

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

## **Financial Statements as of December 31, 2020**

*"I hereby certify this to be a true and accurate copy of the 2020 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 2020 and 2019, 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 2020 and 2019, 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, \_\_\_\_\_ 2021

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

		As of December 31	
	Note	2020	2019
<b><u>Current Assets</u></b>			
Cash and cash equivalents	3	736,892	704,015
Deposit in bank		500,000	460,321
Debtors and debit balances	4	8,694	49,081
		<b>1,245,586</b>	<b>1,213,417</b>
<b><u>Non-current assets</u></b>			
Fixed Assets, Net	5	67,289	92,143
Long-term Deposits in bank		-	52,976
		<b>67,289</b>	<b>145,119</b>
		<b>1,312,875</b>	<b>1,358,536</b>
 <b><u>Current Liabilities</u></b>			
Suppliers and service providers		23,784	48,711
Creditors and credit balances	6	529,465	722,766
		<b>553,249</b>	<b>771,477</b>
<b><u>Non-current Liabilities</u></b>			
Provision for severance pay, Net	7	<b>157,889</b>	<b>42,703</b>
 <b><u>Net Assets</u></b>			
<b><u>Unrestricted Net Assets</u></b>			
Used for current activities		534,448	452,213
Used for fixed assets		67,289	92,143
		<b>601,737</b>	<b>544,356</b>
		<b>1,312,875</b>	<b>1,358,536</b>

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>2020</b>	<b>2019</b>
Activities turnover	8	5,531,417	6,200,200
Cost of activities	9	4,818,380	5,486,366
Net income from activities		713,037	713,834
General and administrative expenses	10	614,850	823,431
Net income (expenses) before financing		98,187	(109,597)
Financial expenses		40,806	23,396
Net income (Deficit) for the year		<b>57,381</b>	<b>(132,993)</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)**

	<u>Unrestricted Net Assets</u>		<u>Total</u>
	<u>Used for activities</u>	<u>Used for fixed assets</u>	
<b>Balance as of January 1, 2019</b>	<b>595,730</b>	<b>81,619</b>	<b>677,349</b>
<u>Changes during the year</u>			
Deficit for the year	(132,993)	-	(132,993)
<u>Transfer of unrestricted amounts</u>			
Used for fixed assets	(38,875)	38,875	-
To cover depreciation expenses	28,351	(28,351)	-
<b>Balance as of December 31, 2019</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>

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 Responsibility (R.A.)"

The aim of the Association is to serve as a public research institute that publicly (not politically) analyses 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 2021.

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.

As of 2020, the corona virus caused macroeconomic consequences around the world. Many countries, including Israel, are taking significant steps to try to prevent the virus from spreading. In this context, health regulations were issued regarding a ban on gatherings, restrictions on the movement of citizens, and the closure of places of entertainment.

As of the date of signing the reports, the Association is continually monitoring the consequences and effects of the corona virus on its activities and financial situation.

**Note 2 - Significant Accounting Policies**

A. The financial statements were prepared according to generally accepted accounting principles for non-profit institution and in accordance with Standard No. 5 of the Israel Accounting Standard Board, regarding "accounting principles and financial reporting by nonprofit organizations."

**B. Historical Cost Convention**

The financial statements were prepared on the basis of the historical cost convention and do not include the impact of changes in the general purchasing power of the Israeli currency on the results of the activities.

**C. Presentation of financial statements:**

**(1) Definitions:**

Net assets" - the difference between the assets and liabilities of the Association.

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

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

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

"Net assets for which there is no restriction" - that part of the net assets of the Association deriving from donations, allocations or other income, the use of which has not been limited by external factors.

- (2) In accordance with Opinion No. 69, all the Association's accounts are presented in the financial statements in only one comprehensive framework, while classifying all the balances of the funds under the heading "Net assets."

The classification of the balances included in the net asset group is made by distinguishing between:

- Net assets for which there is no restriction.
- Net assets for which there is a temporary restriction.
- Fixed assets with fixed restrictions.

