

Qader For Community Development

FINANCIAL STATEMENTS
And Independent Auditors' Report
December 31, 2009

Qader for Community Development
Bethlehem

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Independent Auditor's Report

To The Board of Trustees / director of
Qader For Community Development

We have audited the accompanying financial statements of Qader for Community Development, which comprise of the statement of financial position as at December 31, 2009 and 2008, the statement of Activities and change in net assets and cash flow statement for the years 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 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 of 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 our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Qader for Community Development as of December 31, 2009 and 2008, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

خزر وشركاه للتدقيق والاستشارات
Khadar & Co.
Certified Public Accountants

Khader & Co.
Member of Leading Edge Alliance International
George Khader

April 13, 2010
Bethlehem



Statement (A)

Qader for Community Development

Statement of Financial Position
As of December 31, 2009

<u>ASSETS</u>	<u>2009/NIS</u>	<u>2008/NIS</u>
<u>Current Assets</u>		
Cash and Cash Equivalents (Note 3)	199,383.59	168,422.61
Accounts Receivables	35,570.00	--
Prepaid Expenses (Note 5)	5,762.00	21,859.00
Grants Receivables	159,891.00	1,050,000.00
Total Current Assets	<u>400,606.59</u>	<u>1,240,281.61</u>
Fixed assets, less accumulated depreciation of NIS 21,150.00 (Note 4)	119,377.00	121,478.20
Total Assets	<u>519,983.59</u>	<u>1,361,759.81</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
<u>Current Liabilities</u>		
Accounts Payables (Note 6)	33,302.15	--
Reserve for Severance Pay	31,179.03	--
Deferred Revenue	195,461.00	1,050,000.00
Total Current Liabilities	<u>259,942.18</u>	<u>1,050,000.00</u>
<u>Net Assets</u>		
Unrestricted (Statement B)	260,041.41	152,193.31
Temporarily Restricted (Statement B)	--	159,566.50
Total Net Assets (Statement B)	<u>260,041.41</u>	<u>311,759.81</u>
Total Liabilities and Nets Assets	<u>519,983.59</u>	<u>1,361,759.81</u>

"See Notes to Financial Statements "

Statement (B)

Qader for Community Development

Statement of Activities and Change in Net Assets
For the year ended December 31, 2009

	Unrestricted	Temporarily Restricted	<u>2009/NIS</u> Total	<u>2008/NIS</u> Total
<u>Grants and Revenues:</u>				
Grants	--	890,109.00	890,109.00	447,887.50
Other Revenues	17,640.00	--	17,640.00	--
Interest Revenue	431.57	--	431.57	11.66
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Total Grants and Revenues	18,071.57	890,109.00	908,180.57	447,899.16
Donation in kind	--	--	--	6,500.00
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Total Grants and Revenues	18,071.57	890,109.00	908,180.57	454,399.16
Net assets released for Restriction (2)	1,049,675.50	(1,049,675.50)	--	--
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	1,067,747.07	(159,566.50)	908,180.57	454,399.16
<u>Expenses</u>				
Personnel Expenses (Note 7)	455,642.65	--	455,642.65	35338.00
Program Expenses (Note 8)	348,943.52	--	348,943.52	--
Administrative & Operating Expenses (Note 9)	144,021.06	--	144,021.06	104,503.97
Other Expenses (Note 10)	18,615.00	--	18,615.00	2,535.00
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Total Expenses	967,222.23	--	967,222.23	142,376.97
Excess (Deficit) of Grants and Revenues	100,524.84	(159,566.50)	(59,041.66)	312,022.19
Over (Under) Expenses				
Gain (loss) on Currency Translation (2B)	7,323.26	--	7,323.26	(262.38)
Net assets at beginning of year	152,193.31	159,566.50	311,759.81	--
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Net Assets at end of year(Statement A)	260,041.41	--	260,041.41	311,759.81

“See Notes to Financial Statements”

Statement (C)

Qader for Community Development

Statement of Cash Flows
For the year ended December 31, 2009

	<u>2009/NIS</u>	<u>2008/NIS</u>
<u>Cash Flows From Operating Activities :</u>		
Change in net assets	(51,718.40)	311,759.81
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation Expenses	18,615.00	2,535.00
<i>Decrease (Increase) in operating assets:</i>		
Account Receivable	(35,570.00)	--
Prepaid Expenses	16,097.00	(21,859.00)
Grants Receivables	890,109.00	--
<i>Increase (Decrease) in operating liabilities:</i>		
Accounts Payable	33,302.15	--
Reserve for Severance Pay	31,179.03	--
Deferred Revenue	(854,539.00)	--
Net cash provided by operating activities	<u>47,474.78</u>	<u>292,435.81</u>
<u>Cash Flows From Investing Activities:</u>		
Acquisition of additional Furniture and Equipment (Note 4)	(16,513.80)	(124,013.20)
Net cash used in investing activities	<u>(16,513.80)</u>	<u>(124,013.20)</u>
Net Decrease in cash and cash equivalents	<u>30,960.98</u>	<u>168,422.61</u>
Cash & Cash Equivalents at beginning of year	168,422.61	--
Cash & Cash Equivalents at end of year (Note 3)	<u><u>199,383.59</u></u>	<u><u>168,422.61</u></u>

"See Notes to Financial Statements"