

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

Gaza Area

Financial Statements
and
Independent Auditors' Report

December 31, 2007
With comparative figures for 2006

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

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, 2007, 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, 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Yacoub El-Yousef
Certified Public Accountant

Jerusalem
February 21, 2008

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

**Balance Sheet
As of December 31, 2007
With comparative figures for 2006**

	Note	Restricted/		Total	
		Unrestricted USD	Special Funds USD	2007 USD	2006 USD
Assets					
Deposits with Banks	2.a	561,542.89	706,318.11	1,267,861.00	1,066,250.58
Deposits with Banks - Loans Revolving Fund	2.b	-	389,688.51	389,688.51	412,712.85
Deposits with Banks - (End of Service)	2.c	-	1,843,434.16	1,843,434.16	1,839,217.49
Inter-Fund Borrowing (Statement - D)		(14,696.90)	14,696.90	-	-
Due from Trust Fund		-	183,067.31	183,067.31	121,002.88
Loans Receivable	3	-	564,157.32	564,157.32	535,469.81
Fixed Assets - Net (Per Contra)	1.4	118,608.40	-	118,608.40	158,243.00
Due from DSPR Central Office		-	-	-	-
Total Assets		665,454.39	3,701,362.31	4,366,816.70	4,132,896.61
Trust Fund Assets	7	76,653.29	-	76,653.29	74,823.31
Liabilities and Net Assets					
Liabilities:					
Due to Employees		8,390.86	-	8,390.86	2,362.43
Prepaid Income - Tuition Fees		14,868.73	-	14,868.73	8,512.64
Prepaid Income - EED Germany		-	68,486.48	68,486.48	-
Prepaid income - VTC 2008 - Presbyterian		-	19,123.00	19,123.00	-
Prepaid Income - Norwegian Church Aid		-	-	-	148,225.00
Accrued Expenses		3,500.00	-	3,500.00	-
Accounts Payable		39,477.79	-	39,477.79	13,058.18
End of service liability (Schedule - 9)		-	1,843,434.16	1,843,434.16	1,839,217.49
Total Liabilities		66,237.38	1,931,043.64	1,997,281.02	2,011,375.74
Net Assets		599,217.01	1,770,318.67	2,369,535.68	2,121,520.87
Total Liabilities and Net Assets		665,454.39	3,701,362.31	4,366,816.70	4,132,896.61
Trust Fund Liability	7	76,653.29	-	76,653.29	74,823.31
Composition of Net Assets:					
Operating:					
Unrestricted		320,629.06	-	320,629.06	269,230.42
Temporarily Restricted	1.1	-	801,775.94	801,775.94	627,224.34
Investment in fixed assets - net	1.4	118,608.40	-	118,608.40	158,243.00
Total Operating (Statement - B)		439,237.46	801,775.94	1,241,013.40	1,054,697.76
Special Funds:					
Loans Revolving Fund (Statement - D)		-	968,542.73	968,542.73	962,623.83
Board (Central Committee) Designated Fund	6	159,979.55	-	159,979.55	104,199.28
Total Special Funds		159,979.55	968,542.73	1,128,522.28	1,066,823.11
Total Net Assets		599,217.01	1,770,318.67	2,369,535.68	2,121,520.87

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, 2007

With comparative figures for 2006

	Note	Unrestricted	Temporarily	Total	
		Fund	Restricted	2007	2006
		USD	USD	USD	USD
Grants and Revenues :					
Grants	4	76,200.00	1,420,612.36	1,496,812.36	1,132,779.98
ACT - Emergency Appeal MEPL61	4	-	65,000.00	65,000.00	488,838.00
ACT - Emergency Appeal MEPL 71	4	-	472,701.00	472,701.00	-
ACT - Christian Aid	4	-	60,921.00	60,921.00	-
DCA - Emergency Relief	4	-	18,068.48	18,068.48	-
ACT - Emergency Appeal - MEPL51		-	-	-	1,975.00
NCA, Norway Church - Domestic Water Fillters		-	-	-	16,120.00
Caritas Jerusalem - Emergency Relief		-	-	-	24,873.57
		76,200.00	2,037,302.84	2,113,502.84	1,664,586.55
Local Program Revenues	5.a	55,265.72	-	55,265.72	79,294.23
Interest Revenues		5,650.72	6,487.81	12,138.53	2,173.48
Difference of Currency		3,598.04	14,137.76	17,735.80	10,576.26
Total Grants and Revenues		140,714.48	2,057,928.41	2,198,642.89	1,756,630.52
Net assets released from restrictions	10	1,883,376.81	(1,883,376.81)	-	-
		2,024,091.29	174,551.60	2,198,642.89	1,756,630.52
Program Expenses :					
Health of Community	(schedule-1)	570,823.82	-	570,823.82	568,652.74
Educational Opportunities	(schedule-2)	402,148.06	-	402,148.06	335,556.76
Community Development	(schedule-3)	33,352.60	-	33,352.60	31,028.55
Advocacy	(schedule-4)	4,394.38	-	4,394.38	3,048.12
Emergency Relief	(schedule-10)	804,461.71	-	804,461.71	318,012.69
Others		-	-	-	40,993.57
Total Program Expenses (Statement -F)		1,815,180.57	-	1,815,180.57	1,297,292.43
Administrative and general Exp. (Statement - F)		128,222.08	-	128,222.08	126,918.73
Total Expenses before depreciation		1,943,402.65	-	1,943,402.65	1,424,211.16
Depreciation expense		68,924.60	-	68,924.60	47,041.00
Total Expenses		2,012,327.25	-	2,012,327.25	1,471,252.16
Net Increase in Net Assets during the Year (Statement C)		11,764.04	174,551.60	186,315.64	285,378.36

