

**THE COALITION ACCOUNTABILITY  
AND INTEGRITY - AMAN  
RAMALLAH - PALESTINE**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
TOGETHER WITH THE INDEPENDENT  
AUDITOR'S REPORT**

**THE COALITION ACCOUNTABILITY AND INTEGRITY - AMAN  
RAMALLAH – PALESTINE**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the General Assembly of  
The Coalition Accountability and Integrity  
Ramallah - Palestine

### Opinion

We have audited the financial statements of **The Coalition Accountability and Integrity (hereinafter “AMAN or the Organization”)**, which comprise the statement of financial position as of December 31, 2020, and the related statement of activities and changes in net assets and the statement of cash flows for the year then ended, and 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 the Organization as of December 31, 2020, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 the year then ended in accordance with International Financial Reporting Standards (IFRS).

### Other Matter

The financial statements of the Organization as at and for the year ended December 31, 2019 was audited by another auditor who expressed an unmodified opinion on those financial statements on February 20, 2020.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 the Organization'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 the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



# INDEPENDENT AUDITORS' REPORT

## 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 risk, 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 control.
- 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 Organization'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 disclosure 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 the Organization 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.

**Kawasmy and Partners**

**KPMG**

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Ramallah - Palestine  
May 5, 2021

**THE COALITION ACCOUNTABILITY AND INTEGRITY - AMAN  
RAMALLAH - PALESTINE**

**STATEMENT OF FINANCIAL POSITION**

US Dollar	Note	As of December 31,	
		2020	2019
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	908,178	963,936
Contributions Receivable	7	2,270,097	352,961
Other Debit Balances	6	19,233	24,835
		<b>3,197,508</b>	<b>1,341,732</b>
<b>Non-Current Assets</b>			
Property and Equipment, Net	8	16,287	16,231
Right of Use Assets	9	59,380	86,806
		<b>75,667</b>	<b>103,037</b>
<b>Total Assets</b>		<b>3,273,175</b>	<b>1,444,769</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accruals	10	229,114	215,494
Short-term Lease Liabilities	9	30,180	27,428
Temporarily Restricted Contributions	12	2,359,473	536,923
		<b>2,618,767</b>	<b>779,845</b>
<b>Non-Current Liabilities</b>			
Provision for Employees Indemnity	11	358,917	361,003
Deferred Revenues	15	16,287	16,231
Long-term Lease Liabilities	9	33,208	63,388
		<b>408,412</b>	<b>440,622</b>
<b>Total Liabilities</b>		<b>3,027,179</b>	<b>1,220,467</b>
<b>Net Assets</b>			
Net Assets		245,996	224,302
<b>Total Net Assets</b>		<b>245,996</b>	<b>224,302</b>
<b>Total Liabilities and Net Assets</b>		<b>3,273,175</b>	<b>1,444,769</b>

The accompanying notes on pages from (7) to (25) are an integral part of these financial statements

The financial statements on pages (3) to (6) were approved by AMAN Board of Directors on April 26, 2021

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Chairman of Board

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Treasurer

**THE COALITION ACCOUNTABILITY AND INTEGRITY - AMAN  
RAMALLAH – PALESTINE**

**STATEMENT OF ACTIVITIES**

US Dollar	Note	For the Year Ended December 31,	
		2020	2019
<b>Grants and Revenues</b>			
Temporary Restricted Contribution Released from Restriction	12	1,384,583	1,693,905
Deferred Revenue Recognized	15	6,976	7,073
Unrestricted Contributions		50,633	16,201
Gain from Selling of Property and Equipment		348	-
Members Subscription Fees		660	580
<b>Total Grants and Revenues</b>		<b>1,443,200</b>	<b>1,717,759</b>
<b>Expenses</b>			
Project Expenses	14	(1,384,583)	(1,693,905)
Depreciation	8	(6,976)	(7,073)
Currency Difference Losses	13	(27,381)	(5,610)
Other Expenses	14	(2,566)	(2,571)
<b>Total Expenses</b>		<b>(1,421,506)</b>	<b>(1,709,159)</b>
<b>Increase in Net Assets</b>		<b>21,694</b>	<b>8,600</b>

The accompanying notes on pages from (7) to (25) are an integral part of these financial statements

**THE COALITION ACCOUNTABILITY AND INTEGRITY - AMAN  
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**STATEMENT OF CHANGES IN NET ASSETS**

