

**Near East Council of Churches Committee  
For Refugee Work**

**Gaza Area**

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Financial Statements  
And  
Independent Auditors' Report

December 31, 2013

**Middle East Council of Churches**  
Department of Service for Palestine Refugees  
Central Office

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**The Chairman and Members,  
Near East Council of Churches Committee for Refugee Work,  
Gaza**

## **Independent Auditors' Report**

### **Report on the financial statements**

We have audited the accompanying financial statements of **The Near East Council of Churches Committee for Refugee Work – Gaza Area**, which comprise the statement of financial position as of December 31, 2013, statement of activities, statement of changes in net assets, statement of functional expenses, statement of changes in special funds, and cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### **Management responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 116 and 117 relating to Not-For-Profit Organizations as applicable and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the society's preparation and fair presentation of the financial statement 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 society's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements, give a true and fair view of the financial position of **The Near East Council of Churches Committee for Refugee Work – Gaza Area**, as of December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and United States of America Statements on Financial Accounting Standards No. 116 and 117 relating to Not-For-Profit Organizations as applicable.



**Yacoub El-Yousef**

**Certified Public Accountant**

**March 14, 2014**

**Near East Council of Churches Committee for Refugee Work - Gaza Area**  
**Statement of Financial Position**  
**As of December 31, 2013**  
**(In US Dollars)**

	Note	Unrestricted	Restricted & special funds	Total 2013	Total 2012
<b>Assets</b>					
Cash on Hand and Deposits with Banks	2.1	1,506,857	762,133	2,268,990	2,203,559
Deposits with Banks - Loans Revolving Fund	2.2	-	609,689	609,689	634,795
Deposits with Banks - for Indemnities	2.3	-	1,429,483	1,429,483	1,377,739
Inter-Fund Borrowing	Statement - D	(15,661)	15,661	-	-
Due from DSPR - Central Office		-	24,695	24,695	9,589
Pledge Receivable - Pontifical Mission		-	-	-	39,866
Pledge Receivable - EED		-	55,235	55,235	131,615
Loans Receivable	3	-	300,102	300,102	292,655
Fixed Assets - Net of Accumulated Depreciation	4	23,786	-	23,786	68,709
<b>Total Assets</b>		<b>1,514,982</b>	<b>3,196,998</b>	<b>4,711,980</b>	<b>4,758,527</b>
<b>Trust Fund Assets</b>	8	<b>25,249</b>	<b>-</b>	<b>25,249</b>	<b>25,249</b>
<b>Liabilities and Net Assets</b>					
<b>Liabilities</b>					
Due to Staff		93,338	-	93,338	74,397
Accounts Payable		4,068	-	4,068	4,068
End of Service Liability	Schedule - 9	-	1,429,483	1,429,483	1,377,739
<b>Total Liabilities</b>		<b>97,406</b>	<b>1,429,483</b>	<b>1,526,889</b>	<b>1,456,204</b>
<b>Net Assets</b>					
General Unrestricted		369,124	-	369,124	397,205
Temporarily Restricted		-	842,063	842,063	827,066
Investment in Net Fixed Assets		23,786	-	23,786	68,709
<b>Total Net Assets</b>	Statement - C	<b>392,910</b>	<b>842,063</b>	<b>1,234,973</b>	<b>1,292,980</b>
<b>Special Funds</b>					
Loans Revolving Fund	Statement - D	-	925,452	925,452	942,842
Emergency fund	Schedule - 9	573,398	-	573,398	615,536
Board (Area Committee) Designated Fund	7	451,268	-	451,268	450,965
<b>Total Special Funds</b>		<b>1,024,666</b>	<b>925,452</b>	<b>1,950,118</b>	<b>2,009,343</b>
<b>Total Net Assets and Special Funds</b>		<b>1,417,576</b>	<b>1,767,515</b>	<b>3,185,091</b>	<b>3,302,323</b>
<b>Total Liabilities and Nets Assets</b>		<b>1,514,982</b>	<b>3,196,998</b>	<b>4,711,980</b>	<b>4,758,527</b>
<b>Trust Fund Liability</b>	8	<b>25,249</b>	<b>-</b>	<b>25,249</b>	<b>25,249</b>

Dr. Sohail El Madbak  
Area Committee Chairperson



Dr. Maher Ayyad  
Treasurer

See Notes to Financial Statements



Dr. Issa Tarazi  
Executive Director



Near East Council of Churches Committee for Refugee Work - Gaza Area  
Statement of Activities General Operating Fund  
For the year ended December 31, 2013  
(In US Dollars)

	Note Schedule Statement	Unrestricted Fund	Temporary Restricted Fund	Total 2013	Total 2012
<b>Grants and Revenues</b>					
Grants	5 & 11	-	1,817,772	1,817,772	2,019,044
Local Program Revenues	6	86,921	-	86,921	133,084
Difference of Currency		181	-	181	(21,950)
<b>Total grants and revenues</b>		<b>87,102</b>	<b>1,817,772</b>	<b>1,904,874</b>	<b>2,130,178</b>
Net assets released from restrictions	11	1,802,775	(1,802,775)	-	-
		<b>1,889,877</b>	<b>14,996</b>	<b>1,904,874</b>	<b>2,130,178</b>
<b>Program Expenses</b>					
Health of Community	Schedule - (1)	734,759	-	734,759	817,772
Psycho social	Schedule - (1)	46,884	-	46,884	25,007
Educational Opportunities	Schedule - (2)	441,086	-	441,086	388,696
Community Development	Schedule - (3)	33,011	-	33,011	28,987
Advocacy	Schedule - (4)	-	-	-	999
Special Emergency and Projects	Schedule - (10)	504,691	-	504,691	618,234
<b>Total program expenses</b>	(Statement - F)	<b>1,760,431</b>	<b>-</b>	<b>1,760,431</b>	<b>1,879,695</b>
Administrative and general	(Statement - F) Schedule - (5)	149,027	-	149,027	104,510
<b>Total Expenses Before Depreciation</b>	(Statement - F)	<b>1,909,458</b>	<b>-</b>	<b>1,909,458</b>	<b>1,984,205</b>
Depreciation expense	4	53,423	-	53,423	44,436
<b>Total Expenses</b>		<b>1,962,881</b>	<b>-</b>	<b>1,962,881</b>	<b>2,028,641</b>
<b>Change in Net Assets during the Year</b>	(Statement - C)	<b>(73,004)</b>	<b>14,996</b>	<b>(58,007)</b>	<b>101,537</b>

See Notes to Financial Statements

Near East Council of Churches Committee for Refugee Work - Gaza Area  
Statement of Changes in Net Assets General Operating Fund  
For the year ended December 31, 2013  
(In US Dollars)

	Unrestricted Fund	Temporary Restricted Fund	Investment in Fixed Assets	Total
<b>Year 2013</b>				
Balance as of January 1, 2013	397,205	827,067	68,709	1,292,981
Change in net assets for the year (Statement - B)	(73,004)	14,996	-	(58,007)
<b>Inter-fund Transfers:</b>				
Procurement of fixed assets	(8,500)	-	8,500	-
Depreciation for the year	53,423	-	(53,423)	-
<b>Balance as of December 31, 2013</b>	<b>369,124</b>	<b>842,063</b>	<b>23,786</b>	<b>1,234,973</b>
<b>Year 2012</b>				
Balance as of January 1, 2012	334,937	763,362	93,145	1,191,444
Change in net assets for the year (Statement - B)	37,832	63,705	-	101,537
<b>Inter-fund Transfers:</b>				
Procurement of fixed assets	(20,000)	-	20,000	-
Depreciation for the year	44,436	-	(44,436)	-
<b>Balance as of December 31, 2012</b>	<b>397,205</b>	<b>827,067</b>	<b>68,709</b>	<b>1,292,981</b>

See Notes to Financial Statements

Near East Council of Churches Committee for Refugee Work - Gaza Area  
Statement of Activities and Changes in Loan Revolving Fund  
For the year ended December 31, 2013  
(In US Dollars)

