

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

**Gaza Area**

---

Financial Statements  
And  
Independent Auditors' Report

December 31, 2012

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

**Table of Contents**

	<b><u>Page</u></b>
Independent Auditor's Report	1
Statement of Financial Position (Statement – A)	2
Statement of Activities in General Operating Fund (Statement – B)	3
Statement of Changes in Net Assets (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	8-17
 <b><u>Additional Information</u></b>	
Projects Promoting Health of Community Expenditure (Sch. 1)	18-20
Projects Promoting Educational Opportunities (Sch. 2)	21-22
Community Development Expenditure (Sch. 3)	23
Advocacy's Expenses (Sch. 4)	24
Administration Expenses (Sch. 5)	25-26
Income from Projects Promoting Community Health (Sch. 6)	27
Income from Projects Promoting Educational Opportunities (Sch. 7)	28
Educational Loan Fund (Sch. 8)	29
Provident Fund and Emergency Fund (Sch. 9)	30
Special Emergency Projects (Sch. 10)	31-32

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

## Independent Auditors' Report

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

We have audited the accompanying financial statements of **The Near East Council of Churches Committee for Refugee Work – Gaza Area**, which comprise the statement of financial position as of December 31, 2012, statement of activities, statement of changes in net assets, statement of functional expenses, statement of changes in special funds, and cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the society's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the society's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion, the financial statements, give a true and fair view of the financial position of **The Near East Council of Churches Committee for Refugee Work – Gaza Area**, as of December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and United States of America Statements on Financial Accounting Standards No. 116 and 117 relating to Not-For-Profit Organizations as applicable.

  
**Yacoub El-Yousef**  
**Certified Public Accountant**

**March 19, 2013**


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

## Statement of Financial Position


As of December 31, 2012

(In US Dollars)

	Note	Unrestricted	Restricted & special funds	Total 2012	Total 2011
<b>Assets</b>					
Cash on Hand and Deposits with Banks	2.1	1,557,563	645,996	2,203,559	2,184,858
Deposits with Banks - Loans Revolving Fund	2.2	-	634,795	634,795	665,578
Deposits with Banks - for Indemnities	2.3	-	1,377,739	1,377,739	1,602,403
Inter-Fund Borrowing	Statement - D	(15,392)	15,392	-	-
Due from DSPR - Central Office		-	9,589	9,589	-
Pledge Receivable - Pontifical Mission		-	39,866	39,866	6,900
Pledge Receivable - EED		-	131,615	131,615	-
Loans Receivable	3	-	292,654	292,654	259,936
Fixed Assets - Net of Accumulated Depreciation	4	68,709	-	68,709	93,145
<b>Total Assets</b>		<b>1,610,880</b>	<b>3,147,646</b>	<b>4,758,526</b>	<b>4,812,820</b>
<b>Trust Fund Assets</b>	8	<b>25,249</b>	<b>-</b>	<b>25,249</b>	<b>24,960</b>
<b>Liabilities and Net Assets</b>					
<b>Liabilities</b>					
Due to Staff		74,397	-	74,397	49,350
Accounts Payable		4,068	-	4,068	42,593
Deferred Income - Act for peace		-	-	-	137,975
Deferred Income - Tuition Fees		-	-	-	9,620
End of Service Liability	Schedule - 9	-	1,377,739	1,377,739	1,602,403
<b>Total Liabilities</b>		<b>78,465</b>	<b>1,377,739</b>	<b>1,456,204</b>	<b>1,841,941</b>
<b>Net Assets</b>					
General Unrestricted		397,205	-	397,205	334,937
Temporarily Restricted		-	827,066	827,066	763,362
Investment in Net Fixed Assets		68,709	-	68,709	93,145
<b>Total Net Assets</b>	Statement - C	<b>465,914</b>	<b>827,066</b>	<b>1,292,980</b>	<b>1,191,444</b>
Loans Revolving Fund	Statement - D	-	942,841	942,841	940,592
Emergency fund	Schedule - 9	615,536	-	615,536	388,191
Board (Area Committee) Designated Fund	7	450,965	-	450,965	450,652
<b>Total Special Funds</b>		<b>1,066,501</b>	<b>942,841</b>	<b>2,009,342</b>	<b>1,779,435</b>
<b>Total Net Assets and Special Funds</b>		<b>1,532,415</b>	<b>1,769,907</b>	<b>3,302,322</b>	<b>2,970,879</b>
<b>Total Liabilities and Nets Assets</b>		<b>1,610,880</b>	<b>3,147,646</b>	<b>4,758,526</b>	<b>4,812,820</b>
<b>Trust Fund Liability</b>	8	<b>25,249</b>	<b>-</b>	<b>25,249</b>	<b>24,960</b>



Dr. Sohail El Madbak  
Area Committee Chairperson



Dr. Mahedr Ayyad  
Treasurer



Dr. Issa Tarazi  
Executive Director

See Notes to Financial Statements

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

Statement of Activities of the General Operating Fund  
 For the year ended December 31, 2012  
 (In US Dollars)

	Note Schedule Statement	Unrestricted Fund	Temporary Restricted Fund	Total 2012	Total 2011
<b>Grants and Revenues</b>					
Grants	5 & 11		2,019,044	2,019,044	2,018,788
Local Program Revenues	6	133,084	-	133,084	187,662
Difference of Currency		(21,950)	-	(21,950)	8,884
<b>Total grants and revenues</b>		<b>111,134</b>	<b>2,019,044</b>	<b>2,130,178</b>	<b>2,215,334</b>
Net assets released from restrictions	11	1,955,340	(1,955,340)	-	-
		<b>2,066,474</b>	<b>63,704</b>	<b>2,130,178</b>	<b>2,215,334</b>
<b>Program Expenses</b>					
Health of Community	Schedule - 1	817,772	-	817,772	680,437
Psycho Social	Schedule - 1	25,007	-	25,007	18,971
Educational Opportunities	Schedule - 2	388,696	-	388,696	397,183
Community Development	Schedule - 3	28,987	-	28,987	2,793
Advocacy	Schedule - 4	999	-	999	1,117
Special Emergency and Projects	Schedule - 10	618,234	-	618,234	1,206,814
<b>Total program expenses</b>	Statement - F	<b>1,879,695</b>	<b>-</b>	<b>1,879,695</b>	<b>2,307,315</b>
Administrative and general	(Statement - F) Schedule - 5	104,510	-	104,510	125,148
<b>Total Expenses Before Depreciation</b>	Statement - F	<b>1,984,205</b>	<b>-</b>	<b>1,984,205</b>	<b>2,432,463</b>
Depreciation Expense	4	44,436	-	44,436	44,436
<b>Total Expenses</b>		<b>2,028,641</b>	<b>-</b>	<b>2,028,641</b>	<b>2,476,899</b>
<b>Change in Net Assets during the Year</b>	Statement - C	<b>37,832</b>	<b>63,704</b>	<b>101,536</b>	<b>(261,565)</b>

See Notes to Financial Statements

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

## Statement of Changes in Net Assets of the General Operating Fund

For the year ended December 31, 2012

(In US Dollars)

