



Amichai

**Association for Families with Special Needs'
Children.**

(Registered Association)

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2013

Amichai

FINANCIAL STATEMENTS

AS FOR DECEMBER 31, 2013

IN ISRAEL SHEKELS

We are presenting to you your financial reports of Amichai Association for Families with Special Needs' Children as of December 31, 2013, as follows:

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REPORT OF INDEPENDENT AUDITORS

To the Members of the association of

Amichai (Registered Association)

Independent Auditor's Report

I have audited the association balance sheets of "Amichai – Association for families with special needs' childrens (Not-for-profit Organization) as of December 31, 2013 and 2012 and the related statements of activities, and in cash flows for the years ended on the same date. These financial statements are the responsibility of the management of the Organization managing committee. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, including those prescribed by the Auditors' (Mode of Performance) Regulations (Israel), 1973. Those standards required that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 of the Organization, as well as evaluating the overall financial statements presentation.

I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the aforementioned financial statements present fairly, In all material respects, in non profit organizations, the financial position of the association as of December 31, 2013 and 2012 and the results of its activities and the cash flows for the years ended December 31, 2013 and 2012, in conformity with generally accepted accounting principles.

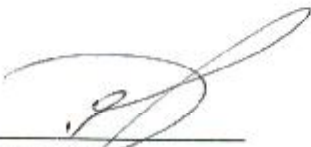
Rony Berko
Certified Public Accountants (Israel)


Hod-Hasharon, Israel,
June 1, 2014

Amichai (REG. ASSOC.)

BALANCE SHEET

<u>ASSETS</u>	<u>Note</u>	<u>31 December</u>	
		<u>2013</u>	<u>2012</u>
		<u>NIS</u>	<u>NIS</u>
Current assets			
Cash and cash equivalents		1,262,133	1,708,542
Tradable securities		499,221	699,771
Checks receivable		206,890	101,078
Accounts receivable		12,189	121,026
		<u>1,980,432</u>	<u>2,630,417</u>
Fixed assets			
	3		
Care facility equipment		94,668	102,892
Community dwelling equipment		25,464	36,194
Day care center for ages 21+		11,870	13,542
Management equipment		17,261	22,976
Amichai association house		-	-
		<u>149,263</u>	<u>175,604</u>
		<u>2,129,695</u>	<u>2,806,020</u>
 <u>LIABILITIES AND NET ASSETS</u>			
Current liabilities			
Outstanding Checks		95,404	83,327
Accounts payable		840,000	684,916
		<u>935,405</u>	<u>768,243</u>
Accrued severance pay	4	79,037	79,570
Net Assets			
Non-earmarked by the Association's institutions			
Used for current activities		67,775	(21,174)
Used for fixed assets		7,247	22,609
Net assets with temporary restrictions	5	1,040,230	1,956,772
		<u>1,115,252</u>	<u>1,958,207</u>
		<u>2,129,695</u>	<u>2,806,020</u>

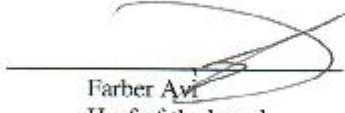
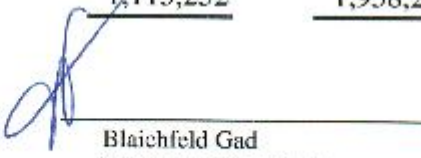

 Farber Avi
 Head of the board


 Blaichfeld Gad
 Member of the Board

The accompanying notes are an integral part of the financial statements

Amichai (REG. ASSOC.)

STATEMENT OF OPERATING ACTIVITIES

	Note	<u>For the year ended</u> <u>31 December</u>	
		<u>2013</u> <u>NIS</u>	<u>2012</u> <u>NIS</u>
Income			
Allocation – Municipalities		95,962	112,889
Allocation - Welfare Ministry		5,466,870	4,781,353
Participation - parents and others		507,932	276,524
Donations		1,249,253	1,404,815
Product sales		25,450	16,949
Interest on deposit		25,929	40,182
		<u>7,371,396</u>	<u>6,632,712</u>
Cost of activities			
Care facility expenses		2,538,765	2,615,191
List A			
Public housing expenses		2,994,608	2,577,294
List B			
Day care center for ages 21+ expenses		942,547	722,149
List C			
General and administrative expenses		824,701	503,039
List D			
		<u>7,303,621</u>	<u>6,417,673</u>
		 <u>67,775</u>	 <u>215,039</u>
Net surplus (deficit) for the current year			
Association's net assets			
Balance on the 1 January		1,958,207	1,086,396
Net surplus (deficit) for the current year	6	(842,955)	871,871
<u>Balance on the 31 December</u>		<u>1,115,252</u>	<u>1,958,207</u>
 		 	
Farber Avi Heaf of the board		Blaichfeld Gad Member of the Board	

The accompanying notes are an integral part of the financial statements

Amichai (REG. ASSOC.)