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, 2007

With comparative figures for 2006

	Unrestricted Fund USD	Temporary Restricted Fund USD	Investment in Fixed Assets USD	Total USD
<u>In year 2006</u>				
Balance January 1, 2006	270,080.78	317,264.62	181,974.00	769,319.40
Net Increase for the year - Statement - B	(24,581.36)	309,959.72	-	285,378.36
Interfund Transfers:				
Procurement of fixed assets	(23,310.00)	-	23,310.00	-
Depreciation for the year	47,041.00	-	(47,041.00)	-
Balance December 31, 2006	269,230.42	627,224.34	158,243.00	1,054,697.76
<u>In year 2007</u>				
Balance 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 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 2007

	Education USD	Business USD	WCC USD	Total USD
<i>Revenues:</i>				
Interest Earned	10,341.97	4,840.22	255.73	15,437.92
Various Income	2,011.59	-	-	2,011.59
Provision for Doubtful Debts Income	125.00	-	-	125.00
Sub-Total	12,478.56	4,840.22	255.73	17,574.51
Expenses	(11,655.61)	-	-	(11,655.61)
Excess (Surplus) of Revenues Over Expenses	822.95	4,840.22	255.73	5,918.90
Net Assets at Beginning of Year	761,942.36	186,240.30	14,441.17	962,623.83
Net Assets at End of Year (Statement - A)	762,765.31	191,080.52	14,696.90	968,542.73
<i>Composition of net assets:</i>				
Outstanding loans - beginning	520,056.95	24,249.86	-	544,306.81
Loans issued during the year	111,250.00	12,659.67	-	123,909.67
Collections	(77,565.38)	(17,781.78)	-	(95,347.16)
Outstanding loans	553,741.57	19,127.75	-	572,869.32
Reserve for Doubtful Debts	(8,712.00)	-	-	(8,712.00)
Balance - Ending	545,029.57	19,127.75	-	564,157.32
Deposits with Banks	217,735.74	171,952.77	-	389,688.51
Inter-Fund Borrowings	-	-	14,696.90	14,696.90
	762,765.31	191,080.52	14,696.90	968,542.73

See Notes to Financial Statements

Near East Council of Churches Committee for Refugee Work

Gaza Area

Statement of Cash Flows

Year Ended December 31,2007
With comparative figures for 2006

	2007 USD	2006 USD
Cash Flow from Operating Activities:		
Change in Net Assets	248,014.81	317,309.91
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation expenses	68,924.60	47,041.00
Increase in End of Service Liabilities	4,216.67	135,122.73
Increase in Loans Receivable	(28,687.51)	(48,081.98)
Increase in Due from Trust Fund	(62,064.43)	(11,462.79)
Increase (Decrease) in Due to Employees	6,028.43	(7,726.46)
Decrease (Increase) in Prepaid Income	(54,259.43)	139,366.14
Increase in accounts payable	26,419.61	5,480.36
Increase in Accrued Expenses	3,500.00	-
Due from DSPR	-	6,398.68
Net Cash Provided by Operating Activities	212,092.75	583,447.59
Cash flows from Investing Activities		
Procurement of fixed assets	(29,290.00)	(23,310.00)
Cash on Hand and Deposits with Banks at Beginning of Year	3,318,180.92	2,758,043.33
Cash on Hand and Deposits with Banks at End of Year	3,500,983.67	3,318,180.92

See Notes to Financial Statements

Near East Council of Churches Committee
Gaza Area

Statement of Functional Expenses - Operating Fund

Year Ended December 31, 2007

With comparative figures for 2006

	Health of Community		Educational Opportunities		Community Development		Advocacy		Special		Admin-stration and General		Total Expenses	
	USD	2007	USD	2006	USD	2007	USD	2006	Emergency Relief	Relief & Others	Program	USD	2007	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
Other Expenses (Defined in schedule)	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	-	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	1,955,473.83	132,000.00	1,955,473.83	1,658,964.10
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				

Schedule - 5

Note - 4

Schedule - 3

Schedule - 2

Schedule - 1

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:

Vehicles and training equipment	25%
Furniture	10%
Equipments	20%

The Net Fixed Assets break down as of 31/12/2007 was as follows:

Cost	Balance 1/1/2007	Additions	Disposals	Balance 31/12/2007
Furniture and Fittings	71,413.00	-	-	71,413.00
Office Equipments	29,265.00	29,290.00	-	58,555.00
Medical Equipment	93,710.00	-	-	93,710.00
Training Equipment	135,105.00	-	-	135,105.00
Cars	242,160.00	-	-	242,160.00
Other Fixed Assets	5,740.00	-	-	5,740.00
Total Cost	577,393.00	29,290.00	-	606,683.00
Accumulated depreciation				
Furniture	58,361.00	4,756.60	-	63,117.60
Office Equipments	15,966.00	6,580.00	-	22,546.00
Medical Equipments	74,238.00	13,628.00	-	87,866.00
Training Equipments	110,728.00	9,451.00	-	120,179.00
Cars	154,545.00	34,115.00	-	188,660.00
Other Fixed Assets	5,312.00	394.00	-	5,706.00
Total Accumulated Depreciation	419,150.00	68,924.60	-	488,074.60
Net Book value	158,243.00			118,608.40

Net Book Value as at 31 December 2007

	US\$
Furniture and fittings	8,295.40
Office Equipments	36,009.00
Medical Equipments	5,844.00
Training Equipments	14,926.00
Cars	53,500.00
Other Fixed Assets	34.00
	<u>118,608.40</u>

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, 2007 and 2006 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>2007</u>	<u>2006</u>
Arab Bank – NIS	26,653.81	16,401.34
Arab Bank – USD	887,330.03	1,028,807.40
Arab Bank – EURO	265,727.09	11.80
Bank of Palestine – NIS	17,913.79	12,204.57
Bank of Palestine – USD	70,236.28	8,825.47
<i>Balance with Banks as of 31 December</i>	<u>1,267,861.00</u>	<u>1,066,250.58</u>

- b. *Loan Revolving Fund:*

	<u>2007</u>	<u>2006</u>
Deposits with Banks -Educational Loans	217,735.74	250,722.41
Deposits with Banks -Business Loans	171,952.77	161,990.44
<i>Balance with Banks as of 31 December</i>	<u>389,688.51</u>	<u>412,712.85</u>