	Unrestricted Fund	Temporary Restricted Fund	Investment in Fixed Assets	Total
<b><u>Year 2012</u></b>				
<b>Balance as of January 1, 2012</b>	334,937	763,362	93,145	<b>1,191,444</b>
Change in net assets for the year (Statement - B)	37,832	63,704	-	<b>101,536</b>
<b>Inter-fund Transfers:</b>				
Procurement of fixed assets	(20,000)	-	20,000	-
Depreciation for the year	44,436	-	(44,436)	-
<b>Balance as of December 31, 2012</b>	<b>397,205</b>	<b>827,066</b>	<b>68,709</b>	<b>1,292,980</b>
<b><u>Year 2011</u></b>				
<b>Balance as of January 1, 2011</b>	437,210	897,927	117,872	<b>1,453,009</b>
Change in net assets for the year (Statement - B)	(127,000)	(134,565)	-	<b>(261,565)</b>
<b>Inter-fund Transfers:</b>				
Procurement of fixed assets	(19,709)	-	19,709	-
Depreciation for the year	44,436	-	(44,436)	-
<b>Balance as of December 31, 2011</b>	<b>334,937</b>	<b>763,362</b>	<b>93,145</b>	<b>1,191,444</b>

See Notes to Financial Statements

**Near East Council of Churches Committee for Refugee Work - Gaza Area**  
**Statement of Activities and Changes in Loan Revolving Fund**  
**For the Year Ended December 31, 2012**  
**(In US Dollars)**

	<u>Education</u>	<u>Business</u>	<u>Staff Loans</u>	<u>WCC</u>	<u>Total</u>
<b>Revenues</b>					
Interest Earned	1,874	85		313	2,272
<b>Total Revenues</b>	<b>1,874</b>	<b>85</b>		<b>313</b>	<b>2,272</b>
<b>Expenses</b>	<b>(21)</b>	<b>-</b>			<b>(21)</b>
<b>Excess of Revenues Over Expenses</b>	<b>1,853</b>	<b>85</b>		<b>313</b>	<b>2,251</b>
Net Assets at Beginning of Year	732,712	192,801		15,079	940,592
<b>Net Assets at End of Year (Statement - A)</b>	<b>734,565</b>	<b>192,886</b>		<b>15,392</b>	<b>942,841</b>

## Schedule - 8

**Composition of net assets**

Outstanding loans - beginning	246,373		22,374	-	268,747
Loans issued during the year	81,750		18,396	-	100,146
Collections	(49,031)		(18,396)	-	(67,427)
Outstanding loans	<b>279,092</b>	<b>-</b>	<b>22,374</b>	<b>-</b>	<b>301,466</b>
Reserve for Doubtful Debts	(8,812)	-	-	-	(8,812)
Balance - Ending	<b>270,280</b>	<b>-</b>	<b>22,374</b>	<b>-</b>	<b>292,654</b>
Deposits with Banks	464,284	170,511		-	634,795
Inter-Fund Borrowings	-	22,374	(22,374)	15,392	15,392
	<b>734,565</b>	<b>192,886</b>	<b>-</b>	<b>15,392</b>	<b>942,841</b>

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

## Statement of Cash Flows

For the year ended December 31, 2012

(In US Dollars)

	<u>2012</u>	<u>2011</u>
<b><u>Cash Flow from Operating Activities:</u></b>		
Change in Operating Net Assets	331,443	(269,122)
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided by Operating Activities:		
Depreciation	44,436	44,436
Decrease (Increase) in Due from DSPR Central Office	(9,589)	110,700
(Increase) in pledges receivable	(164,581)	(6,900)
Decrease (Increase) in Loans Receivable	(32,718)	31,421
Increase in Due to Employees	25,047	5,987
Increase (Decrease) in Accounts Payable	(38,525)	32,525
Increase (Decrease) in Deferred Grants	(137,975)	36,912
Decrease in Deferred Income	(9,620)	-
Decrease in End of Service Liability	<u>(224,664)</u>	<u>(72,579)</u>
<b>Net Cash Provided by Operating Activities</b>	<b><u>(216,746)</u></b>	<b><u>(86,620)</u></b>
<b><u>Cash flows from Investing Activities</u></b>		
Procurement of Fixed Assets	(20,000)	(19,709)
<b>Cash on Hand and Deposits with Banks at Beginning of Year</b>	<u>4,452,839</u>	<u>4,559,168</u>
<b>Cash on Hand and Deposits with Banks at End of Year</b>	<b><u>4,216,093</u></b>	<b><u>4,452,839</u></b>
<b><u>Composition of Cash on Hand and Deposits with Banks Balances:</u></b>		
Cash on Hand and Deposits with Banks	2,203,559	2,184,858
Deposits with Banks - Loans Revolving Fund	634,795	665,578
Deposits with Banks - End of Service Benefits	<u>1,377,739</u>	<u>1,602,403</u>
	<b><u>4,216,093</u></b>	<b><u>4,452,839</u></b>

See Notes to Financial Statements



Near East Council of Churches Committee for Refugee Work - Gaza Area  
Statement of Functional Expenses - General Fund  
For the year ended December 31, 2012  
(In US Dollars)

	Health of community & psycho social				Education opportunity	Community development	Advocacy	Special emergency and Projects	Total Program	General Administration	Total 2012	Total 2011
	Schedule - (1)	Schedule - (2)	Schedule - (3)	Schedule - (4)								
Salaries and Benefits	503,432	265,797	-	-	-	-	-	-	769,229	50,901	820,130	777,913
Professional Services	12,577	17,239	-	-	-	-	-	29,816	29,816	6,129	35,945	40,711
General Expenses	69,234	74,395	3,366	268	-	-	-	147,263	147,263	21,501	168,764	195,049
Medical Expenses	219,827	-	-	-	-	-	-	219,827	219,827	8	219,835	136,028
Hospitality	9,041	4,959	-	543	-	-	-	14,543	14,543	1,913	16,456	15,788
Insurance	4,802	8,158	231	-	-	-	-	13,191	13,191	5,036	18,227	10,148
Transportation and Vehicle expenses	19,500	8,434	24	188	-	-	-	28,146	28,146	6,342	34,488	43,058
Travel Expenses	-	-	-	-	-	-	-	-	-	9,732	9,732	2,208
Trainees Incentives	1,663	-	-	-	-	-	-	1,663	1,663	-	1,663	-
Employees Incentives	840	-	-	-	-	-	-	840	840	200	1,040	-
Taxes	1,863	9,714	-	-	-	-	-	11,577	11,577	2,748	14,325	4,746
Other Expenses	-	-	25,366	-	-	-	-	25,366	25,366	-	25,366	-
Special Emergency and Projects Schedule - (10)	-	-	-	-	-	-	-	618,234	618,234	-	618,234	1,206,814
<b>Total Expenses (Statement - B)</b>	<b>842,779</b>	<b>388,696</b>	<b>28,987</b>	<b>999</b>	<b>618,234</b>	<b>1,879,695</b>	<b>104,510</b>	<b>1,984,205</b>	<b>2,432,463</b>			
<b>Budget for 2012</b>	<b>822,269</b>	<b>410,412</b>	<b>22,602</b>	<b>2,500</b>			<b>184,882</b>					
<b>Variance</b>	<b>(20,510)</b>	<b>21,716</b>	<b>(6,385)</b>	<b>1,501</b>			<b>80,372</b>					
	Schedule - (1)	Schedule - (2)	Schedule - (3)	Schedule - (4)	Schedule - (10)		Schedule - (5)					

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

## Notes to Financial Statements

Year Ended December 31, 2012

(Amounts are expressed in U.S. Dollar)

### 1 Summary of Significant Accounting Policies

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

The significant accounting policies followed are described below:

#### 1.1 Basis of Accounting and Presentation:

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

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

## 1 Summary of Significant Accounting Policies (continued)

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

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

### 1.2 Contributions and grants:

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

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

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

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

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

### 1.3 Inter-fund Borrowings:

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

### 1.4 Loans Receivable

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

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

### **1.5 Furniture and Equipment**

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

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

Equipment	5 years
Furniture	10 years
Vehicles Training Equipment	4 years

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

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

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

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

### **1.8 Foreign Currencies**

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

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

### **1.9 Income taxes**

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

### **1.10 Provisions**

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

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

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

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

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

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

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

### **1.13 Contingencies**

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

### **1.14 Trust Fund**

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

### **1.15 Economic Dependency**

Approximately 95% of NECCCRW revenue and support for the years ended December 31, 2012 and 2011 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.

