

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

**Financial Statements and  
Independent Auditor's Report  
For the Year Ended December 31, 2022**

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

**Table of Contents**

	<b><u>Page</u></b>
Independent Auditor's Report	1-3
Statement of Financial Position	4
Statement of Activities	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-28

## **Independent Auditor's Report**

### **To the Board of Trustees**

#### **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 (hereinafter "MIFTAH")**, which comprise the statement of financial position as of December 31, 2022, statement of activities, statement of changes in net assets and the statement of cash flows for the year then ended, and including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MIFTAH as of December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### **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 Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with 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 Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, 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 related 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

### 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.

As part of an audit in accordance with ISA's, we exercise professional judgement 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 the internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates 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 the 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 statements 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

We also provide those charged with governance with a statement that we have complied with the relevant requirements regarding independence and communicate with them all relationship and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

**Deloitte & Touché (M.E.)**  
**Ramallah– Palestine**

**Munther Al-Bandak, Partner**  
**License no. (114/2015)**  
**May 9, 2023**

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

**Statement of Financial Position  
As of December 31, 2022**

	Notes	2022 USD	2021 USD
<b>Assets</b>			
<b>Current Assets</b>			
Cash on hand and deposits with banks	5	1,154,550	1,038,363
Contributions receivable - Short term	6	691,547	869,266
Other current assets	7	53,863	95,655
<b>Total Current assets</b>		<b>1,899,960</b>	<b>2,003,284</b>
<b>Non-Current Assets</b>			
Contributions receivable - Long term	6	659,714	873,520
Right of use assets - Long term	8	39,332	53,312
Property and equipment	9	28,308	33,206
<b>Total Non-Current Assets</b>		<b>727,354</b>	<b>960,038</b>
<b>Total Assets</b>		<b>2,627,314</b>	<b>2,963,322</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables and accruals	11	190,595	121,358
Lease Liabilities - Short term	8	31,789	21,490
<b>Total Current Liabilities</b>		<b>222,384</b>	<b>142,848</b>
<b>Non-Current Liabilities</b>			
Deferred revenues	12	28,308	33,206
Provision for employees' indemnity	14	251,722	230,549
Lease Liabilities - Long Term	8	32,394	50,847
<b>Total Non-Current Liabilities</b>		<b>312,424</b>	<b>314,602</b>
<b>Total Liabilities</b>		<b>534,808</b>	<b>457,450</b>
<b>Net Assets</b>			
Unrestricted net assets		191,614	200,154
Board of directors designated fund	13	457,546	446,309
Temporarily restricted contributions	10	1,415,038	1,826,203
Investment in Property and equipment	9	28,308	33,206
<b>Total Net Assets</b>		<b>2,092,506</b>	<b>2,505,872</b>
<b>Total Liabilities and Net Assets</b>		<b>2,627,314</b>	<b>2,963,322</b>

**The Accompanying Notes Form an Integral Part of These Financial Statements.**

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

**Statement of Activities  
For the Year Ended December 31, 2022**

	Notes	Unrestricted contributions USD	Temporarily Restricted Contributions USD	Total 2022 USD	Total 2021 USD
<b>Revenues</b>					
Grants	10	-	952,230	952,230	1,671,306
Unrestricted contributions	15	4,727	-	4,727	8,316
Deferred revenues recognized	12	11,442	-	11,442	10,037
<b>Total Operating Revenues</b>		<b>16,169</b>	<b>952,230</b>	<b>968,399</b>	<b>1,689,659</b>
Temporarily Restricted contribution released from restriction	10	1,296,187	(1,296,187)	-	-
<b>Total Operating Revenues After Releases</b>		<b>1,312,356</b>	<b>(343,957)</b>	<b>968,399</b>	<b>1,689,659</b>
<b>Expenses</b>					
Projects' expenses	16	(1,296,187)	-	(1,296,187)	(1,388,051)
Depreciation of property and equipment	9	(11,442)	-	(11,442)	(10,037)
Currency exchange loss		(12,339)	(60,618)	(72,957)	(68,215)
Other Expenses		(5,826)	-	(5,826)	(5,168)
<b>Total Expenses</b>		<b>(1,325,794)</b>	<b>(60,618)</b>	<b>(1,386,412)</b>	<b>(1,471,471)</b>
<b>(Decrease) Increase in net assets for the year</b>		<b>(13,438)</b>	<b>(404,575)</b>	<b>(418,013)</b>	<b>218,188</b>

**The Accompanying Notes Form an Integral Part of These Financial Statements.**

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

**Statement of Changes in Net Assets  
For the Year Ended December 31, 2022**

	Unrestricted Net Assets	Board of directors designated fund	Temporarily Restricted Fund	Investment in Property and equipment	Total
	USD	USD	USD	USD	USD
<b>Balance as of January 1, 2022</b>	<b>200,154</b>	<b>446,309</b>	<b>1,826,203</b>	<b>33,206</b>	<b>2,505,872</b>
Change in net assets for the year	(13,438)	-	(404,575)	-	(418,013)
Interest on board of directors designated fund	-	11,237	-	-	11,237
Additions to property and equipment (Note 12)	(6,544)	-	-	6,544	-
Movement of deferred revenue	-	-	(6,544)	-	(6,544)
Write off contributions	-	-	(46)	-	(46)
Depreciation for the year (Note 12)	11,442	-	-	(11,442)	-
<b>Balance as of December 31, 2022</b>	<b>191,614</b>	<b>457,546</b>	<b>1,415,038</b>	<b>28,308</b>	<b>2,092,506</b>