	Education	Business	Staff Loans	World Council of Churches	Total
<b>Revenues</b>					
Interest Earned	2,340	-	-	-	2,340
Other Income	-	87	-	-	87
<b>Total Revenues</b>	<b>2,340</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>2,427</b>
<b>Expenses</b>					
	(20,086)	-	-	269	(19,817)
<b>Excess of Revenues Over Expenses</b>	<b>(17,746)</b>	<b>87</b>	<b>-</b>	<b>269</b>	<b>(17,390)</b>
Net Assets at Beginning of Year	734,564	192,886	-	15,392	942,842
<b>Net Assets at End of Year (Statement - A)</b>	<b>716,818</b>	<b>192,973</b>	<b>-</b>	<b>15,661</b>	<b>925,452</b>
<b>Schedule - (8)</b>					
<b>Composition of net assets</b>					
Outstanding loans - beginning	279,092	-	22,381	-	301,473
Loans issued during the year	96,750	-	27,130	-	123,880
Collections	(89,309)	-	(27,130)	-	(116,439)
Outstanding loans	<b>286,533</b>	<b>-</b>	<b>22,381</b>	<b>-</b>	<b>308,914</b>
Reserve for Doubtful Debts	(8,812)	-	-	-	(8,812)
Balance - Ending	<b>277,721</b>	<b>-</b>	<b>22,381</b>	<b>-</b>	<b>300,102</b>
Deposits with Banks	439,097	170,592	-	-	609,689
Inter-Fund Borrowings	-	22,381	(22,381)	15,661	15,661
	<b>716,818</b>	<b>192,973</b>	<b>-</b>	<b>15,661</b>	<b>925,452</b>

See Notes to Financial Statements

Near East Council of Churches Committee for Refugee Work - Gaza Area  
Statement of cash flows  
For the year ended December 31, 2013  
(In US Dollars)

	<u>2013</u>	<u>2012</u>
<b><u>Cash Flow from Operating Activities:</u></b>		
Change in Operating Net Assets	(117,233)	331,443
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	53,423	44,436
Increase in Due from DSPR Central Office	(15,106)	(9,589)
Decrease (Increase) in pledges receivable - Pontifical Mission	39,866	(164,581)
Decrease in Pledge Receivable - EED	76,380	-
Increase in Loans Receivable	(7,447)	(32,718)
Increase in Due to Employees	18,941	25,047
Decrease in Accounts Payable	-	(38,525)
Decrease in Deferred Grants	-	(137,975)
Decrease in Deferred Income	-	(9,620)
Increase (decrease) in End of Service Liability	51,744	(224,664)
<b>Net Cash Provided by (used in) Operating Activities</b>	<b><u>100,568</u></b>	<b><u>(216,746)</u></b>
<b><u>Cash flows from Investing Activities</u></b>		
Procurement of Fixed Assets	(8,500)	(20,000)
<b>Cash on Hand and Deposits with Banks at Beginning of Year</b>	<b><u>4,216,093</u></b>	<b><u>4,452,839</u></b>
<b>Cash on Hand and Deposits with Banks at End of Year</b>	<b><u>4,308,162</u></b>	<b><u>4,216,093</u></b>
<b><u>Composition of Cash on Hand and Deposits with Banks Balances:</u></b>		
Cash on Hand and Deposits with Banks	2,268,990	2,203,559
Deposits with Banks - Loans Revolving Fund	609,689	634,795
Deposits with Banks - (End of Service Benefits)	1,429,483	1,377,739
	<b><u>4,308,162</u></b>	<b><u>4,216,093</u></b>

See Notes to Financial Statements



Near East Council of Churches Committee for Refugee Work - Gaza Area  
 Statement of functional expenses - Operating Fund  
 For the year ended December 31, 2013  
 (In US Dollars)

	Health of community		Education opportunity	Community development	Advocacy	Special emergency & Projects	Total Program	General Administration	Total	
	psycho social	social							2013	2012
Salaries and Benefits	539,958		299,090	-	-	-	839,048	97,838	936,887	820,130
Professional Services	15,580		13,797	-	-	-	29,377	6,321	35,698	35,945
General Expenses	60,209		97,333	5,468	-	-	163,010	28,324	191,334	168,764
Medical Expenses	107,772		-	-	-	-	107,772	-	107,772	219,835
Hospitality	5,862		1,710	-	-	-	7,572	5,936	13,509	16,456
Insurance	2,990		7,625	-	-	-	10,615	109	10,723	18,227
Transportation and Vehicle expenses	43,976		14,228	103	-	-	58,307	1,964	60,271	34,488
Travel Expenses	-		-	-	-	-	-	4,084	4,084	9,732
Trainees Incentives	1,500		-	-	-	-	1,500	-	1,500	1,663
Employees Incentives	-		-	-	-	-	-	-	-	1,040
Taxes	866		7,303	-	-	-	8,169	3,080	11,248	14,325
Other Expenses	2,930		-	27,440	-	-	30,370	1,371	31,741	25,366
Special Emergency & Projects Schedule - (10)	-		-	-	-	504,691	504,691	-	504,691	618,234
<b>Total Expenses (Statement - B)</b>	<b>781,643</b>		<b>441,086</b>	<b>33,011</b>	<b>-</b>	<b>504,691</b>	<b>1,760,431</b>	<b>149,027</b>	<b>1,909,458</b>	<b>1,984,205</b>
<b>Budget for 2013</b>	<b>857,680</b>		<b>467,150</b>	<b>42,480</b>	<b>2,500</b>			<b>161,770</b>		
<b>Variance</b>	<b>76,037</b>		<b>26,064</b>	<b>9,469</b>	<b>2,500</b>			<b>12,743</b>		
	Schedule - (1)		Schedule - (2)	Schedule - (3)	Schedule - (4)	Schedule - (10)		Schedule - (5)		

See Notes to Financial Statements

# Near East Council of Churches Committee For Refugee Work - Gaza Area (NECCCRW)

## Notes to Financial Statements

Year Ended December 31, 2013

(Amounts are expressed in U.S. Dollar)

### 1 Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting and in conformity with International Financial Reporting Standards and United States of America Statements on Financial Accounting Standards No. 116 and 117, relating to not-for-profit organizations as applicable. The accounting policies adopted are consistent with those of the previous financial year.

The significant accounting policies followed are described below:

#### 1.1 Basis of Accounting and Presentation:

Under the provisions of United States of America Statements on Financial Accounting Standards No. 116 and 117, "Financial Statements of Not-for-profit Organizations", net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. In order to ensure observance of limitations and restrictions placed on the use of the available resources, the accounts are maintained in accordance with the principles of fund accounting. Accordingly net assets of NECCCRW and changes therein are classified and reported as follows:

- **Unrestricted net assets** - Net assets whose use by NECCCRW is not subject to donor-imposed restrictions. Funding received for core activities are included in the unrestricted net assets. Unrestricted net assets also include "Investment in Net Fixed Assets"; "Board Designated Special Funds" and "Loan Revolving Funds" which are described below
- **Temporarily restricted net assets** - Net assets whose use by the Committee is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and released by actions of NECCCRW pursuant to those donor-imposed stipulations.
- **Loans Revolving Funds** - represent restricted contributions received for on lending purposes, which are expended in terms of loans.
- **Emergency Fund** - NECC/DSPR Gaza Area Committee decided to create this fund towards NECC on-going programs sustainability, justified as follows:
  - NECC/DSPR Gaza runs long term ongoing programmes with commitments toward beneficiaries and towards providing salaries to around 100 NECC employees. The annual running costs are approximately USD 1,400,000.
  - The income is derived largely from partners (Donors) which are unpredictable and not warranted towards a long term sustainability.
  - Delay in transfer of grants which hinder the implementation of the services.
  - The services of NECC have a long standing history, relationship and commitments with its beneficiaries in the vulnerable areas of Gaza Strip and it would want to mitigate as far as possible the short – term impacts on its beneficiaries of any unexpected and precipitous drop in the income of NECC/DSPR.

## 1 Summary of Significant Accounting Policies (continued)

- In addition to the factors above, prudence would suggest that NECC should keep some limited level of reserves for unforeseen contingencies, including upkeep of our owned premises.
- The Area Committee members are of the opinion that, to ensure the continuity of our wholly owned operations and the continuity in the short – term of supply and running costs of the centres in Gaza which we have supported for many years, free reserves should fall within a range of between 6 and 12 months of operating expenditure on the basis of our current ongoing programme yearly operating expenditures is around USD 1,400,000.
- The long time nature of services and commitments to the beneficiaries and employees and exposure to any short fall in any income, would suggest that a target or range in excess of the “standard” 6 months of expenditure is indicated.
- The “extra” six months of the budgeted reserves expenditure are also a proxy for the administrative and other costs that would be incurred “staff salaries, redundancy etc” if NECC were collapsed, (hopefully not).

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

### 1.2 Contributions and grants:

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

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

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

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

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

### 1.3 Inter-fund Borrowings:

Represents allocations to / from restricted special funds. These allocations represent short-term receivables or liabilities in the general fund to special funds to cover deficit or over funding in the related funds bank accounts. Settlement between funds is done within a period of less than a month.

### 1.4 Loans Receivable

Loans, which are interest free, are stated at the amount of unpaid principal. According to management estimates and Judgment, provisions for bad and doubtful debts that are taken in the books are adequate.

