

**AMCHA (R"A)**

**Financial Statements as at December 31, 2015**

**AMCHA (R"A)**

**Financial Statements as at December 31, 2015**

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

We have audited the attached Statement of Financial Position of Amcha (R"A) (hereinafter: the "Amuta") as at December 31, 2015 and 2014, the statement 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, 2015 and 2014, 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, September 27, 2016**

- 1 -



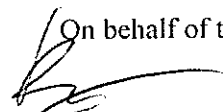
<b>Tel Aviv</b> +972-3-6386868	<b>Jerusalem</b> +972-2-6546200	<b>Haifa</b> +972-4-8680600	<b>Beer Sheva</b> +972-77-7784100	<b>Bene Berak</b> +972-73-7145300	<b>Kiryat Shmona</b> +972-77-5054906	<b>Petach Tikva</b> +972-77-7784180	<b>Modiin Ilit</b> +972-8-9744111
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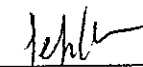
**AMCHA (R"A)**  
**STATEMENT OF FINANCIAL POSITION**

		<b>December 31,</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>N.I.S.</b>	<b>N.I.S.</b>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	3	4,428,471	2,588,848
Deposits	9(C)	368,517	264,828
Debtors and debit balances	4	2,482,847	816,110
Beneficiaries of services and customers	A4	8,332,294	9,029,213
		15,612,129	12,698,999
 <b>FIXED ASSETS</b>	 5	 2,168,562	 1,939,915
		17,780,691	14,638,914
 <b>CURRENT LIABILITIES:</b>			
Short-term credit from banks		-	420
Suppliers and service providers	6	3,837,966	3,372,601
Creditors and credit balances	7	3,126,945	3,030,329
		6,964,911	6,403,350
 <b>SEVERANCE PAY LIABILITY, NET</b>	 8	 3,240,087	 2,676,369
 <b>NET ASSETS:</b>			
<b>Unrestricted Net Assets:</b>			
Used for operations		1,544,001	(243,850)
Used for fixed assets		2,168,562	1,939,915
		3,712,563	1,696,065
Temporary restricted Net Assets	13	3,863,130	3,863,130
		7,575,693	5,559,195
		17,780,691	14,638,914

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

September 27, 2016  
Date of approval of financial statements

On behalf of the Executive Committee:  
  
**Mr. A. Barnea**  
Chairman of the  
Executive Committee

  
**Dr. N. Kellermann**  
Board Member

**AMCHA (R"A)**  
**STATEMENT OF ACTIVITIES**

	Note	For the Year Ended December 31,	
		2015	2014
		N.I.S.	N.I.S.
<b>Operation turnover:</b>			
Contribution income	10	8,174,699	8,068,338
Participation from services beneficiaries	11	41,678,090	37,228,645
Government support	12	6,203,540	3,415,160
Special projects income		<u>68,773</u>	<u>93,366</u>
		<u>56,125,102</u>	<u>48,805,509</u>
<b>Operation costs:</b>			
Operation expenses:	14		
Salaries and related expenses		(18,362,999)	(17,200,026)
Other direct operating expenses		<u>(30,302,031)</u>	<u>(28,483,414)</u>
		(48,665,030)	(45,683,440)
Special projects costs	15	<u>(164,330)</u>	<u>(159,417)</u>
Total operating costs		<u>(48,829,360)</u>	<u>(45,842,857)</u>
Net income from operations		7,295,742	2,962,652
General and administrative expenses	16	<u>(2,664,610)</u>	<u>(2,238,245)</u>
Net income before financial expense		4,631,132	724,407
Financial expenses, net	17	<u>(17,134)</u>	<u>(47,905)</u>
Net income after financing		4,613,998	676,502
Other expenses	18	<u>(2,597,500)</u>	<u>-</u>
Net income for the year		<u>2,016,498</u>	<u>676,502</u>

