

AMCHA (R" A)
Financial Statements as at December 31, 2017

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AMCHA (R"A)

Financial Statements as at December 31, 2017

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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, 2017 and 2016, 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 financial statements referred to above present fairly, in all material respects, the financial position of Amcha (R"A) as of December 31, 2017 and 2016, 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 13, 2018

- 1 -



Tel Aviv
+972-3-6386868

Jerusalem
+972-2-6546200

Haifa
+972-4-8680600

Beer Sheva
+972-77-7784100

Bene Berak
+972-73-7145300

Kiryat Shmona
+972-77-5054906

Petach Tikva
+972-77-7784180

Modiin Ilit
+972-8-9744111

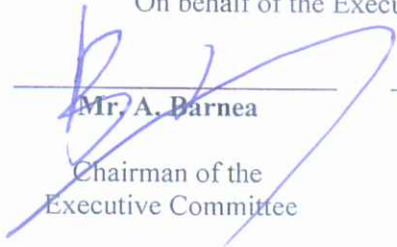
AMCHA (R" A)
STATEMENTS OF FINANCIAL POSITION

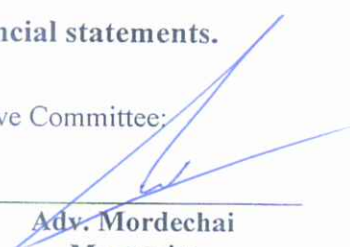
		December 31,	
	Note	2017 N.I.S.	2016 N.I.S.
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	3	8,152,515	7,707,372
Deposits	9(C)	101,813	-
Debtors and debit balances	4	4,288,922	1,991,236
Beneficiaries of services and customers	4A	11,160,536	10,369,414
		23,703,786	20,068,022
NON CURRENT ASSETS:			
Fixed assets	5	1,226,271	1,648,978
Long term deposits	9(C)	314,114	311,585
		1,540,385	1,960,563
		25,244,171	22,028,585
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Suppliers and service providers	6	4,176,384	3,807,259
Creditors and credit balances	7	3,770,871	3,336,763
		7,947,255	7,144,022
SEVERANCE PAY LIABILITY, NET	8	4,656,470	3,973,860
NET ASSETS:			
Unrestricted Net Assets:			
Used for operations		7,551,045	5,398,595
Used for fixed assets		1,226,271	1,648,978
		8,777,316	7,047,573
Temporarily restricted Net Assets	13	3,863,130	3,863,130
		12,640,446	10,910,703
		25,244,171	22,028,585

The accompanying notes are an integral part of these financial statements.

September 13, 2018
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,	
		2017	2016
		N.I.S.	N.I.S.
Operation turnover:			
Contribution income	10	7,288,621	8,184,169
Participation from services beneficiaries	11	51,853,353	48,085,380
Government support	12	5,693,160	5,695,496
Special projects income		35,884	54,394
		64,871,018	62,019,439
Operation costs:			
Operation expenses:	14		
Salaries and related expenses		(21,711,493)	(20,547,319)
Other direct operating expenses		(37,233,965)	(34,184,479)
		(58,945,458)	(54,731,798)
Special projects costs	15	(1,320,478)	(893,114)
Total operating costs		(60,265,936)	(55,624,912)
Net income from operations		4,605,082	6,394,527
General and administrative expenses	16	(2,792,130)	(2,975,222)
Net income before financial expenses		1,812,952	3,419,305
Financial expenses, net	17	(83,209)	(84,295)
Net income for the year		1,729,743	3,335,010

The accompanying notes are an integral part of these financial statements.

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

	<u>Unrestricted Net Assets</u>			Total
	For	For Fixed	Temporarily	
	Operations	Assets	restricted Net	
	<u>N.I.S.</u>	<u>N.I.S.</u>	<u>N.I.S.</u>	<u>N.I.S.</u>
Balance as of January 1, 2016	1,544,001	2,168,562	3,863,130	7,575,693
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, 2017	<u>5,398,595</u>	<u>1,648,978</u>	<u>3,863,130</u>	<u>10,910,703</u>
Net income for the year				
Transfer of unrestricted amounts for fixed assets	1,729,743	-	-	1,729,743
Amounts transferred to cover write off of fixed assets, net	(25,300)	25,300	-	-
Amounts transferred to cover depreciation expenses	448,007	(448,007)	-	-
	<u>2,152,450</u>	<u>(422,707)</u>	<u>-</u>	<u>1,729,743</u>
Balance as of December 31, 2017	<u>7,551,045</u>	<u>1,226,271</u>	<u>3,863,130</u>	<u>12,640,446</u>

(*) See note 13.

