

**DAVID YEHEZKEL – CERTIFIED PUBLIC ACCOUNTANT (ISR.)**

Netanya, August 11, 2022

To:

**It Works – Empowering People (Registered Amuta/NPO)**

In accordance with your request, I have audited the financial statements of itworks – Empowering People (Registered Association) as at December 31, 2021.

In this regard, I am honored to provide you with my report and the following documents, as detailed below:

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Yours Very Truly,

**David Yehezkel,  
Certified Public Accountant (Isr.)**

דוד יחזקאל - רואה חשבון  
אלון צבי 20, נתניה  
ע.מ. 025255571, מס' תע"מ 50028127

**DAVID YEHEZKEL – CERTIFIED PUBLIC ACCOUNTANT (ISR.)**

**Auditor's Report to the Members of  
It Works - Empowering People (Registered Amuta/NPO)**

I have audited the accompanying Statements of Financial Position of It Works – Empowering People (Registered Association") as at December 31, 2020 & 2021 and the Statements of Activities for the year then ended. These financial statements are the responsibility of the Registered Association's Management Committee and Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, including those prescribed by Auditors' Regulations (Auditor's Mode of Performance) - 1973. Those standards require that I 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 Registered Association's Management Committee and Management, as well as evaluating the overall financial statement presentation.

The financial statements are prepared on the basis of the historical cost convention in nominal terms.

In my opinion, the financial statements referred to above, present fairly, in accordance with generally accepted accounting principle, in all material respects, the financial position of the Registered NPO as it reflected on December 31, 2020 -and 2021 and the result of its activities for the years then ended, in accordance with generally accepted accounting principles in Israel (Israeli GAAP), on the basis of the historical cost convention in nominal terms.

**11.8.2022**

**Yours Very Truly,**

**David Yehezkel,  
Certified Public Accountant (Isr.)**

**It Works - Empowering People (Registered Amuta/NPO)**  
**Statements of Financial Position**

(Expressed in New Israel Shekels)

		<b>December 31</b>	
	<b>Note</b>	<b>2020</b>	<b>2021</b>
<b><u>Current Assets:</u></b>			
Bank – current account		2,654,863	2,007,436
Bank – Foreign Currency		1,368,827	2,084,888
Bank - deposit		6750	-
Deposit – rents		44,291	44,291
Cash, credit cards and checks		42,139	50,539
Income to be received		1,052,833	1,764,497
Clients		-	169,393
Advances to suppliers		-	116,143
Investment in a company		116,230	170,585
		5,285,933	6,291,629
<b><u>Fixed Assets:</u></b>			
Fixed assets – depreciated cost	3	219,742	195,465
		5,505,675	6,487,094
<b><u>Current Liabilities:</u></b>			
Suppliers and miscellaneous payables		98,146	830,900
Checks payable		-	-
Institutions	4	61,894	181,730
Employees		101,485	214,899
Advances from customers		127,337	77,242
Students' deposits		3000	3,000
		391,862	1,307,771
<b><u>Net Assets:</u></b>			
Net assets, not use-restricted		2,100,000	2,100,000
Net assets, use-restricted		3,013,814	3,079,323
		5,113,814	5,179,323
		5,505,676	6,487,094

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

Ifat Baron Executive Director

**It Works - Empowering People (Registered Amuta/NPO)  
Statements of Activities**

**(Expressed in New Israeli Shekels)**

	Schedule	For the Year Ended December 31	
		2020	2021
<b>Revenue - turnover</b>	1	5,309,864	7,194,272
<b><u>Costs and expenses</u></b>			
Operating expenses	2	2,965,496	5,913,022
Management and general expenses	3	1,120,787	1,092,398
Financing expense. net		95,957	95,743
		4,182,240	7,101,163
Excess of Income over expenses		1,127,624	93,109
Net income for the year (previous year: net loss)			
Job placements	4	5583	-
Retained earnings, end of year		165	-
		5,748	15,784
Revenue Income before tax		1,133,372	93,109
Taxes		(1,733)	(27,600)
Excess Income over former year expenses		1,131,639	65,509
Total income over expenses		5,113,814	5,179,323

**The accompanying schedules are an integral part of the financial statements.**

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**Zohar Maimon, ID  
028086655  
Director**

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**Naama Giladi, ID 026625772  
Director**