- c. *Provident Fund:*

	<u>2007</u>	<u>2006</u>
Deposit at ING Bank – Holland	1,843,434.16	1,839,217.49
	<u>1,843,434.16</u>	<u>1,839,217.49</u>

3 Loans Receivable

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	(77,565.38)	(17,781.78)	(95,347.16)
Write off	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Outstanding Loans	553,741.57	19,127.75	572,869.32
Reserve for Doubtful Debts	<u>(8,712.00)</u>	<u>0.00</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>
<i>Through DSPR:</i>			
DSPR	26,200.00	0.00	26,200.00
DSPR – VTC Programme 2008	0.00	100,000.00	100,000.00
Lutheran World Relief	50,000.00	0.00	50,000.00
ICCO-Holland	0.00	100,000.00	100,000.00
NCCA/AUSAID	0.00	137,502.00	137,502.00
CCFD	0.00	47,921.00	47,921.00
NCA, Norway Church	0.00	148,225.00	148,225.00
WCC/ACT MEPL 61	0.00	65,000.00	65,000.00
WCC/ACT MEPL 71	<u>0.00</u>	<u>472,701.00</u>	<u>472,701.00</u>
	<u>76,200.00</u>	<u>1,071,349.00</u>	<u>1,147,549.00</u>
<i>Direct Grants:</i>			
Pontifical Mission	0.00	50,000.00	50,000.00
DCA / EU - Health	0.00	82,373.40	82,373.40
DCA/Education	0.00	11,467.37	11,467.37
EU/Christian Aid	0.00	420,752.43	420,752.43
KAIROS, Canada	0.00	24,771.45	24,771.45
Church of Scotland	0.00	9,713.28	9,713.28
EED – Germany	0.00	258,298.29	258,298.29
ACT / Christian Aid	0.00	60,921.00	60,921.00
DCA / Emergency Relief	0.00	18,068.48	18,068.48
Church in Wales	<u>0.00</u>	<u>28,961.69</u>	<u>28,961.69</u>
	<u>0.00</u>	<u>965,327.39</u>	<u>965,327.39</u>
<i>Other Donations</i>			
Donations in kind	<u>0.00</u>	<u>626.45</u>	<u>626.45</u>
Total Grants	<u>76,200.00</u>	<u>2,037,302.84</u>	<u>2,113,502.84</u>

5 Local Revenues

a. Local Program Revenues:
Composition:

	<u>2007</u>	<u>2006</u>
Community Health	17,720.68	37,004.56
Educational Opportunities	33,208.51	40,544.60
Community Development	<u>4,336.53</u>	<u>1,745.07</u>
	<u>55,265.72</u>	<u>79,294.23</u>

6 **Board Designated Fund**

Composition:

	<u>2007</u>	<u>2006</u>
Balance at Beginning of Year	104,199.28	85,293.51
Add: General Donations	53,220.45	17,112.83
Interest Earned	<u>2,559.82</u>	<u>1,792.94</u>
Balance at End of Year	<u>159,979.55</u>	<u>104,199.28</u>

7 **Trust Fund**

Composition:

	<u>2007</u>	<u>2006</u>
Ahli Arab Hospital	70.74	66.47
Dress Making Co-Operative	11,965.44	12,229.94
VTC Box	9,498.72	8,891.63
Materials Dress Making	183.41	180.21
Canteen	7,384.50	7,221.14
Qararah VTC Box	276.39	271.57
Robin Oberlander	815.73	815.73
Community Workers (DCA)	8.77	0.00
Youth Rehabilitation Centre	<u>46,449.59</u>	<u>45,146.62</u>
	<u>76,653.29</u>	<u>74,823.31</u>

Composition:

	<u>2007</u>	<u>2006</u>
Deposit at Arab Bank	213,271.01	150,679.57
Deposits for youth Reh. Center	46,449.59	45,146.62
Due to NECCCRW – Gaza Restricted Fund	<u>(183,067.31)</u>	<u>(121,002.88)</u>
	<u>76,653.29</u>	<u>74,823.31</u>

8 **Actual Versus Budget**

	<u>Actual</u>	<u>Budget</u>
Core Budget		
Health of the Community	570,823.82	554,000.00
Educational Opportunities	402,148.06	396,000.00
Community Development	33,352.60	37,000.00
Advocacy	4,394.38	3,000.00
Administration	<u>128,222.08</u>	<u>132,000.00</u>
	<u>1,138,940.94</u>	<u>1,122,000.00</u>
Less: Local Revenues	<u>(55,265.72)</u>	<u>(85,000.00)</u>
Net Budget	<u>1,083,675.22</u>	<u>1,037,000.00</u>
Additional Budget		
Special Emergency Relief & others	<u>804,461.71</u>	<u>833,473.83</u>
	<u>1,888,136.93</u>	<u>1,870,473.83</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:

