

ATFALUNA SOCIETY FOR DEAF CHILDREN

FINANCIAL STATEMENTS

For the year ended December 31, 2017

AND INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report

**To the Board of Directors
Atfaluna Society for Deaf Children**

Our opinion

In our opinion, Atfaluna Society for Deaf Children (hereinafter “the Association” or “ASDC”) financial statements present fairly, in all material respects the financial position of the Association as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Association financial statements comprise:

- the statement of financial position as at 31 December 2017;
- the statement of activities and changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Palestine. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



Independent Auditor's Report

To the Board of Directors

Atfaluna Society for Deaf Children (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Palestine Limited
June 25, 2018
Ramallah, Palestine

A handwritten signature in blue ink, consisting of several overlapping loops and strokes.

STATEMENT OF FINANCIAL POSITION

(All amounts are in US Dollars)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Non-current assets			
Property, plant and equipment	(4)	1,256,660	1,383,026
Total non-current assets		1,256,660	1,383,026
Current assets			
Inventory of vocational training products	(5)	120,492	141,169
Pledges receivable	(6)	449,025	340,225
Other current assets	(7)	78,084	55,080
Cash and cash equivalents	(8)	326,988	321,884
Total current assets		974,589	858,358
Total assets		2,231,249	2,241,384
NET ASSETS AND LIABILITIES			
Net assets			
Unrestricted net assets		177,595	261,041
Total net assets		177,595	261,041
Non-current liabilities			
Deferred revenues	(9)	683,453	807,431
Provision for end-of-service indemnity	(10)	680,616	631,817
Total non-current liabilities		1,364,069	1,439,248
Current liabilities			
Other current liabilities	(11)	89,928	75,541
Temporarily restricted net assets	(12)	599,657	465,554
Total current liabilities		689,585	541,095
Total liabilities		2,053,654	1,980,343
Total net assets and liabilities		2,231,249	2,241,384

- The notes on pages from (7) to (22) are an integral part of these financial statements.
- The financial statements on pages from (4) to (22) were authorized for issue by the Board of Directors on June 20, 2018 and were signed on its behalf.

Mr. Sharhabeel Al Zaeem
Chairman

Mr. Naim Kabaja
Director General

Ms. Islam Elwan
Accountant

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

(All amounts are in US Dollars)

	Note	2017	2016
<i>Changes in unrestricted net assets:</i>			
Grants, revenues and gains			
Unrestricted contributions	(13)	8,376	5,441
In-kind revenues	(14)	22,629	20,787
Operating revenues	(15)	350,579	303,104
Other revenues	(16)	9,817	45,395
Total unrestricted grants, revenues and other support		391,401	374,727
Temporarily restricted contributions released from restriction	(12)	689,078	866,147
Deferred revenues recognized	(9)	161,423	166,132
Total Revenues		1,241,902	1,407,006
Expenses			
Projects expenses	(17)	(1,089,166)	(1,378,689)
General and administrative expenses	(18)	(80,454)	(141,724)
Depreciation	(4)	(163,811)	(196,827)
Bad debt expense	(7)	-	(8,859)
Currency variances (losses) gains		8,083	(2,170)
Total expenses		(1,325,348)	(1,728,269)
Net changes in unrestricted net assets – general fund		(83,446)	(321,263)
Net assets, beginning of the year		261,041	582,304
Net assets, end of the year		177,595	261,041

- The notes on pages from (7) to (22) are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are in US Dollars)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities			
Changes in net assets for the year		(83,446)	(321,263)
<u>Adjustments of non-cash items</u>			
Depreciation expense	(4)	163,811	196,827
Provision of end-of-service for the year	(10)	100,773	70,386
Deferred revenue recognized	(9)	(161,423)	(166,132)
Gain from sale of property, plant and equipment		-	(26,419)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Inventory of vocational training products	(5)	20,677	26
Pledges receivable	(6)	(108,800)	633,294
Other current assets	(7)	(23,004)	(12,732)
End-of-service payments	(10)	(51,974)	(43,816)
Other current liabilities	(11)	14,387	13,812
Temporarily restricted contributions	(12)	171,548	(599,054)
Net cash flows provided by (used in) operating activities		<u>42,549</u>	<u>(255,071)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	(4)	(37,445)	(113,189)
Proceeds from sale of property, plant and equipment	(4)	-	26,419
Net cash flows (used in) investing activities		<u>(37,445)</u>	<u>(86,770)</u>
Changes in cash and cash equivalents		5,104	(341,841)
Cash and cash equivalents, beginning of the year	(8)	321,884	663,725
Cash and cash equivalents, end of the year	(8)	<u>326,988</u>	<u>321,884</u>

