

THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF  
GLOBAL DIALOGUE AND DEMOCRACY (MIFTAH)

FINANCIAL STATEMENTS

DECEMBER 31, 2017

## **Independent Auditor's Report to the Board of Trustees of The Palestinian Initiative for the Promotion of Global Dialogue and Democracy (MIFTAH)**

### **Opinion**

We have audited the financial statements of the Palestinian Initiative for the Promotion of Global Dialogue and Democracy (MIFTAH), which comprise the statement of financial position as at December 31, 2017, and the statement of activities and changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MIFTAH as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of MIFTAH in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and the Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing MIFTAH's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate MIFTAH or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing MIFTAH's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MIFTAH's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on MIFTAH's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause MIFTAH to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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May 10, 2018  
Ramallah, Palestine

THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL  
DIALOGUE AND DEMOCRACY (MIFTAH)

**Statement of Financial Position**

As at December 31, 2017

	<u>Notes</u>	<u>2017</u> <u>U.S. \$</u>	<u>2016</u> <u>U.S. \$</u>
<b>Assets</b>			
<b>Non - current assets</b>			
Property and equipment	3	10,271	12,013
		<u>10,271</u>	<u>12,013</u>
<b>Current assets</b>			
Contributions receivable	4	86,237	366,233
Other current assets		7,406	4,633
Cash and cash equivalents	5	914,917	767,296
		<u>1,008,560</u>	<u>1,138,162</u>
<b>Total Assets</b>		<u><u>1,018,831</u></u>	<u><u>1,150,175</u></u>
<b>Net Assets and Liabilities</b>			
<b>Net assets</b>			
Unrestricted net assets		254,193	242,343
<b>Total net assets</b>		<u>254,193</u>	<u>242,343</u>
<b>Non - current liabilities</b>			
Deferred revenues	6	10,271	12,013
Provision for employees' indemnity	7	128,862	106,376
		<u>139,133</u>	<u>118,389</u>
<b>Current liabilities</b>			
Accounts payable and accruals	8	43,654	118,352
Temporarily restricted contributions	9	581,851	671,091
		<u>625,505</u>	<u>789,443</u>
<b>Total Liabilities</b>		<u>764,638</u>	<u>907,832</u>
<b>Total Net Assets and Liabilities</b>		<u><u>1,018,831</u></u>	<u><u>1,150,175</u></u>

The attached notes 1 to 16 form part of these financial statements

THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL  
DIALOGUE AND DEMOCRACY (MIFTAH)

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**Statement of Activities and Changes in Net Assets**

Year ended December 31, 2017

	<u>Notes</u>	<u>2017</u> <u>U.S. \$</u>	<u>2016</u> <u>U.S. \$</u>
<b>Revenues</b>			
Temporarily restricted contributions released from restriction	9	924,787	998,807
Deferred revenues recognized	6	5,244	5,498
Unrestricted contributions		-	180,715
Currency differences		11,113	9,705
Other revenues		8,195	1,828
		<u>949,339</u>	<u>1,196,553</u>
<b>Expenses</b>			
Projects expenses	10	924,787	998,807
Other expenses	11	7,458	128,063
Depreciation of property and equipment	3	5,244	5,498
		<u>937,489</u>	<u>1,132,368</u>
<b>Increase in net assets</b>		11,850	64,185
Net assets, beginning of year		<u>242,343</u>	<u>178,158</u>
<b>Net assets, end of year</b>		<u><u>254,193</u></u>	<u><u>242,343</u></u>

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The attached notes 1 to 16 form part of these financial statements

THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL  
DIALOGUE AND DEMOCRACY (MIFTAH)