<b>Balance as of January 1, 2021</b>	<b>284,858</b>	<b>376,295</b>	<b>1,613,986</b>	<b>31,296</b>	<b>2,306,435</b>
Change in net assets for the year	(23,009)	-	241,197	-	218,188
Interest on board of directors designated fund	-	10,229	-	-	10,229
Additions to property and equipment (Note 12)	(11,947)	-	-	11,947	-
Movement of deferred revenue	-	-	(11,947)	-	(11,947)
Write off contributions	-	-	(17,033)	-	(17,033)
Depreciation for the year (Note 12)	10,037	-	-	(10,037)	-
Transferred to Board of Directors designated fund	(59,785)	59,785	-	-	-
<b>Balance as of December 31, 2021</b>	<b>200,154</b>	<b>446,309</b>	<b>1,826,203</b>	<b>33,206</b>	<b>2,505,872</b>



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

**Statement of Cash Flows**

**For the Year ended December 31, 2022**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Cash Flows from Operating activities</b>		
Change in net assets for the year	(418,013)	218,188
<b>Adjustments:</b>		
Interest Revenue	11,237	10,229
Depreciation	11,442	10,037
Right of use assets amortization	32,370	26,657
Deferred revenues recognized	(11,442)	(10,037)
Provision for employees' indemnity	48,552	28,771
<b>Change in net assets for the year after Adjustments</b>	<b>(325,854)</b>	<b>283,845</b>
Change in Assets and Liabilities		
Contributions receivable	391,525	(386,356)
Other current assets	41,792	6,872
Write off contributions	(46)	(17,033)
Accounts payable and accruals	69,237	(16,220)
<b>Cash Flows Generated from (Used in) Operating Activities</b>	<b>176,654</b>	<b>(128,892)</b>
Employees' indemnity paid	(27,379)	(2,518)
<b>Net Cash Flows Generated from (Used in) Operating Activities*</b>	<b>149,275</b>	<b>(131,410)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(6,544)	(11,947)
<b>Cash Flows (Used in) Investing Activities</b>	<b>(6,544)</b>	<b>(11,947)</b>
<b>Cash Flows from Financing Activities</b>		
Cash Paid from Lease Liability	(30,083)	(25,500)
Interest on lease liability	3,539	4,011
<b>Cash Flows (Used in) Financing Activities</b>	<b>(26,544)</b>	<b>(21,489)</b>
<b>Increase (Decrease) in Cash and Banks During the Year</b>	<b>116,187</b>	<b>(164,846)</b>
Cash at Banks at Beginning of Year	1,038,363	1,203,209
<b>Cash at Banks at End of Year</b>	<b>1,154,550</b>	<b>1,038,363</b>
<b>*Operating Activities are Summarized as Follows:</b>		
<b>Operating Activities</b>		
Grants Received from Donors	1,279,610	1,229,672
Other Revenues Received	16,169	18,353
Cash Paid to Suppliers and Employees	(1,146,504)	(1,379,435)
<b>Net Cash Flows Generated from (Used in) Operating Activities</b>	<b>149,275</b>	<b>(131,410)</b>

**The Accompanying Notes Form an Integral Part of These Financial Statements.**

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

## **Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

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### **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 of December 31, 2022 were approved by the General Assembly on May 6, 2023.

### **2. Application of new and revised International Financial Reporting Standards ("IFRSs")**

In the current year, MIFTAH's management considered all new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of IASB, relevant to its activities, that were issued and effective for annual reporting periods ending on December 31, 2022.

At the date of these financial statements, there was a combination of standards and amendments to IFRSs that are applicable in subsequent years. The management believes that these standards and their interpretations will be applied in the financial statements of the organization according to the dates of their effectiveness, and that this application has no effect on the financial statements of the organization in the initial application stage.

### **3. Summary of Significant Accounting Policies**

#### **3.1 Statement of Compliance**

The financial statements have been prepared on the accrual basis of accounting and in accordance with International Financial Reporting Standards.

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

## Notes to the Financial Statements

For the Year Ended December 31, 2022

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### 3. Summary of Significant Accounting Policies (continued)

#### 3.1 Statement of Compliance (continued)

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. In order to ensure observance of limitations and restrictions placed on the use of the available resources, the accounts are maintained in accordance with the principles of fund accounting. Accordingly, net assets of MIFTAH and changes therein are classified and reported as follows:

- **Unrestricted net assets** - Net assets whose use by MIFTAH is not subject to donor-imposed restrictions.
- **Temporary restricted net assets** - Net assets whose use by MIFTAH is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and released by actions of MIFTAH pursuant to those donor-imposed stipulations.
- **Investment in Property, Plant and Equipment** represents unrestricted fund invested in fixed assets.
- **Revenues** are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified as unrestricted net assets and reported as net assets released from restrictions.

The statement of activities is a statement of financial activities related to the current period, it is not a performance measure and does not purport to present the net income or loss for the period as would a statement of income for a business enterprise.

The statement of activities includes certain prior-year summarized comparative in total but not by net asset class, i.e. in respect to restrictions and accordingly, such information should be read in conjunction with MIFTAH's financial statements for the prior year from which the summarized information was derived in order to have sufficient details in conformity with International Financial Reporting Standards.

#### 3.2 Contributions and Grants:

Unconditional Grants and Grants with stipulations that are expected to be met are recognized as increases in temporarily restricted funds and are released to unrestricted funds over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

Amounts received under conditional grants whose conditions are based on future events and actions are deferred and presented under current liabilities and are taken to the statement of activities when the related conditions are met.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to MIFTAH with no future related costs are recognized in the statement of activities in the period in which they become receivable.

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

**Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

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**3. Summary of Significant Accounting Policies (continued)**

**3.2 Contributions and Grants (Continued)**

Grants whose primary condition is that MIFTAH should purchase, construct or otherwise acquire non-current assets are recognized under temporarily restricted funds and released to unrestricted funds when the assets are acquired.

