



**Dalia
Association**

Annual Report

Dalia

2011

دالية

Table of Contents

Page

Dalia Association Mission and Vision.....	3
Chairman’s Statement.....	4
Chief Executive Officer’s Statement.....	5
Our Work in 2011.....	6
Village Decides Program.....	6
Women Supporting Women Program.....	7
Philanthropy Program:.....	9
Advocacy Program.....	10
Contributors	14
Sources of Funding.....	15
Members of the Executive Committee.....	18

Organization's Statement

Dalia Association was established in 2007 by members of the Palestinian community from the West Bank, including East Jerusalem, Gaza Strip, Israel, and the Diaspora. We are diverse in terms of age, gender, religion and politics, yet we are united by our vision -- to realize our rights as Palestinians to control our resources and sustain our own development for generations to come.

Our mission is to mobilize and properly utilize resources necessary to empower a vibrant, independent and accountable civil society.

To achieve our mission, we:

- Make grants to support inspirational and relevant civil society initiatives, especially grassroots efforts that seek to supplement local resources. Community-controlled grant-making increases the transparency, accountability and professionalism of local initiatives.
- Link resources by introducing people with expertise, ideas, contacts, equipment, and other assets to community activists who can use them to serve their communities. Effectively utilizing resources that already exist in our abundant community helps decrease our dependence on outside resources.
- Encourage giving by locals, companies, and refugee and Diaspora Palestinians. We revive local traditions of philanthropy and volunteerism and create new systems that make giving easier, safer and more trustworthy. A permanent endowment will be built over time to ensure sustainable income for current and future generations.
- Advocate for systemic change in the international aid system so that it respects Palestinian rights and responds to local priorities. Advocacy includes constructive engagement with innovative donors who want a local partner to help them improve their policies and maximize their impact.

Chairman's Statement

Dalia Association ... A Year of Challenges and Achievements



Dalia Association continued its activity during its fifth year in 2011, which centered on serving all segments of the Palestinian people, while expressing its commitment to the Association's visions, strategies and goals.

The Association realized significant achievements during 2011 in establishing the concept of humanitarian philanthropy in Palestine and in building Palestinian and regional partnerships involving a large number of organizations that believe in the ideology and philosophy of Dalia Association.

Dalia Association has continuously demonstrated the uniqueness and distinctiveness of its work, characterized by a complete rejection of conditional funding and increased emphasis on local resources, in addition to promoting the rights of the Palestinian people in accessing finance. Dalia Association played a significant role at the high-level Busan conference, as well as local and regional forums in 2011.

The Board of Directors at Dalia Association provides this annual report on continuing accomplishments and philanthropy during the year, and we express our gratitude and appreciation to all those who contributed to the implementation and success of the Association's programs, both individuals and institutions, employees and volunteers, contributors and donors.

In conclusion, we hope – God willing – that 2012 is a beneficial year for our people generally and our institutions specifically, and that it will lead us to more opportunities and successes in serving our dear homeland and the Palestinian people wherever they may be.

Thuqan Qishawi

Chief Executive Officer's Statement



It is my pleasure to present Dalia Association's annual report to all interested parties, to our partners, our supporters and our contributors, from whom we derive our determination and perseverance given their adherence and commitment to our philosophy. The adoption of working methods that are consistent with the principles of transparency and public accountability is an intricate and difficult process. We urge civil society organizations to think and work within their priorities and without Condition in the implementation of grants allocated to projects.

Dalia is an example of a community-based foundation in Palestine that the public expected to fail rather than succeed, for they continuously questioned the possibility of a continuation of basic financing and the mobilization of local resources, given that institutions fail simply because their funding ceases?!

Yes, it is a strange matter and the answer lies in our methodology and the sincerity of our approach in putting money to use. Annually, Dalia Association receives thousands of dollars as contributions in multiple forms, for translation, financial audits, volunteering without pay, accountability, program evaluation, design...

In addition to providing grants, this year we have focused on our advocacy program to improve the effectiveness of aid to Palestinian society, and on the philanthropy program to reduce dependence on foreign aid.

Of the most significant difficulties we have faced this year is the small number of staff members due to funding restrictions, and we have mostly relied on part-time employment.

At the global level, Dalia has become a leading example, and demands for copying its work are increasing, given its methods as a purely community-based organization.