<i>US Dollar</i>	<b>For the Year Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Net Assets, Beginning of the Year</b>	224,302	215,702
Increase in Net Assets	21,694	8,600
<b>Net Assets, End of the Year</b>	<b>245,996</b>	<b>224,302</b>

The accompanying notes on pages from (7) to (25) are an integral part of these financial statements

**THE COALITION ACCOUNTABILITY AND INTEGRITY - AMAN  
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**STATEMENT OF CASH FLOWS**

US Dollar	Notes	For the Year Ended December 31,	
		2020	2019
<b>Cash flows from Operating Activities:</b>			
Increase in Net Assets		21,694	8,600
<b>Adjustments:</b>			
Depreciation		6,976	7,073
Amortization of Right to Use Assets		27,427	28,936
Financing Costs		7,532	10,034
Provision for Employees Indemnity		54,183	57,637
(Gain) from Selling of Property and Equipment		(348)	-
Deferred Revenues		(6,976)	(7,073)
		<b>110,488</b>	<b>105,207</b>
<b>Changes in Working Capital:</b>			
Contributions Receivable		(1,917,136)	1,191,084
Other Debit Assets		5,601	4,813
Accounts Payables and Accruals		13,620	(1,204,599)
Temporary Restricted Contributions		1,822,550	(39,871)
Employees Indemnity Paid		(56,269)	(25,516)
<b>Net Cash Flow from (Used in) Operating Activities</b>		<b>(21,146)</b>	<b>31,118</b>
<b>Cash Flow from Investing Activities:</b>			
Procurement of Fixed Assets		(7,033)	(9,861)
Proceeds from Selling of Property and Equipment		348	-
<b>Cash Flow (Used in) Investing Activities</b>		<b>(6,685)</b>	<b>(9,861)</b>
<b>Cash Flow from Financing Activities</b>			
Payments for Long-Term Lease Commitments	9	(27,927)	(34,960)
<b>Cash Flow (Used in) Financing Activities</b>		<b>(27,927)</b>	<b>(34,960)</b>
<b>Net Decrease in Cash and Cash Equivalent</b>		<b>(55,758)</b>	<b>(13,703)</b>
Cash on Hand and at Banks - Beginning of the year		963,936	977,639
<b>Cash on Hand and at Banks - End of Year</b>	5	<b>908,178</b>	<b>963,936</b>

The accompanying notes on pages from (7) to (25) are an integral part of these financial statements



# THE COALITION ACCOUNTABILITY AND INTEGRITY - AMAN RAMALLAH – PALESTINE

## NOTES TO THE FINANCIAL STATEMENTS

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### 1) **GENERAL**

The Coalition for Accountability and Integrity (AMAN) was founded by a group of Palestinian organizations working in Human Rights and Democracy field. AMAN was officially registered on February 9, 2004 under registration number RA-22234-5.5 in Ramallah as a non-profit organization.

AMAN's mission is to contribute to good governance through fostering and enhancing integrity and accountability in the political system as well as in all sectors of the Palestinian society.

AMAN's objective are to identify and investigate the aspects, features, causes and consequences of corruption of trust and authority, misuse of public funds, define and propose the appropriate mechanism in the legislative, judicial, administrative and financial areas in different sectors to counter corruption, and achieve transparency and accountability. Moreover, AMAN aims to raise public awareness among to Palestinian society regarding the danger of corruption and its devastating impact, to enhance the role of oversight institution including the Palestinian Legislative Council and Civil Society, to propose draft legislations and regulations and to work closely with the Palestinian Legislative Council.

The board of directors approved the financial statements on April 26, 2021.

### 2) **BASIS OF PREPARATION**

#### a. **Statement of compliance**

The financial statements have been prepared on the accrual basis of accounting, cost convention and in conformity with relevant International Financial Reporting Standards (IFRS).

#### b. **Basis of measurement**

The financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities.

#### c. **Functional and presentation currency**

The financial statements are presented in U.S. Dollar (USD), which is the Organization's functional currency.

#### d. **Use of estimates and judgements**

In preparing these financial statements, management has made judgments and estimates that affect the application of the Organization's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

#### • **Judgments**

The following are the most significant judgments that have a material effect on the amounts of assets and liabilities in the financial statements:

- Classification of financial assets: Valuation of the business model under which the asset is to be held and determining whether the contractual terms of the SPPI are on the outstanding balance.
- The development of new criteria to determine whether financial assets have declined significantly since initial recognition and determine the methodology of future expectations and methods of measuring expected credit loss.