Government grants are not recognized until there is reasonable assurance that MIFTAH will comply with the conditions attached to them and that the grants will be received.

**3.3 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.

**3.4 Property and Equipment**

Property, plant and equipment are stated at cost net of accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. The yearly depreciation rates are as follows:

<u>Property and equipment</u>	<u>Useful life</u>
Office Equipment & Computers	4-5 years
Office Furniture	6-7 years
Leasehold Improvements	5 years

When the expected recoverable amount is less than the net book value, the property, plant and equipment amount is reduced to the lower of cost or net realizable value and the difference (if any) is included in the statement of activities.

The useful lives of property, plant and equipment are reviewed at the end of each year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years, being as a change in estimate.

Property, plant and equipment are disposed of when there is no expected future benefit from the use of that asset.

**3.5 Income Tax**

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

**3.6 Expenses Recognition**

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

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

## Notes to the Financial Statements

For the Year Ended December 31, 2022

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### 3. Summary of Significant Accounting Policies (continued)

#### 3.7 Foreign Currency Transactions

The financial statements are presented in U.S Dollar (USD) being the currency of the primary economic environment in which MIFTAH operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the date of each transaction. At the date of the financial statements, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in the statement of activities in the period in which they arise.

- Transactions which are expressed or denominated in other currencies are converted into USD equivalent using the exchange rate prevailing on the date of each transaction.
- Assets and liabilities which are denominated or expressed in other currencies are presented at their USD equivalent using the exchange rate prevailing at year end.
- All other assets and liabilities are presented in their USD equivalent at their historical values.
- Exchange differences arising from the translation of local currency balances is charged to the statement of activities.

Exchange rates at year end against USD are detailed as follows:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
NIS	3.432	3.159
EURO	0.965	0.887

#### 3.8 Cash and balances at banks

For purpose of the statement of cash flow, cash and cash equivalent 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.

#### 3.9 Contingencies

MIFTAH receives grants from various donors and such grants are subject to individual audits under the grant agreement terms. The ultimate determination of amounts received under these grants is based on the allowed costs reported to and accepted by donors as a result of the audits. Until such audits are accepted by donors, there exists a contingency to refund any amount received in excess of allowed costs.

#### 3.10 Contributions receivables

Contribution receivables are classified as financial assets at amortized cost, and are stated at the original amount of the unconditional pledges less amounts received and expected credit losses.

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

## **Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

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### **3. Summary of Significant Accounting Policies (continued)**

#### **3.11 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.

#### **3.12 Right-of-use assets**

MIFTAH recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless MIFTAH is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

#### **3.13 Lease liabilities**

At the commencement date of the lease, MIFTAH recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by MIFTAH and payments of penalties for terminating a lease, if the lease terms reflect MIFTAH's intentions to exercise the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, MIFTAH uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### **3.14 Provision for employees' indemnity**

Provision for employees' indemnity is computed pursuant to the prevailing Labor law in Palestine. Additions to the provisions are charged to the statement of activities while indemnities actually paid to staff are booked against the related provision account.

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

**Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

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**4. Estimates and Assumptions**

The financial statements include certain estimates and assumptions made by management relating to reporting of assets, liabilities, at the statement of financial position date, and the reporting of revenue, expenses, gains, and losses during the year. Actual results may differ from those estimates adopted by MIFTAH's management. Estimates used in the preparation of the financial statements are as the following:

**Employees Indemnities:** Provision for employee's end of service benefits is calculated in accordance with Palestinian labor law in effect in Palestine.

**Property, Plant and equipment:** A periodic review is performed on assets estimated useful lives and assets that are subject to amortization for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The impairment loss, if any, is reflected in the statement of activities.

**5. Cash on hand and deposits with banks**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Current accounts	318,710	286,522
Short-term deposits	835,840	751,841
	<b>1,154,550</b>	<b>1,038,363</b>

The average interest rate on the short-term deposits is 2% during the year 2022 and 2.5% in the year 2021.

Short-term deposits as of December 31, 2022 and 2021 include U.S. \$ 251,722 and U.S. \$ 230,549, respectively as deposits designated for employees' indemnity (note 14).



**THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL DIALOGUE AND  
DEMOCRACY (MIFTAH)  
Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**6. Contribution receivables**

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 2022 is as follows:

	Balance, beginning of year	Additions	Cash received	Written off	Currency differences	Balance, End of year
	USD	USD	USD	USD	USD	USD
<b>2022</b>						
Arab Fund for Economic and Social Development	130,087	-	(130,171)	-	84	-
Swiss Development Cooperation (SDC)	416,842	-	(189,473)	-	-	227,369
Representative Office of Norway (NRO)	-	726,739	(244,275)	-	26,293	508,757
Representative Office of Ireland (IRO)	-	81,609	(81,609)	-	-	-
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) - Civil Society Program	67,638	63,102	(90,899)	-	(4,788)	35,053
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) - LEAD Programme	3,555	-	(3,315)	-	(240)	-
Arab Palestinian Investment Company (APIC)	20,000	-	(20,000)	-	-	-
United Nations Development Programme (UNDP)	25,000	22,000	(47,000)	-	-	-
War Child	703,825	-	(151,694)	-	(52,492)	499,639
EU-Jerusalem Fund	268,208	-	(198,267)	-	(21,646)	48,295
Kayan - Jerusalem Fund	-	6,110	(6,110)	-	-	-
WCLAC (from EU)	98,178	-	(74,015)	-	(9,121)	15,042
United Nations Population Fund (UNFPA)	-	27,893	(26,790)	(46)	(537)	520
Folke Bernadotte Academy	9,453	2,345	(11,798)	-	-	-
Italian Agency For Development Cooperation (AICS)	-	22,432	(4,194)	-	(1,652)	16,586
	<b>1,742,786</b>	<b>952,230</b>	<b>(1,279,610)</b>	<b>(46)</b>	<b>(64,099)</b>	<b>1,351,261</b>



**THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL DIALOGUE AND  
DEMOCRACY (MIFTAH)  
Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**6. Contribution receivables (continued)**

The movement on the temporarily restricted contributions during 2021 is as follows:

	Balance, beginning of year USD	Additions USD	Cash received USD	Written off USD	Currency differences USD	Balance, End of year USD
<b>2021</b>						
Arab Fund for Economic and Social Development	163,240	-	(33,153)	-	-	130,087
Oxfam-Coflict and Fragility (year 4 & 5)	72,373	-	(71,414)	-	(959)	-
Oxfam-Beijing +25	23,844	-	(24,562)	-	718	-
Oxfam-Finance for Development Project (year 4 & 5)	13,998	-	(13,786)	-	(212)	-
Swiss Development Cooperation (SDC)	36,000	-	(36,000)	-	-	-
Swiss Development Cooperation (SDC)	-	568,421	(151,579)	-	-	416,842
EU-Youth as HR Defenders	50,117	-	(32,319)	(16,171)	(1,627)	-
Representative Office of Norway (NRO)	209,818	-	(233,350)	-	23,532	-
Representative Office of Ireland (IRO)	-	93,960	(93,469)	-	(491)	-
GIZ- Empowerment of Women in Decision Making Positions in LGUs	82,500	22,562	(33,734)	-	(3,690)	67,638
GIZ - LEAD Programme	-	35,800	(31,466)	-	(779)	3,555
Arab Palestinian Investment Company (APIC)	40,000	-	(20,000)	-	-	20,000
UNDP-Promoting Fiscal Justice	-	25,000	(153,177)	-	-	25,000
War Child	-	886,445	(130,757)	-	(29,443)	703,825
EU-Jerusalem Fund	418,041	-	(8,511)	-	(19,076)	268,208
Kayan as a Co-Applicatn in EU-Jerusalem Fund	-	8,511	(87,228)	-	-	-
WCLAC (from EU)	189,449	-	(9,107)	-	(4,043)	98,178
Central Elections Commission (CEC)	8,942	-	(44,985)	-	165	-
IM Sweden	48,108	-	(9,453)	(390)	(2,733)	-
Folke Bernadotte Academy (FBA)	-	18,906	(9,453)	-	-	9,453
Austrian Representative Office (ARO)	-	11,701	(11,622)	(472)	393	-
	<b>1,356,430</b>	<b>1,671,306</b>	<b>(1,229,672)</b>	<b>(17,033)</b>	<b>(38,245)</b>	<b>1,742,786</b>

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

**Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

**7. Other current assets**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Advance payments to partners and suppliers	437	57,152
Employee advances	38,364	21,135
Interest receivables	14,324	12,768
Others	738	4,600
	<b>53,863</b>	<b>95,655</b>

**8. Right of use assets and Lease Liabilities**

The movement in the right to use assets and lease liabilities during the year ending December 31, 2022 and 2021 as follows:

<b>2022</b>	<b>Right of Use Assets</b>	<b>Lease Liability*</b>
	<b>USD</b>	<b>USD</b>
Beginning Balance as at January 1, 2022	<b>53,312</b>	<b>72,337</b>
Additions	18,390	18,390
Amortization	(32,370)	-
Interest expense on lease liabilities	-	3,539
Lease payments	-	(30,083)
<b>Ending Balance December 31, 2022</b>	<b>39,332</b>	<b>64,183</b>

<b>2021</b>	<b>Right of Use Assets</b>	<b>Lease Liability*</b>
	<b>USD</b>	<b>USD</b>
Beginning Balance as at January 1, 2021	<b>79,969</b>	<b>93,826</b>
Amortization	(26,657)	-
Interest expense on lease liabilities	-	4,011
Lease payments	-	(25,500)
<b>Ending Balance December 31, 2021</b>	<b>53,312</b>	<b>72,337</b>

\* The details of lease liabilities as of 31 December 2022 and 2021 are shown as below:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Short term	31,789	21,490
Long term	32,394	50,847
	<b>64,183</b>	<b>72,337</b>

**THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL DIALOGUE AND  
DEMOCRACY (MIFTAH)**  
Notes to the Financial Statements

For the Year Ended December 31, 2022

**9. Property and equipment**

**December 31, 2022**

<u>Cost</u>	<u>Office Equipment USD</u>	<u>Office Furniture USD</u>	<u>Leasehold Improvements USD</u>	<u>Total USD</u>
<b>Balance as of January 1, 2022</b>				
Additions	272,519	73,680	28,495	374,694
	5,141	1,403	-	6,544
<b>Balance as of December 31, 2022</b>	<b>277,660</b>	<b>75,083</b>	<b>28,495</b>	<b>381,238</b>
<u><b>Accumulated Depreciation</b></u>				
<b>Balance as of January 1, 2022</b>				
Depreciation	243,103	69,890	28,495	341,488
	10,475	967	-	11,442
<b>Balance as of December 31, 2022</b>	<b>253,578</b>	<b>70,857</b>	<b>28,495</b>	<b>352,930</b>
<b>Net Book Value as of December 31, 2022</b>	<b>24,082</b>	<b>4,226</b>	<b>-</b>	<b>28,308</b>

**THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL DIALOGUE AND  
DEMOCRACY (MIFTAH)**  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**9. Property and equipment (continued)**