Saeeda Mousa

Our Work During 2011

Grants to grassroots civil society organizations through the following programs:

The Village Decides Program:

Targeting 42 villages in the West Bank across all governorates which met the following program criteria:

- The village's population ranges between a minimum of 3,000 and a maximum of 7,000 people
- There are no less than 6 and not more than 12 organizations, irrespective of their area of expertise
- The intellectual and social infrastructure within the village is diverse (this criterion is measured by several methods).



Through this program, the village community participates in the decision-making process by selecting 4 institutions that the public considers to best serve the people of the village and are therefore worthy of support. The amount of \$ 12,000 is distributed to the winning institutions during the gathering of the village community at the hall.

We develop the managerial and financial skills of committee members at these institutions, through hands-on training relevant to their projects, a process which continues for nine consecutive months.

This program has been implemented in two governorates, namely Ramallah where the project was piloted in the village of Safa, and in Salfeet at Zawya village.

During this year, preparations are being made for the implementation of a new project in the governorate of Jenin at the first program level, while the second program level is under implementation in the village of Zawya in the Salfeet governorate. This level lies within the remit of the Philanthropy Program. For more information please see Dalia Association's website www.dalia.ps (Philanthropy section).

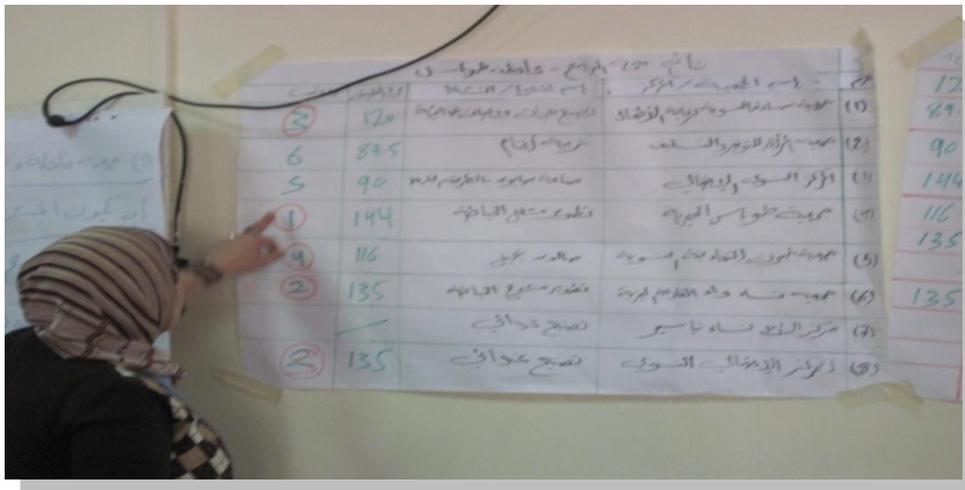
At the second level of the program, a consultative process is undertaken with the village community to propose the launch of a village fund for community donations that bears the name of the village itself. Utilizing simple steps, that focus on reminding villagers that they are ultimately responsible for helping themselves and their communities, the fund aims to systematically encourage the adoption of the principles of philanthropy in order to ensure continuity in the provision of services to the village community.

Women Supporting Women Program:

The program targets women's grassroots organizations that do not have the opportunity to receive funding because:

- They do not have audited financial statements, given that most donors request copies of these documents for the previous three years
- They are not formally registered
- They do not have relations with donors, and have not had an opportunity to approach them
- They are unable to write a project proposal
- The potential donor asks for the proposal in English

During each cycle, 15 grants are made in 3 governorates, where 5 institutions receive a grant in each governorate. During this year, 12 grants were made, 7 of which were made to institutions in the Tubas governorate, with each grant totaling 5,000 shekels.



رقم	المبلغ	اسم المؤسسة / المشروع	رقم
(1)	120	جمعية نساء بيت لحم	12
(2)	895	جمعية نساء بيت لحم	89
(3)	90	جمعية نساء بيت لحم	90
(4)	144	جمعية نساء بيت لحم	144
(5)	116	جمعية نساء بيت لحم	116
(6)	135	جمعية نساء بيت لحم	135
(7)	135	جمعية نساء بيت لحم	135
(8)	135	جمعية نساء بيت لحم	135

In Bethlehem, each project was granted 700 shekels, and a total of 5 institutions received grants in that governorate. Program implementation is based on fairness, where target group members serve as the decision-makers in the selection of projects that are to receive funding, through their participation in the establishment of project selection criteria.