## **1 Summary of Significant Accounting Policies (continued)**

### **1.5 Furniture and Equipment**

Starting with the year 2004, the accounting policy of accounting for fixed assets was changed from expensing costs on date of acquisition to conform to international accounting standards of capitalizing these costs and depreciate them over their estimated useful lives. The prior period presented was restated for the change.

Fixed assets are stated at cost net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets based on the following annual percentage rates:

Equipment	5 years
Furniture	10 years
Vehicles Training Equipment	4 years

### **1.6 Deferred grants and tuition fees**

These represent grants and course tuition fees received in advance of the related period.

### **1.7 End of Service Liability represents:**

Represents provident fund contributions made by the employees and NECCCRW at the rate of 14% each computed on the basic monthly salaries. Provident fund liability is funded in a separate bank account. Interest earned is distributed proportionately at the end of each year.

### **1.8 Foreign Currencies**

The books of accounts are maintained in U.S. Dollar. Transactions, which are denominated or expressed in local currency, are converted into U.S. Dollar as follows:

- Transactions, which are expressed or denominated in local currency, are converted into U.S. Dollar at the actual exchange rate prevailing at the date of each transaction.
- Balances of assets and liabilities in local currency are converted into U.S. Dollar at the exchange rate prevailing at the balance sheet date.
- Exchange differences arising from the conversion of local currency balances and transactions are charged to the Statement of Activities.

### **1.9 Income taxes**

The NECCCRW is registered as not-for-profit organization in Gaza and is exempt from income taxes.

### **1.10 Provisions**

Provisions are recognized when the NECCCRW 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.

### **1.11 Functional allocation of expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities. Accordingly expenses that relate directly to a program or supporting service are charged to that program, or supporting service.

## **1 Summary of Significant Accounting Policies (continued)**

### **1.12 Critical accounting judgments and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period the estimates are revised and in any future period affected. Critical judgments and estimates relate to depreciation of fixed assets and impairment of loans receivables and provisions for potential liabilities under conditional grants as detailed in the following paragraph

### **1.13 Contingencies**

The NECCCRW receives grants from various donors. Such grants are subject to individual audits under the grant agreement terms. The ultimate determination of amounts received under these grants is based upon the allowance of costs reported to and accepted by the donor as a result of the audits. Until such audits are accepted by the donor, there exists a contingency to refund any amount received in excess of allowable costs. Other than the provisions booked for conditional grants described above, management is of the opinion that no material liability will result from such audits.

### **1.14 Trust Fund**

Represent resources available for use by local institutions for which NECCCRW acts as a trustee.

### **1.15 Economic Dependency**

Approximately 95% of NECCCRW revenue and support for the years ended December 31, 2013 and 2012 was derived from grants awarded directly by various donor agencies. NECCCRW has no reason to believe that relationships with these agencies will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements for withholding of funds) would adversely affect NECCCRW ability to finance ongoing operations.

## 2. Cash on Hand and Deposits with Banks

### 2.1 Deposits with banks in the general operating fund was comprised of the following as of 31 December:

	<u>2013</u>	<u>2012</u>
Cash – NIS	77	28
Cash – USD	129	129
Arab Bank – NIS	36,667	27,728
Arab Bank – GBP	48,284	23,219
Arab Bank – USD	1,577,108	1,519,220
ING bank Holland - USD	573,398	615,536
Arab Bank – EURO	(3,101)	(1,980)
Bank of Palestine – NIS	13,466	(253)
Bank of Palestine – USD	21,794	18,764
Bank of Palestine – EURO	1,168	1,168
<b>Total</b>	<b><u>2,268,990</u></b>	<b><u>2,203,559</u></b>

### 2.2 Loan revolving fund was comprised of the following as of 31 December:

	<u>2013</u>	<u>2012</u>
Deposits with Banks – Educational Loans	439,097	464,284
Deposits with Banks – Business Loans	170,592	170,511
<b>Balance with banks as of 31 December</b>	<b><u>609,689</u></b>	<b><u>634,795</u></b>

### 2.3 Provident fund was comprised of the following as of 31 December:

	<u>2013</u>	<u>2012</u>
Deposit at ING Bank – Holland	1,429,483	1,377,739
<b>Balance with bank as of 31 December</b>	<b><u>1,429,483</u></b>	<b><u>1,377,739</u></b>

## 3. Loans Receivable

### 3.1 Activities in these accounts during 2013 were as follows:

	<u>Education</u>	<u>Business</u>	<u>Staff</u>	<u>Total</u>
Balance – Beginning	279,092	-	22,381	301,473
Loans Issued	96,750	-	27,130	123,880
Collected	(89,309)	-	(27,130)	(116,439)
<b>Outstanding Loans</b>	<b><u>286,533</u></b>	<b><u>-</u></b>	<b><u>22,381</u></b>	<b><u>308,914</u></b>
Reserve for Doubtful Debts	(8,812)	-	-	(8,812)
<b>Balance – Ending</b>	<b><u>277,721</u></b>	<b><u>-</u></b>	<b><u>22,381</u></b>	<b><u>300,102</u></b>

### 3.2 Activities in these accounts during 2012 were as follows:

	<u>Education</u>	<u>Business</u>	<u>Staff</u>	<u>Total</u>
Balance – Beginning	246,373	-	22,381	268,748
Loans Issued	81,750	-	18,396	100,146
Collected	(49,031)	-	(18,396)	(67,427)
<b>Outstanding Loans</b>	<b><u>279,092</u></b>	<b><u>-</u></b>	<b><u>22,381</u></b>	<b><u>301,467</u></b>
Reserve for Doubtful Debts	(8,812)	-	-	(8,812)
<b>Balance – Ending</b>	<b><u>270,280</u></b>	<b><u>-</u></b>	<b><u>22,381</u></b>	<b><u>292,655</u></b>

#### 4. Fixed Assets

4.1 The net fixed assets break down as of Dec 31,2013 was as follows:

	Balance January 01 2013	Additions	Disposals	Balance December 31 2013
<b>Cost</b>				
Furniture and Fittings	72,413	2,500	-	74,913
Office Equipments	118,728	6,000	-	124,728
Medical Equipment	195,977	-	-	195,977
Training Equipment	135,105	-	-	135,105
Vehicles	277,160	-	-	277,160
Other Fixed Assets	7,290	-	-	7,290
<b>Total Cost</b>	<b>806,673</b>	<b>8,500</b>	<b>-</b>	<b>815,173</b>
<b>Accumulated depreciation</b>				
Furniture	72,159	284	-	72,443
Office Equipments	91,901	12,515	-	104,416
Medical Equipments	169,438	25,820	-	195,258
Training Equipments	145,500	5,053	-	150,553
Vehicles	250,910	8,750	-	259,660
Other Fixed Assets	8,056	1,001	-	9,057
<b>Total Accumulated Depreciation</b>	<b>737,964</b>	<b>53,423</b>	<b>-</b>	<b>791,387</b>
<b>Net Book value</b>	<b>68,709</b>			<b>23,786</b>

4.2 The net fixed assets break down as of Dec 31,2012 was as follows:

	Balance Jan 01,2012	Additions	Disposals	Balance Dec 31,2012
<b>Cost</b>				
Furniture and Fittings	72,413	-	-	72,413
Office Equipments	116,228	2,500	-	118,728
Medical Equipment	195,977	-	-	195,977
Training Equipment	135,105	-	-	135,105
Vehicles	259,660	17,500	-	277,160
Other Fixed Assets	7,290	-	-	7,290
<b>Total Cost</b>	<b>786,673</b>	<b>20,000</b>	<b>-</b>	<b>806,673</b>
<b>Accumulated depreciation</b>				
Furniture	71,502	657	-	72,159
Office Equipments	79,872	12,029	-	91,901
Medical Equipments	152,113	17,325	-	169,438
Training Equipments	140,830	4,670	-	145,500
Vehicles	242,160	8,750	-	250,910
Other Fixed Assets	7,051	1,005	-	8,056
<b>Total Accumulated Depreciation</b>	<b>693,528</b>	<b>44,436</b>	<b>-</b>	<b>737,964</b>
<b>Net Book value</b>	<b>93,145</b>			<b>68,709</b>