**December 31, 2021**

<u>Cost</u>	<u>Office Equipment USD</u>	<u>Office Furniture USD</u>	<u>Leasehold Improvements USD</u>	<u>Total USD</u>
<b>Balance as of January 1, 2021</b>	262,298	71,954	28,495	362,747
Additions	10,221	1,726	-	11,947
<b>Balance as of December 31, 2021</b>	<b>272,519</b>	<b>73,680</b>	<b>28,495</b>	<b>374,694</b>
<b><u>Accumulated Depreciation</u></b>				
<b>Balance as of January 1, 2021</b>	233,928	69,028	28,495	331,451
Depreciation	9,175	862	-	10,037
<b>Balance as of December 31, 2021</b>	<b>243,103</b>	<b>69,890</b>	<b>28,495</b>	<b>341,488</b>
<b>Net Book Value as of December 31, 2021</b>	<b>29,416</b>	<b>3,790</b>	<b>-</b>	<b>33,206</b>

**THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL DIALOGUE AND  
DEMOCRACY (MIFTAH)  
Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

**10. Temporarily restricted Contributions**

This item comprises temporarily restricted contributions subject to purpose restriction. End of year individual balances represent the excess of donations pledged over the expenditures made out to satisfy the purposes stipulated by donors. The movement in temporarily restricted contributions is as follows:

	Balance, beginning of year	Additions during the year	Temporarily restricted contributions released from restriction	Deferred revenue	Written off	Currency differences	Balance, end of year
	USD	USD	USD	USD	USD	USD	USD
<b>2022</b>	85,280	-	(85,639)	-	-	359	-
Arab Fund for Economic and Social Development	-	81,609	(83,250)	(692)	-	2,333	-
Representative Office of Ireland (IRO)	-	726,739	(252,350)	(1,485)	-	35,853	508,757
Representative Office of Norway (NRO)	390,558	-	(215,574)	(1,748)	-	-	173,236
Swiss Development Cooperation (SDC)	359,811	-	(196,752)	-	-	(28,199)	134,860
EU-Jerusalem Fund	-	6,110	(6,110)	-	-	-	-
Kayvan - Jerusalem Fund	-	-	-	-	-	-	-
WCLAC (from EU)	107,260	-	(99,595)	-	-	(7,665)	-
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) - Civil Society Program	50,295	63,102	(74,104)	224	-	(4,751)	34,766
Arab Palestinian Investment Company (APIC)	55,000	-	(20,000)	-	-	-	35,000
United Nations Development Programme (UNDP)	22,901	22,000	(44,901)	-	-	-	-
War Child	741,090	-	(157,133)	-	-	(57,239)	526,718
United Nations Population Fund (UNFPA)	-	27,893	(27,847)	-	(46)	-	-
Folke Bernadotte Academy	14,008	2,345	(11,809)	(2,843)	-	-	1,701
Italian Agency For Development Cooperation (AICS)	-	22,432	(21,123)	-	-	(1,309)	-
	<b>1,826,203</b>	<b>952,230</b>	<b>(1,296,187)</b>	<b>(6,544)</b>	<b>(46)</b>	<b>(60,618)</b>	<b>1,415,038</b>

**THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL DIALOGUE AND  
DEMOCRACY (MIFTAH)  
Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**10. Temporarily restricted Contributions (Continued)**

	Balance, beginning of year USD	Additions during the year USD	Temporarily restricted contributions released from restriction USD	Deferred revenue USD	Written off USD	Currency differences USD	Balance, end of year USD
<b>2021</b>							
Arab Fund for Economic and Social Development	163,240	-	(77,960)	-	-	-	85,280
Representative Office of Ireland (IRO)	-	93,960	(94,998)	(1,179)	-	2,217	-
Representative Office of Norway (NRO)	403,336	-	(421,162)	(2,334)	-	20,160	-
Swiss Development Cooperation (SDC)	-	568,421	(175,602)	(2,261)	-	-	390,558
EU-Youth as HR Defenders	135,935	-	(120,549)	-	(16,171)	784	-
EU-Jerusalem Fund	506,775	-	(125,955)	-	-	(21,009)	359,811
Kayan as a Co-Applicant in EU-Jerusalem Fund	-	8,511	(8,511)	-	-	-	-
WCLAC (from EU)	195,351	-	(81,126)	-	-	(6,965)	107,260
GIZ- Empowerment of Women in Decision Making Positions in LGUs	73,992	22,562	(41,061)	(1,883)	-	(3,315)	50,295
GIZ - LEAD Programme	-	35,800	(35,034)	-	-	(766)	-
Arab Palestinian Investment Company (APIC)	75,000	-	(20,000)	-	-	-	55,000
United Nations Development Programme (UNDP)	-	25,000	(2,099)	-	-	-	22,901
War Child	-	886,445	(112,452)	(1,910)	-	(30,993)	741,090
Central Elections Commission (CEC)	12,249	-	(12,543)	-	-	295	-
IM Sweden	48,108	-	(44,555)	(430)	(390)	(2,733)	-
Folke Bernadotte Academy (FBA)	-	18,906	(2,948)	(1,950)	-	-	14,008
Austrian Representative Office (ARO)	-	11,701	(11,496)	-	(472)	267	-
	<b>1,613,986</b>	<b>1,671,306</b>	<b>(1,388,051)</b>	<b>(11,947)</b>	<b>(17,033)</b>	<b>(42,058)</b>	<b>1,826,203</b>

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

**Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

**11. Payables and accruals**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Outstanding checks	28,926	19,876
Accounts payable	154,504	94,430
Accrued expenses	7,165	7,052
	<b>190,595</b>	<b>121,358</b>

**12. 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:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Balance as of January 1, 2022	33,206	31,296
Additions	6,544	11,947
Deferred Revenues Recognized	(11,442)	(10,037)
<b>Balance as of December 31, 2022</b>	<b>28,308</b>	<b>33,206</b>

**13. Board of Directors designated fund**

This item represents unrestricted resources, designated by MIFTAH Board of Directors to contribute to the long-term sustainability of MIFTAH or for any other purpose to be set by the Board of Directors. This amount is deposited in US Dollar with an original maturity of twelve months. The average interest rate was 2% during 2022 and 2.5% in 2021, respectively.