**Statement of Cash Flows**

Year ended December 31, 2017

	<u>Note</u>	<u>2017</u> U.S. \$	<u>2016</u> U.S. \$
<b><u>Operating Activities:</u></b>			
Increase in net assets		11,850	64,185
<b><u>Adjustments:</u></b>			
Depreciation of property and equipment		5,244	5,498
Deferred revenues recognized		(5,244)	(5,498)
Provision for employees' indemnity		31,749	39,886
		<u>43,599</u>	<u>104,071</u>
<b><u>Changes in working capital</u></b>			
Contributions receivable		279,996	438,893
Other current assets		(2,773)	(77)
Temporarily restricted contributions		(85,738)	(422,860)
Accounts payable and accruals		(74,698)	(47,293)
Employees' indemnity paid		(9,263)	(12,110)
<b>Net cash from operating activities</b>		<u>151,123</u>	<u>60,624</u>
<b><u>Investing Activities:</u></b>			
Purchase of property and equipment		(3,502)	(4,971)
<b>Net cash used in investing activities</b>		<u>(3,502)</u>	<u>(4,971)</u>
<b>Increase in cash and cash equivalents</b>		147,621	55,653
Cash and cash equivalents, beginning of year		<u>767,296</u>	<u>711,643</u>
<b>Cash and cash equivalents, end of year</b>	5	<u>914,917</u>	<u>767,296</u>

The attached notes 1 to 16 form part of these financial statements

## Notes to the Financial Statements

December 31, 2017

### 1. General

The Palestinian Initiative for the Promotion of Global Dialogue and Democracy (MIFTAH) was established in December 1998 as a non-governmental non-partisan Jerusalem-based institution dedicated to fostering democracy and good governance within the Palestinian society through promoting public accountability, transparency, the free flow of information and ideas, and challenging of stereotyping at home and abroad. MIFTAH's aim is to serve as a Palestinian platform for global dialogue and cooperation guided by the principles of democracy, human rights, gender equity, and participatory governance. To this end, MIFTAH undertakes the pro-active generation and presentation of policy proposals and the focused dissemination of reliable information. Since its establishment, MIFTAH has established the cogency of its positions in Palestine and in the region, and has formulated long and short-term policies and strategies to deal with particular pressing issues. Through networking with like-minded organizations locally, regionally and internationally, and with Palestinian expatriate communities, MIFTAH maintains lasting relationships and partnerships in pursuit of a common vision of dialogue and democracy.

MIFTAH's financial statements as at December 31, 2017 were approved by the Board of Trustees on May 6, 2018.

### 2. Accounting policies

#### 2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements have been presented in U.S. Dollars, which is the functional currency of MIFTAH.

The financial statements have been prepared on a historical cost basis.

#### 2.2 Changes in accounting policies

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2016. Except that MIFTAH applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 January 2017.

The application of these amendments has no effect on MIFTAH financial position and performance, or the disclosures of the financial statements of MIFTAH.

The IASB issued standards and interpretations that are not yet effective, and have not been adopted by MIFTAH. These standards are those that MIFTAH reasonably expects to have an impact on the financial position, performance or disclosures of the financial statements of MIFTAH, when applied. MIFTAH intends to adopt these standards when they become effective.

## **2.3 Judgements and estimation uncertainty**

MIFTAH's financial position and performance are sensitive to accounting methods, assumptions, estimates and judgments that underlie the preparation of the financial statements. MIFTAH bases its estimates on its past experience and on various other assumptions deemed reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Due to different assumptions and situations, the actual results may differ significantly from these estimates.

### Useful lives of properties and equipment

MIFTAH's management reassesses the useful lives of properties and equipment assets, and makes adjustments if applicable, at each financial year end.

## **2.4 Summary of significant accounting policies**

### **Donation revenues**

Donors' unconditional pledges are those pledges where donors do not specify prerequisites that have to be carried out by the recipient before obtaining the fund.

Donation revenues from unconditional pledges are recognized as follows:

- Unconditional pledges that are not restricted for a specific purpose or time are recognized when the pledge is obtained.
- Unconditional pledges that are temporarily restricted by donor for a specific purpose or time are recognized when such purpose or time is satisfied.

### **Deferred revenues**

Donations related to property and equipment are measured at fair value, recorded as deferred revenues and recognized as revenue in the statement of activities and changes in net assets on a systematic basis over the useful life of the asset.

### **Expenses recognition**

Expenses are recognized when incurred based on the accrual basis of accounting.

### **Impairment of financial assets**

An assessment is made at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. If such evidence exists, any impairment loss is recognized in the statement of activities and changes in net assets.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts, if any.