#### • **Assumptions and estimation uncertainties**

- The management maintains the expected credit losses based on its estimates of the possibility of recovering receivables in accordance with the International Financial Reporting Standards.
- Management periodically reassesses the economic useful life of property and equipment based on the general condition of these assets and the expectation of their useful economic lives in the future.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Management frequently reviews the lawsuits raised against the Organization based on a legal study prepared by the Organization's legal advisors. This study highlights potential risks that the Organization may incur in the future

# THE COALITION ACCOUNTABILITY AND INTEGRITY - AMAN RAMALLAH – PALESTINE

## NOTES TO THE FINANCIAL STATEMENTS

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### Measurement of fair values:

A number of the Organization's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Organization has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Organization's Board of Directors.

When measuring the fair value of an asset or a liability, the Organization uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Organization recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

- 1- In the principal market for the asset or liability, or
- 2- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Organization.

The asset or liability measured at fair value might be either of the following:

- 1- A stand-alone asset or liability; or
- 2- A group of assets, a group of liabilities or a group of assets and liabilities (e.g. a cash generating unit or a business).
- 3- A number of the Organization's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Organization should establish control framework with respect to the measurement of fair values and a valuation team should oversee all significant fair value measurements, including Level 3 fair values.

- Management believes that its estimates and judgments are reasonable and adequate in preparing the Financial statements ended December 31, 2019 except for the following:

### Impact of COVID 19

During the month of March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices, donations and contributions receivable from donors and currency exchange rates.

**NOTES TO THE FINANCIAL STATEMENTS**

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**3) SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied by the Organization in these financial statements for the year ended December 31, 2020 are the same as those applied by the Organization in its financial statements for the year ended December 31, 2019, except for the following new International Financial Reporting Standards or amendments that become effective after January 1, 2020:

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of Material (Amendments to IAS 1 and IAS 8).
- Definition of a Business (Amendments to IFRS 3).
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)

The application of these new standards and amended standards did not have a significant effect on the Organization's financial statements.

**The following are the significant accounting policies applied by the Organization:**

**(a) Financial Instruments:**

**i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Organization becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through Statement of Activities, transaction costs that are directly attributable to its acquisition or issue.

**ii. Classification and subsequent measurement**

• **Financial Assets:**

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through statement of activities or at Fair value through statement of change in net assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Organization changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through statement of activities:

- It's held within a business model whose objective is to hold assets to collect contractual cash flows.
  - Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through statement of activities:
- It's held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
  - Its contractual terms give rise on specified dates to cash flows (that are solely payments of principal and interest on the principal amount outstanding).

On initial recognition of an equity investment that is not held for trading, the Organization may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at fair value through statement of activities. This includes all derivative financial assets. On initial recognition, the Organization may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through statement of activities if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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NOTES TO THE FINANCIAL STATEMENTS

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iii. **Derecognition**

• **Financial assets**

The Organization derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Organization neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Organization enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

• **Financial liabilities**

The Organization derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Organization also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of activities.

(a) **Principles of fund accounting**

The Organization maintains its accounts in accordance with the principles of fund accounting under which the resources for various purposes are classified into the following classes of net assets which are described below:

*Unrestricted net assets* represent net assets whose use by AMAN is not subject to donor imposed restrictions.

*Temporarily restricted net assets* whose use by AMAN is limited by donor-imposed restriction that either expire by passage of time or can be fulfilled and released by actions of AMAN pursuant to those donor-imposed stipulations.

*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.

*Investment in fixed assets:* represents fund invested in fixed assets.

(b) **Contributions and grants**

Donors unconditional pledges are those pledges where donor does not specify prerequisites that have be carried out by the AMAN before obtaining the fund.

Contributions revenues from pledges where donor does not specify prerequisites that have to be carried out by the AMAN before obtaining the fund.

Contributions revenues from pledges /grants are recognized as follows:

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

(c) **Deferred Revenues**

Contributions related to property and equipment are recorded as deferred revenues and recognized as revenues on a systematic basis over the useful life of the asset.

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**NOTES TO THE FINANCIAL STATEMENTS**

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**(d) Contributions receivable**

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

**(e) Property and equipment**

Property and equipment are stated at cost net of accumulated depreciation. Depreciation is charged so as to write off the cost of assets over their estimated useful lives using the straight-line method. The estimated useful lives and depreciation methods are reviewed at the end of each year, with the effect of any changes in estimate accounted for on prospective basis.

