which is the higher value between of net selling price and value of use (the

current value of the estimated future cash flows that are expected to arise from the use of asset the asset and its sale).

The Standard applies to all assets presented in the balance sheet, excluding tax assets and financial assets. In addition, the Standard also stipulates rules for presentation and disclosure of assets whose value has been decreased. When the value of an asset that appears in the Balance Sheet exceeds its own recoverable value, the association recognizes the loss arising from the decrease in value equal to the difference between the asset's book value and its recoverable value. Such recognized losses may only be canceled following changes in the estimates used during formulation of the asset's recoverable value from the date on which the most recent loss was recognized as a decrease in value.

#### **G) Use of Estimates**

When preparing financial statements in accordance with generally accepted accounting principles, the Association's management is required to make use of estimates and assessments concerning various transactions or other matters whose ultimate effect on the financial statements may not be determined in a precise manner at the time of their edition. Although such estimates or assessments are conducted according to the best judgment of management, their ultimate effect on various transactions or matters may differ from the estimates and assessments made on their behalf.

H) Any services' donations made as cash equivalents are recognized in the financial statements as incomes and expenses based on valuations made by the Management in accordance with information regarding the cost of said contributed services and assets as provided by the contributors. In addition, the cost of volunteers' labor, received free of charge, is recognized as income and expenses while taking into consideration the number hours, number of volunteers, and the evaluation of 1 volunteer-hour at a price of ILS 29.12.

#### **I) Reclassification**

Certain comparison numbers have been reclassified in order to match the current year's presentation.

#### **J) New standards prior to implementation:**

Accounting Standard No. 40 – Accounting Rules and Financial Reporting Principles for NGOs:

Accounting Standard No. 40 – “Accounting Rules and Financial Reporting Principles for NGOs” has been published on August 13, 2020 (hereunder: “the Standard”). The Standard consolidates the accounting rules and the financial reporting principles regarding NGOs and replaces the provisions of Opinion No. 69 and any amendments thereto.

The Standard includes multiple changes, including with respect to the manner of income recognition by NGOs, in contrary to the existing standards. Among other changes, the Standard amends the periods of recognition regarding income deriving from donations. According to the Standard, donations of fixed assets or cash that is contributed for investments in fixed assets shall be recognized in the Statement of Activities upon the readiness of the asset for its intended purpose, or throughout the limitation period, as shall be determined by the contributor, rather than recognizing the donation directly as an addition to the Net Assets, as has been accepted so far.

The Standard shall be applied as of the annual financial statements for the year starting January 1, 2021 or following said date. Though the Committee encourages early implementation, the Company has chosen not to implement early standard adoption.

As for the publishing date of the financial statements, the effects of first time implementation of the new Standard over the financial statements of the Association have not been examined yet.

### NOTE 3 – Debtors and Debit Balances

	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>Thousands NIS</b>	<b>Thousands NIS</b>
Income receivable	24	<b>523</b>
Advance expenses	30	<b>15</b>
Credit cards	72	<b>2,427</b>
Employees	31	<b>31</b>
	<hr/>	<hr/>
	<b>157</b>	<b>2,996</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 4 – Fixed Assets**

	Structure Betterment	Furniture & Equipment	Structures	Furniture & Equipment			Structures	Furniture & Equipment	
	Tel Aviv	Tel Aviv	Desert Shanti	Desert Shanti	Vehicles	Holiday Units	Jerusalem	Jerusalem	Total
	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousand s NIS	Thousands NIS	Thousands NIS	Thousand s NIS
Balance as of JAN 1, 2019	1,662	2,637	15,018	3,210	705	2	-	-	23,434
Purchases	-	31	49	50	70	-	851	43	1,094
Deductions			(12)						(12)
Balance as of DEC 31, 2020	<u>1,662</u>	<u>2,868</u>	<u>15,055</u>	<u>3,260</u>	<u>775</u>	<u>2</u>	<u>851</u>	<u>43</u>	<u>24,516</u>
<b>Accrued Depreciation</b>									
Balance as of JAN 1, 2020	812	1,777	3,343	2,207	622	-	-	-	8,761
Annual depreciation	38	155	597	195	19	-			1,004
Balance as of DEC 31, 2020	<u>850</u>	<u>1,932</u>	<u>3,940</u>	<u>2,402</u>	<u>641</u>	<u>-</u>			<u>9,765</u>
<b>Diminished Balance as of DEC 31, 2020</b>	<u>812</u>	<u>936</u>	<u>11,115</u>	<u>858</u>	<u>134</u>	<u>2</u>	<u>851</u>	<u>43</u>	<u>14,751</u>
Diminished Balance as of DEC 31, 2019	<u>850</u>	<u>1,060</u>	<u>11,675</u>	<u>1,013</u>	<u>83</u>	<u>2</u>			<u>14,673</u>

