



Barzily & Co.

Certified Public Accountants

ברזלי ושות', רואי חשבון

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)

Financial Statements as of December 31, 2009

(New Israel Shekels)

O:\clients\44004599\4430\4430E1209.DOC



Jerusalem:	Har Hotzvim, 19 Hartom st. 97775	Tel. 0732366200, Fax. 972-2-6231340	טל' 0732366200 פקס. 02-6231340	ירושלים: הר חוצבים, רח' הרטום 19 97775
Tel-Aviv:	Migdal Shalom, 9 Ahad Ha'am st. 65251	Tel. 972-3-5176383, Fax. 972-3-5176392	טל' 03-5176383 פקס. 03-5176392	תל אביב: מהדר שלום רח' אחד העם 9 65251
Haifa:	2 Leon Blum st., Apartment 411	Tel. 972-4-8200879, Fax. 073-5560132	טל' 04-8200879 פקס. 077-5560132	חיפה: רחוב לאון בלום 2, דירה 411

www.barzily.co.il



Barzily & Co.

Certified Public Accountants
ברזילי ושות', רוואי חשבון

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)

Financial Statements as of December 31, 2009

Contents	<u>Page</u>
Report of Independent Auditors	2
<u>Financial Statements:</u>	
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Net Assets	5
Statements of Cash Flows	6
Notes to the Financial Statements	7-14



O:\clients\44004599\4430\4430E1209.DOC

Jerusalem: Har Hotzvim, 19 Hartom st. 97775 Tel. 0732366200, Fax. 972-26231340 02-6231340 פקס. 0732366200 טל 97775 רח' הרטום 19
Tel-Aviv: Migdal Shalom, 9 Ahad Ha'am st. 65251 Tel. 972-3-5176383, Fax. 972-3-5176392 03-5176392 פקס. 03-5176383 טל 65251 רח' אחד העם 9
Haifa: 2 Leon Blum st., Apartment 411 Tel. 972-4-8200879, Fax. 073-5560132 077-5560132 פקס. 073-5560132 טל רחוב לאון בלום 2 דירה 111

www.barzily.co.il



Barzily & Co.

Certified Public Accountants
ברזילי ושות', רואי חשבון

Jerusalem, June 23, 2010

Report of Independent Auditors to the Members of

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)

We have audited the accompanying balance sheets of Tsad Kadima – The Association for Conductive Education in Israel (R. S.) (hereafter - "the Society") as of December 31, 2009 and 2008 and the related statements of operations, changes in net assets and cash flows for each of the years then ended. These financial statements are the responsibility of the Society's board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the Society as of December 31, 2009 and 2008, and the results of its operations, changes in net assets and its cash flows for each of the years then ended, in conformity with generally accepted accounting principles in Israel (Israeli GAAP) pertaining to non-profit organizations.

Barzily & Co.
Certified Public Accountants
A Member of MSI Worldwide



O:\clients\44004599\4430\4430E1209.DOC

Jerusalem: Har Hotzvim, 19 Hartom st. 97775	Tel. 0732366200, Fax: 972-2-6231340	02-6231340 פקס 0732366200 טל.	97775 19 הרטום רח' חוצבים ירושלים:
Tel-Aviv: Migdal Shalom, 9 Ahad Ha'am st. 65251	Tel. 972-3-5176383, Fax: 972-3-5176392	03-5176392 פקס 03-5176383 טל.	65251 9 העם רח' אהר העם תל אביב:
Haifa: 2 Leon Blum st., Apartment 411	Tel. 972-4-8200879, Fax: 073-5560132	077 5560132 פקס 04-8200879 טל.	רחוב לאון בלום 2 דיזה חיפה:

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Balance Sheets
(New Israel Shekels)