The table below illustrates the distribution of grants for this year:

Name of Association	Project	Value of Grant in shekels	Village
Janata Women's Center	Develop center's projects: <ul style="list-style-type: none"> • Kitchen for production • Computer laboratory • Beauty salon 	7000	Janata – Bethlehem Governorate
Al Zawahry Women's Center	Develop project for production of nutritional products for school children	7000	Al Masara - Bethlehem Governorate
Taqoo Women's Center	Develop embroidery projects	7000	Taqoo - Bethlehem Governorate
Safe Motherhood Committee	Develop fitness center	7000	Marrah Rabbah - Bethlehem Governorate
Al Obaydiah Ladies Club	Develop sewing and embroidery factory	7000	Al Obaydiah - Bethlehem Governorate
Tubas Women's Charitable Association	Develop workshop for clothes and production	5000	Tubas
Sarah Children's Association	Develop children's nursery	5000	Tubas
Women's Social Center	Develop kitchen for production	5000	Al Faraa Camp – Tubas Governorate
Wad El Faraa Women's Association	Develop workshop for production of bedclothes and covers	5000	Wad El Faraa – Tubas Governorate
Savings and Loans Association	Develop breeding sheep	5000	Wad El Bathan - Tubas Governorate
Women's Social Center	Develop kitchen for production	5000	Tamun - Tubas Governorate
Tamun Women's Cooperative Society	Develop beauty salon	5000	Tamun - Tubas Governorate

Philanthropy Program:

In order to reduce dependence on external funding, Dalia Association has started building a system of community giving, in line with Palestinians' ability to give in a systematic manner in order to invest in the exploitation of local resources using their right to self-determination.

As a result, Dalia targeted the Palestinian private sector, covering companies, banks and individuals in the Diaspora, in order to assist in the promotion of the principle of giving and change the distorted image of the Palestinians as a people dependent on foreign aid, who “take but never give.”

In order to reduce dependence on aid that often does not fulfill the most basic developmental priorities, Dalia Association sought to contribute to the establishment of:

Company Funds:

Similar to the Abraaj Capital Fund, Aramex Fund and the Jabbar Group Fund, contributions are made in order to ensure the continuity of grassroots civil society organizations, and village funds that serve marginalized groups by alleviating poverty and unemployment.

Village Funds:

Similar to Al-Zawya Fund, small income-generating projects are adopted through interest-free loans, where funding is allocated to the largest possible number of individuals. Each cycle is earmarked to a particular season, such as agricultural activities, or assistance for different community groups such as university students, unemployed youth and housewives.

The Zawya Fund committee has been established, and a business strategy and payment mechanisms have been adopted, as well as the preparation of transactions for the start of implementation in 2012.

Local meetings were held involving community members to disseminate the concept of giving and the extent of its effectiveness in reducing dependence on foreign aid. The meetings promoted the awareness of Palestinian individuals and organizations in the adoption of these methods in their work, to activate sources of funding and use



them fairly.



Participation in international conferences centered on a discussion of methods of international cooperation with partners and funders. We participated in the DIHAD Conference in Dubai, which had a significant impact on the mobilization of funds for Dalia Association.



Advocacy Program:

Occupation undermines the development process through control of resources, land and water ... So we seek to improve the effectiveness of aid received by Palestinian society, which in the first instance is implemented according to the agenda of donors, and is not based on the priorities of Palestinian society concerning their rights to development.

Dalia Association organized a number of events to draw the attention of institutions and individuals in Palestinian civil society to their entitlement to receive aid that responds to their priorities, by reforming the system of international support, in compliance with international laws concerning peoples that reside in conflict areas and live under occupation.

Dalia adopted an advocacy campaign, through which a number of activities were held:

- Collecting signatures of individuals and institutions through an online petition at Dalia Association's website and the sites of global networks, in order to apply pressure on donors to modify their financing policies regarding Palestinian society.
- Issuing a press release about Dalia's participation in the Busan Conference in South Korea under the title of "International Support damages Civil Society."
- Delivering a speech at the Busan Conference, which included the participation of government officials and decision-makers, concerning the system of international support and the effectiveness of aid. Only 300 individuals were allowed to participate from civil society organizations across the world, of whom only 8 were from the Arab world. Dalia Association was the only organization who's representative presented a speech, and she also facilitated a workshop on one of the agenda items at the conference.
- Issuing an article entitled "Was Palestine Ready for the Busan Partnership?" which was published in number (165) of the magazine "This Week in Palestine."