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

- Net assets used for activities.
- Net assets used to purchase fixed assets.
- Net assets designated by the Association's institutions.

- (3) The statement of activities and the statement of changes in net assets:

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

"Revenues" includes all income received and accrued in the period without any restriction on their use, as well as that part of the net assets that were restricted and released during the period from the contributing stipulations.

"Expenses" also include expenditures financed from sources restricted by their grant.

The statement of changes in net assets includes, in addition to the net result transferred from the activities statement, all the sources received while limiting their use and the amounts released from the restrictions. Amounts released from the restrictions due to use of activities 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



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

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

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%

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>2020</u></b>	<b><u>2019</u></b>
US dollar	3.215	3.456
Euro	3.944	3.878

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. Donatons in kind

The Association recieves donations in money value for the Association's activities. Donations in money value are valued according to the market value of the donation, according to the management's assessment

**Note 3 - Cash and cash equivalents**

	<b><u>As of December 31</u></b>	
	<b><u>2020</u></b>	<b><u>2019</u></b>
Cash on hand and in bank - NIS	632,630	704,015
Cash in bank - foreign currency	104,262	-
	<b><u>736,892</u></b>	<b><u>704,015</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>2020</b>	<b>2019</b>
Prepaid expenses	7,094	29,081
Income receivable	1,600	20,000
	<b>8,694</b>	<b>49,081</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 2020	329,034	118,285	48,540	495,859
Additions	-	-	-	-
Balance as of December 31 2020	<b>329,034</b>	<b>118,285</b>	<b>48,540</b>	<b>495,859</b>
<u>Accumulated Depreciation</u>				
Balance as of January 1 2020	293,701	63,116	46,899	403,716
Depreciation of the year	18,161	6,459	234	24,854
Balance as of December 31 2020	<b>311,862</b>	<b>69,575</b>	<b>47,133</b>	<b>428,570</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>
<b>Fixed Assets, Net as of December 31 2019</b>	<b>35,333</b>	<b>55,169</b>	<b>1,641</b>	<b>92,143</b>

**Note 6 - Creditors and credit balances**

	<b>As of December 31</b>	
	<b>2020</b>	<b>2019</b>
Employees and related institutions	492,437	689,374
Expenses payable	31,203	32,942
Other creditors	5,825	450
	<b>529,465</b>	<b>722,766</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>2020</b>	<b>2019</b>
Donations and participations	5,441,945	5,977,614
Donatons in kind *	87,542	215,261
Income from research and consulting	1,930	7,325
	<b><u>5,531,417</u></b>	<b><u>6,200,200</u></b>

\* See note 2H.

**Institute for NGO Research (R.A.)**  
**Notes to the Financial Statements**  
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**Note 9 - Cost of activities**

	<b>Year ended December 31</b>	
	<b>2020</b>	<b>*2019</b>
Salaries and related expenses	4,131,627	4,258,467
Rent and maintenance	393,167	401,002
Events, research and information expenses (including donatons in kind) **	146,342	306,008
Advertising, maintenance and printing	83,198	245,645
Travel (includes travel abroad)	45,651	253,201
Depreciation	18,395	22,043
	<b>4,818,380</b>	<b>5,486,366</b>

\*\* See note 2H.

**Note 10 - General and administrative expenses**

	<b>Year ended December 31</b>	
	<b>2020</b>	<b>*2019</b>
Salaries and related expenses	324,197	305,060
Fundraising	133,491	273,959
Professional services	75,063	70,776
Communication and postage	26,511	28,744
Hospitality (Israel and abroad)	22,202	56,284
Insurance	12,998	18,858
Offices and maintenance	9,236	28,430
Depreciation	6,459	6,308
Fees and taxes	2,221	2,142
Gifts	1,770	5,364
Professional training and literature	702	27,506
	<b>614,850</b>	<b>823,431</b>

\* Reclassified