DISPOSITION OF GRANTS

	Unspent Grants as of 31/12/2006		Interest & Other Revenue & Diff. of Currency		Available Funds for 2007		Unspent Balance as of 31/12/2007		Releases from restrictions 2007	
	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$
	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$
<i>Restricted:</i>										
Church of Scotland	32,568.64	9,713.28	171.10	42,453.02	-	42,453.02	42,453.02	-	-	-
WCC/ACT Emergency Relief	201,957.84	537,701.00	13,701.61	753,360.45	724,348.33	753,360.45	29,012.12	-	-	-
UMCOR	151,522.67	-	613.19	152,135.86	-	152,135.86	152,135.86	-	724,348.33	-
Carpentry Co-operative	23,309.95	-	94.34	23,404.29	-	23,404.29	23,404.29	-	-	-
Knitting & Weav. Co-Operative	3,884.93	-	-	3,884.93	-	3,884.93	3,884.93	-	-	-
Materials & Embroidery Fund	70,885.35	-	286.86	71,172.21	-	71,172.21	71,172.21	-	-	-
Evangelical Women's Group (WCC)	2,257.15	-	-	2,257.15	-	2,257.15	2,257.15	-	-	-
NCCN/AUSAD	56,385.00	137,592.00	-	193,887.00	-	193,887.00	193,887.00	-	-	-
Pontifical Mission	70,000.00	50,000.00	-	120,000.00	18,420.29	101,579.71	101,579.71	-	-	-
NFCEF	14,452.81	-	-	14,452.81	3,424.85	11,027.96	11,027.96	-	-	-
DISPR/ATC Programme 2008	-	100,000.00	-	100,000.00	-	100,000.00	100,000.00	-	-	-
ICCO-Holland	-	100,000.00	-	100,000.00	100,000.00	-	-	100,000.00	-	-
CYFD	-	47,921.00	-	47,921.00	5,921.00	42,000.00	42,000.00	-	-	-
NCA, Norway Church	-	148,225.00	-	148,225.00	148,225.00	-	-	148,225.00	-	-
DC/NEU - Health	-	82,373.40	741.88	83,115.28	83,115.28	-	-	83,115.28	-	-
DCA / Education	-	11,467.37	103.29	11,570.66	11,570.66	-	-	11,570.66	-	-
EO / Christian Aid	-	420,752.43	3,789.40	424,541.83	424,541.83	-	-	424,541.83	-	-
KAIROS, Canada	-	24,771.45	-	24,771.45	24,771.45	-	-	24,771.45	-	-
EHO - Germany	-	258,298.29	-	258,298.29	258,298.29	-	-	258,298.29	-	-
ACT / Christian Aid	-	60,921.00	1,123.90	62,044.90	62,044.90	-	-	62,044.90	-	-
DCA / Emergency Relief	-	18,068.48	-	18,068.48	18,068.48	-	-	18,068.48	-	-
Church in Wales	-	28,961.69	-	28,961.69	28,961.69	-	-	28,961.69	-	-
Donation in kind	-	626.45	-	626.45	626.45	-	-	626.45	-	-
	627,224.34	2,037,302.84	20,625.57	2,685,152.75	1,883,376.81	801,775.94	1,883,376.81	804,461.71	127,161.44	-
<i>Unrestricted:</i>										
Core Grants (Note 4)	264,217.27	76,200.00	5,650.72	346,067.99	34,050.12	312,017.87	312,017.87	-	-	-
Local Revenues	-	55,265.72	-	55,265.72	55,265.72	-	-	55,265.72	-	-
Difference of currency	5,013.15	-	3,598.04	8,611.19	8,611.19	8,611.19	8,611.19	-	-	-
Total Unrestricted:	269,230.42	131,465.72	9,248.76	409,944.90	89,315.84	320,629.06	320,629.06	1,218.30	1,060.64	29,290.00
Total	896,454.76	2,168,768.56	29,874.33	3,095,097.65	1,972,692.65	1,122,405.00	1,972,692.65	804,461.71	128,222.08	29,290.00

Schedule No. (1)

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

Projects Promoting Health of Community Expenditure

During the period 1/1/2007 - 31/12/2007

Page 1 of 3

Description	FHSC	FHSC	FHSC	FHSC	Mobile	Training	Total
	Shijaia	Darraai	South	Dental	of comm.	Exp.	
	US \$	US \$	US \$	Clinic	Workers	US \$	US \$
<u>Salaries & Benefits</u>							
Salaries	122,646.17	132,694.69	47,927.89	17,901.90	0.00	0.00	321,170.65
Benefits (Family Allowances)	1,470.00	4,370.00	1,630.00	1,030.00	0.00	0.00	8,500.00
Training	993.53	1,007.80	531.85	174.37	0.00	0.00	2,707.55
Medical Insurance	661.92	982.49	363.07	330.96	0.00	0.00	2,338.44
Indemnity	14,220.50	15,410.50	5,542.60	2,119.60	0.00	0.00	37,293.20
Total Salaries & Benefits	139,992.12	154,465.48	55,995.41	21,556.83	0.00	0.00	372,009.84
<u>Fees & Professional Services</u>							
Audit fees	4,400.00	4,400.00	3,100.00	700.00	400.00	0.00	13,000.00
Professional Services	1,959.52	1,945.72	768.00	0.00	532.51	0.00	5,205.75
Evaluation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees & Professional Services	6,359.52	6,345.72	3,868.00	700.00	932.51	0.00	18,205.75
<u>General Expenses:</u>							
Rental	2,960.00	3,800.00	1,900.00	0.00	0.00	0.00	8,660.00
Water	60.63	56.02	79.72	0.00	0.00	0.00	196.37
Postage	99.24	86.25	77.38	77.62	0.00	0.00	340.49
Electricity	2,128.25	2,101.03	904.19	0.00	0.00	0.00	5,133.47
fuel for Energy	115.94	137.46	43.38	86.55	66.50	0.00	449.83
Telephones	1,230.05	1,386.55	977.28	426.00	584.00	0.00	4,603.88
Printing & Stationery	2,039.43	2,109.18	1,493.52	380.89	687.47	0.00	6,710.49
Books, Mag. & Subscription	38.04	38.04	22.50	15.00	0.00	0.00	113.58
Cleaning	594.51	771.96	462.86	77.39	0.00	0.00	1,906.72
Consumable Supplies	470.38	687.96	359.04	163.83	1,027.28	0.00	2,708.49
Repairs & Maintenance	221.96	177.88	3.50	242.43	0.00	0.00	645.77
Furnitures & Fittings	114.05	126.73	97.31	31.53	0.00	0.00	369.62
Equipment & Maintenance	846.44	501.90	510.64	593.21	101.20	0.00	2,553.39
Materials & Supplies	475.80	352.96	40.76	8.93	0.00	0.00	878.45
Management Information System	1,750.00	1,750.00	1,750.00	1,750.00	0.00	0.00	7,000.00
Other Expenses	48.59	48.60	48.60	0.00	0.00	0.00	145.79
Total General Expenses	13,193.31	14,132.52	8,770.68	3,853.38	2,466.45	0.00	42,416.34