List A – Care facilities expenses

	<u>For the year ended</u>	
	<u>31 December</u>	
	<u>2013</u>	<u>2012</u>
	<u>NIS</u>	<u>NIS</u>
Wages and related expenses	1,740,511	1,571,127
National service	63,785	81,937
Transportation	39,230	22,491
Maintenance and repairs	35,792	52,381
Food supply	249,008	333,358
Culture and leisure	272,952	339,301
Office supply and prospects	1,100	810
Insurance	22,983	20,766
Guidance and advice	24,956	9,759
Telephone	5,443	14,824
Conventions	74,141	100,937
Others	-	596
Depreciation -care facilities	8,864	66,904
Total	<u>2,615,191</u>	<u>2,615,191</u>

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Amichai (REG. ASSOC.)

List B – Public Housing expenses

	<u>For the year ended</u>	
	<u>31 December</u>	
	<u>2013</u>	<u>2012</u>
	<u>NIS</u>	<u>NIS</u>
Wages and related expenses	1,969,159	1,669,011
Transportation	206,209	185,965
Rent and maintenance	411,678	377,613
Electricity	61,567	56,723
Food supply	107,434	98,615
Culture and leisure	82,472	68,289
Medication	13,517	11,351
Office supply	510	330
Professional advice	15,193	6,218
Insurance	10,139	6,514
Telephone	8,461	8,561
Conventions	94,943	75,047
Depreciation -equipment	13,326	13,058
Total	<u>2,994,608</u>	<u>2,577,294</u>

The accompanying notes are an integral part of the financial statements

Amichai (REG. ASSOC.)

List C – Day Care Center for ages 21+ expenses

	<u>For the year ended</u>	
	<u>31 December</u>	
	<u>2013</u>	<u>2012</u>
	<u>NIS</u>	<u>NIS</u>
Wages and related expenses	614,647	487,794
Transportation	3,831	1,034
Maintenance and repairs	29,068	11,464
Food supply	105,475	57,160
Culture and leisure	163,824	90,255
Guidance and advice	5,810	2,095
Telephone	2,077	3,931
Insurance	3,832	2,649
Conventions	991	64,781
Others	2,992	987
Total	<u>942,547</u>	<u>722,149</u>

The accompanying notes are an integral part of the financial statements

Amichai (REG. ASSOC.)

List D – General and administrative expenses

	<u>For the year ended</u>	
	<u>31 December</u>	
	<u>2013</u>	<u>2012</u>
	<u>NIS</u>	<u>NIS</u>
Wages and related expenses	518,799	268,611
Guidance and advice	16,359	1,097
Maintenance and repairs	12,983	16,182
Office expenses	6,454	5,200
Accounting and auditing	101,531	102,768
Public relations and publicity	49,603	13,561
Fundraising	83,501	58,125
Post, Telephone	8,254	9,526
Register of associations fees	1,291	1,273
Bank expenses	20,517	17,180
Equipment depreciation	8,409	9,515
Total	824,701	503,039

The accompanying notes are an integral part of the financial statements

Amichai (REG. ASSOC.)

STATEMENT OF CASH FLOW

	<u>For the Year Ended 31 December</u>	
	<u>2013</u>	<u>2012</u>
	<u>NIS</u>	<u>NIS</u>
<u>Cash flow from current activities</u>		
Surplus (Deficit) according to the Statement of Operating Activities:	67,775	215,039
Income and expenses not involving cash flow		
From current activities:		
Depreciation	33,592	90,465
Increase (decrease) in the liability for employee severance pay	(533)	(547)
Changes in Assets and Liabilities items:		
	200,550	274,542
Decrease (Increase) in accounts receivable	108,837	(100,280)
Decrease (Increase) in checks receivable	(105,812)	14,757
Decrease (Increase) in Outstanding checks	12,078	(21,422)
(Decrease) in account payable	155,084	19,368
Net cash deriving from (used for) current activities	<u>471,572</u>	<u>491,922</u>
<u>Cash flow from investment activities</u>		
Purchase of property and equipment	(7,247)	(22,609)
Net cash used in investing activities	<u>(7,247)</u>	<u>(22,609)</u>
<u>Cash flows from financing activities</u>		
Increase in temporarily restricted net assets	(910,730)	797,486
Net cash provided by financing activities	<u>(910,730)</u>	<u>797,486</u>
Increase(Decrease) in cash and cash equivalents	(446,409)	1,266,799
cash and cash equivalents at the beginning of the year	1,708,542	441,743
Balance of cash and cash equivalents at the end of the year	<u>1,262,133</u>	<u>1,708,542</u>