- The notes on pages from (7) to (22) are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

NOTE (1) GENERAL

The Atfaluna Society for Deaf Children (hereinafter the "ASDC") is a Palestinian not-for-profit organization established in 1992 working in the field of deaf education and allied services. The ASDC serves people with disabilities, particularly deaf people, children and adults and their families through education, audiology, speech therapy, income generating programs for the deaf, vocational training, parents', teachers', community training and awareness programs as well as hosting other services and programs. The ASDC was registered in the Ministry of Interior under registration number (2076) on May 23, 2001 according to the community organizations law of the year 2000.

The ASDC Mission:

To improve the lives of the deaf persons in the Gaza Strip through social, economic, cultural and civil empowerment

NOTE (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are prepared according to International Financial Reporting Standards under the historical cost convention and presented in USD. Currently, International Financial Reporting Standards do not include any specific requirements regarding not-for-profit organizations in connection with the accounting policies or the presentation of the financial statements. The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of selecting and applying accounting policies.

Following is a summary of the ASDC's significant accounting policies:

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as indicated. Furthermore, a number of new standards and amendments to standards and interpretations have been issued and effective for annual periods beginning on 1 January 2017. The ASDC management believes that due to the nature of the entity's structure and activities, these new standards and amendments will not have any material effect on the financial statements.

2.3 Property, plant and equipment

Property and equipment 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:

	%
Buildings	2%
Building renovation	7%
Furniture and fixtures	9%
Equipment	10-20%
Computers and printers	25%
Vehicles	20%

The cost of the property and equipment includes all of the expenditures incurred so as to make the assets ready for use. Any subsequent expenditure is capitalized only when they increase the future economic benefits of the related property and equipment.

2.4 Inventory of vocational training products

This item represents products produced by the vocational deaf trainees. Such products include embroidered dresses and pieces of clothes, mirrors, trays, arabesque chairs and tables of different sizes, dishes and paintings. The ASDC policy is to measure the inventory value at net realizable value (selling price minus maximum discount rate of 30%) and not at cost.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

2.5 Pledges receivable

Pledges receivable are stated at the original amount of the conditional pledge less amounts received and any uncollectible pledge. An estimate for the uncollectible amount is made when the collection of full conditional pledge is no longer probable.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks, and short term deposits with a maturity of three months or less.

2.7 Net assets

Unrestricted net assets – net assets whose use by the ASDC is not subject to donor-imposed restrictions.

2.8 Temporarily restricted contributions

As per International Accounting Standard number 8 paragraph 10, in the absence of a Standard and interpretation that specifically applies to a transaction, other event or condition, management can use its judgment in developing and applying an accounting policy that results in information that is relevant and reliable. In doing so management can consider the standards set by other standard-setting bodies. Accordingly, the ASDC's management elected to implement the Financial Accounting Standard Board pronouncement 116 and 117 to record the temporarily restricted grants.

The ASDC's management has elected to record temporarily restricted grants as unrestricted if restrictions are met in the same period in accordance with Financial Accounting Standard Board Pronouncement number 116 or as temporarily restricted until restrictions are met. When donors' restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

2.9 Deferred revenues

Donations related to property, plant and equipment are stated at fair value at the time of purchase, recorded as deferred revenues and recognized as revenues on a systematic based over the useful lives of the assets.

2.10 Impairment of assets

The carrying values of the assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indications exist and when the carrying values exceed the estimated recoverable amounts, the values of the assets are decreased to the recoverable amount, and the difference is recognized in the statement of activities and changes in net assets.