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

**Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

**14.Provision for employees' indemnity**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Balance as of January 1, 2022	230,549	204,296
Additions during the year	49,092	28,771
Recovery during the year	(540)	-
Payments during the year	(27,379)	(2,518)
<b>Balance as of December 31, 2022*</b>	<b>251,722</b>	<b>230,549</b>

\* This balance includes termination benefits amounting to USD 3,848 related to the lawsuit filed against MIFTAH.

**15.Unrestricted contributions**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Interest income	3,496	6,896
Subscriptions from general assembly members	691	623
Others	540	797
	<b>4,727</b>	<b>8,316</b>



**THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL DIALOGUE AND  
DEMOCRACY (MIFTAH)  
Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

**16. Projects' expenses**

	APIC	FBA		FBA		GIZ		Arab Fund		Subtotal
		Scholarship Aimed at Supporting UN Security Council Resolution 1325 on Women, Peace and Security (Phase 1)		Scholarship Aimed at Supporting UN Security Council Resolution 1325 on Women, Peace and Security (Phase 2)		Strengthening Civil Society in the Palestinian Territories		Grants for Income Generating Projects		USD
	USD	USD		USD		USD		USD		USD
<b>Program Personnel and Salaries Benefits</b>	<b>5,497</b>	<b>2,134</b>		<b>1,546</b>		<b>16,585</b>		<b>14,750</b>		<b>40,512</b>
Consultants, Trainers, Researchers and Speaker	627	-	-	-	-	5,173	-	4,968	-	10,768
Employees, Participants Meals and Per diems	-	-	-	1,783	-	-	-	-	-	1,783
International Travel	-	-	-	1,382	-	-	-	-	-	1,382
Field Coordinators' expenses	-	-	-	-	-	2,440	-	1,129	-	3,569
Vol. Stipend, Paid Internships, Shadowg and Vocational Publications and Dissemination	-	-	-	-	-	-	-	-	-	-
Editing and Translation	-	-	-	-	-	4,923	-	-	-	4,923
Workshops, Seminars and Training Sessions	3,287	-	645	-	-	2,038	-	-	-	2,683
Supplies and Materials	59	117	753	-	-	5,392	-	3,287	-	12,719
Accommodation and Transportation	2,815	292	117	41	-	466	-	156	-	839
Media Campaign and Activities	-	812	292	23	-	4,575	-	1,471	-	9,176
Membership Fees	-	-	812	339	-	3,605	-	7,203	-	11,959
Institutional and Capacity Development	-	-	-	-	-	-	-	-	-	-
Other Program Direct Cost	-	-	-	-	-	18,749	-	-	-	18,749
Purchase of hygiene and consumable goods	-	-	-	-	-	-	-	-	-	-
Purchases within income generating project	-	-	-	-	-	-	-	-	-	-
<b>Program Direct Cost</b>	<b>6,788</b>	<b>2,619</b>		<b>3,568</b>		<b>47,361</b>		<b>46,674</b>		<b>46,674</b>
Admin Staff Salaries and Benefits	7,125	-	50	-	-	4,000	-	2,393	-	13,568
Professional fees	-	-	-	-	-	-	-	663	-	663
Monitoring and Evaluation Salaries and Related Benefits	427	-	-	-	-	2,832	-	-	-	3,259
<b>Overall Management</b>	<b>7,552</b>	<b>50</b>		<b>-</b>		<b>6,832</b>		<b>3,056</b>		<b>17,490</b>
Rent	100	-	278	-	-	1,220	-	1,400	-	2,998
Hospitality	-	-	-	-	-	-	-	-	-	-
Stationery and Supplies	63	-	266	-	-	185	-	291	-	1,005
Utilities	-	-	-	709	-	814	-	891	-	2,414
Transportation	-	-	-	-	-	-	-	-	-	-
Communication	-	-	7	356	-	820	-	363	-	1,546
Annual Board Meetings	-	-	-	-	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	23	-	60	-	-	-	83
<b>Other admin cost</b>	<b>163</b>	<b>551</b>		<b>1,341</b>		<b>3,326</b>		<b>2,945</b>		<b>8,326</b>
<b>Total</b>	<b>20,000</b>	<b>5,364</b>		<b>6,455</b>		<b>74,104</b>		<b>85,639</b>		<b>191,552</b>

**THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL DIALOGUE AND  
DEMOCRACY (MIFTAH)  
Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**16. Projects' expenses (Continued)**

