

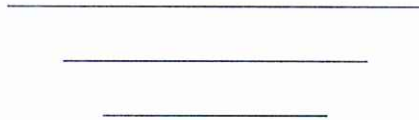
AMCHA (R" A)
Financial Statements as at December 31, 2016

AMCHA (R"A)

Financial Statements as at December 31, 2016

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**AUDITORS' REPORT TO THE MEMBERS OF
AMCHA (R"A)**

We have audited the attached Statements of Financial Position of Amcha (R"A) (hereinafter: the "Amuta") as at December 31, 2016 and 2015, the statements of activities, the statements of change in net assets and the statements of cash flows for each of the years ending on these dates. These financial statements are the responsibility of the executive committee and the management of the Amuta. our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Israel, including those prescribed under the Israeli Auditors Regulations (Auditors' Mode of Performance), 1973. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the above financial statements fairly present, in all material aspects, the financial position of Amcha (R"A) as of December 31, 2016 and 2015, and the results of its operations, the changes in its net assets and its cash flows, for each of the years ending on these dates, in accordance with the Generally Accepted Accounting Principles in Israel (Israeli GAAP).



Ziv Haft

Certified Public Accountants (Isr.)

Jerusalem, July 18, 2017

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AMCHA (R" A)
STATEMENTS OF FINANCIAL POSITION

	Note	December 31,	
		2016 N.I.S.	2015 N.I.S.
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	3	7,707,372	4,428,471
Deposits	9(C)	-	368,517
Debtors and debit balances	4	1,991,236	2,482,847
Beneficiaries of services and customers	4A	10,369,414	8,332,294
		<u>20,068,022</u>	<u>15,612,129</u>
NON CURRENT ASSETS:			
Fixed assets	5	1,648,978	2,168,562
Long term deposits	9(C)	311,585	-
		<u>1,960,563</u>	<u>2,168,562</u>
		<u>22,028,585</u>	<u>17,780,691</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Suppliers and service providers	6	3,807,259	3,837,966
Creditors and credit balances	7	3,336,763	3,126,945
		<u>7,144,022</u>	<u>6,964,911</u>
SEVERANCE PAY LIABILITY, NET	8	<u>3,973,860</u>	<u>3,240,087</u>
NET ASSETS:			
Unrestricted Net Assets:			
Used for operations		5,398,595	1,544,001
Used for fixed assets		1,648,978	2,168,562
		<u>7,047,573</u>	<u>3,712,563</u>
Temporarily restricted Net Assets	13	3,863,130	3,863,130
		<u>10,910,703</u>	<u>7,575,693</u>
		<u>22,028,585</u>	<u>17,780,691</u>

The Notes to the Financial Statements are an integral part hereof.

July 18, 2017
Date of approval of financial statements

On behalf of the Executive Committee:

Mr. A. Barnea
Chairman of the
Executive Committee


**Adv. Mordechai
Marcovits**
Board Member

AMCHA (R"A)
STATEMENTS OF ACTIVITIES

	Note	For the Year Ended December 31,	
		2016	2015
		N.I.S.	N.I.S.
Operation turnover:			
Contribution income	10	8,184,169	8,174,699
Participation from services beneficiaries	11	48,085,380	41,678,090
Government support	12	5,695,496	6,203,540
Special projects income		54,394	68,773
		62,019,439	56,125,102
Operation costs:			
Operation expenses:	14		
Salaries and related expenses		(20,547,319)	(18,362,999)
Other direct operating expenses		(34,184,479)	(30,302,031)
		(54,731,798)	(48,665,030)
Special projects costs	15	(893,114)	(164,330)
Total operating costs		(55,624,912)	(48,829,360)
Net income from operations		6,394,527	7,295,742
General and administrative expenses	16	(2,975,222)	(2,664,610)
Net income before financial expense		3,419,305	4,631,132
Financial expenses, net	17	(84,295)	(17,134)
Net income after financing		3,335,010	4,613,998
Other expenses	18	-	(2,597,500)
Net income for the year		3,335,010	2,016,498

The Notes to the Financial Statements are an integral part hereof.