Cont'd / Schedule No. (1)

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

Projects Promoting Health of Community Expenditure

During the period 1/1/2007 - 31/12/2007

Page 2 of 3

Description	FHSC Shijaia US \$	FHSC Darraj US \$	FHSC South US \$	Mobile Dental Clinic US \$	Training of comm. Workers US \$	Total Exp. US \$
<u>Medical Expenses</u>						
Medicines	30,105.33	30,050.35	29,273.02	4,511.58	0.00	93,940.28
Supplies	4,742.31	4,720.65	4,367.91	11.90	0.00	13,842.77
Equipments	0.00	0.00	0.00	0.00	0.00	0.00
Others	45.74	37.30	0.00	0.00	0.00	83.04
Total Medical Expenses	34,893.38	34,808.30	33,640.93	4,523.48	0.00	107,866.09
<u>Hospitality</u>						
Hospitality	644.86	590.76	511.30	100.00	38.30	1,885.22
Total Hospitality	644.86	590.76	511.30	100.00	38.30	1,885.22
<u>Insurance</u>						
Compulsory Insurance	851.24	1,003.93	384.58	140.06	337.50	2,717.31
Buildings Insurance	300.00	300.00	0.00	0.00	0.00	600.00
Equipment Insurance	100.00	100.00	0.00	0.00	0.00	200.00
Total Insurance	1,251.24	1,403.93	384.58	140.06	337.50	3,517.31
<u>Transportation & Vehicle Exp.</u>						
Transportation	1,602.95	1,924.36	2,816.32	6.27	187.24	6,537.14
Fuel	1,551.02	1,641.55	1,212.06	393.00	607.14	5,404.77
Repairs & Maintenance	294.67	353.71	288.00	41.59	0.00	977.97
Insurance	1,065.00	0.00	0.00	1,124.34	0.00	2,189.34
Lisence	378.09	386.52	358.50	305.85	0.00	1,428.96
Other Vehicle Exp.	84.34	0.00	0.00	0.00	0.00	84.34
Total Transp. & Vehicle Exp.	4,976.07	4,306.14	4,674.88	1,871.05	794.38	16,622.52

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

Projects Promoting Health of Community Expenditure

During the period 1/1/2007 - 31/12/2007

Page 3 of 3

Description	FHSC Shijaia US \$	FHSC Darraj US \$	FHSC South US \$	Mobile Dental Clinic US \$	Training of comm. Workers US \$	Total Exp. US \$
<u>Travel Expenses</u>						
Travel Exp.	0.00	0.00	0.00	0.00	0.00	0.00
Total Travel Expenses	0.00	0.00	0.00	0.00	0.00	0.00
<u>Taxes</u>						
Taxes	1,196.52	977.16	0.00	0.00	0.00	2,173.68
Total Taxes	1,196.52	977.16	0.00	0.00	0.00	2,173.68
<u>Other Expenses</u>						
Trainees Incentives	0.00	0.00	0.00	0.00	6,127.07	6,127.07
Total Other Expenses	0.00	0.00	0.00	0.00	6,127.07	6,127.07
Total Expenses 2007	202,507.02	217,030.01	107,845.78	32,744.80	10,696.21	570,823.82
Budget 2007	210,000.00	212,000.00	90,000.00	30,000.00	12,000.00	554,000.00
Total Expenses 2006	223,839.44	231,385.09	85,684.77	24,641.95	3,101.49	568,652.74

Schedule No. (2)
 Near East Council of Churches Committee for Refugee Work - Gaza Area
 Projects Promoting Educational Opportunities Expenditure
 During the period 1/1/2007 - 31/12/2007

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	116,777.95	44,241.21	5,161.04	25,459.18	688.80	192,328.18
Benefits (Family Allowances)	6,280.00	3,900.00	0.00	0.00	0.00	10,180.00
Training	628.07	300.00	100.00	226.53	0.00	1,254.60
Medical Insurance	1,532.86	859.75	0.00	160.29	0.00	2,552.90
Indemnity	13,311.20	5,149.20	0.00	2,083.20	0.00	20,543.60
Total Salaries & Benefits	138,530.08	54,450.16	5,261.04	27,929.20	688.80	226,859.28
Fees & Professional Services						
Audit fees	3,900.00	1,300.00	600.00	1,200.00	0.00	7,000.00
Professional Services	4,257.57	1,533.24	0.00	2,553.75	0.00	8,344.56
Evaluation	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees & Prof. Services	8,157.57	2,833.24	600.00	3,753.75	0.00	15,344.56
General Expenses						
Rental	2,400.00	1,204.76	420.00	7,840.00	970.00	12,834.76
Water	221.96	118.06	15.20	128.20	15.08	498.50
Postage	13.75	0.00	0.00	45.96	0.00	59.71
Electricity	4,304.86	530.25	0.00	3,002.59	500.40	8,338.10
Fuel for Energy	132.59	0.00	40.96	118.73	256.58	548.86
Telephones	1,582.02	953.32	259.00	1,587.44	163.00	4,544.78
Printing & Stationery	2,403.40	864.12	543.18	2,430.24	591.77	6,832.71
Books, Mag. & Subscription	461.33	111.29	54.77	1,221.53	50.00	1,898.92
Cleaning	571.00	118.30	19.00	170.65	0.00	878.95
Consumable Supplies	3,141.11	443.66	106.71	142.26	161.90	3,995.64
Repairs & Maintenance	11,116.96	2,105.50	125.60	410.25	97.77	13,856.08
Furniture & Fittings	1,972.98	715.84	935.78	2,325.43	365.38	6,315.41
Equipment & Maintenance	7,511.98	248.81	351.65	6,346.48	65.57	14,524.49
Materials & Supplies	44,194.66	8,907.14	34.70	489.40	0.00	53,625.90
Other Expenses	0.00	0.00	150.00	250.00	150.00	550.00
Total General Expenses	80,028.60	16,321.05	3,056.55	26,509.16	3,387.45	129,302.81
Medical Exp.						
Medicines	0.00	0.00	0.00	0.00	0.00	0.00
Others	38.57	0.00	0.00	0.00	0.00	38.57
Total Medical Exp.	38.57	0.00	0.00	0.00	0.00	38.57
Hospitality						
Hospitality	801.40	558.38	102.00	212.03	0.00	1,673.81
Total Hospitality	801.40	558.38	102.00	212.03	0.00	1,673.81

