

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

**Financial Statements as of December 31, 2019**

## **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 2019 and 2018, 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 2019 and 2018, 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).

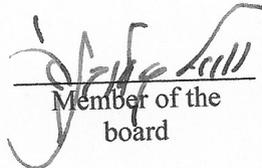
**Ben David, Shalvi, Kop & co.**  
**Certified Public Accountants, (Isr.)**

Jerusalem, \_\_\_\_\_ 2020

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

	<u>Note</u>	<u>As of December 31</u>	
		<u>2019</u>	<u>2018</u>
<b><u>Current Assets</u></b>			
Cash on hand and in bank		704,015	1,132,116
Deposits in bank		460,321	-
Debtors and debit balances	3	49,081	56,124
		<u>1,213,417</u>	<u>1,188,240</u>
<b><u>Non-current assets</u></b>			
Fixed Assets, Net	4	92,143	81,619
Long-term Deposits in bank		52,976	52,724
		<u>145,119</u>	<u>134,343</u>
		<u><u>1,358,536</u></u>	<u><u>1,322,583</u></u>
<b><u>Current Liabilities</u></b>			
Suppliers and service providers		48,711	23,415
Creditors and credit balances	5	722,766	565,366
		<u>771,477</u>	<u>588,781</u>
<b><u>Non-current Liabilities</u></b>			
Provision for severance pay, Net	6	42,703	56,453
<b><u>Net Assets</u></b>			
<b><u>Unrestricted Net Assets</u></b>			
Used for current activities		452,213	595,730
Used for fixed assets		92,143	81,619
		<u>544,356</u>	<u>677,349</u>
		<u><u>1,358,536</u></u>	<u><u>1,322,583</u></u>

\_\_\_\_\_ Date

  
 \_\_\_\_\_  
 Member of the  
 board

  
 \_\_\_\_\_  
 Member of the  
 board

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>2019</b>	<b>*2018</b>
Activities turnover	7	6,200,200	6,197,367
Cost of activities	8	5,425,507	4,985,717
Net income from activities		774,693	1,211,650
General and administrative expenses	9	884,290	866,098
Net income (expenses) before financing		(109,597)	345,552
Financial expenses		23,396	37,315
(Deficit) Net income for the year		<b>(132,993)</b>	<b>308,237</b>

\*Reclassified

**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
	Used for activities	Used for fixed assets	
<b>Balance as of January 1, 2018</b>	<b>277,106</b>	<b>92,006</b>	<b>369,112</b>
<u>Changes during the year</u>			
Net income for the year	308,237	-	308,237
<u>Transfer of unrestricted amounts</u>			
Used for fixed assets	(30,920)	30,920	-
To cover depreciation expenses	41,307	(41,307)	-
<b>Balance as of December 31, 2018</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>

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 years 2020 and 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 2020.

**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.

"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

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

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

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 withdrawal or use, to be cash equivalents.

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

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

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%
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>2019</u></b>	<b><u>2018</u></b>
US dollar	3.456	3.748
Euro	3.878	4.292

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. Donations in kind

The Association receives 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 - Debtors and debit balances**

	<b><u>As of December 31</u></b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
Prepaid expenses	29,081	56,124
Income receivable	20,000	-
	<b><u>49,081</u></b>	<b><u>56,124</u></b>

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

**Note 4 - Fixed Assets, Net**

	<u>Computers and website</u>	<u>Furniture and equipment</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>Cost</u>				
Balance as of January 1 2019	295,577	112,867	48,540	456,984
Additions	33,457	5,418	-	38,875
Balance as of December 31 2019	<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 2019	271,892	56,808	46,665	375,365
Depreciation of the year	21,809	6,308	234	28,351
Balance as of December 31 2019	<b>293,701</b>	<b>63,116</b>	<b>46,899</b>	<b>403,716</b>
<b>Fixed Assets, Net as of December 31 2019</b>	<b><u>35,333</u></b>	<b><u>55,169</u></b>	<b><u>1,641</u></b>	<b><u>92,143</u></b>
<b>Fixed Assets, Net as of December 31 2018</b>	<b><u>23,685</u></b>	<b><u>56,059</u></b>	<b><u>1,875</u></b>	<b><u>81,619</u></b>

**Note 5 - Creditors and credit balances**

	<u>As of December 31</u>	
	<u>2019</u>	<u>2018</u>
Employees and related institutions	689,374	509,955
Expenses payable	32,942	49,006
Other creditors	450	6,405
	<b><u>722,766</u></b>	<b><u>565,366</u></b>

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

**Note 6 - 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 7 - Activities turnover**

	<b>Year ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Donations	5,977,614	5,884,734
Donations in kind *	215,261	298,703
Income from research and consulting	7,325	13,930
	<b>6,200,200</b>	<b>6,197,367</b>

**Note 8 - Cost of activities**

	<b>Year ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Salaries and related expenses	4,258,467	3,922,923
Rent and maintenance	340,143	323,476
Events, research and information expenses (including money value) *	306,008	256,926
Travel (includes travel abroad)	253,201	249,095
Advertising, maintenance and printing	245,645	195,436
Depreciation	22,043	33,453
Events	-	4,408
	<b>5,425,507</b>	<b>4,985,717</b>

\* see note 2H.

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

**Note 9 - General and administrative expenses**

	<b>Year ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Salaries and related expenses	305,060	289,460
Fundraising - travel abroad	273,959	287,109
Professional services	70,776	81,358
Property tax	60,859	60,782
Hospitality from Israel and abroad	56,284	62,183
Communication and postage	28,744	26,831
Offices and maintenance	28,430	22,459
Professional training and literature	27,506	10,589
Insurance	18,858	13,905
Depreciation	6,308	7,854
Gifts	5,364	2,199
Fees and taxes	2,142	1,369
	<b><u>884,290</u></b>	<b><u>866,098</u></b>