The accompanying notes are an integral part of the financial statements

Amichai (REG. ASSOC.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: - GENERAL

a. **The Amichai Association** was registered in the association's register on the 23/03/1994 and started its activities at that date. It's Register Number is 580243129

b. **The Association main aims are:**

To initiate, develop, and supply services to the population of children and adults with developmental handicaps and to help them and their families; to strive to promote the normalization of the different in the community and to work for the promotion of the public education for better understanding of their needs.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES: The financial accounting principles that have been applied consistently in the edition of the financial statements are as follows:

a. **Currency basis:** The financial statements are prepared in nominal NIS, ignoring changes in the value of the Israeli currency before 1/4/2004. Information about the influence of the exclusion of presentation in "reported sums" as required by the IASB pronouncement No 12 and 17 stating that from 1/1/2004 on the financial statements are not included in these reports

b. **Fixed assets:**

- 1) Property and equipment are stated at nominal cost, net from accumulated depreciation.
- 2) Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

Amichai (REG. ASSOC.)

NOTES TO THE FINANCIAL STATEMENTS

Note 3: Fixed Assets

	<u>Care facility equipment</u>	<u>Communit y dwelling equipment</u>	<u>Management equipment</u>	<u>Day care center for ages 21+</u>	<u>TOTAL</u>
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
<u>Cost</u>					
Cost at					
1 January 2013	661,417	153,992	69,141	14,519	904,079
Addition	<u>637</u>	<u>2,596</u>	<u>2,694</u>	<u>1,320</u>	<u>7,247</u>
Cost at					
31 December 2013	<u>668,054</u>	<u>156,588</u>	<u>71,835</u>	<u>15,849</u>	<u>911,326</u>
<u>Accumulated depreciation</u>					
Accumulated					
depreciation at					
1 January 2013	563,524	117,798	46,165	987	728,475
Depreciation					
expenses	<u>8,864</u>	<u>13,326</u>	<u>8,409</u>	<u>2,992</u>	<u>33,592</u>
Accumulated					
depreciation at					
31 December 2013	<u>572,388</u>	<u>131,124</u>	<u>55,574</u>	<u>3,980</u>	<u>762,067</u>
Net Value					
31 December 2013	<u>94,665</u>	<u>25,464</u>	<u>17,261</u>	<u>11,869</u>	<u>149,259</u>
Depreciation rate	<u>20%</u>	<u>20%</u>	<u>10%</u>	<u>20%</u>	<u></u>

Amichai (REG. ASSOC.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - Liability: Accrued severance pay:

a. The Association's liability for severance pay is covered by current payments to a deposit in a severance fund in the Leumi Bank.

b. The liabilities and the value of deposits are as follows:

	31 December	
	2013	2012
	<u>NIS</u>	<u>NIS</u>
Liability for severance pay	86,582	86,582
Value of the deposits	<u>7,545</u>	<u>7,012</u>
Net Liability	79,037	79,570

NOTE 5 - The association's net assets:

A sum of 1,040,230 NIS from the total net assets of the association, were donated on the condition of being used subject to restrictions from the donators. The association is allowed to use these donations in accordance with the connected aims - to build a center of special needs population.

The Association's principle funds are invested in tradable securities solid channels.

On November 4, 2010, an agreement allocating land between Hod Hasharon Municipality and the Association. The municipality has allocated the association of land owned by the municipality, for the establishment and operation of the center of population with special needs, subject to the provisions of the agreement. Hod Hasharon Municipality is the registered owner of the space allocation and the Association will only leases the allocation area.

In 2014 construction of the center was completed. In May 2014 the association moved to the new building.

Amichai (REG. ASSOC.)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - Amichai association house

	<u>For the year ended</u>		
	<u>31 December</u>		
<u>DONATIONS</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
		<u>NIS</u>	<u>NIS</u>
Social Security		1,673,020	2,372,912
Shalem foundation		2,012,791	600,000
Others		400,000	400,000
Allocation – Municipalities		43,815	-
		<u>7,257,743</u>	<u>3,372,912</u>
<u>EXPENSES</u>			
Planning and Architecture Services		79,717	336,963
Contractor jobs		7,270,961	2,013,646
Supervision of the construction costs		139,599	38,811
Fees		-	43,481
Project Management		-	139,883
Procurement of equipment and materials		678,196	143,356
		<u>8,168,473</u>	<u>2,716,140</u>
		<u>(910,730)</u>	<u>656,772</u>