- Holding 4 consultative sessions with civil society organizations in each of the Qalqilya, Bethlehem, Hebron and Ramallah governorates. Advertised through announcements in local newspapers, these events helped to clarify the role of civil society organizations in similar campaigns and included a discussion of the report issued by Dalia Association on international support mechanisms and systems.
- Releasing a special, detailed campaign announcement in Al-Quds newspaper to allow individuals and organizations to comment on the campaign, and to interact and communicate with Dalia Association.
- Producing a 4-minute film that presents the views of members of grassroots civil society organizations on the system of international support and donors. Please see our website www.dalia.ps for more information on our Advocacy Program.
- Holding panel discussions and meetings with local and international donors, and presenting the complaints and demands made by civil society organizations.



Partners and Networks

There are different ways to contribute to the process of desired change to realize self-reliance, which includes networking, funding long-term programs, providing technical support and grants, promoting access to private sector loans, promoting positive competition and other creative methods that can contribute to empowering communities in the realization of self-reliance.

Like a grapevine, Dalia Association is a symbol of the potential of the small seeds of hope and creativity, and their ability to grow into thriving community initiatives that provide food and shelter, and realize development and respect for future generations.

Therefore, Dalia never hesitates to provide a helping hand to active, unregistered groups, which includes financial sponsorship for these initiatives to promote the principle of transparency in the use of funds, as part of the agreement signed with each one of them:

Right to Enter Campaign



Palestinian Women Writers' Workshop



Dalia Association also works to establish links between our partner civil society institutions, donors and different resources, to include:



- A visit to the Danish House in Palestine (DHIP) by a group of civil society organizations who are partners of Dalia Association, that received grants from the "Women Supporting Women" Program, resulting in the signing of a partnership agreement between Dalia Association and the Danish Bank in Palestine to work together for the two years from 2012 to

2014.



- A visit to Cordaid, an institutional donor working in Palestine, by a group of civil society organizations from rural areas in both Bethlehem and Hebron, resulting in the signing of a financing agreement for the “Village Decides” Program for the year 2012.



- Building a local network of civil society organizations that are partners to Dalia in the grant-making, community giving and advocacy programs. A database is being prepared to simplify the process of follow-up, partnership and networking. This will help exploit available resources and guide Palestinian civil society towards development based on the decisions of Palestinians themselves.



Contributors

Pauline Solomon	Cordaid	Palestine Investment Fund
Turbo Design, Ramallah	Rula Muzaffar	Raymond Regnal
Timothy Rothermill	Abdullah Dkeik	Charlie Burnett Rae
Joyce Ajlouny	Azza Shoaibi	Graasroots International
Jane Qureitem	Global Fund For Women	Rasha Lulua
Thuqan Qishawi	Ali Abunimah	Dataset Company
Fadi Ghandour(Founder & CEO of Aramex)	Jamal Najib	Open Society Foundation
Rami Hinnawi	Ali Ajlouny	Global Fund for community Foundation
Mufed Alsalkhi	Nora Lester Murad	Abraaj Capital, UAE
Maiesa Shaqir	Layla Kikso	Democracy and Workers Rights Center
Adam Ahmad	Homer Frank	Ismaeel Ahmad
Tubas Municipality	Isaad Al Tofuleh _Hebron	Hebron Vocational Training Center
Hebron Municipality	Katharine Lester	Ilaria Giglioli
Bethlehem Municipality	Ayyat Borini	Ghevron Humankind Matching Gift Program
Fadi Saba	ASALA (The Palestinian Businesswomen's Association)	Cathy Berjen
Sam Bahour	Salwa Jaradaat	Siham Rashid
Aramex Company	Promore Company	Palestine for Credit and Development (Faten)
Mahmoud Kittana	Maha Mikhail	Azmi shaqir Jean Almassri

Sources of Funding

Cordaid



Grassroots International



Open Society Institute



Palestine Investment Fund



Abraaj Capital



Aramex



Jabbar Internet Group



Global Fund for Community Foundations



CCFD – FRANCE



Dalia is a member of the following networks:



Members of the Executive Committee



Hamada Abed H. Al-Bayari is the humanitarian affairs assistant for the United Nations Office for the Coordination of Humanitarian Affairs in the Gaza Strip. Previously he worked development and public relations at El-Wafa Medical Rehabilitation Hospital and did field research and coordination for B'Tselem: The Israeli Information Center for Human Rights in the Occupied Territories, Civic Forum Institute, and National Democratic Institute for International Affairs. He has worked as a physiotherapy assistant and an Arabic interpreter/translator for the French media. Hamada has a B.Sc. from the Islamic University in Gaza City.



