

# **Institute for NGO Research (R.A.)**

## **Financial Statements as of December 31, 2021**

*"I hereby certify this to be a true and accurate copy of the 2021 Financial reports of The  
Institute for NGO Research"*

## **Institute for NGO Research (R.A.)**

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**Auditors' Report**  
**To the members of**  
**Institute for NGO Research (R.A.)**

We have audited the accompanying balance sheets of Institute for NGO Research (R.A.) (hereafter: "the Association") as of December 31 2021 and 2020, the statements of activities, and the statements of changes in net assets for each of the years then ended. These financial statements are the responsibility of the Association's management Committee. 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 by the Auditors. 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 board of directors and 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 respects, the financial position of the Association as of December 31 2021 and 2020, and the results of its activities, and the changes in net assets for each of the years then ended, in conformity with generally accepted accounting principles in Israel (Israeli GAAP).

**Ben David, Shalvi, Kop & co.**  
**Certified Public Accountants, (Isr.)**

Jerusalem, \_\_\_\_\_ 2022

**Institute for NGO Research (R.A.)**  
**Balance Sheets**  
**(New Israeli Shekels)**

		<u>As of December 31</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b><u>Current Assets</u></b>			
Cash and cash equivalents	3	851,850	736,892
Deposit in bank		53,039	500,000
Debtors and debit balances	4	15,676	8,694
		<u>920,565</u>	<u>1,245,586</u>
<b><u>Non-current Assets</u></b>			
Fixed Assets, Net	5	53,204	67,289
		<u>973,769</u>	<u>1,312,875</u>
<b><u>Current Liabilities</u></b>			
Suppliers and service providers		253	23,784
Creditors and credit balances	6	572,992	529,465
		<u>573,245</u>	<u>553,249</u>
<b><u>Non-current Liabilities</u></b>			
Provision for severance pay, Net	7	145,628	157,889
<b><u>Net Assets</u></b>			
<b><u>Unrestricted Net Assets</u></b>			
Used for current activities		201,692	534,448
Invested in fixed assets		53,204	67,289
		<u>254,896</u>	<u>601,737</u>
		<u>973,769</u>	<u>1,312,875</u>

Date	Member of Board	Member of Board
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**The attached notes are an integral part of these statements**

**Institute for NGO Research (R.A.)**  
**Statements of Activities**  
**(New Israeli Shekels)**

		<b>Year ended December 31</b>	
		<b>2021</b>	<b>2020</b>
Activities turnover	8	4,871,717	5,531,417
Cost of activities	9	4,673,796	4,818,380
Net income from activities		197,921	713,037
General and administrative expenses	10	517,572	614,850
Net income (expenses) before financing		(319,651)	98,187
Financial expenses		27,190	40,806
Net income (Deficit) for the year		<b>(346,841)</b>	<b>57,381</b>

**The attached notes are an integral part of these statements**

**Institute for NGO Research (R.A.)**  
**Statements of Changes in Net Assets**  
**(New Israeli Shekels)**

	Unrestricted Net Assets		Total
	activities	Used for fixed assets	
<b>Balance as of January 1, 2020</b>	<b>452,213</b>	<b>92,143</b>	<b>544,356</b>
<u>Changes during the year</u>			
Net income for the year	57,381	-	57,381
<u>Transfer of unrestricted amounts</u>			
To cover depreciation expenses	24,854	(24,854)	-
<b>Balance as of December 31, 2020</b>	<b>534,448</b>	<b>67,289</b>	<b>601,737</b>
<u>Changes during the year</u>			
Deficit for the year	(346,841)	-	(346,841)
<u>Transfer of unrestricted amounts</u>			
Invested in fixed assets	(7,017)	7,017	-
To cover depreciation expenses	21,102	(21,102)	-
<b>Balance as of December 31, 2021</b>	<b>201,692</b>	<b>53,204</b>	<b>254,896</b>

The attached notes are an integral part of these statements

**Institute for NGO Research (R.A.)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

**Note 1 - General**

Institute for NGO Research (R.A.) (hereafter: "the Association") was established as a non-profit organization on January 7, 2007 according to the Association law 1980. Up until August 16, 2016 the Association operated under the name "The Amutah for NGO's Responsibility (R.A.)"

