

WF

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

Gaza Area

Financial Statements
and
Independent Auditors' Report

December 31, 2008

(5+2)

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

Table of Contents

	<u>Page</u>
Auditor's Report	1
Balance Sheet (Statement – A)	2
Statement of Activities in General Operating Fund (Statement – B)	3
Statement of Changes in Net Assets – General Operating (Statement – C)	4
Statement of Activities and Changes in Loan Revolving Fund (Statement – D)	5
Statement of Cash Flows (Statement – E)	6
Statement of Functional Expenses - Operating Fund (Statement – F)	7
Notes to Financial Statements	8-15
 <u>Additional Information</u>	
Projects Promoting Health of Community Expenditure (Sch. 1)	16-18
Projects Promoting Educational Opportunities (Sch. 2)	19-20
Community Development Expenditure (Sch. 3)	21
Advocacy's Expenses (Sch. 4)	22-23
Administration Expenses (Sch. 5)	24-25
Income from Projects Promoting Community Health (Sch. 6)	26
Income from Projects Promoting Educational Opportunities (Sch. 7)	27
Educational Loan Fund (Sch. 8)	28
Provident Fund Account (Sch. 9)	29

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

Independent Auditors' Report

We have audited the accompanying financial statements of **The Near East Council of Churches Committee for Refugee Work – Gaza Area**, which comprise the balance sheet as of December 31, 2008, and 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 notes.

Management responsibility

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

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 entity'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 entity'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.

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, 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in conformity with Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-profit Organizations".


Yacoub El-Yousef
Certified Public Accountant

February 21, 2009

Near East Council of Churches Committee for Refugee Work
Gaza Area
Balance Sheet
As of December 31, 2008

	Note	Restricted/		Total	
		Unrestricted USD	Special Funds USD	2008 USD	2007 USD
Assets					
Deposits with Banks	2.a	574,383.17	668,260.56	1,242,643.73	1,267,861.00
Deposits with Banks - Loans Revolving Fund	2.b	-	466,931.72	466,931.72	389,688.51
Deposits with Banks - (End of Service)	2.c	-	1,823,006.08	1,823,006.08	1,843,434.16
Inter-Fund Borrowing (Statement - D)		(14,780.14)	14,780.14	-	-
Due from Trust Fund		-	233,942.82	233,942.82	183,067.31
Loans Receivable	3	-	483,923.36	483,923.36	564,157.32
Fixed Assets - Net (Per Contra)	1.4	111,691.70	-	111,691.70	118,608.40
Total Assets		671,294.73	3,690,844.68	4,362,139.41	4,366,816.70
Trust Fund Assets	7	75,356.56	-	75,356.56	76,653.29
Liabilities and Net Assets					
Liabilities:					
Due to Employees		19,694.54	-	19,694.54	8,390.86
Liability to European Commission/Health Project		-	100,000.00	100,000.00	-
Prepaid Income - Tuition Fees		-	-	-	14,868.73
Prepaid Income - EED Germany		-	-	-	68,486.48
Prepaid Income - NCC, AUSAID		-	20,698.50	20,698.50	-
Prepaid income - VTC 2008 - Presbyterian		-	-	-	19,123.00
Accounts Payable		6,068.44	-	6,068.44	42,977.79
End of service liability (Schedule - 9)		-	1,823,006.08	1,823,006.08	1,843,434.16
Total Liabilities		25,762.98	1,943,704.58	1,969,467.56	1,997,281.02
Net Assets		645,531.75	1,747,140.10	2,392,671.85	2,369,535.68
Total Liabilities and Net Assets		671,294.73	3,690,844.68	4,362,139.41	4,366,816.70
Trust Fund Liability	7	75,356.56	-	75,356.56	76,653.29
Composition of Net Assets:					
Operating:					
Unrestricted		334,371.91	-	334,371.91	320,629.06
Temporarily Restricted		-	781,504.88	781,504.88	801,775.94
Investment in fixed assets - net		111,691.70	-	111,691.70	118,608.40
Total Operating (Statement - B)		446,063.61	781,504.88	1,227,568.49	1,241,013.40
Special Funds:					
Loans Revolving Fund (Statement - D)		-	965,635.22	965,635.22	968,542.73
Board (Central Committee) Designated Fund	6	199,468.14	-	199,468.14	159,979.55
Total Special Funds		199,468.14	965,635.22	1,165,103.36	1,128,522.28
Total Net Assets		645,531.75	1,747,140.10	2,392,671.85	2,369,535.68

Approved By:
Constantine S. Dabbagh
Executive Secretary

See Notes to Financial Statements

Near East Council of Churches Committee for Refugee Work
Gaza Area
Statement of Activities
General Operating Fund
Year Ended December 31, 2008

	Note	Unrestricted	Temporarily	Total	
		Fund	Restricted	2008	2007
		USD	USD	USD	USD
Grants and Revenues :					
Grants	4 & 10	50,000.00	1,663,894.71	1,713,894.71	2,113,502.84
Total Grants and Revenues		50,000.00	1,663,894.71	1,713,894.71	2,113,502.84
Local Program Revenues	5	80,538.85	-	80,538.85	55,265.72
Interest Revenues		5,725.21	3,754.00	9,478.93	12,138.53
Difference of Currency		6,408.00	10,842.57	17,250.57	17,735.80
Total Grants and Revenues		142,672.06	1,678,491.28	1,821,163.06	2,198,642.89
Net assets released from restrictions	10	1,698,762.52	(1,698,762.52)	-	-
		1,841,434.58	(20,271.24)	1,821,163.06	2,198,642.89
Program Expenses :					
Health of Community	(schedule-1)	734,632.02	-	734,632.02	570,823.82
Educational Opportunities	(schedule-2)	398,513.34	-	398,513.34	402,148.06
Community Development	(schedule-3)	31,614.79	-	31,614.79	33,352.60
Advocacy	(schedule-4)	2,478.60	-	2,478.60	4,394.38
Emergency Relief		474,212.60	-	474,212.60	804,461.71
Total Program Expenses (Statement -F)		1,641,451.35	-	1,641,451.35	1,815,180.57
Administrative and general Exp. (Statement - F)		126,843.51	-	126,843.51	128,222.08
Total Expenses before depreciation		1,768,294.86	-	1,768,294.86	1,943,402.65
Depreciation expense		66,313.10	-	66,313.10	68,924.60
Total Expenses		1,834,607.96	-	1,834,607.96	2,012,327.25
Net Increase in Net Assets					
during the Year (Statement C)		6,826.62	(20,271.24)	(13,444.90)	186,315.64

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
Year Ended December 31, 2008