Gain or loss arising from the disposal or retirement of an item of assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of activities. Useful life for the assets is as follows:

<u>Property and Equipment</u>	<u>Years of Service</u>
Office Furniture	6-7 years
Office Equipment	4-5 years

**(f) Leases**

The Organization has adopted IFRS 16, "Leases", which supersedes the existing guidelines on leases, including IAS 17 "Leases" and International Interpretation (4) "Determining whether an arrangement (15) "Operating leases - incentives" and the interpretation of the previous Interpretations Committee 27 "Assessing the substance of transactions that take the legal form of a lease".

The Organization has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

At inception of a contract, the Organization assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Organization uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after January 1, 2019.

**I. As a lessee**

at commencement or on modification of a contract that contains a lease component, the Organization allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Organization has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Organization recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Organization by the end of the lease term or the cost of the right-of-use asset reflects that the Organization will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

**NOTES TO THE FINANCIAL STATEMENTS**

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Organization's incremental borrowing rate. Generally, the Organization uses its incremental borrowing rate as the discount rate.

The Organization determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Organization is reasonably certain to exercise, lease payments in an optional renewal period if the Organization is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Organization is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Organization's estimate of the amount expected to be payable under a residual value guarantee, if the Organization changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of activities if the carrying amount of the right-of-use asset has been reduced to zero.

The Organization presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

**Short-term leases and leases of low-value assets**

The Organization has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Organization recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**ii. As a lessor**

At inception or on modification of a contract that contains a lease component, the Organization allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Organization acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Organization makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Organization considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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When the Organization is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Organization applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Organization applies IFRS 15 to allocate the consideration in the contract.

The Organization applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Organization further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Organization recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other revenue’. Generally, the accounting policies applicable to the Organization as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

**(g) Provision for employee indemnity - reserve for end of service indemnities**

AMAN provides end of service benefits in accordance with local laws by accruing for one-month compensation for each year of service based on the last salary paid during the year.

**(h) Provisions**

Provisions are recognized when AMAN has a present obligation as a result of past events, and it’s probable that the obligation will be settled, and a reliable estimate can be made of the amount of the obligation.

**(i) Income Tax and Value Added Tax**

As a not-for-profit organization, AMAN is exempt from income tax and value added tax. Under the value added tax law, AMAN as an exempt entity, is not entitled to refund VAT paid on its purchases and expenses.

**(j) Functional allocation of expenses**

AMAN allocates its expenses on a functional basis among its various programs and general administration. Expenses that can be identified with a specific program or administration are charged directly. Other expenses that are common to several functions are allocated between functions based on best estimates and judgment of management.

**(k) Foreign currency conversion and translation**

The books of accounts are maintained in United States Dollar (USD). Transactions, which are denominated or expressed in foreign currencies, are converted into USD equivalent as follows:

- Transactions, which are expressed or denominated in currencies other than USD, are converted into USD equivalent at the exchange rates prevailing at the date of the transaction.
- Balances of assets and liabilities in currencies other than USD are converted into USD equivalent at the exchange rate prevailing at the date of the financial statements. Conversion rates were as follows:

Currency	As of December 31,	
	2020	2019
USD/EURO	0.814	0.893
USD/Swedish Krone	8.564	8.802
USD/British Pound	0.736	0.762
USD/NIS	3.209	3.455

- Exchange differences arising from translation are charged to the statement of activities.

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**4) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED**

A number of new standards are effective for annual periods beginning after January 1, 2019 and earlier application is permitted; however, the Organization has not early adopted the new or amended standards in preparing these separate financial statements:

**New Standards**

IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts

**Amendments**

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16). (Effective January 1, 2021)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37). (Effective January 1, 2022)
- Annual Improvements to IFRS Standards 2018–2020. (Effective January 1, 2022)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16). (Effective January 1, 2022)
- Reference to the Conceptual Framework (Amendments to IFRS 3). (Effective January 1, 2022)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1). (Effective January 1, 2023)

The Organization anticipates that each of the above standards and amendments will be adopted in the financial statements by its date mentioned above without having any material impact on the Organization’s financial statements.