### **Contributions receivable**

Contributions receivable are stated at the original amount of the unconditional pledge less amounts received and any uncollectible pledges. An estimate for the uncollectible amount is made when the collection of full unconditional pledge is no longer probable.

### **Property and equipment**

Property and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognized in the statement of activities and changes in net assets as incurred.



Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

	<u>Useful life (years)</u>
Office equipment	4-5
Office furniture	6-7
Leasehold improvements	5

Any item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of activities and changes in net assets when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **Current versus non-current classification**

MIFTAH presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading IAS
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

#### **Income taxes**

MIFTAH is a not-for-profit organization; accordingly, it is not subject to income tax.

#### **Accounts payable and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

### Foreign currencies

Transactions in foreign currencies are presented in U.S. \$ at the average rate of the month. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the financial statements date. All differences are recognized in the statement of activities and changes in net assets.

### 3. Property and equipment

	Office equipment	Office furniture	Leasehold improvements	Total
	U.S. \$	U.S. \$	U.S. \$	U.S. \$
<b>Cost:</b>				
At January 1, 2017	227,189	68,996	28,495	324,680
Additions	3,502	-	-	3,502
At December 31, 2017	<u>230,691</u>	<u>68,996</u>	<u>28,495</u>	<u>328,182</u>
<b>Depreciation:</b>				
At January 1, 2017	218,090	66,082	28,495	312,667
Depreciation charge for the year	4,573	671	-	5,244
At December 31, 2017	<u>222,663</u>	<u>66,753</u>	<u>28,495</u>	<u>317,911</u>
<b>Net carrying value:</b>				
At December 31, 2017	<u>8,028</u>	<u>2,243</u>	<u>-</u>	<u>10,271</u>
At December 31, 2016	<u>9,099</u>	<u>2,914</u>	<u>-</u>	<u>12,013</u>

Property and equipment include U.S. \$ 308,332 and U.S. \$ 298,994 of fully depreciated assets that are still being used in MIFTAH's activities as at December 31, 2017 and 2016, respectively.

#### 4. Contributions receivable

	Balance, beginning of year	Additions	Cash received	Currency differences	Balance, end of year
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Arab Fund	106,807	-	(119,282)	12,475	-
Representative Office of Norway (NRO)- Core fund	-	88,155	(86,540)	(1,615)	-
Representative Office of Norway (NRO)- Project	-	132,233	(129,811)	(2,422)	-
Human Rights and Int'l HR Secretariat	44,000	201,700	(245,700)	-	-
Representative Office of Ireland (IRO)	74,032	82,789	(156,821)	-	-
United Nations Development Programme (UNDP)	10,995	-	(10,995)	-	-
OXFAM - AMAL Project (contract 02331)	11,321	-	(11,321)	-	-
OXFAM - Conflict and Fragility Project (contract 04861)	5,288	-	(5,958)	670	-
OXFAM - Finance for Development Project (contract 04854)	10,893	-	(12,273)	1,380	-
OXFAM - Conflict and Fragility Project (contract 04861) Year 2	-	68,802	(66,040)	4,521	7,283
OXFAM - Finance for Development Project (contract 04854) Year 2	-	120,553	(111,286)	3,822	13,089
Oxfam- Finance for Development - Study Tour (A-04848-10)	-	23,367	(23,097)	(270)	-
United Nations Population Fund (UNFPA)	1,365	27,766	(28,183)	22	970
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	12,025	20,893	(35,394)	2,476	-
The Italian Agency for Development Cooperation	16,816	-	(16,901)	85	-
Central Elections Commission	12,691	15,491	(20,990)	496	7,688
Arab Palestinian Investment Company (APIC)	60,000	-	(20,000)	-	40,000
Women Media and Development (TAM)/ KARAMA	-	14,250	-	-	14,250
European Institute of the Mediterranean (IEMED)	-	22,492	(19,620)	85	2,957
	<u>366,233</u>	<u>818,491</u>	<u>(1,120,212)</u>	<u>21,725</u>	<u>86,237</u>

## 5. Cash and cash equivalents

	<u>2017</u>	<u>2016</u>
	U.S. \$	U.S. \$
Cash in hand and at banks	414,552	298,513
Short-term deposits	500,365	468,783
	<u>914,917</u>	<u>767,296</u>

Short term deposits in U.S. \$ are due within three months after the financial statements date with an average interest rate of 2.25% and 1.86%, during the years 2017 and 2016, respectively.

