

AMCHA (R" A)
Financial Statements as at December 31, 2018

AMCHA (R" A)

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AMCHA (R"A)

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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, 2018 and 2017, 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, 2018 and 2017, 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.)

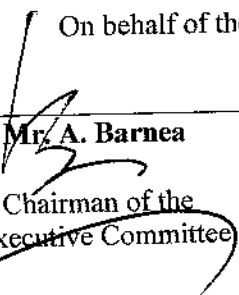
Jerusalem, September 24, 2019

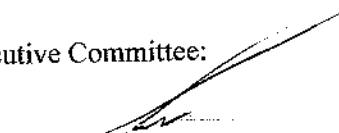
AMCHA (R"A)
STATEMENTS OF FINANCIAL POSITION

| | | December 31, | |
|---|------|--------------|------------|
| | Note | 2018 | 2017 |
| ASSETS | | N.I.S. | N.I.S. |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 3 | 10,282,149 | 8,152,515 |
| Deposits | 9(C) | 255,405 | 101,813 |
| Debtors and debit balances | 4 | 778,685 | 4,288,922 |
| Beneficiaries of services and customers | 4A | 14,085,708 | 11,160,536 |
| | | 25,401,947 | 23,703,786 |
| NON CURRENT ASSETS: | | | |
| Fixed assets | 5 | 910,753 | 1,226,271 |
| Long term deposits | 9(C) | 698,851 | 314,114 |
| | | 1,609,604 | 1,540,385 |
| | | 27,011,551 | 25,244,171 |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT LIABILITIES: | | | |
| Suppliers and service providers | 6 | 4,231,885 | 4,176,384 |
| Creditors and credit balances | 7 | 3,843,265 | 3,770,871 |
| | | 8,075,150 | 7,947,255 |
| SEVERANCE PAY LIABILITY, NET | 8 | 5,061,201 | 4,656,470 |
| NET ASSETS: | | | |
| Unrestricted Net Assets: | | | |
| Used for operations | | 9,101,317 | 7,551,045 |
| Used for fixed assets | | 910,753 | 1,226,271 |
| | | 10,012,070 | 8,777,316 |
| Temporarily restricted Net Assets | 13 | 3,863,130 | 3,863,130 |
| | | 13,875,200 | 12,640,446 |
| | | 27,011,551 | 25,244,171 |

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

September 24, 2019
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, | |
|---|-------------|--|---------------|
| | | 2018 | 2017 |
| | | N.I.S. | N.I.S. |
| Operation turnover: | | | |
| Contribution income | 10 | 7,122,373 | 7,288,621 |
| Participation from services beneficiaries | 11 | 55,046,670 | 51,853,353 |
| Government support | 12 | 6,258,970 | 5,693,160 |
| Special projects income | | 279,143 | 35,884 |
| | | 68,707,156 | 64,871,018 |
| Operation costs: | | | |
| Operation expenses: | 14 | | |
| Salaries and related expenses | | (22,983,673) | (21,711,493) |
| Other direct operating expenses | | (40,560,404) | (37,233,965) |
| | | (63,544,077) | (58,945,458) |
| Special projects costs | 15 | (1,251,107) | (1,320,478) |
| Total operating costs | | (64,795,184) | (60,265,936) |
| Net income from operations | | 3,911,972 | 4,605,082 |
| General and administrative expenses | 16 | (2,648,849) | (2,792,130) |
| Net income before financial expenses | | 1,263,123 | 1,812,952 |
| Financial expenses, net | 17 | (28,369) | (83,209) |
| Net income for the year | | 1,234,754 | 1,729,743 |