	Unrestricted Fund USD	Temporary Restricted Fund USD	Investment in Fixed Assets USD	Total USD
Year 2008				
Balance as of January 1, 2008	320,629.06	801,775.94	118,608.40	1,241,013.40
Net Increase for the year - Statement - B	6,826.62	(20,271.24)	-	(13,444.62)
Interfund Transfers:				
Procurement of fixed assets	(59,396.40)	-	59,396.40	-
Depreciation for the year	66,313.10	-	(66,313.10)	-
Balance as of December 31, 2008	334,371.91	781,504.88	111,691.70	1,227,568.49
	USD	USD	USD	USD
Year 2007				
Balance as of January 1, 2007	269,230.42	627,224.34	158,243.00	1,054,697.76
Net Increase for the year - Statement - B	11,764.04	174,551.60	-	186,315.64
Interfund Transfers:				
Procurement of fixed assets	(29,290.00)	-	29,290.00	-
Depreciation for the year	68,924.60	-	(68,924.60)	-
Balance as of December 31, 2007	320,629.06	801,775.94	118,608.40	1,241,013.40

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
Year Ended 31 December 2008**

	Education USD	Business USD	WCC USD	Total USD
Revenues:				
Interest Earned	5,320.52	1,338.15	83.24	6,741.91
Various Income	1,267.34	-	-	1,267.34
Sub-Total	6,587.86	1,338.15	83.24	8,009.25
Expenses	(10,916.76)	-	-	(10,916.76)
Excess (Deficit) of Revenues Over Expenses	(4,328.90)	1,338.15	83.24	(2,907.51)
Net Assets at Beginning of Year	762,765.31	191,080.52	14,696.90	968,542.73
Net Assets at End of Year (Statement - A)	758,436.41	192,418.67	14,780.14	965,635.22
Schedule - 8				
Composition of net assets:				
Outstanding loans - beginning	553,741.57	19,127.75	-	572,869.32
Loans issued during the year	61,500.00	34,031.51	-	95,531.51
Collections	(141,070.39)	(34,695.08)	-	(175,765.47)
Outstanding loans	474,171.18	18,464.18	-	492,635.36
Reserve for Doubtful Debts	(8,712.00)	-	-	(8,712.00)
Balance - Ending	465,459.18	18,464.18	-	483,923.36
Deposits with Banks	292,977.23	173,954.49	-	466,931.72
Inter-Fund Borrowings	-	-	14,780.14	14,780.14
	758,436.41	192,418.67	14,780.14	965,635.22

See Notes to Financial Statements

Near East Council of Churches Committee for Refugee Work
Gaza Area

Statement of Cash Flows
Year Ended December 31,2008

	2008 USD	2007 USD
Cash Flow from Operating Activities:		
Change in Net Assets	23,136.17	248,014.81
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation expense	66,313.10	68,924.60
Decrease (increase) in Loans Receivable	80,233.96	(28,687.51)
Increase in Due from Trust Fund	(50,875.51)	(62,064.43)
Increase (Decrease) in Due to Employees	11,303.68	6,028.43
Increase in Liability to European Commission/Health Project	100,000.00	-
Decrease (Increase) in Prepaid Income	(81,779.71)	(54,259.43)
Increase in accounts payable	(36,909.35)	29,919.61
Decrease (Increase) in End of Service Liabilities	(20,428.08)	4,216.67
Net Cash Provided by Operating Activities	90,994.26	212,092.75
Cash flows from Investing Activities		
Procurement of fixed assets	(59,396.40)	(29,290.00)
Cash on Hand and Deposits with Banks at Beginning of Year	3,500,983.67	3,318,180.92
Cash on Hand and Deposits with Banks at End of Year	3,532,581.53	3,500,983.67

See Notes to Financial Statements

Near East Council of Churches Committee
Gaza Area

Statement of Functional Expenses - Operating Fund

Year Ended December 31, 2008

	Health of Community		Educational Opportunities		Community Development		Advocacy		Special Emergency Relief & Others		Total Program		Admin-istration and General		Total Expenses		Total Expenses	
	USD		USD		USD		USD		USD		USD		USD		USD		USD	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Salaries and Benefits	447,993.60	237,658.73	-	-	-	-	-	-	-	-	685,652.33	108,650.97	794,303.30	708,477.57				
Fees and Professional Services	20,385.56	20,490.15	-	-	-	-	-	-	-	-	40,875.71	-	40,875.71	33,550.31				
General Expenses	73,551.89	110,140.39	4,676.91	2,378.60	-	-	-	-	-	-	190,747.79	9,623.71	200,371.50	188,240.89				
Medical Expenses	147,896.11	-	-	-	-	-	-	-	-	-	147,896.11	-	147,896.11	107,904.66				
Hospitality	1,919.73	1,845.23	-	-	-	-	-	-	-	-	3,764.96	1,687.01	5,451.97	5,250.65				
Insurance	5,751.64	8,674.74	392.50	100.00	-	-	-	-	-	-	14,918.88	1,062.80	15,981.68	14,330.45				
Transportation and Vehicle expenses	23,718.42	13,256.54	279.49	-	-	-	-	-	-	-	37,254.45	4,224.63	41,479.08	34,709.98				
Travel Expenses	1,247.43	-	-	-	-	-	-	-	-	-	1,247.43	193.93	1,441.36	147.00				
Taxes	1,614.42	1,441.12	-	-	-	-	-	-	-	-	3,055.54	773.88	3,829.42	4,236.24				
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	626.58	626.58	1,191.25				
Other Expenses (Defined in schedules)	10,553.22	5,006.44	26,265.89	-	-	-	-	-	-	-	41,825.55	-	41,825.55	40,901.94				
Emergency Relief & Others	-	-	-	-	-	-	-	-	474,212.60	-	474,212.60	-	474,212.60	804,461.71				
Total Expenses (Statement - B)	734,632.02	398,513.34	31,614.79	2,478.60	474,212.60	1,641,451.35	126,843.51	1,768,294.86	1,943,402.65									

Schedule - 1	Schedule - 2	Schedule - 3	Schedule - 4	Note - 9	Schedule - 5
671,000.00	438,000.00	37,000.00	6,000.00	368,566.16	1,640,566.16
					1,955,473.84

Budget for 2008

See Notes to Financial Statements

Near East Council of Churches Committee

Gaza Area

Statement of Functional Expenses - Operating Fund

Year Ended December 31, 2007

(Continued)