AMCHA (R"A)
STATEMENTS OF CHANGES IN NET ASSETS

	Unrestricted Net Assets		Temporarily restricted Net Assets (*)	Total
	For Operations	For Fixed Assets		
	N.I.S.	N.I.S.		
Balance as of January 1, 2015	(243,850)	1,939,915	3,863,130	5,559,195
Changes during the year:				
Net income for the year	2,016,498	-	-	2,016,498
Transfer of unrestricted amounts for fixed assets	(675,078)	675,078	-	-
Amounts transferred to cover depreciation expenses	446,431	(446,431)	-	-
	<u>1,787,851</u>	<u>228,647</u>	<u>-</u>	<u>2,016,498</u>
Balance as of December 31, 2016	<u>1,544,001</u>	<u>2,168,562</u>	<u>3,863,130</u>	<u>7,575,693</u>
Changes during the year:				
Net income for the year	3,335,010	-	-	3,335,010
Transfer of unrestricted amounts for fixed assets	(90,762)	90,762	-	-
Amounts transferred to cover write off of fixed assets, net	61,288	(61,288)	-	-
Amounts transferred to cover depreciation expenses	549,058	(549,058)	-	-
	<u>3,854,594</u>	<u>(519,584)</u>	<u>-</u>	<u>3,335,010</u>
Balance as of December 31, 2016	<u>5,398,595</u>	<u>1,648,978</u>	<u>3,863,130</u>	<u>10,910,703</u>

(*) See note 13.

The Notes to the Financial Statements are an integral part hereof.

AMCHA (R"A)
STATEMENTS OF CASH FLOWS

	For the Year Ended	
	December 31,	
	2016	2015
	N.I.S.	N.I.S.
Cash Flows from Operating Activities:		
Net income for the year	3,335,010	2,016,498
Adjustments to reconcile net cash provided by operating activities (see Schedule 1)	34,653	599,204
Cash provided by used for operating activities, net	<u>3,369,663</u>	<u>2,615,702</u>
Cash Flows for Investment Activities:		
Purchase of fixed assets	(90,762)	(675,078)
Purchase of deposits	-	(101,001)
Cash flows used for investment activities	<u>(90,762)</u>	<u>(776,079)</u>
Increase in cash and cash equivalents	3,278,901	1,839,623
Cash and cash equivalents at the beginning of the year	<u>4,428,471</u>	<u>2,588,848</u>
Cash and cash equivalents at the end of the year	<u><u>7,707,372</u></u>	<u><u>4,428,471</u></u>

The Notes to the Financial Statements are an integral part hereof.

AMCHA (R"A)
STATEMENTS OF CASH FLOWS

SCHEDULE 1 - ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY OPERATING ACTIVITIES:

	For the Year Ended	
	December 31,	
	<u>2016</u>	<u>2015</u>
	<u>N.I.S.</u>	<u>N.I.S.</u>
Income and expenses which do not affect cash flows:		
Depreciation	549,058	446,431
Increase severance pay liability, net	733,773	563,718
Gain from short term deposits	-	(2,688)
Write off of fixed assets	61,288	-
	<u>1,344,119</u>	<u>1,007,461</u>
Changes in asset and liability balances:		
Decrease in deposits	56,932	-
Decrease (increase) in beneficiaries of services and customers	(2,037,120)	696,919
Decrease (increase) in debtors and debit balances	491,611	(1,666,737)
(Decrease) in short-term credit form banks	-	(420)
Increase (decrease) in suppliers and service providers	(30,707)	465,365
Increase in creditors and credit balances	209,818	96,616
	<u>(1,309,466)</u>	<u>(408,257)</u>
Total	<u>34,653</u>	<u>599,204</u>

The Notes to the Financial Statements are an integral part hereof.

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 1 - General:

Amcha (R"A) (hereinafter: "the Amuta") - is an Amuta (association) that has been registered with the Registrar of Amutot as of February 2, 1987.

The main purpose of the Amuta is to provide psychosocial support for holocaust survivors and their families. In order to facilitate this purpose, the Amuta operates a number of treatment centers across the country.

The assets and income of the Amuta are used to serve its main objectives and a substantial part of its income is not received for personal benefits.

The net assets of the Amuta cannot be distributed to its members.

The Amuta is classified as a non-profit organization for Value Added Tax (VAT) purposes.

The Amuta is recognized as a public institution as defined in paragraph 9(2) of the Income Tax Ordinance, as well as for donations as defined in paragraph 46 of the Income Tax Ordinance therefore, contributions made to it entitle the donor to a tax credit, which is valid up to and including 2018.