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> | | <u>Temporarily restricted Net Assets (*)</u> | <u>Total</u> |
|---|--------------------------------|------------------|--|-------------------|
| | <u>For</u> | <u>For Fixed</u> | | |
| | <u>Operations</u> | <u>Assets</u> | | |
| | <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, 2017 | 5,398,595 | 1,648,978 | 3,863,130 | 10,910,703 |
| Changes during the year: | | | | |
| Net income for the year | | | | 1,729,743 |
| 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, 2018 | <u>7,551,045</u> | <u>1,226,271</u> | <u>3,863,130</u> | <u>12,640,446</u> |
| Net income for the year | | | | 1,234,754 |
| Transfer of unrestricted amounts for fixed assets | 1,234,754 | - | - | 1,234,754 |
| Amounts transferred to cover write off of fixed assets, net | (72,218) | 72,218 | - | - |
| Amounts transferred to cover depreciation expenses | 387,736 | (387,736) | - | - |
| | <u>1,550,272</u> | <u>(315,518)</u> | <u>-</u> | <u>1,234,754</u> |
| Balance as of December 31, 2018 | <u>9,101,317</u> | <u>910,753</u> | <u>3,863,130</u> | <u>13,875,200</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,**

| | 2018 | 2017 |
|---|---------------|---------------|
| | N.I.S. | N.I.S. |
| Cash Flows from Operating Activities: | | |
| Net income for the year | 1,234,754 | 1,729,743 |
| Adjustments to reconcile net income to net cash provided by operating activities (see Schedule 1) | 1,120,690 | (1,157,487) |
| Cash provided by used in operating activities, net | 2,355,444 | 572,256 |
| Cash Flows for Investment Activities: | | |
| Investment in deposits | (153,592) | (101,813) |
| Purchase of fixed assets | (72,218) | (25,300) |
| Cash flows used in investment activities | (225,810) | (127,113) |
| Increase in cash and cash equivalents | 2,129,634 | 445,143 |
| Cash and cash equivalents at beginning of year | 8,152,515 | 7,707,372 |
| Cash and cash equivalents at end of year | 10,282,149 | 8,152,515 |

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, | |
| | 2018 | 2017 |
| | <u>N.I.S.</u> | <u>N.I.S.</u> |
| Income (expenses) which do not affect cash flows: | | |
| Depreciation | 387,736 | 448,007 |
| Increase in severance pay liability, net | 404,731 | 682,610 |
| Gain from short term deposits | <u>(384,737)</u> | <u>(2,529)</u> |
| | <u>407,730</u> | <u>1,128,088</u> |
| Changes in assets and liabilities: | | |
| Decrease (increase) in beneficiaries of services and customers | (2,925,172) | (791,122) |
| Decrease (increase) in debtors and debit balances | 3,510,237 | (2,297,686) |
| Increase (decrease) in suppliers and service providers | 55,501 | 369,125 |
| Increase in creditors and credit balances | <u>72,394</u> | <u>434,108</u> |
| | <u>1,347,515</u> | <u>(2,285,575)</u> |
| | <u>1,120,690</u> | <u>(1,157,487)</u> |

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

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

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, 2018

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, 2018

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, 2018

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, | |
|-------------------------------------|---------------------|-------------|
| | 2018 | 2017 |
| The Consumer Price Index, in points | 101.2 | 100.4 |
| U.S. Dollar (in NIS to US \$ 1) | 3.748 | 3.467 |
| Euro (in NIS to Euro 1) | 4.292 | 4.153 |

| | For the Year Ended December 31, | |
|--|--|-------------|
| | 2018 | 2017 |
| | % | % |
| Rate of change in the Consumer Price Index | 0.8 | 0.40 |
| Rate of change in the US \$ for the year | 8.1 | (9.83) |
| Rate of change in the Euro for the year | 3.35 | 2.69 |

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, 2018

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, 2018

Note 3 - Cash and Cash Equivalents:

| | December 31, | |
|---|---------------------|------------------|
| | 2018 | 2017 |
| | N.I.S. | N.I.S. |
| Cash on hand | 37,580 | 63,517 |
| In Bank: | | |
| Current bank accounts - New Israeli Shekels | 8,469,716 | 6,690,555 |
| Short-term deposits - Foreign currency | 1,774,853 | 1,398,443 |
| | <u>10,282,149</u> | <u>8,152,515</u> |

Note 4 - Debtors and Debit Balances:

| | December 31, | |
|-------------------|---------------------|------------------|
| | 2018 | 2017 |
| | N.I.S. | N.I.S. |
| Income receivable | 720,415 | 4,023,837 |
| Prepaid expenses | 58,270 | 205,415 |
| Other | - | 59,670 |
| | <u>778,685</u> | <u>4,288,922</u> |