2.11 Provision for end of service indemnity:

Benefits payable to the employees of the ASDC at the end of their services are provided for in accordance with the guidelines set by the local labour laws and the ASDC's bylaw.

2.12 Accruals and other current liabilities

Accruals and other current liabilities are recognized for the amounts to be paid in the future for goods and services received, whether billed by the suppliers or not.

2.13 Revenue recognition

- Service sales and other revenues are recognized when earned.
- Unrestricted contributions are recognized when contributions and/or donations are pledged. Pledged amounts that relate to the current reporting period but were not received are accounted for as pledges receivable.

2.14 Expense recognition

Expenses are recognized when incurred based on the accrual basis of accounting.

2.15 Translation of foreign currencies

The ASDC's functional currency is the United States Dollar (hereinafter "USD"). Transactions in other currencies are translated to USD using the exchange rate prevailing at the date of each transaction. Monetary assets and liabilities

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

denominated in foreign currencies are translated into USD using year end exchange rate and the resulting gains and losses are recognised in the statement of activities and changes in net assets.

Exchange rates against (USD) as of December 31, 2017 and 2016 were as follows:

Currency	December 31, 2017	December 31, 2016
NIS	3.479	3.848
JOD	0.709	0.709
EUR	0.833	0.956

NOTE (3) RISK MANAGEMENT

1) Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This risk is detailed as follows:

Fully performing assets:

Analysis of this risk is presented in the following section by quality of credit.

Item	Carrying amount 2017	Carrying amount 2016
Pledges receivable	449,025	340,225
Other current assets	78,084	55,080
Cash and cash equivalent	326,988	321,884

- The ASDC has an amount of 449,025 USD as pledges receivable, this balance represents contracts signed with donors for the implementation of a number of projects, accordingly a significant amount of this balance is expected to be collected during the year 2018 as project activities are performed.
- The ASDC has an amount of 78,084 USD as other current assets, the majority of such amount is related to receivables resulted from the sale of vocational training products.
- The ASDC has an amount of 326,988 USD as cash at banks and cash on hand.

2) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The schedule below presents expected cash outflow resulting from financial liabilities broken down by time brackets:

Items	Expected timing of cash outflow				
	Carrying amounts	0-6 Month	7 Months-1 Year	1-2 Years	More than 2 Years
Other current liabilities	89,928	32,920	57,008	-	-
	89,928	32,920	57,008	-	-

- The ASDC will pay the amount of 32,920 USD during the first 6 months of the year 2018. It will use the available cash to pay these liabilities.

3) Market risk

Market risk is defined as the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices.

The main market risk faced by the ASDC is currency risk. Currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Fluctuations in the exchange rates resulted in a net gain of 8,083 USD.

ATFALUNA SOCIETY FOR DEAF CHILDREN - ASDC

Financial statements for the year ended December 31, 2017

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

NOTE (4) PROPERTY, PLANT, AND EQUIPMENT

Details:

<u>2017</u>	<u>Land</u>	<u>Buildings</u>	<u>Building renovation</u>	<u>Furniture and fixtures</u>	<u>Equipment</u>	<u>Computers and printers</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>								
Beginning balance	167,473	1,070,625	333,856	346,377	1,330,353	238,714	184,938	3,672,336
Additions	-	34,034	-	-	3,411	-	-	37,445
Disposals	-	-	-	-	-	-	-	-
Ending balance	167,473	1,104,659	333,856	346,377	1,333,764	238,714	184,938	3,709,781
<u>Accumulated depreciation</u>								
Beginning balance	-	331,529	198,198	266,404	1,131,564	217,923	143,692	2,289,310
Additions	-	22,093	23,359	18,077	81,821	7,661	10,800	163,811
Disposals	-	-	-	-	-	-	-	-
Ending balance	-	353,622	221,557	284,481	1,213,385	225,584	154,492	2,453,121
Net book value 2017	167,473	751,037	112,299	61,896	120,379	13,130	30,446	1,256,660