Note 2 - Significant Accounting Policies:

A. Definitions:

The Amuta	-	Amcha (R"A).
Net Assets	-	The difference between the Amuta's assets and liabilities.
Restrictions	-	Restrictions imposed on the use of net assets by donors, supporters or grant providers to the Amuta.
Temporarily Restrictions	-	Restrictions that expire or are removed with the occurrence of a specific event with the passage of time, or that can be fulfilled or removed with the performance of specific activities, all of which are contingent upon the conditions imposed by donors or other outside sources which provided the funds.
Index	-	The Consumer Price Index, as published by the Central Bureau of Statistics.
Related Parties	-	As defined in Opinion 29 of the Institute of Certified Public Accountants in Israel, and Accounting Standard No. 5 of the Israel Accounting Standards Board.

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 2 - Significant Accounting Policies (continued):

A. Definitions (continued):

- | | | |
|-----------------------|---|---|
| Fair Value | - | The amount at which one can exchange an asset or settle a liability, between two willing parties, in an arm's length transaction. |
| Presentation Currency | - | The currency presented in the financial statements. |
| Functional Currency | - | The currency of the primary economic environment in which the Amuta operates. |

B. Presentation of financial statements:

1. The balances included in the grouping of Net Assets are categorized as follows:
 - Unrestricted Net Assets.
 - Temporarily Restricted Net Assets.

The Unrestricted Net Assets are classified as follows:

- Used for operations.
 - Used for fixed assets.
2. The Statement of Activities includes all income and expense items for the reporting period. "Income" includes all revenues received and earned during the period which are unrestricted in nature, and amounts that were released from donor restriction. "Expenses" also include those expenses which were financed from sources that were restricted by their donors.
 3. The Statement of Changes in Net Assets includes, in addition to the net result transferred from the Statement of Activities, all the restricted sources received and the amounts released from restrictions. Amounts released from restrictions for activities are transferred as income to the Statement of Activities, and amounts released from restrictions for fixed assets, including fixed assets received as gifts (and whose proceeds upon sale is unrestricted) are transferred directly to the Unrestricted Net Asset balance in the Statement of Changes in Net Assets.
 4. The Statement of Changes in Net Assets also includes transfers between unrestricted net assets used for operations and unrestricted net assets used for fixed assets, due to amounts used during the accounting period for the acquisition of fixed assets, amounts derived during the accounting period from the sale of fixed assets and amounts that were transferred during the accounting period to cover depreciation expenses.

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 2 - Significant Accounting Policies (continued):

C. Standards for financial statement:

1. The Amuta's assets, liabilities, income and expenses are recorded on an accrual basis.
2. The financial statements are presented in reporting amounts. For the purpose of these financial statements "cost" is defined as reported amounts.
3. The financial statements were prepared on the cost basis.
4. Balance sheet items are presented in reporting amounts.
5. Statement of Activities:
 - a. Income and expenses derived from nonmonetary items (such as depreciation, capitalized gain / loss) or certain provisions (such as vacation or severance pay liability) are derived from the difference between the amounts reported in the opening and closing balances.
 - b. The rest of the items included in the statement of activity are presented in reporting amounts.

D. Functional Currency and Reporting Currency:

1. **Functional Currency:** The currency that represents most accurately, in the best possible way, the economic effects of transactions, events and circumstances is the New Israeli Shekel. Any transaction undertaken by the Amuta that is not in its Functional Currency is defined as a transaction in a foreign currency (see note 2 E below).
2. **Reporting Currency:** The financial statements of the Amuta are presented in New Israeli Shekels.

E. Foreign Currency and Linkage:

1. Assets and liabilities in foreign currencies, or those linked to them, are stated at the representative rate exchange as of the financial statement date.
2. Assets and liabilities linked to the Index have been included according to the linkage conditions applicable to each balance.
3. Income, expenses and other transactions in foreign currencies are recorded at the representative exchange rates prevailing at the time of each transaction.
4. Linkage and exchange differences are recorded in the financial statements at the time they occurred.
5. Balances of net assets that have not had their donors set the basis of maintaining their real values are recorded on the same linkage basis set by the management, based on the interpretation given regarding the donors' intentions.