	Assets	Note	December 31,	
			2009	2008
Current Assets -				
Cash and Cash Equivalents			4,243,091	* 2,753,337
Designated Cash			3,338,878	* 508,708
Short-term Deposit in Foreign Currency			1,006,381	1,111,670
Accounts Receivable		3	284,684	334,824
			<u>8,873,034</u>	<u>4,708,539</u>
Long-term Investments -				
Investment in Securities		4	3,083,990	2,782,184
Fixed Assets, net -				
		5	3,386,235	1,055,456
			<u>15,343,259</u>	<u>8,546,179</u>
Liabilities and Net Assets				
Current Liabilities -				
Payables in regard to Fixed Assets			-	278,514
Checks Payable			298,239	205,090
Current Installments of Long-term Loans		6	54,181	74,142
Employees and Institutions for Salaries			1,445,757	1,444,315
Deferred Income			1,181,505	1,353,252
Accrued Expenses			20,455	36,595
			<u>3,000,137</u>	<u>3,391,908</u>
Long-term Liabilities -				
Liabilities in Regard to Employee Benefits, net		7	1,027,961	886,807
Long-term Loans from Others		6	1,788	55,823
			<u>1,029,749</u>	<u>942,630</u>
			<u>4,029,886</u>	<u>4,334,538</u>
Net Assets -				
Unrestricted Net Assets for Use in Operations:				
Undesignated by the Society			-	453,403
Designated by the Society		8	4,588,260	2,194,074
			4,588,260	2,647,477
Net Assets Used for Fixed Assets			3,386,235	1,055,456
			7,974,495	3,702,933
Temporarily Restricted Net Assets			3,338,878	508,708
Total Net Assets			<u>11,313,373</u>	<u>4,211,641</u>
			<u>15,343,259</u>	<u>8,546,179</u>

* Reclassified.

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

Yossi Pinto
CEO

Annette Mozes
Chairlady of the Committee

Dr. Danny Lapan – Member of the Committee
and Chairman of the Financial Committee

June 23, 2010

Date of Approval of the Financial Statements

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Statements of Operations
(New Israel Shekels)

	<u>Note</u>	<u>Year Ended December 31,</u>	
		<u>2009</u>	<u>2008</u>
Turnover of Operations -			
Government Offices and Public Institutions	10	11,024,045	9,000,768
Donations in Israel and Funds		1,352,497	1,325,071
Donations from Friends Associations in Israel and Abroad		1,080,835	1,147,866
Participation of Parents		546,917	536,247
Amounts Released from Restriction - Net Assets Restricted to Use in Operations		84,182	84,785
Other Income		36,058	25,850
		<u>14,124,534</u>	<u>12,120,587</u>
Cost of Operations -			
Expenses for Education Centers	11	8,184,655	7,607,626
Expenses for Supplementary Education	12	1,920,198	1,941,537
Expenses for Student Training	13	894,707	986,327
Depreciation Expense		154,002	* 154,737
		<u>11,153,562</u>	<u>10,690,227</u>
Net Income from Operations		2,970,972	1,430,360
Expenses for Mobilization of Resources	14	333,330	419,857
General and Administrative Expenses	15	1,101,734	* 968,849
Net Income Prior to Financing		1,535,908	41,654
Financing Income (Expenses), net		237,300	(37,303)
Net Income After Financing		1,773,208	4,351
Capital Gain		-	12,294
Net Income for the Year		<u>1,773,208</u>	<u>16,645</u>

* Reclassified.

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

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Statements of Changes in Net Assets
(New Israel Shekels)

	Unrestricted Net Assets				Total
	For Use in Operations			Temporarily Restricted Net Assets	
	Undesignated by the Society	Designated by the Society	Used For Fixed Assets		
Balance as of January 1, 2008	453,403	2,149,812	1,076,393	600,361	4,279,969
Additions During the Year -					
Net Income for the Year	16,645	-	-	-	16,645
Designated Contributions and Allocations	-	-	-	6,680	6,680
Reductions During the Year -					
Amounts Released from Temporarily Restricted Net Assets	-	-	-	(84,785)	(84,785)
Exchange Rate Differences	-	-	-	(6,868)	(6,868)
Transfer of Unrestricted Amounts for Acquisition of Fixed Assets	(182,692)	-	182,692	-	-
Transfer of Unrestricted Amounts Realized from Fixed Assets	36,706	-	(36,706)	-	-
Transfer of Amounts Released from Temporary Restriction for Acquisition of Fixed Assets	-	-	6,680	(6,680)	-
Amounts Transferred for Depreciation Expense	173,603	-	(173,603)	-	-
Amounts Designated by the Society	(44,262)	44,262	-	-	-
Balance as of December 31, 2008	453,403	2,194,074	1,055,456	508,708	4,211,641
Additions During the Year:					
Net Income for the Year	1,773,208	-	-	-	1,773,208
Designated Contributions and Allocations	-	-	-	5,416,330	5,416,330
Reductions During the Year:					
Amounts Released from Temporarily Restricted Net Assets	-	-	-	(84,182)	(84,182)
Exchange Rate Differences	-	-	-	(3,624)	(3,624)
Transfer of Unrestricted Amounts for Acquisition of Fixed Assets	(5,631)	-	5,631	-	-
Transfer of Amounts Released from Temporary Restriction for Acquisition of Fixed Assets	-	-	2,498,354	(2,498,354)	-
Amounts Transferred for Depreciation Expense	173,206	-	(173,206)	-	-
Amounts Designated by the Society	(2,394,186)	2,394,186	-	-	-
Balance as of December 31, 2009	-	4,588,260	3,386,235	3,338,878	11,313,373