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

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

	<u>Unrestricted Net Assets</u>		Temporarily restricted Net Assets (*)	<u>Total</u>
	For Operations	For Fixed Assets		
	N.I.S.	N.I.S.		
<b>Balance as of January 1, 2014</b>	(806,447)	1,826,010	3,863,130	4,882,693
<b>Changes during the year:</b>				
Net income for the year	676,502	-	-	676,502
Transfer of unrestricted amounts for fixed assets	(484,828)	484,828	-	-
Amounts transferred to cover depreciation expenses	<u>370,923</u>	<u>(370,923)</u>	-	-
	<u>562,597</u>	<u>113,905</u>	-	<u>676,502</u>
<b>Balance as of December 31, 2014</b>	<u>(243,850)</u>	<u>1,939,915</u>	<u>3,863,130</u>	<u>5,559,195</u>
<b>Changes during the year:</b>				
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	<u>446,431</u>	<u>(446,431)</u>	-	-
	<u>1,787,851</u>	<u>228,647</u>	-	<u>2,016,498</u>
<b>Balance as of December 31, 2015</b>	<u>1,544,001</u>	<u>2,168,562</u>	<u>3,863,130</u>	<u>7,575,693</u>

(\*) See note 13.

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

**AMCHA (R"A)**  
**STATEMENT OF CASH FLOWS**

	<b>For the Year Ended</b>	
	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<u>N.I.S.</u>	<u>N.I.S.</u>
<b>Cash Flows from Operating Activities:</b>		
Net income for the year	2,016,498	676,502
Adjustments to reconcile net cash provided by operating activities (see Schedule 1)	599,204	(1,110,885)
<b>Cash provided by used for operating activities, net</b>	<u>2,615,702</u>	<u>(434,383)</u>
<b>Cash Flows for Investment Activities:</b>		
Purchase of fixed assets	(675,078)	(484,828)
Realization (purchase) of deposits	(101,001)	50,274
<b>Cash flows used for investment activities</b>	<u>(776,079)</u>	<u>(434,554)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	1,839,623	(868,937)
<b>Cash and cash equivalents at the beginning of the year</b>	<u>2,588,848</u>	<u>3,457,785</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>4,428,471</u>	<u>2,588,848</u>

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

**AMCHA (R"A)**  
**STATEMENT OF CASH FLOWS**

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

	<b>For the Year Ended</b>	
	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>N.I.S.</b>	<b>N.I.S.</b>
<b>Income and expenses which do not affect cash flows:</b>		
Depreciation	446,431	370,923
Increase severance pay liability, net	563,718	290,599
Gain from short term deposits	(2,688)	(1,328)
	<u>1,007,461</u>	<u>660,194</u>
<b>Changes in asset and liability balances:</b>		
Decrease (increase) in beneficiaries of services and customers	696,919	(983,777)
Increase in debtors and debit balances	(1,666,737)	(720,013)
Increase (decrease) in short-term credit form banks	(420)	420
Increase in suppliers and service providers	465,365	479,740
Increase (decrease) in creditors and credit balances	96,616	(547,449)
	<u>(408,257)</u>	<u>1,771,079</u>
<b>Total</b>	<u>599,204</u>	<u>(1,110,885)</u>

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



## AMCHA (R"A)

### NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

#### 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, 2015

**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"А)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

**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 rates exchange 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, 2015**

**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:

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
The Consumer Price Index, in points	99.1	100.1
U.S. Dollar (in Shekels to 1 Dollar)	3.902	3.889
Euro (in Shekels to 1 Euro)	4.2468	4.7246
	<b>For the Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>%</b>	<b>%</b>
Rate of change in the Consumer Price Index	(1.00)	(0.2)
Rate of change in the U.S. Dollar for the year	0.33	12.04
Rate of change in the Euro for the year	(10.11)	(1.20)

**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, 2015**

**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, 2015

**Note 3 - Cash and Cash Equivalents:**

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<u><b>N.I.S.</b></u>	<u><b>N.I.S.</b></u>
Cash on hand	71,399	48,081
In Bank:		
Current bank accounts - New Israel Shekels	3,313,369	1,928,361
Short-term deposits - Foreign currency	<u>1,043,703</u>	<u>612,406</u>
<b>Total</b>	<u><b>4,428,471</b></u>	<u><b>2,588,848</b></u>