	<u>Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
<b>5. Grants</b>			
<b><u>Composition:</u></b>			
<b><u>Grants through DSPR</u></b>			
Embrace the Middle East	148,408	148,408	-
Embrace the Middle East - well baby clinic	56,718	56,718	-
Embrace the Middle East - well baby clinic PLEDGE RECEIVABLE	20,350	20,350	-
ACT \ PSE 131	100,000	100,000	-
ACT for peace Australian	267,319	267,319	434,687
ACT for peace Australian PLEDGE RECEIVABLE	4,345	4,345	-
NCA, Norwegian Church Aid	332,566	332,566	374,384
CHURCH OF SWEDEN	133,350	133,350	116,163
CHURCH OF SCOTLAND	-	-	9,589
CHURCH OF CANADA	-	-	3,136
CHRISIAN AID	-	-	52,779
UNITED CHURCH OF CANADA	-	-	31,016
PRESBYTERIAN CHURCH OF CANADA	-	-	39,640
<b>Total grants through DSPR</b>	<b>1,063,056</b>	<b>1,063,056</b>	<b>1,061,394</b>
<b><u>Direct Grants</u></b>			
PONTIFICAL MISSION	45,000	45,000	45,000
PONTIFICAL MINOR DAMAGE REPAIR	50,000	50,000	-
PONTIFICAL MISSION -MEDECINE	12,880	12,880	-
PONTIFICAL MISSION\PSHCHO. PRJ	26,721	26,721	-
PONTIFICAL MISSION\Job Creation	30,000	30,000	-
PONTIFICAL MISSION - Ex University & VTC Graduates Project	-	-	110,373
PONTIFICAL MISSION - Ex University PLEDGE RECEIVABLE	372	372	39,866
MENNONIET	24,920	24,920	24,920
OTHER DONATIONS	7,097	7,097	9,748
E E D - GERMANY	378,010	378,010	364,500
E E D - GERMANY PLEDGE RECEIVABLE	-	-	131,615
Church WALES	-	-	38,054
THE AMOS TRUSR	-	-	15,849
EMG.HUMANITARIAN DCA 2011/2012	-	-	120,560
<b>Total direct grants</b>	<b>575,000</b>	<b>575,000</b>	<b>900,485</b>
<b><u>Donations in kind</u></b>			
INKIND DONATIONS-MINISTRY OF HEALTH	-	-	420
INKIND DONATIONS-ANERA	179,716	179,716	56,745
<b>Total donations in kind</b>	<b>179,716</b>	<b>179,716</b>	<b>57,165</b>
<b>Total Grants</b>	<b>1,817,772</b>	<b>1,817,772</b>	<b>2,019,044</b>

**6. Local Program Revenues**

**Composition:**

	<u>2013</u>	<u>2012</u>
Community Health	37,451	31,082
Educational Opportunities	38,898	94,397
Community Development	-	1,332
Self help clothing	1,069	1,225
Sewing co. Operative	3,185	3,124
Administration	2,025	1,473
applications for Educational Loans	4,293	451
	<b>86,921</b>	<b>133,084</b>

**Board Designated Fund**

**Composition:**

	<u>2013</u>	<u>2012</u>
7. Balance at Beginning of Year	450,965	450,652
<b>Add:</b> General Donations	-	-
Interest Earned	303	313
<b>Balance at end of year</b>	<b>451,268</b>	<b>450,965</b>



	<u>2013</u>	<u>2012</u>
<b>8. Trust Fund</b>		
<b><u>Composition:</u></b>		
Ahli Arab Hospital	216	216
Dress Making Cooperative	6,623	6,623
VTC Box	10,515	10,515
Materials Dress Making	185	185
Canteen	7,432	7,432
Qararah VTC Box	278	278
Youth Rehabilitation Center	-	-
	<u>25,249</u>	<u>25,249</u>
Deposit at Arab Bank	25,249	25,249
	<u>25,249</u>	<u>25,249</u>

**9. Actual Versus Budget**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b><u>Core Budget</u></b>			
Health of the Community	781,643	857,680	76,037
Educational Opportunities	441,086	467,150	26,064
Community Development	33,011	42,480	9,469
Advocacy	-	2,500	2,500
Administration	149,027	161,770	12,743
	<u>1,404,767</u>	<u>1,531,580</u>	<u>126,813</u>
Less: Local Revenues	(86,921)	(66,000)	
Net Budget	<u>1,317,846</u>	<u>1,465,580</u>	
<b><u>Additional Budget</u></b>			
Special emergency & projects	504,691		
<b>Total</b>	<u>1,822,537</u>		

**Financial Instruments – Fair Values and Risk Management****(a) Fair Values of Financial Assets and Liabilities**

The carrying book value of financial assets and liabilities are not materially different from their fair values applicable at the balance sheet date

**(b) Credit Risk**

Credit risk is the risk that a counter party will not settle its obligations in accordance with the agreed terms. NECCCRW's credit risk is primarily attributable to its liquid funds and loans receivable.

The credit risk on liquid funds is limited because the counter parties are prime banks and major donors

The credit risk associated with the loan portfolio is by the nature of this program is high. To mitigate the risks, the area committees' managements have established procedures for loan issuance, collateral obtained (guarantees), and follow up policies on collections. Higher risks are associated with old loans that are in arrear; however adequate provisions have been made to cover uncollectible debts.

**(c) Currency Risk**

Currency risk arises from the possibility that changes in exchange rates may affect negatively the value of financial assets and liabilities in case NECCCRW does not hedge its currency exposure by means of hedging instruments. Management considers that the net effect of currency risk would not affect it materially due to matching of donor funding with expenses on activities and due to matching of the loan portfolio fund balances with related deposits in banks and loans receivable in U.S. Dollar.

**(d) Operational Risks**

**Dependency on donor funding:** NECCCRW as a not-for-profit Organization is dependent upon donors to fund its activities. Due to that nature, it has an operational risk if donor funding decreases or stops.

Near East Council of Churches Committee for Refugee Work - Gaza Area

Note (11) - Net assets released from restrictions  
(In US Dollars)

	DISPOSITION OF GRANTS															
	Unspent Grants Dec 31, 2012	Amounts Received in Y 2013	Pledge Receivable in Y 2013	Interest earned and others	Available Funds for Y 2013	Unspent Balance Dec 31, 2013	Releases from restrictions for Y 2013	Health of community	Psycho social	Education opportunity	Community development	Advocacy	General administration	Special emergency & Projects	Capital additions equip. and medicines	Total
<b>Restricted</b>																
UMCOR	152,690	-	-	-	152,690	152,690	-	-	-	-	-	-	-	-	-	-
Carpentry Cooperative	23,491	-	-	-	23,491	23,491	-	-	-	-	-	-	-	-	-	-
NECEF	33,013	-	-	-	33,013	33,013	-	-	-	-	-	-	-	-	-	-
Church in Waks	132,828	-	-	-	132,828	132,828	-	-	-	-	-	-	-	-	-	-
Materials and Embroidery Fund	71,422	-	-	-	71,422	71,422	-	-	-	-	-	-	-	-	-	-
Embrace the Middle East	-	148,408	-	-	148,408	54	148,354	-	-	-	-	-	-	148,354	-	148,354
Embrace the Middle East - well baby clinic	-	56,718	20,350	-	77,068	-	77,068	77,068	-	-	-	-	-	-	-	77,068
Pontifical Mission	27,020	45,000	-	-	72,020	60,533	-	-	11,487	-	-	-	-	-	-	11,487
PONTIFICAL MINOR DAMAGE REPAIR	-	50,000	-	-	50,000	-	50,000	-	-	-	-	-	-	50,000	-	50,000
PONTIFICAL MISSION -MEDECINE	-	12,880	-	-	12,880	-	12,880	-	-	-	-	-	-	12,880	-	12,880
PONTIFICAL MISSION\PSHCHO. PRJ	-	26,721	-	-	26,721	-	26,721	-	-	-	-	-	-	26,721	-	26,721
PONTIFICAL MISSION\Job Creation	-	30,000	-	-	30,000	-	30,000	-	-	-	-	-	-	30,000	-	30,000
Pontifical Mission for Qarara	781	-	-	-	781	-	781	-	781	-	-	-	-	-	-	781
PONTIFICAL MISSION - Ex University from PLEDGE RECEIVABLE	-	372	-	-	372	-	372	-	372	-	-	-	-	-	-	372
Church Of Scotland	9,589	-	-	-	9,589	-	9,589	-	9,589	-	-	-	-	-	-	9,589
Amos Trust	15,849	-	-	-	15,849	-	15,849	-	15,849	-	-	-	-	-	-	15,849
CHURCH OF CANADA	3,136	-	-	-	3,136	-	3,136	3,136	-	-	-	-	-	-	-	3,136
CHURCH OF SWEDEN	-	133,350	-	-	133,350	-	133,350	94,100	4,440	25,210	-	-	9,600	-	-	133,350
UNITED CHURCH OF CANADA	31,016	-	-	-	31,016	14,751	16,265	16,265	-	-	-	-	-	-	-	16,265
PRESBYTERIAN CHURCH OF CANADA	39,640	-	-	-	39,640	18,486	21,154	21,154	-	-	-	-	-	-	-	21,154
EED - GERMANY	725	378,010	-	-	378,735	128,000	250,735	142,635	-	83,500	3,600	-	21,000	-	-	250,735
ACT \ PSE I31	-	100,000	-	-	100,000	64,681	35,319	-	-	-	-	-	-	35,319	-	35,319
ACT FOR PEACE AUSTRALIAN	116,121	267,319	4,345	-	387,785	48,994	338,791	290,178	-	24,290	-	-	24,323	-	-	338,791
N C A, NORWEGIAN CHURCH AID	156,000	332,566	-	-	488,566	85,890	402,676	90,224	42,444	270,008	-	-	-	-	-	402,676
Memonic	4,010	24,920	-	-	28,930	7,228	21,701	-	-	-	-	-	-	21,701	-	21,701
Other Donations	9,735	7,097	-	-	16,832	-	16,832	-	-	-	-	-	-	-	-	16,832
Donation in kind - ANERA & Ministry of health	-	179,716	-	-	179,716	-	179,716	-	-	-	11,214	-	5,618	-	-	179,716
<b>Total restricted</b>	<b>827,066</b>	<b>1,793,077</b>	<b>24,695</b>	<b>-</b>	<b>2,644,838</b>	<b>842,063</b>	<b>1,802,775</b>	<b>734,759</b>	<b>46,884</b>	<b>441,086</b>	<b>14,814</b>	<b>-</b>	<b>60,541</b>	<b>504,691</b>	<b>-</b>	<b>1,802,775</b>
<b>Unrestricted:</b>																
Local Revenues and unrestricted funds	397,205	86,921	-	181	484,307	369,124	115,183	-	-	-	18,197	-	88,486	-	8,500	115,183
<b>Total unrestricted</b>	<b>397,205</b>	<b>86,921</b>	<b>-</b>	<b>181</b>	<b>484,307</b>	<b>369,124</b>	<b>115,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,197</b>	<b>-</b>	<b>88,486</b>	<b>-</b>	<b>8,500</b>	<b>115,183</b>
<b>Grand Total</b>	<b>1,224,271</b>	<b>1,879,998</b>	<b>24,695</b>	<b>181</b>	<b>3,129,145</b>	<b>1,211,187</b>	<b>1,917,958</b>	<b>734,759</b>	<b>46,884</b>	<b>441,086</b>	<b>33,011</b>	<b>-</b>	<b>149,027</b>	<b>504,691</b>	<b>8,500</b>	<b>1,917,958</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (1)