Near East Council of Churches Committee for Refugee Work - Gaza Area
Projects Promoting Educational Opportunities Expenditure
During the period 1/1/2007 - 31/12/2007

Description	VTC Gaza US \$	VTC Qarrarah US \$	Dress- Making US \$	Secretarial Training US \$	Computer Centre US \$	Total Expenses US \$
<u>Insurance</u>						
Compulsory Insurance	2,887.41	932.73	417.48	630.64	430.68	5,298.94
Building Insurance	1,000.00	500.00	200.00	500.00	200.00	2,400.00
Travel Insurance	100.00	50.00	0.00	1,000.00	0.00	1,150.00
Total Insurance	3,987.41	1,482.73	617.48	2,130.64	630.68	8,848.94
<u>Transportation & Vehicle Exp.</u>						
Transportation	1,354.50	1,667.99	0.00	856.01	0.00	3,878.50
Fuel	2,614.50	796.79	280.00	897.00	174.28	4,762.57
Repairs & Maintenance	360.42	708.89	225.30	200.99	55.42	1,551.02
Insurance	1,106.00	638.25	325.00	325.00	0.00	2,394.25
License	185.74	96.87	29.76	29.76	0.00	342.13
Other Vehicle Expenses	0.00	0.00	25.00	0.00	0.00	25.00
Total Transp. & Vehicle Exp.	5,621.16	3,908.79	885.06	2,308.76	229.70	12,953.47
<u>Travel Expenses</u>						
Travel Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Total Travel Expenses	0.00	0.00	0.00	0.00	0.00	0.00
<u>Taxes</u>						
Taxes	1,215.24	0.00	0.00	387.48	0.00	1,602.72
Total Taxes	1,215.24	0.00	0.00	387.48	0.00	1,602.72
<u>Other Expenses</u>						
Trainees Incentives	5,523.90	0.00	0.00	0.00	0.00	5,523.90
Total Other Expenses	5,523.90	0.00	0.00	0.00	0.00	5,523.90
Total Expenses 2007	243,903.93	79,554.35	10,522.13	63,231.02	4,936.63	402,148.06
Budget 2007	218,000.00	74,000.00	23,000.00	59,000.00	22,000.00	396,000.00
Total Expenses 2006	190,950.06	67,277.87	6,037.40	69,781.46	1,509.97	335,556.76

Schedule No (3)

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

Community Development Expenditure

During the period from 1/1/2007 to 31/12/2007

<u>Description</u>	<u>2007</u> <u>US\$</u>	<u>2006</u> <u>US\$</u>	<u>Budget</u> <u>2007</u> <u>US\$</u>
<u>Salaries and Benefits</u>			
Training	16.67	0.00	0.00
Total Salaries & Benefits	16.67	0.00	0.00
<u>General Expenses</u>			
Rental	1,000.00	1,000.00	1,000.00
Water	25.68	29.78	100.00
Postage	21.86	0.00	100.00
Electricity	1,000.82	619.62	600.00
Telephones	335.10	175.00	400.00
Printing & Stationery	290.32	100.00	200.00
Cleaning	16.67	16.50	100.00
Consumable Supplies	137.95	72.40	200.00
Repairs & Maintenance	51.42	359.91	300.00
Furniture & Fittings	200.00	0.00	200.00
Equipment & Maintenance	0.00	75.00	2,000.00
Materials & Supplies	294.39	0.00	500.00
Other General Expenses	100.00	0.00	100.00
Total General Expenses	3,474.21	2,448.21	5,800.00
<u>Insurance</u>			
Compulsory Insurance	175.00	162.00	300.00
Buildings Insurance	0.00	100.00	100.00
Equipment Insurance	0.00	0.00	100.00
Total Insurance	175.00	262.00	500.00
<u>Medical Expenses</u>			
Others	0.00	34.44	0.00
Total Medical Expenses	0.00	34.44	0.00
<u>Transportation & Vehicle Exp.</u>			
Transportation	0.00	0.00	1,100.00
Fuel	280.00	366.00	300.00
Repairs & Maintenance	155.75	101.40	100.00
Insurance	0.00	0.00	200.00
Lisence	0.00	0.00	100.00
Other Vehicle Expenses	0.00	0.00	100.00
Total Transp. & Vehicle Expenses	435.75	467.40	1,900.00
<u>Other Expenses</u>			
Other Exenses	0.00	0.00	100.00
Self Help Clothing / Benefits to Seamstress	22,266.69	22,633.66	19,700.00
Self Help Project	0.00	135.70	0.00
Youth Activities & Societies	5,103.22	3,874.31	3,000.00
Kindergarten & Schools	19.04	413.47	3,000.00
Rehabilitation	1,862.02	759.36	3,000.00
Total Other Expenses	29,250.97	27,816.50	28,800.00
Total Expenses	33,352.60	31,028.55	37,000.00

Schedule No (4)
Near East Council of Churches Committee for Refugee Work
Gaza Area
Advocacy's Expenses during the period from 1/1/2007 to 31/12/2007