**5) CASH AND CASH EQUIVALENTS**

<b>US Dollar</b>	<b>As of December 31,</b>	
	<b>2020</b>	<b>2019</b>
Cash on hand	1,224	1,838
Cash at banks – Current accounts	906,954	962,098
	<b>908,178</b>	<b>963,936</b>

**6) OTHER DEBIT BALANCES**

<b>US Dollar</b>	<b>As of December 31,</b>	
	<b>2020</b>	<b>2019</b>
Employee Advances	14,400	21,902
Activity & Travel Advances	4,833	1,576
Others	-	1,357
	<b>19,233</b>	<b>24,835</b>



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**7) CONTRIBUTION RECEIVABLE**

<b>US Dollar</b>	<b>Balance as of January 1, 2020</b>	<b>Additions</b>	<b>Cash received during the year</b>	<b>Write off</b>	<b>Currency Differences</b>	<b>Balance as of December 31, 2020</b>
Government of Norway and Luxembourg United Nations Development Program– Holland	198,817	2,152,880	(761,137)	(88,333)	15,225	1,517,452
Oxfam Novib -UK	-	450,000	(330,000)	-	-	120,000
Transparency International – Belgium	108,655	-	(86,121)	(9,006)	1,961	15,489
Transparency International – Germany	36,534	-	(24,864)	-	2,552	14,222
British Department for International Development	8,955	-	(4,860)	(4,906)	811	-
	-	626,351	(81,773)	-	58,356	602,934
	<b>352,961</b>	<b>3,229,231</b>	<b>(1,288,755)</b>	<b>(102,245)</b>	<b>78,905</b>	<b>2,270,097</b>

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**CONTRIBUTION RECEIVABLE (Continued)**

<b>US Dollar</b>	<b>Balance as of January 1, 2019</b>	<b>Additions</b>	<b>Cash received during the year</b>	<b>Currency Differences</b>	<b>Balance as of December 31, 2019</b>
Government of Norway and Luxembourg	1,494,774	-	(1,281,670)	(14,287)	198,817
Oxfam Novib - UK	11,930	159,677	(60,800)	(2,152)	108,655
Transparency International – Belgium	37,341	-	-	(807)	36,534
Transparency International – Germany	-	22,589	(13,439)	(195)	8,955
United Nations Development Program – Holland	-	150,000	(150,000)	-	-
British Department for International Development	-	104,155	(110,840)	6,685	-
United Nations Development Program	-	36,072	(36,072)	-	-
Transparency International – British	-	26,938	(26,938)	-	-
	<b>1,544,045</b>	<b>499,431</b>	<b>(1,679,759)</b>	<b>(10,756)</b>	<b>352,961</b>

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**8) PROPERTY AND EQUIPMENT, NET**

<b><u>US Dollar</u></b>	<b><u>Office Furniture</u></b>	<b><u>Office Equipment</u></b>	<b><u>Total</u></b>
<b>2020</b>			
<b>Cost</b>			
<b>Beginning balance as of January 1, 2020</b>	35,557	170,786	206,343
Additions	-	7,033	7,033
Disposals	-	(13,982)	(13,982)
<b>Ending balance as of December 31, 2020</b>	<b><u>35,557</u></b>	<b><u>163,837</u></b>	<b><u>199,394</u></b>
<b>Accumulated Depreciation:</b>			
<b>Beginning balance as of January 1, 2020</b>	32,623	157,490	190,113
Depreciation	1,092	5,884	6,976
Disposals	-	(13,982)	(13,982)
<b>Ending balance as of December 31, 2020</b>	<b><u>33,715</u></b>	<b><u>149,392</u></b>	<b><u>183,107</u></b>
<b>Net Book Value, December 31, 2020</b>	<b><u>1,842</u></b>	<b><u>14,445</u></b>	<b><u>16,287</u></b>

AMAN owned property and equipment include fully depreciated assets in the amount of USD 170,379 that are still in operation as of December 31, 2020.

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8 **PROPERTY AND EQUIPEMTN, NET (continued)**

<u>US Dollar</u>	<u>Office Furniture</u>	<u>Office Equipment</u>	<u>Total</u>
<b>2019</b>			
<b>Cost</b>			
<b>Beginning balance as of January 1, 2019</b>	159,429	37,050	196,479
Additions	8,190	1,671	9,861
Disposals	-	-	-
<b>Ending balance as of December 31, 2019</b>	<b>167,619</b>	<b>38,721</b>	<b>206,340</b>
<b>Accumulated Depreciation:</b>			
<b>Beginning balance as of January 1, 2019</b>	151,771	31,265	183,036
Depreciation	4,590	2,483	7,073
Disposals	-	-	-
<b>Ending balance as of December 31, 2019</b>	<b>156,361</b>	<b>33,748</b>	<b>190,109</b>
<b>Net Book Value, December 31, 2019</b>	<b>11,258</b>	<b>4,973</b>	<b>16,231</b>

AMAN owned property and equipment include fully depreciated assets in the amount of USD 175,578 that are still in operation as of December 31, 2019.