	IRO		NRO		NRO		UNDP		UNDP		Subtotal	
	Core	USD	Core	USD	Norway - Enhancing Women Participation in Public Life	USD	Promoting Fiscal Justice - Phase One	USD	Promoting Fiscal Justice - Phase Two	USD	USD	USD
<b>Program Personnel and Salaries Benefits</b>		<b>40,512</b>				<b>47,970</b>		<b>6,523</b>		<b>6,877</b>		<b>210,098</b>
Consultants, Trainers, Researchers and Speaker	680	35,403	578	72,813	4,860		11,620		7,500		36,006	
Employees, Participants Meals and Per diems	150		1,064		-		-		-		2,997	
International Travel	151	1,783	40		-		-		-		1,573	
Field Coordinators' expenses	324	3,569	5,369		10,392		-		-		19,654	
Vol. Stipend, Paid Internships, Shadowing and Vocational	-	-	871		-		-		-		871	
Publications and Dissemination	520	4,923	-		-		-		-		5,443	
Editing and Translation	328	2,683	45		580		560		731		4,927	
Workshops, Seminars and Training Sessions	369	12,719	306		17,085		1,805		572		32,856	
Supplies and Materials	45	839	172		1,137		20		131		2,344	
Accommodation and Transportation	699	9,176	929		4,748		-		28		15,580	
Media Campaign and Activities	247	11,959	2,847		8,570		-		4,479		28,102	
Membership Fees	367		367		-		-		-		734	
Institutional and Capacity Development	193	18,749	1,645		-		-		-		20,587	
Other Program Direct Cost	156		156		-		-		-		312	
Purchase of hygiene and consumable goods	-	-	-		-		-		-		-	
Purchases within income generating project	-	-	-		-		-		-		-	
<b>Program Direct Cost</b>	<b>4,229</b>	<b>46,674</b>	<b>14,389</b>		<b>47,372</b>		<b>14,006</b>		<b>13,441</b>		<b>218,660</b>	
Admin Staff Salaries and Benefits	23,798	13,568	43,855		100		-		-		81,321	
Professional fees	1,710	663	2,622		-		-		-		4,995	
Monitoring and Evaluation Salaries and Related Benefits	6,330	3,259	1,482		5,803		1,267		902		19,043	
<b>Overall Management</b>	<b>31,838</b>	<b>17,490</b>	<b>47,959</b>		<b>5,903</b>		<b>1,267</b>		<b>902</b>		<b>105,359</b>	
Rent	5,533	2,998	2,798		300		633		391		12,653	
Hospitality	305	-	750		-		-		-		1,055	
Stationery and Supplies	543	1,005	1,303		-		127		27		3,005	
Utilities	3,987	2,414	5,937		-		210		244		12,792	
Transportation	388	-	1,993		-		-		-		2,381	
Communication	785	1,546	2,008		-		130		63		4,532	
Annual Board Meetings	65	-	47		-		-		-		112	
Bank Charges	101	83	677		-		4		4		869	
Advertising	73	280	131		-		-		53		537	
<b>Other admin cost</b>	<b>11,780</b>	<b>8,326</b>	<b>15,644</b>		<b>300</b>		<b>1,104</b>		<b>782</b>		<b>37,936</b>	
<b>Total</b>	<b>83,260</b>	<b>191,562</b>	<b>150,806</b>		<b>101,645</b>		<b>22,899</b>		<b>22,002</b>		<b>672,063</b>	

**THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL DIALOGUE AND  
DEMOCRACY (MIFTAH)  
Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**16. Projects' expenses (Continued)**

	Italian		UNFPA		War Child		Swiss Agency for Development and cooperation (5%)		WCLAC - EU		
	Women in decision making positions		Anti Discrimination Index (ADI) & Strengthening Capacity to address GBV		We Rise		Agents for Change		Subtotal		
	USD		USD		USD		USD		USD		
	Subtotal	USD									
Program Personnel and Salaries Benefits	210,098	7,154	4,913		58,368		-		22,686		303,218
Consultants, Trainers, Researchers and Speaker	36,006	4,303	7,398		13,164		2,927		18,795		82,593
Employees, Participants Meals and Per diems	2,997	-	-		3,632		-		6,874		13,503
International Travel	1,573	-	-		2,133		-		4,231		7,931
Field Coordinators' expenses	19,654	2,251	2,391		10,971		33		4,240		39,540
Vol. Stipend, Paid Internships, Shadoww and Vocational	871	-	4,469		8,526		-		12,652		26,518
Publications and Dissemination	5,443	-	-		2,488		-		-		7,931
Editing and Translation	4,927	2,595	-		881		-		2,485		10,888
Workshops, Seminars and Training Sessions	32,856	349	1,556		19,479		1,668		14,293		70,201
Supplies and Materials	2,344	-	242		988		-		310		3,884
Accommodation and Transportation	15,580	349	332		9,321		-		2,069		27,651
Media Campaign and Activities	28,102	859	667		5,512		-		6,637		41,777
Membership Fees	734	-	-		-		-		-		734
Institutional and Capacity Development	20,587	-	-		-		-		-		20,587
Other Program Direct Cost	312	-	5,177		-		-		-		5,489
Purchase of hygiene and consumable goods	-	-	-		-		-		-		-
Purchases within income generating project	-	-	-		-		-		-		-
Program Direct Cost	46,674	-	22,232		77,095		4,628		72,586		46,674
Admin Staff Salaries and Benefits	218,660	10,706	100		650		-		-		406,907
Professional fees	81,321	520	-		1,663		-		-		82,591
Monitoring and Evaluation Salaries and Related Benefits	4,995	-	-		6,020		-		-		6,658
Overall Management	19,043	1,357	-		-		-		1,977		28,397
	105,359	1,877	100		8,333		-		1,977		117,646
Rent	12,653	904	95		9,741		-		720		24,113
Hospitality	1,055	-	-		-		-		-		1,055
Stationery and Supplies	3,005	118	25		356		-		260		3,764
Utilities	12,792	229	291		2,373		587		612		16,884
Transportation	2,381	-	-		-		-		-		2,381
Communication	4,532	77	138		788		50		671		6,256
Annual Board Meetings	112	-	-		-		-		-		112
Bank Charges	869	-	-		26		-		31		926
Advertising	537	58	53		53		-		53		754
Other admin cost	37,936	1,386	602		13,337		637		2,347		56,245
Total	672,063	21,123	27,847		157,133		5,265		99,596		883,016