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

Notes to financial statements (Continued)

For the year ended DECEMBER 31, 2012

(In US Dollars)

2. Cash on hand and deposits with banks

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

	<u>2012</u>	<u>2011</u>
Cash – NIS	28	22
Cash – USD	129	-
Arab Bank – NIS	27,728	40,344
Arab Bank – GBP	23,219	38,712
Arab Bank – USD	1,519,220	1,656,444
ING bank Holland - USD	615,536	388,191
Arab Bank – EURO	(1,980)	9,764
Bank of Palestine – NIS	(253)	(204)
Bank of Palestine – USD	18,764	51,007
Bank of Palestine – EURO	1,168	578
<b>Total</b>	<b><u>2,203,559</u></b>	<b><u>2,184,858</u></b>

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

	<u>2012</u>	<u>2011</u>
Deposits with Banks – Educational Loans	464,284	495,150
Deposits with Banks – Business Loans	170,511	170,428
<b>Balance with banks as of 31 December</b>	<b><u>634,795</u></b>	<b><u>665,578</u></b>

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

	<u>2012</u>	<u>2011</u>
Deposit at ING Bank – Holland	1,377,739	1,602,403
<b>Balance with bank as of 31 December</b>	<b><u>1,377,739</u></b>	<b><u>1,602,403</u></b>

3. Loans Receivable

3.1 Activities in these accounts during 2012 were as follows:

	<u>Education</u>	<u>Business</u>	<u>Staff</u>	<u>Total</u>
Balance – Beginning	246,373	-	22,374	268,747
Loans Issued	81,750	-	18,396	100,146
Collected	(49,031)	-	(18,396)	(67,427)
<b>Outstanding Loans</b>	<b><u>279,092</u></b>	<b><u>-</u></b>	<b><u>22,374</u></b>	<b><u>301,466</u></b>
Reserve for Doubtful Debts	(8,812)	-	-	(8,812)
<b>Balance – Ending</b>	<b><u>270,280</u></b>	<b><u>-</u></b>	<b><u>22,374</u></b>	<b><u>292,654</u></b>

3.2 Activities in these accounts during 2011 were as follows:

	<u>Education</u>	<u>Business</u>	<u>Staff</u>	<u>Total</u>
Balance – Beginning	276,929	-	22,373	299,302
Loans Issued	21,750	-	13,901	35,651
Collected	(52,305)	-	(13,900)	(66,205)
<b>Outstanding Loans</b>	<b><u>246,374</u></b>	<b><u>-</u></b>	<b><u>22,374</u></b>	<b><u>268,748</u></b>
Reserve for Doubtful Debts	(8,812)	-	-	(8,812)
<b>Balance – Ending</b>	<b><u>237,562</u></b>	<b><u>-</u></b>	<b><u>22,374</u></b>	<b><u>259,936</u></b>

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

Notes to financial statements (Continued)

For the year ended December 31, 2012

(In US Dollars)

4. Fixed Assets

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

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

4.2 Fully depreciated fixed assets as of Dec 31, 2012 was as follows:

	At Cost
Furniture and Fittings	66,522
Office Equipments	60,464
Medical Equipment	46,061
Training Equipment	116,425
Vehicles	242,160
Other Fixed Assets	2,285
<b>Total fully depreciated fixed assets</b>	<b>533,917</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area  
Notes to financial statements (Continued)  
For the year ended December 31, 2012  
(In US Dollars)

4. Fixed Assets

4.3 The net fixed assets break down as of Dec 31, 2011 was as follows:

	Balance January 01 2011	Additions	Disposals	Balance December 31 2011
<b>Cost</b>				
Furniture and Fittings	72,413	-	-	72,413
Office Equipments	114,019	2,209	-	116,228
Medical Equipment	195,977	-	-	195,977
Training Equipment	135,105	-	-	135,105
Vehicles	242,160	17,500	-	259,660
Other Fixed Assets	7,290	-	-	7,290
<b>Total Cost</b>	<b>766,964</b>	<b>19,709</b>	-	<b>786,673</b>
<b>Accumulated depreciation</b>				
Furniture	70,451	1,051	-	71,502
Office Equipments	63,002	16,870	-	79,872
Medical Equipments	132,328	19,785	-	152,113
Training Equipments	135,105	5,725	-	140,830
Vehicles	242,160	-	-	242,160
Other Fixed Assets	6,046	1,005	-	7,051
<b>Total Accumulated Depreciation</b>	<b>649,092</b>	<b>44,436</b>	-	<b>693,528</b>
<b>Net Book value</b>	<b>117,872</b>			<b>93,145</b>

4.4 Fully depreciated fixed assets as of Dec 31, 2011 was as follows:

	At Cost
Furniture and Fittings	66,522
Office Equipments	60,464
Medical Equipment	46,061
Training Equipment	116,425
Vehicles	242,160
Other Fixed Assets	2,285
<b>Total fully depreciated fixed assets</b>	<b>533,917</b>



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

Notes to financial statements (Continued)

For the year ended DECEMBER 31, 2012

(In US Dollars)

	2012	2011
Restricted	Total	Total
<b>5. Grants</b>		
<u>Composition:</u>		
<u>Grants through DSPR</u>		
UNDESIGNATED INCOME DSPR	-	1,056
NECEF	-	33,013
ACT \ PSE 111	-	928,417
ACT for peace Australian	434,687	205,927
C C F D	-	40,091
NCA, Norwegian Church Aid	374,384	5,939
CHURCH OF SCOTLAND	9,589	8,182
CHURCH OF CANADA	3,136	-
CHURCH OF SWEDEN	116,163	-
CHRISTIAN AID	52,779	-
UNITED CHURCH OF CANADA	31,016	-
PRESBYTERIAN CHURCH OF CANADA	39,640	-
<b>Total grants through DSPR</b>	<b>1,061,394</b>	<b>1,222,625</b>
<u>Direct Grants</u>		
PONTIFICAL MISSION	45,000	89,960
PONTIFICAL MISSION - Ex University & VTC Graduates Project	110,373	-
PONTIFICAL MISSION - Ex University PLEDGE RECEIVABLE	39,866	39,866
PONTIFICAL MISSION FOR QARARA	-	11,500
OTHER DONATIONS	9,748	7,505
E E D - GERMANY	364,500	-
E E D - GERMANY PLEDGE RECEIVABLE	131,615	-
Church WALES	38,054	18,300
DCA / DANIDA Emrg. Humanitarian - paid to donor	-	(5,550)
DCA / DANIDA EMERG.DARAJ - paid to donor	-	(18,825)
DCA \ NUTRITION AND HEALTH RESPO	-	397,177
MENNONIET	24,920	14,925
THE AMOS TRUSR	15,849	17,148
THE MISSION CONVENANT SWEDEN	-	2,319
EMG.HUMANITARIAN DCA 2011/2012	120,560	108,062
C I E C F	-	1,628
<b>Total direct grants</b>	<b>900,485</b>	<b>644,149</b>
<u>Donations in kind</u>		
INKIND DONATIONS-MINISTRY OF HEALTH	420	5,355
INKIND DONATIONS-JORDANIAN HOS	-	8,149
INKIND DONATIONS-UNICIF	-	8,910
INKIND DONATIONS-ANERA	56,745	129,600
<b>Total donations in kind</b>	<b>57,165</b>	<b>152,014</b>
<b>Total Grants</b>	<b>2,019,044</b>	<b>2,018,788</b>