9) **Right to use leased assets / liabilities in exchange for operating lease contracts**

**Right to use assets – Leased**

**US - Dollars**

	<u>Rented Real Estate</u>
Balance as of January 1, 2020	115,742
Additions	-
Exclusions	-
<b>Balance as of December 31, 2020</b>	<b>115,742</b>

**Accumulated depreciation**

Balance as of January 1, 2020	28,936
Depreciation for the year	27,426
Exclusions	-
<b>Balance as of December 31, 2020</b>	<b>56,362</b>
<b>Net book value as of December 31, 2020</b>	<b>59,380</b>

**Right to use assets – Leased**

**US – Dollars**

	<u>Rented Real Estate</u>
Balance as of January 1, 2019	-
Impact IFRS 16 Application on the Financial statements	115,742
	<b>115,742</b>
Additions	-
Exclusions	-
<b>Balance as of December 31, 2019</b>	<b>115,742</b>

**Accumulated depreciation**

Balance as of January 1, 2019	-
Depreciation for the year	28,936
Exclusions	-
<b>Balance as of December 31, 2019</b>	<b>28,936</b>
<b>Net book value as of December 31, 2019</b>	<b>86,806</b>

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**- Lease obligations - in exchange for the right to use the leased assets:**

US - Dollars	For year ended December 31	
	2020	2019
Discounted rental obligations included in the balance sheet as of December 31:		
Short-term	30,180	27,428
Long term	33,208	63,388
Total discounted rental obligations	<b>63,388</b>	<b>90,816</b>

**\*\* The rental liability has been discounted using an interest rate of 9.6%.**

US – Dollars	As of December 31,	
	2020	2019
<b><u>The amounts recognized in the items of the statement of activities statement:</u></b>		
Interest charged against lease obligations	7,532	10,034
<b><u>Amounts recognized in the items of the cash flow statement:</u></b>		
Total cash payments against rents	<b>27,927</b>	<b>34,960</b>

**10) ACCOUNTS PAYABLE AND ACCRUALS**

US Dollar	As of December 31,	
	2020	2019
Accounts Payable	182,618	195,344
Postponed Checks	33,012	12,274
Accrued Expenses	-	3,775
Accrued Professional Fees	4,060	2,262
Accrued Payroll Tax	9,424	1,839
	<b>229,114</b>	<b>215,494</b>

**11) PROVISION FOR EMPLOYEES INDEMNITY**

The movement during the years of 2020 and 2019 for the End of Service Benefit Provision are as follows:

US Dollar	As of December 31,	
	2020	2019
Beginning Balance as of January 1	361,003	328,882
Additions During the Year	54,183	57,637
Payments During the Year	(56,269)	(25,516)
<b>Ending Balance as of December 31</b>	<b>358,917</b>	<b>361,003</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**12) TEMPORARILY RESTRICTED CONTRIBUTIONS**

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

<b>US Dollar</b>	<b>Balance as of January 1, 2020</b>	<b>Additions</b>	<b>Temporarily Restricted Contributions Released from Restriction</b>	<b>Deferred Revenues</b>	<b>Currency Exchange Variance</b>	<b>Write- Off</b>	<b>Balance as of December 31, 2020</b>
Government of Norway and Luxembourg	140,565	2,152,880	(568,989)	(5,232)	40,305	(88,370)	1,671,159
Transparency International – Belgium	23,421	-	-	-	(9,199)	-	14,222
Oxfam Novib – UK	100,922	-	(94,700)	-	3,428	(9,650)	-
Transparency International – Germany	19,366	-	(17,589)	-	798	(2,575)	-
United Nations Development Programme – Holland	150,000	450,000	(448,180)	(1,800)	-	-	150,020
Department for International Development – UK	99,346	626,351	(251,910)	-	50,285	-	524,072
Transparency International – UK	3,303	-	(3,215)	-	(88)	-	-
	<b>536,923</b>	<b>3,229,231</b>	<b>(1,384,583)</b>	<b>(7,032)</b>	<b>85,529</b>	<b>(100,595)</b>	<b>2,359,473</b>

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**TEMPORARILY RESTRICTED CONTRIBUTIONS (continued)**