**NOTE 5 – Creditors and Credit Balances**

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
	<u>Thousands NIS</u>	<u>Thousands NIS</u>
Employees and institutions attributed to employees	754	905
Holiday provisions	735	740
Expenses payable	44	42
	<u>1,533</u>	<u>1,687</u>

**NOTE 6 - Liabilities Attributed to Termination of Employer-Employee Relations, Net**

The Association's liability regarding Severance Pay is partially covered by execution of regular deposits, on behalf of the employees, into employee insurance policies, pension funds and provident funds that are registered under names of the employees. The amounts deposited are neither under control nor under management of the Association and may therefore not be presented in the balance sheet and neither may any expenses associated therewith. The liability arising from the termination of employee-employer relations which is included in the balance sheet represents the balance of liability which is not covered by the aforesaid senior employees' insurance policies, pension funds and provident funds.

**NOTE 7 - Engagements and Agreements**

- A) The Association is bound by operational leasing agreements for 6 vehicles that are in use. The minimum future lease payments calculated according to sums that are valid on December 2020 total 251 thousand NIS.
- B) On June 21, 2006, the Warm Home for Youth at Risk in Ramat HaNegev – Agricultural Cooperative Ltd. society was incorporated and registered as a cooperative society. The society was founded together with Nitzanei Pamonit Ltd. (Nakash Moshe) and the Ramat HaNegev Culture, Youths and Sports Center (Ripman Shmuel). In the year of the report an agreement was signed between the Association and Halutza Ltd. concerning execution of work in olive groves and grape vines growing in lands belonging to the village and the manner by which revenues arising from such agricultural activity are to be divided. At time of signing of the financial statements presented herein, the said lands have not yet generated any form of income.

- C) The Negev Council is the owner of all rights to the property on which the Desert Shanti house is built under the capitalized development contract signed with the Israel Lands Administration on January 31, 2007, for the establishment and construction of an educational rehabilitation institute.
- D) The Negev Council, the Rashi Foundation, and the Association, jointly initiated the construction of a youth village on the said property for the purpose of providing a warm home for youth at risk, through the donations raised specifically for this purpose by the Rashi Foundation, the Council, and the Association.

The village was founded out of a common goal of the Council, the Rashi Foundation, and the Association, that upon completion of its construction, the Association would manage and run an educational rehabilitation institute for youth at risk, the 'Desert Shanti', including all maintenance of the village and any structure constructed on the property in future, all in accordance with the terms set forth in the aforementioned contract. The Youth Village began operation in 2009. See also Note 1(c) above.

- E) A member of the Association's Management Committee also serves as a member of a second association that is dedicated to the construction of a permanent structure for the Shanti House in Tel Aviv (hereinafter: the "Second Association"). The Tel Aviv - Jaffa municipality has allocated land on which the Second Association will construct a structure that will be used for social purposes, and designated it for the construction of a structure that will serve as a permanent home for Shanti House Tel Aviv.

Construction began in April 2016. In February 2018, the construction was completed and the Association moved into its residence into the new structure that was built. The second association does not charge a fee for the use of the building. The value of the annual rent is approximately NIS 1,700 thousands.

In Dec. 2019 The Shanti House Association held a crowdfunding campaign in order to raise funds needed for building the Jerusalem Shanti House and ensure the existence of the association. In this campaign funds in the amount of 2 millions shekels have raised and are included in these financial statements as Net assets - For which restrictions of temporary nature exist. During 2020, additional donations were raised for the construction of the Shanti House in Jerusalem, in which NIS 3,364 thousand was raised. These contributions are included in these financial statements as temporary net assets.



**NOTE 8 – Net Assets for which there are restrictions of permanent nature**

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
	Thousands NIS	Thousands NIS
Tent and Garden Complex	4,253	<b>4,253</b>
Sports field	1,413	<b>1,413</b>
Horse ranch	2,651	<b>2,651</b>
Desert Shanti therapeutic room	120	<b>120</b>
One Desert Shanti vehicle	195	<b>195</b>
Watsu pool	562	<b>562</b>
Petting zoo at Desert Shanti House	50	<b>50</b>
Employment center at Desert Shanti House	842	<b>842</b>
Accrued depreciation	(3,034)	<b>(2,656)</b>
	<hr/>	<hr/>
Total net assets for which there are restrictions of permanent nature	7,052	<b>7,430</b>
	<hr/>	<hr/>

**NOTE 9 – Operational Turnover****A. Composition**

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
	Thousands NIS	Thousands NIS
<b>Tel Aviv Shanti House</b>		
Revenue from private donors (1)(2)	7,663	<b>9,615</b>
Revenue from companies (2)	4,983	<b>5,395</b>
Revenue from government bodies (3)	4,907	<b>5,629</b>
Self Income	504	<b>180</b>
Revenue from funds/foundations	2,628	<b>1,519</b>
	<hr/>	<hr/>
<b>Total Revenues</b>	20,685	<b>22,338</b>
	<hr/>	<hr/>

(1) Revenue from private donors includes:

The Association receives services from unpaid volunteers. The financial value of these services during 2020 is estimated at approximately NIS 78 thousand (previous year – 225 thousand NIS).