Short-term deposits as at December 31, 2017 and 2016 include U.S. \$ 128,862 and U.S. \$ 106,376, respectively as deposits designated for employees' indemnity (note 7).

## 6. Deferred revenues

This item represents the value of property and equipment acquired during the year using the temporarily restricted contributions. It is recorded as deferred revenues and recognized regularly based on the expected useful life of an asset.

Movement on deferred revenues during the year was as follows:

	<u>2017</u>	<u>2016</u>
	U.S. \$	U.S. \$
Balance, beginning of year	12,013	12,540
Additions (Note 9)	3,502	4,971
Deferred revenues recognized	(5,244)	(5,498)
Balance, end of year	<u>10,271</u>	<u>12,013</u>

## 7. Provision for employees' indemnity

Following is a summary of the movement on the provision for severance pay during the year:

	<u>2017</u>	<u>2016</u>
	U.S. \$	U.S. \$
Balance, beginning of year	106,376	78,600
Additions during the year	31,749	39,886
Payments during the year	(9,263)	(12,110)
Balance, end of year	<u>128,862</u>	<u>106,376</u>

## 8. Accounts payable and accruals

	<u>2017</u>	<u>2016</u>
	U.S. \$	U.S. \$
Accounts payable	27,111	67,299
Accrued expenses	9,112	7,669
Outstanding checks	7,431	43,384
	<u>43,654</u>	<u>118,352</u>

## 9. Temporarily restricted contributions

This item comprises temporarily restricted contributions subject to purpose restriction. These amounts represent the excess of donations over the expenditures made out to satisfy the purposes stipulated by the donors. The movement on the temporarily restricted contributions during 2017 is as follows:

	Balance, beginning of year	Additions	Temporarily restricted contributions released from restriction	Deferred revenues	Write-off*	Interest revenue	Currency difference	Balance, end of year
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	108,746	20,893	(130,389)	-	-	-	750	-
OXFAM - Conflict and Fragility Project (contract 04861)	24,416	-	(19,174)	-	(5,242)	-	-	-
OXFAM - Conflict and Fragility Project (contract 04861) Year 2	-	74,044	(38,376)	-	-	-	3,740	39,408
OXFAM - Finance for Development Project (contract 04854)	60,005	-	(47,875)	-	(12,130)	-	-	-
OXFAM - Finance for Development Project (contract 04854) Year 2	-	132,683	(85,473)	-	-	-	9,982	57,192
Oxfam- Finance for Development - Study Tour (A-04848-10)	-	23,367	(19,066)	-	-	-	(356)	3,945
Representative Office of Norway (NRO)	-	88,155	(72,186)	(1,374)	-	-	(1,615)	12,980
Representative Office of Norway (NRO) project	-	132,233	(46,736)	-	-	-	(2,422)	83,075
Representative Office of Ireland (IRO)	74,032	82,789	(78,149)	(1,165)	-	-	5,282	82,789
Human Rights and Int'l HR Secretariat	-	201,700	(200,737)	(963)	-	-	-	-
Arab Fund	100,017	-	(100,017)	-	-	-	-	-
United Nations Population Fund (UNFPA)	-	27,766	(27,625)	-	-	-	(141)	-
Central Elections Commission (CEC)	-	15,491	(15,323)	-	-	-	(168)	-
Arab Palestinian Investment Company (APIC)	60,000	-	(20,000)	-	-	-	-	40,000
Women Media and Development (TAM)/ KARAMA	-	14,250	(8,269)	-	-	-	-	5,981
European Institute of the Mediterranean (IEMED)	-	22,492	(15,392)	-	-	-	82	7,182
Other donations	243,875	-	-	-	-	5,424	-	249,299
	<u>671,091</u>	<u>835,863</u>	<u>(924,787)</u>	<u>(3,502)</u>	<u>(17,372)</u>	<u>5,424</u>	<u>15,134</u>	<u>581,851</u>

\* During 2017, OXFAM closed the ending balances of Conflict and Fragility Project and Finance for Development Project for Year 1 and reallocated them to Year 2 of the same projects as part of the additions shown in the above table.