<b>US Dollar</b>	<b>Balance as of January 1, 2019</b>	<b>Additions</b>	<b>Temporarily Restricted Contributions Released from Restriction</b>	<b>Deferred Revenues</b>	<b>Currency Exchange Variance</b>	<b>Balance as of December 31, 2019</b>
Government of Norway and Luxembourg	1,711,892	-	(1,550,243)	(8,190)	(12,894)	140,565
Transparency International – Belgium	34,261	-	(10,086)	-	(754)	23,421
Oxfam Novib – UK	5,230	159,677	(59,804)	(1,671)	(2,510)	100,922
Transparency International – Germany	-	22,589	(3,005)	-	(218)	19,366
United Nations Development Programme – Holland	-	150,000	-	-	-	150,000
Department for International Development – UK	-	104,155	(11,679)	-	6,870	99,346
United Nations Development – UK	-	36,072	(36,072)	-	-	-
Transparency International – UK	-	26,938	(23,016)	-	(619)	3,303
	<b>1,751,383</b>	<b>499,431</b>	<b>(1,693,905)</b>	<b>(9,861)</b>	<b>(10,125)</b>	<b>536,923</b>

**13) FOREIGN CURRENCY EXCHANGE (LOSS) Foreign**

Currency exchange gain or loss have resulted from the revaluation of AMAN’s monetary assets and liabilities in foreign currencies (mainly bank balances, contributions receivable, payables and accruals) to USD using exchange rates prevailing at the date of the statement of financial position. The fluctuations in the exchange rates against USD resulted in losses of USD 27,381 and USD 5,610 as of December 31, 2020 and 2019 respectively.

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**14) OPERATING EXPENSES**

<b>US Dollar</b>	A program to enhance the values of integrity, accountability systems, and principles of transparency in the Palestinian society	Enhancing the role of civil society organizations in monitoring the performance of the security institution	For financial policies that support development	Empowering the national branches of Transparency International to encourage fighting corruption through education	A project to strengthen the capabilities of the security institution in accountability, sustainability, and inclusiveness	Total program expenses	Other expenses - Aman	<b>Total Expenses</b>	
								2020	2019
Salaries and related Expenses	505,842	1,695	31,774	7,536	120,111	666,958	-	666,958	746,086
Printing and Publication Expenses	208,670	1,520	36,270	4,702	34,569	285,731	2,114	287,845	282,626
Consultants and Training Fees	153,386	-	8,849	5,351	67,258	234,844	-	234,844	276,194
Project expenses	76,403	-	11,635	-	-	88,038	-	88,038	102,434
Workshops and Training Expenses	4,852	-	53	-	4,560	9,465	-	9,465	79,913
Transportation and Accommodation Expenses	6,488	-	229	-	6,176	12,893	-	12,893	77,790
Rent Expenses	25,432	-	-	-	12,662	38,094	-	38,094	49,572
Stationery and Office Expenses	18,114	-	4,174	-	3,264	25,552	-	25,552	33,165
Mail, phone, and Internet	6,605	-	1,717	-	3,309	11,631	-	11,631	14,231
Professional Fess	4,060	-	-	-	-	4,060	-	4,060	8,124
Others	7,317	-	-	-	-	7,317	452	7,769	23,770
<b>Total Expenses</b>	<b>1,017,169</b>	<b>3,215</b>	<b>94,701</b>	<b>17,589</b>	<b>251,909</b>	<b>1,384,583</b>	<b>2,566</b>	<b>1,387,149</b>	<b>1,693,905</b>

This item represents amounts granted to the Palestinian institutions and organizations to implement AMAN's projects.



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**15) DEFERRED REVENUES**

<b>US Dollar</b>	<b>As of December 31,</b>	
	<b>2020</b>	<b>2019</b>
Beginning balance as of January 1, 2020	16,231	13,443
Additions	7,032	9,861
Deferred Revenues Recognized	(6,976)	(7,073)
<b>Ending Balances as of December 31, 2020</b>	<b>16,287</b>	<b>16,231</b>

**16) RELATED PARTY TRANSACTIONS**

This item represents transactions with related parties, i.e., trustees, directors, AMAN's senior Management and organizations, over which they exercise control during 2020 and 2019:

<b>US Dollar</b>	<b>2020</b>	<b>2019</b>
Key Management Personnel Salaries and Benefits	167,447	177,423

**17) FINANCIAL RISK MANAGEMENT**

**Overview**

The Organization has exposure to the following risks from its use of financial instruments:

- Credit risk.
- Liquidity risk.
- Market risk.
- Interest risk.