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 2 - Significant Accounting Policies (continued):

E. Foreign Currency and Linkage (continued):

6. Following are the details of the Consumer Price Index and exchange rates of primary currencies:

	December 31,	
	2016	2015
The Consumer Price Index, in points	98.9	99.1
U.S. Dollar (in Shekels to 1 Dollar)	3.845	3.902
Euro (in Shekels to 1 Euro)	4.0438	4.2468
	For the Year Ended December 31,	
	2016	2015
	%	%
Rate of change in the Consumer Price Index	(0.20)	(1.00)
Rate of change in the U.S. Dollar for the year	(1.46)	0.33
Rate of change in the Euro for the year	(4.78)	(10.11)

F. Cash and cash equivalents:

Cash and cash equivalents include current bank account balances and deposits in banks that are available for immediate withdrawal where the period till realization when invested was not longer than three months.

G. Contributions Receivable:

Donations, allocations, estates and gifts that were pledged but not received as at financial statement date, are recorded as income or as additions to restricted net assets if all of the following conditions exist:

- An irrevocable and unconditional pledge by a donor.
- The pledge was realized subsequent to the financial statement date or is enforceable by law.
- Realization of the pledge is not contingent upon the occurrence of future events.

H. Allocation for doubtful debts:

The allocation for doubtful debts is calculated on a specific manner, due to liabilities that the Amuta's board's opinion is that they will not be pay.

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 2 - Significant Accounting Policies (continued):

I. Fixed Assets:

- (1) Fixed assets acquired commencing with January 1, 1996, are stated at cost, less accumulated depreciation. Items acquired prior to that date, were recorded as expense, and are reflected in the financial statements at symbolic value.
- (2) The cost of fixed assets received free of charge is its fair value as of the date received.
- (3) Depreciation is computed on the straight-line method, at annual rates based on the estimated useful life of the assets, see note 5.
- (4) Leasehold improvements are depreciated at the lower of the period of the rent including the option or the estimated useful life.

J. Recognition of Income and Expenses:

- a. The Amuta records its income and expenses on an accrued basis in accordance with standard No.5 and opinion No.69.
- b. Services which include professionalism and expertise, which were received as donation, were not recorded in the books and not included in the financial statements.
- c. Interest income is recognized using the effective interest method.

K. Taxes:

1. Payroll taxes, levied pursuant to the Value Added Tax and Employers' Tax laws, are included in salaries and related expenses. Other Value Added Tax paid, which is non-refundable, is included with the expense or asset for which it was paid.
2. Taxes for certain expenses ("Excessive Expenses") are included with the expenses or assets for which they were paid.

L. Reliance on Management Estimates:

During the preparation and presentation of the financial statements according to accepted accounting principles, management is required to estimate and presume premises that influence the information presented in the financial statements and its accompanying rates.

By the very nature of these estimates and premises, actual results may differ.

M. Voluntary:

The Amuta receives voluntary help from time to time, but does not record the expense not as "Income" nor as "Expense".

AMCHA (R" A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 3 - Cash and Cash Equivalents:

	December 31,	
	2016	2015
	N.I.S.	N.I.S.
Cash on hand	59,899	71,399
In Bank:		
Current bank accounts - New Israel Shekels	4,934,082	3,313,369
Short-term deposits - Foreign currency	2,685,372	1,043,703
Short-term deposits – new Israel shekels	28,019	-
Total	7,707,372	4,428,471

Note 4 - Debtors and Debit Balances:

	December 31,	
	2016	2015
	N.I.S.	N.I.S.
Income receivable	1,764,276	2,240,609
Prepaid expenses	226,960	176,799
Other	-	65,439
Total	1,991,236	2,482,847

Note 4A – Beneficiaries of services and customers:

	December 31,	
	2016	2015
	N.I.S.	N.I.S.
Beneficiaries of services and customers	10,307,691	8,284,074
Deferred checks receivable	61,723	48,220
Total	10,369,414	8,332,294

AMCHA (R"A)
NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 5 - Fixed Assets:

	Equipment purchased until December 31, 1995	Office furniture and equipment	Computers and software	Leasehold improvements	Total
<u>Cost</u>					
As of January 1, 2016	1	1,885,118	2,865,991	4,374,476	9,125,586
Write offs during the year	-	20,031	41,364	29,367	90,762
Purchases during the year	-	-	(117,508)	-	(117,508)
As of December 31, 2016	1	1,905,149	2,789,847	4,403,843	9,098,840
<u>Accumulated depreciation</u>					
As of January 1, 2016	-	1,371,879	2,234,591	3,350,554	6,957,024
Write offs during the year	-	112,564	222,585	213,909	549,058
Depreciation during the year	-	-	(56,220)	-	(56,220)
As of December 31, 2016	-	1,484,443	2,400,956	3,564,463	7,449,862
<u>Depreciated cost as of 31.12.2016</u>	1	420,706	388,891	839,380	1,648,978
<u>Depreciated cost as of 31.12.2015</u>	1	513,239	631,400	1,023,922	2,168,562
<u>Deprecation rate</u>	-	10%-33%	10%-15%	33%	

