

עמותת משפחות לילדים מיוחדים בישראל

AS OF OR OF

התאריך

We are presenting to you your financial statements  
Needs Children as of December 31, 2014, as

special

# *Amichai*

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

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**AS OF DECEMBER 31, 2014**

**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, 2014 and 2013 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, 2014 and 2013 and the results of its activities and the cash flows for the years ended December 31, 2014 and 2013, in conformity with generally accepted accounting principles.


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


Hod-Hasharon, Israel,  
June 1, 2015

## Amichai (REG. ASSOC.)

### BALANCE SHEET

| <u>ASSETS</u>  | <u>Note</u> | <u>31 December</u> |                  |
|--|-------------|--------------------|------------------|
|  |             | <u>2014</u>        | <u>2013</u>      |
|  |             | <u>NIS</u>         | <u>NIS</u>       |
| <b>Current assets</b>                                  |             |                    |                  |
| Cash and cash equivalents                              |             | 855,320            | 1,262,133        |
| Tradable securities                                    |             | 87,417             | 499,221          |
| Checks receivable                                      |             | 96,634             | 206,890          |
| Accounts receivable                                    |             | 158,785            | 12,189           |
|  |             | <u>1,198,153</u>   | <u>1,980,432</u> |
| <b>Fixed assets</b>                                    |             |                    |                  |
|  | 3           |                    |                  |
| Care facility equipment                                |             | 1,772              | 94,668           |
| Community dwelling equipment                           |             | 28,607             | 25,464           |
| Day care center for ages 21+                           |             | 8,700              | 11,870           |
| Management equipment                                   |             | 7,974              | 17,261           |
| Amichai association house                              |             | -                  | -                |
|  |             | <u>47,053</u>      | <u>149,263</u>   |
|  |             | <u>1,245,209</u>   | <u>2,129,695</u> |
| <b><u>LIABILITIES AND NET ASSETS</u></b>               |             |                    |                  |
| <b>Current liabilities</b>                             |             |                    |                  |
| Outstanding Checks                                     |             | 3,640              | 95,404           |
| Accounts payable                                       |             | 1,197,296          | 840,000          |
|  |             | <u>1,200,936</u>   | <u>935,405</u>   |
| <b>Accrued severance pay</b>                           | 4           | <b>78,756</b>      | <b>79,037</b>    |
| <b>Net Assets</b>                                      |             |                    |                  |
| <b>Non-earmarked by the Association's institutions</b> |             |                    |                  |
| Used for current activities                            |             | (49,931)           | 67,775           |
| Used for fixed assets                                  |             | 15,448             | 7,247            |
| Net assets with temporary restrictions                 | 5           | -                  | 1,040,230        |
|  |             | <u>(34,483)</u>    | <u>1,115,252</u> |
|  |             | <u>1,245,209</u>   | <u>2,129,695</u> |

  
 Farber Avi  
 Heaf of the board

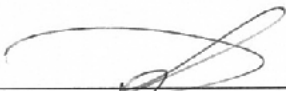
  
 Blaichfeld Gad  
 Member of the Board

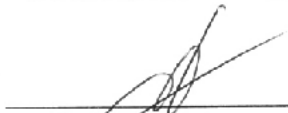
The accompanying notes are an integral part of the financial statements

## Amichai (REG. ASSOC.)

### STATEMENT OF OPERATING ACTIVITIES

|   | Note | <u>For the year ended</u> |                  |
|---|------|---------------------------|------------------|
|   |      | <u>31 December</u>        |                  |
|   |      | <u>2014</u>               | <u>2013</u>      |
|   |      | <u>NIS</u>                | <u>NIS</u>       |
| <b>Income</b>                                     |      |                           |                  |
| Allocation – Municipalities                       |      | 63,084                    | 95,962           |
| Allocation - Welfare Ministry                     |      | 6,356,050                 | 5,466,870        |
| Participation - parents and others                |      | 324,334                   | 507,932          |
| Donations   |      | 1,211,329                 | 1,249,253        |
| Product sales                                     |      | 200,113                   | 25,450           |
| Interest on deposit                               |      | 19,374                    | 25,929           |
|   |      | 8,174,283                 | 7,371,396        |
| <br>  |      |                           |                  |
| <b>Cost of activities</b>                         |      |                           |                  |
| Care facility expenses                            |      | 2,260,388                 | 2,538,765        |
| List A  |      |                           |                  |
| Public housing expenses                           |      | 3,747,126                 | 2,994,608        |
| List B  |      |                           |                  |
| Day care center for ages 21+ expenses             |      | 2,191,713                 | 942,547          |
| List C  |      |                           |                  |
| General and administrative expenses               |      | 994,860                   | 824,701          |
| List D  |      |                           |                  |
|   |      | (1,019,804)               | 7,303,621        |
|   |      |                           |                  |
| <b>Net surplus (deficit) for the current year</b> |      | <u>67,775</u>             | <u>67,775</u>    |
| <br>  |      |                           |                  |
| <b>Association's net assets</b>                   |      |                           |                  |
| Balance on the 1 January                          |      | 1,115,252                 | 1,958,207        |
| Net surplus (deficit) for the current year        | 6    | (1,149,736)               | (842,955)        |
| <b><u>Balance on the 31 December</u></b>          |      | <u>(34,483)</u>           | <u>1,115,252</u> |

