

Library on Wheels for Nonviolence and Peace
Palestine

Financial Statements and
Independent Auditor's Report
For the Year Ended December 31, 2008

Library on Wheels for Nonviolence and Peace
Palestine

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Independent Auditor's Report

**The General Assembly
Library on Wheels for Nonviolence and Peace (LOWNP)
Palestine**

Report on the financial statements:

We have audited the accompanying financial statements of the **Library on Wheels for Nonviolence and Peace (not for profit entity)**, which comprise of the statement of financial position as at December 31, 2008, the statement of activities, the statement of changes in net assets, the statement of cash flows, and the statement of functional expenses for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with relevant International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, 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 these financial statements 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the 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 statements 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 accounting policies used and the reasonableness of accounting 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 **Library on Wheels for Nonviolence and Peace** as at December 31, 2008, its financial performance and its cash flows for the year then ended in accordance with relevant International Financial Reporting Standards and the Statement on Financial Accounting Standards No. 117 "Financial Statements of Not-For-Profit Organizations".

Ramallah:
April 23, 2009

Deloitte & Touche

Deloitte & Touche ME

Library on Wheels for Nonviolence and PeacePalestineStatement of Financial PositionAs of 31 December 2008

	Note	2008 NIS	2007 NIS
<u>Assets</u>			
Current Assets:			
Cash in hand and at banks	3	128,336	249,662
Other current assets	4	-	65,041
Total current assets		128,336	314,703
Long Term Assets:			
Fixed assets - net	5	412,624	498,105
Intangible assets- net	6	1	1
Total long term assets		412,625	498,106
Total Assets		540,961	812,809
<u>Liabilities and Net Assets</u>			
Current Liabilities:			
Accrued expenses	7	24,000	22,815
Total current liabilities		24,000	22,815
Long Term Liabilities			
Reserve for staff benefits	8	84,329	35,149
Total long term liabilities		84,329	35,149
Total Liabilities		108,329	57,964
Net Assets:			
Unrestricted / (operating deficit)		(88,803)	91,946
Investment in fixed assets		412,625	498,106
Temporary restricted	9	108,810	164,793
Total net assets	Statement-C	432,632	754,845
Total Liabilities and Net Assets		540,961	812,809

Chairman of Board

General Director

See Notes to the Financial Statements

Library on Wheels for Nonviolence and Peace
Palestine
Statement of Activities
Year Ended 31 December 2008

	Note	2008			2007
		Unrestricted/ Operating (deficit)	Temporary Restricted	Total	Total
		NIS	NIS	NIS	NIS
Grants and Revenues:					
Donations Received- Temporarily Restricted	10	-	805,844	805,844	974,886
Donations Received- Unrestricted	10	547,045	-	547,045	665,593
Other Revenues	11	4,965	-	4,965	6,172
Total grants and revenues		552,010	805,844	1,357,854	1,646,651
Net assets released from restriction		769,907	(769,907)	-	-
Total Grants and Revenues		1,321,917	35,937	1,357,854	1,646,651
Expenses:					
Salaries and related expenses:					
Technical staff		570,502	-	570,502	561,407
Administrative/ support staff		216,000	-	216,000	210,000
Income tax deductions		35,596	-	35,596	61,496
Health insurance		21,612	-	21,612	23,766
Severance pay		70,432	-	70,432	100,857
Sub-total		914,142	-	914,142	957,526
Vehicles cost		101,300	-	101,300	85,409
Transport & travel cost		56,465	-	56,465	57,606
Rent		101,826	-	101,826	86,179
Light/water		10,900	-	10,900	7,533
Communication costs		31,996	-	31,996	23,017
Cleaning materials		16,730	-	16,730	22,025
Consumables & kitchen supplies		6,091	-	6,091	-
Stationary & supplies		22,056	-	22,056	19,395
Maintenance costs		14,073	-	14,073	12,586
Audit fees		19,000	-	19,000	17,587
Financial consultant		16,217	-	16,217	6,210
Training fees		16,369	-	16,369	13,897
Bank fees, exchange differences etc.		5,333	-	5,333	4,163
Staff & management capacity building		19,593	-	19,593	-
Evaluation		16,800	-	16,800	14,236
Project's activities		207,404	-	207,404	150,472
Sub - total		662,153	-	662,153	520,315
		1,576,295	-	1,576,295	1,477,841
Depreciation	5	105,404	-	105,404	89,289
Total Expenses		1,681,699	-	1,681,699	1,567,130
Currency exchange difference		(1,632)	-	(1,632)	-
Change in Net Assets for the Year	Statement-C	(358,150)	35,937	(322,213)	79,521

Library on Wheels for Nonviolence and Peace
Palestine
Statement of Changes in Net Assets
Year Ended 31 December 2008

		Unrestricted/ Operating (deficit) NIS	Investment in Fixed Assets NIS	Temporary Restricted NIS	Total NIS
<u>Year 2007</u>					
Balance as of January 1, 2007		148,834	355,632	170,858	675,324
Change in net assets for the year	Statement-B	85,586		(6,065)	79,521
Additions to fixed assets		(231,763)	231,763		-
Depreciation	Statement-B	89,289	(89,289)		-
Balance as of December 31, 2007	Statement-A	91,946	498,106	164,793	754,845
<u>Year 2008</u>					
Balance as of January 1, 2008		91,946	498,106	164,793	754,845
Interfund transfer		91,920	-	(91,920)	-
Change in net assets for the year	Statement-B	(358,150)	-	35,937	(322,213)
Additions to fixed assets		(19,923)	19,923	-	-
Depreciation	Statement-B	105,404	(105,404)	-	-
Balance as of December 31, 2008	Statement-A	(88,803)	412,625	108,810	432,632

See Notes to the Financial Statements

Library on Wheels for Nonviolence and PeacePalestineStatement of Cash FlowsYear Ended 31 December 2008

	<u>2008</u>	<u>2007</u>
	<u>NIS</u>	<u>NIS</u>
Cash Flows from Operating Activities:		
Grants received	1,352,889	1,640,479
Other revenues	4,965	6,172
Expenses paid to suppliers and employees	(1,459,257)	(1,500,404)
Cash (Used in) Provided from Operating Activities	<u>(101,403)</u>	<u>146,247</u>
Cash Flows from Investing Activities:		
Additions to fixed assets	(19,923)	(231,763)
Cash Used in Investing Activities	<u>(19,923)</u>	<u>(231,763)</u>
Increase (Decrease) in Cash and Banks Balances	(121,326)	(85,516)
Cash and Banks Balances - Beginning of the Year	249,662	335,178
Cash and Banks Balances - End of the Year	<u>128,336</u>	<u>249,662</u>
	Statement-A	
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in net assets	Statement-B (322,213)	79,521
Depreciation	105,404	89,289
Decrease (increase) in other current assets	65,041	(65,041)
Increase in accrued expenses	1,185	7,329
Increase in reserve for staff benefit	49,180	35,149
	<u>(101,403)</u>	<u>146,247</u>

See Notes to the Financial Statements