	Health of Community		Educational Opportunities		Community Development		Advocacy		Special Emergency Relief & Others		Total Program		Admin-stration and General		Total Expenses	
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Salaries and Benefits	372,009.84	226,859.28	16.67	-	-	-	-	-	-	-	598,885.79	109,591.78	708,477.57	654,542.87		
Fees and Professional Services	18,205.75	15,344.56	-	-	-	-	-	-	-	-	33,550.31	-	33,550.31	26,761.93		
General Expenses	42,416.34	129,302.81	3,474.21	3,397.01	-	-	-	-	-	-	178,590.37	9,650.52	188,240.89	147,113.81		
Medical Expenses	107,866.09	38.57	-	-	-	-	-	-	-	-	107,904.66	-	107,904.66	140,059.63		
Hospitality	1,885.22	1,673.81	-	764.87	-	-	-	-	-	-	4,323.90	926.75	5,250.65	6,667.43		
Insurance	3,517.31	8,848.94	175.00	-	-	-	-	-	-	-	12,541.25	1,789.20	14,330.45	11,956.50		
Transportation and Vehicle expenses	16,622.52	12,953.47	435.75	232.50	-	-	-	-	-	-	30,244.24	4,465.74	34,709.98	40,335.30		
Travel Expenses	-	-	-	-	-	-	-	-	-	-	-	147.00	147.00	1,518.94		
Taxes	2,173.68	1,602.72	-	-	-	-	-	-	-	-	3,776.40	459.84	4,236.24	4,166.16		
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	1,191.25	1,191.25	712.19		
<i>Other Expenses (Defined in schedule)</i>	6,127.07	5,523.90	29,250.97	-	-	-	-	-	-	-	40,901.94	-	40,901.94	31,370.14		
Emergency Relief	-	-	-	-	-	-	-	-	-	-	804,461.71	-	804,461.71	359,006.26		
Total Expenses (Statement - B)	570,823.82	402,148.06	33,352.60	4,394.38	804,461.71	1,815,180.57	128,222.08	1,943,402.65	1,424,211.16							
	Schedule - 1	Schedule - 2	Schedule - 3	Schedule - 4	Note - 9	Schedule - 5										
Budget for 2007	554,000.00	396,000.00	37,000.00	3,000.00	833,473.83	1,823,473.83	132,000.00	1,955,473.83	1,658,964.10							

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, 2007

(Amounts are expressed in U.S. Dollar)

1 Summary of Significant Accounting Policies

The significant accounting policies followed are described below:

1.1 Basis of Accounting and Presentation:

The financial statements have been prepared on the accrual basis of accounting under the historical cost convention and are presented in accordance with International Financial reporting Standards (IFRS) and in conformity with Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-profit Organizations", which establishes standards for external financial reporting by not-for-profit organizations. SFAS No. 117 is issued by the Financial Accounting Standards Board of the U.S. Financial Accounting Foundation.

The net assets of NECCCRW and changes therein are classified and reported in accordance with Statements of Financial Accounting Standards No. 117, "Financial Statements of Not-for-profit Organizations", which establishes standards for external financial reporting by not-for-profit organizations. SFAS No. 117 is issued by the Financial Accounting Standards Board of the U.S. Financial Accounting Foundation.

Under the provision of these standards, 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.
- **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.
- **Board Designated Fund** represents resources currently available restricted by the board. Balance at the end of year represents resources available for purchase of new vehicles.
- **Loans Revolving Funds** - represent restricted contributions received for on lending purposes, which are expended in terms of loans.
- **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.

1.2 Inter-fund Borrowings:

Represents allocations to / from 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.

1.3 Loans Receivable

Loans, which are interest free, are stated at the amount of unpaid principal. No provision for bad and doubtful debts is taken.

1.4 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 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	20%
Furniture	10%
Vehicles Training Equipment	25%

The Net Fixed Assets break down as of 31/12/2008 was as follows:

Cost	Balance 01/01/2008	Additions	Disposals	Balance 31/12/2008
Furniture and Fittings	71,413.00	-	-	71,413.00
Office Equipment	58,555.00	8,897.00	-	67,452.00
Medical Equipment	93,710.00	50,499.40	-	144,209.40
Training Equipment	135,105.00	-	-	135,105.00
Vehicles	242,160.00	-	-	242,160.00
Other Fixed Assets	5,740.00	-	-	5,740.00
Total Cost	606,683.00	59,396.40	-	666,079.40
Accumulated depreciation				
Furniture	63,117.60	3,507.10	-	66,624.70
Office Equipment	22,546.00	11,269.20	-	33,815.20
Medical Equipment	87,866.00	15,923.80	-	103,789.80
Training Equipment	120,179.00	8,841.00	-	129,020.00
Vehicles	188,660.00	26,750.00	-	215,410.00
Other Fixed Assets	5,706.00	22.00	-	5,728.00
Total Accumulated Depreciation	488,074.60	66,313.10	-	554,387.70
Net Book value	118,608.40			111,691.70

Net Book Value as at 31 December 2008

	US\$
Furniture and fittings	4,788.30
Office Equipments	33,636.80
Medical Equipments	40,419.60
Training Equipments	6,085.00
Cars	26,750.00
Other Fixed Assets	12.00
	111,691.70

1.5 Deferred grants and tuition fees

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

1.6 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. There are six deposits in the total amount of USD 7,000.00 set aside to guarantee the repayment of loans received by staff members from the banks.

End of service also includes reserve for severance pay for the executive secretary calculated by accruing for one-month compensation for each year of service based on the last salary paid.

1.7 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.

1.8 Income taxes

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

1.9 Provisions

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

1.10 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.

1.11 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.

1.12 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 on 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. Management is of the opinion that no material liability will result from such audits.

1.13 Trust Fund

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

1.14 Economic Dependency

Approximately 95% of NECCCRW revenue and support for the years ended December 31, 2008 and 2007 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 and Cash Equivalents:

- a. Deposits with Banks in the General Operating Fund was comprised of the following as of 31 December:

	<u>2008</u>	<u>2007</u>
Cash – USD	9,320.00	-
Cash – NIS	2,685.13	0.00
Arab Bank – NIS	5,462.34	26,653.81
Arab Bank – GBP	2,537.94	-
Arab Bank - USD	781,267.70	887,330.03
Arab Bank – EURO	318,001.07	265,727.09
Bank of Palestine – NIS	19,315.48	17,913.79
Bank of Palestine – USD	91,608.49	70,236.28
Bank of Palestine (E) – NIS	12,445.59	-
<i>Balance with Banks as of 31 December</i>	<u>1,242,643.74</u>	<u>1,267,861.00</u>

- b. *Loan Revolving Fund:*

	<u>2008</u>	<u>2007</u>
Deposits with Banks -Educational Loans	292,977.23	217,735.74
Deposits with Banks -Business Loans	173,954.49	171,952.77
<i>Balance with Banks as of 31 December</i>	<u>466,931.72</u>	<u>389,688.51</u>

- c. *Provident Fund:*

	<u>2008</u>	<u>2007</u>
Deposit at ING Bank – Holland	1,823,006.08	1,843,434.16
	<u>1,823,006.08</u>	<u>1,843,434.16</u>

3 Loans Receivable

Activities in these accounts during 2008 were as follows:

	<u>Education</u>	<u>Business</u>	<u>Total</u>
Balance - Beginning	553,741.57	19,127.75	572,869.32
Loans Issued	61,500.00	34,031.51	95,531.51
Collected	<u>(141,070.39)</u>	<u>(34,695.08)</u>	<u>(175,765.47)</u>
Outstanding Loans	474,171.18	18,464.18	492,635.36
Reserve for Doubtful Debts	<u>(8,712.00)</u>	-	<u>(8,712.00)</u>
Balance - Ending	<u>465,459.18</u>	<u>18,464.18</u>	<u>483,923.36</u>