## 10. Projects expenses

Components of projects expenses are as follows:

	GIZ	GIZ	UNFPA	OXFAM Novib	OXFAM Novib	OXFAM Novib	OXFAM Novib	OXFAM Novib	
	Empowerment of Women Participation in LGUs	Palestinian Urban Forum	Support for the Protection of Women	Finance for Development Project (Y1)	Finance for Development Project (Y2)	Conflict and Fragility (Y1)	Conflict and Fragility (Y2)	Study Tour	Subtotal
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
<b>Program personnel salaries and benefits</b>	23,735	1,429	5,950	9,477	37,441	4,751	17,084	-	99,867
Consultants, researchers, trainers and facilitators	14,744	4,064	7,692	9,105	20,940	5,654	2,116	-	64,315
Public opinion polls/surveys	-	-	-	-	-	4,790	-	-	4,790
International travel and perdiems	-	-	-	-	2,968	-	537	9,625	13,130
Field coordinators' expenses	9,227	-	-	-	-	-	86	-	9,313
Paid internships and shadowing	-	-	-	-	3,707	-	1,548	-	5,255
Information, printings and publications	2,596	-	73	7,871	6,396	1,581	2,638	-	21,155
Workshops, seminars and training sessions	18,548	167	1,066	1,218	1,589	188	4,468	3,069	30,313
Transportation and accommodation	19,087	909	329	95	817	15	3,323	6,101	30,676
Media campaign and activities	-	407	-	17,106	157	-	-	-	17,670
Other program direct costs	25,108	-	10,797	-	-	-	-	160	36,065
<b>Program direct cost</b>	<b>89,310</b>	<b>5,547</b>	<b>19,957</b>	<b>35,395</b>	<b>36,574</b>	<b>12,228</b>	<b>14,716</b>	<b>18,955</b>	<b>232,682</b>
Admin staff salaries and benefits	2,814	677	-	100	450	200	250	-	4,491
Professional fees	-	-	-	-	828	-	-	-	828
Monitoring and evaluation salaries and related benefits	3,037	-	-	1,073	3,304	728	2,167	-	10,309
<b>Overall management</b>	<b>5,851</b>	<b>677</b>	<b>-</b>	<b>1,173</b>	<b>4,582</b>	<b>928</b>	<b>2,417</b>	<b>-</b>	<b>15,628</b>
Rent	1,899	500	525	811	5,144	400	2,419	-	11,698
Utilities	867	-	812	711	998	630	974	-	4,992
Communication	443	-	333	308	578	196	619	10	2,487
Stationery and supplies	80	-	40	-	40	40	40	-	240
Advertising	-	-	-	-	-	-	-	-	-
Bank charges and other expenses	51	-	8	-	116	1	107	101	384
<b>Other admin costs</b>	<b>3,340</b>	<b>500</b>	<b>1,718</b>	<b>1,830</b>	<b>6,876</b>	<b>1,267</b>	<b>4,159</b>	<b>111</b>	<b>19,801</b>
<b>Total</b>	<b>122,236</b>	<b>8,153</b>	<b>27,625</b>	<b>47,875</b>	<b>85,473</b>	<b>19,174</b>	<b>38,376</b>	<b>19,066</b>	<b>367,978</b>

Projects expenses (continued)