ATFALUNA SOCIETY FOR DEAF CHILDREN - ASDC

Financial statements for the year ended December 31, 2017

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

<u>2016</u>	<u>Land</u>	<u>Buildings</u>	<u>Building renovation</u>	<u>Furniture and fixtures</u>	<u>Equipment</u>	<u>Computers and printers</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>								
Beginning balance	167,473	1,016,090	330,915	332,255	1,312,622	214,854	262,333	3,636,542
Additions	-	54,535	2,941	14,122	17,731	23,860	-	113,189
Disposals	-	-	-	-	-	-	(77,395)	(77,395)
Ending balance	167,473	1,070,625	333,856	346,377	1,330,353	238,714	184,938	3,672,336
<u>Accumulated depreciation</u>								
Beginning balance	-	310,760	174,901	247,867	1,026,380	208,935	201,035	2,169,878
Additions	-	20,769	23,297	18,537	105,184	8,988	20,052	196,827
Disposals	-	-	-	-	-	-	(77,395)	(77,395)
Ending balance	-	331,529	198,198	266,404	1,131,564	217,923	143,692	2,289,310
Net book value 2016	167,473	739,096	135,658	79,973	198,789	20,791	41,246	1,383,026

ATFALUNA SOCIETY FOR DEAF CHILDREN - ASDCFinancial statements for the year ended December 31, 2017

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

NOTE (5) INVENTORY OF VOCATIONAL TRAINING PRODUCTS

Details:

	2017	2016
Vocational training products	120,492	141,169
	120,492	141,169

This item represents products such as embroidered dresses and pieces of clothes, mirrors, trays, arabesque chairs and tables of different sizes, dishes and paintings. The inventory was not measured at cost but it's the ASDC's accounting policy to value inventory at net realizable value (selling price after deducting the maximum discount rate of 30%).

ATFALUNA SOCIETY FOR DEAF CHILDREN - ASDC

Financial statements for the year ended December 31, 2017

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

NOTE (6) PLEDGES RECEIVABLE

Details:

Donor	Beginning balance 2017	Additions	Received during the year	Adjustment	Currency (gains) losses	Ending balance 2017
CBM- Germany - Regular budget	22	272,857	(272,856)	-	(23)	-
Campaign for Children of Palestine- Japan (CCP)	-	30,000	-	-	-	30,000
Mel Wolf Foundation	-	23,750	(23,750)	-	-	-
The Lady Fatimah Charitable Trust	11,014	68,660	(37,261)	-	-	42,413
Welfare Association	-	26,183	(23,565)	-	-	2,618
Islamic University	14,920	-	-	(11,874)	-	3,046
Lafayette Orinda Presbyterian Church (LOPC)	-	45,961	(45,961)	-	-	-
Qatar Red Crescent (QRC)	199,272	-	(99,636)	-	-	99,636
BMZ through CBM, Germany	114,997	-	(83,711)	(31,286)	-	-
Australian Representative Office- Jerusalem	-	19,840	(19,840)	-	-	-
French Consulate- Jerusalem	-	39,802	(39,802)	-	-	-
Sub-total	340,225	527,053	(646,382)	(43,160)	(23)	177,713

ATFALUNA SOCIETY FOR DEAF CHILDREN - ASDC

Financial statements for the year ended December 31, 2017

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

Donor	Beginning balance 2017	Additions	Received during the year	Adjustment	Currency (gains) losses	Ending balance 2017
Sub- total from previous page	340,225	527,053	(646,382)	(43,160)	(23)	177,713
American Consulate General – Jerusalem	-	17,020	(8,510)	-	-	8,510
P.A.I.S France	-	13,791	(10,989)	-	-	2,802
Middle East Children's Alliance	-	16,214	(16,214)	-	-	-
Church of Scotland	-	6,565	(6,572)	-	7	-
The Islamic Solidarity Fund	-	37,000	(36,961)	-	(39)	-
United Nation Development Program (UNDP)	-	10,000	(9,996)	-	(4)	-
Unit Aide	-	7,059	(7,022)	-	(37)	-
Kuwait Fund for Arab Economic Development	-	260,000	-	-	-	260,000
Presbyterian Hunger Program (PHP)	-	10,529	(10,490)	-	(39)	-
Sub-total	-	378,178	(106,754)	-	(112)	271,312
Grand total	340,225	905,231	(753,136)	(43,160)	(135)	449,025