The aim of the Association is to serve as a public research institute that publicly (not politically) analyzes the activities of NGO's, especially those working within the international community and in the Palestinian Authority territories and who deal with the Arab-Israeli conflict, and to examine the transparency of the mission statements of the humanitarian NGO's.

The association is defined as a public institution as defined in Article 9(2) of the Income Tax Ordinance.

The association has a proper management approval from the Registrar of Associations for the years 2022 and 2023.

The association has an income tax certificate for purposes of donations under section 46 of the Income Tax Ordinance, which is valid until December 2023.

Beginning in the first quarter of 2020, the world has been facing an event with macroeconomic consequences, the spread of the coronavirus throughout the world. Many countries, including Israel, have taken significant steps in an attempt to prevent the spread of the disease. In this framework, the Ministry of Health publicized sanitation regulations prohibiting crowds, placing limits on the movement of citizens and gatherings, and closing recreational places. At the beginning of 2021, most of the restrictions were gradually lifted. The Amuta monitors the implications and effects of this event on its day-to-day operations and financial situation, and undertakes risk and exposure assessments that result from these consequences.

**Note 2 - Significant Accounting Policies**

- A. The financial statements were prepared according to generally accepted accounting principles for non profit organizations and in accordance with Standard No. 40 of the Israeli Accounting Standard Board, regarding "accounting principles and financial reporting by non-profit organizations".
- B. Historical Cost Convention  
The financial statements were prepared on the basis of the historical cost convention and do not include the effect of changes in the general purchasing power of the Israeli currency on the results of the activities.
- C. Presentation of the financial statements:  
(1) Definitions:  
"Net assets" - the difference between the Company's assets and its liabilities.

**Institute for NGO Research (R.A.)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

**Note 2 - Significant Accounting Policies (Cont.)**

"Restriction" - a restriction on the use of net assets imposed by donors or other external parties

"Net assets in respect of which there is no restriction" - that portion of the Company's net assets arising from donations, allowances or other income, the use of which has not been restricted by external parties.

(2) In accordance with the guidelines of Accounting Standard 40, all the Company's accounts

are presented in the financial statements in only one comprehensive framework, classifying all

fund balances under the heading "Net assets".

The balances included in the net assets group are sorted with a distinction between:

-Net assets for which there is no restriction.

-Net assets for which there is a restriction.

Net assets for which there is no restriction are presented with a distinction between:

-Net assets used for activities - not designated by non-profit institutions.

-Net assets used for activities - Designated by non-profit institutions.

-Net assets invested in fixed assets.

(3) The report on the activities and the report on the changes in net assets:

The statement of activities includes all income and expenses during the reporting period.

"Income" includes all income received and accrued in the period without any restriction on their use as well as amounts released from groups of net assets for which there is a restriction following the existence, or cancellation, of the restrictions imposed on the use of those net assets.

"Expenses" also include expenses financed from sources restricted by their giver.

The statement of changes in net assets, including in addition to the net result transmitted from the statement of activities, also all the sources obtained while restricting their use and the amounts released from restrictions. Amounts released from restrictions due to use for operations or acquisition of fixed assets that can be used are transferred as income to the statement of activities.

**D. Cash and Cash Equivalents**

The Association considers all highly liquid investments, including short-term bank deposits (up to three months from date of deposit) that are not restricted as to withdrawal or use, to be cash equivalents.

**E. Fixed Assets**

Fixed assets are shown at cost less accumulated depreciation. The depreciation was calculated according to the estimated length of use of the assets and at the following rates:



**Institute for NGO Research (R.A.)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

**Note 2 - Significant Accounting Policies (Cont.)**

Computers and website	25%-33%
Electronic furniture and equipment	7-15%
Leasehold improvements	10%

**Institute for NGO Research (R.A.)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

**Note 2 - Significant Accounting Policies (Cont.)**

F. Indexation to Foreign Currency

Balances in or indexed to foreign currency are recorded at the exchange rate on the balance sheet. Income and expenses indexed to foreign currency are recorded on the transaction day, as follows:

	<b><u>As of December 31</u></b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
US dollar	3.110	3.215
Euro	3.520	3.944

G. Statements of Changes in Cash Flows

The financial statements do not include a statement of cash flow, as such a statement would not add significant financial information to that already included in the financial statements.