	Human Rights and Int'l HR Secretariat		IRO	NRO	NRO	CEC	Arab Fund	APIC	
			Core Fund		Enhancing Women Participation in Public Life	Increasing Citizens' Participation in Elections	Grants for Income Generating Projects	Youth Program	Subtotal
	Subtotal								
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
<b>Program personnel salaries and benefits</b>	99,867	69,362	18,006	13,509	24,948	3,649	19,100	4,356	252,797
Consultants, researchers, trainers and facilitators	64,315	572	3,450	-	2,472	1,704	15,080	2,310	89,903
Public opinion polls/surveys	4,790	-	-	-	-	-	-	-	4,790
International travel and perdiems	13,130	-	310	-	-	-	-	-	13,440
Field coordinators' expenses	9,313	22,712	12,660	4,100	9,707	256	600	-	59,348
Paid internships and shadowing	5,255	-	-	153	-	-	-	-	5,408
Information, printings and publications	21,155	1,717	794	805	466	737	741	49	26,464
Workshops, seminars and training sessions	30,313	4,901	1,891	43	3,792	5,582	3,819	5,857	56,198
Transportation and accommodation	30,676	4,016	695	723	1,467	2,752	4,340	6,051	50,720
Media campaign and activities	17,670	1,948	-	-	-	-	13,285	-	32,903
Membership fees	-	357	-	100	-	-	-	-	457
Staff capacity development	-	11,127	4,055	683	-	-	-	-	15,865
Other program direct costs	36,065	-	-	-	-	-	39,087	-	75,152
<b>Program direct cost</b>	<b>232,682</b>	<b>47,350</b>	<b>23,855</b>	<b>6,607</b>	<b>17,904</b>	<b>11,031</b>	<b>76,952</b>	<b>14,267</b>	<b>430,648</b>
Admin staff salaries and benefits	4,491	50,943	21,614	38,756	-	50	100	300	116,254
Professional fees	828	4,500	1,000	4,592	-	464	-	300	11,684
Monitoring and evaluation salaries and related benefits	10,309	10,967	3,750	1,889	3,884	-	-	-	30,799
<b>Overall management</b>	<b>15,628</b>	<b>66,410</b>	<b>26,364</b>	<b>45,237</b>	<b>3,884</b>	<b>514</b>	<b>100</b>	<b>600</b>	<b>158,737</b>
Rent	11,698	3,600	3,800	2,802	-	100	2,100	700	24,800
Utilities	4,992	6,868	3,516	1,652	-	-	984	-	18,012
Communication	2,487	1,729	750	860	-	29	696	55	6,606
Transportation	-	2,539	575	1,098	-	-	-	-	4,212
Stationery and supplies	240	1,672	827	180	-	-	80	-	2,999
Hospitality	-	680	80	22	-	-	-	-	782
Advertising	-	126	200	58	-	-	-	-	384
Bank charges and other expenses	384	213	176	161	-	-	5	22	961
Annual board meetings	-	188	-	-	-	-	-	-	188
<b>Other admin costs</b>	<b>19,801</b>	<b>17,615</b>	<b>9,924</b>	<b>6,833</b>	<b>-</b>	<b>129</b>	<b>3,865</b>	<b>777</b>	<b>58,944</b>
<b>Total</b>	<b>367,978</b>	<b>200,737</b>	<b>78,149</b>	<b>72,186</b>	<b>46,736</b>	<b>15,323</b>	<b>100,017</b>	<b>20,000</b>	<b>901,126</b>

Projects expenses (continued)