Note 4A – Beneficiaries of services and customers:

| | December 31, | |
|---|---------------------|-------------------|
| | 2018 | 2017 |
| | N.I.S. | N.I.S. |
| Beneficiaries of services and customers | 14,062,813 | 11,094,896 |
| Deferred checks receivable | 22,895 | 65,640 |
| | <u>14,085,708</u> | <u>11,160,536</u> |

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

Note 5 - Fixed Assets:

| | <u>Equipment purchased until December 31, 1995</u> | <u>Office furniture and equipment</u> | <u>Computers and software</u> | <u>Leasehold improvements</u> | <u>Total</u> |
|--|--|---|---------------------------------------|-----------------------------------|--------------|
| <u>Cost</u> | | | | | |
| As of January 1, 2018 | 1 | 1,930,449 | 2,789,847 | 4,403,843 | 9,124,140 |
| Purchases during the year | - | 50,211 | 22,007 | - | 72,218 |
| As of December 31, 2018 | 1 | 1,980,660 | 2,811,854 | 4,403,843 | 9,196,358 |
| <u>Accumulated depreciation</u> | | | | | |
| As of January 1, 2018 | - | 1,586,197 | 2,582,109 | 3,729,563 | 7,897,869 |
| Depreciation during the year | - | 101,298 | 152,321 | 134,117 | 387,736 |
| As of December 31, 2018 | - | 1,687,495 | 2,734,430 | 3,863,680 | 8,285,605 |
| <u>Depreciated cost as of 31.12.2018</u> | - | 293,165 | 77,424 | 540,163 | 910,753 |
| <u>Depreciated cost as of 31.12.2017</u> | 1 | 344,252 | 207,738 | 674,280 | 1,226,271 |
| <u>Depreciation rate</u> | - | 6%-15% | 25%-33% | 10% | |

Note 6 - Suppliers and service providers:

| | <u>December 31,</u> | |
|--------------------|---------------------|------------------|
| | <u>2018</u> | <u>2017</u> |
| | <u>N.I.S.</u> | <u>N.I.S.</u> |
| Account payable | 4,055,120 | 3,362,007 |
| Outstanding checks | 176,765 | 814,377 |
| | <u>4,231,885</u> | <u>4,176,384</u> |

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

Note 7 - Creditors and Credit Balances:

| | December 31, | |
|--|-------------------------|-------------------------|
| | 2018 | 2017 |
| | <u>N.I.S.</u> | <u>N.I.S.</u> |
| Expenses payable | 6,755 | 75,353 |
| Employees and institutions for employees | 2,059,785 | 2,006,789 |
| Provision for vacation pay | 1,776,725 | 1,688,729 |
| | <u>3,843,265</u> | <u>3,770,871</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, | |
|-------------------------------------|-------------------------|-------------------------|
| | 2018 | 2017 |
| | <u>N.I.S</u> | <u>N.I.S.</u> |
| Provision for severance pay | 6,064,771 | 5,678,078 |
| Less: Deposit in severance pay fund | <u>(1,003,570)</u> | <u>(1,021,608)</u> |
| | <u>5,061,201</u> | <u>4,656,470</u> |

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NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

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, 2018 and December 31, 2017 in the amount of NIS 589,327 and NIS 377,864, 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, | |
| | 2018 | 2017 |
| | N.I.S. | N.I.S. |
| Foundation EVZ (Germany) | 423,948 | 408,790 |
| Amcha Stiftung (Germany) | 170,100 | 166,536 |
| Amcha Friends (Germany) | 320,450 | 265,755 |
| Conference on Jewish Material Claims Against Germany, Inc. | 4,184,377 | 4,176,745 |
| Foundation for the Remembrance of the Shoah (France) | 42,552 | 246,486 |
| Stichting Vrienden Van Amcha (Netherlands) | 909,408 | 629,790 |
| Nationalfonds (Austria) | 171,209 | 106,067 |
| North American Friends of Amcha Israel, Inc. | 75,582 | 320,002 |
| Amcha Friends (Switzerland) | 52,659 | - |
| Keren Ha'yesod (Australia) | 515,639 | 338,484 |
| Other entities | 11,215 | 385,443 |
| Donation to clubs | - | 27,549 |
| Private | 245,234 | 216,974 |
| | <u>7,122,373</u> | <u>7,288,621</u> |