Note 6 - Suppliers and service providers:

	December 31,	
	2016	2015
	N.I.S.	N.I.S.
Account payable	3,078,891	2,527,254
Outstanding checks	728,368	1,310,712
	<u>3,807,259</u>	<u>3,837,966</u>

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 7 - Creditors and Credit Balances:

	December 31,	
	2016	2015
	<u>N.I.S.</u>	<u>N.I.S.</u>
Expenses payable	117,553	244,452
Employees and institutions for employees	1,819,727	1,648,495
Provision for vacation pay	1,399,483	1,231,655
Other creditors	-	2,343
Total	<u><u>3,336,763</u></u>	<u><u>3,126,945</u></u>

Note 8 - Severance pay liability, net:

- A.** The Amuta's liability to its employees for the severance pay is covered in part by manager insurance policies, pension funds and severance pay funds.

The amounts deposited in these policies are not reflected in the financial statements since the amounts are not managed or controlled by the Amuta. The liability presented in the books was recorded in order to cover the amount to employees not covered by the policies, as mentioned.

B.

	December 31,	
	2016	2015
	<u>N.I.S.</u>	<u>N.I.S.</u>
Provision for severance pay	4,944,642	4,192,830
Less: Deposit in severance pay fund	<u>970,782</u>	<u>952,743</u>
Total	<u><u>3,973,860</u></u>	<u><u>3,240,087</u></u>

AMCHA (R" A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 9 - Commitments and Contingent Liabilities:

- A.** The Amuta is committed to future rental agreements regarding its branches, which average to approximately two years, with an extension option and include exit points with prior notice.
The total amount of future minimal rent payment is NIS 2,700 Thousand per year.
- B.** To secure its liabilities to the lessees, the Amuta provided bank guarantees as of December 31, 2016 and December 31, 2015 in the amount of NIS 377,864 and NIS 316,348, respectively.
- C.** The deposit balances, in whole or in part, are liened and serve as collaterals for the Amuta's liabilities to the bank.

Note 10 - Contribution Income:

	For the Year Ended	
	December 31,	
	2016	2015
	N.I.S.	N.I.S.
Foundation EVZ (Germany)	403,296	345,596
Amcha Stiftung (Germany)	-	337,200
Amcha Friends (Germany)	273,497	699,257
Conference on Jewish Material Claims Against Germany, Inc.	4,535,753	4,163,729
Foundation for the Remembrance of the Shoah (France)	213,553	144,548
Stichting Vrienden Van Amcha (Netherlands)	800,329	1,331,850
Nationalfonds (Austria)	127,800	208,000
North American Friends of Amcha Israel, Inc.	210,348	169,836
Amcha Friends (Switzerland)	58,611	159,231
Keren Ha'yesod (Australia)	37,466	34,748
Other entities	318,842	139,499
Donation to clubs	7,090	14,960
Private	1,197,584	426,245
Total	8,184,169	8,174,699

AMCHA (R" A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 11 - Participation from Services of Beneficiaries:

	For the Year Ended December 31,	
	2016	2015
	N.I.S.	N.I.S.
Detail per branches:		
Jerusalem	2,058,816	2,004,334
Tel-Aviv	12,773,358	11,547,376
Haifa	14,540,357	13,349,961
Beer Sheva	5,751,507	3,650,399
Rehovot	3,582,621	3,076,677
Netanya	3,827,538	3,609,020
United States (Through the Jewish Agency, including U.J.A. - Federation of New York, A: as follows)	1,272,830	1,419,730
Ashkelon	4,263,909	2,938,723
Other	14,444	81,870
Total	48,085,380	41,678,090

A: This income is for services rendered and projects carried out. Discrete detailing for operating costs on this section (income), is not provided due to difficulty of quantifying the cost of the project.