**THE PALESTINIAN INITIATIVE FOR THE PROMOTION OF GLOBAL DIALOGUE AND  
DEMOCRACY (MIFTAH)  
Notes to the Financial Statements  
For the Year Ended December 31, 2022**

**16. Projects' expenses (Continued)**

	Subtotal	Jerusalem Fund - EU	Kayan In-kind Contribution	Swiss Agency for Development and cooperation (10%)	Core	Total Project expenses 2022 USD	Total Project expenses 2021
	USD	USD	USD	USD	USD	USD	
<b>Program Personnel and Salaries Benefits</b>	<b>303,218</b>	<b>43,505</b>	-	<b>3,038</b>	<b>95,382</b>	<b>445,143</b>	<b>431,362</b>
Consultants, Trainers, Researchers and Speaker	82,593	2,390	-	4,637	578	90,198	101,554
Employees, Participants Meals and Per diems	13,503	3,168	-	-	275	16,946	400
International Travel	7,937	2,706	-	-	24	10,667	-
Field Coordinators' expenses	39,540	2,548	-	-	27,304	69,392	63,960
Vol. Stipend, Paid Internships, Shadowg and Vocational	26,518	-	-	-	837	27,355	34,491
Publications and Dissemination	7,931	280	-	-	-	8,211	6,907
Editing and Translation	10,888	147	-	-	677	11,712	13,639
Workshops, Seminars and Training Sessions	70,201	1,368	-	-	1,197	72,766	82,934
Supplies and Materials	3,884	217	-	-	136	4,237	7,252
Accommodation and Transportation	27,651	863	-	-	1,081	29,595	37,616
Media Campaign and Activities	41,777	2,761	-	300	667	45,505	65,318
Membership Fees	734	-	-	-	367	1,101	1,200
Institutional and Capacity Development	20,587	-	-	-	194	20,781	16,832
Other Program Direct Cost	5,489	122,880	6,110	7,461	156	142,096	128,394
Purchase of hygiene and consumable goods	-	-	-	-	-	-	94,211
Purchases within income generating project	-	-	-	-	-	-	48,827
<b>Program Direct Cost</b>	<b>405,907</b>	<b>139,328</b>	<b>6,110</b>	<b>12,398</b>	<b>33,493</b>	<b>597,236</b>	<b>703,535</b>
Admin Staff Salaries and Benefits	82,591	2,960	-	-	34,727	120,278	117,637
Professional fees	6,658	1,663	-	-	7,284	15,605	23,729
Monitoring and Evaluation Salaries and Related Benefits	28,397	3,729	-	285	10,449	42,860	44,553
<b>Overall Management</b>	<b>117,646</b>	<b>8,352</b>	-	<b>285</b>	<b>62,460</b>	<b>178,743</b>	<b>186,919</b>
Rent	24,113	2,738	-	233	2,999	30,083	25,500
Hospitality	1,055	-	-	-	313	1,368	1,264
Stationery and Supplies	3,764	356	-	-	1,328	5,448	6,314
Utilities	16,884	1,644	-	-	4,608	23,136	20,378
Transportation	2,381	-	-	-	2,275	4,656	5,235
Communication	6,256	706	-	-	1,111	8,073	6,418
Annual Board Meetings	112	-	-	-	158	270	308
Bank Charges	926	70	-	-	25	1,021	1,064
Advertising	754	53	-	-	203	1,010	754
<b>Other admin cost</b>	<b>56,245</b>	<b>5,567</b>	-	<b>233</b>	<b>13,020</b>	<b>75,065</b>	<b>67,235</b>
<b>Total</b>	<b>883,016</b>	<b>196,752</b>	<b>6,110</b>	<b>15,954</b>	<b>194,365</b>	<b>1,296,187</b>	<b>1,388,061</b>

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

**Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

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**17. Related Parties Transactions**

Related parties represent members of the board of directors 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:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Key management personnel compensation:</b>		
Short-term benefits	49,609	48,788
Termination benefits	11,467	7,353

**18. Financial Instruments**

**(a) Fair Values of Financial Assets and Liabilities**

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of contributions receivable, cash on hand and balances with banks and some other current assets. Financial liabilities consist of some accounts payable, accruals and temporarily restricted contributions. The fair values of financial instruments are not materially different from their carrying values.

**(b) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or a contract, leading to a financial loss. MIFTAH is exposed to credit risk from its operating activities primarily on contributions receivable.

MIFTAH limits its credit risk through obtaining funds from several reputable donors.

**(c) 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 unrestricted 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.

**(d) Operational Risk**

The costs of the programs, administrative as well as fixed assets procurement are mostly financed by donors through donations. The management believes that the funding level in the year 2023 will be sufficient to finance all of its disbursements and will be consistent with the funding level in the prior years. Furthermore, the management believes that the political and economic conditions prevailing in the area will not materially affect its operations.

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

**Notes to the Financial Statements**

**For the Year Ended December 31, 2022**

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**18. Financial Instruments (Continued)**

**(e) Relationship with Donors**

Majority of MIFTAH's revenue and support for the years ended December 31, 2022 and 2021 was derived from grants received from donor agencies. MIFTAH has no reason to believe that relationships with donor agencies will be discontinued in the foreseeable future. However, any interruption of these relationships would have an adverse effect on MIFTAH's ability to finance ongoing operations in the coming years.

**(f) 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.

**(g) 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 change of interest rate risk exposure on such assets.

**19. Contingent liabilities**

Due to a work dispute based on a contractual disagreement, there is a lawsuit against MIFTAH in the Palestinian courts which amounted to USD 131,864 as of December 31, 2022. MIFTAH's management, Board of Directors and legal counsel believes that this case has no legal merit or standing. The legal counsel is handling the case completely and believes that there will be no financial commitments against this litigation, except for what has been provided in the financial statements.