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

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Statements of Cash Flows
(New Israel Shekels)

	Year Ended December 31, 2009	2008
Cash Flows from Operating Activities		
Net Income for the Year	1,773,208	16,645
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities -		
Revenues and Expenses not Affecting Cash Flows:		
Capital Gain	-	(12,294)
Depreciation	173,206	173,603
Increase in Liability in Regard to Employee Benefits, Net	141,154	139,163
Amounts Released from Net Assets Restricted for Operations	(84,182)	(84,785)
Changes in Assets and Liabilities -		
Decrease (Increase) in Accounts Receivable	50,140	(44,277)
Increase in Employees and Institutions for Salaries	1,442	61,995
Increase (Decrease) in Checks Payable	93,149	(427,970)
Decrease in Deferred Income and Accrued Expenses	(187,887)	(13,003)
Net Cash Provided by (Used in) Operating Activities	1,960,230	(190,923)
Cash Flows From Investing Activities		
Acquisition of Fixed Assets	(2,782,499)	(260,858)
Consideration from Sale of Fixed Assets	-	49,000
Investment of Amounts Designated by the Society	(2,394,186)	(44,262)
Investment of Temporarily Restricted Contributions	(5,416,330)	(6,680)
Realization of Temporarily Restricted Contributions	84,182	84,785
Decrease (Increase) in Bank Deposits	105,289	(141,774)
Investment of Financing Gains from Restricted Net Assets	3,624	6,868
Release of Temporarily Restricted Contributions for Fixed Asset Acquisitions	2,498,354	6,680
Investment in Marketable Securities, net	(301,806)	(112,476)
Net Cash Used in Investing Activities	(8,203,372)	(418,717)
Cash Flows from Financing Activities:		
Repayment of Long-term Loans, net from Others	(73,996)	(12,376)
Receipts for Temporarily Restricted Net Assets	5,416,330	6,680
Financing for Valuation Maintenance of Temporarily Restricted Net Assets	(3,624)	(6,868)
Net Cash Provided by (Used in) Financing Activities	5,338,710	(12,564)
Decrease in Cash and Cash Equivalents	(904,432)	(622,204)
Balance of Undesignated Cash -Beginning of Year	559,263	1,181,467
Balance of Undesignated Cash (Withdrawn from Designated Amounts) - End of Year	(345,169)	559,263
Reconciliation of Cash to the Balance Sheet:		
Cash Designated by the Society	4,588,260	2,194,074
Unrestricted Cash (Withdrawn from Designated Amounts)	(345,169)	559,263
Total Cash and Cash Equivalents	4,243,091	2,753,337
Appendix A -		
Non-Cash Activities:		
Payables in regard to Acquisition of Fixed Assets	-	278,514

The accompanying notes to these financial statements form an integral part thereof.

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Notes to the Financial Statements
As of December 31, 2009
(New Israel Shekels)

1) General

- a. A Tsad Kadima – The Association for Conductive Education in Israel – Peto Approach (R.S.) (hereinafter: “the Society”) was established in 1987, under the Societies Law (1980).
- b. The Society's objectives are:
 - 1. Active implementation in Israel of the "Peto Approach," involving education and rehabilitation of children with motor disabilities using specialized education and rehabilitation centers.
 - 2. Active to promote increased publicity and awareness for the "Peto Approach" in Israel among professionals, parents of children with problems and motor disabilities, as well as for educators and public figures.
 - 3. Maintenance of an education and rehabilitation center in order to care for and treat children suffering from motor disabilities and training of a professional staff with expertise in implementation of the "Peto Approach."
- c. The Society has been recognized in Israel as a “Public Institution,” as defined in the Income Tax Ordinance [Section 9(2)]. The Society has a permit to receive contributions in accordance with Section 46 of the Income Tax Ordinance.
- d. The Society received certification for satisfactory management from the Societies Registrar for the year 2010. This certification entitles the Society to receive allocations and support from Government offices and institutions.
- e. This English version is a translation of the Company's Hebrew financial statements signed June 23, 2010, which remain the official financial statements.