		IEMED	IEMED	TAM / KARAMA		
	Subtotal	Mobilization Action of Gender Equality Actors at a Local Level, Phase I	Mobilization Action of Gender Equality Actors at a Local Level, Phase II	Promoting Palestinian Women Human Rights	Total Project Expenses 2017	Total Project Expenses 2016
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
<b>Program personnel salaries and benefits</b>	252,797	3,636	3,620	4,000	264,053	278,610
Consultants, researchers, trainers and facilitators	89,903	4,695	-	-	94,598	95,097
Public opinion polls/surveys	4,790	-	-	4,118	8,908	7,316
International travel and perdiems	13,440	-	-	-	13,440	1,044
Field coordinators' expenses	59,348	-	-	-	59,348	60,035
Paid internships and shadowing	5,408	-	-	-	5,408	2,997
Information, printings and publications	26,464	1,710	-	-	28,174	62,173
Workshops, seminars and training sessions	56,198	26	322	-	56,546	73,746
Transportation and accommodation	50,720	99	178	-	50,997	60,945
Media campaign and activities	32,903	-	-	-	32,903	30,971
Membership fees	457	-	-	-	457	400
Staff capacity development	15,865	-	-	-	15,865	15,879
Other program direct costs	75,152	-	-	-	75,152	86,331
<b>Program direct cost</b>	<b>430,648</b>	<b>6,530</b>	<b>500</b>	<b>4,118</b>	<b>441,796</b>	<b>496,934</b>
Admin staff salaries and benefits	116,254	200	150	-	116,604	116,601
Professional fees	11,684	-	-	-	11,684	9,184
Monitoring and evaluation salaries and related benefits	30,799	-	-	-	30,799	28,667
<b>Overall management</b>	<b>158,737</b>	<b>200</b>	<b>150</b>		<b>159,087</b>	<b>154,452</b>
Rent	24,800	400	300	-	25,500	25,500
Utilities	18,012	-	-	-	18,012	21,079
Communication	6,606	-	14	151	6,771	7,528
Transportation	4,212	-	-	-	4,212	5,050
Stationery and supplies	2,999	-	-	-	2,999	4,215
Hospitality	782	-	-	-	782	1,031
Advertising	384	-	-	-	384	3,053
Bank charges and other expenses	961	21	21	-	1,003	1,067
Annual board meetings	188	-	-	-	188	288
<b>Other admin costs</b>	<b>58,944</b>	<b>421</b>	<b>335</b>	<b>151</b>	<b>59,851</b>	<b>68,811</b>
<b>Total</b>	<b>901,126</b>	<b>10,787</b>	<b>4,605</b>	<b>8,269</b>	<b>924,787</b>	<b>998,807</b>



## 11. Other expenses

	<u>2017</u>	<u>2016</u>
	<u>U.S. \$</u>	<u>U.S. \$</u>
Staff salaries and benefits	7,458	-
International travel and perdiems	-	67,675
Accommodation and transportation	-	13,211
Workshops, seminars and training sessions	-	4,458
Co-sponsorship	-	34,000
Other expenses	-	8,719
	<u>7,458</u>	<u>128,063</u>

## 12. Related party transactions

Related parties represent members of the Board of Trustees and key management personnel of MIFTAH. Pricing policies and terms of these transactions are approved by MIFTAH's management.

Transactions with related parties included in the statement of activities and changes in net assets are as follows:

	<u>2017</u>	<u>2016</u>
	<u>U.S. \$</u>	<u>U.S. \$</u>
Unrestricted contribution	<u>-</u>	<u>25,000</u>
Key management personnel compensation		
Short-term benefits	<u>55,720</u>	<u>55,240</u>
Termination benefits	<u>4,800</u>	<u>4,732</u>

## 13. Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of contributions receivable, cash and cash equivalents and some other current assets. Financial liabilities consist of some accounts payable and accruals.

The fair values of financial instruments are not materially different from their carrying values.

## 14. Risk management

### Interest rate risk

Interest rate risk results mainly from changes in interest rates on financial assets subject to changing interest rate. MIFTAH's financial assets are subject to fixed interest rate and therefore, there is no interest risk on such assets.

### Liquidity risk

MIFTAH limits its liquidity risk by maintaining adequate cash balances to meet its current obligations and to finance its operating activities. In addition, the activities of MIFTAH are financed by multiple donors.

Most of MIFTAH's financial liabilities are due within a period of three months.

### Foreign currency risk

The table below indicates MIFTAH's foreign currency exposure, as a result of its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the U.S. \$ currency rate against the foreign currencies with all other variables held constant, on the statement of activities and changes in net assets. The effect of decrease in foreign currency exchange rate is expected to be equal and opposite to the effect of the increase shown.

	Increase in currency exchange rate to U.S. \$	Effect on statement of activities and changes in net assets
	<u>%</u>	<u>U.S. \$</u>
<u>2017</u>		
EURO	20	31,339
ILS	20	2,577
<u>2016</u>		
EURO	20	21,905
ILS	20	(38,923)

### 15. Concentration of risk in geographic area

MIFTAH is carrying out all of its activities in Palestine. The political and economic situation in the area increases the risk of carrying out these activities and may adversely affect MIFTAH's performance.

### 16. Comparative figures

Some of the financial statements balances of 2016 were reclassified to correspond with the classifications of 2017 financial statements. These classifications do not affect previously reported results.