

HAYAT CENTER FOR
CIVIL SOCIETY DEVELOPMENT

NABLUS - PALESTINE

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

AS OF DECEMBER 31, 2010

HAYAT CENTER FOR
CIVIL SOCIETY DEVELOPMENT

NABLUS - PALESTINE

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INDEPENDENT AUDITOR 'S REPORT

NS/116

To Board of Directors
Hayat Center for civil
Society Development

Nablus - Palestine

We have audited the financial position of the **Hayat Center for civil society Development** as of 31 December 2010 and the statements of activity and cash flows for the year ended. The preparation of these financial statements is the responsibility of the society management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to a above present fairly, in all material respects, the financial position of **Hayat Center for civil society Development** as of December 31, 2010 and the related statements of Activities and cash flows for the year then ended in conformity with generally accepted accounting principles.

Nablus: January 29, 2011



Arab Consultants

Moh'd k .Arafat

Certified Public Accountants

License No .121/98

HAYAT CENTER FOR
CIVIL SOCIETY DEVELOPMENT
NABLUS - PALESTINE

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010

(EXPRESSED IN NIS)

Statement No.1

<u>ASSETS :</u>	<u>Note</u>	<u>2010</u>	<u>2009</u>
Current assets:			
Cash on hand & at bank	3	28,266	520
Prepaid expenses		28,074	-
Refundable deposited		<u>185</u>	<u>185</u>
Total Current assets		<u>56,525</u>	<u>705</u>
Fixed Assets , net	2&4	<u>13,822</u>	<u>2,872</u>
Total Assets		<u>70,347</u>	<u>3,577</u>
 <u>LIABILITIES & NET ASSETS:</u>			
Current liabilities:			
Deferred check		2,438	-
Creditors & other credit balances	5	<u>2,395</u>	<u>6,885</u>
Total Current liabilities		<u>4,833</u>	<u>6,885</u>
Net Assets – Statement No.2		<u>65,514</u>	<u>(3,308)</u>
Total Liabilities & Net Assets		<u>70,347</u>	<u>3,577</u>

The accompanying notes constitute an integral part of these statements

HAYAT CENTER FOR
CIVIL SOCIETY DEVELOPMENT
NABLUS – PALESTINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

(EXPRESSED IN NIS)

Statement No.2

	<u>Note</u>	<u>2010</u>	<u>For the period from June 7, 2009 till 31 December 2009</u>
Revenues	2&6	243,096	46,499
Expenditures :			
- Friends of Nablus and surrounding areas(Fonsa)	7	74,661	(36,694)
- Youth exchange and study program (Yes)	8	-	(3,932)
- International Arab social betterment association(Iasba)	9	-	(1,958)
- International Camp project of youth & sustainable development	10	(46,834)	-
- Project of monitoring Palestinian judicial independence	11	(33,650)	-
- Society- management expenses	12	(12,506)	7,056
Depreciation		(1,521)	195
Foreign currency exchange		(5,102)	28
Total of expenditures		(174,274)	(49,835)
Surplus(Deficit) For the year/ period		68,822	(3,308)
Net assets - beginning of the year / period		(3,308)	=
Net assets- End of the year / period–Statement No.1		65,514	(3,308)

The accompanying notes constitute an integral part of these statements

HAYAT CENTER FOR
CIVIL SOCIETY DEVELOPMENT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010
(EXPRESSED IN NIS)

Statement No.3

	<u>2010</u>	For the period from June 7, 2009 till 31 December <u>2009</u>
Cash Flows from operating activities :		
Surplus(Deficit) for the year/ period	68,822	(3,308)
Adjustments:		
Depreciation	1,521	195
(Increase) decrease in Current Assets:		
Prepaid expenses	(28,074)	-
Refundable deposited	-	(185)
Increase (decrease) in Current Liabilities:		
Deferred check	2,438	
Creditors & other credit balances	<u>(4,490)</u>	<u>6,885</u>
Net cash flows from operating activities	<u>40,217</u>	<u>3,587</u>
Cash flows from investment Activities :		
Additions of fixed assets	<u>12,471</u>	<u>3,067</u>
<u>Net cash flows from investment Activities</u>	<u>(12,471)</u>	<u>(3,067)</u>
Increase in cash comprised:	27,746	520
Cash on hand & at bank -beginning of year/ period -	<u>520</u>	-
Cash on hand & at bank - end of year period -statement No1	<u>28,266</u>	<u>520</u>

The accompanying notes constitute an integral part of these statements

HAYAT CENTER FOR
CIVIL SOCIETY DEVELOPMENT
NABLUS - PALESTINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010
(EXPRESSED IN NIS)

1- Society:

- 1.1 Hayat center for civil society development was established as a non-profit organization, in accordance with the provisions of the law of civil associations and other commissions No. (1), for the year 2000. The society head office located in the city of Nablus and has the right to open a branch or more in Palestine, after obtaining approval from the ministries in charge.

The society get the approval of it's objectives from the Ministry of Interior - The Palestinian National Authority on 7/6/2009 under the registration number (NA-7222-CU) as a non-profit organization.

1.2 The main goals of establishing the association:

- a. promotion of cultural values, social development, culture of dialogue and coexistence, and free-thinking, espccially among young people and children.
- b. promotion and strengthening the culture and values of democracy and gender equality , principles of good governance and promote respect for law in society.
- c. Participation in the development of cultural relations, support initiatives and networking with communities and institutions at the local, regional, and global levels in the field of cultural and youth work.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

- 2.1 The financial statements have been prepared on an historical cost basis, Income was posted on cash basis, and expcnses were posted on an accrual basis according to modified accrual basis, and donations in kind posted at market value when received.