2) Accounting Policies

- a. These financial statements, prepared in accordance with Ordinance 5 of The Israel Accounting Standards Board include, inter alia, as follows:
 - * “Unrestricted Net Assets”- that portion of net assets of the Society the usage of which has not been restricted by donors.
 - * “Restrictions by Donors on Usage of Net Assets” - specification of a donor or other outside party (hereinafter-“the donor”) in regard to usage of assets received from him as a contribution, which specification is more specific than the general restrictions deriving from the Society’s designation as a non-profit institution, its area of activity and its objectives as defined in the charter of the Society.
 - * “Temporarily Restricted Net Assets” – that portion of net assets of the Society deriving from contributions or other internal flow of assets, the usage of which has been restricted in accordance with specifications of the donors.

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Notes to the Financial Statements
As of December 31, 2009
(New Israel Shekels)

2) Accounting Policies (cont.)

- b. Composition of the financial statements -
1. Balance Sheet -
All assets and liabilities are arranged and classified in order of liquidity, commencing with the highest liquidity, and without any separation between assets and liabilities that relate to restricted or unrestricted amounts.
 2. Statement of Operations -
The statement includes all income and expenses during the reported period, including amounts freed from restricted net assets upon compliance with the restriction terms. Those amounts that were received for designated intentions and were not used as yet were not included in the statement of operations; rather they were included in the statement of changes in net assets.
 3. Statement of changes in net assets -
The statement presents activity in the net assets, while separating activity of unrestricted net assets, used for operations or for acquisition of fixed assets, from activity in restricted net assets.
- c. Basis of recognition for income and expenses -
Income and expenses are reported on the accrual basis.
- d. Cash and cash equivalents include bank deposits the original maturity of which at the date of deposit did not exceed three months and are unrestricted in regard to usage.
- e. Provision for doubtful accounts -
The provision for doubtful accounts is computed mainly for specific accounts that, according to management, collection is doubtful.
- f. Marketable securities -
Marketable securities are presented at cost. Changes in value are included in the statement of operations.
- g. Fixed assets -
Fixed assets are presented at cost net of accumulated depreciation computed using the straight-line method over the estimated useful lives of the assets.
Annual rates of depreciation are as follows:
- | | |
|------------------------------------|----------|
| Furniture and electronic equipment | 7% - 15% |
| Vehicles | 15% |
| Computers | 33% |
| Renovations | 10% |

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Notes to the Financial Statements
As of December 31, 2009
(New Israel Shekels)

2) Accounting Policies (cont.)

- h. Use of estimates in preparation of financial statements -
 Preparation of financial statements in accordance with accepted accounting principles in Israel requires management to make estimates and assumptions that affect amounts of assets and liabilities presented in these financial statements, as well as disclosure in regard to contingencies and amounts of revenues and expenses for the reported periods.
 Actual results may differ from these abovementioned estimates.
- i. Balances linked to foreign currency are included at the representative exchange rate at balance sheet date.
 Representative exchange rate for the U.S. \$ as of December 31, 2009 = 3.775.
 Representative exchange rate for the U.S. \$ as of December 31, 2008 = 3.802.
- j. Overhead -
 Overhead expenses reflect the prorated costs of student training included in administrative expenses of the Society. Attribution to the project is performed in accordance with decisions of the Society management committee.

3) Accounts Receivable

	31.12.2009	31.12.2008
Checks for Collection	271,584	319,724
Loans to Employees	13,100	15,100
	284,684	334,824

4) Investment in Securities

Investment in a securities portfolio that is mainly debentures. Amounts invested in securities serve partially as security for maintenance of cash flows and continuity of operations during recession or a freeze in mobilization of resources from independent sources.

