



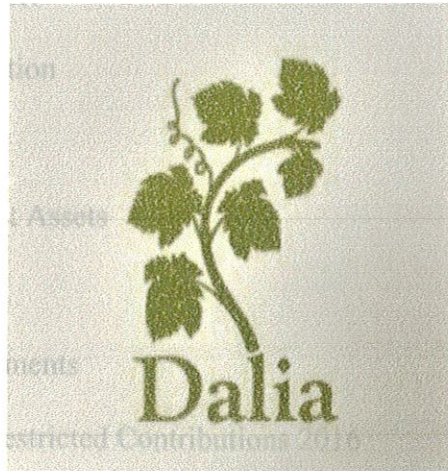
Samir B. Sahhar
Certified Public Accountants

Period Ended December 31, 2016

Local in Touch, Global in Reach

Dalia Association

Ramallah



Financial Statements
For the Year Ended December 31, 2016
And Independent Auditor's Report



Samir B. Sahhar

Certified Public Accountants

Local in Touch, Global in Reach

Independent Auditor's Report

**To the Board of Directors of
Dalia Association
Ramallah, Palestine**

We have audited the accompanying financial statements of **Dalia Association**, which comprise the statement of financial position as of **December 31, 2016** and the related statements of activities, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Dalia Association** as of **December 31, 2016** and of its activities, changes in net assets and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRS) and the provision of the Financial Accounting Standards Board (FASB) of the United States of America, Accounting Standards Codification (ASC) 958-205, Presentation of Financial Statements-Not for Profit Entities.

HLB Samir B. Sahhar
Certified Public Accountants
Ramallah
March 20, 2017



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Dalia Association

Financial Statements for the Year Ended December 31, 2016


Statement of Financial Position

(All amounts are in US Dollars)

	<u>Note</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Assets			
Current Assets			
Cash and Cash Equivalents	(3)	161,623	199,027
Contribution Receivable	(4)	302,755	9,511
Other Current Assets		1,655	3,158
Total Current Assets		<u>466,033</u>	<u>211,696</u>
Non-Current Assets			
Property, Plant and Equipment, Net	(5)	5,347	8,896
Total Non-Current Assets		<u>5,347</u>	<u>8,896</u>
Total Assets		<u>471,380</u>	<u>220,592</u>
Liabilities and Net Assets			
Current Liabilities			
Other Current Liabilities	(6)	48,599	122,157
Philanthropy Funds Liabilities	(7)	36,156	30,392
Total Current Liabilities		<u>84,755</u>	<u>152,549</u>
Non-Current Liabilities			
Employees' End-of-Service Indemnity	(8)	13,728	11,881
Total Non-Current Liabilities		<u>13,728</u>	<u>11,881</u>
Total Liabilities		<u>98,483</u>	<u>164,430</u>
Net Assets			
Unrestricted Net Assets		223,637	10,992
Temporarily Restricted Net Assets (for projects)		149,260	40,000
Temporarily Restricted Contributions for (fixed assets)		-	5,170
Total Net Assets		<u>372,897</u>	<u>56,162</u>
Total Liabilities and Net Assets		<u>471,380</u>	<u>220,592</u>

- Notes to the financial statements form an integral part thereof.


Ms. Basma Abu Swai
Chairperson


Ms. Hekmat Bessiso
Treasurer

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Statement of Activities

(All amounts are in US Dollars)