The accompanying notes are an integral part of these financial statements.

AMCHA (R"A)
STATEMENTS OF CASH FLOWS

	For the Year Ended December	
	31,	
	<u>2017</u>	<u>2016</u>
	<u>N.I.S.</u>	<u>N.I.S.</u>
Cash Flows from Operating Activities:		
Net income for the year	1,729,743	3,335,010
Adjustments to reconcile net income to net cash provided by operating activities (see Schedule 1)	(1,157,487)	(17,901) (*)
Cash provided by used in operating activities, net	<u>572,256</u>	<u>3,317,109</u>
Cash Flows for Investment Activities:		
Investment in deposits	(101,813)	52,554 (*)
Purchase of fixed assets	(25,300)	(90,762)
Cash flows used in investment activities	<u>(127,113)</u>	<u>(38,208)</u>
Increase in cash and cash equivalents	445,143	3,278,901
Cash and cash equivalents at beginning of year	<u>7,707,372</u>	<u>4,428,471</u>
Cash and cash equivalents at end of year	<u>8,152,515</u>	<u>7,707,372</u>

(*) Reclassified

The accompanying notes are an integral part of these financial statements.

AMCHA (R"A)
STATEMENTS OF CASH FLOWS

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

	For the Year Ended	
	December 31,	
	2017	2016
	N.I.S.	N.I.S.
Income (expenses) which do not affect cash flows:		
Depreciation	448,007	549,058
Increase in severance pay liability, net	682,610	733,773
Gain from short term deposits	(2,529)	4,378(*)
	<u>1,128,088</u>	<u>1,348,497</u>
Changes in assets and liabilities:		
Decrease (increase) in beneficiaries of services and customers	(791,122)	(2,037,120)
Decrease (increase) in debtors and debit balances	(2,297,686)	491,611
Increase (decrease) in suppliers and service providers	369,125	(30,707)
Increase in creditors and credit balances	434,108	209,818
	<u>(2,285,575)</u>	<u>(1,366,398)</u>
Total	<u>(1,157,487)</u>	<u>(17,901)</u>

The accompanying notes are an integral part of these financial statements.

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

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, 2017

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, 2017

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 reported 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, 2017

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,	
	2017	2016
The Consumer Price Index, in points	100.4	100
U.S. Dollar (in NIS to US \$ 1)	3.467	3.845
Euro (in NIS to Euro 1)	4.1526	4.0438
	For the Year Ended December 31,	
	2017	2016
	%	%
Rate of change in the Consumer Price Index	0.40	(0.20)
Rate of change in the US \$ for the year	(9.83)	(1.46)
Rate of change in the Euro for the year	2.69	(4.78)

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 payed

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

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 accrual basis in accordance with standard No.5 and opinion No.69.
- b. Services which require professionalism and expertise, which were received as donation, were not recorded in the books and are 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:

The preparation of the financial statements in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported income and expenses during reporting period. Due to the nature of these estimates and assumptions, actual results could differ from those estimates.

M. Voluntary:

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

AMCHA (R" A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

Note 3 - Cash and Cash Equivalents:

	December 31,	
	2017	2016
	<u>N.I.S.</u>	<u>N.I.S.</u>
Cash on hand	63,517	59,899
In Bank:		
Current bank accounts - New Israeli Shekels	6,690,555	4,934,082
Short-term deposits - Foreign currency	1,398,443	2,685,372
Short-term deposits – New Israeli Shekels	-	28,019
Total	<u>8,152,515</u>	<u>7,707,372</u>

Note 4 - Debtors and Debit Balances:

	December 31,	
	2017	2016
	<u>N.I.S.</u>	<u>N.I.S.</u>
Income receivable	4,023,837	1,764,276
Prepaid expenses	205,415	226,960
Other	59,670	-
Total	<u>4,288,922</u>	<u>1,991,236</u>

Note 4A – Beneficiaries of services and customers:

	December 31,	
	2017	2016
	<u>N.I.S.</u>	<u>N.I.S.</u>
Beneficiaries of services and customers	11,094,896	10,307,691
Deferred checks receivable	65,640	61,723
Total	<u>11,160,536</u>	<u>10,369,414</u>