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Notes to the Financial Statements
As of December 31, 2009
(New Israel Shekels)

5) Fixed Assets, net

	<u>31.12.2009</u>		<u>31.12.2008</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Depreciated Cost</u>	<u>Depreciated Cost</u>
Renovations	580,861	124,581	456,280	518,551
Building in Beer Sheva*	2,491,875	-	2,491,875	43,505
Furniture and equipment in centers and kindergartens	505,995	373,010	132,985	107,190
Vehicles	368,232	130,755	237,477	292,713
Office furniture and equipment	116,734	88,085	28,649	38,412
Swimming pool equipment	107,441	68,472	38,969	55,085
Total	<u><u>4,171,138</u></u>	<u><u>784,903</u></u>	<u><u>3,386,235</u></u>	<u><u>1,055,456</u></u>

* A building in Beer Sheva built on land designated for the Society without consideration, by the Beer Sheva municipality, to be maintained for a period of thirty years in order to establish a rehabilitational day-care center and kindergartens for children afflicted with cerebral palsy in Beer Sheva and its environs.

6) Long-term Loans from Others

a. Loans acquired in order to purchase vehicles for the Society through financial leasing. Most of the loans are unlinked and non-interest bearing, except for one that bears interest at Prime + 0.9%.

	<u>31.12.2009</u>	<u>31.12. 2008</u>
b. Compostion:		
Long-term loans	55,969	129,965
Net of current installments	(54,181)	(74,142)
	<u><u>1,788</u></u>	<u><u>55,823</u></u>

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Notes to the Financial Statements
As of December 31, 2009
(New Israel Shekels)

7) Liabilities in Regard to Employee Benefits, Net

a. The Company's obligation for retirement pay is covered by a provision shown as deposits and as payments to a provident fund, insurance policies and a central severance pay fund. Amounts funded may be withdrawn by the Company only subsequent to compliance with all obligations to its employees, as detailed in the Severance Pay Law and work agreements.

b. Composition:	<u>31.12.2009</u>	<u>31.12.2008</u>
Reserve for retirement pay	3,902,239	3,390,225
Net of accumulated amounts in management insurance on account of retirement pay	<u>(2,168,023)</u>	<u>(1,978,225)</u>
	1,734,216	1,412,000
Less amount of fund	<u>(706,255)</u>	<u>(525,193)</u>
	<u>1,027,961</u>	<u>886,807</u>

8) Net Assets Designated by the Society's Institutions -

a. **Net Assets Designated by the Society's Institutions for Development and Expansion of Projects Utilizing the Conductive Education - Peto Israel Approach**

Composition:	<u>31.12.2009</u>	<u>31.12.2008</u>
Balance at the beginning of the year	1,118,529	1,118,529
Designated for the year	<u>1,000,000</u>	<u>-</u>
	<u>2,118,529</u>	<u>1,118,529</u>

b. **Net Assets Designated by the Society's Institutions for General and Rehabilitative Renovations and Facilities in the Frameworks and the Buildings wherein they Operate**

Composition:		
Balance at the beginning of the year	1,075,545	1,031,283
Designated for the year	<u>940,783</u>	<u>44,262</u>
	<u>2,016,328</u>	<u>1,075,545</u>

c. **Net Assets Designated by the Society's Institutions for Operations and Maintenance of the Therapeutic Swimming Pool in Rishon LeZion -**

Composition:		
Designated for the year	<u>453,403</u>	<u>-</u>
	<u>453,403</u>	<u>-</u>
Total	<u>4,588,260</u>	<u>2,194,074</u>

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Notes to the Financial Statements
As of December 31, 2009
(New Israel Shekels)

9) Temporarily Restricted Net Assets -

a. Donations Designated for Operations and Maintenance of the Therapeutic Swimming Pool in Rishon LeZion -

	December 31,	
	2009	2008
Composition:		
Balance at the beginning of the year	508,708	600,361
Exchange rate differences during the year	(3,624)	(6,868)
Net of amount released that were used for operations and maintenance of the pool during the year	(84,182)	(84,785)
	420,902	508,708

b. Donations Designated for Building an Education and Rehabilitation Center in Beer Sheva -

	December 31,	
	2009	2008
Composition:		
Amounts received during the year	5,366,706	-
Amounts expended during the year	(2,448,730)	-
	2,917,976	-

c. Budget Received from the National Insurance Institute for Purchase of Para-Medical Equipment -