Projects promoting health of community expenses For the year ended December 31, 2013

(In US Dollars)

	FHSC		Mobile Dental Clinic	FHSC South	Training of Community Workers	Psycho Social	Total 2013	Total 2012
	Shija'ia	Darraj						
<b>Salaries and benefits</b>								
Basic salaries	147,652	148,097	11,188	80,294	-	31,600	418,830	413,340
Family allowances	2,770	8,546	120	2,740	-	360	14,536	15,732
Overtime	6	946	-	-	-	-	952	1,162
Social Workers	-	-	-	-	-	-	-	3,887
Training	1,263	1,638	-	844	-	-	3,745	1,349
Medical insurance	362	363	182	-	-	-	906	2,444
Indemnity	16,574	16,727	1,504	9,901	-	3,702	48,408	40,969
Difference rate of exchange	17,444	18,187	1,703	10,874	-	4,375	52,583	24,549
<b>Total salaries and benefits</b>	<b>186,071</b>	<b>194,504</b>	<b>14,695</b>	<b>104,652</b>	<b>-</b>	<b>40,036</b>	<b>539,958</b>	<b>503,432</b>
<b>Professional services</b>								
Audit Fees	2,000	2,000	2,000	2,000	-	-	8,000	9,800
Professional Services	2,140	2,590	44	1,838	-	967	7,580	2,777
<b>Total professional services</b>	<b>4,140</b>	<b>4,590</b>	<b>2,044</b>	<b>3,838</b>	<b>-</b>	<b>967</b>	<b>15,580</b>	<b>12,577</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (I) (Continued)

Projects promoting health of community expenses For the year ended December 31, 2013  
(In US Dollars)

	FHSC Shuja'ia	FHSC Darraj	Mobile Dental Clinic	FHSC South	Training of Community Workers	Psycho Social	Total 2013	Total 2012
<b>General expenses</b>								
Rental	3,900	1,500	1,000	3,985	-	1,200	11,585	17,334
Water	4	416	-	218	-	-	638	2,307
Postage	-	-	-	-	-	-	-	177
Electricity	2,090	2,689	-	1,484	-	-	6,263	1,582
Fuel for energy	1,548	1,819	-	1,333	-	-	4,700	10,733
Telephones	1,902	1,836	-	1,288	-	-	5,026	6,611
Printing and stationery	3,168	3,192	-	3,214	-	32	9,605	5,011
Cleaning	1,006	1,471	-	659	-	10	3,146	3,336
Consumable supplies	267	302	-	69	332	23	993	2,857
Repairs and maintenance	1,616	2,520	-	781	-	762	5,680	1,867
Furniture and fittings	345	336	-	109	-	-	789	315
Equipment and maintenance	707	546	-	961	-	-	2,214	4,111
Materials and supplies	968	845	-	495	-	-	2,308	2,803
Travel expense	563	563	-	563	-	-	1,688	6,394
Bulk SMS cost	211	250	-	250	-	-	711	228
Internet cost	396	347	-	347	-	-	1,090	2,655
Computer software	569	569	-	569	-	-	1,707	48
MIS	-	-	-	-	-	1,500	1,500	300
Office / Other Expenses	142	69	-	56	-	300	567	565
<b>Total general expenses</b>	<b>19,402</b>	<b>19,269</b>	<b>1,000</b>	<b>16,379</b>	<b>332</b>	<b>3,828</b>	<b>60,209</b>	<b>69,234</b>
<b>Medical expenses</b>								
Medicines	152	152	-	152	-	-	457	118,155
MEDICAL-MEDICINE	34,360	34,370	-	34,349	-	-	103,079	56,772
Medical Supplies	812	728	-	728	-	-	2,267	22,750
Medical / Others	908	491	-	571	-	-	1,970	22,150
<b>Total medical expenses</b>	<b>36,232</b>	<b>35,741</b>	-	<b>35,800</b>	-	-	<b>107,772</b>	<b>219,827</b>
<b>Hospitality</b>	<b>1,344</b>	<b>1,150</b>	-	<b>543</b>	<b>881</b>	<b>1,945</b>	<b>5,862</b>	<b>9,041</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (1) (Continued)  
 Projects promoting health of community expenses For the year ended December 31, 2013  
 (In US Dollars)

	FHSC Shija'ia	FHSC Darraj	Mobile Dental Clinic	FHSC South	Training of Community Workers	Psycho Social	Total 2013	Total 2012
<b>Insurance</b>								
Compulsory insurance	390	390	78	150	390	109	1,505	3,143
Fire Insurance	495	495	-	495	-	-	1,485	1,485
MEDICAL Insurance	-	-	-	-	-	-	-	174
<b>Total insurance</b>	<b>885</b>	<b>885</b>	<b>78</b>	<b>645</b>	<b>390</b>	<b>109</b>	<b>2,990</b>	<b>4,802</b>
<b>Transportation and vehicle expenses</b>								
Transportation	4,260	4,071	-	3,559	300	-	12,190	6,462
Fuel	8,899	8,899	-	2,344	-	-	20,142	6,598
Repairs and maintenance	656	671	-	643	-	-	1,970	906
Insurance	2,845	2,023	366	1,923	-	-	7,157	2,143
License	368	368	-	368	-	-	1,104	1,884
Other Vehicle Expenses	475	475	-	464	-	-	1,413	1,507
<b>Total transportation and vehicle exp.</b>	<b>17,503</b>	<b>16,507</b>	<b>366</b>	<b>9,300</b>	<b>300</b>	<b>-</b>	<b>43,976</b>	<b>19,500</b>
<b>Trainees Incentives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>1,500</b>	<b>1,663</b>
<b>Employees Incentives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>840</b>
<b>Taxes</b>	<b>398</b>	<b>250</b>	<b>-</b>	<b>218</b>	<b>-</b>	<b>-</b>	<b>866</b>	<b>1,863</b>
<b>Others</b>	<b>376</b>	<b>1,277</b>	<b>-</b>	<b>1,277</b>	<b>-</b>	<b>-</b>	<b>2,930</b>	<b>-</b>
<b>Total projects pro. heal. of comm. exp. 2013</b>	<b>266,350</b>	<b>274,172</b>	<b>18,183</b>	<b>172,652</b>	<b>3,402</b>	<b>46,884</b>	<b>781,643</b>	<b>842,779</b>
<b>Budget - 2013</b>	<b>270,850</b>	<b>296,395</b>	<b>28,565</b>	<b>185,458</b>	<b>3,650</b>	<b>72,762</b>	<b>857,680</b>	<b>822,269</b>
<b>Variance</b>	<b>4,500</b>	<b>22,223</b>	<b>10,382</b>	<b>12,806</b>	<b>248</b>	<b>25,878</b>	<b>76,037</b>	<b>(20,510)</b>
<b>Total projects pro. heal. of comm. exp. 2012</b>	<b>300,462</b>	<b>334,775</b>	<b>29,758</b>	<b>149,838</b>	<b>2,939</b>	<b>25,007</b>	<b>842,779</b>	<b>-</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (2)  
Projects promoting educational opportunities expenses For the year ended December 31, 2013  
(In US Dollars)

