

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

Financial Statements as of December 31 2019

MATZMICHIM - The Israeli Violence Reduction Organization

Financial Report as of December 31 2019

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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 2019 and 2018 , 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 2019 and 2018, 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, July 7 2020

BDO Ziv Haft

Certified Public Accountants
(Isr.)

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)


Statement Of Financial Position (in the U.S. Dollar)


translated from Hebrew*

	<u>As at December 31</u>	
	<u>2019</u>	<u>2018</u>
Curret Assets:		
Cash and cash equivalents	333,518	160,908
Accounts receivable and other receivables	44,262	58,915
	<u>377,780</u>	<u>219,823</u>
Fixed Assets, Net	6,214	7,021
	<u>383,994</u>	<u>226,844</u>
Current liabilities:		
Suppliers and Checks payable	26,225	20,385
Other accounts payables	187,990	79,847
	<u>214,215</u>	<u>100,232</u>
Severance pay liability, net	<u>26,395</u>	<u>24,672</u>
Net Assets:		
Net assets for which there is no restriction		
For use in operations	137,170	94,919
Used for fixed assets	6,214	7,021
	<u>143,384</u>	<u>101,940</u>
	<u>383,994</u>	<u>226,844</u>

* Calculated at exchange rate of 1 \$ = 3.456 NIS

July 7 2020
Date of approval


Adi Vigodesky


Shlomi Ben Porat

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

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Statement of Income (in the U.S. Dollar)

translated from Hebrew*

		Year ended	
		December 31	
	<u>Note</u>	<u>2019</u>	<u>2018</u>
Turnover from operations	1	1,392,985	1,128,835
Cost of operations	2	1,155,959	899,618
Operating income, net		237,026	229,217
General and administrative expenses	3	189,654	176,541
Net income before financing		47,372	52,676
Financing expenses (income,) net		5,928	(1,129)
Net income for the year		41,444	53,805

* Calculated at exchange rate of 1 \$ = 3.456 NIS

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 the U.S. Dollar)

translated from Hebrew*

	Unrestricted net assets		Total
	For use in operations (Accumulated deficit from operations)	Used for fixed assets	
Balance as of January 1 2018	40,522	7,614	48,136
Additions (Deductions) during the year:			
Net income for the year	53,805	-	53,805
Transfer of amounts used to purchase fixed assets	(2,163)	2,163	-
Amounts transferred to cover depreciation	2,755	(2,756)	(1)
Balance as of December 31 2018	94,919	7,021	101,940
Additions (Deductions) during the year:			
Net income for the year	41,444	-	41,444
Transfer of amounts used to purchase fixed assets	(2,198)	2,198	-
Amounts transferred to cover depreciation	3,005	(3,005)	-
Balance as of December 31 2019	137,170	6,214	143,384

* Calculated at exchange rate of 1 \$ = 3.456 NIS

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

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Statement of Cash Flows (in the U.S. Dollar)

translated from Hebrew*

	Year ended	
	December 31	
	2019	2018
Cash Flows from Operating Activities		
Net income for the year	41,444	53,804
Adjustments required to reflect cash flows from operating activities - appendix A'	<u>133,365</u>	<u>27,912</u>
Net cash derived from current activity	<u>174,809</u>	<u>81,716</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	<u>(2,198)</u>	<u>(2,163)</u>
Net cash used from investment activities	<u>(2,198)</u>	<u>(2,163)</u>
Increase in cash	172,610	79,553
Cash at the beginning of the year	<u>160,908</u>	<u>81,355</u>
Balance of cash and cash equivalents at the end of the year	<u><u>333,519</u></u>	<u><u>160,908</u></u>

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

Income and expenses not involving cash flows:

Depreciation and amortization	3,006	2,755
increase in liability for employee severance benefits, net	<u>1,723</u>	<u>13,328</u>
	<u>4,729</u>	<u>16,083</u>
Changes in assets and liabilities:		
Decrease (Increase) in accounts receivable	14,653	(11,532)
Increase in suppliers and checks payable	5,841	3,052
Increase in accounts payable	<u>108,142</u>	<u>20,309</u>
	<u>128,636</u>	<u>11,829</u>
	<u><u>133,365</u></u>	<u><u>27,912</u></u>

* Calculated at exchange rate of 1 \$ = 3.456 NIS

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

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Notes to Financial Statements (in the U.S. Dollar)

translated from Hebrew*

Note 1 - Income:

	Year ended December 31	
	2019	2018
Workshops, courses and lectures	755,676	572,981
Donations	434,600	462,546
	122,526	31,741
Income in kind (See B below)	80,183	61,567
	<u>1,392,985</u>	<u>1,128,835</u>
B. Allocations:		
ministry of education	32,819	18,903
social security	89,707	12,838
	<u>122,526</u>	<u>31,741</u>
C. Income in kind:		
Volunteers in kind		
	2,179	9,667
Donation in kind		
	58,595	36,998
	80,183	<u>61,567</u>

D. Donations over thousands NIS 100:

<u>Details</u>	<u>The total donation</u>
THE DM CHARITABLE TRUST	355,108
The Leon Family Foundation Ltd	296,492
Kindermissionswerk Die Sternsinger e.r	205,074
The Dan and Gloria Schusterman Foundation	155,505
Jewish Agency for Eretz Yisrael	148,889
The Israel Azrieli Foundation	

MATZMICHIM - The Israeli Violence Reduction Organization (Registered Association)

Notes to Financial Statements (in the U.S. Dollar)

translated from Hebrew*

Note 2 - Cost of Activities:

	Year ended December 31	
	2019	2018
Salaries and related expenses	324,798	274,263
Workshops, courses and lectures	748,874	562,024
Expenses in kind (See 1b above)	80,183	61,567
Depreciation	2,104	1,764
	<u>1,155,959</u>	<u>899,618</u>

Note 3 - General and administrative expenses:

	Year ended December 31	
	2019	2018
Salaries and related expenses	138,844	118,014
Fund raising fee	18,223	21,408
Professional services	14,098	9,657
Rent and maintenance	8,382	12,069
Office supplies and printing	937	3,073
Maintenance of vehicles and rent	5,020	7,748
Mail, telephone and communications	715	1,846
Meals, refreshments and travel	1,998	1,411
Taxes and fees	536	488
Depreciation	901	827
	<u>189,654</u>	<u>176,541</u>

Note 4 - Events after the fiscal report date:

In December 2019, the Czech virus outbreak (COVID-19) was known to have been declared an international plague by the World Health Organization in March 2020.

Following the crisis, the organization ceased, from March to May 2020, its activities and income from donations and activities, at the same time the association was reduced to the cost of employment and additional costs. From June, the association returned to limited activities. The management of the Amuta believes that the continuation of the Amuta is not concerned but is too early to evaluate and anticipate the long-term consequences of the outbreak.