**It Works - Empowering People (Registered Amuta/NPO)**  
**Notes to the Financial Statements**

**(Expressed in New Israel Shekels)**

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**Note 1 – General:**

1. It Works - Empowering People (Registered Association), was founded on 21.9.2006 and began operations on the same date.
2. The main goal of the Registered NPO is to promote and assimilate communication networks among disadvantaged populations, along with promoting excellence through academies throughout the country.
3. The Registered NPO was registered as a "non-profit institution" for Value Added Tax purposes and is registered in the Registrar of Associations under file number 580466464.
4. The breakdown of expenses between operating expenses and management and general expenses is made by the authorized forums of the Registered Association.
5. The breakdown between restricted net assets and non-restricted net assets is made by the authorized forums of the Registered Association.
6. Investment in a company – the Registered NPO holds one-third of the paid-up share capital of "Good Cause for Haredi Employment Ltd." (Company Registration Number 515183457)
7. During the year 2018 the amuta started job placement activity. In 2019 the amuta transferred the placement activity into a for-profit company. The amuta holds 100% of the redeemed equity capital of the company. In 2020 was the last year where invoices were made for placement services.

**Note 2: Significant Accounting Policies:**

**A. Accounting policy basis:**

The financial statements of the Registered NPO are prepared in accordance with generally accepted accounting principles, in accordance with Standard 5 issued by the Israel Accounting Standards Board.

**B. Fixed assets:**

Fixed assets are recorded at historical cost. Depreciation is calculated using the straight-line method and is recognized over the asset's life.

**It Works - Empowering People (Registered Amuta/NPO)**  
**Notes to the Financial Statements**

(Expressed in New Israeli Shekels)

**Note 3 - Fixed Assets – Depreciated Cost:**

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>December 31</b>	
			<b>2020</b>	<b>2021</b>
			<b>Depreciated Cost</b>	
Equipment	482,520	304,318	200,277	178,202
Leasehold improvements	26,298	9,035	19,465	17,263
	<b>508,818</b>	<b>313,353</b>	<b>219,742</b>	<b>195,465</b>

**Note 4 – Institutions:**

	<b>December 31</b>	
	<b>2020</b>	<b>2021</b>
Income tax – deductions	19,094	40,404
National Insurance Institute - deductions	15,783	35,330
Provision for social benefits	25,695	77,074
Tax VAT Expenses	1,322	27,600
	<b>61,894</b>	<b>181,730</b>

**It Works - Empowering People (Registered Amuta/NPO)**  
**Notes to the Financial Statements**

**(Expressed in New Israel Shekels)**

	<b>For the Year Ended</b>	
	<b>December 31</b>	
	<b>2020</b>	<b>2021</b>
<b><u>Schedule 1 – Revenue Turnover:</u></b>		
Foreign donations funds	1,827,504	1,542,597
Government offices	7,379	9,058
Donations for courses	183,368	335,249
Local municipalities	-	121,116
Courses Participation fees	183,368	80,692
Israel philanthropy funds	181,737	609,459
Participation – Public Benefit Company	2,485,016	4,193,460
Business sector	356,405	356,405
Job placements	1,112,688	-
Management fees	-	120,000
Consulates and embassies	65,130	6,484
Government In-kind support	185,925	167,500
Scholarship donations	9,000	-
Income from services	8,400	-
	<b>5,309,864</b>	<b>7,194,272</b>
<b><u>Schedule 2 – Operating Expenses:</u></b>		
Salaries and benefits	1,478,188	2,056,611
Seminars and professional training	1,111,774	3,238,334
Marketing	188,161	358,950
Equipment depreciation	52,157	22,080
Office	11,954	43,835
Computerization	34,509	66,520
Course refreshments hospitality	26,893	66,646
Mobile phone (net of implicit mobile tax value of NIS 2,560)	24,721	10,096
Conferences	-	34,102
Travels	6,859	12,548
Vehicle maintenance	-	34,057
Office rent and maintenance	30,280	3,300
	<b>2,965,496</b>	<b>6,383,480</b>

**It Works - Empowering People (Registered Amuta/NPO)**  
**Schedules to the Financial Statements**

(Expressed in New Israel Shekels)

	<b>For the Year Ended</b>	
	<b>December 31</b>	
	<b>2020</b>	<b>2021</b>
<b><u>Schedule 3 – Management and General Expenses:</u></b>		
Salaries and benefits	823,222	807,557
Deprecation in rental property	2,202	2,202
Fundraising	7,214	33,307
Office	17,267	11,765
Accounting and audit	38,025	25,740
Mobile and landline phones (net of deducted mobile of 360 NIS)	(15)	15,274
Office rental and maintenance	145,212	174,016
Municipal taxes	32,754	1,750
Vehicle maintenance (net of implicit vehicle value of NIS 34,800)	37,002	7,659
Legal fees	3,036	-
Office insurance		-
Refreshments and gifts	7,089	2,481
	<u>1,120,787</u>	<u>1,092,398</u>