Activities in these accounts during 2007 were as follows:

	<u>Education</u>	<u>Business</u>	<u>Total</u>
Balance – Beginning	520,056.95	24,249.86	544,306.81
Loans Issued	111,250.00	12,659.67	123,909.67
Collected	<u>(77,565.38)</u>	<u>(17,781.78)</u>	<u>(95,347.16)</u>
Outstanding Loans	553,741.57	19,127.75	572,869.32
Reserve for Doubtful Debts	<u>(8,712.00)</u>	-	<u>(8,712.00)</u>
Balance – Ending	<u>545,029.57</u>	<u>19,127.75</u>	<u>564,157.32</u>

4 Grants

Composition:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<u>Through DSPR:</u>			
Presbyterian Hunger Program (for VTC Program)	-	19,123.00	19,123.00
Lutheran World Relief	50,000.00 ✓	-	50,000.00
ICCO-Holland	-	25,100.00 ✓	25,100.00
NCCA/AUSAID	-	43,669.50 ✓	43,669.50
CCFD	-	83,645.00 ✓	83,645.00
NCA, Norway Church	-	86,652.00 ✓	86,652.00
WCC/ACT MEPL 61	-	78,883.00 ✓	78,883.00
WCC/ACT MEPL 71	-	76,000.00 ✓	76,000.00
	<u>50,000.00</u>	<u>413,072.50</u>	<u>463,072.50</u>
<u>Direct Grants:</u>			
DCA / Danida – Vocational Training	-	13,970.45	13,970.45
Pontifical Mission	-	59,566.03	59,566.03
DCA / EU - Health	-	86,181.51	86,181.51
NECEF	-	51,349.29	51,349.29
EU/Christian Aid	-	366,979.91	366,979.91
KAIROS, Canada	-	20,001.60	20,001.60
EED – Germany	-	226,491.86	226,491.86
ACT / Christian Aid	-	69,993.00	69,993.00
Church in Wales	-	31,000.00	31,000.00
CA – Support Poor Families - VTCs	-	87,292.00	87,292.00
DCA / DANIDA Emrg. Humanitarian	-	177,416.71	177,416.71
	-	<u>1,190,242.36</u>	<u>1,190,242.36</u>
<u>Donations in kind</u>			
Ministry of health & Others	-	2,633.45	2,633.45
HANAN - Equipment	-	57,946.40	57,946.40
Total Grants	<u>50,000.00</u>	<u>1,663,894.71</u>	<u>1,713,894.71</u>

22000

441072

1290242

5 Local Revenues

a. Local Program Revenues:

Composition:

	<u>2008</u>	<u>2007</u>
Community Health	18,405.65	17,720.68
Educational Opportunities	51,425.40	33,208.51
Community Development	4,407.80	4,336.53
Administration (use of car by project)	<u>6,300.00</u>	<u>-</u>
	<u>80,538.85</u>	<u>55,265.72</u>

6 Board Designated Fund

Composition:

	<u>2008</u>	<u>2007</u>
Balance at Beginning of Year	159,979.55	104,199.28
Add: General Donations	38,437.50	53,220.45
Interest Earned	<u>1,051.09</u>	<u>2,559.82</u>
Balance at End of Year	<u>199,468.14</u>	<u>159,979.55</u>

7 Trust Fund

Composition:

	<u>2008</u>	<u>2007</u>
Ahli Arab Hospital	85.68	70.74
Dress Making Co-Operative	10,906.56	11,965.44
VTC Box	9,751.29	9,498.72
Materials Dress Making	184.45	183.41
Canteen	7,426.33	7,384.50
Qararah VTC Box	277.96	276.39
Robin Oberlander	-	815.73
Community Workers (DCA)	-	8.77
Youth Rehabilitation Centre	<u>46,724.29</u>	<u>46,449.59</u>
	<u>75,356.56</u>	<u>76,653.29</u>

Composition:

	<u>2008</u>	<u>2007</u>
Deposit at Arab Bank	262,575.09	213,271.01
Deposits for youth Reh. Center	46,724.29	46,449.59
Due to NECCCRW – Gaza Restricted Fund	<u>(233,942.82)</u>	<u>(183,067.31)</u>
	<u>75,356.56</u>	<u>76,653.29</u>

8 Actual Versus Budget

	<u>Actual</u>	<u>Budget</u>
Core Budget		
Health of the Community	734,632.02	671,000.00
Educational Opportunities	398,513.34	438,000.00
Community Development	31,614.79	37,000.00
Advocacy	2,478.60	6,000.00
Administration	<u>126,843.51</u>	<u>120,000.00</u>
	1,294,082.26	1,272,000
Less: Local Revenues	<u>(80,538.85)</u>	<u>(71,000.00)</u>
Net Budget	1,213,543.41	1,201,000.00
Additional Budget		
Special Emergency Relief & others	<u>288,231.10</u>	<u>368,537.26</u>
	<u>1,501,774.51</u>	<u>1,569,537.26</u>

9- 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.

10. Net assets released from restrictions:

Restricted:

	DISPOSITION OF GRANTS										Fixed assets				
	Unspent Grants as of 31/12/2007	Amount Received in 2008	Interest & Other		Available Funds for 2008	Unspent Balance as of 31/12/2008	Releases from restrictions 2008	Health of Community	Education Opportunity	Community Development	Advocacy Relief & Others	Special Emergency Administration	General Administration	Additions Equipment & Medicines	Total
			USD	USD											
Church of Scotland	42,453.02	-	134.70	42,587.72	42,587.72	-	-	-	-	-	-	-	-	-	-
WCC/ACT Emergency Relief	29,012.12	154,883.00	5,135.67	189,030.79	77,603.07	111,427.72	-	-	-	111,427.72	-	-	-	-	111,427.72
UMCOR	152,135.86	-	486.48	152,622.34	152,622.34	-	-	-	-	-	-	-	-	-	-
Carpentry Co-operative	23,404.29	-	74.84	23,479.13	23,479.13	-	-	-	-	-	-	-	-	-	-
Knitting & Weav. Co-Operative	3,884.93	-	-	3,884.93	3,884.93	-	-	-	-	-	-	-	-	-	-
Materials & Embroidery Fund	71,172.21	-	227.59	71,399.80	71,399.80	-	-	-	-	-	-	-	-	-	-
Ecumenical Women's Group /WCC	2,257.15	-	-	2,257.15	2,257.15	-	-	-	-	-	-	-	-	-	-
NCCA/AUSAID (Act for Peace)	167,721.00	43,669.50	-	211,390.50	148,388.13	63,002.37	63,002.37	-	-	-	-	-	-	-	63,002.37
DCA \ Danida - Vocation Training	-	13,970.45	-	13,970.45	-	13,970.45	-	13,970.45	-	-	-	-	-	-	13,970.45
Pontifical Mission	101,579.71	59,566.03	-	161,145.74	-	161,145.74	161,145.74	-	-	-	-	-	-	-	161,145.74
NECEF	11,027.96	51,349.29	-	62,377.25	11,130.52	51,246.73	-	-	-	51,246.73	-	-	-	-	51,246.73
DSPR fund from 2008	100,000.00	-	-	100,000.00	-	100,000.00	-	30,040.00	-	-	69,960.00	-	-	-	100,000.00
Presbyterian Hunger Program (for VTC Program)	-	19,123.00	-	19,123.00	-	19,123.00	19,123.00	19,123.00	-	-	-	-	-	-	19,123.00
ICCO-Holland	-	25,100.00	-	25,100.00	-	25,100.00	25,100.00	-	-	-	-	-	-	-	25,100.00
CCFD	42,000.00	83,645.00	-	125,645.00	42,000.00	83,645.00	83,645.00	83,645.00	-	-	-	-	-	-	83,645.00
Norwegian Church Aid	26,166.00	86,652.00	-	112,818.00	-	112,818.00	112,818.00	112,818.00	-	-	-	-	-	-	112,818.00
DCA/EU - Health	-	86,181.51	1,047.39	87,228.90	-	87,228.90	87,228.90	-	-	-	-	-	-	-	87,228.90
EU / Christian Aid	-	366,979.91	5,675.33	372,655.24	-	372,655.24	372,655.24	-	-	-	-	-	-	-	372,655.24
KAIROS, Canada	-	20,001.60	-	20,001.60	-	20,001.60	-	20,001.60	-	-	-	-	-	-	20,001.60
ERD - Germany	-	226,491.86	-	226,491.86	51,845.75	174,646.11	-	109,491.26	12,799.16	1,003.45	-	51,352.24	-	-	174,646.11
ACT / Christian Aid	-	69,993.00	1,814.75	71,807.75	-	71,807.75	-	-	-	-	71,807.75	-	-	-	71,807.75
Church in Wales	28,961.69	31,000.00	-	59,961.69	54,061.69	5,900.00	5,900.00	-	-	-	-	-	-	-	5,900.00
CA - Support Poor Families - VTCs	-	87,292.00	-	87,292.00	57,562.71	29,729.29	-	-	-	-	29,729.29	-	-	-	29,729.29
DCA / DANIDA Emerg. Humanitarian	-	177,416.71	-	177,416.71	42,681.94	134,734.77	-	-	-	-	134,734.77	-	-	-	134,734.77
Donations in kind (Equipment) - HANAN	-	57,946.40	-	57,946.40	-	57,946.40	-	-	-	-	-	-	-	57,946.40	57,946.40
Donation in kind - Ministry of health & Others	-	2,633.45	-	2,633.45	-	2,633.45	1,183.45	-	-	-	-	-	-	1,450.00	2,633.45
Total Restricted	801,775.94	1,663,894.71	14,596.75	2,480,267.40	781,504.88	1,698,762.52	716,215.70	389,089.31	12,799.16	1,003.45	468,906.26	51,352.24	59,396.40	1,698,762.52	

Unrestricted:

Core Grants (Note 4)	312,017.87	50,000.00	5,725.20	367,743.07	292,370.54	75,372.53	10.67	-	14,407.83	1,475.15	5,306.34	54,172.54	-	-	75,372.53
Local Revenues	-	80,538.85	-	80,538.85	42,001.37	38,537.48	18,405.65	9,424.03	4,407.80	-	-	6,300.00	-	-	38,537.48
Difference of currency	8,611.19	-	6,407.54	15,018.73	-	15,018.73	-	-	-	-	-	15,018.73	-	-	15,018.73
Total Unrestricted:	320,629.06	130,538.85	12,132.74	463,300.65	334,371.91	128,928.74	18,416.32	9,424.03	18,815.63	1,475.15	5,306.34	75,491.27	-	-	128,928.74
Total	1,122,405.00	1,794,433.56	26,729.49	2,943,568.05	1,115,876.79	1,827,691.26	734,632.02	398,513.34	31,614.79	2,478.60	474,212.60	126,843.51	59,396.40	1,827,691.26	

Schedule No. (1)

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

Projects Promoting Health of Community Expenditure

During the period 1/1/2008 - 31/12/2008

Page 1 of 3

Description	FHSC	FHSC	FHSC	FHSC	Mobile	Training	Total
	Shijaia	Darraj	South	Dental	of comm.	Exp.	
	US \$	US \$	US \$	Clinic	Workers	US \$	US \$
				US \$	US \$		
Salaries & Benefits							
Salaries	134,281.99	137,502.56	53,657.66	19,945.00	0.00	345,387.21	
Benefits (Family Allowances)	4,020.00	5,180.00	2,180.00	960.00	0.00	12,340.00	
Training	614.04	578.70	124.26	253.29	0.00	1,570.29	
Medical Insurance	1,040.17	1,454.80	52.60	629.08	0.00	3,176.65	
Indemnity	16,958.94	16,513.04	6,450.50	2,486.40	0.00	42,408.88	
Difference rate of exchange	17,227.38	16,819.54	6,386.04	2,677.61	0.00	43,110.57	
Total Salaries & Benefits	174,142.52	178,048.64	68,851.06	26,951.38	0.00	447,993.60	
Fees & Professional Services							
Audit fees	4,500.00	4,500.00	3,200.00	800.00	500.00	13,500.00	
Professional Services	2,201.25	2,276.25	1,151.25	606.25	650.56	6,885.56	
Total Fees & Professional Services	6,701.25	6,776.25	4,351.25	1,406.25	1,150.56	20,385.56	
General Expenses:							
Rental	3,660.00	4,500.00	3,000.00	0.00	0.00	11,160.00	
Water	328.75	63.37	183.78	0.00	0.00	575.90	
Postage	90.00	67.43	67.43	30.00	0.00	254.86	
Electricity	2,468.08	2,511.31	1,044.70	70.77	340.00	6,434.86	
Fuel for Energy	1,548.30	1,592.83	965.84	765.30	0.00	4,872.27	
Telephones	1,714.87	1,675.95	1,430.46	649.70	657.00	6,127.98	
Printing & Stationery	4,457.53	4,296.08	4,287.34	680.38	383.46	14,104.79	
Books, Mag. & Subscription	0.00	9.43	0.00	0.00	0.00	9.43	
Cleaning	892.15	1,084.51	712.04	96.51	0.00	2,785.21	
Consumable Supplies	618.57	426.56	391.84	328.20	1,220.01	2,985.18	
Repairs & Maintenance	1,581.85	1,806.82	795.87	579.44	0.00	4,763.98	
Furniture & Fittings	749.01	471.94	466.28	134.29	0.00	1,821.52	
Equipment & Maintenance	5,047.41	6,358.93	2,820.02	1,129.68	0.00	15,356.04	
Materials & Supplies	665.82	777.04	393.34	0.00	0.00	1,836.20	
Other Expenses	215.31	124.18	124.18	0.00	0.00	463.67	
Total General Expenses	24,037.65	25,766.38	16,683.12	4,464.27	2,600.47	73,551.89	