	VTC Gaza	VTC Qararah	Dress Making	Secretarial Training and Language	Computer Centre	Total 2013	Total 2012
<b>Salaries and benefits</b>							
Basic salaries	138,873	44,971	10,149	28,824	-	222,818	215,480
Overtime	146	-	-	-	-	146	88
Family allowances	8,640	2,880	-	100	-	11,620	10,401
Training	-	-	-	9	-	9	-
Medical insurance	1,634	726	-	-	-	2,360	2,177
Indemnity	18,313	6,618	1,388	2,435	-	28,753	21,387
Difference rate of exchange	20,858	7,550	1,470	3,506	-	33,385	16,264
<b>Total salaries and benefits</b>	<b>188,464</b>	<b>62,746</b>	<b>13,007</b>	<b>34,873</b>	-	<b>299,090</b>	<b>265,797</b>
<b>Professional services</b>							
Audit Fees	2,000	2,000	2,000	2,259	-	8,259	8,800
Legal Expenses	-	-	-	-	-	-	-
Professional Services	1,427	1,144	44	2,924	-	5,538	8,439
<b>Total professional services</b>	<b>3,427</b>	<b>3,144</b>	<b>2,044</b>	<b>5,183</b>	-	<b>13,797</b>	<b>17,239</b>
<b>General expenses</b>							
Rental	2,400	2,416	1,500	10,000	700	17,016	14,600
Water	492	148	224	235	-	1,099	1,002
Postage	30	11	10	10	-	62	60
Electricity	4,853	492	779	1,855	-	7,978	5,034
Fuel for energy	5,626	208	1,704	1,794	-	9,333	9,380
Telephones	1,811	548	761	761	-	3,881	5,503
Printing and stationery	1,216	(1,121)	411	442	-	947	1,900
Cleaning	741	196	140	633	-	1,710	1,063
Consumable supplies	1,043	73	124	774	108	2,123	2,430
Repairs and maintenance	3,089	587	1,241	968	79	5,964	3,415
Furniture and fittings	613	-	-	-	-	613	905
Equipment and maintenance	520	469	338	566	-	1,893	1,495
Management Information Sys.	-	-	-	-	-	-	634
Materials and supplies	39,646	204	152	418	-	40,420	23,593
INTERNET COST	20	20	20	20	-	80	1,529
Computer software	429	429	429	443	-	1,731	40
Advertisement	-	-	57	57	-	114	198
Other Exp. & Medicines	1,804	363	77	126	-	2,370	1,614
<b>Total general expenses</b>	<b>64,332</b>	<b>5,043</b>	<b>7,966</b>	<b>19,104</b>	<b>888</b>	<b>97,333</b>	<b>74,395</b>
<b>Hospitality</b>	<b>797</b>	<b>429</b>	<b>126</b>	<b>359</b>	-	<b>1,710</b>	<b>4,959</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (2) (Continued)  
 Projects promoting educational opportunities expenses For the year ended December 31, 2013  
 (In US Dollars)

	VTC Gaza	VTC Qarah	Dress Making	Secretarial Training and Language	Computer Centre	Total 2013	Total 2012
<b>Insurance</b>							
Compulsory insurance	1,200	1,200	109	109	109	2,726	700
Buildings insurance	-	-	-	-	-	-	352
Fire Insurance	495	495	495	495	-	1,980	1,980
Student Insurance	1,609	684	285	342	-	2,919	5,126
<b>Total insurance</b>	<b>3,304</b>	<b>2,379</b>	<b>888</b>	<b>945</b>	<b>109</b>	<b>7,625</b>	<b>8,158</b>
<b>Transportation and vehicle expenses</b>							
Transportation	6,021	1,647	626	818	-	9,112	4,526
Fuel	1,167	967	66	66	-	2,266	1,836
Repairs and maintenance	31	34	280	271	-	615	1,021
Insurance	407	304	273	273	-	1,258	118
License	415	187	187	187	-	976	933
<b>Total transportation and vehicle exp.</b>	<b>8,040</b>	<b>3,139</b>	<b>1,432</b>	<b>1,616</b>	<b>-</b>	<b>14,228</b>	<b>8,434</b>
<b>Other expenses</b>							
Taxes	1,510	218	280	199	-	2,208	1,474
Employees Incentives	-	-	-	-	-	-	1,767
Trainees Incentives	5,095	-	-	-	-	5,095	6,473
<b>Total other expenses</b>	<b>6,605</b>	<b>218</b>	<b>280</b>	<b>199</b>	<b>-</b>	<b>7,303</b>	<b>9,714</b>
<b>Total projects pro. edu. opp. exp. 2013</b>	<b>274,970</b>	<b>77,097</b>	<b>25,744</b>	<b>62,278</b>	<b>996</b>	<b>441,086</b>	<b>388,696</b>
<b>Budget - 2013</b>	<b>278,385</b>	<b>96,076</b>	<b>28,133</b>	<b>62,596</b>	<b>1,960</b>	<b>467,150</b>	<b>410,412</b>
<b>Variance</b>	<b>3,415</b>	<b>18,979</b>	<b>2,389</b>	<b>318</b>	<b>964</b>	<b>26,064</b>	<b>21,716</b>
<b>Total projects pro. edu. opp. exp. 2012</b>	<b>250,404</b>	<b>67,506</b>	<b>18,722</b>	<b>50,871</b>	<b>1,193</b>	<b>388,696</b>	



Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (3)

Community development expenses For the year ended December 31, 2013

(In US Dollars)

	<u>2013</u>	<u>Budget</u>	<u>Variance</u>	<u>2012</u>
<b>General expenses</b>				
Rental	1,000	1,500	500	1,000
Water	-	50	50	44
Electricity	262	500	238	634
Printing and stationery	366	-	(366)	379
Cleaning	-	-	-	8
Consumable supplies	13	120	107	90
Repairs and maintenance	3,743	-	(3,743)	818
Furniture and fittings	-	-	-	243
Equipment and maintenance	-	60	60	119
Materials and supplies	-	-	-	31
Other general expenses	84	-	(84)	-
<b>Total general expenses</b>	<u>5,468</u>	<u>2,230</u>	<u>(3,238)</u>	<u>3,366</u>
<b>Insurance</b>				
Student insurance	-	250	250	231
<b>Total insurance</b>	<u>-</u>	<u>250</u>	<u>250</u>	<u>231</u>
<b>Transportation and vehicle expenses</b>				
Hospitality	103	-	(103)	24
<b>Total transportation and vehicle exp.</b>	<u>103</u>	<u>-</u>	<u>(103)</u>	<u>24</u>
<b>Other expenses</b>				
Self help clothing - Benefits to Seamstress	21,663	25,000	3,337	23,620
Youth activities and societies	5,777	15,000	9,223	1,746
<b>Total other expenses</b>	<u>27,440</u>	<u>40,000</u>	<u>12,560</u>	<u>25,366</u>
<b>Total community development exp.</b>	<u>33,011</u>	<u>42,480</u>	<u>9,469</u>	<u>28,987</u>

Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (4)

Advocacy's expenses For the year ended December 31, 2013

(In US Dollars)

	2013	Budget	Variance	2012
<b>General expenses</b>				
Telephones	-	-	-	136
Printing and stationery	-	-	-	18
Equipment and maintenance	-	-	-	48
Materials and supplies	-	-	-	66
<b>Total general expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268</u>
<b>Hospitality</b>	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>543</u>
<b>Transportation and vehicle exp.</b>				
Fuel	-	500	500	188
<b>Total transportation and vehicle exp.</b>	<u>-</u>	<u>500</u>	<u>500</u>	<u>188</u>
<b>Total advocacy's expenses</b>	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>999</u>