H. First-time application of new standards

During August 2020, the Israeli Accounting Standards Board published for the first time Accounting Standard No. 40 - Accounting Rules and Financial Reporting by Non-Profit Organizations. The standard supersedes Statement 69 and applies for periods beginning on or after January 1, 2021. According to the provisions of the standard, its application is not retroactive but from now on and therefore no re-presentation has been made, but required calculations have been made for the presentation of sections in accordance with the new standard.

**Note 3 - Cash and cash equivalents**

	<b><u>As of December 31</u></b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
Cash on hand and in bank - NIS	748,967	632,630
Cash in bank - foreign currency	102,883	104,262
	<b><u>851,850</u></b>	<b><u>736,892</u></b>

**Institute for NGO Research (R.A.)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

**Note 4 - Debtors and debit balances**

	<b>As of December 31</b>	
	<b>2021</b>	<b>2020</b>
Prepaid expenses	10,379	7,094
Income receivable	5,297	1,600
	<b>15,676</b>	<b>8,694</b>

**Note 5 - Fixed Assets, Net**

	<b>Computers and website</b>	<b>Electronic furniture and equipment</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<u>Cost</u>				
Balance as of January 1 2021	329,034	118,285	48,540	495,859
Additions	1,125	5,892	-	7,017
Balance as of December 31 2021	<b>330,159</b>	<b>124,177</b>	<b>48,540</b>	<b>502,876</b>
<u>Accumulated Depreciation</u>				
Balance as of January 1 2021	311,862	69,575	47,133	428,570
Depreciation of the year	11,599	9,269	234	21,102
Balance as of December 31 2021	<b>323,461</b>	<b>78,844</b>	<b>47,367</b>	<b>449,672</b>
<b>Fixed Assets, Net as of December 31 2021</b>	<b>6,698</b>	<b>45,333</b>	<b>1,173</b>	<b>53,204</b>
<b>Fixed Assets, Net as of December 31 2020</b>	<b>17,172</b>	<b>48,710</b>	<b>1,407</b>	<b>67,289</b>

**Note 6 - Creditors and credit balances**

	<b>As of December 31</b>	
	<b>2021</b>	<b>2020</b>
Employees and related institutions	535,127	492,437
Expenses payable	30,713	31,203
Other creditors	7,152	5,825
	<b>572,992</b>	<b>529,465</b>

**Institute for NGO Research (R.A.)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

**Note 7 - Provision for severance pay, Net**

- A. The provision for severance pay is computed based on the last salary of the employees and according to their seniority, for the employees who worked in the Association more than one year.
- B. The liability for severance pay to employees as of the balance sheet date is covered by payments to a management insurance policy and funds included in a provision for severance pay.

**Note 8 - Activities turnover**

	<b>Year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Donations and participations	4,871,717	5,441,945
Donations in kind	-	87,542
Income from research and consulting	-	1,930
	<b><u>4,871,717</u></b>	<b><u>5,531,417</u></b>

**Note 9 - Cost of activities**

	<b>Year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Salaries and related expenses	3,766,935	4,131,627
Rent and maintenance	412,371	393,167
Events, research and information expenses (including donations in kind)	248,386	146,342
Advertising, maintenance and printing	190,548	83,198
Travel (includes travel abroad)	43,723	45,651
Depreciation	11,833	18,395
	<b><u>4,673,796</u></b>	<b><u>4,818,380</u></b>

**Institute for NGO Research (R.A.)**  
**Notes to the Financial Statements**  
**(New Israeli Shekels)**

**Note 10 - General and administrative expenses**

	<b>Year ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Salaries and related expenses	308,193	324,197
Professional services	87,782	75,063
Fundraising	51,296	133,491
Hospitality (Israel and abroad)	22,484	23,972
Communication and postage	13,778	26,511
Insurance	12,026	12,998
Offices and maintenance	9,387	9,236
Depreciation	9,269	6,459
Professional training and literature	1,717	702
Fees and taxes	1,640	2,221
	<b><u>517,572</u></b>	<b><u>614,850</u></b>