2.2 Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is computed on the straight - line method, based on the Estimated useful lives of the assets and with constant depreciation Rate 20%percent annually for all fixed assets items.

2.3 Translation of foreign currencies:

The society (reporting currency) is New Israeli sheqalim (NIS) and transactions in foreign currencies were translated to NIS at the prevailing exchange rates. Current Assets and Liabilities in foreign currencies at year end translated to NIS at the prevailing rates. Gains (or Losses) arising from translations are included in statement of Activity.

The prevailing rates as of December 31 was as follows

	<u>2010</u>	<u>2009</u>
1 JD	5.03	5.33
1 USD	3.56	3.77

3. CASH ON HAND AND AT BANK:

Cash on hand and at bank comprised the following:

	<u>2010</u>	<u>2009</u>
Cash on hand	143	<u>3</u>
Cash at Bank of Jordan- Nablus Branch :		
Current account:		
- NIS	39	90
- JD	6,381	105
- USD	<u>21,703</u>	<u>322</u>
Total	<u>28,266</u>	<u>520</u>

4- FIXED ASSETS:

Fixed Assets comprised the following:

<u>cost</u>	<u>Balance</u> <u>1/1</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>31/12</u>
Furniture and fixtures	3,067	11,936	-	15,003
Office& electrical equipment		535	-	535
Total	<u>3,067</u>	<u>12,471</u>	=	<u>15,538</u>
<u>Accumulated depreciation</u>				
Furniture and fixtures	195	1,491	-	1,686
Office& electrical equipment	-	30	-	30
Totals	<u>195</u>	<u>1,521</u>	=	<u>1,716</u>
Net book value		<u>2,872</u>		<u>2,872</u>

5- Creditors & other credit balances:

Creditors & other credit balances comprised the following:

	<u>2010</u>	<u>2009</u>
Creditors-services	256	-
Accrued expenses:		
Rent	-	5,000
Audit fees	<u>2,139</u>	<u>1,885</u>
Total	<u>2,395</u>	<u>6,885</u>

6- Revenues:

Revenues comprised the following:

	<u>2010</u>	<u>2009</u>
Restricted grants:		
- Friends of Nablus and surrounding areas (Fonsa)	81,235	39,920
- Youth exchange and study program (YES)	-	3,932
-International Arab social betterment association(Iasba)	-	1,958
-The American bar association	56,860	-
Donations:		
-Prime Minister	60,554	-
-PALTEL	31,050	-
-Others	11,785	689
Enrollment fees	<u>1,612</u>	=
Total	<u>243,096</u>	<u>46,499</u>

7. Expenses - Friends of Nablus and surrounding areas(Fonsa):

Expenses of Friends of Nablus and surrounding areas (Fonsa) comprised the following:

	<u>2010</u>	<u>2009</u>
A forestation & expense of transplanting	20,130	20,585
Emergency support program	12,707	-
Information Technology Training Program	3,325	-
Grants- students	26,573	8,406
Tax waste	-	180
Fees & subscriptions	-	160
Computer supplies	-	53
Photography	100	85
Maintenance & repairs	-	25
Water & Electricity	200	175
Transportation	229	1,240
Telephone	430	183
Water Tanks	9,552	3,734
Stationery & printing	45	700
Sings	1,370	-
Hospitality	=	<u>168</u>
Total	<u>74,661</u>	<u>36,694</u>

8. Expenses - the Youth exchange and study program(Yes) :

The expenses of the Youth exchange and study program(Yes) comprised the following:

	<u>2010</u>	<u>2009</u>
Stationery & printing	-	723
Miscellaneous	-	39
Bonuses	-	800
Fuel	-	100
Transportation	=	<u>2,270</u>
Total	=	<u>3,932</u>

9. **Expenses- International Arab social betterment association(Iasba):**

The expenses of International Arab social betterment association (Iasba) comprised the following:

	<u>2010</u>	<u>2009</u>
Stationery & printing	-	270
Activities & honor	-	350
Miscellaneous expenses	-	65
Activities & deported	-	100
Entertainment	-	63
Movements	-	660
Skin signs	-	450
Total	=	<u>1,958</u>

10. **Expenses- International Camp project of youth & sustainable development:-**

The expenses of the International Camp project of youth & sustainable development comprised the following:

	<u>2010</u>
Stationery and publication	2,969
Hall rent	2,000
Salaries	5,520
Entertainment	23,500
Transportations	9,495
Skin signs	<u>3,350</u>
Total	<u>46,834</u>

11. **Expenses- Project of monitoring Palestinian judicial independence -:**

The expenses of Project of monitoring Palestinian judicial independence comprised the following:

	<u>2010</u>
Stationery & printing	1,094
Audit fees	2,139
Salaries	27,524
Bank charges	77
Transportations	9,495
Telephone	1031
Water	<u>95</u>
Total	<u>33,650</u>

12. **Society- management expenses:**

Society- management expenses comprised the following:

	2010	2009
Rent	5,701	5,000
Audit fees	-	1,885
Telephone	954	-
Stationery & printing	4,377	-
Activities	150	-
Entertainment	101	-
Taxes	180	-
Water& electricity	619	-
Bank charges	<u>426</u>	<u>171</u>
Total	<u>12,506</u>	<u>7,028</u>