	Note	2016	2015
Changes In Unrestricted Net Assets:			
Revenues And Gains			
Unrestricted contributions	(9)	211,686	5,458
Other Revenues	(10)	24,318	6,310
Total Unrestricted Revenues And Gains		236,004	11,768
Net Assets Released From Temporary Restrictions	(AI)	129,978	164,181
Total Unrestricted Revenues , Gains and Net Assets Released From Temporary Restrictions		365,982	175,949
Expenditures			
Project expenses	(11)	127,231	164,181
General and Administrative	(12)	26,578	11,261
Depreciation	(5)	3,549	3,739
Foreign Currency Exchange Differentials		(4,021)	12,404
Total Expenditures		153,337	191,585
Change In Unrestricted Net Assets from operations		212,645	(15,636)
Net Assets Released for property, plant and equipment		-	1,353
Reclassification to Unrestricted Net Assets	(AI)	-	4,174
Change In Unrestricted Net Assets		212,645	(10,109)
Changes In Temporarily Restricted Net Assets			
Restricted donations received	(AI)	239,238	1,411
Net Assets Released From Temporary Restrictions	(AI)	(129,978)	(164,181)
Unspent contributions to be returned to donors	(AI)	-	(56,626)
Net Assets Released for property, plant and equipment		-	(1,353)
Prior Period Adjustments		(5,170)	-
Currency variances	(AI)	-	(4,174)
Changes in Temporarily Restricted Net Assets		104,090	(224,923)
Changes in Net Assets for the Year		316,735	(235,032)

- Notes to the financial statements form an integral part thereof.

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Statement of Changes in Net Assets

(All amounts are in US Dollars)

	Unrestricted	Temporarily Restricted		Total
	Net Assets	Net Assets		
	Activities	Projects	Fixed Assets	
Net assets as of December 31, 2014	21,101	266,220	3,873	291,194
Increases during the year				
Contributions Received	5,458	1,411	-	6,869
Other Revenues	6,310	-	-	6,310
	11,768	1,411	-	13,179
Decreases during the year				
Expenditure	(191,585)	-	-	(191,585)
Project Currency Differential	4,174	(4,174)	-	-
Released to fixed assets	1,353	(2,650)	1,297	-
Released from restriction	164,181	(164,181)	-	-
Unspent contributions		(56,626)	-	(56,626)
	(21,877)	(227,631)	1,297	(248,211)
<i>Changes for the year</i>	<i>(10,109)</i>	<i>(226,220)</i>	<i>1,297</i>	<i>(235,032)</i>
Net assets as of December 31, 2015	10,992	40,000	5,170	56,162
Increases during the year				
Contributions Received	211,111	239,238	-	450,349
Other Revenues	24,893	-	-	24,893
	236,004	239,238	-	475,242
Decreases during the year				
Expenditures	(150,590)	-	-	(150,590)
Project Currency Differential	-	(2,747)	-	(2,747)
Released from restrictions	127,231	(127,231)	-	-
Unspent contributions	-	-	-	-
Prior period adjustments			(5,170)	(5,170)
	(23,359)	(129,978)	(5,170)	(158,507)
<i>Changes for the year</i>	<i>212,645</i>	<i>109,260</i>	<i>(5,170)</i>	<i>316,735</i>
Net assets as of December 31, 2016	223,637	149,260	-	372,897

- Notes to the financial statements form an integral part thereof.

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Statement of Cash Flows

(All amounts are in US Dollars)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Changes in net assets for the year	316,735	(235,032)
<i>Adjustments to reconcile current year changes in net assets to net cash flows (used in) from operating activities:</i>		
Depreciation	3,549	3,739
Other Current Assets	1,503	56
Contribution Receivable	(293,244)	66,726
Philanthropy Funds Liabilities	5,764	4,180
Other current liabilities	(73,558)	68,314
Employees' Severance Pay Benefits	1,847	(8,970)
Net Cash flows used in from operating activities	<u>(37,404)</u>	<u>(100,987)</u>
Cash flows from investing activities		
Additions of property, plant and equipment	-	(2,650)
Net Cash flows used in investing activities	<u>-</u>	<u>(2,650)</u>
Net Decrease in Cash and cash equivalents	(37,404)	(103,637)
Cash and cash equivalents at the beginning of the year	<u>199,027</u>	<u>302,664</u>
Cash and cash equivalents at the end of the year	<u>161,623</u>	<u>199,027</u>

- Notes to the financial statements form an integral part thereof.

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Notes to the Financial Statements

(All amounts are in US Dollars)

Note (1) - General

Dalia Association is a Palestinian community foundation that was founded by members of the Palestinian community from the West Bank including East Jerusalem, the Gaza Strip, Israel and the Diaspora. The Association's members are diverse in terms of religion, gender, age, and politics, yet united by their commitment to mobilizing, investing and distributing resources according to local Palestinian priorities using community-based decision-making.