	December 31,	
	2009	2008
Composition:		
Amounts received during the year	49,624	6,680
Amounts expended during the year	(49,624)	(6,680)
	-	-
Total	3,338,878	508,708

10) Government Offices and Public Institutions -

	Year Ended	
	31.12.2009	31.12.2008
Ministry of Education	7,108,536	6,461,582
Ministry of Social Affairs and Social Services	1,653,151	1,532,326
Local Authorities *	1,972,266	626,064
Health Services	257,092	266,796
Ministry of Health	33,000	74,000
Legacies	-	40,000
	11,024,045	9,000,768

* In the current year, includes an amount of NIS 825 thousand education fees received from the local authorities for the academic years 2007 and 2008 that were not transferred on time.

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Notes to the Financial Statements
As of December 31, 2009
(New Israel Shekels)

11) Expenses for Education Centers -

	Year Ended December 31, 2009					Year Ended December 31, 2008
	Rishon LeZion	HaSharon	Beer Sheva and Environs	Carmiel Netanya and Eilat	Total	
Salaries and payroll	4,446,683	824,116	1,132,360	184,164	6,587,323	6,028,381
Rent, maintenance and security	359,528	137,810	104,287	74,031	675,656	689,032
Maintenance of therapeutic pool	364,055	-	-	-	364,055	337,855
Food	172,733	42,740	38,622	-	254,095	217,743
Fund-raising events	127,057	-	-	-	127,057	112,235
Transportation	32,742	-	-	-	32,742	96,076
Insurance	38,336	5,400	4,200	-	47,936	45,000
Conductive medical follow-up	34,196	-	-	-	34,196	33,147
Communication, office and other	22,222	3,038	4,098	-	29,358	29,374
Activity	22,280	-	-	-	22,280	15,720
Training and enrichment	9,957	-	-	-	9,957	3,063
Total	<u><u>5,629,789</u></u>	<u><u>1,013,104</u></u>	<u><u>1,283,567</u></u>	<u><u>258,195</u></u>	<u><u>8,184,655</u></u>	<u><u>7,607,626</u></u>

12) Supplementary Education Expenses -

	Year Ended December 31,	
	2009	2008
Salaries and related expenses	1,350,399	1,249,129
Maintenance	122,108	197,997
Summer camps	166,187	170,997
Fund-raising events	90,365	151,172
Travel and vehicle maintenance	87,436	69,490
Rent	41,607	40,129
Advertisement and professional enrichment	34,218	32,822
Courses and seminars	27,878	29,043
Scientific conference	-	758
	<u><u>1,920,198</u></u>	<u><u>1,941,537</u></u>

Tsad Kadima – The Association for Conductive Education in Israel (R. S.)
Notes to the Financial Statements
As of December 31, 2009
(New Israel Shekels)

13) Student Training Expenses -

	Year Ended December 31,	
	2009	2008
Sustenance grants	350,305	382,053
Manager salaries and professional consultation	301,011	308,422
Annual tuition and knowledge agreement	117,000	84,846
Payment for studies in Israel	45,598	70,118
Overhead expenses	50,892	64,526
Mobilization of students and operations	22,543	63,964
Lecturers in Hungary	7,358	12,398
	<u>894,707</u>	<u>986,327</u>

14) Mobilization of Resources

	Year Ended December 31,	
	2009	2008
Salaries and related expenses	283,297	327,632
Originality for mobilization of resources	23,667	71,402
Communication and other	26,366	20,823
	<u>333,330</u>	<u>419,857</u>

15) General and Administrative Expenses -

	Year Ended December 31,	
	2009	* 2008
Salaries and related expenses	795,051	743,740
Office maintenance	201,487	161,845
Travel and other (includes depreciation of a vehicle in the amount of approximately NIS 19 thousand)	47,805	51,495
Office expenses	45,880	26,356
Communication and messengers	24,779	23,483
Professional services	20,970	11,860
Bank charges	16,654	14,596
Overhead for student training	(50,892)	(64,526)
	<u>1,101,734</u>	<u>968,849</u>

* Reclassified.

16) Contingent Liabilities -

During 2007, the Society was investigated by the Income Tax Authorities in regard to reported deductions. The tax assessor has requested an additional amount of approximately NIS 1 million. The Society appealed this request and denies the allegations of the tax assessor.