## Near East Council of Churches Committee for Refugee Work - Gaza Area

## Schedule - (5)

## Administration's expenses For the year ended December 31, 2013

(In US Dollars)

	2013	Budget	Variance	2012
<b>Salaries and benefits</b>				
Basic salaries	73,046	78,000	4,954	40,565
Family allowances	1,320	1,430	110	300
Training	363	1,200	837	617
Medical insurance	908	-	(908)	-
Indemnity	10,499	15,200	4,701	4,903
Difference rate of exchange	11,703	10,790	(913)	4,516
<b>Total salaries and benefits</b>	<b>97,838</b>	<b>106,620</b>	<b>8,782</b>	<b>50,901</b>
<b>Professional services</b>				
Audit Fees	2,600	2,600	-	2,259
PROFESSIONAL SERVICES	721	2,000	1,280	1,875
Legal Expenses	3,000	3,000	-	1,995
<b>Total professional services</b>	<b>6,321</b>	<b>7,600</b>	<b>1,280</b>	<b>6,129</b>
<b>General expenses</b>				
Rental	2,450	4,000	1,550	2,450
Water	393	150	(243)	135
Postage	738	200	(538)	123
Electricity	2,159	2,000	(159)	-
Fuel for energy	2,297	3,000	703	2,871
Telephones	2,386	3,000	614	1,535
Printing and stationery	1,818	2,500	682	1,217
Books and magazines	-	150	150	-
Cleaning	870	1,000	130	773
Consumable supplies	264	1,200	936	1,446
Repairs and maintenance	2,489	1,500	(989)	1,224
Furniture and fittings	1,294	1,500	206	521
Equipment and maintenance	2,363	1,000	(1,363)	972
Materials and supplies	273	500	227	678
MIS	1,000	-	(1,000)	656
ACT Allince Membership	4,698	-	(4,698)	4,878
Internet cost	1,200	1,000	(200)	803
Advertisement	772	-	(772)	315
Other general expenses	859	500	(359)	904
<b>Total general expenses</b>	<b>28,324</b>	<b>23,200</b>	<b>(5,124)</b>	<b>21,501</b>
<b>Medicines / Medical Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>
<b>Hospitality</b>	<b>5,936</b>	<b>5,000</b>	<b>(936)</b>	<b>1,913</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (5) (Continued)

Administration's expenses For the year ended December 31, 2013

(In US Dollars)

	<u>2013</u>	<u>Budget</u>	<u>Variance</u>	<u>2012</u>
<b>Insurance</b>				
Compulsory insurance	109	2,000	1,892	2,997
Buildings insurance	-	500	500	1,000
Fire Insurance	-	500	500	795
Travel insurance	-	500	500	244
Equipment insurance	-	300	300	-
<b>Total insurance</b>	<b>109</b>	<b>3,800</b>	<b>3,692</b>	<b>5,036</b>
<b>Transportation and vehicle expenses</b>				
Transportation	1,010	800	(210)	648
Fuel	(136)	1,800	1,936	2,650
Repairs and maintenance	436	1,000	564	872
Insurance	273	1,000	727	1,121
License	269	550	281	1,051
Other vehicle expenses	112	500	388	-
<b>Total transportation and vehicle exp.</b>	<b>1,964</b>	<b>5,650</b>	<b>3,686</b>	<b>6,342</b>
<b>Employees Incentives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200</b>
<b>Travel expenses</b>	<b>4,084</b>	<b>5,000</b>	<b>916</b>	<b>9,732</b>
<b>Bank Charges</b>	<b>1,371</b>	<b>1,000</b>	<b>(371)</b>	<b>-</b>
<b>Taxes</b>	<b>3,080</b>	<b>3,900</b>	<b>820</b>	<b>2,748</b>
<b>Total administration's expenses</b>	<b>149,027</b>	<b>161,770</b>	<b>12,743</b>	<b>104,510</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (6)

Income from projects promoting community health For the year ended December 31, 2013

(In US Dollars)

	FHSC		FHSC		FHSC		Mobile		Total	
	Shija'ia	Darraj	South	Dental Clinic	Income 2013	Income 2012				
<b>Income - 2013</b>										
Income from medicines	3,054	2,073	444	2,618	8,189	7,762				
Income from patients	8,744	8,302	5,433	3,995	26,474	19,018				
Income from tender	446	446	438	-	1,330	102				
Others	724	544	190	-	1,458	4,200				
<b>Total Income - 2013</b>	<b>12,968</b>	<b>11,365</b>	<b>6,505</b>	<b>6,613</b>	<b>37,451</b>	<b>31,082</b>				
<b>Budget - 2013</b>	<b>10,000</b>	<b>10,000</b>	<b>5,000</b>	<b>3,000</b>	<b>28,000</b>					
<b>Variance</b>	<b>(2,968)</b>	<b>(1,365)</b>	<b>(1,505)</b>	<b>(3,613)</b>	<b>(9,451)</b>					
<b>Total Income - 2012</b>	<b>11,470</b>	<b>9,961</b>	<b>4,224</b>	<b>5,427</b>	<b>31,082</b>					

Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (7)

Income from projects promoting education opportunities For the year ended December 31, 2013  
(In US Dollars)

	VTC		VTC	Dress	Secretarial	Computer	Total	Total
	Gaza	Qarah	Qarah	Making	Training and Language	Centre	Income 2013	Income 2012
<b>Income - 2013</b>								
Income from centres	17,614	80	-	-	-	-	17,694	8,723
Income from tuition fees	7,304	5,760	1,966	5,801	-	-	20,831	85,269
Others	275	98	-	-	-	-	373	405
<b>Total Income - 2013</b>	<b>25,193</b>	<b>5,938</b>	<b>1,966</b>	<b>5,801</b>	<b>-</b>	<b>-</b>	<b>38,898</b>	<b>94,397</b>
<b>Budget - 2013</b>	<b>20,000</b>	<b>6,000</b>	<b>2,000</b>	<b>5,000</b>	<b>1,000</b>	<b>1,000</b>	<b>34,000</b>	
<b>Variance</b>	<b>(5,193)</b>	<b>62</b>	<b>34</b>	<b>(801)</b>	<b>1,000</b>	<b>1,000</b>	<b>(4,898)</b>	
<b>Total Income - 2012</b>	<b>63,587</b>	<b>13,998</b>	<b>1,042</b>	<b>15,770</b>	<b>-</b>	<b>-</b>	<b>94,397</b>	

Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (8)

Statement of educational loans fund For the year ended December 31, 2013

(In US Dollars)

	2013	2012
<b>Assets</b>		
Balance - January 1, 2013	279,092	246,373
New Loans	96,750	81,750
Collections during the year	<u>(89,309)</u>	<u>(49,031)</u>
<b>Balance - December 31, 2013</b>	<b>286,533</b>	<b>279,092</b>
Reserve for doubtful debts	<u>(8,812)</u>	<u>(8,812)</u>
<b>Total</b>	<b>277,721</b>	<b>270,280</b>
<b>Cash and banks balances</b>		
Arab Bank Rimal - December 31, 2013	38,895	38,884
Bank of Palestine - December 31, 2013	<u>400,202</u>	<u>425,400</u>
<b>Total cash and banks balances</b>	<b>439,097</b>	<b>464,284</b>
<b>Total assets</b>	<b><u>716,818</u></b>	<b><u>734,564</u></b>
<b>Capital</b>		
<b>Accumulated fund - January 1, 2013</b>	<b><u>84,064</u></b>	<b><u>82,211</u></b>
<b>Income and expenses</b>		
Various Income	-	-
Interest earned	2,340	1,874
Expenses / Legal and other expenses	<u>(20,086)</u>	<u>(21)</u>
<b>Total income and expenses</b>	<b><u>(17,746)</u></b>	<b><u>1,853</u></b>
<b>Net surplus</b>	<b><u>66,318</u></b>	<b><u>84,064</u></b>
<b>Total amount from budgets all over the years</b>	<b><u>650,500</u></b>	<b><u>650,500</u></b>
<b>Total Capital</b>	<b><u>716,818</u></b>	<b><u>734,564</u></b>

Near East Council of Churches Committee for Refugee Work - Gaza Area

Schedule - (9)

Statement of provident fund For the year ended December 31, 2013

(In US Dollars)