In addition to the contribution received stated in the schedule above, the ASDC received 21,716 USD from various donors for the benefit of certain named children during the year ended December 31, 2017. ASDC acts as transitionary and the amounts received are recorded as liabilities until being paid the final beneficiaries. The cash received in the year 2017 was as follows:

	2017	2016
Hashem El Shawa Sr. Orphan fund	15,896	15,324
The Lady Fatimah	3,742	-
Others	2,078	1,721
	21,716	17,045
Balance, beginning of the year	4,851	6,841
Received during the year	21,716	17,045
Paid during the year	(18,617)	(19,035)
Balance, end of the year (note 11)	7,950	4,851

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

NOTE (7) OTHER CURRENT ASSETS

Details:

	2017	2016
Accrued transportation revenues – net *	20,036	16,946
Account receivable from sales of vocational training products	57,148	35,076
Others	900	2,742
Due from Employees	-	316
	78,084	55,080

***The accrued transportation revenues is recorded in the net amount out of the allowance for uncollectable amounts:**

	2017	2016
Accrued transportation revenues	28,895	25,805
Allowance for uncollectable transportation fees	(8,859)	(8,859)
	20,036	16,946

NOTE (8) CASH AND CASH EQUIVALENTS

Details:

	2017	2016
Cash on hand	257	202
Cash at banks	236,714	39,272
Deposits at banks	90,017	282,410
	326,988	321,884

NOTE (9) DEFERRED REVENUES

Details:

	2017	2016
Balance, beginning of the year	807,431	867,113
Additions	37,445	106,450
Deferred revenues recognized	(161,423)	(166,132)
Balance, end of the year	683,453	807,431

NOTE (10) PROVISION FOR END OF SERVICE INDEMNITY

Details:

	2017	2016
Balance, beginning of the year	631,817	605,247
Add: provision made during the year	100,773	70,386
Less: payments made during the year	(51,974)	(43,816)
Balance, end of the year	680,616	631,817

ATFALUNA SOCIETY FOR DEAF CHILDREN - ASDCFinancial statements for the year ended December 31, 2017

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

NOTE (11) OTHER CURRENT LIABILITIES

Details:

	2017	2016
Accrued expenses	9,941	8,991
Undistributed beneficiaries' money	7,950	4,851
Account payable	15,029	19,295
Salary tax payable	57,008	42,404
	89,928	75,541

ATFALUNA SOCIETY FOR DEAF CHILDREN - ASDC

Financial statements for the year ended December 31, 2017

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

NOTE (12) TEMPORARILY RESTRICTED NET ASSETS

Details:

Donor	Beginning balance 2017	Additions	Released from restriction	Assets	Adjustments	Currency (gains) losses	Ending balance 2017
CBM Germany- Regular budget	-	272,857	(249,159)	-	-	-	23,698
Campaign for Children of Palestine- Japan (CCP)	-	30,000	(7,600)	-	-	-	22,400
Mel Wolf Foundation	3,653	23,750	(27,403)	-	-	-	-
The Islamic Solidarity Fund	-	37,000	-	-	-	-	37,000
The Lady Fatimah Charitable Trust	11,013	68,660	(48,914)	-	-	-	30,759
Welfare Association	-	26,183	(26,183)	-	-	-	-
Islamic University	18,998	-	(4,424)	-	(11,874)	-	2,700
Lafayette Orinda Presbyterian Church (LOPC)	11,534	45,961	(38,779)	-	-	-	18,716
United Nation Development Program (UNDP)	-	10,000	-	-	-	-	10,000
Qatar Red Crescent (QRC)	200,199	-	(116,811)	-	-	-	83,388
Paltel Group	13,200	-	-	(13,200)	-	-	-
BMZ through CBM, Germany	134,622	-	(79,114)	(1,892)	(31,286)	-	22,330
CBM Germany - Revaluation cost for Atfaluna	20,915	-	(20,300)	-	-	(615)	-
Australian Representative Office	-	19,840	(19,840)	-	-	-	-
French Consulate – Jerusalem	-	39,802	(9,600)	-	-	-	30,202
Sub-total	414,134	574,053	(648,127)	(15,092)	(43,160)	(615)	281,193

