

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

**Financial Statements as of December 31 2016**

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

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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 2016 and 2015 , 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 2016 and 2015, 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).

, May 24 2017

BDO Ziv Haft


Certified Public Accountants  
(Isr.)

**MATZMICHIM - The Israeli Violence Reduction Organization**

**Balance Sheet (in thousands NIS)**

	<b>As at December 31</b>	
	<b>2016</b>	<b>2015</b>
<b>Curret Assets</b>		
Cash and cash equivalentents	325,387	376,182
Accounts receivable and other receivables	69,779	69,882
	<u>395,166</u>	<u>446,064</u>
<b>Fixed Assets, Net</b>	25,324	33,193
	<u>420,490</u>	<u>479,257</u>
<b>Current liabilities:</b>		
Short-term debts and current maturities of long-term debts	-	100,000
Suppliers and Checks payable	13,909	74,179
Other accounts payables	243,671	161,782
	<u>257,580</u>	<u>335,961</u>
<b>Severance pay liability, net</b>	<u>41,548</u>	<u>49,606</u>
<b>Net Assets:</b>		
For use in operations	96,038	60,497
Used for fixed assets	25,324	33,193
	<u>121,362</u>	<u>93,690</u>
	<u>420,490</u>	<u>479,257</u>

May 24 2017  
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**

**Statement of Income (in thousands NIS)**

		<b>Year ended December 31</b>	
		<b>2016</b>	<b>2015</b>
Turnover from operations:	1	2,206,563	1,948,885
Cost of operations	2	1,821,561	1,610,732
Operating income, net		385,002	338,153
General and administrative expenses	3	347,051	275,440
Net income before financing		37,951	62,713
Net expenses before financing		10,279	12,314
Net income for the year		27,672	50,399

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

**MATZMICHIM - The Israeli Violence Reduction Organization**

**Statement of Changes in Equity (in thousands NIS)**

	<u>Unrestricted net assets</u>		<u>Total</u>
	<u>For use in operations</u>	<u>Used for fixed assets</u>	
<b>Balance as of January 1 2015</b>	2,229	41,062	43,291
<b>Additions (Deductions) during the year:</b>			
Net income for the year	50,399	-	50,399
Amounts transferred to cover depreciation	7,869	(7,869)	-
<b>Balance as of December 31 2015</b>	<u>60,497</u>	<u>33,193</u>	<u>93,690</u>
<b>Additions (Deductions) during the year:</b>			
Net income for the year	27,672	-	27,672
Amounts transferred to cover depreciation	7,869	(7,869)	-
<b>Balance as of December 31 2016</b>	<u>96,038</u>	<u>25,324</u>	<u>121,362</u>

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

**MATZMICHIM - The Israeli Violence Reduction Organization**

**Notes to Financial Statements (in thousands NIS)**

**Note 1 - Income:**

**A. Composition:**

	<b>Year ended December 31</b>	
	<b>2016</b>	<b>2015</b>
Workshops, courses and lectures	1,124,900	941,720
Donations	861,048	845,575
Income in kind (See B below)	220,615	161,590
	<u>2,206,563</u>	<u>1,948,885</u>

**B. Income in kind:**

	<b>Years ended December 31</b>	
	<b>2016</b>	<b>2015</b>
Volunteers in kind	194,887	161,590
Donation in kind	25,728	-
	<u>220,615</u>	<u>161,590</u>

**C. Donations over thousands NIS 20:**

<b><u>Details</u></b>	<b><u>The total donation</u></b>
Kindermissionswerk Die Sternsinger	206,142
The Jewish Agency in Eretz Israel	85,015
The Azrieli Israel Foundation	75,000
Karlshoehe Ludwigsburg	66,036
Karen Maurice Salomon Foundation	57,690
Foundation Sobel	53,316
Leumi Partners	45,000
The Speaker of the Knesset prize for quality of life foundation	40,000
P.E.F Israel Endowment Funds	37,666
Yad Hanadiv	36,000
Round up (R" A)	35,710
Ituran detection and control	28,000
Intel Electronics	25,500
The Jerusalem Foundation	24,250

**MATZMICHIM - The Israeli Violence Reduction Organization**

**Notes to Financial Statements (in thousands NIS)**

**Note 2 - Cost of Activities:**

	<b>Year ended December 31</b>	
	<b>2016</b>	<b>2015</b>
Salaries and related expenses	520,216	416,795
Workshops, courses and lectures	1,075,222	1,026,839
Expenses in kind (See 1b above)	220,615	161,590
Depreciation	5,508	5,508
	<u>1,821,561</u>	<u>1,610,732</u>

**Note 3 - General and administrative expenses:**

	<b>Year ended December 31</b>	
	<b>2016</b>	<b>2015</b>
Salaries and related expenses	208,873	152,417
Fund raising fee	49,396	57,130
Professional services	16,504	11,976
Office supplies and printing	7,054	5,857
Rent and maintenance	37,801	23,237
Mail, telephone and communications	2,262	2,653
Maintenance of vehicles and rent	17,709	11,606
Meals, refreshments and travel	3,596	6,899
Taxes and fees	1,495	1,304
Depreciation	2,361	2,361
	<u>347,051</u>	<u>275,440</u>