AMCHA (R''A)
NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

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, 2017	1	1,905,149	2,789,847	4,403,843	9,098,840
Write offs during the year	-	25,300	-	-	25,300
Purchases during the year	-	-	-	-	-
As of December 31, 2017	1	1,930,449	2,789,847	4,403,843	9,124,140
<u>Accumulated depreciation</u>					
As of January 1, 2017	-	1,484,443	2,400,956	3,564,463	7,449,862
Write offs during the year	-	101,754	181,153	165,100	448,007
Depreciation during the year	-	-	-	-	-
As of December 31, 2017	-	1,586,197	2,582,109	3,729,563	7,897,869
<u>Depreciated cost as of 31.12.2017</u>	1	344,252	207,738	674,280	1,226,271
<u>Depreciated cost as of 31.12.2016</u>	1	420,706	388,891	839,380	1,648,978
<u>Deprecation rate</u>	-	10%-33%	10%-15%	33%	

Note 6 - Suppliers and service providers:

	December 31,	
	2017	2016
	N.I.S.	N.I.S.
Account payable	3,362,007	3,078,891
Outstanding checks	814,377	728,368
	<u>4,176,384</u>	<u>3,807,259</u>

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

Note 7 - Creditors and Credit Balances:

	December 31,	
	2017	2016
	<u>N.I.S.</u>	<u>N.I.S.</u>
Expenses payable	75,353	117,553
Employees and institutions for employees	2,006,789	1,819,727
Provision for vacation pay	1,688,729	1,399,483
Total	<u><u>3,770,871</u></u>	<u><u>3,336,763</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,	
	2017	2016
	<u>N.I.S.</u>	<u>N.I.S.</u>
Provision for severance pay	5,678,078	4,944,642
Less: Deposit in severance pay fund	<u>(1,021,608)</u>	<u>(970,782)</u>
Total	<u><u>4,656,470</u></u>	<u><u>3,973,860</u></u>

AMCHA (R" A)**NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017****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, 2017 and December 31, 2016 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,	
	2017	2016
	N.I.S.	N.I.S.
Foundation EVZ (Germany)	408,790	403,296
Amcha Stiftung (Germany)	166,536	-
Amcha Friends (Germany)	265,755	273,497
Conference on Jewish Material Claims Against Germany, Inc.	4,176,745	4,535,753
Foundation for the Remembrance of the Shoah (France)	246,486	213,553
Stichting Vrienden Van Amcha (Netherlands)	629,790	800,329
Nationalfonds (Austria)	106,067	127,800
North American Friends of Amcha Israel, Inc.	320,002	210,348
Amcha Friends (Switzerland)	-	58,611
Keren Ha'yesod (Australia)	338,484	37,466
Other entities	385,443	318,842
Donation to clubs	27,549	7,090
Private	216,974	1,197,584
Total	7,288,621	8,184,169

AMCHA (R" A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

Note 11 - Participation from Services of Beneficiaries:

	For the Year Ended December 31,	
	2017	2016
	N.I.S.	N.I.S.
Details per branch:		
Jerusalem	2,081,326	2,058,816
Tel-Aviv	13,306,036	12,773,358
Haifa	15,177,206	14,540,357
Beer Sheva	7,625,126	5,751,507
Rehovot	3,703,173	3,582,621
Netanya	3,853,054	3,827,538
United States (Through the Jewish Agency, including U.J.A. - Federation of New York, A: as follows)	1,132,581	1,272,830
Ashkelon	4,957,518	4,263,909
Other	17,333	14,444
Total	51,853,353	48,085,380

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,	
	2017	2016
	N.I.S.	N.I.S.
Israeli Ministry of Finance	5,526,185	5,680,857
Israeli Ministry of Health	165,475	14,639
Local authorities	1,500	-
Total	5,693,160	5,695,496

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 would be treated as a grant, with the purpose of establishing a fund within the Amuta which would develop and provide further services for the operations of the Amuta.

AMCHA (R" A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

Note 14 - Operating Expenses - 2017:

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	464,097	1,838,478	1,635,605	870,520	485,829	608,745	642,412	6,545,686
Salaries and related expenses for professional staff	1,008,865	5,561,089	3,064,239	1,027,554	596,248	2,432,652	1,475,160	15,165,807
Total salaries and related expenses	1,472,962	7,399,567	4,699,844	1,898,074	1,082,077	3,041,397	2,117,572	21,711,493
Professional services	790,235	7,604,081	8,948,432	2,284,517	2,316,348	3,685,300	2,644,463	28,273,376
Rent	461,433	1,208,541	742,047	226,250	238,425	290,347	292,488	3,459,531
Maintenance	164,745	1,194,305	296,293	337,999	260,082	285,296	164,293	2,703,013
Insurance	19,600	64,635	30,900	21,900	25,700	22,000	19,800	204,535
Computers	26,720	62,613	60,220	30,864	26,720	33,617	30,729	271,483
Printing	1,159	4,171	4,650	5,302	3,085	3,967	2,168	24,502
Telephone	10,823	29,237	49,360	25,246	3,012	22,354	6,749	146,781
Mail Postage and deliveries	5,809	6,000	29,500	5,638	1,799	4,000	4,000	56,746
Office supplies	8,690	19,969	14,895	9,196	6,590	17,051	9,826	86,217
Advertisement	-	-	-	-	2,340	-	-	2,340
Training and Seminars	800	62,773	36,467	16,333	34,399	10,860	7,755	169,387
Club operation	89,115	533,681	135,115	121,006	111,488	241,821	60,888	1,293,114
Volunteers	15,715	16,745	15,958	3,887	2,171	5,045	-	59,521
Professional literature	232	3,142	1,348	969	232	782	1,559	8,264
Fees and fines	-	1,559	-	-	-	-	-	1,559
Security	-	214,300	-	-	-	-	-	214,300
Depreciation	11,378	96,520	44,313	35,974	9,124	9,233	52,754	259,296
Total direct operating expenses and other expenses	1,606,454	11,122,272	10,409,498	3,125,081	3,041,515	4,631,673	3,297,472	37,233,965
TOTAL	3,079,416	18,521,839	15,109,342	5,023,155	4,123,592	7,673,070	5,415,044	58,945,458
Total Operating Expenses - 2016:	3,029,726	18,209,200	13,825,949	4,837,642	4,003,651	6,281,259	4,544,371	54,731,798
% change	1.64%	1.72%	9.28%	3.83%	3%	22.16%	19.16%	7.7%

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

Note 14 - Operating Expenses - 2016:

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	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	1,453,690	7,398,424	4,399,671	1,780,835	1,130,777	2,595,249	1,788,673	20,547,319
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
Postage 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
Training and 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	1,576,036	10,810,776	9,426,278	3,056,807	2,872,874	3,686,010	2,755,698	34,184,479
TOTAL	3,029,726	18,209,200	13,825,949	4,837,642	4,003,651	6,281,259	4,544,371	54,731,798
Total Operating Expenses - 2015:	2,947,186	16,419,216	12,517,045	4,561,779	3,778,490	5,119,851	3,321,463	48,665,030
% change	2.80%	10.90%	10.46%	6.05%	5.96%	22.68%	36.82%	12.47%

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

Note 15 - Special Projects Costs:

	For the Year Ended December 31,	
	2017	2016
	N.I.S.	N.I.S.
Amcha Conference 30 project	380,281	-
Research project- salary	280,284	-
San Disk project	35,784	55,660
Balil project	-	1,755
Public relations and fund-raising projects	116,554	106,704
Accessibility project	507,575	727,532
Others	-	1,463
Total	<u>1,320,478</u>	<u>893,114</u>

Note 16 - General and administrative expenses:

	For the Year Ended December 31,	
	2017	2016
	N.I.S.	N.I.S.
Salaries and related expenses for administrative employees	1,310,503	1,395,630
Salaries and related expenses for professional employees	471,361	453,198
Development expenses	135,287	246,550
Computer	31,596	30,447
Rent	115,358	113,954
Maintenance	35,507	31,366
Bookkeeping and audit services	389,556	387,816
Insurance	11,200	10,798
Legal fees	23,400	6,689
Printing	2,550	3,261
Telephone	19,844	17,446
Postage and deliveries	11,288	3,051
Office supplies	4,890	4,753
Hospitality Refreshments	3,469	1,426
Travel	36,523	32,501
Fees and membership dues	1,087	5,861
Depreciation	188,711	230,475
Total	<u>2,792,130</u>	<u>2,975,222</u>

AMCHA (R" A)
NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

Note 17 - Financing Expense, Net:

	For the Year Ended December 31,	
	2017	2016
	N.I.S.	N.I.S.
Expenses:		
Exchange rate differences	(38,188)	(85,132)
Commissions and bank charges	(45,021)	(28,329)
	<u>(83,209)</u>	<u>(113,461)</u>
Income:		
Exchange rate differences	-	29,166
	<u>-</u>	<u>29,166</u>
Total financing expense, net	<u><u>(83,209)</u></u>	<u><u>(84,295)</u></u>