<u>Description</u>	<u>2007</u> <u>US\$</u>	<u>2006</u> <u>US\$</u>	<u>Budget 2007</u> <u>US\$</u>
<u>General Expenses</u>			
Rental	820.00	1,000.00	0.00
Water	0.00	0.00	0.00
Postage	0.00	48.76	100.00
Electricity	0.00	0.00	100.00
Telephones	244.76	576.53	600.00
Printing & Stationery	332.25	100.00	200.00
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	0.00
Furniture & Fittings	0.00	0.00	0.00
Equipment & Maintenance	0.00	0.00	0.00
Materials & Supplies	0.00	406.08	100.00
Other General Expenses	2,000.00	0.00	0.00
Total General Expenses	<u>3,397.01</u>	<u>2,131.37</u>	<u>1,400.00</u>
<u>Hospitality</u>			
Hospitality	764.87	505.75	1,000.00
Total Hospitality	<u>764.87</u>	<u>505.75</u>	<u>1,000.00</u>

Cont'd / Schedule No. (4)Near East Council of Churches Committee for Refugee Work
Gaza AreaAdvocacy's Expenses during the period from 1/1/2007 to 31/12/2007

<u>Description</u>	<u>2007</u> <u>US\$</u>	<u>2006</u> <u>US\$</u>	<u>Budget 2007</u> <u>US\$</u>
<u>Insurance</u>			
Compulsory Insurance	0.00	0.00	0.00
Total Insurance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>Transportation & Vehicle Exp.</u>			
Transportation	0.00	0.00	0.00
Fuel	100.00	411.00	300.00
Repairs & Maintenance	132.50	0.00	100.00
Insurance	0.00	0.00	200.00
Lisence	0.00	0.00	0.00
Other Vehicle Expenses	0.00	0.00	0.00
Total Transp. & Vehicle Exp.	<u>232.50</u>	<u>411.00</u>	<u>600.00</u>
<u>Travel Expenses</u>			
Travel Expenses	0.00	0.00	0.00
Total Travel Exp.	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>Taxes</u>			
Taxes	0.00	0.00	0.00
Total Taxes	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
 T o t a l Expenses	 <u>4,394.38</u>	 <u>3,048.12</u>	 <u>3,000.00</u>

Schedule No. (5)Near East Council of Churches Committee for Refugee Work - Gaza AreaAdministration's Expenses during the period from 1.1.2007 to 31.12.2007

<u>Description</u>	<u>2007</u> <u>US\$</u>	<u>2006</u> <u>US\$</u>	<u>Budget 2007</u> <u>US\$</u>
<u>Salaries & Benefits</u>			
Salaries	85,900.07	84,684.90	90,400.00
Benefits (Family Allowances)	761.80	703.80	700.00
Training	0.00	34.48	0.00
Medical Insurance	160.72	286.15	600.00
Indemnity	22,769.19	23,212.90	20,900.00
Total Salaries & Benefits	109,591.78	108,922.23	112,600.00
<u>Fees & Professional Services</u>			
Audit Fees	0.00	0.00	1,000.00
Professional Services	0.00	500.00	0.00
Total Fees & Prof. Services	0.00	500.00	1,000.00
<u>General Expenses</u>			
Rental	1,400.00	1,400.00	1,600.00
Water	232.52	93.59	300.00
Postage	464.18	481.14	400.00
Electricity	1,501.31	914.30	1,000.00
Fuel for Energy	13.50	0.00	0.00
Telephones	1,083.49	2,083.41	1,000.00
Printing & Stationery	1,358.81	868.27	400.00
Books, Magazines & Subs.	28.27	270.64	200.00
Cleaning	1,044.14	817.03	500.00
Consumable Supplies	533.30	312.09	500.00
Repairs & Maintenance	240.77	506.42	500.00
Furniture & Fittings	1,080.00	116.98	500.00
Equipment & Maintenance	214.00	428.24	500.00
Materials & Supplies	245.23	82.53	300.00
Other General Expenses	211.00	33.36	100.00
Total General Expenses	9,650.52	8,408.00	7,800.00
<u>Hospitality</u>			
Hospitality	926.75	1,171.47	1,800.00
Total Hospitality	926.75	1,171.47	1,800.00
<u>Medical Expenses</u>			
Medicines	0.00	11.90	0.00
Total Hospitality	0.00	11.90	0.00

Near East Council of Churches Committee for Refugee WorkGaza AreaAdministration's Expenses during the period from 1.1.2007 to 31.12.2007

<u>Description</u>	<u>2007</u> <u>US\$</u>	<u>2006</u> <u>US\$</u>	<u>Budget 2007</u> <u>US\$</u>
<u>Insurance</u>			
Compulsory Insurance	1,289.20	754.00	1,200.00
Buildings Insurance	500.00	550.00	600.00
Travel Insurance	0.00	226.00	400.00
Equipment Insurance	0.00	0.00	200.00
Total Insurance	1,789.20	1,530.00	2,400.00
<u>Transportation & Vehicle Exp.</u>			
Transportation	626.39	357.86	600.00
Fuel	1,436.38	2,513.05	2,000.00
Repairs & Maintenance	894.25	440.91	500.00
Insurance	1,167.17	1,207.71	1,200.00
Lisence	341.55	93.11	600.00
Other Vehicle Expenses	0.00	0.00	200.00
Total Transp. & Vehicle Exp.	4,465.74	4,612.64	5,100.00
<u>Travel Expenses</u>			
Lodging & Meals	0.00	334.50	0.00
Travel Expenses	147.00	0.00	0.00
Total Travel Expenses	147.00	334.50	0.00
<u>Bank Charges</u>			
Bank Charges	1,191.25	712.19	300.00
Total Bank Charges	1,191.25	712.19	300.00
<u>Taxes</u>			
Taxes	459.84	715.80	1,000.00
Total Taxes	459.84	715.80	1,000.00
Total Expenses	128,222.08	126,918.73	132,000.00

Schedule No (6)

Near East Council of Churches Committee for Refugee Work
Gaza Area

Income from Projects Promoting Community Health
During the Period from 1/1/2007 to 31/12/2007