**6. Local Program Revenues**

<u>Composition:</u>	2012	2011
Community Health	31,082	91,598
Educational Opportunities	94,397	78,627
Community Development	1,332	3,190
Self help clothing	1,225	-
Sewin co. Operative	3,124	-
Administration	1,473	14,247
Applications for Educational Loans	451	-
	<b>133,084</b>	<b>187,662</b>

**7. Board Designated Fund**

<u>Composition:</u>	2012	2011
Balance at Beginning of Year	450,652	450,422
Add: General Donations	-	-
Interest Earned	313	230
<b>Balance at end of year</b>	<b>450,965</b>	<b>450,652</b>

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

Notes to financial statements (Continued)

For the year ended December 31, 2012

(In US Dollars)

	<u>2012</u>	<u>2011</u>	
<b>8. Trust Fund</b>			
<b><u>Composition:</u></b>			
Ahli Arab Hospital	216	(73)	
Dress Making Cooperative	6,623	6,623	
VTC Box	10,515	10,515	
Materials Dress Making	185	185	
Canteen	7,432	7,432	
Qararah VTC Box	278	278	
Youth Rehabilitation Center	-	-	
	<u>25,249</u>	<u>24,960</u>	
Deposit at Arab Bank	25,249	24,960	
	<u>25,249</u>	<u>24,960</u>	
<b>9. Actual Versus Budget</b>			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Health of the Community	842,779	822,269	(20,510)
Educational Opportunities	388,696	410,412	21,716
Community Development	28,987	22,602	(6,385)
Advocacy	999	2,500	1,501
Administration	104,510	184,882	80,372
	<u>1,365,971</u>	<u>1,442,665</u>	<u>76,694</u>
Less: Local Revenues	<u>(133,084)</u>	<u>(62,000)</u>	
Net Budget	<u>1,232,887</u>	<u>1,380,665</u>	
<b><u>Additional Budget</u></b>			
Special emergency & projects	618,234		
<b>Total</b>	<u>1,851,122</u>		

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

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

**(b) Credit Risk**

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

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

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

**(c) Currency Risk**

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

**(d) Operational Risks**

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

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

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

	DISPOSITION OF GRANTS															
	Unspent Grants Dec 31, 2011	Amounts Received in Y 2012	Pledge Receivable in Y 2012	Interest earned Diff. of exchange and others	Available Funds for Y 2012	Unspent Balance Dec 31, 2012	Releases from restrictions for Y 2012	Health of community	Psycho social opportunity	Education development	Community development	Advocacy administration	General administration	Special emergency & Projects	Capital additions equip. and medicines	Total
<b>Restricted</b>																
UMCOR	152,690	-	-	-	152,690	-	-	-	-	-	-	-	-	-	-	-
Carpentry Cooperative	23,491	-	23,491	-	23,491	-	-	-	-	-	-	-	-	-	-	-
NECEF	33,013	-	-	-	33,013	-	-	-	-	-	-	-	-	-	-	-
Church in Wales	134,052	38,054	-	-	172,106	39,278	39,278	39,278	-	-	-	-	-	-	-	39,278
Materials and Embroidery Fund	71,422	-	-	-	71,422	17,980	17,980	17,980	-	-	-	-	-	-	-	17,980
Pontifical Mission	-	45,000	-	-	45,000	27,020	27,020	27,020	-	-	-	-	-	-	-	27,020
Church Of Scotland	-	9,589	-	-	9,589	9,589	9,589	9,589	-	-	-	-	-	-	-	9,589
Amos Trust	-	15,849	-	-	15,849	15,849	15,849	15,849	-	-	-	-	-	-	-	15,849
CHURCH OF CANADA	-	3,136	-	-	3,136	3,136	3,136	3,136	-	-	-	-	-	-	-	3,136
CHURCH OF SWEDEN	-	116,163	-	-	116,163	116,163	116,163	116,163	-	-	-	-	-	-	-	116,163
CHRISIAN AID	-	52,779	-	-	52,779	52,779	52,779	52,779	-	-	-	-	-	-	-	52,779
UNITED CHURCH OF CANADA	-	31,016	-	-	31,016	31,016	31,016	31,016	-	-	-	-	-	-	-	31,016
PRESEBYTERIAN CHURCH OF CANADA / Women Division	-	39,640	-	-	39,640	39,640	39,640	39,640	-	-	-	-	-	-	-	39,640
E D - GERMANY	-	364,500	131,615	-	496,115	725	495,390	173,144	238,016	28,987	-	-	55,243	-	-	495,390
PONTIFICAL MISSION - Ex University & VTC Graduates Project	-	110,373	39,866	-	150,239	150,239	150,239	150,239	-	-	-	-	21,400	128,839	-	150,239
Pontifical Mission for Qarara	3,662	-	-	-	3,662	781	781	781	-	-	-	-	-	2,881	-	2,881
ACT, PSE 111	248,266	-	-	-	248,266	248,266	248,266	248,266	-	-	-	-	-	248,266	-	248,266
ACT for peace Australian	-	434,687	-	-	434,687	116,121	318,566	318,566	-	-	-	-	-	-	-	318,566
NCA, Norwegian Church Aid	-	374,384	-	-	374,384	156,000	218,384	94,815	20,158	103,411	-	-	-	-	-	218,384
DCA EMG, Humanitarian 2011/2012	96,766	120,560	-	-	217,326	(13)	217,339	217,339	-	-	-	-	-	217,339	-	217,339
Memoritic	-	24,920	-	-	24,920	4,010	20,910	20,910	-	-	-	-	-	20,910	-	20,910
Other Donations	-	9,748	-	-	9,748	9,748	9,748	9,748	-	-	-	-	-	-	-	9,748
Donation in kind - ANERA & Ministry of health	-	57,165	-	-	57,165	57,165	57,165	57,165	-	-	-	-	-	-	-	57,165
<b>Total restricted</b>	<b>763,362</b>	<b>1,847,563</b>	<b>171,481</b>	<b>-</b>	<b>2,782,406</b>	<b>827,066</b>	<b>1,955,340</b>	<b>817,772</b>	<b>25,007</b>	<b>388,696</b>	<b>28,987</b>	<b>-</b>	<b>76,643</b>	<b>618,234</b>	<b>-</b>	<b>1,955,340</b>
<b>Unrestricted:</b>																
Local Revenues and unrestricted funds	334,937	133,084	-	(21,950)	446,071	397,205	48,866	-	-	-	-	999	27,867	-	20,000	48,866
<b>Total unrestricted</b>	<b>334,937</b>	<b>133,084</b>	<b>-</b>	<b>(21,950)</b>	<b>446,071</b>	<b>397,205</b>	<b>48,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>999</b>	<b>27,867</b>	<b>-</b>	<b>20,000</b>	<b>48,866</b>
<b>Grand total</b>	<b>1,098,299</b>	<b>1,980,647</b>	<b>171,481</b>	<b>(21,950)</b>	<b>3,228,477</b>	<b>1,224,271</b>	<b>2,004,206</b>	<b>817,772</b>	<b>25,007</b>	<b>388,696</b>	<b>28,987</b>	<b>999</b>	<b>104,510</b>	<b>618,234</b>	<b>20,000</b>	<b>2,004,206</b>