**Note 4 - Debtors and Debit Balances:**

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<u><b>N.I.S.</b></u>	<u><b>N.I.S.</b></u>
Income receivable	2,240,609	528,807
Prepaid expenses	176,799	275,581
Other	<u>65,439</u>	<u>11,722</u>
<b>Total</b>	<u><b>2,482,847</b></u>	<u><b>816,110</b></u>

**Note 4A – Beneficiaries of services and customers:**

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<u><b>N.I.S.</b></u>	<u><b>N.I.S.</b></u>
Beneficiaries of services and customers	8,284,074	8,979,213
Deferred checks receivable	48,220	50,000
<b>Total</b>	<u><b>8,332,294</b></u>	<u><b>9,029,213</b></u>

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

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, 2015	1	1,841,117	2,468,722	4,140,668	8,450,508
Purchases during the year	-	44,001	397,269	233,808	675,078
As of December 31, 2015	1	1,885,118	2,865,991	4,374,476	9,125,586
<u>Accumulated depreciation</u>					
As of January 1, 2015	-	1,256,841	2,111,759	3,141,993	6,510,593
Depreciation during the year	-	115,038	122,832	208,561	446,431
As of December 31, 2015	-	1,371,879	2,234,591	3,350,554	6,957,024
<u>Depreciated cost as of 31.12.2015</u>	1	513,239	631,400	1,023,922	2,168,562
<u>Depreciated cost as of 31.12.2014</u>	1	584,276	356,963	998,675	1,939,915
<u>Depreciation rate</u>	-	10%-33%	10%-15%	33%	

Note 6 - Suppliers and service providers:

	December 31,	
	2015	2014
	N.I.S.	N.I.S.
Account payable	2,527,254	2,460,955
Outstanding checks	1,310,712	911,646
	<u>3,837,966</u>	<u>3,372,601</u>

**AMCHA (R"A)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015**

**Note 7 - Creditors and Credit Balances:**

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<u>N.I.S.</u>	<u>N.I.S.</u>
Expenses payable	244,452	54,767
Employees and institutions for employees	1,648,495	1,805,804
Provision for vacation pay	1,231,655	1,169,758
Other creditors	2,343	-
<b>Total</b>	<u>3,126,945</u>	<u>3,030,329</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.**

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<u>N.I.S.</u>	<u>N.I.S.</u>
Provision for severance pay	4,192,830	3,626,828
Less: Deposit in severance pay fund	<u>952,743</u>	<u>950,459</u>
<b>Total</b>	<u>3,240,087</u>	<u>2,676,369</u>



**AMCHA (R" A)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015**

**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 2,700 Thousand NIS per year.
- B. The Amuta has guaranteed to banks liabilities totaling on December 31, 2015 NIS 316,348.  
(For December 31, 2014 NIS 275,674).
- 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:**

	<b>For the Year Ended</b>	
	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>N.I.S.</b>	<b>N.I.S.</b>
Foundation EVZ (Germany)	345,596	382,278
Amcha Stiftung (Germany)	337,200	473,945
Amcha Friends (Germany)	699,257	-
Conference on Jewish Material Claims Against Germany, Inc.	4,163,729	3,884,320
Foundation for the Remembrance of the Shoah (France)	144,548	142,917
Stichting Vrienden Van Amcha (Netherlands)	1,331,850	361,103
Nationalfonds (Austria)	208,000	280,493
North American Friends of Amcha Israel, Inc.	169,836	227,827
Amcha Friends (Switzerland)	159,231	153,600
Keren Ha'yesod (Australia)	34,748	1,108,477
Other entities	139,499	492,018
Donation to clubs	14,960	67,788
Private	426,245	493,572
<b>Total</b>	<b>8,174,699</b>	<b>8,068,338</b>

**AMCHA (R"A)**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015**

**Note 11 - Participation from Services of Beneficiaries:**

	<b>For the Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>N.I.S.</b>	<b>N.I.S.</b>
Detail per branches:		
Jerusalem	2,004,334	1,898,330
Tel-Aviv	11,547,376	10,878,945
Haifa	13,349,961	11,817,295
Beer Sheva	3,650,399	3,152,655
Rehovot	3,076,677	2,658,805
Netanya	3,609,020	3,189,978
United States (Through the Jewish Agency, including U.J.A. - Federation of New York, A: as follows)	1,419,730	1,103,994
Ashkelon	2,938,723	2,320,282
Other	81,870	208,361
<b>Total</b>	<b><u>41,678,090</u></b>	<b><u>37,228,645</u></b>