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

Projects Promoting Health of Community Expenditure

During the period 1/1/2008 - 31/12/2008

Page 2 of 3

Description	FHSC Shijaia	FHSC Darraj	FHSC South	Mobile Dental Clinic	Training of comm. Workers	Total Exp.
	US \$	US \$	US \$	US \$	US \$	US \$
Medical Expenses						
Medicines	40,487.98	39,861.35	40,173.08	4,007.85	0.00	124,530.26
Supplies	7,714.83	7,717.87	6,220.36	1,712.79	0.00	23,365.85
Total Medical Expenses	48,202.81	47,579.22	46,393.44	5,720.64	0.00	147,896.11
Hospitality						
Hospitality	616.82	566.57	432.54	110.00	193.80	1,919.73
Total Hospitality	616.82	566.57	432.54	110.00	193.80	1,919.73
Insurance						
Compulsory Insurance	1,696.43	1,691.60	806.87	415.24	141.50	4,751.64
Buildings Insurance	300.00	300.00	0.00	0.00	0.00	600.00
Equipment Insurance	200.00	200.00	0.00	0.00	0.00	400.00
Total Insurance	2,196.43	2,191.60	806.87	415.24	141.50	5,751.64
Transportation & Vehicle Exp.						
Transportation	4,051.11	2,542.19	3,193.25	1.85	403.08	10,191.48
Fuel	1,747.09	1,551.01	490.19	1,067.79	990.00	5,846.08
Repairs & Maintenance	998.17	733.11	196.43	171.90	0.00	2,099.61
Insurance	1,338.46	0.00	1,714.29	1,195.69	0.00	4,248.44
Lisence	331.12	360.00	447.84	193.85	0.00	1,332.81
Total Transp. & Vehicle Exp.	8,465.95	5,186.31	6,042.00	2,631.08	1,393.08	23,718.42

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

Projects Promoting Health of Community Expenditure

During the period 1/1/2008 - 31/12/2008

Page 3 of 3

Description	FHSC	FHSC	FHSC	FHSC	Mobile	Training	Total
	Shijaia	Darraj	South	Dental	of comm.	Exp.	
	US \$	US \$	US \$	Clinic	Workers	US \$	US \$
<u>Travel Expenses</u>							
Travel Exp.	453.43	316.43	316.14	161.43	0.00	0.00	1,247.43
Total Travel Expenses	453.43	316.43	316.14	161.43	0.00	0.00	1,247.43
<u>Taxes</u>							
Taxes	833.32	781.10	0.00	0.00	0.00	0.00	1,614.42
Total Taxes	833.32	781.10	0.00	0.00	0.00	0.00	1,614.42
<u>Other Expenses</u>							
Trainees Incentives	0.00	0.00	0.00	0.00	10,553.22	0.00	10,553.22
Total Other Expenses	0.00	0.00	0.00	0.00	10,553.22	0.00	10,553.22
Total Expenses 2008	265,650.18	267,212.50	143,876.42	41,860.29	16,032.63	0.00	734,632.02
Budget 2008	246,000.00	256,000.00	115,000.00	40,000.00	14,000.00	0.00	671,000.00
Total Expenses 2007	202,507.02	217,030.01	107,845.78	32,744.80	10,696.21	0.00	570,823.82

Schedule No. (2)
 Near East Council of Churches Committee for Refugee Work - Gaza Area
 Projects Promoting Educational Opportunities Expenditure
 During the period 1/1/2008 - 31/12/2008

Page 1 of 2

Description	VTC Gaza US \$	VTC Qarrarah US \$	Dress-Making US \$	Secretarial Training US \$	Computer Centre US \$	Total Expenses US \$
Salaries & Benefits						
Salaries	106,442.71	44,419.20	5,332.07	24,663.23	0.00	180,857.21
Benefits (Family Allowances)	5,280.00	3,840.00	0.00	0.00	0.00	9,120.00
Training	590.12	358.53	16.72	281.49	0.00	1,246.86
Medical Insurance	1,471.85	860.77	0.00	213.69	0.00	2,546.31
Indemnity	13,075.92	5,275.20	600.00	2,150.40	0.00	21,101.52
Difference rate of exchange	13,531.73	6,140.27	0.00	3,114.83	0.00	22,786.83
Total Salaries & Benefits	140,392.33	60,893.97	5,948.79	30,423.64	0.00	237,658.73
Fees & Professional Services						
Adult fees	4,500.00	1,500.00	1,100.00	1,400.00	0.00	8,500.00
Legal Expenses	150.00	1,810.84	0.00	0.00	0.00	1,960.84
Professional Services	5,010.98	666.03	123.08	4,229.22	0.00	10,029.31
Total Fees & Prof. Services	9,660.98	3,976.87	1,223.08	5,629.22	0.00	20,490.15
General Expenses						
Rental	2,530.29	1,765.00	1,500.00	10,000.00	1,000.00	16,795.29
Water	383.31	188.48	83.01	150.16	8.07	813.03
Postage	88.95	67.43	67.43	72.19	0.00	296.00
Electricity	4,855.72	664.69	360.73	3,098.65	416.21	9,396.00
Fuel for Energy	2,029.09	285.07	389.68	903.83	0.00	3,607.67
Telephones	1,874.43	1,188.78	900.27	1,793.63	70.50	5,827.61
Printing & Stationery	1,350.45	508.41	405.00	960.67	14.29	3,228.82
Books, Mag. & Subscription	50.00	50.00	0.00	208.31	0.00	308.31
Cleaning	928.71	208.88	30.77	179.39	0.00	1,347.75
Consumable Supplies	2,123.48	553.72	177.89	269.06	10.94	3,135.09
Repairs & Maintenance	2,741.36	107.84	1,227.90	2,215.26	154.07	6,446.43
Furniture & Fittings	134.29	170.51	500.87	932.23	0.00	1,737.90
Equipment & Maintenance	3,097.45	561.94	909.69	3,464.81	0.00	8,033.89
Materials & Supplies	43,504.75	4,431.26	557.47	595.09	41.03	49,129.60
Other Expenses	37.00	0.00	0.00	0.00	0.00	37.00
Total General Expenses	65,729.28	10,752.01	7,110.71	24,833.28	1,715.11	110,140.39
Hospitality						
Hospitality	1,656.58	103.51	0.00	85.14	0.00	1,845.23
Total Hospitality	1,656.58	103.51	0.00	85.14	0.00	1,845.23

Cont'd/ Schedule No. (2)

Near East Council of Churches Committee for Refugee Work - Gaza Area
Projects Promoting Educational Opportunities Expenditure
 During the period 1/1/2008 - 31/12/2008