Note 12 - Support from Government Offices and Public institutions:

	For the Year Ended December 31,	
	2016	2015
	N.I.S.	N.I.S.
Israel Ministry of Finance	5,680,857	5,966,097
Israel Ministry of Health	14,639	125,381
Tel Aviv Municipality	-	112,062
Total	5,695,496	6,203,540

Note 13 - Restricted Net Assets:

At the General Meeting of The Amcha Fund, held on September 8, 2009, it was decided to wind down the Fund, and that the outstanding debt of the Amuta will be treated as a grant, with the purpose of establishing a fund within the Amuta which will develop and provide further services for the operations of the Amuta.

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 14 - Operating Expenses - 2016:

A.	Jerusalem	Tel-Aviv	Haifa	Rehovot	Netanya	Beer Sheva	Ashkelon	Total
	<u>N.I.S.</u>	<u>N.I.S.</u>	<u>N.I.S.</u>	<u>N.I.S.</u>	<u>N.I.S.</u>	<u>N.I.S.</u>	<u>N.I.S.</u>	<u>N.I.S.</u>
Salaries and related expenses for administrative staff	478,261	1,807,046	1,585,345	761,342	503,659	423,213	555,118	6,113,984
Salaries and related expenses for professional staff	975,429	5,591,378	2,814,326	1,019,493	627,118	2,172,036	1,233,555	14,433,335
Total salaries and related expenses	<u>1,453,690</u>	<u>7,398,424</u>	<u>4,399,671</u>	<u>1,780,835</u>	<u>1,130,777</u>	<u>2,595,249</u>	<u>1,788,673</u>	<u>20,547,319</u>
Professional services	772,818	7,377,916	8,148,802	2,297,930	2,316,968	2,879,714	2,141,967	25,936,115
Rent	455,817	1,128,128	621,904	211,408	240,460	290,004	250,900	3,198,621
Maintenance	162,100	1,201,801	256,106	274,227	115,111	183,818	153,707	2,346,870
Insurance	19,796	69,094	24,281	19,796	22,496	18,896	16,197	190,556
Computers	27,122	55,969	55,882	28,234	27,122	27,122	27,438	248,889
Printing	550	7,773	2,958	1,973	1,602	2,325	3,096	20,277
Telephone	9,563	27,670	42,410	24,281	5,533	18,599	8,081	136,137
Mail and deliveries	7,610	6,000	29,000	5,870	4,885	3,000	8,500	64,865
Office supplies	5,057	20,993	14,093	5,373	6,569	10,921	12,424	75,430
Advertisement	-	585	298	5,616	2,059	-	1,404	9,962
Seminars	3,500	43,844	31,991	11,619	18,916	12,200	15,022	137,092
Club operation	81,743	523,224	134,260	124,305	100,336	220,977	62,158	1,247,003
Volunteers	19,311	17,971	20,822	7,658	2,013	8,645	-	76,420
Professional literature	529	2,661	1,389	310	-	241	1,116	6,246
Fees and fines	-	1,532	-	-	-	-	-	1,532
Security	-	169,881	-	-	-	-	-	169,881
Depreciation	10,520	155,734	42,082	38,207	8,804	9,548	53,688	318,583
Total direct operating expenses and other expenses	<u>1,576,036</u>	<u>10,810,776</u>	<u>9,426,278</u>	<u>3,056,807</u>	<u>2,872,874</u>	<u>3,686,010</u>	<u>2,755,698</u>	<u>34,184,479</u>
TOTAL	<u>3,029,726</u>	<u>18,209,200</u>	<u>13,825,949</u>	<u>4,837,642</u>	<u>4,003,651</u>	<u>6,281,259</u>	<u>4,544,371</u>	<u>54,731,798</u>
Total Operating Expenses - 2015:	<u>2,947,186</u>	<u>16,419,216</u>	<u>12,517,045</u>	<u>4,561,779</u>	<u>3,778,490</u>	<u>5,119,851</u>	<u>3,321,463</u>	<u>48,665,030</u>
% change	<u>2.80%</u>	<u>10.90%</u>	<u>10.46%</u>	<u>6.05%</u>	<u>5.96%</u>	<u>22.68%</u>	<u>36.82%</u>	<u>12.47%</u>

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NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 14 - Operating Expenses - 2015:

A.	Jerusalem	Tel-Aviv	Haifa	Rehovot	Netanya	Beer Sheva	Ashkelon	Total
	N.I.S.	N.I.S.	N.I.S.	N.I.S.	N.I.S.	N.I.S.	N.I.S.	N.I.S.
Salaries and related expenses for administrative staff	422,033	1,618,468	1,499,800	801,884	515,591	660,072	465,647	5,983,495
Salaries and related expenses for professional staff	917,957	4,545,390	2,478,580	1,000,206	635,305	2,011,966	790,100	12,379,504
Total salaries and related expenses	1,339,990	6,163,858	3,978,380	1,802,090	1,150,896	2,672,038	1,255,747	18,362,999
Professional services	796,817	7,001,550	7,259,879	1,938,235	2,149,185	1,660,224	1,647,112	22,453,002
Rent	453,088	1,041,713	564,967	214,037	132,305	292,482	148,344	2,846,936
Maintenance	145,709	1,111,140	306,134	305,965	99,960	175,033	94,119	2,238,060
Insurance	21,237	59,232	25,577	20,224	22,248	19,212	16,234	183,964
Computers	25,380	56,506	50,985	25,381	25,381	26,443	26,538	236,614
Printing	1,456	6,406	1,982	1,863	14,335	804	2,310	29,156
Telephone	8,933	31,610	38,848	21,751	5,772	16,323	8,664	131,901
Mail and deliveries	9,623	6,000	27,585	8,366	6,008	15,500	10,000	83,082
Office supplies	28,263	31,022	15,865	6,218	9,807	19,310	8,454	118,939
Advertisement	-	2,884	1,549	1,947	708	-	-	7,088
Seminars	-	45,678	30,818	8,788	38,680	120	4,524	128,608
Club operation	82,574	508,407	147,968	119,157	110,515	207,628	57,325	1,233,574
Volunteers	21,540	26,985	24,551	6,505	3,032	3,784	-	86,397
Professional literature	250	4,353	787	388	380	1,086	320	7,564
Security	-	188,890	-	-	-	-	-	188,890
Depreciation	12,326	132,982	41,170	80,864	9,278	9,864	41,772	328,256
Total direct operating expenses and other expenses	1,607,196	10,255,358	8,538,665	2,759,689	2,627,594	2,447,813	2,065,716	30,302,031
TOTAL	2,947,186	16,419,216	12,517,045	4,561,779	3,778,490	5,119,851	3,321,463	48,665,030
Total Operating Expenses - 2015:	2,898,272	15,683,032	11,351,884	4,306,718	3,380,611	4,886,835	3,176,088	45,683,440
% change	1.69%	4.69%	10.26%	5.92%	11.77%	4.77%	4.58%	6.53%

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NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 15 - Special Projects Costs:

	For the Year Ended December 31,	
	2016	2015
	N.I.S.	N.I.S.
San disk project	55,660	59,317
Balil project	1,755	18,054
Public relations and fund raising projects	106,704	85,883
Accessibility project	727,532	-
Others	1,463	1,076
Total	893,114	164,330

Note 16 - General and administrative expenses:

	For the Year Ended December 31,	
	2016	2015
	N.I.S.	N.I.S.
Salaries and related expenses for administrative employees	1,395,630	1,199,673
Salaries and related expenses for professional employees	453,198	416,339
Development expenses	246,550	-
Computer	30,447	28,045
Rent	113,954	113,271
Maintenance	31,366	29,577
Bookkeeping and audit services	387,816	494,883
Insurance	10,798	31,295
Legal fees	6,689	11,978
Fundraising abroad	-	101,025
Printing	3,261	6,237
Telephone	17,446	22,227
Mail and deliveries	3,051	10,561
Office supplies	4,753	25,350
Hospitality	1,426	8,903
Travel	32,501	36,373
Advertising	-	8,870
Fees and membership dues	5,861	1,828
Depreciation	230,475	118,175
Total	2,975,222	2,664,610

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NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2016

Note 17 - Financing Expense, Net:

	For the Year Ended December 31,	
	2016	2015
	N.I.S.	N.I.S.
Expenses:		
Exchange rate differences	(85,132)	(19,910)
Commissions and bank charges	(28,329)	(40,986)
	<u>(113,461)</u>	<u>(60,896)</u>
Income:		
Exchange rate differences	29,166	41,074
Interest from deposits	-	2,688
	<u>29,166</u>	<u>43,762</u>
Total financing expense, net	<u>(84,295)</u>	<u>(17,134)</u>

Note 18- Other Expenses:

Eliminating of patients who were overcharged in previous years.