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:**

	<b>For the Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>N.I.S.</b>	<b>N.I.S.</b>
Israel Ministry of Finance	5,966,097	3,305,445
Israel Ministry of Health	125,381	-
Tel Aviv Municipality	112,062	109,715
<b>Total</b>	<b><u>6,203,540</u></b>	<b><u>3,415,160</u></b>

**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, 2015

Note 14 - Operating Expenses - 2015:

A.	Jerusalem	Tel-Aviv	Haifa	Rehovot	Netanya	Beer	Total
	N.I.S.	N.I.S.	N.I.S.	N.I.S.	N.I.S.	Sheva N.I.S.	
Salaries and related expenses for administrative staff	422,033	1,618,468	1,499,800	801,884	515,591	660,072	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	12,379,504
<b>Total salaries and related expenses</b>	<b>1,339,990</b>	<b>6,163,858</b>	<b>3,978,380</b>	<b>1,802,090</b>	<b>1,150,896</b>	<b>2,672,038</b>	<b>18,362,999</b>
Professional services	796,817	7,001,550	7,259,879	1,938,235	2,149,185	1,660,224	22,453,002
Rent	453,088	1,041,713	564,967	214,037	132,305	292,482	2,846,936
Maintenance	145,709	1,111,140	306,134	305,965	99,960	175,033	2,238,060
Insurance	21,237	59,232	25,577	20,224	22,248	19,212	183,964
Computers	25,380	56,506	50,985	25,381	25,381	26,443	236,614
Printing	1,456	6,406	1,982	1,863	14,335	804	29,156
Telephone	8,933	31,610	38,848	21,751	5,772	16,323	131,901
Mail and deliveries	9,623	6,000	27,585	8,366	6,008	15,500	83,082
Office supplies	28,263	31,022	15,865	6,218	9,807	19,310	118,939
Advertisement	-	2,884	1,549	1,947	708	-	7,088
Seminars	-	45,678	30,818	8,788	38,680	120	128,608
Club operation	82,574	508,407	147,968	119,157	110,515	207,628	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	7,564
Security	-	188,890	-	-	-	-	188,890
Depreciation	12,326	132,982	41,170	80,864	9,278	9,864	328,256
<b>Total direct operating expenses and other expenses</b>	<b>1,607,196</b>	<b>10,255,358</b>	<b>8,538,665</b>	<b>2,759,689</b>	<b>2,627,594</b>	<b>2,447,813</b>	<b>30,302,031</b>
<b>TOTAL</b>	<b>2,947,186</b>	<b>16,419,216</b>	<b>12,517,045</b>	<b>4,561,779</b>	<b>3,778,490</b>	<b>5,119,851</b>	<b>48,665,030</b>
<b>Total Operating Expenses - 2014:</b>	<b>2,898,272</b>	<b>15,683,032</b>	<b>11,351,884</b>	<b>4,306,718</b>	<b>3,380,611</b>	<b>4,886,835</b>	<b>45,683,440</b>
<b>% change</b>	<b>1.69%</b>	<b>4.69%</b>	<b>10.26%</b>	<b>5.92%</b>	<b>11.77%</b>	<b>4.77%</b>	<b>6.53%</b>