  
 Farber Avi  
 Head of the board

  
 Blagfeld 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>2014</u>               | <u>2013</u>             |
|                               | <u>NIS</u>                | <u>NIS</u>              |
| Wages and related expenses    | 1,461,705                 | 1,740,511               |
| National service              | 24,441                    | 63,785                  |
| Transportation                | 1,181                     | 39,230                  |
| Maintenance and repairs       | 68,424                    | 35,792                  |
| Food supply                   | 204,081                   | 249,008                 |
| Culture and leisure           | 257,948                   | 272,952                 |
| Office supply and prospects   | 1,300                     | 1,100                   |
| Insurance                     | 15,608                    | 22,983                  |
| Guidance and advice           | 31,593                    | 24,956                  |
| Telephone                     | 8,312                     | 5,443                   |
| Conventions                   | 92,89                     | 74,141                  |
| Others                        | -                         | -                       |
| Depreciation -care facilities | 92,896                    | 8,864                   |
| <b>Total</b>                  | <b><u>2,260,388</u></b>   | <b><u>2,615,191</u></b> |

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## Amichai (REG. ASSOC.)

### List B – Public Housing expenses

|                            | <u>For the year ended</u> |                  |
|----------------------------|---------------------------|------------------|
|                            | <u>31 December</u>        |                  |
|                            | <u>2014</u>               | <u>2013</u>      |
|                            | <u>NIS</u>                | <u>NIS</u>       |
| Wages and related expenses | 2,471,102                 | 1,969,159        |
| Transportation             | 330,697                   | 206,209          |
| Rent and maintenance       | 458,976                   | 411,678          |
| Electricity                | 76,177                    | 61,567           |
| Food supply                | 163,960                   | 107,434          |
| Culture and leisure        | 106,246                   | 82,472           |
| Medication                 | 29,555                    | 13,517           |
| Office supply              | 1,000                     | 510              |
| Professional advice        | 29,966                    | 15,193           |
| Insurance                  | 10,352                    | 10,139           |
| Telephone                  | 5,555                     | 8,461            |
| Conventions                | 51,235                    | 94,943           |
| Depreciation -equipment    | 12,305                    | 13,326           |
| <b>Total</b>               | <b>3,747,126</b>          | <b>2,994,608</b> |

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## Amichai (REG. ASSOC.)

### List C – Day Care Center for ages 21+ expenses

|  | <u>For the year ended</u> |                |
|--|---------------------------|----------------|
|  | <u>31 December</u>        |                |
|  | <u>2014</u>               | <u>2013</u>    |
|  | <u>NIS</u>                | <u>NIS</u>     |
| Wages and related expenses                   | 1,230,697                 | 614,647        |
| Transportation                               | 1,716                     | 3,831          |
| Maintenance and repairs                      | 83,584                    | 29,068         |
| Food supply                                  | 221,887                   | 105,475        |
| Culture and leisure                          | 63,283                    | 163,824        |
| Paramedics                                   | 369,531                   | -              |
| Guidance and advice                          | 14,921                    | 5,810          |
| Purchases of materials for products for sale | 118,911                   | -              |
| Telephone                                    | 5,545                     | 2,077          |
| Insurance                                    | 27,726                    | 3,832          |
| Conventions                                  | 48,742                    | 991            |
| Others                                       | 3,170                     | 2,992          |
| <b>Total</b>                                 | <b>2,191,713</b>          | <b>942,547</b> |

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## Amichai (REG. ASSOC.)

