

לחיות בשוויון עם השוני

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# *Amichai*

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

**(Registered Association)**

**FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2015**

# *Amichai*

**FINANCIAL STATEMENTS  
AS FOR DECEMBER 31, 2015  
IN ISRAEL SHEKELS**

We are presenting to you your financial reports of Amichai Association for Families with Special Needs' Children as of December 31, 2015, 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, 2015 and 2014 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, 2015 and 2014 and the results of its activities and the cash flows for the years ended December 31, 2015 and 2014, in conformity with generally accepted accounting principles.

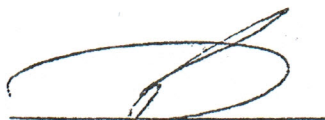
**Rony Berko**  
**Certified Public Accountants (Israel)**

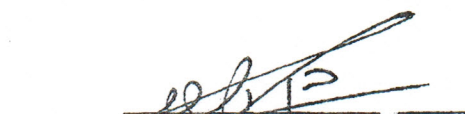


# Amichai (REG. ASSOC.)

## BALANCE SHEET

		<u>31 December</u>	
	<u>Note</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		<u>NIS</u>	<u>NIS</u>
<b>Current assets</b>			
Cash and cash equivalents		446,187	855,320
Tradable securities		1,484,679	87,417
Checks receivable		172,594	96,634
Accounts receivable		374,436	158,785
		<u>2,477,894</u>	<u>1,198,153</u>
<b>Fixed assets</b>			
	3		
Care facility equipment		2,534	1,772
Community dwelling equipment		23,028	28,607
Day care center for ages 21+		28,336	8,700
Management equipment		3,063	7,974
Amichai association house		-	-
		<u>56,961</u>	<u>47,053</u>
		<u>2,534,855</u>	<u>1,245,209</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b>Current liabilities</b>			
Outstanding Checks		130,691	3,640
Accounts payable		<u>1,224,165</u>	<u>1,197,296</u>
		<u>1,354,856</u>	<u>1,200,936</u>
<b>Accrued severance pay</b>	4	<b>78,699</b>	<b>78,756</b>
<b>Net Assets</b>			
<b>Non-earmarked by the Association's institutions</b>			
Used for current activities		1,067,698	(49,931)
Used for fixed assets		33,601	15,448
Net assets with temporary restrictions	5	-	-
		<u>1,101,299</u>	<u>(34,483)</u>
		<u>2,534,855</u>	<u>1,245,209</u>

  
 Farber Avi  
 Head of the board

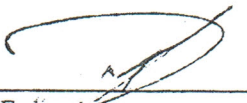
  
 Sheps Ben  
 Member of the Board

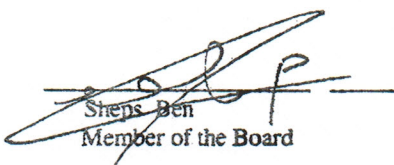
The accompanying notes are an integral part of the financial statements

# Amichai (REG. ASSOC.)

## STATEMENT OF OPERATING ACTIVITIES

	Note	<u>For the year ended</u>	
		<u>31 December</u>	
		<u>2015</u>	<u>2014</u>
		<u>NIS</u>	<u>NIS</u>
<b>Income</b>			
Allocation – Municipalities		56,137	63,084
Allocation - Welfare Ministry		8,909,664	6,356,050
Participation - parents and others		294,348	324,334
Donations		2,101,162	1,211,329
Product sales		337,434	200,113
Others Income		5,500	-
Interest on deposit		39,075	19,374
		<u>11,743,320</u>	<u>8,174,283</u>
<b>Cost of activities</b>			
Care facility expenses		2,339,275	2,260,388
List A			
Public housing expenses		4,243,080	3,747,126
List B			
Day care center for ages 21+ expenses		3,214,001	2,191,713
List C			
General and administrative expenses		1,140,290	994,860
List D			
		<u>(10,936,646)</u>	<u>(9,194,087)</u>
<b>Net surplus (deficit) for the current year</b>		<u>806,674</u>	<u>(1,019,804)</u>
<b>Association's net assets</b>			
Balance on the 1 January		(34,483)	1,115,252
Net surplus (deficit) for the current year	6	1,135,782	(1,149,736)
<b><u>Balance on the 31 December</u></b>		<u>1,101,299</u>	<u>(34,483)</u>