The Association is legally registered as a non-for-profit organization in Belgium, as well as in the Palestinian Ministry of the Interior as a branch of a society/ organization under No. QR-0115-F.

Note (2) - Significant Accounting Policies

The financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and non-profit organizations accounting standards codification (Topic 958) published by the U.S Financial Accounting Standards Board, which require the classification of funds into:

- Unrestricted net assets: Net assets whose use by Dalia are not subject to restrictions by donor/funder.
- Temporarily restricted net assets: Net assets whose use by Dalia are limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and released by actions of the association pursuant to those donor-imposed stipulations.

Following are significant accounting policies:

a. Cash and cash equivalents

For the purpose of preparing the Statement of Cash Flows, cash and cash equivalents include cash on hand and cash at banks.

b. 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.

c. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost and are depreciated using the straight-line method, with depreciation rates that are considered adequate to write-off the cost of the assets during their useful economic life.

Useful lives of the assets are as follows:

Office Furniture	8 years
Equipment and Computers	3-6 years

Property, plant and equipment that are reflected under releases from restrictions as stipulated under donor's funded projects are reclassified to fixed assets in the statement of changes in net assets and reflected in property, plant and equipment upon capitalization.

d. Accounts payable and accruals

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

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Notes to the Financial Statements (continued)

(All amounts are in US Dollars)

Note (2) - Significant Accounting Policies (continued)

e. Employees' End of Service Accumulated Benefits

Employees' End of Service Accumulated Benefits are accrued for and recorded in accordance with the provisions of the Palestinian Labor Law.

f. Donations and Contributions

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

g. Expenses recognition

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

h. Foreign currencies

The financial statements are stated in US dollar at nominal values. No adjustments have been made therein to reflect the changes of the purchasing power of the reporting currency. Transactions carried in other currencies that affect the Statement of Activities revenue and expense accounts, are translated to US Dollars using the official exchange rate prevailing at the date of the transaction. Balances carried in other currencies that affect the Statement of Financial Position accounts are translated to US Dollars according to the official exchange rate prevailing at the end of the year.

The exchange rates at the end of the year were as follows:

	December 31, 2016	December 31, 2015
Israeli Shekel	0.260	0.256
Jordanian Dinar	1.407	1.407
Euro	1.052	1.093

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Notes to the Financial Statements (continued)

(All amounts are in US Dollars)

Note (3) – Cash and cash equivalents

Cash and cash equivalents consist of:

		December 31, 2016	December 31, 2015
Cash on Hand		24	743
Cash at Banks *	USD 13,728	161,599	198,284
		<u>161,623</u>	<u>199,027</u>

* Cash at banks as at December 31, 2016 includes USD 13,728 as restricted balances in respect of employees' end of service benefits. In addition Cash at banks includes restricted balances for temporary restricted projects.

Note (4) – Contributions Receivable

Contributions Receivable consists of:

	December 31, 2016	December 31, 2015
CAAP Fund	210,281	-
PSDF	50,000	-
GIZ	22,132	-
EED	14,262	-
Aid Watch Palestine	5,708	-
Oxfam Quebec	372	-
UN Women	-	8,100
Danish House in Palestine	-	1,411
	<u>302,755</u>	<u>9,511</u>

Note (5) – Property, Plant and Equipment, Net

Property, Plant and Equipment, Net consist of:

	Office Furniture	Equipment and Computers	Total 2016	Total 2015
Historical cost				
Beginning balance	3,962	18,819	22,781	20,131
Additions during the year	-	-	-	2,650
	<u>3,962</u>	<u>18,819</u>	<u>22,781</u>	<u>22,781</u>
Accumulated Depreciation				
Beginning balance	1,956	11,929	13,885	10,146
Depreciation for the year	477	3,072	3,549	3,739
	<u>2,433</u>	<u>15,001</u>	<u>17,434</u>	<u>13,885</u>
Net Book Value December 31, 2016	<u>1,529</u>	<u>3,818</u>	<u>5,347</u>	
Net Book Value December 31, 2015	<u>2,006</u>	<u>6,890</u>		<u>8,896</u>