### List D – General and administrative expenses

|                                | <u>For the year ended</u> |                |
|--------------------------------|---------------------------|----------------|
|                                | <u>31 December</u>        |                |
|                                | <u>2014</u>               | <u>2013</u>    |
|                                | <u>NIS</u>                | <u>NIS</u>     |
| Wages and related expenses     | 682,521                   | 518,799        |
| Guidance and advice            | 3,212                     | 16,359         |
| Maintenance and repairs        | 22,096                    | 12,983         |
| Office expenses                | 4,606                     | 6,454          |
| Accounting and auditing        | 142,804                   | 101,531        |
| Public relations and publicity | 43,569                    | 49,603         |
| Fundraising                    | 66,374                    | 83,501         |
| Post, Telephone                | 3,696                     | 8,254          |
| Register of associations fees  | 1,316                     | 1,291          |
| Bank expenses                  | 15,380                    | 20,517         |
| Equipment depreciation         | 9,287                     | 8,409          |
| <b>Total</b>                   | <b>994,860</b>            | <b>824,701</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>2014</u>                           | <u>2013</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: | (49,931)                              | 67,775                  |
| Income and expenses not involving cash flow                           |                                       |                         |
| From current activities:  |                                       |                         |
| Depreciation  | 117,658                               | 33,592                  |
| Increase (decrease) in the liability for employee severance pay       | (281)                                 | (533)                   |
| Changes in Assets and Liabilities items:                              |                                       |                         |
| Decrease (Increase) in Tradable securities                            | 411,804                               | 200,550                 |
| Decrease (Increase) in accounts receivable                            | (146,596)                             | 108,837                 |
| Decrease (Increase) in checks receivable                              | 110,256                               | (105,812)               |
| Decrease (Increase) in Outstanding checks                             | (91,764)                              | 12,078                  |
| (Decrease) in account payable   | 357,296                               | 155,084                 |
| <b>Net cash deriving from (used for) current activities</b>           | <b><u>708,442</u></b>                 | <b><u>471,572</u></b>   |
| <b><u>Cash flow from investment activities</u></b>                    |                                       |                         |
| Purchase of property and equipment                                    | (15,448)                              | (7,247)                 |
| <b>Net cash used in investing activities</b>                          | <b><u>(15,448)</u></b>                | <b><u>(7,247)</u></b>   |
| <b><u>Cash flows from financing activities</u></b>                    |                                       |                         |
| Increase in temporarily restricted net assets                         | (1,099,804)                           | (910,730)               |
| <b>Net cash provided by financing activities</b>                      | <b><u>(1,099,804)</u></b>             | <b><u>(910,730)</u></b> |
| Increase(Decrease) in cash and cash equivalents                       | (406,813)                             | (446,409)               |
| cash and cash equivalents at the beginning of the year                | <u>1,262,133</u>                      | <u>1,708,542</u>        |
| Balance of cash and cash equivalents at the end of the year           | <u><u>855,320</u></u>                 | <u><u>1,262,133</u></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<br/>equipment</u> | <u>Communit<br/>y dwelling<br/>equipment</u> | <u>Management<br/>equipment</u> | <u>Day care<br/>center for<br/>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<br>1 January 2014                          | 666,054                            | 156,588                                      | 71,835                          | 15,849                                      | 911,326        |
| Addition   | -                                  | 15,448                                       | -                               | -   | 15,448         |
| Cost at<br>31 December 2014                        | <u>668,054</u>                     | <u>172,036</u>                               | <u>71,835</u>                   | <u>15,849</u>                               | <u>926,773</u> |
| <b><u>Accumulated depreciation</u></b>             |                                    |  |                                 |   |                |
| Accumulated<br>depreciation at<br>1 January 2014   | 573,386                            | 131,124                                      | 54,574                          | 3,979                                       | 762,067        |
| Depreciation<br>expenses                           | <u>92,896</u>                      | <u>12,305</u>                                | <u>9,287</u>                    | <u>3,170</u>                                | <u>117,658</u> |
| Accumulated<br>depreciation at<br>31 December 2014 | <u>666,282</u>                     | <u>143,429</u>                               | <u>63,861</u>                   | <u>7,149</u>                                | <u>879,725</u> |
| Net Value<br>31 December 2014                      | <u>1,772</u>                       | <u>28,607</u>                                | <u>7,974</u>                    | <u>8,700</u>                                | <u>47,048</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>2014</b>        | <b>2013</b>       |
|                             | <b><u>NIS</u></b>  | <b><u>NIS</u></b> |
| Liability for severance pay | 86,582             | 86,582            |
| Value of the deposits       | <u>7,826</u>       | <u>7,545</u>      |
| <b>Net Liability</b>        | <b>78,756</b>      | <b>79,037</b>     |

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

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

Financial donations fund the organization originating the use of which has been restricted by donor stipulations were used for construction.

## Amichai (REG. ASSOC.)

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 6 - Amichai association house

|  | <u>Note</u> | <u>For the year ended</u> |                  |
|--|-------------|---------------------------|------------------|
|  |             | <u>31 December</u>        |                  |
| <u>DONATIONS</u>                       |             | <u>2014</u>               | <u>2013</u>      |
|  |             | <u>NIS</u>                | <u>NIS</u>       |
| Social Security                        |             | 1,958,922                 | 1,673,020        |
| Shalem foundation                      |             | 663,587                   | 2,012,791        |
| Others                                 |             | 147,128                   | 400,000          |
| Allocation – Municipalities            |             | -                         | 43,815           |
|  |             | <u>2,769,637</u>          | <u>7,257,743</u> |
| <u>EXPENSES</u>                        |             |                           |                  |
| Planning and Architecture Services     |             | 12,594                    | 79,717           |
| Contractor jobs                        |             | 1,262,426                 | 7,270,961        |
| Supervision of the construction costs  |             | 8,472                     | 139,599          |
| Fees                                   |             | -                         | -                |
| Project Management                     |             | -                         | -                |
| Procurement of equipment and materials |             | 1,616,076                 | 678,196          |
|  |             | <u>2,899,569</u>          | <u>8,168,473</u> |
|  |             |                           |                  |
| <u>Balance on the 31 December</u>      |             | <u>(129,932)</u>          | <u>(910,730)</u> |