Jamal Najib is a business technology consultant based in Al-Bireh/Ramallah. He moved back from the US to Jerusalem in 2004 providing consulting services in information technology development, planning, commercial and home automation. He has over 20 years experience providing technology services in the information technology market including over 15 years of consulting services in the Silicon Valley California. He is a partner in Smart Technology, a technology firm specializing in Information technology /security and home automation solutions. Jamal has an IT degree from Canada College, California and is a Microsoft Systems Engineer (MSCE) and Microsoft Certified Trainer (MCT).



Mahmoud Kittana, a lawyer based in Ramallah, currently works as a legal advisor at the Birzeit University Institute of Law; there, he conducts legal research, lectures and gives workshops, prepares curricula, and organizes/analyzes legal data. He also works for Ittqan Law Firm. Mahmoud received his B.A. in Law from Al-Quds University in Jerusalem; his Master's degree in Commercial Law from Birzeit University in Ramallah; and a Master of Laws degree from Duke University in the US. He was trained in various other law firms, both in Palestine and in the US, and has extensive experience in matters of democratic involvement and development, crisis management and negotiation, and strategic planning for institutions. Mahmoud has also published several articles on legal and political issues in the Palestinian context.



Rula Muzaffer (Treasurer) is the Jerusalem Director of Administrative and Financial Affairs for MIFTA, the Palestinian Initiative for the Promotion of Global Dialogue and Democracy. She received her B.A. in Accounting and English from Yarmouk University in Irbid, Jordan. Before starting her work with MIFTA,

where she has over ten years of experience, Rula worked in numerous other financial and administrative capacities, including at (AA) Consulting Engineers in Ramallah (where she served as a financial analyst; the Palestinian Ministry of Higher Education (as the director of financial affairs); the Palestinian Independent Commission for Citizens' Rights, and several trading and maintenance companies. Rula also has training experience in financial management for NGOs, government administration in conflict areas, and other fields related to the coordination of both public and privately run organizations.



Thuqan K. Qishawi is a development expert with over fifteen years of experience in the field. He is currently the Middle East Regional Coordinator of Youth Programs for the American Friends Service Committee. Thuqan holds a Bachelor of Mathematics & Economics from the American University in Cairo and a Master's degree in Economics from Birzeit University, Palestine. In his current capacity, Thuqan spearheads the Public Achievement (PA) program in Palestine, one of the world's most successful PA initiatives. Thuqan has worked with a variety of governmental and non-governmental entities in Palestine, focusing on issues as diverse as gender

budgeting and sensitivity, feasibility studies, youth employment policies, youth civic engagement, business management, and entrepreneurship. A monitoring and evaluation expert, he has conducted various evaluation studies and strategic planning processes over the years. Thuqan attained his trainer certification from Inwent, Germany, and has become a skilled trainer, moderator, and facilitator; he has facilitated trainings and both regional and local workshops on water/environmental issues, socioeconomic issues, gender, leadership, and youth civic engagement.



Azza Shoaibi (Secretary) works at Birzeit University, where she is completing her M.A in public health. She is also a chief pharmacist at YazanCare in Ramallah. Previously, she was the training and projects coordinator for Jerusalem Pharmaceuticals Company (JPHARM) in Ramallah, the largest pharmaceutical company and exporter in Palestine. Azza is involved in a wide range of community volunteer work, including serving as a lecturer and trainer for Injaz Association, a program that teaches business skills to Palestinian youth. Azza

received her degree in pharmacy from the Jordanian University of Science and Technology in Irbid, Jordan, and has been certified as a Project Management Professional (PMP) by the Project Management Institute (PMI) in the United States.