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Notes to the Financial Statements (continued)

(All amounts are in US Dollars)

Note (6) –Other Current Liabilities

Other Current Liabilities consist of:

	December 31, 2016	December 31, 2015
Palestine Writing Workshop	25,719	14,994
Outstanding checks	9,978	33,050
Cordaid	9,945	9,945
Accrued audit fees	1,740	1,740
Other payable	879	300
Income tax withholdings payable	338	1,404
Rosa Luxemborg Stiftung	-	10,223
Military Court Watch	-	8,924
Right to Enter Campaign	-	88
Aid Watch Palestine	-	41,489
	<u>48,599</u>	<u>122,157</u>

Note (7) –Philanthropy Fund Liabilities

Philanthropy Fund Liabilities consist of:

	December 31, 2016	December 31, 2015
Village Funds (Al-Zawiyeh, Gaza and Burqa)	7,325	7,560
Salfeet Fund	3,080	5,940
Jenin Fund	5,070	4,320
Tulkarem Fund	4,253	3,904
Ramallah Fund	4,905	3,510
Qalqilya Fund	3,202	3,202
Jericho Fund	1,956	1,956
Taqu' Fund	6,094	-
Jerusalem Fund	271	-
	<u>36,156</u>	<u>30,392</u>

Note (8) - Employees' Accumulated End of Service Benefits

Employees' Accumulated End of Service Benefits consist of:

	December 31, 2016	December 31, 2015
Beginning balance	11,881	20,851
Severance benefits accrued for the year	7,602	7,438
Severance benefits paid during the year	(5,755)	(16,408)
Ending Balance	<u>13,728</u>	<u>11,881</u>

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Notes to the Financial Statements (continued)

(All amounts are in US Dollars)

Note (9) – Unrestricted Contributions

Unrestricted Contributions consist of:

	2016	2015
Individual donations	211,111	2,488
Sustainer's Circle Donation	300	525
Other Donations	275	2,445
	<u>211,686</u>	<u>5,458</u>

Note (10) - Other Revenues

Other Revenue consist of:

	2016	2015
Office Rent Revenue	7,810	3,960
Fiscal Sponsorship Fees	2,600	2,350
Other Revenues	13,908	-
	<u>24,318</u>	<u>6,310</u>

Note (11) – Project Expenses

Project Expenses consist of:

	2016	2015
Salaries and Related Benefits	71,411	88,121
Grant and Funds	18,094	27,200
Travel and Transportation	6,226	13,055
Insurance	1,710	-
“Dukkan”expenses	1,010	-
Professional Fees4edu	10,207	11,476
Workshops and Events	1,625	6,390
Office Rent	8,800	6,327
Information and Publications	2,694	6,125
Others	749	2,451
Utilities and Cleaning	2,878	1,925
Communication Expense	1,827	1,111
	<u>127,231</u>	<u>164,181</u>

Note (12)- General and Administrative Expenses

General and Administrative expenses consist of:

	2016	2015
Office Rent	800	3,273
Insurance	2,302	2,871
Salaries and Related Benefits	15,454	1,986
Others	1,618	2,008
Information and Publications	-	612
Travel and Transportation	31	232
Utilities and Cleaning	463	199
Bad Debt Expense	5,910	80
	<u>26,578</u>	<u>11,261</u>

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Notes to the Financial Statements (continued)
(All amounts are in US Dollars)

Note (11) – Project Expenses
Project Expenses consist of:

	MECA	EED	Global Fund for Women	Asfari	GFCF - VD	GFCF	PSDF	Total 2016	Total 2015
Salaries and related benefits	1,966	49,178	-	8,226	12,041	-	-	71,411	88,121
Grant and Funds	-	-	-	18,094	-	-	-	18,094	27,200
Travel and Transportation	36	621	252	713	3,844	6	754	6,226	13,055
Insurance	-	1,710	-	-	-	-	-	1,710	-
Cantin expenses	-	-	-	-	-	1,010	-	1,010	-
Professional Fees	-	6,327	-	77	915	-	2,888	10,207	11,476
Workshops and Events	-	1,192	-	80	180	-	173	1,625	6,390
Office Rent	-	4,752	-	-	2,730	-	1,318	8,800	6,327
Information and Publications	-	2,340	-	354	-	-	-	2,694	6,125
Others	328	307	-	-	29	-	85	749	2,451
Utilities and Cleaning	-	2,247	-	-	631	-	-	2,878	1,925
Communication Expense	-	1,197	-	-	630	-	-	1,827	1,111
	2,330	69,871	252	27,544	21,000	1,016	5,218	127,231	164,181

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Notes to the Financial Statements (continued)

(All amounts in US Dollars)

Note (13) – Risk Management

a. Liquidity risk:

Dalia Association 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 Dalia Association are financed by multiple donors. Most of the Association's financial liabilities are due within a period of three months.

b. Currency risk:

The Association is subject to fluctuations in foreign exchange rates in the normal course of its business. The Association did not undertake significant transactions in currencies other than US Dollar during the year.

c. Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. Dalia Association is subject to fluctuations in interest rates on its interest bearing liabilities, including bank overdrafts and term loans (if any).

d. Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Association seeks to manage its credit risk with respect to customers by setting credit limits for individual customers, and by monitoring outstanding receivables. At the statement of financial position date, no significant concentrations of credit risk were identified by management.

e. Other risk factors

Dalia Association is located in Ramallah, Palestine and operates in a high risk political and economic area, which may increase the operational risk of the Association and consequently impact the Association's operation in a negative manner.

Note (14) – Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length basis. The Association financial assets consists of cash and bank balances, receivables and inventory, its financial liabilities consists of accounts payable, unearned revenue, bank overdraft and other liabilities.

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

Note (15) – Comparative Figures

Certain prior year figures have been reclassified to conform with the presentation of the current year.

-The foregoing notes Notes to Financial Statements constitute an integral part of these statements.

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Appendix I – Temporarily Restricted Contributions 2016

(All amounts are in US Dollars)

Donor	Balance at January 1, 2016	Additions in 2016	Releases from restriction	Releases to fixed assets	Unspent funds	Currency differences	Balance at December 31, 2016
Community Foundations (GFCF)	12,456	-	(1,016)	-	11,440	-	11,440
The Asfari Foundation	27,544	-	(27,544)	-	-	-	-
PSDF	-	60,000	(5,218)	-	54,782	-	54,782
GIZ	-	44,741	-	-	44,741	-	44,741
EED	-	88,497	(69,871)	-	18,626	(2,747)	15,879
GFCF/Village Decides	-	21,000	(21,000)	-	-	-	-
MECA	-	5,000	(2,330)	-	2,670	-	2,670
Global Fund for Women	-	20,000	(252)	-	19,748	-	19,748
	40,000	239,238	(127,231)	-	152,007	(2,747)	149,260

Dalia Association

Financial Statements for the Year Ended December 31, 2016

Appendix I – Temporarily Restricted Contributions 2015

(All amounts are in US Dollars)

Donor	Balance at January 1, 2015	Additions in 2015	Releases in restriction	Releases from restriction	Releases to fixed assets	Unspent funds	Currency differences	Balance at December 31, 2015
Cordaid	85,612	-	(58,032)	(2,650)	(24,930)	-	-	-
UN Women Foundations (GFCF)	81,914	-	(70,014)	-	(11,900)	-	-	-
Rosa Luxemburg Stiftung	12,456	-	-	-	-	-	-	12,456
The Rita Fund	42,355	-	(18,385)	-	(19,796)	(4,174)	-	-
The Asfari Foundation	10,000	-	(10,000)	-	-	-	-	-
Danish House in Palestine	33,883	-	(6,339)	-	-	-	-	27,544
	-	1,411	(1,411)	-	-	-	-	-
	266,220	1,411	(164,181)	(2,650)	(56,626)	(4,174)	(4,174)	40,000