ATFALUNA SOCIETY FOR DEAF CHILDREN - ASDC

Financial statements for the year ended December 31, 2017

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

Donor	Beginning balance 2017	Additions	Released from restriction	Assets	Adjustments	Currency (gains) losses	Ending balance 2017
Sub- total from previous page	414,134	574,053	(648,127)	(15,092)	(43,160)	(615)	281,193
American Consulate – Jerusalem	-	17,020	(12,716)	-	-	-	4,304
Palestine International Support (PA.I.S France)	-	13,791	(12,299)	(1,519)	-	27	-
Middle East Children's Alliance	-	16,214	(4,000)	-	-	-	12,214
Church of Scotland	-	6,565	(2,000)	-	-	-	4,565
Unit Aide	-	7,059	(2,380)	-	-	-	4,679
Kuwait Fund for Arab Economic Development	-	260,000	-	-	-	-	260,000
Welfare Association / Zuhair Almi Grant	50,563	-	-	(17,861)	-	-	32,702
European Commission and CBM Germany	857	-	-	-	-	(857)	-
Presbyterian Hunger Program (PHP)	-	10,529	(7,556)	(2,973)	-	-	-
Sub-total	51,420	331,178	(40,951)	(22,353)	-	(830)	318,464
Grand total	465,554	905,231	(689,078)	(37,445)	(43,160)	(1,445)	599,657

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

NOTE (13) UNRESTRICTED CONTRIBUTIONS

Details:

	2017	2016
Local contributions	3,589	539
Others	4,787	4,902
	8,376	5,441

NOTE (14) IN-KIND REVENUES

Details:

	2017	2016
Food	21,154	20,787
Educational supplies and gifts	1,350	-
Hearing supplies	125	-
	22,629	20,787

NOTE (15) OPERATING REVENUES

Details:

	2017	2016
Sales of vocational training products	163,933	171,513
Revenue of Atfaluna restaurant and cafeteria	12,213	5,316
Audio logical and speech therapy revenues	93,839	66,913
Conference hall rental revenues	18,641	16,408
Transportation revenue	53,120	41,364
Contribution of educational fees	6,521	-
Others	2,312	1,590
	350,579	303,104

NOTE (16) OTHER REVENUES

Details:

	2017	2016
Gain from sale of property, plant and equipment	-	26,419
Bank interest	2,466	8,382
Bidding fees	2,000	2,064
Membership fees	240	179
Others	5,111	8,351
	9,817	45,395

ATFALUNA SOCIETY FOR DEAF CHILDREN - ASDC

Financial statements for the year ended December 31, 2017

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

NOTE (17) PROJECTS EXPENSES

Details:

	Middle East Children's Alliance	CBM - Regular Budget	BMZ THROUGH CBM, GERMANY	The Lady Fatimah Charitable Trust	LOPC	PI.A.S France	Welfare Association	US Consulate	French Consulate	Total
Salaries and related benefits	3,600	208,189	48,127	30,200	32,029	6,875	2,380	2,468	6,138	340,006
Training and workshop expenses	-	3,234	7,289	-	-	-	22,500	7,188	1,387	41,598
Professional fees	-	22,974	4,799	-	-	-	-	-	-	27,773
Materials and supplies	-	7,271	18,365	-	-	-	-	-	-	25,636
Hearing aids, Batteries, Ear mold material and supplies	-	16,523	-	7,190	-	-	-	-	-	23,713
Travel and transportation	400	-	-	8,200	3,630	-	-	1,200	2,037	15,467
Rent	-	1,133	-	-	3,120	-	-	1,800	-	6,053
Food and meals	-	5,115	-	-	-	-	-	-	-	5,115
Stationary, Printing	-	2,407	-	2,000	-	-	-	-	-	4,407
Media, awareness, lobbying and advocacy	-	1,488	534	-	-	37	1,303	-	37	3,399
School Uniform and bags	-	-	-	-	-	2,537	-	-	-	2,537
Assistive devices for beneficiaries	-	-	-	1,324	-	-	-	-	-	1,324
Miscellaneous	-	-	-	-	-	1,282	-	-	-	1,282
Fuel	-	-	-	-	-	1,250	-	-	-	1,250
Cleaning and hygiene supplies	-	1,125	-	-	-	-	-	-	-	1,125
Communication	-	-	-	-	-	318	-	-	-	318
Hospitality	-	-	-	-	-	-	-	60	-	60
Sub-total	4,000	269,459	79,114	48,914	38,779	12,299	26,183	12,716	9,599	501,063