Siham Rashid was born in Chicago, IL, and moved to Palestine in 1996. Her work in Chicago included managing a youth program, working with women victims/survivors of violence and advocacy. At present, Siham works at UN Women as Programs Coordinator for the Millennium Development Programs (MDG) in the Occupied

Palestinian Territories. Prior to her work at UN Women, Siham worked at the Palestinian Counseling Center as Director of the Public Relations Department and whose responsibilities included resource mobilization, communications and advocacy.



Salwa Muhammad Abu Skhila From the Gaza Strip and working in Ramallah, Salwa holds a bachelor's degree in Sociology from the University of Birzeit. Salwa performed various professional roles: she worked as Director of "OPEC" Project for the Cooperative Housing Foundation International (CHF International), where she undertook a needs assessment and trained four local institutions in the field of institutional building. Before that, Salwa worked as a field researcher at the University of Jerusalem and prior to that, as a trainer at the General Union of Palestinian Women, where she coached women in topics related to development issues. She also worked as a researcher at the Institute for Women's Studies, and as a trainer at the Women's Law Center and "Social Guidance" where she participated in a program to educate women on their legal status. Before that, she worked at the Ministry of Youth and Sports as Deputy Director of the Department of Women's Affairs. Salwa participated in several training courses, and she participated in, and completed, several studies on issues of women and children.

Members of the General Assembly:

Siham Rashid
Maha Mikhail
Mahmoud Kittana
Trees Zbidat
Mohammad Shaheen
Hamada Al-Bayari
Azza Shoaibi
Davina Gateley

Thuqan Qishawi
Jamal Najib
Rula Muzaffer
Sam Bahour
Issam Nassar
Hiba Hussein
Lama Jamjoum
Basel Mansour
Salwa Abu Skhila

Table of Contents

Independent Auditor’s Report **Error! Bookmark not defined.**
Statement of Financial Position.....3
Statement of Activities4
Statement of Changes in Net Assets.....5
Statement of Cash Flows6
Notes to the Financial Statements7



To the Board of Directors
THE CAMPAIGN FOR THE RIGHT OF ENTRY & RE ENTRY
Ramallah- Palestine

Independent Auditor's Report

We have audited the Statement of Financial Position of THE CAMPAIGN FOR THE RIGHT OF ENTRY & RE ENTRY, as of December 31, 2011 and the related statements of statement of activities & change in net assets, and Summary of significant accounting policies and other explanatory notes for the year then ended.

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

Our responsibility is to express an opinion on these financial statements based on our audit and to express an opinion as to the proper compilation of the financial information. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain responsible assurance about whether the financial statements are free of 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 our 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, we consider 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 to expressing an opinion on the effectiveness of the entity 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 planned and performed our work to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the financial information has been properly compiled on the basis stated. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the campaign for the Right of Entry and Re- Entry as at December 31, 2011, and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Ramallah
June 25th, 2012



BKR
TARIFI INSTITUTION CO.
Jamal Tarifi
Certified Public Accountant

Statement of Financial Position

As of December 31, 2011

	<u>Notes</u>	<u>2011</u> <u>USD</u>	<u>2010</u> <u>USD</u>
<u>Assets</u>			
Non-current assets:			
Property and equipment	3	7,608	7,263
		<u>7,608</u>	<u>7,263</u>
Current assets:			
Cash and cash equivalents	4	88,286	83,711
Other current assets		800	657
		<u>89,086</u>	<u>84,368</u>
Total Assets		<u>96,694</u>	<u>91,631</u>
<u>Liabilities and Net assets</u>			
Net assets			
Investment in Fixed Assets		7,608	7,263
Unrestricted net assets		(2,233)	22,437
Total Net assets		<u>5,375</u>	<u>29,700</u>
Liabilities			
Non-current liabilities			
Provision for severance pay		6,250	4,900
		<u>6,250</u>	<u>4,900</u>
Current liabilities			
Accounts payable and accruals	5	85,069	57,031
		<u>85,069</u>	<u>57,031</u>
Total liabilities		<u>91,319</u>	<u>61,931</u>
Total Liabilities and Net Assets		<u>96,694</u>	<u>91,631</u>

The attached notes from 1 to 11 form an integral part of these financial statements.