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

Schedule - (1)

Projects promoting health of community expenses for the year ended DECEMBER 31, 2012

(In US Dollars)

	FHSC		Mobile Dental Clinic	FHSC South	Training of Community Workers	Psycho Social	Total 2012	Total 2011
	Shija'ia	Darraj						
<b>Salaries and benefits</b>								
Basic salaries	151,393	180,784	20,160	47,208	-	13,795	413,340	337,069
Family allowances	4,096	9,997	480	1,159	-	-	15,732	17,283
Overtime	80	1,082	-	-	-	-	1,162	-
Social Workers	1,778	517	-	1,592	-	-	3,887	-
Training	523	444	-	382	-	-	1,349	1,789
Medical insurance	729	1,095	182	438	-	-	2,444	2,893
Indemnity	19,102	17,396	1,980	2,491	-	-	40,969	37,369
Difference rate of exchange	11,740	10,821	1,427	561	-	-	24,549	44,654
<b>Total salaries and benefits</b>	<b>189,441</b>	<b>222,136</b>	<b>24,229</b>	<b>53,831</b>	<b>-</b>	<b>13,795</b>	<b>503,432</b>	<b>441,057</b>
<b>Professional services</b>								
Audit Fees	2,200	2,200	2,200	2,200	-	1,000	9,800	15,137
Professional Services	804	1,034	44	744	151	-	2,777	4,867
<b>Total professional services</b>	<b>3,004</b>	<b>3,234</b>	<b>2,244</b>	<b>2,944</b>	<b>151</b>	<b>1,000</b>	<b>12,577</b>	<b>20,004</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area  
 Schedule - (1) (Continued)  
 Projects promoting health of community expenses for the year ended DECEMBER 31, 2012  
 (In US Dollars)

	FHSC Shija'ia		FHSC Darraj		Mobile Dental Clinic		FHSC South		Training of Community Workers		Psycho Social		Total	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
<b>General expenses</b>														
Rental	5,500	7,349	500		3,985								17,334	14,880
Water	728	824	-		755								2,307	297
Postage	59	59	-		59								177	-
Electricity	588	550	-		444								1,582	6,219
Fuel for energy	3,797	3,704	515		2,717								10,733	529
Telephones	2,148	1,991	252		1,993						227		6,611	6,808
Printing and stationery	2,544	1,208	300		846				49		64		5,011	3,598
Cleaning	1,000	1,582	53		701				-		-		3,336	3,394
Consumable supplies	617	988	50		435				26		741		2,857	2,906
Repairs and maintenance	722	657	21		467				-		-		1,867	6,108
Furniture and fittings	38	2	-		32				-		243		315	3,908
Equipment and maintenance	1,415	1,096	100		1,500				-		-		4,111	3,822
Materials and supplies	1,180	1,031	-		592				-		-		2,803	8,130
Travel expense	15	8	-		8				-		6,363		6,394	-
Bulk SMS cost	76	76	-		76				-		-		228	-
Internet cost	885	885	-		885				-		-		2,655	-
Computer software	16	16	-		16				-		-		48	-
MIS	100	100	-		100				-		-		300	-
Office / Other Expenses	250	131	-		184				-		-		565	150
<b>Total general expenses</b>	<b>21,678</b>	<b>22,257</b>	<b>1,791</b>		<b>15,795</b>				<b>75</b>		<b>7,638</b>		<b>69,234</b>	<b>60,749</b>
<b>Medical expenses</b>														
Medicines	41,818	37,601	131		38,605				-		-		118,155	123,837
MEDICAL-MEDICINE/ANERA	18,994	18,994	-		18,784				-		-		56,772	-
Medical Supplies	6,963	10,726	199		4,862				-		-		22,750	12,067
Medical/ Others	7,388	7,374	-		7,388				-		-		22,150	41
<b>Total medical expenses</b>	<b>75,163</b>	<b>74,695</b>	<b>330</b>		<b>69,639</b>				<b>-</b>		<b>-</b>		<b>219,827</b>	<b>135,945</b>
<b>Hospitality</b>	<b>2,876</b>	<b>2,508</b>	<b>58</b>		<b>1,694</b>				<b>331</b>		<b>1,574</b>		<b>9,041</b>	<b>8,909</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area  
 Schedule - (1) (Continued)  
 Projects promoting health of community expenses for the year ended DECEMBER 31, 2012  
 (In US Dollars)

	FHSC		FHSC		Mobile Dental Clinic	FHSC		Training of Community Workers	Psycho Social	Total 2012	Total 2011
	Shija'ia	Darraj	Darraj	South		South	South				
<b>Insurance</b>											
Compulsory insurance	1,109	206		431	147		250	1,000		3,143	3,429
Buildings insurance	-	-		-	-		-	-		-	600
Fire Insurance	495	495		495	-		-	-		1,485	-
MEDICAL Insurance	-	-		-	-		174	-		174	-
Equipment insurance	-	-		-	-		-	-		-	400
<b>Total insurance</b>	<b>1,604</b>	<b>701</b>		<b>926</b>	<b>147</b>		<b>424</b>	<b>1,000</b>		<b>4,802</b>	<b>4,429</b>
<b>Transportation and vehicle expenses</b>											
Transportation	1,914	2,347		2,060	-		141	-		6,462	11,093
Fuel	1,605	2,950		1,678	211		154	-		6,598	4,548
Repairs and maintenance	372	293		241	-		-	-		906	2,960
Insurance	1,049	513		581	-		-	-		2,143	4,923
License	573	623		-	688		-	-		1,884	940
Other Vehicle Expenses	568	500		439	-		-	-		1,507	2,666
<b>Total transportation and vehicle exp.</b>	<b>6,081</b>	<b>7,226</b>		<b>4,999</b>	<b>899</b>		<b>295</b>	<b>-</b>		<b>19,500</b>	<b>27,130</b>
<b>Trainees Incentives</b>										<b>1,663</b>	
<b>Employees Incentives</b>										<b>840</b>	
<b>Taxes</b>										<b>1,863</b>	<b>1,185</b>
<b>Total projects pro. heal. of comm. exp. 2012</b>	<b>300,462</b>	<b>334,775</b>		<b>149,838</b>	<b>29,758</b>		<b>2,939</b>	<b>25,007</b>		<b>842,779</b>	<b>699,408</b>
<b>Budget - 2012</b>	<b>259,504</b>	<b>280,801</b>		<b>47,279</b>	<b>141,635</b>		<b>4,050</b>	<b>89,000</b>		<b>822,269</b>	<b>1,385,034</b>
<b>Variance</b>	<b>(40,958)</b>	<b>(53,974)</b>		<b>(102,559)</b>	<b>111,877</b>		<b>1,111</b>	<b>63,993</b>		<b>(20,510)</b>	<b>685,626</b>
<b>Total projects pro. heal. of comm. exp. 2011</b>	<b>244,732</b>	<b>252,954</b>		<b>41,698</b>	<b>138,708</b>		<b>2,345</b>	<b>18,971</b>		<b>699,408</b>	<b>1,154,084</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area  
 Schedule - (2)  
 Projects promoting educational opportunities expenses for the year ended DECEMBER 31, 2012  
 (In US Dollars)