**AMCHA (R" A)**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015**

**Note 14 - Operating Expenses - 2014:**

B.	Jerusalem	Tel-Aviv	Haifa	Rehovot	Netanya	Beer	Total
	N.I.S.	N.I.S.	N.I.S.	N.I.S.	N.I.S.	Sheva N.I.S.	
Salaries and related expenses for administrative staff	440,250	1,645,722	1,397,520	591,702	437,059	429,352	460,783
Salaries and related expenses for professional staff	857,644	3,954,776	2,482,552	1,196,398	551,369	1,930,493	824,406
<b>Total salaries and related expenses</b>	<b>1,297,894</b>	<b>5,600,498</b>	<b>3,880,072</b>	<b>1,788,100</b>	<b>988,428</b>	<b>2,359,845</b>	<b>1,285,189</b>
Professional services	768,720	7,029,827	6,413,367	1,777,930	1,934,646	1,742,276	1,544,679
Rent	447,320	977,654	467,956	204,504	157,825	291,142	93,698
Maintenance	196,749	1,069,837	219,039	242,490	114,422	176,338	71,709
Insurance	20,301	42,440	20,882	18,329	19,315	17,343	10,441
Computers	17,680	47,302	41,149	17,680	18,400	21,963	23,645
Printing	1,136	4,965	2,686	1,143	1,503	1,754	1,037
Telephone	8,862	35,808	36,714	24,239	5,968	15,233	8,587
Mail and deliveries	8,300	5,000	30,000	8,877	6,049	18,000	10,000
Office supplies	6,151	29,427	11,363	6,138	13,821	25,065	35,017
Advertisement	-	3,624	551	4,425	1,062	-	-
Seminars	-	40,194	27,018	10,194	13,790	6,899	6,642
Operation of club	96,945	493,322	149,187	116,778	96,976	197,983	58,653
Volunteers	21,287	18,953	18,620	6,917	1,080	4,801	-
Professional literature	-	3,005	328	540	-	568	225
Security	-	165,230	-	-	-	-	-
Depreciation	6,927	115,946	32,952	78,434	7,326	7,625	26,566
<b>Total direct operating expenses and other expenses</b>	<b>1,600,378</b>	<b>10,082,534</b>	<b>7,471,812</b>	<b>2,518,618</b>	<b>2,392,183</b>	<b>2,526,990</b>	<b>1,890,899</b>
<b>TOTAL</b>	<b>2,898,272</b>	<b>15,683,032</b>	<b>11,351,884</b>	<b>4,306,718</b>	<b>3,380,611</b>	<b>4,886,835</b>	<b>3,176,088</b>
<b>Total Operating Expenses - 2013:</b>	<b>2,824,779</b>	<b>14,177,140</b>	<b>10,260,737</b>	<b>3,780,172</b>	<b>2,984,492</b>	<b>4,488,958</b>	<b>2,524,176</b>
<b>% change</b>	<b>2.60%</b>	<b>10.62%</b>	<b>10.63%</b>	<b>13.93%</b>	<b>13.27%</b>	<b>8.86%</b>	<b>25.83%</b>
							<b>11.31%</b>

**AMCHA (R"A)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015**

**Note 15 - Special Projects Costs:**

	<b>For the Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>N.I.S.</b>	<b>N.I.S.</b>
San disk project	59,317	35,750
Balil project	18,054	49,561
Public relations and fund raising projects	85,883	64,727
Others	1,076	9,379
Total	<u>164,330</u>	<u>159,417</u>

**Note 16 - General and administrative expenses:**

	<b>For the Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>N.I.S.</b>	<b>N.I.S.</b>
Salaries and related expenses for administrative employees	1,199,673	1,025,383
Salaries and related expenses for professional employees	416,339	402,816
Computer	28,045	28,973
Rent	113,271	111,830
Maintenance	29,577	38,383
Bookkeeping and audit services	494,883	417,450
Insurance	31,295	11,427
Legal fees	11,978	-
Fundraising abroad	101,025	29,509
Printing	6,237	1,081
Telephone	22,227	22,241
Mail and deliveries	10,561	6,001
Office supplies	25,350	9,030
Hospitality	8,903	10,221
Travel	36,373	7,072
Advertising	8,870	21,680
Fees and membership dues	1,828	-
Depreciation	118,175	95,148
Total	<u>2,664,610</u>	<u>2,238,245</u>

**AMCHA (R"A)**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015**

**Note 17 - Financing Expense, Net:**

	<b>For the Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>N.I.S.</b>	<b>N.I.S.</b>
Expenses:		
Exchange rate differences	(19,910)	(40,426)
Commissions and bank charges	(40,986)	(28,600)
	(60,896)	(69,026)
Income:		
Exchange rate differences	41,074	21,121
Interest from deposits	2,688	-
	43,762	21,121
Total financing expense, net	(17,134)	(47,905)

**Note 18- Other Expenses:**

Eliminating of patients overcharging in previous years.