AMCHA (R" A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

Note 11 - Participation from Services of Beneficiaries:

| | For the Year Ended December 31, | |
|--|--|-------------------|
| | 2018 | 2017 |
| | N.I.S. | N.I.S. |
| Details per branch: | | |
| Jerusalem | 2,462,482 | 2,081,326 |
| Tel-Aviv | 13,912,892 | 13,306,036 |
| Haifa | 15,101,095 | 15,177,206 |
| Beer Sheva | 8,426,597 | 7,625,126 |
| Rehovot | 4,087,884 | 3,703,173 |
| Netanya | 4,530,985 | 3,853,054 |
| United States (Through the Jewish Agency, including U.J.A. - Federation of New York, A: as follows) | 999,982 | 1,132,581 |
| Ashkelon | 5,495,069 | 4,957,518 |
| Other | 29,674 | 17,333 |
| | <u>55,046,670</u> | <u>51,853,353</u> |

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, | |
|-----------------------------|--|------------------|
| | 2018 | 2017 |
| | N.I.S. | N.I.S. |
| Israeli Ministry of Finance | 5,859,675 | 5,526,185 |
| Israeli Ministry of Health | 396,525 | 165,475 |
| Local authorities | 2,770 | 1,500 |
| | <u>6,258,970</u> | <u>5,693,160</u> |

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, 2018

Note 14 - Operating Expenses - 2018:

| A. | Jerusalem | Tel-Aviv | Haiifa | Rehovot | Netanya | Beer | Ashkelon | Total |
|---|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| | N.I.S. | N.I.S. | N.I.S. | N.I.S. | N.I.S. | Sheva | N.I.S. | N.I.S. |
| Salaries and related expenses for administrative staff | 460,699 | 2,044,888 | 1,712,451 | 873,387 | 601,264 | 593,261 | 837,075 | 7,123,025 |
| Salaries and related expenses for professional staff | 1,050,018 | 5,850,073 | 3,010,091 | 1,055,989 | 688,501 | 2,490,899 | 1,715,077 | 15,860,648 |
| Total salaries and related expenses | 1,510,717 | 7,894,961 | 4,722,542 | 1,929,376 | 1,289,765 | 3,084,160 | 2,552,152 | 22,983,673 |
| Professional services | 983,628 | 7,787,059 | 9,408,533 | 2,565,926 | 2,851,971 | 4,230,645 | 3,040,433 | 30,868,195 |
| Rent | 461,434 | 1,246,146 | 986,487 | 212,438 | 235,813 | 290,607 | 287,576 | 3,720,501 |
| Maintenance | 180,833 | 1,344,958 | 443,640 | 355,715 | 268,068 | 258,192 | 184,985 | 3,036,391 |
| Insurance | 20,120 | 97,503 | 33,532 | 23,952 | 26,824 | 24,920 | 21,300 | 248,151 |
| Computers | 28,833 | 62,343 | 76,485 | 30,348 | 29,575 | 31,372 | 34,255 | 293,211 |
| Printing | 662 | 4,144 | 2,325 | 656 | 1,628 | 399 | 978 | 10,792 |
| Telephone | 13,236 | 33,576 | 59,117 | 22,117 | 4,705 | 20,189 | 8,793 | 161,733 |
| Refreshments | - | 1,071 | 1,181 | - | - | - | - | 2,252 |
| Mail Postage and deliveries | 4,548 | 3,966 | 26,000 | 3,575 | 8,171 | 1,000 | 6,500 | 53,760 |
| Office supplies | 5,533 | 27,481 | 18,939 | 6,935 | 8,521 | 10,283 | 10,986 | 88,678 |
| Advertisement | - | - | - | 2,340 | 2,340 | 1,155 | - | 5,835 |
| Training and Seminars | - | 63,277 | 55,558 | 7,818 | 53,327 | 12,729 | 5,616 | 198,325 |
| Club operation | 90,712 | 521,905 | 157,776 | 140,011 | 117,712 | 273,968 | 50,867 | 1,361,951 |
| Volunteers | 9,378 | 20,436 | 11,384 | 7,183 | 2,353 | 6,086 | - | 56,820 |
| Professional literature | - | 7,240 | 796 | 2,939 | - | 3,316 | 812 | 15,103 |
| Fees and fines | 130 | 1,840 | 261 | 130 | 130 | 130 | 130 | 2,751 |
| Security | - | 213,632 | - | - | - | - | - | 213,632 |
| Depreciation | 9,437 | 73,005 | 36,670 | 32,259 | 8,963 | 8,951 | 53,038 | 222,323 |
| Total direct operating expenses and other expenses | 1,808,484 | 11,509,582 | 11,318,684 | 3,423,342 | 3,620,101 | 5,173,942 | 3,706,269 | 40,560,404 |
| TOTAL | 3,319,201 | 19,404,543 | 16,041,226 | 5,352,718 | 4,909,866 | 8,258,102 | 6,258,421 | 63,544,077 |
| Total Operating Expenses - 2017: | 3,079,416 | 18,521,839 | 15,109,342 | 5,023,155 | 4,123,592 | 7,673,070 | 5,415,044 | 58,945,458 |
| % change | 7.79% | 4.76% | 6.17% | 6.56% | 19.06% | 7.62% | 15.57% | 7.8% |