ATFALUNA SOCIETY FOR DEAF CHILDREN - ASDC

Financial statements for the year ended December 31, 2017

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

	Melwolf Foundat ion	CCP	Church of Scotland	Unit aide	QRC	Australian Representat ive Office	PHP	Islamic University	ASDC	Total
Sub-total from previous page										501,063
Salaries and related benefits	27,403	7,600	2,000	1,780	33,500	-	7,556	4,424	234,465	318,728
Micro Project support	-	-	-	-	46,611	-	-	-	-	46,611
Job creation	-	-	-	-	34,200	-	-	-	-	34,200
Travel and transportation	-	-	-	600	-	-	-	-	32,849	33,449
Hearing aids, Batteries, Ear mold material and supplies	-	-	-	-	-	19,840	-	-	8,060	27,900
Fuel	-	-	-	-	-	-	-	-	26,511	26,511
In-kind expenses - Food and others	-	-	-	-	-	-	-	-	22,504	22,504
Materials and supplies	-	-	-	-	-	-	-	-	22,320	22,320
Embroidery	-	-	-	-	-	-	-	-	9,612	9,612
Utilities	-	-	-	-	-	-	-	-	9,173	9,173
Food and meals	-	-	-	-	-	-	-	-	7,544	7,544
Maintenance and repair	-	-	-	-	-	-	-	-	6,227	6,227
License and insurance	-	-	-	-	-	-	-	-	5,397	5,397
Cleaning and hygiene supplies	-	-	-	-	-	-	-	-	3,552	3,552
Miscellaneous	-	-	-	-	-	-	-	-	3,537	3,537
Media, awareness, lobbying and advocacy	-	-	-	-	2,500	-	-	-	794	3,294
Communication	-	-	-	-	-	-	-	-	3,048	3,048
Rent	-	-	-	-	-	-	-	-	2,975	2,975
Hospitality	-	-	-	-	-	-	-	-	1,521	1,521
Sub-total	27,403	7,600	2,000	2,380	116,811	19,840	7,556	4,424	400,089	588,103
Grand total										1,089,166

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollar)

NOTE (18) GENERAL AND ADMINISTRATIVE EXPENSES

Details:

	2017	2016
Salaries and related benefits	68,086	119,124
Professional fees	3,326	5,009
Fuel	2,946	5,924
Bank charges	1,236	278
Utilities	1,019	2,182
Travel and transportation	847	219
Maintenance and repair	692	2,816
License and insurance	600	884
Miscellaneous	393	1,338
Communication	339	1,335
Cleaning	336	759
Rent	331	-
Hospitality	169	1,386
Stationary, Printing	134	470
	80,454	141,724

NOTE (19) RELATED PARTIES TRANSACTIONS

This item represents transactions and balances with related parties, i.e., directors, senior management and projects being managed by the ASDC, over which they exercise control.

Transactions with related parties are as follows:

Key Management compensation

	2017	2016
<i>Statement of Financial Position</i>		
Provision for end of service indemnity	43,694	80,310
<i>Statement of Activities</i>		
Salaries and related benefits *	58,721	113,728

* In 2017 there was a salary cut of 30% based on BOD decision as part of the costs reduction plan.