  
 Farber Avi  
 Head of the board

  
 Sheps Ben  
 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>2015</u>	<u>2014</u>
	<u>NIS</u>	<u>NIS</u>
Wages and related expenses	1,377,438	1,319,932
National service	346,825	166,214
Transportation	1,496	1,181
Maintenance and repairs	52,857	68,424
Food supply	140,698	204,081
Culture and leisure	355,818	257,948
Office supply and prospects	1,500	1,300
Insurance	41,610	15,608
Guidance and advice	13,916	31,593
Telephone	2,047	8,312
Conventions	26,881	18,006
Fixed assets	6,525	74,892
Depreciation -care facilities	622	92,896
<b>Total</b>	<b><u>2,339,275</u></b>	<b><u>2,260,388</u></b>

The accompanying notes are an integral part of the financial statements

## Amichai (REG. ASSOC.)

### List B – Public Housing expenses

	<u>For the year ended</u>	
	<u>31 December</u>	
	<u>2015</u>	<u>2014</u>
	<u>NIS</u>	<u>NIS</u>
Wages and related expenses	2,604,219	2,253,067
National service	210,242	218,035
Transportation	318,034	330,697
Rent and maintenance	520,110	458,976
Electricity	75,878	76,177
Food supply	147,564	163,960
Culture and leisure	89,228	106,246
Medication	36,157	29,555
Office supply	1,200	1,000
Professional advice	14,869	29,966
Insurance	7,366	10,352
Telephone	1,706	5,555
Conventions	54,085	51,235
Fixed assets	152,436	-
Depreciation -equipment	9,984	12,305
<b>Total</b>	<b>4,243,080</b>	<b>3,747,126</b>

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>2015</u>	<u>2014</u>
	<u>NIS</u>	<u>NIS</u>
Wages and related expenses	1,557,206	1,088,460
National service	230,557	142,237
Transportation	5,752	1,716
Maintenance and repairs	106,031	83,584
Food supply	222,227	221,887
Culture and leisure	293,818	63,283
Paramedics	396,477	369,531
Guidance and advice	24,102	14,921
Purchases of materials for products for sale	198,491	118,911
Telephone	6,167	5,545
Insurance	31,146	29,726
Conventions	62,264	48,742
Fixed assets	74,184	-
Others	5,578	3,170
<b>Total</b>	<b><u>3,214,001</u></b>	<b><u>2,191,713</u></b>

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>2015</u>	<u>2014</u>
	<u>NIS</u>	<u>NIS</u>
Wages and related expenses	820,355	682,521
Guidance and advice	5,453	3,212
Maintenance and repairs	6,186	22,096
Office expenses	4,500	4,606
Accounting and auditing	120,429	142,804
Public relations and publicity	76,421	43,569
Fundraising	77,972	66,374
Post, Telephone	3,659	3,696
Register of associations fees	1,314	1,316
Bank expenses	16,491	15,380
Equipment depreciation	7,509	9,287
<b>Total</b>	<b><u>1,140,290</u></b>	<b><u>994,860</u></b>