This note presents information about the Organization's exposure to each of the above risks, the Organization's objectives, policies and processes for measuring and managing risk.

**Risk management framework**

The management has overall responsibility for the establishment and oversight of the Organization's risk management framework.

The management is responsible for developing and monitoring the Organization's risk management policies.

The Organization's risk management policies are established to identify and analyze the risks faced by the Organization, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Organization's activities.

The Organization's Management oversees how management monitors compliance with the Organization's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Organization.

• **Credit risk**

Credit risk is the risk of financial loss to the Organization counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Organization's cash and cash equivalents, contributions receivable and other debit balances.

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The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

<b>US Dollar</b>	<b>As of December 31,</b>	
	<b>2020</b>	<b>2019</b>
Cash and Cash Equivalents	908,178	963,936
Contributions Receivable	2,270,097	352,961
Other Debit Balances	19,233	24,835
	<b>3,197,508</b>	<b>1,341,732</b>

• **Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Organization's reputation.

The Organization ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contracted maturities of financial liabilities, including estimated interest payments:

<b>2020</b>	<b>Carrying Amount</b>	<b>Contractual Cash Flows</b>	<b>6 months or less</b>	<b>6 to 12 months</b>	<b>More than a year</b>
<i>US Dollar</i>					
Accounts payable and accruals	229,114	229,114	229,114	-	-
Temporarily restricted contributions	2,359,473	2,359,473	2,359,473	-	-
Provision for Employee's Indemnity	358,917	358,917	-	-	358,917
Deferred Liabilities	16,287	16,287	-	-	16,287
Lease Liabilities	63,388	63,388	30,180	-	33,208
	<b>3,027,179</b>	<b>3,027,179</b>	<b>2,618,767</b>	<b>-</b>	<b>408,412</b>
<b>2019</b>	<b>Carrying Amount</b>	<b>Contractual Cash Flows</b>	<b>6 months or less</b>	<b>6 to 12 months</b>	<b>More than a year</b>
<i>US Dollar</i>					
Accounts payable and accruals	215,494	215,494	215,494	-	-
Temporarily restricted contributions	536,923	536,923	536,923	-	-
Provision for Employee's Indemnity	361,003	361,003	-	-	361,003
Deferred Liabilities	16,231	16,231	-	-	16,231
Lease Liabilities	90,816	90,816	27,428	-	63,388
	<b>1,220,467</b>	<b>1,220,467</b>	<b>779,845</b>	<b>-</b>	<b>440,622</b>

• **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Organization's statement of activities or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

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• **Interest rate risk**

Interest rate risk is the risk that the value of financial instrument will fluctuate due to change in market interest rates.

**18) FAIR VALUES**

**Fair Value Hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Financial assets and liabilities that are not measured at fair value:**

In exception to the table below, The Organization’s management believes that the book value of the financial assets and liabilities shown in the financial statements approximates their fair value as a result of their short-term maturities or of re-pricing their interest rates during the year:

<i>U.S Dollar</i>	<b>Carrying amount</b>	<b>Fair Value</b>		
		<b>Level (1)</b>	<b>Level (2)</b>	<b>Level (3)</b>
<b><u>December 31, 2020</u></b>				
Cash and cash equivalent	908,178	908,178	-	-
Contributions receivable	2,270,097	-	2,270,097	-
Other debit balances	19,233	-	19,233	-
Accounts payable and accruals	229,114	-	229,114	-
Temporarily restricted contributions	2,359,473	-	2,359,473	-
Provision for employees’ Indemnity	358,917	-	358,917	-
Deferred Liabilities	16,287	-	16,287	-
Lease Liabilities	63,388	-	63,388	-
<b><u>December 31, 2019</u></b>				
Cash and cash equivalent	963,936	963,936	-	-
Contributions receivable	352,961	-	352,961	-
Other debit balances	24,835	-	24,835	-
Accounts payable and accruals	215,494	-	215,494	-
Temporarily restricted contributions	536,923	-	536,923	-
Provision for employee’s Indemnity	361,003	-	361,003	-
Deferred Liabilities	16,231	-	16,231	-
Lease Liabilities	90,816	-	90,816	-

For items illustrated above, level 2 fair values for financial assets and liabilities have been determined based on interest rates, yield curve, credit spreads.

Management believes that the book value of these financial assets and liabilities approximate their fair value as a result of their short-term maturities or of re-pricing their interest rates during the year.