Description	VTC Gaza US \$	VTC Qarrarah US \$	Dress- Making US \$	Secretarial Training US \$	Computer Centre US \$	Total Expenses US \$
Insurance						
Compulsory Insurance	2,850.16	1,239.65	441.20	731.73	412.00	5,674.74
Building Insurance	900.00	500.00	200.00	500.00	200.00	2,300.00
Equipment Insurance	200.00	200.00	100.00	200.00	0.00	700.00
Total Insurance	3,950.16	1,939.65	741.20	1,431.73	612.00	8,674.74
Transportation & Vehicle Exp.						
Transportation	2,754.36	2,357.52	117.23	1,286.48	0.00	6,515.59
Fuel	2,181.71	315.31	117.00	248.39	0.00	2,862.41
Repairs & Maintenance	444.04	505.48	274.72	117.95	0.00	1,342.19
Insurance	1,276.92	400.00	200.00	300.00	0.00	2,176.92
License	180.00	179.43	0.00	0.00	0.00	359.43
Total Transp. & Vehicle Exp.	6,837.03	3,757.74	708.95	1,952.82	0.00	13,256.54
Taxes						
Taxes	1,009.88	27.28	0.00	403.96	0.00	1,441.12
Total Taxes	1,009.88	27.28	0.00	403.96	0.00	1,441.12
Other Expenses						
Trainees Incentives	5,006.44	0.00	0.00	0.00	0.00	5,006.44
Total Other Expenses	5,006.44	0.00	0.00	0.00	0.00	5,006.44
Total Expenses 2008	234,242.68	81,451.03	15,732.73	64,759.79	2,327.11	398,513.34
Budget 2008						
	242,000.00	89,000.00	21,000.00	67,000.00	19,000.00	438,000.00
Total Expenses 2007	243,903.93	79,554.35	10,522.13	63,231.02	4,936.63	402,148.06

Schedule No (3)

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

Community Development Expenditure

During the period from 1/1/2008 to 31/12/2008

<u>Description</u>	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>	<u>Budget</u> <u>2008</u> <u>US\$</u>
<u>Salaries and Benefits</u>			
Training	0.00	16.67	0.00
Total Salaries & Benefits	0.00	16.67	0.00
<u>General Expenses</u>			
Rental	1,500.00	1,000.00	1,000.00
Water	39.47	25.68	100.00
Postage	0.00	21.86	100.00
Electricity	1,072.95	1,000.82	900.00
Fuel for energy	146.79	0.00	500.00
Telephones	352.00	335.10	400.00
Printing & Stationery	74.36	290.32	200.00
Cleaning	20.84	16.67	100.00
Consumable Supplies	151.68	137.95	200.00
Repairs & Maintenance	350.28	51.42	300.00
Furniture & Fittings	75.11	200.00	200.00
Equipment & Maintenance	364.05	0.00	1,500.00
Materials & Supplies	529.38	294.39	600.00
Other General Expenses	0.00	100.00	100.00
Total General Expenses	4,676.91	3,474.21	6,200.00
<u>Insurance</u>			
Compulsory Insurance	292.50	175.00	300.00
Buildings Insurance	100.00	0.00	100.00
Equipment Insurance	0.00	0.00	100.00
Total Insurance	392.50	175.00	500.00
<u>Transportation & Vehicle Exp.</u>			
Transportation	0.00	0.00	100.00
Fuel	60.26	280.00	300.00
Repairs & Maintenance	50.00	155.75	100.00
Insurance	169.23	0.00	200.00
Lisence	0.00	0.00	100.00
Other Vehicle Expenses	0.00	0.00	100.00
Total Transp. & Vehicle Expenses	279.49	435.75	900.00
<u>Other Expenses</u>			
Other Exenses	0.00	0.00	100.00
Self Help Clothing / Benefits to Seamstress	21,181.53	22,266.69	22,300.00
Youth Activities & Societies	3,656.85	5,103.22	3,000.00
Kindergarten & Schools	1,427.51	19.04	3,000.00
Rehabilitation	0.00	1,862.02	1,000.00
Total Other Expenses	26,265.89	29,250.97	29,400.00
Total Expenses	31,614.79	33,352.60	37,000.00

Schedule No (4)
Near East Council of Churches Committee for Refugee Work
Gaza Area
Advocacy's Expenses during the period from 1/1/2008 to 31/12/2008

<u>Description</u>	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>	<u>Budget 2008</u> <u>US\$</u>
<u>General Expenses</u>			
Training	0.00	0.00	500.00
Rental	0.00	820.00	0.00
Water	0.00	0.00	100.00
Postage	0.00	0.00	200.00
Electricity	0.00	0.00	200.00
Telephones	161.74	244.76	500.00
Printing & Stationery	1,634.29	332.25	500.00
Books, Magazines & Subs.	0.00	0.00	100.00
Cleaning	0.00	0.00	100.00
Consumable supplies	0.00	0.00	100.00
Repairs & Maintenance	0.00	0.00	200.00
Equipment & Maintenance	82.57	0.00	200.00
Materials & Supplies	0.00	0.00	100.00
Other General Expenses	500.00	2,000.00	1,000.00
Total General Expenses	2,378.60	3,397.01	3,800.00
<u>Hospitality</u>			
Hospitality	0.00	764.87	500.00
Total Hospitality	0.00	764.87	500.00

Cont'd / Schedule No. (4)
Near East Council of Churches Committee for Refugee Work
Gaza Area
Advocacy's Expenses during the period from 1/1/2008 to 31/12/2008

<u>Description</u>	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>	<u>Budget 2008</u> <u>US\$</u>
<u>Insurance</u>			
Compulsory Insurance	100.00	0.00	0.00
Total Insurance	100.00	0.00	0.00
<u>Transportation & Vehicle Exp.</u>			
Transportation	0.00	0.00	500.00
Fuel	0.00	100.00	500.00
Repairs & Maintenance	0.00	132.50	100.00
Insurance	0.00	0.00	400.00
Lisence	0.00	0.00	200.00
Other Vehicle Expenses	0.00	0.00	0.00
Total Transp. & Vehicle Exp.	0.00	232.50	1,700.00
<u>Travel Expenses</u>			
Travel Expenses	0.00	0.00	0.00
Total Travel Exp.	0.00	0.00	0.00
<u>Taxes</u>			
Taxes	0.00	0.00	0.00
Total Taxes	0.00	0.00	0.00
Total Expenses	2,478.60	4,394.38	6,000.00

Schedule No. (5)Near East Council of Churches Committee for Refugee Work - Gaza AreaAdministration's Expenses during the period from 1.1.2008 to 31.12.2008