	VTC Gaza	VTC Qarah	Dress Making	Secretarial Training and Language	Computer Centre	Total 2012	Total 2011
<b>Salaries and benefits</b>							
Basic salaries	152,562	41,109	4,185	17,624	-	215,480	195,009
Overtime	88	-	-	-	-	88	-
Family allowances	7,281	3,120	-	-	-	10,401	10,630
Training	-	-	-	-	-	-	249
Medical insurance	1,447	730	-	-	-	2,177	1,928
Indemnity	13,317	5,875	456	1,739	-	21,387	23,095
Difference rate of exchange	9,594	4,433	289	1,948	-	16,264	28,746
<b>Total salaries and benefits</b>	<b>184,289</b>	<b>55,267</b>	<b>4,930</b>	<b>21,311</b>	-	<b>265,797</b>	<b>259,657</b>
<b>Professional services</b>							
Audit Fees	2,200	2,200	2,200	2,200	-	8,800	9,194
Legal Expenses	-	-	-	-	-	-	350
Professional Services	1,002	962	44	6,431	-	8,439	8,716
<b>Total professional services</b>	<b>3,202</b>	<b>3,162</b>	<b>2,244</b>	<b>8,631</b>	-	<b>17,239</b>	<b>18,260</b>
<b>General expenses</b>							
Rental	2,400	-	1,500	10,000	700	14,600	17,226
Water	538	132	199	133	-	1,002	983
Postage	42	6	6	6	-	60	36
Electricity	2,101	408	1,068	1,457	-	5,034	8,509
Fuel for energy	5,286	963	1,525	1,525	81	9,380	4,687
Telephones	1,753	1,384	978	1,388	-	5,503	3,730
Printing and stationery	964	115	226	595	-	1,900	3,252
Cleaning	468	213	144	238	-	1,063	1,276
Consumable supplies	1,869	41	177	343	-	2,430	2,467
Repairs and maintenance	2,248	-	505	662	-	3,415	2,070
Furniture and fittings	41	-	864	-	-	905	1,224
Equipment and maintenance	557	-	487	451	-	1,495	5,057
Management Information Sys.	216	218	100	100	-	634	350
Materials and supplies	23,293	-	159	141	-	23,593	51,439
INTERNET COST	500	500	529	-	-	1,529	-
Computer software	-	40	-	-	-	40	-
Advertisement	92	-	53	53	-	198	-
Other Exp. & Medicines	1,182	311	58	63	-	1,614	172
<b>Total general expenses</b>	<b>43,550</b>	<b>4,331</b>	<b>8,578</b>	<b>17,155</b>	<b>781</b>	<b>74,395</b>	<b>102,478</b>
<b>Hospitality</b>	<b>2,729</b>	<b>1,415</b>	<b>271</b>	<b>544</b>	-	<b>4,959</b>	<b>2,289</b>



Near East Council of Churches Committee for Refugee Work - Gaza Area  
Schedule - (2) (Continued)  
Projects promoting educational opportunities expenses for the year ended DECEMBER 31, 2012  
(In US Dollars)

	VTC Gaza	VTC Qarah	Dress Making	Secretarial Training and Language	Computer Centre	Total 2012	Total 2011
<b>Insurance</b>							
Compulsory insurance	-	96	96	96	412	700	2,007
Buildings insurance	352	-	-	-	-	352	2,200
Fire Insurance	495	495	495	495	-	1,980	-
Student Insurance	2,815	1,131	670	510	-	5,126	-
Equipment insurance	-	-	-	-	-	-	500
<b>Total insurance</b>	<b>3,662</b>	<b>1,722</b>	<b>1,261</b>	<b>1,101</b>	<b>412</b>	<b>8,158</b>	<b>4,707</b>
<b>Transportation and vehicle expenses</b>							
Transportation	2,889	384	210	1,043	-	4,526	4,753
Fuel	628	346	506	356	-	1,836	1,646
Repairs and maintenance	140	319	281	281	-	1,021	1,301
Insurance	118	-	-	-	-	118	844
License	200	200	294	239	-	933	-
<b>Total transportation and vehicle exp.</b>	<b>3,975</b>	<b>1,249</b>	<b>1,291</b>	<b>1,919</b>	<b>-</b>	<b>8,434</b>	<b>8,544</b>
<b>Other expenses</b>							
Taxes	1,354	60	-	60	-	1,474	1,248
Employees Incentives	1,170	300	147	150	-	1,767	-
Trainees Incentives	6,473	-	-	-	-	6,473	-
<b>Total other expenses</b>	<b>8,997</b>	<b>360</b>	<b>147</b>	<b>210</b>	<b>-</b>	<b>9,714</b>	<b>1,248</b>
<b>Total projects pro. edu. opp. exp. 2012</b>	<b>250,404</b>	<b>67,506</b>	<b>18,722</b>	<b>50,871</b>	<b>1,193</b>	<b>388,696</b>	<b>397,183</b>
<b>Budget - 2012</b>	<b>249,521</b>	<b>87,998</b>	<b>21,342</b>	<b>49,395</b>	<b>2,156</b>	<b>410,412</b>	<b>571,303</b>
<b>Variance</b>	<b>(883)</b>	<b>20,492</b>	<b>2,620</b>	<b>(1,476)</b>	<b>963</b>	<b>21,716</b>	<b>174,120</b>
<b>Total projects pro. edu. opp. exp. 2011</b>	<b>232,316</b>	<b>90,689</b>	<b>18,307</b>	<b>55,171</b>	<b>700</b>	<b>397,183</b>	<b>562,050</b>

Near East Council of Churches Committee for Refugee Work - Gaza Area  
Schedule - (3)  
Community development expenses for the year ended DECEMBER 31, 2012  
(In US Dollars)