The Association is using a building which was built by another non profit org. The financial value of rented building is estimated at approximately NIS 1,700 thousand

(2) Including in kind donations. The financial value of these goods during 2020 is estimated at approximately NIS 3,768 thousand (previous year 1,379 thousand NIS)

(3) The Association is using a building which was built by another non profit org. **in Ramat HaNegev**. The financial value of rented building is estimated at approximately NIS 1,250 thousand.

All income in cash equivalents received, presented in this statement of activities as income and expenditures

**NOTE 9 – Operational Turnover (cont.)****B. Allocations from government bodies and institutes of the local authority**

	For year ending Dec 31		
	2020		2019
	Total	Total	Total
	Thousands NIS	Thousands NIS	Thousands NIS
Ministry of Welfare	3,395		4,173
Municipality of Tel Aviv	110		811
Ramat HaNegev Regional Council	1,288		1,264
Ministry of Education & Culture	-		249
Israel's national social security agency.	100		
Ministry of Defense	14		38
	4,907		6,839
<b>Includes in financial reports</b>	4,907		5,629
Within net assets for which restrictions of temporary nature exist			1,210
	4,907		6,839

**NOTE 10 – Operational Costs**

	For year ending Dec 31	
	2020	2019
	Thousands NIS	Thousands NIS
<b>Shanti House Tel Aviv</b>		
Warm Home – 24 hours a day family	4,632	5,330
Shantherapy	799	884
Social activities	386	411
Community participation	870	1,449
Apartment for graduates	112	133
Security & maintenance	179	
Refund for related association	-	711
	6,978	8,918
<b>Desert Shanti</b>		
Warm Home – 24 hours a day family	4,269	4,227
Shantherapy	759	753

## Shanti House (R.A.)

Financial Statements for December 31, 2019

Social activities	274	306
Community participation	869	1,450
Personal safety and village maintenance	875	866
Tent and Garden Complex	503	682
Agricultural Therapy	270	275
Therapeutic horse ranch	722	750
Watsu pool	269	316
	442	343

Total operational cost	9,252	9,968
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Total wages included in operational costs	16,230	18,886
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1. This report includes financial value of rented building in the amount of NIS 1,700 thousands
2. This report includes financial value of rented building in the amount of NIS 1,250 thousands

**NOTE 11 – Administration and General Expenses**

	For year ending Dec 31	
	2020	2019
	Thousands NIS	Thousands NIS
Salaries and related costs	2,009	2,029
Rent	36	46
Professional services	110	132
Office and communications	134	199
Depreciation expenses	36	34
Daily allowance, refreshments and travel expenses	103	358
Vehicle/s maintenance	41	45
Taxes and levies	7	7
Miscellaneous	22	28
	2,498	2,878

**NOTE 12 – Income (outgoing) from Financing**

	<b>For year ending Dec 31</b>	
	<b>2020</b>	<b>2019</b>
	<b>Thousands NIS</b>	<b>Thousands NIS</b>
<b>Financing Expenses</b>		
Interest and bank fees	(112)	<b>(29)</b>
Interest rate differentials	(118)	<b>64</b>
	<b>230</b>	<b>35</b>

**Note 13 - Events after the date of this balance sheet**

Following the eruption of Corona 19 in China in December 2019, and its spread in early 2020 to many other countries, there has been a decrease in the volume of activity in many parts of the world, including Israel. The spread of the virus caused, among other things, a collapse in global transport, restrictions on movement and employment imposed by the Israeli government and many governments around the world. In addition, in accordance with government directives in Israel, the activity of businesses was banned or restricted, the presence of employees in workplaces was significantly restricted, places of entertainment were closed, education systems were shut down and restrictions on leaving homes were imposed.

In accordance with the instructions of the Ministry of Health and the Government of Israel, and in order to save resources, the association decided from mid-March 2020, to redirected the operation of Tel Aviv Shanti House to emergency placement only, placed some of the staff on unpaid leave and transferred all the youth to the Desert Shanti Youth Village, together with teams that guide them in a variety of day-long activities.