

**MATZMICHIM - The Israeli Violence Reduction Organization
(Registered Association)**

Financial Statements as of December 31, 2017

MATZMICHIM - The Israeli Violence Reduction Organization

Financial Report as of December 31, 2017

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AUDITORS' REPORT TO THE MEMBERS OF MATZMICHIM - The Israeli Violence Reduction Organization (REGISTERED ASSOCIATION)

We have audited the accompanying balance sheets of MATZMICHIM - The Israeli Violence Reduction Organization (a Registered Association) (hereinafter - "the Association") as of December 31, 2017 and 2016 , and the related statements of activities, statements of changes in net assets and statements of cash flows for each one of the years ended on those dates . These financial statements are the responsibility of the executive committee and management of the Association. 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 standards prescribed by the Auditor's Regulations (Auditor's 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 the Association's executive committee and management, as well as evaluating the overall financial statement 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 the Association as of December 31, 2017 and 2016, and the results of its activities, changes in net assets and cash flows for each of the years ended on those dates, in reported amounts, in accordance with generally accepted accounting principles in Israel (Israeli GAAP).

Bnei-Brak, June 18, 2018

BDO Ziv Haft

Certified Public Accountants
(Isr.)

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Statement Of Financial Position (in NIS)

	As at December 31	
	2017	2016
Curret Assets:		
Cash and cash equivalentents	281,163	325,387
Accounts receivable and other receivables	163,756	69,779
	<u>444,919</u>	<u>395,166</u>
Fixed Assets, Net	26,314	25,324
	<u>471,233</u>	<u>420,490</u>
Current liabilities:		
Suppliers and Checks payable	59,900	13,909
Other accounts payables	205,765	243,671
	<u>265,665</u>	<u>257,580</u>
Severance pay liability, net	<u>39,209</u>	<u>41,548</u>
Net Assets:		
Net assets for which there is no restriction		
For use in operations	140,045	96,038
Used for fixed assets	26,314	25,324
	<u>166,359</u>	<u>121,362</u>
	<u>471,233</u>	<u>420,490</u>

June 18, 2018
Date of approval


Adi Vigodesky


Shlomi Ben Porat

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

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Statement of Income (in NIS)

		Year ended December 31	
	Note	2017	2016
Turnover from operations	1	2,953,841	2,206,563
Cost of operations	2	2,460,027	1,821,561
Operating income, net		493,814	385,002
General and administrative expenses	3	451,420	347,051
Net income before financing		42,394	37,951
Financing expenses (income,) net		(2,603)	10,279
Net income for the year		44,997	27,672

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

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Statement of Changes in Equity (in NIS)

	Unrestricted net assets		Total
	For use in operations (Accumulated deficit from operations)	Used for fixed assets	
Balance as of January 1, 2016	60,497	33,193	93,690
Additions (Deductions) during the year:			
Net income for the year	27,672	-	27,672
Amounts transferred to cover depreciation	7,869	(7,869)	-
Balance as of December 31, 2016	96,038	25,324	121,362
Additions (Deductions) during the year:			
Net income for the year	44,997	-	44,997
Transfer of amounts used to purchase fixed assets	(9,070)	9,070	-
Amounts transferred to cover depreciation	8,080	(8,080)	-
Balance as of December 31, 2017	140,045	26,314	166,359

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

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Statement of Cash Flows (in NIS)

	Year ended December 31	
	2017	2016
Cash Flows from Operating Activities		
Net income for the year	44,997	27,672
Adjustments required to reflect cash flows from operating activities - appendix A'	(80,151)	21,533
Net cash derived (used) from current activity (activity)	(35,154)	49,205
Cash Flows from Investing Activities		
Purchase of fixed assets	(9,070)	-
Net cash used from investment activities	(9,070)	-
Cash flows from financing activities		
Repayment of short-term loans from others	-	(100,000)
Net cash used from financing activities	-	(100,000)
Decrease in cash	(44,224)	(50,795)
Cash at the beginning of the year	325,387	376,182
Balance of cash and cash equivalents at the end of the year	281,163	325,387

Appendix A' - Adjustments required to reflect cash flows from operating activities

Income and expenses not involving cash flows:

Depreciation and amortization	8,080	7,869
Decrease in liability for employee severance benefits, net	(2,339)	(8,058)
	5,741	(189)

Changes in assets and liabilities:

Decrease (Increase) in accounts receivable	(93,977)	103
Increase (Decrease) in suppliers and checks payable	45,991	(60,270)
Increase (Decrease) in accounts payable	(37,906)	81,889
	(85,892)	21,722
	(80,151)	21,533

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

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Notes to Financial Statements (in NIS)

Note 1 - Income:

A. Composition:

	Year ended December 31	
	2017	2016
Workshops, courses and lectures	1,319,239	1,124,900
Donations	1,385,680	861,048
Income in kind (See B below)	248,922	220,615
	<u>2,953,841</u>	<u>2,206,563</u>

B. Income in kind:

	Year ended December 31	
	2017	2016
Volunteers in kind	225,693	194,887
Donation in kind	23,229	25,728
	<u>248,922</u>	<u>220,615</u>

C. Donations over thousands NIS 20:

<u>Details</u>	<u>The total donation</u>
P.E.F Israel Endowment Funds	364,167
Kindermissionswerk Die Sternsinger e.r	191,956
The Jewish Agency in Eretz Israel	195,921
Markman As Tomshin, Law Office	115,372
The Azrieli Israel Foundation	75,000
Karlshoehe Ludwigsburg	64,859
Fertility through the Tmura Fund	53,000
The sobell foundation	45,158
Round up (R"A)	43,767
Deutscher verein vom heiligen lande	41,433
Yad Hanadiv	36,000
Embassy of the United States in Israel	35,300
Towae-stiftung	31,165
Keren Yosef and Christina Kasirer	30,000

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Notes to Financial Statements (in NIS)

Note 2 - Cost of Activities:

	Year ended December 31	
	2017	2016
Salaries and related expenses	834,914	520,216
Workshops, courses and lectures	1,370,535	1,075,222
Expenses in kind (See 1b above)	248,922	220,615
Depreciation	5,656	5,508
	<u>2,460,027</u>	<u>1,821,561</u>

Note 3 - General and administrative expenses:

	Year ended December 31	
	2017	2016
Salaries and related expenses	282,868	208,873
Fund raising fee	57,459	49,396
Professional services	30,040	16,504
Office supplies and printing	15,633	7,054
Rent and maintenance	40,446	37,801
Mail, telephone and communications	2,433	2,262
Maintenance of vehicles and rent	15,078	17,709
Meals, refreshments and travel	3,914	3,596
Taxes and fees	1,125	1,495
Depreciation	2,424	2,361
	<u>451,420</u>	<u>347,051</u>