	2012	Budget	Variance	2011
<b>General expenses</b>				
Rental	1,000	1,500	500	1,000
Water	44	42	(2)	47
Electricity	634	600	(34)	946
Fuel for energy	-	-	-	61
Printing and stationery	379	-	(379)	-
Cleaning	8	-	(8)	-
Consumable supplies	90	130	40	155
Repairs and maintenance	818	-	(818)	-
Furniture and fittings	243	-	(243)	-
Equipment and maintenance	119	60	(59)	102
Materials and supplies	31	-	(31)	-
<b>Total general expenses</b>	<b>3,366</b>	<b>2,332</b>	<b>(1,034)</b>	<b>2,311</b>
<b>Insurance</b>				
Buildings insurance	-	135	135	100
Student insurance	231	135	(96)	100
<b>Total insurance</b>	<b>231</b>	<b>270</b>	<b>39</b>	<b>200</b>
<b>Transportation and vehicle expenses</b>				
Fuel	-	-	-	231
Repairs and maintenance	-	-	-	51
Hospitality	24	-	(24)	-
<b>Total transportation and vehicle exp.</b>	<b>24</b>	<b>-</b>	<b>(24)</b>	<b>282</b>
<b>Other expenses</b>				
Self help clothing - Benefits to Seamstress	23,620	20,000	(3,620)	-
Youth activities and societies	1,746	-	(1,746)	-
<b>Total other expenses</b>	<b>25,366</b>	<b>20,000</b>	<b>(5,366)</b>	<b>-</b>
<b>Total community development exp.</b>	<b>28,987</b>	<b>22,602</b>	<b>(6,385)</b>	<b>2,793</b>

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

Schedule - (4)

Advocacy's expenses for the year ended DECEMBER 31, 2012

(In US Dollars)

	<u>2012</u>	<u>Budget</u>	<u>Variance</u>	<u>2011</u>
<b>General expenses</b>				
Telephones	136	-	(136)	229
Printing and stationery	18	-	(18)	-
Consumable supplies	-	-	-	66
Equipment and maintenance	48	-	(48)	-
Materials and supplies	66	-	(66)	-
<b>Total general expenses</b>	<b>268</b>	<b>-</b>	<b>(268)</b>	<b>295</b>
<b>Hospitality</b>	<b>543</b>	<b>2,000</b>	<b>1,457</b>	<b>727</b>
<b>Transportation and vehicle exp.</b>				
Fuel	188	500	312	95
<b>Total transportation and vehicle exp.</b>	<b>188</b>	<b>500</b>	<b>312</b>	<b>95</b>
<b>Total advocacy's expenses</b>	<b>999</b>	<b>2,500</b>	<b>1,501</b>	<b>1,117</b>

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

## Schedule - (5)

## Administration's expenses for the year ended DECEMBER 31, 2012

(In US Dollars)

	2012	Budget	Variance	2011
<b>Salaries and benefits</b>				
Basic salaries	40,565	41,523	958	61,860
Family allowances	300	530	230	520
Training	617	3,000	2,383	197
Medical insurance	-	250	250	-
Indemnity	4,903	5,813	910	6,657
Difference rate of exchange	4,516	7,000	2,484	7,965
<b>Total salaries and benefits</b>	<b>50,901</b>	<b>58,116</b>	<b>7,215</b>	<b>77,199</b>
<b>Professional services</b>				
Audit Fees	2,259	4,400	2,141	1,197
PROFESSIONAL SERVICES	1,875	-	(1,875)	-
Legal Expenses	1,995	2,500	505	1,250
<b>Total professional services</b>	<b>6,129</b>	<b>6,900</b>	<b>771</b>	<b>2,447</b>
<b>General expenses</b>				
Rental	2,450	2,650	200	2,450
Water	135	100	(35)	78
Postage	123	500	377	538
Electricity	-	600	600	896
Fuel for energy	2,871	1,000	(1,871)	1,064
Telephones	1,535	3,500	1,965	3,772
Printing and stationery	1,217	1,500	283	1,217
Books and magazines	-	300	300	318
Cleaning	773	1,500	727	845
Consumable supplies	1,446	1,200	(246)	1,156
Repairs and maintenance	1,224	8,000	6,776	7,207
Furniture and fittings	521	3,000	2,479	4,728
Equipment and maintenance	972	1,000	28	2,639
Materials and supplies	678	500	(178)	440
MIS	656	-	(656)	-
ACT Allince Membership	4,878	-	(4,878)	-
Internet cost	803	-	(803)	-
Advertisement	315	-	(315)	-
Other general expenses	904	500	(404)	1,868
<b>Total general expenses</b>	<b>21,501</b>	<b>25,850</b>	<b>4,349</b>	<b>29,216</b>
<b>Medicines / Medical Expenses</b>	<b>8</b>	<b>-</b>	<b>(8)</b>	<b>83</b>
<b>Hospitality</b>	<b>1,913</b>	<b>3,000</b>	<b>1,087</b>	<b>3,863</b>

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

Schedule - (5) (Continued)

Administration's expenses for the year ended DECEMBER 31, 2012

(In US Dollars)

	2012	Budget	Variance	2011
<b>Insurance</b>				
Compulsory insurance	2,997	1,000	(1,997)	452
Buildings insurance	1,000	1,000	-	360
Fire Insurance	795	-	(795)	-
Travel insurance	244	300	56	-
Equipment insurance	-	500	500	-
<b>Total insurance</b>	<b>5,036</b>	<b>2,800</b>	<b>(2,236)</b>	<b>812</b>
<b>Transportation and vehicle expenses</b>				
Transportation	648	1,500	852	1,260
Fuel	2,650	2,500	(150)	2,074
Repairs and maintenance	872	1,000	128	972
Insurance	1,121	1,000	(121)	595
License	1,051	700	(351)	1,383
Other vehicle expenses	-	1,000	1,000	723
Mini-Bus	-	70,000	70,000	-
<b>Total transportation and vehicle exp.</b>	<b>6,342</b>	<b>77,700</b>	<b>71,358</b>	<b>7,007</b>
<b>Employees Incentives</b>	<b>200</b>	<b>-</b>	<b>(200)</b>	<b>-</b>
<b>Travel expenses</b>	<b>9,732</b>	<b>6,000</b>	<b>(3,732)</b>	<b>2,208</b>
<b>Bank Charges</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>
<b>Taxes</b>	<b>2,748</b>	<b>3,016</b>	<b>268</b>	<b>2,313</b>
<b>Total administration's expenses</b>	<b>104,510</b>	<b>184,882</b>	<b>80,372</b>	<b>125,148</b>

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

Schedule - (6)

Income from projects promoting community health for the year ended DECEMBER 31, 2012

(In US Dollars)

	FHSC Shifa'ia	FHSC Darraj	FHSC South	Mobile Dental Clinic	Total Income 2012	Total Income 2011
<b>Income - 2012</b>						
Income from medicines	3,356	2,272	-	2,134	7,762	33,255
Income from patients	8,088	7,637	-	3,293	19,018	57,653
Income from tender	26	52	24	-	102	404
Others	-	-	4,200	-	4,200	286
<b>Total Income - 2012</b>	<b>11,470</b>	<b>9,961</b>	<b>4,224</b>	<b>5,427</b>	<b>31,082</b>	<b>91,598</b>
<b>Budget - 2012</b>	<b>10,000</b>	<b>10,000</b>	<b>5,000</b>	<b>3,000</b>	<b>28,000</b>	
<b>Variance</b>	<b>(1,470)</b>	<b>39</b>	<b>776</b>	<b>(2,427)</b>	<b>(3,082)</b>	
<b>Total Income - 2011</b>	<b>31,333</b>	<b>29,613</b>	<b>26,562</b>	<b>4,090</b>	<b>91,598</b>	

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

Schedule - (7)

Income from projects promoting education opportunities for the year ended DECEMBER 31, 2012  
(In US Dollars)