AMCHA (R" A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

Note 14 – Operating Expenses – 2017:

| A. | Jerusalem | Tel-Aviv | Haifa | Rehovot | Netanya | Beer | Ashkelon | Total |
|---|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| | N.I.S. | N.I.S. | N.I.S. | N.I.S. | N.I.S. | Sheva | 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, 2018

Note 15 - Special Projects Costs:

| | For the Year Ended | |
|---|---------------------------|------------------|
| | December 31, | |
| | 2018 | 2017 |
| | N.I.S. | N.I.S. |
| Amcha Conference 30 project | 52,447 | 380,281 |
| Research project- salary | 328,408 | 280,284 |
| San Disk project | 39,888 | 35,784 |
| Public relations and fundraising projects | 230,280 | 116,554 |
| Accessibility project | 503,910 | 507,575 |
| Risk survey | 96,174 | - |
| | <u>1,251,107</u> | <u>1,320,478</u> |

Note 16 - General and administrative expenses:

| | For the Year Ended | |
|--|---------------------------|------------------|
| | December 31, | |
| | 2018 | 2017 |
| | N.I.S. | N.I.S. |
| Salaries and related expenses for administrative employees | 1,109,618 | 1,310,503 |
| Salaries and related expenses for professional employees | 465,518 | 471,361 |
| Development expenses | 163,192 | 135,287 |
| Computer | 36,364 | 31,596 |
| Rent | 115,358 | 115,358 |
| Maintenance | 36,115 | 35,507 |
| Bookkeeping and audit services | 458,098 | 389,556 |
| Insurance | 11,496 | 11,200 |
| Legal fees | 11,700 | 23,400 |
| Printing | 2,446 | 2,550 |
| Telephone | 19,412 | 19,844 |
| Advertising | 7,146 | - |
| Postage and deliveries | 2,500 | 11,288 |
| Office supplies | 5,365 | 4,890 |
| Hospitality Refreshments | 104 | 3,469 |
| Travel | 38,665 | 36,523 |
| Fees and membership dues | 339 | 1,087 |
| Depreciation | 165,413 | 188,711 |
| | <u>2,648,849</u> | <u>2,792,130</u> |

AMCHA (R"A)

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

Note 17 - Financing Expense, Net:

| | For the Year Ended December 31, | |
|------------------------------|------------------------------------|-----------------|
| | 2018 | 2017 |
| | N.I.S. | N.I.S. |
| Expenses: | | |
| Exchange rate differences | - | (38,188) |
| Commissions and bank charges | (33,418) | (45,021) |
| | <u>(33,418)</u> | <u>(83,209)</u> |
| Income: | | |
| Exchange rate differences | 5,049 | - |
| | <u>5,049</u> | <u>-</u> |
| Total financing expense, net | <u>(28,369)</u> | <u>(83,209)</u> |