	2013	2012
<b>Assets</b>		
<b>Cash and bank balances</b>		
Deposit at ING Bank \ Holland	2,002,881	1,993,275
<b>Total</b>	<b>2,002,881</b>	<b>1,993,275</b>
<b>Restricted as follows:</b>		
For provident fund	1,429,483	1,377,739
For emergency fund	573,398	615,536
<b>Total</b>	<b>2,002,881</b>	<b>1,993,275</b>
<b>Liabilities</b>		
<b>Provident Fund</b>		
Employees' provident fund - January 1, 2013	1,377,739	1,602,403
Prior Year Adjustment	(2,564)	-
Employees' contribution during the year	96,749	94,422
NECCCRW contribution during the year	101,541	94,202
Withdrawals: terminal entitlements, advances	(150,713)	(415,194)
Interest earned - allocated to staff	6,731	1,906
<b>Total provident fund</b>	<b>1,429,483</b>	<b>1,377,739</b>
<b>Emergency fund</b>		
Balance - beginning of the year	615,536	388,191
Allocation during the year	(42,138)	227,345
<b>Total Deposit at ING Bank for Emergency</b>	<b>573,398</b>	<b>615,536</b>
<b>Total emergency fund</b>	<b>2,002,881</b>	<b>1,993,275</b>



Near East Council of Churches Committee for Refugee Work - Gaza Area  
 Schedule - (10) emergency and humanitarian  
 Projects, For the year ended December 31, 2013  
 (In US Dollars)

	Budget	Actual	Variance
<b>Embrace the Middle East - for the period from 18 Feb. to 18 June 2013</b>			
<b>Special Emergency &amp; Projects</b>			
Amounts Received - 2013		<u>148,408</u>	
<b>Disbursements</b>			
<b>Non-human resources costs</b>			
Medications	50,000	50,000	-
Cash Relief	44,450	44,450	-
Job Creation	50,400	50,346	54
Admin. Staff, Social workers, Communications, Electricity, Fuel, etc.....	3,558	3,558	-
<b>Total Disbursements</b>	<u>148,408</u>	<u>148,354</u>	<u>54</u>
Unspent Balance - Dec 31,2013			54
<b>Pontifical Mission - Renovation of damage houses as a result of the war for the period from 1st February to 30 April 2013</b>			
<b>Direct Grants</b>			
<b>Special Emergency &amp; Projects</b>			
Unspent Fund - 2012		-	
Amounts Received - 2013		<u>50,000</u>	
Available Funds for - 2013		<u>50,000</u>	
<b>Disbursements</b>			
Renovation of the damaged houses costs	45,496	44,907	589
Administration Costs "Consumables, telephone, electricity, technical evaluator etc.,....."	4,504	5,093	(589)
<b>Total Disbursements</b>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Unspent Balance - Dec 31,2013			-
<b>Pontifical Mission - Purchasing essential medicine and medical supplies for injured and sick people</b>			
<b>No later than the 1st of May 2013</b>			
<b>Direct Grants</b>			
<b>Special Emergency &amp; Projects</b>			
Unspent Fund - 2012		-	
Amounts Received - 2013		<u>12,880</u>	
Available Funds for - 2013		<u>12,880</u>	
<b>Disbursements</b>			
Purchasing essential medicine	12,880	12,880	-
<b>Total Disbursements</b>	<u>12,880</u>	<u>12,880</u>	<u>-</u>
Unspent Balance - Dec 31,2013			-

**Pontifical Mission - Emergency Psychosocial Support Response for Affected Children ,  
Women and VTC's students by the Last War in Vulnerable Areas- Gaza Strip  
for the period from 1st January to 31 st May 2013**

**Direct Grants**

**Special Emergency & Projects**

Unspent Fund - 2012			-
Amounts Received - 2013			26,721
<b>Available Funds for - 2013</b>			<b>26,721</b>

**Disbursements**

5 Staff salaries -Psycho social	11,250	11,250	-
<b>Stationary and Supplies</b>			
Stationary and supplies	150	132	18
Art and Drawing Tools	710	710	-
Toys and Puppets	420	363	57
others	130	103	27
<b>Psychosocial Activities</b>			
8 Psychosocial Sessions for Clinic's children "Symbolic gift"	575	225	350
2 Psychosocial Sessions for kindergartens children "Symbolic gift"	540	445	95
Open days for the kindergarten children	6,030	5,528	502
<b>Recreational Trips</b>			
Recreational Trips for children and their mothers	5,420	4,422	998
Recreational Trips for secretarial and dress making centers students	800	584	216
Recreational Trips for Gaza vtc center students	1,200	811	389
Recreational Trips for Al Qararah vtc center students	650	475	175
Recreational Trips for clinics staff	800	398	402
<b>Training</b>			
Training Workshop for PPS staff	225	173	52
<b>Administration Costs</b>			
Consumables - office supplies	250	250	-
Fuel	250	250	-
Telephone, Fax	350	350	-
Electricity, water .....	250	250	-
<b>Total Disbursements</b>	<b>30,000</b>	<b>26,721</b>	<b>3,279</b>
<b>Unspent Balance - Dec 31,2013</b>			-

**Pontifical Mission - On- The Training program for Ex-VTC Graduates  
for the period from June 1,2013 to August 31,2013**

**Direct Grants**

**Special Emergency & Projects**

Unspent Fund - 2012			-
Amounts Received - 2013			30,000
<b>Available Funds for - 2013</b>			<b>30,000</b>

**Disbursements**

On- The Training program for Ex-VTC Graduates	30,000	30,000	-
<b>Total Disbursements</b>	<b>30,000</b>	<b>30,000</b>	-
<b>Unspent Balance - Dec 31,2013</b>			-

**ACT \ PSE 131 - Implementation period: 1 April 2013 -31 March, 2014**

**DSPR**

**Special Emergency & Projects**

Unspent Fund - 2012			-
Amounts Received - 2013	580,614	100,000	480,614
<b>Available Funds for - 2013</b>	<b>580,614</b>	<b>100,000</b>	<b>480,614</b>

**Disbursements**

**DSPR Gaza - Health**

Medical Fees	75,000	14,400	60,600
Medications	75,000	-	75,000
3 Doctors 20%	6,480	1,080	5,400
3 Supervisors 20%	5,760	960	4,800
3 Nurses 20%	3,600	600	3,000
3 Lab Technician 20%	5,760	960	4,800
<b>Psycho-social program</b>			
4 Staff salaries - social worker 20%	5,952	992	4,960
Children's play tools	2,500	1,388	1,112
T-shirts	3,500	2,057	1,443
Hats	1,500	686	814
3 summer camps (10 days each)	9,900	8,030	1,870
5 recreational trips (5 centers x 120 persons x 1 trips each center / year)	4,000	4,166	(166)
<b>Other budget lines</b>			
<b>Total Disbursements</b>	<b>381,662</b>	<b>-</b>	<b>381,662</b>
<b>Unspent Balance - Dec 31,2013</b>			64,681

**Menonite - Supporting Education for Low-Income Students in the Gaza Strip**  
**January 2013 to December 2013**

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**Direct Grants**

**Special Emergency & Projects**

Unspent Fund - 2012		4,010	
Amounts Received - 2013		<u>24,920</u>	
<b>Available Funds for - 2013</b>		<b><u>28,930</u></b>	

**Disbursements**

Unspent Fund 2012	4,010	4,010	-
Technical engineer (Salary)	7,073	5,304	1,769
Training	1,500	1,651	(151)
Professional services	500	525	(25)
Books, Mag. & Subscriptions	400	-	400
Consumable Supplies	996	283	713
Printing and Stationery	600	600	-
Materials and Supplies	4,986	2,767	2,219
Transportation	2,400	1,740	660
Rental	600	-	600
Change over 80 A	140	-	140
Maintenance	900	104	796
Machine for numbering wires	165	181	(16)
Press for steel balls bearing	540	457	83
Wires terminal press	180	-	180
Desk top computer	350	509	(159)
Lap top	520	451	69
Printer	150	257	(107)
Soldering with hot air	200	56	144
Solar generator	770	778	(8)
Smart Board	1,530	1,530	-
Metal Cupboard for students	500	500	-
<b>Total Disbursements</b>	<b><u>29,010</u></b>	<b><u>21,701</u></b>	<b><u>7,308</u></b>
<b>Unspent Balance - Dec 31,2013</b>		7,228	

**Donation in kind - ANERA & Ministry of health**

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**Donations in kind**

**Special Emergency & Projects**

Unspent Fund - 2012		-	
Amounts Received - 2013		<u>179,716</u>	
<b>Available Funds for - 2013</b>		<b><u>179,716</u></b>	

**Disbursements**

In Kind Donations ANERA		179,716	
<b>Total Disbursements</b>		<u>179,716</u>	
<b>Unspent Balance - Dec 31,2013</b>		-	