

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

Netanya, August 11, 2024

To:

**Itworks – 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, 2022.

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

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Sincerely,

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

דוד יחזקאל – רווחה חשבון  
אלון צבי, 20 נתניה  
ע.מ. 025255571, מס' תעודת זהות 50028127

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

**Auditor's Report to the Members of  
Itworks - 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, 2022 & 2023 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, 2022 -and 2023 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.

**01.10.24**

**Sincerely,**

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

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

(Expressed in New Israel Shekels)

		<b>December 31</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b><u>Current Assets:</u></b>			
Bank – current account		5,006,508	3,799,514
Bank – Foreign Currency		2,968,605	2,850,838
Bank - deposit		65,281	4,529
Deposit – rents		4,740	44,291
Cash, credit cards and checks		1,139	1,139
Clients		392,729	93,666
Investment in a sub company		175,100	175,100
		8,614,102	6,969,077
<b><u>Fixed Assets:</u></b>			
Fixed assets – depreciated cost	3	168,655	175,327
		8,782,757	7,144,404
		=====	=====
<b><u>Current Liabilities:</u></b>			
Suppliers and miscellaneous payables		276,364	-
Checks payable		-	-
Institutions	4	112,985	143,727
Employees		149,826	160,949
Advances from customers		-	74,840
Advance Income			1,571,198
Students' deposits		3000	3,000
		542,175	1,953,714
<b><u>Net Assets:</u></b>			
Net assets, use not-restricted		1,000,000	2,100,000
Net assets, use-restricted		7,240,582	3,090,690
		8,240,582	5,190,690
		8,782,757	7,144.404

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

Ifat Baron Executive Director

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

(Expressed in New Israeli Shekels)

		<b>For the Year Ended December 31</b>	
	<b>Schedule</b>	<b>2023</b>	<b>2022</b>
<b>Income</b>	1	10,082,131	8,943,850
<b><u>Costs and expenses</u></b>			
Operating expenses	2	5,841,277	8,058,662
Management and general expenses	3	1,289,380	1,150,018
Financing expense. net		(98,418)	(276,197)
		7,032,239	8,932,483
YEAR Excess of Income over expenses		3,049,892	11,367
Excess Income over former year expenses		5,113,814	5,179,323
Total income over expenses		8,240,582	5,190,690

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

Ifat Baron Executive Director

**The accompanying schedules are an integral part of the financial statement itworks -  
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.

**The accompanying schedules are an integral part of the financial statement itworks -  
Empowering People (Registered Amuta/NPO)  
Notes to the Financial Statements**

**(Expressed in New Israel Shekels)**

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

	<b>Cost</b>	<b>Accumulate d Depreciation</b>	<b>December 31</b>	
			<b>2023</b>	<b>2022</b>
	<b>Cost</b>	<b>Depreciated Cost</b>		
Equipment	495,680	339,885	155,795	160,265
Leasehold improvements	26,298	13,438	12,860	15,062
	521,978	353,323	168,655	175,327

**Note 4 – Institutions:**

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Income tax – deductions	28,615	25,540
National Insurance Institute - deductions	27,249	55,144
Provision for social benefits	57,121	35,443
Tax VAT Expenses for 21	-	27,600
	112,985	143,727

**Itworks - Empowering People (Registered Amuta/NPO)**  
**Annex/ Notes to the Financial Statements**

(Expressed in New Israel Shekels)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<b><u>Schedule 1 – Income:</u></b>		
Government offices	1,842,156	490,291
Local municipalities	11,037	70,928
Courses Participation fees	230,012	122,535
Israel philanthropy funds	2,509,915	2,404,915
Participation – Public Benefit Company	1,857,699	3,775,687
Business sector	1,514,934	577,543
Foreign Funds Donations	2,014,185	1,373,651
Consulates and embassies	-	-
Government In-kind support	102,300	128,300
	-	-
	<b>10,082,131</b>	<b>8,943,850</b>
<b><u>Schedule 2 – Operating Expenses:</u></b>		
Salaries and benefits	2,501,088	2,580,540
Seminars and professional training	2,011,405	4,642,850
Trainings marketing	437,418	304,551
Equipment depreciation	17,629	17,934
Office	7,420	64,098
Computerization	49,900	57,407
Course refreshments hospitality	32,521	52,258
Mobile phone (net of implicit mobile tax value of NIS 2,560)	22,035	8,016
Conferences	-	241,827
Travels	3,566	3,311
Students Scholarships	128,285	-
Ukrainian project	589,185	80,630
Legals expenses	-	5,240
Iron Sword War funds	40,825	-
	<b>5,841,277</b>	<b>8,058,662</b>

**Itworks - 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>2023</b>	<b>2022</b>
<b><u>Schedule 3 – Management and General Expenses:</u></b>		
Salaries and benefits	986,658	912,880
Deprecation in rental property	2,202	2,202
Fundraising efforts	73,464	61,748
Office expenses	17,991	8,693
Accounting and audit	19,071	22,404
Mobile and landline phones (net of deducted mobile of 360 NIS)	6,694	14,300
Office rental and maintenance	133,063	108,468
Municipal taxes	2,279	-
Vehicle maintenance (net of implicit vehicle value of NIS 53,650)	20,564	6,066
Legal fees	17,952	3,510
Office insurance	4,969	2,593
Refreshments and gifts	4,473	7144
	<u>1,289,380</u>	<u>1,150,018</u>