	VTC Gaza	VTC Qararah	Dress Making	Secretarial Training and Language	Computer Centre	Total Income 2012	Total Income 2011
<b>Income - 2012</b>							
Income from centres	8,514	209	-	-	-	8,723	17,659
Income from tuition fees	54,736	13,721	1,042	15,770	-	85,269	60,858
Others	337	68	-	-	-	405	110
<b>Total Income - 2012</b>	<b>63,587</b>	<b>13,998</b>	<b>1,042</b>	<b>15,770</b>	<b>-</b>	<b>94,397</b>	<b>78,627</b>
<b>Budget - 2012</b>	<b>20,000</b>	<b>6,000</b>	<b>2,000</b>	<b>5,000</b>	<b>1,000</b>	<b>34,000</b>	
<b>Variance</b>	<b>(43,587)</b>	<b>(7,998)</b>	<b>958</b>	<b>(10,770)</b>	<b>1,000</b>	<b>(60,397)</b>	
<b>Total Income - 2011</b>	<b>38,072</b>	<b>16,974</b>	<b>7,629</b>	<b>15,952</b>	<b>-</b>	<b>78,627</b>	

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

Schedule - (8)

Statement of educational loans fund for the year ended DECEMBER 31, 2012

(In US Dollars)

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Balance - January 1, 2012	246,373	276,929
New Loans	81,750	21,750
Collections during the year	<u>(49,031)</u>	<u>(52,306)</u>
<b>Balance - December 31, 2012</b>	<b>279,092</b>	<b>246,373</b>
Reserve for doubtful debts	<u>(8,812)</u>	<u>(8,812)</u>
<b>Total</b>	<b>270,280</b>	<b>237,561</b>
<b>Cash and banks balances</b>		
Arab Bank Rimal - December 31, 2012	38,884	38,873
Bank of Palestine - December 31, 2012	<u>425,400</u>	<u>456,277</u>
<b>Total cash and banks balances</b>	<b>464,284</b>	<b>495,150</b>
<b>Total assets</b>	<b><u>734,564</u></b>	<b><u>732,711</u></b>
<b>Capital</b>		
<b>Accumulated fund - January 1, 2012</b>	<u>82,211</u>	<u>90,204</u>
<b>Income and expenses</b>		
Various Income	-	40
Interest earned	1,874	1,877
Expenses / Legal and other expenses	<u>(21)</u>	<u>(9,910)</u>
<b>Total income and expenses</b>	<b>1,853</b>	<b>(7,993)</b>
<b>Net surplus</b>	<b>84,064</b>	<b>82,211</b>
<b>Total amount from budgets all over the years</b>	<b>650,500</b>	<b>650,500</b>
<b>Total Capital</b>	<b><u>734,564</u></b>	<b><u>732,711</u></b>



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

Schedule - (9)

Statement of provident fund and emergency fund for the year ended DECEMBER 31, 2012

(In US Dollars)

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
<b>Cash and bank balances</b>		
Deposit at ING Bank \ Holland	1,993,275	1,990,594
<b>Total</b>	<b><u>1,993,275</u></b>	<b><u>1,990,594</u></b>
<b>Restricted as follows:</b>		
For provident fund	1,377,739	1,602,403
For emergency fund	615,536	388,191
<b>Total</b>	<b><u>1,993,275</u></b>	<b><u>1,990,594</u></b>
<b>Liabilities</b>		
<b>Provident Fund</b>		
Employees' provident fund - January 1, 2012	1,602,403	2,063,173
Employees' contribution during the year	94,422	88,736
NECCCRW contribution during the year	94,202	90,836
Withdrawals: terminal entitlements, advances	(415,194)	(642,753)
Interest earned - allocated to staff	1,906	2,411
<b>Total provident fund</b>	<b><u>1,377,739</u></b>	<b><u>1,602,403</u></b>
<b>Emergency fund</b>		
Balance - beginning of the year	388,191	-
Allocation during the year	227,345	388,191
<b>Total Deposit at ING Bank for Emergency</b>	<b><u>615,536</u></b>	<b><u>388,191</u></b>
<b>Total emergency fund</b>	<b><u>1,993,275</u></b>	<b><u>1,990,594</u></b>

Near East Council of Churches Committee for Refugee Work - Gaza Area  
Special Emergency Projects  
For the year ended DECEMBER 31, 2012  
(In US Dollars)

	Total
<b>ACT \ PSE 111</b>	
<b>DSPR</b>	
Unspent Fund - 2011	248,266
<b>Total Receipts</b>	<b>248,266</b>
<b>Disbursements</b>	
ACTPSE 111 RELIEF	(11,112)
ACTPSE 111 JOB CERATION	62,010
ACTPSE 111 MEDICIES	16,658
ACTPSE 111 EQUIPMENT	45,000
ACTPSE 111 MEDICAL FEES	12,500
ACTPSE 111 SALARIES	92,422
ACTPSE 111 TRANSPORTATIONS	2,128
ACTPSE 111 SUPPLIES	6,581
ACTPSE 111 EDUCATIONAL SUPP.	12,500
ACTPSE 111 ELECTRICITY	8,630
ACTPSE 111 CONSOMA.&MANTENACE	950
<b>Total Disbursements</b>	<b>248,266</b>
<b>PONTIFICAL MISSION QARARAH</b>	
Unspent Fund - 2011	3,662
<b>Total Receipts</b>	<b>3,662</b>
<b>Disbursements</b>	
PONTIFICAL MISSION QARARAH	2,881
	<b>2,881</b>
<b>EMG.HUMANITARIAN DCA 2011/2012</b>	
Received 2012	120,560
Unspent Fund - 2011	96,766
<b>Total Receipts</b>	<b>217,326</b>
<b>Disbursements</b>	
1-TECH.CONSULTANT%25 \$6,500	11,830
2-DOCTORS %100 USD 23,400	20,800
3-NURSES %100 \$ 23,400.00	23,400
3-COMM.WORKERS %100 \$ 16,380	13,650
1-ACCOUNTANT %50 \$3,900	3,900
1-DATA DESIGNER \$ 1,000.00	1,000
FIELD TEAM TRAINING \$ 500.00	984
WEIGHT SCALE-CHILDREN \$ 1,200	1,054
INDICATORS/STICKS \$ 24,000	23,161
IRON-DRUGS-ANTIBI.\$93537.65	108,726
HEALTH EDU. MATERIALS \$ 4,450	4,450
LAB TEST OUTSIDE \$ 5,000	4,384
	<b>217,339</b>

**PONTIFICAL MISSION - Ex Univercity & VTC Graduates Project**

Received 2012	110,373
Pledged for	39,866
<b>Total</b>	<b><u>150,239</u></b>

**Disbursements**

EMPLOY EX-GRADUATES	75,806
EMPLOY EX-VTC	53,033
	<b><u>128,839</u></b>

**MENNONITE**

Received 2012	24,920
<b>Total Receipts</b>	<b><u>24,920</u></b>

**Disbursements**

TECHNICAL ENG.	5,305
TRAINING	777
PROFESSIONAL SERVICES	500
BOOK & MAG.	400
CONSUMABLE SUPPLIES	996
PRINTING AND STATIONARY	600
MATERIALS & SUPPLIES	4,896
TRANSPORTATION	2,400
RENTAL	600
NEW EQUIPMENT	3,537
MAINTENANCE	900
	<b><u>20,910</u></b>

<b>Available Fund</b>	<b><u>644,413</u></b>
<b>Total Disbursements</b>	<b><u>618,234</u></b>
	<b><u>26,179</u></b>