<u>Description</u>	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>	<u>Budget 2008</u> <u>US\$</u>
<u>Salaries & Benefits</u>			
Salaries	76,910.79	85,900.07	85,500.00
Benefits (Family Allowances)	703.80	761.80	1,200.00
Training	3.08	0.00	0.00
Medical Insurance	207.69	160.72	700.00
Indemnity	23,268.82	22,769.19	10,600.00
Difference rate of exchange	7,556.79	0.00	0.00
Total Salaries & Benefits	108,650.97	109,591.78	98,000.00
<u>Fees & Professional Services</u>			
Audit Fees	0.00	0.00	1,000.00
Total Fees & Prof. Services	0.00	0.00	1,000.00
<u>General Expenses</u>			
Rental	1,650.00	1,400.00	1,600.00
Water	52.50	232.52	300.00
Postage	300.87	464.18	500.00
Electricity	1,488.95	1,501.31	1,300.00
Fuel for Energy	768.52	13.50	1,000.00
Telephones	1,054.66	1,083.49	1,500.00
Printing & Stationery	1,160.45	1,358.81	1,000.00
Books, Magazines & Subs.	0.00	28.27	200.00
Cleaning	1,106.00	1,044.14	800.00
Consumable Supplies	657.43	533.30	600.00
Repairs & Maintenance	238.57	240.77	1,000.00
Furniture & Fittings	135.38	1,080.00	500.00
Equipment & Maintenance	662.36	214.00	500.00
Materials & Supplies	313.46	245.23	300.00
Other General Expenses	34.56	211.00	200.00
Total General Expenses	9,623.71	9,650.52	11,300.00
<u>Hospitality</u>			
Hospitality	1,687.01	926.75	1,800.00
Total Hospitality	1,687.01	926.75	1,800.00

Near East Council of Churches Committee for Refugee WorkGaza AreaAdministration's Expenses during the period from 1.1.2008 to 31.12.2008

<u>Description</u>	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>	<u>Budget 2008</u> <u>US\$</u>
<u>Insurance</u>			
Compulsory Insurance	902.80	1,289.20	1,200.00
Buildings Insurance	160.00	500.00	600.00
Travel Insurance	0.00	0.00	400.00
Equipment Insurance	0.00	0.00	200.00
Total Insurance	1,062.80	1,789.20	2,400.00
<u>Transportation & Vehicle Exp.</u>			
Transportation	658.51	626.39	700.00
Fuel	1,855.14	1,436.38	2,000.00
Repairs & Maintenance	749.28	894.25	800.00
Insurance	650.46	1,167.17	1,200.00
Lisence	311.24	341.55	600.00
Other Vehicle Expenses	0.00	0.00	200.00
Total Transp. & Vehicle Exp.	4,224.63	4,465.74	5,500.00
<u>Travel Expenses</u>			
Travel Expenses	193.93	147.00	0.00
Total Travel Expenses	193.93	147.00	0.00
<u>Bank Charges</u>			
Bank Charges	626.58	1,191.25	0.00
Total Bank Charges	626.58	1,191.25	0.00
<u>Taxes</u>			
Taxes	773.88	459.84	0.00
Total Taxes	773.88	459.84	0.00
Total Expenses	126,843.51	128,222.08	120,000.00

Schedule No (6)

Near East Council of Churches Committee for Refugee Work
Gaza Area

Income from Projects Promoting Community Health
During the Period from 1/1/2008 to 31/12/2008

<u>Description</u>	<u>FHSC</u> <u>Shija'ia</u> <u>US\$</u>	<u>FHSC</u> <u>Darraj</u> <u>US\$</u>	<u>FHSC</u> <u>South</u> <u>US\$</u>	<u>Mobile</u> <u>Dental Clininc</u> <u>US\$</u>	<u>Total</u> <u>Income</u> <u>US\$</u>
Income from Medicines	3,536.18	2,814.21	0.00	973.12	7,323.51
Income from Patients	4,165.53	4,177.20	0.00	2,739.41	11,082.14
Total Income 2008	7,701.71	6,991.41	0.00	3,712.53	18,405.65
Budget 2008	8,000.00	8,000.00	3,000.00	4,000.00	23,000.00
Total Income 2007	7,825.79	6,453.59	0.00	3,441.30	17,720.68

Schedule No (7)

Near East Council of Churches Committee for Refugee Work

Gaza Area

Income from Projects Promoting Educational Opportunities

During the Period from 1/1/2008 to 31/12/2008

<u>Description</u>	<u>VTC</u>		<u>Dress Making</u>		<u>Secretarial Training & Language</u>		<u>Computer Centre</u>		<u>Total Income US\$</u>
	<u>US \$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	
Income from centres	12,882.77	3,250.90	425.57	120.00	0.00	0.00	0.00	16,679.24	
Income from Tuition fees	9,729.45	9,478.82	2,748.20	12,789.69	0.00	0.00	0.00	34,746.16	
Total Income 2008	22,612.22	12,729.72	3,173.77	12,909.69	0.00	0.00	0.00	51,425.40	
Budget 2008	25,000.00	6,000.00	1,000.00	8,000.00	3,000.00	0.00	0.00	43,000.00	
Total Income 2007	25,387.82	1,639.21	995.06	5,186.42	0.00	0.00	0.00	33,208.51	

Schedule No. (8)

Near East Council of Churches Committee for Refugee Work

Gaza Area

Educational Loans Fund

Year ended 31 December 2008

<u>Assets</u>	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Balance as at 1st January 2008	553,741.57	520,056.95
New Loans	61,500.00	111,250.00
Total	615,241.57	631,306.95
Collections during the year	(141,070.39)	(77,565.38)
Write off	-	-
Balance as at 31/12/2008 (Sch. - 12)	474,171.18	553,741.57
Reserve for doubtful debts	(8,712.00)	(8,712.00)
Balance	465,459.18	545,029.57
Cash at Arab Bank Rimal as at 31/12/2008	38,816.12	38,587.92
Cash at Bank of Palestine as at 31/12/2008	254,161.11	179,147.82
Total Assets	758,436.41	762,765.31
<u>Capital</u>		
Total amount from budgets all over the years	650,500.00	650,500.00
Accumulated fund at 1/1/2008	112,265.31	111,442.36
Interest received	5,320.52	10,341.97
Various Income	1,267.34	2,011.59
Provision for Doubtful Debts Income	-	125.00
Expenses/ Legal and other expenses	(9,416.76)	(11,655.61)
Bad Debts	(1,500.00)	-
Net surplus	107,936.41	112,265.31
Total Capital	758,436.41	762,765.31

Schedule No (9)

Near East Council of Churches Committee for Refugee Work

Gaza Area

Provident Fund Account

Year ended 31 December 2008

<u>Assets</u>	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Cash at ING Bank - Holland	1,823,006.08	1,843,434.16
Total Assets	1,823,006.08	1,843,434.16
 <u>Liabilities</u>		
Employees' Fund at 1/1/2008	1,843,434.16	1,839,217.49
Employees' contribution	95,429.53	104,700.60
NECC contribution	85,219.04	81,671.59
Total Fund	2,024,082.73	2,025,589.68
Withdrawals: terminal entitlements and advances	(240,310.45)	(254,040.19)
Total	1,783,772.28	1,771,549.49
Interest earned allocated to staff at the end of the year	39,233.80	71,884.67
Total Liabilities	1,823,006.08	1,843,434.16