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>2015</u>	<u>2014</u>
	<u>NIS</u>	<u>NIS</u>
<b><u>Cash flow from current activities</u></b>		
Surplus (Deficit) according to the Statement of Operating Activities:	1,135,782	(49,931)
Income and expenses not involving cash flow From current activities:		
Depreciation	23,693	117,658
Increase (decrease) in the liability for employee severance pay	(57)	(281)
Changes in Assets and Liabilities items:		
Decrease (Increase) in Tradable securities	(1,397,262)	411,804
Decrease (Increase) in accounts receivable	(215,651)	(146,596)
Decrease (Increase) in checks receivable	(75,958)	110,256
Decrease (Increase) in Outstanding checks	127,050	(91,764)
(Decrease) in account payable	26,869	357,296
<b>Net cash deriving from (used for) current activities</b>	<b><u>(375,534)</u></b>	<b><u>708,442</u></b>
<b><u>Cash flow from investment activities</u></b>		
Purchase of property and equipment	(33,601)	(15,448)
<b>Net cash used in investing activities</b>	<b><u>(33,601)</u></b>	<b><u>(15,448)</u></b>
<b><u>Cash flows from financing activities</u></b>		
Increase in temporarily restricted net assets	-	(1,099,804)
<b>Net cash provided by financing activities</b>	<b>-</b>	<b><u>(1,099,804)</u></b>
Increase(Decrease) in cash and cash equivalents	(409,133)	(406,813)
cash and cash equivalents at the beginning of the year	<u>855,320</u>	<u>1,262,133</u>
Balance of cash and cash equivalents at the end of the year	<u><b>446,187</b></u>	<u><b>855,320</b></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>
<b><u>Cost</u></b>					
Cost at					
1 January 2015	665,850	173,240	71,835	15,849	926,773
Addition	<u>2,289</u>	<u>3,500</u>	<u>2,598</u>	<u>25,214</u>	<u>33,601</u>
Cost at					
31 December 2015	<u>668,139</u>	<u>176,740</u>	<u>74,433</u>	<u>41,063</u>	<u>960,374</u>
<b><u>Accumulated depreciation</u></b>					
Accumulated					
depreciation at					
1 January 2015	664,983	143,732	63,861	7,149	879,725
Depreciation					
expenses	<u>622</u>	<u>9,984</u>	<u>7,509</u>	<u>5,578</u>	<u>23,693</u>
Accumulated					
depreciation at					
31 December 2015	<u>665,605</u>	<u>153,716</u>	<u>71,370</u>	<u>12,727</u>	<u>903,418</u>
Net Value					
31 December 2015	<u>2,534</u>	<u>23,028</u>	<u>3,063</u>	<u>28,336</u>	<u>56,961</u>
Depreciation rate	<u>20%</u>	<u>20%</u>	<u>10%</u>	<u>20%</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:

	<b>31 December</b>	
	<b>2015</b>	<b>2014</b>
	<b><u>NIS</u></b>	<b><u>NIS</u></b>
Liability for severance pay	86,582	86,582
Value of the deposits	<u>7,883</u>	<u>7,826</u>
<b>Net Liability</b>	<b>78,699</b>	<b>78,756</b>

### **NOTE 5 - The association's net assets:**

In 2014 the building of Amichai House was completed and in May 2014 the association relocated to its new housing.

The association's capital funding which is based on designated donations, and whereas their use is limited by the contributors for the aim of investments, was temporarily used for the funding of the building of the structure.

Most of these funds were reimbursed to the association's capital during 2015, with the completion of receipt of the contributions for Amichai House.

## Amichai (REG. ASSOC.)

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 6 - Amichai association house

<u>DONATIONS</u>	<u>Note</u>	<u>For the year ended</u>	
		<u>31 December</u>	
		<u>2015</u>	<u>2014</u>
		<u>NIS</u>	<u>NIS</u>
Social Security		162,607	1,958,922
Shalem foundation		-	663,587
Others		179,440	147,128
Allocation – Municipalities		-	-
		<u>342,047</u>	<u>2,769,637</u>
<u>EXPENSES</u>			
Planning and Architecture Services		-	12,594
Contractor jobs		-	1,262,426
Supervision of the construction costs		-	8,472
Fees		-	-
Project Management		-	-
Procurement of equipment and materials		12,939	1,616,076
		<u>12,939</u>	<u>2,899,569</u>
<b><u>Balance on the 31 December</u></b>		<b><u>339,407</u></b>	<b><u>(129,932)</u></b>