

Institute for NGO Research (R.A.)

Financial Statements as of December 31, 2022

*"I hereby certify this to be a true and accurate copy of the 2022 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 2022 and 2021, 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 2022 and 2021, 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, _____ 2023

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

		<u>As of December 31</u>	
	<u>Note</u>	<u>2022</u>	<u>2021</u>
<u>Current Assets</u>			
Cash and cash equivalents	3	519,477	851,850
Deposits		100,526	53,039
Debtors and debit balances	4	91,935	15,676
		<u>711,938</u>	<u>920,565</u>
<u>Non-current Assets</u>			
Fixed Assets, Net	5	54,902	53,204
		<u>766,840</u>	<u>973,769</u>
<u>Current Liabilities</u>			
Suppliers and service providers		1,553	253
Creditors and credit balances	6	546,668	572,992
		<u>548,221</u>	<u>573,245</u>
<u>Non-current Liabilities</u>			
Provision for severance pay, Net	7	315,457	145,628
<u>Net Assets</u>			
<u>Unrestricted Net Assets</u>			
Used for current activities		(151,740)	201,692
Invested in fixed assets		54,902	53,204
		<u>(96,838)</u>	<u>254,896</u>
		<u>766,840</u>	<u>973,769</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)

		Year ended December 31	
		2022	2021
Activities turnover - Donations and Participations		5,445,418	4,871,717
Cost of activities	8	5,019,512	4,636,247
Net income from activities		425,906	235,470
General and administrative expenses	9	791,755	555,121
Net expenses before financing		(365,849)	(319,651)
Financial income (expenses), Net	10	14,115	(27,190)
Net Deficit for the year		(351,734)	(346,841)

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	
Balance as of January 1, 2021	534,448	67,289	601,737
<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)	-
Balance as of December 31, 2021	201,692	53,204	254,896
<u>Changes during the year</u>			
Deficit for the year	(351,734)	-	(351,734)
<u>Transfer of unrestricted amounts</u>			
Invested in fixed assets	(17,216)	17,216	-
To cover depreciation expenses	15,518	(15,518)	-
Balance as of December 31, 2022	(151,740)	54,902	(96,838)

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 year 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.

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.

"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:

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

Note 2 - Significant Accounting Policies (Cont.)

-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:

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:

	<u>As of December 31</u>	
	<u>2022</u>	<u>2021</u>
US dollar	3.519	3.110
Euro	3.753	3.520

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.

Note 3 - Cash and cash equivalents

	<u>As of December 31</u>	
	<u>2022</u>	<u>2021</u>
Cash on hand and in bank - NIS	464,535	748,967
Cash in bank - foreign currency	54,942	102,883
	<u>519,477</u>	<u>851,850</u>

Note 4 - Debtors and debit balances

	<u>As of December 31</u>	
	<u>2022</u>	<u>2021</u>
Income receivable	74,672	5,297
Supplier advances	10,951	-
Prepaid expenses	6,312	10,379
	<u>91,935</u>	<u>15,676</u>

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

Note 5 - Fixed Assets, Net

	Computers and website	Electronic furniture and equipment	Leasehold Improvements	Total
<u>Cost</u>				
Balance as of January 1 2022	330,159	124,177	48,540	502,876
Additions	8,458	2,886	5,872	17,216
Balance as of December 31 2022	338,617	127,063	54,412	520,092
<u>Accumulated Depreciation</u>				
Balance as of January 1 2022	323,461	78,844	47,367	449,672
Depreciation of the year	5,428	9,806	284	15,518
Balance as of December 31 2022	328,889	88,650	47,651	465,190
Fixed Assets, Net as of December 31 2022	<u>9,728</u>	<u>38,413</u>	<u>6,761</u>	<u>54,902</u>
Fixed Assets, Net as of December 31 2021	<u>6,698</u>	<u>45,333</u>	<u>1,173</u>	<u>53,204</u>

Note 6 - Creditors and credit balances

	As of December 31	
	2022	2021
Employees and related institutions	501,913	535,127
Expenses payable	32,473	30,713
Other creditors	12,282	7,152
	<u>546,668</u>	<u>572,992</u>

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

Note 7 - Provision for severance pay, Net

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.

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.

The association's payments for compensation for the majority of employees are subject to the terms of Section 14 of the Severance Compensation Law, 5573 - 1963, according to which the company's current deposits in the pension funds and policies in insurance companies exempt it from any additional obligation to these employees.

Note 8 - Cost of activities

	Year ended	
	December 31	
	2022	2021
Salaries and related expenses	3,793,540	3,766,936
Rent and maintenance	487,927	412,371
Events, research and information	376,735	248,386
Advertising, maintenance and printing	252,360	152,998
Travel (includes travel abroad)	103,238	43,723
Depreciation	5,712	11,833
	<u>5,019,512</u>	<u>4,636,247</u>

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

Note 9 - General and administrative expenses

	Year ended December 31	
	2022	2021
Salaries and related expenses	411,182	308,192
Professional services	163,608	87,782
Fundraising	105,611	51,296
Offices and maintenance	72,418	69,421
Insurance	16,692	12,026
Depreciation	9,806	9,269
Communication and postage	9,190	13,778
Professional training and literature	2,086	1,717
Fees and taxes	1,162	1,640
	<u>791,755</u>	<u>555,121</u>

Note 10 - Financial income (expenses), Net

	Year ended December 31	
	2022	2021
income (Expenses) from exchange rate differentials	32,895	(19,361)
Interest expense and fees	(18,780)	(7,829)
	<u>14,115</u>	<u>(27,190)</u>