Statement of Activities

For the year ended December 31, 2011

	<u>Notes</u>	<u>2011</u> <u>USD</u>	<u>2010</u> <u>USD</u>
Donations and Revenues			
Donations	6	47,681	118,287
Other revenues	7	22,577	13,278
Total Donations and Revenues		70,258	131,565
Expenses			
Salaries & Staff benefits	8	(36,280)	(46,929)
Operational Expenses	9	(56,743)	(63,022)
Depreciation Expenses	3	(1,560)	(850)
Total Expenses		(94,583)	(110,801)
Change in Net Assets for the year		(24,325)	20,764

The attached notes from 1 to 11 form an integral part of these financial statements.

Statement of Changes in Net Assets

For the year ended December 31, 2011

	Unrestricted Net Assets	Investment in Fixed Assets	Total
	USD	USD	USD
Year 2011			
Balance as of January 1, 2011	22,437	7,263	29,700
Change in net assets for the year	(24,325)		(24,325)
Addition of fixed assets	(1,905)	1,905	-
Depreciation	1,560	(1,560)	-
Balance as of December 31, 2011	(2,233)	7,608	5,375

The attached notes from 1 to 11 form an integral part of these financial statements.

Statement of Cash Flow

For the year ended December 31, 2011

	2011	2010
	<u> </u>	<u> </u>
Cash Flows from Operating Activities:		
Change in net assets for the year	(24,325)	20,764
Adjustments to reconcile changes in net assets to net cash paid in operating activities:		
Depreciation expense	1,560	850
Severance pay	1,350	4,900
Other current assets	(143)	378
Due to banks		(749)
Accounts payable and accruals	<u>28,038</u>	<u>(90,438)</u>
Net cash flows (used in) from operating activities	<u>6,480</u>	<u>(64,295)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(1,905)</u>	<u>(6,559)</u>
Net cash flows used in investing activities	<u>(1,905)</u>	<u>(6,559)</u>
(Decrease) Increase in cash and cash equivalent	4,575	(70,854)
Cash and cash equivalents , beginning of year	<u>83,711</u>	<u>154,565</u>
Cash and cash equivalents, end of year	<u><u>88,286</u></u>	<u><u>83,711</u></u>

Notes to the Financial Statements

December 31, 2011

1. General

DALIA Association was established in Belgium under the registration number 0886043035 in accordance with the law of 27 June 1921 of not for profit associations, foundations and international not for profit associations, for a not for profit purpose under the name of DALIA ASSOCIATION. The full and abbreviated names of the association may be used separately. Arabic & English are the working languages of the association.

The registered office of the association is currently located at Dalia Association a.s.b.l BP27 Gare de Bruxelles- Central Boulevard de Limperatrice 3 1000 Bruxelles, RMP Bruxellses. The board of directors may decide, in accordance with its usual decision making procedure to transfer the association's registered office to anywhere in Belgium. The Board of Directors may set up administrative offices both in Belgium and abroad. The association was registered in Palestine by the Ministry of Interior in accordance with charitable associations law no 1/2000 on August 25, 2009.

- The number of employees of Dalia Association as of December 31, 2011 is one, and three as of December 31, 2010.
- The financial statements for the year ended December 31, 2011 were approved by General Assembly on 25/6/2012.

Goals & Objectives of the Association:

The association's goals and objectives are entirely devoid of a profit making aim and include, but are not limited to, becoming a community-based organization that works throughout historic Palestine to empower the Palestinian community to be in control over resources needed to pursue local social justice and sustainable development initiatives. In pursuit of these goals and objectives, the association may:

- Secure non traditional and local financing.
 - Mobilize community philanthropy and volunteerism.
 - Promote broad community participation in governance and problem solving.
 - Make grants in a dignified manner and encourage other donors to do the same.
 - Facilitate and support capacity building.
- A. **Make Grants** to support inspirational and relevant civil society initiatives, especially grassroots efforts, the seek to supplement local resources. Community controlled grant making increases the transparency, accountability, and professionalism of local initiatives.
 - B. **Link resources** by introducing people with expertise, ideas, contracts, equipment, and other assets to community activists who can use them to serve their communities. Effectively utilizing resources that already exist in our abundant community helps decrease our dependence on outside resources.
 - C. **Encourage giving** by locals, companies and refugee and Diasporas Palestinian. We revive local traditional of philanthropy and volunteerism and create new systems that make giving easier, safer and more trustworthy. A permanent endowment will be built over time to ensure sustainable income for current and future generations.

- D. **Advocate for systemic change** in the international aid system so that it respects Palestinian right and responds to local priorities. Advocacy includes constructive engagement with innovative donors who want a local partner to help them improve their policies and maximize their impact.