<u>Description</u>	FHSC Shija'ia		FHSC Darraj		FHSC South		Mobile Dental Clininc		Total Income
	US \$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Income from Medicines	3,919.69	2,654.23	0.00	0.00	710.84	7,284.76			
Income from Patients	3,906.10	3,799.36	0.00	0.00	2,730.46	10,435.92			
Total Income 2007	7,825.79	6,453.59	0.00	0.00	3,441.30	17,720.68			
Budget 2007	20,000.00	20,000.00	4,000.00	4,000.00	3,000.00	47,000.00			
Total Income 2006	16,456.07	15,010.49	1,825.93	1,825.93	3,712.07	37,004.56			

Schedule No (7)

Near East Council of Churches Committee for Refugee Work

Gaza Area

Income from Projects Promoting Educational Opportunities

During the Period from 1/1/2007 to 31/12/2007

<u>Description</u>	<u>VTC Gaza</u>		<u>VTC Qararah</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>	<u>US\$</u>	<u>US\$</u>	
Income from centres	17,835.77		790.22		40.98		382.80		0.00		19,049.77
Income from Tuition fees	5,352.05		848.99		954.08		4,756.00		0.00		11,911.12
Income from Tenders	0.00		0.00		0.00		47.62		0.00		47.62
Income from Selling Assets	2,200.00		0.00		0.00		0.00		0.00		2,200.00
Total Income 2007	25,387.82		1,639.21		995.06		5,186.42		0.00		33,208.51
Budget 2007	25,000.00		3,000.00		1,000.00		7,000.00		1,000.00		37,000.00
Total Income 2006	27,525.12		5,201.17		153.06		7,342.61		322.64		40,544.60

Schedule No. (8)

Near East Council of Churches Committee for Refugee Work

Gaza Area

Educational Loans Fund

Year ended 31 December 2007

<u>Assets</u>	<u>2007</u> <u>US\$</u>	<u>2006</u> <u>US\$</u>
Balance as at 1st January 2007	520,056.95	474,182.00
New Loans	<u>111,250.00</u>	<u>118,750.00</u>
Total	631,306.95	592,932.00
Collections during the year	(77,565.38)	(72,875.05)
Write off	<u>0.00</u>	<u>0.00</u>
Balance as at 31/12/2007 (Sch. - 12)	553,741.57	520,056.95
Reserve for doubtful debts	<u>(8,712.00)</u>	<u>(8,837.00)</u>
Balance	545,029.57	511,219.95
Cash at Arab Bank Rimal as at 31/12/2007	38,587.92	37,525.93
Cash at Bank of Palestine as at 31/12/2007	179,147.82	213,196.48
Total Assets	<u><u>762,765.31</u></u>	<u><u>761,942.36</u></u>
Capital		
Total amount from budgets all over the years	<u>650,500.00</u>	<u>650,500.00</u>
Accumulated fund at 1/1/2007	111,442.36	103,319.34
Interest received	10,341.97	10,000.31
Various Income	2,011.59	1,801.43
Provision for Doubtful Debts Income	125.00	0.00
Expenses/ Legal and other expenses	(11,655.61)	(3,678.72)
Bad Debts	<u>0.00</u>	<u>0.00</u>
Net surplus	<u>112,265.31</u>	<u>111,442.36</u>
Total Capital	<u><u>762,765.31</u></u>	<u><u>761,942.36</u></u>

Schedule No (9)

Near East Council of Churches Committee for Refugee Work

Gaza Area

Provident Fund Account

Year ended 31 December 2007

<u>Assets</u>	<u>2007</u> <u>US\$</u>	<u>2006</u> <u>US\$</u>
Cash at ING Bank - Holland	1,843,434.16	1,839,217.49
	<hr/>	<hr/>
Total Assets	<u>1,843,434.16</u>	<u>1,839,217.49</u>
 <u>Liabilities</u>		
Employees' Fund at 1/1/2007	1,839,217.49	1,704,094.76
Employees' contribution	104,700.60	102,859.66
NECC contribution	81,671.59	80,411.30
	<hr/>	<hr/>
Total Fund	2,025,589.68	1,887,365.72
Withdrawals: terminal entitlements and advances	(254,040.19)	(120,420.28)
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Total	1,771,549.49	1,766,945.44
Interest earned allocated to staff at the end of the year	71,884.67	72,272.05
	<hr/>	<hr/>
Total Liabilities	<u>1,843,434.16</u>	<u>1,839,217.49</u>

Schedule No. (10)

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

Emergency Relief 2007
Statement of Cash Receipts and Disbursements
for the year ended 31st December 2007

	2007 <u>US\$</u>	2006 <u>US\$</u>
<u>Receipts</u>		
Balance as at 01/01/2007	201,957.84	24,787.63
WCC/ACT MEPL 51 through MECC/DSPR	0.00	1,975.00
WCC/ACT MEPL 61 through MECC/DSPR	65,000.00	488,838.00
WCC/ACT MEPL 71 through MECC/DSPR	472,701.00	0.00
ACT Directly from Christian Aid	60,921.00	0.00
<i>Directly from DCA</i>	18,068.48	0.00
Difference of Currency	11,585.68	4,369.90
Interest Earned	3,239.83	0.00
	<hr/>	<hr/>
Total Receipts	<u>833,473.83</u>	<u>519,970.53</u>
<u>Disbursements</u>		
Relief - ACT MEPL 51	0.00	11,306.95
Relief - ACT MEPL 61	244,191.85	284,411.16
Wages - ACT MEPL 61	13,396.09	11,838.90
Job Creation / ACT MEPL 51	0.00	10,455.68
Relief - ACT MEPL 71	517,050.29	0.00
Wages - ACT MEPL 71	11,755.00	0.00
<i>Relief - DCA</i>	17,166.75	0.00
<i>Wages - DCA</i>	901.73	0.00
Total Disbursements	<u>804,461.71</u>	<u>318,012.69</u>
	<hr/>	<hr/>
Balance as at 31/12/2007	29,012.12	201,957.84
	<hr/>	<hr/>
Total	<u>833,473.83</u>	<u>519,970.53</u>