2. Summary of Significant Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards.

Currently, the International Financial Reporting Standards do not include any specific requirements regarding the not-for-profit organization in connection with the accounting policies or the presentation of the financial statements.

The financial statements have been presented in *US-Dollar* (\$).

The accounting policies are consistent with those used in the previous year.

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 specific purpose or time are recognized when the pledge is obtained.
- Unconditional pledges that are temporarily restricted by donor for specific purpose or time are recognized when such purpose or time is satisfied.

Deferred revenues

Donations received during the year for future years.

Expenses recognition

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

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value:

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets at the following annual rates:

	%
Equipment	15
Furniture and fixture	15

Income taxes

Dalia Association 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.

Provision for end of service indemnity

Benefits payable to the employees of Dalia Association at the end of their services which are provided for in accordance with the guidelines set by the local labour laws, by accruing one month compensation for each year of service based on the last salary paid.

Foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are recognized in the statement of activities.

3. Property and equipment

	<u>Furniture & Fixtures</u>	<u>Equipment</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
<u>Cost</u>			
At January 1, 2011	1,563	6,935	8,498
Additions		1,905	1,905
Disposals			
At December 31, 2011	1,563	8,840	10,403
<u>Depreciation</u>			
At Jan 1, 2011	156	1,079	1,235
Depreciation charge for the year	234	1,326	1,560
At December 31, 2011	390	2,405	2,795
<u>Net book value:</u>			
At December 31, 2011	1,179	6,435	7,608
At December 31, 2010	1,407	5,856	7,263

4. Cash on hand and at banks

	<u>2011</u>	<u>2010</u>
Cash on hand	-	58
Deposit at Banks in US-\$	79,792	71,157
Deposit at Banks in NIS	316	12,496
Deposit at Banks in Euro	8,178	
	88,286	83,711

5. Accounts payable and accruals

	<u>2011</u>	<u>2010</u>
Right to Enter Campaign	16,871	21,076
Prepaid Donations Received	45,225	35,255
Accrued Expenses	1,060	700
Palestine Writing Workshop Fund	21,913	-
	<u>85,069</u>	<u>57,031</u>

6. Donations

	<u>2011</u>	<u>2010</u>
Cord Aid	28,043	17,634
Company Fund	6,000	
CCFD	6,638	
Palestine investment fund	7,000	
Kinder USA		1,081
Foundation Open Society		73,777
Global Fund		11,985
Grass Roots		13,810
	<u>47,681</u>	<u>118,287</u>

7. Other Revenue

	<u>2011</u>	<u>2010</u>
Promore Share	5,720	6,000
Cord Aid desk rent	1,358	
Board & General Assembly share	213	
Grass Roots	3,600	
Donation from Aboard	4,260	
Local community Contribution	3,058	3,509
Following up, Monitoring & Evaluation	4,268	2,734
Revenue- Company Fund**		
Donation in kind	100	1,000
	<u>22,577</u>	<u>13,243</u>

** This item is related to the following companies:

- Abrraj Capital LTD
- Jabbar Internet Group FZ LLC
- Ramallah Modern International Express Transport LTD (ARAMEX)

8. Salaries & staff benefits

	<u>2011</u>	<u>2010</u>
Salaries & staff benefits	33,375	42,029
End of service	2,905	4,900
	<u>36,280</u>	<u>46,929</u>

9. Operational expenses

	<u>2011</u>	<u>2010</u>
Utilities expenses	1,952	1,778
Small grants to organization	20,183	19,974
Communications	3,610	2,869
Hospitality	1,347	1,677
Internet & web page	-	3,999
Rent expenses	9,655	10,863
Stationary & publications	4,274	2,962
Travels & accommodation	3,488	2,962
Advertising	411	2,789
Professional fees	9,856	8,467
Training fees	-	750
Miscellaneous	1,135	3,723
Maintenance	441	-
Bank charges & fees	391	209
	<u>56,743</u>	<u>63,022</u>

10. Fair Values of Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents. Financial liabilities consist of accounts payable and accruals.

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

11. Concentration of Risk in Geographic Area

Dalia 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 Dalia's performance.

12. Comparative amounts

The corresponding figures for 2010 have been reclassified in order to conform with the presentation for the current year. Such reclassifications do not affect previously reported net change in net assets.