

**Institute of Law of Birzeit  
University  
"IOL"**

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**Financial Statements  
and  
Independent Auditor's Report**

**For the Year Ended  
31 August 2009**

**Institute of Law of Birzeit University  
"IOL"**

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## INDEPENDENT AUDITOR'S REPORT

**Messrs,  
Institute of Law of Birzeit University  
Ramallah**

We have audited the accompanying financial statements of the **Institute of Law of Birzeit University**, which comprise of the statement of financial position as at August 31, 2009, the statement of activities and change in net assets and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The audit of accounts of the Institute for the year ended 31 August 2009 was made in conjunction with the audit of the general purpose financial statements of the University as a whole for the year ended 31 August 2009. Further audit procedures were also performed on the accounts of the Institute to ensure the completeness and the validity of the accounts presented in the attached financial statements.

### *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 and the United States of America Statements on Financial Accounting Standards No. 116, 117, and 124 applicable to not for profit organizations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the 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 institute'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 institute'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 **Institute of Law of Birzeit University** as of August 31, 2009, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 116, 117, and 124 applicable to not for profit organizations.

A handwritten signature in black ink that reads "Saba &amp; Co." with a stylized flourish above the ampersand.

**Deloitte & Touche (M.E.) / Saba & Co.**

**2 May 2010**

**Institute of Law of Birzeit University**  
**Statement of Financial Position**  
As of 31 August 2009

	Note	31 August	
		2009	2008
		U.S \$	U.S \$
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalent	5	411,622	1,051,991
Employees advances		9,064	53,522
Contributions receivable	7	515,966	238,929
Due from endowment funds of Birzeit University		119,001	269,001
<b>Total Current Assets</b>		<b>1,055,653</b>	<b>1,613,443</b>
Deposits with banks restricted for endowment funds	6	1,539,917	1,520,165
Properties and equipment - net of accumulated depreciation	8	801,290	864,624
Library books		660,651	662,989
Construction in Progress		705,141	91,802
<b>Total Assets</b>		<b>4,762,652</b>	<b>4,753,023</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities:</b>			
Accrued expenses & other liabilities		5,218	4,580
Due to Birzeit University		39,597	392,153
<b>Total Current Liabilities</b>		<b>44,815</b>	<b>396,733</b>
Staff benefits' Liabilities	9	354,476	225,674
<b>Total Liabilities</b>		<b>399,291</b>	<b>622,407</b>
<b>Net Assets:</b>			
<b>General Funds:</b>			
Unrestricted		522,617	426,873
Tuition and training fund		67,624	65,019
Investments in fixed assets and library books		1,461,941	1,527,613
<b>Total General Funds</b>		<b>2,052,182</b>	<b>2,019,505</b>
Temporarily restricted		771,262	590,946
Permanently restricted-Endowment fund	10	1,539,917	1,520,165
<b>Total Net Assets (Statement-C)</b>		<b>4,363,361</b>	<b>4,130,616</b>
<b>Total Liabilities and Net Assets</b>		<b>4,762,652</b>	<b>4,753,023</b>

See Notes to Financial Statements

**Institute of Law of Birzeit University**  
**Statement of Activities**  
**For the Year Ended 31 August 2009**

	Temporarily		Total	
	Unrestricted	Restricted	2009	2008
	U.S \$	U.S \$	U.S. \$	U.S \$
<b>Revenues :</b>				
<i>Operating Income:</i>				
Auxiliary services, Tuition Fees and Other Income	32,491		32,491	100,117
<b>Total Operating Income</b>	<b>32,491</b>	-	<b>32,491</b>	<b>100,117</b>
Grants and contributions (note-11)	7,697	1,507,253	1,514,950	1,561,638
Contributions for Buildings Expansion Received from the French Consulate		255,296	255,296	
Endowment Proceeds	150,000		150,000	
Net assets released from restrictions (note-12)	1,582,233	(1,582,233)	-	-
<b>Total Revenues</b>	<b>1,772,421</b>	<b>180,316</b>	<b>1,952,737</b>	<b>1,661,755</b>
<b>Operating Expenses:</b>				
<i>Personnel Costs</i>				
Academic Salaries	-		-	12,446
Non Academic Salaries and Remunerations	690,194		690,194	656,319
Honoraria, Consultancy and Training	331,222		331,222	237,664
Fringe Benefits	136,390		136,390	65,169
<b>Total Personnel Costs</b>	<b>1,157,806</b>	-	<b>1,157,806</b>	<b>971,598</b>
Utilities, insurances and transportation	82,350		82,350	80,855
Consumables, Stationery and Supplies	43,986		43,986	45,213
International Travel, Per diem and Accommodation	30,354		30,354	89,774
Professional Fees	9,614		9,614	6,065
Printing, Publications and Subscriptions	49,347		49,347	30,623
Maintenance	1,205		1,205	1,106
Other Expenses	27,289		27,289	32,255
Overheads	170,104		170,104	177,072
<b>Total Expenses (Statement-B)</b>	<b>1,572,055</b>	-	<b>1,572,055</b>	<b>1,434,561</b>
<b>Excess of Operating Income Over Expenses for the Year</b>	<b>200,366</b>	<b>180,316</b>	<b>380,682</b>	<b>227,194</b>
<b>Other Non-Operating Income:</b>				
Depreciation of properties and books	(153,405)		(153,405)	(72,887)
Gain on currency differential and Interest	2,967		2,967	5,138
Write off of Grants Receivable	(17,251)		(17,251)	-
<b>Excess for the Year</b>	<b>32,677</b>	<b>180,316</b>	<b>212,993</b>	<b>159,445</b>

See Notes to Financial Statements

**Institute of Law of Birzeit University**  
**Statement of Changes in Net Assets**  
**For the Year Ended 31 August 2009**

	General Funds		Tuition and Training		Temporarily Restricted		Fixed Assets & Library		Endowment		Total	
	Fund		Fund		Fund		Fund		Fund		All Funds	
	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$
<b>31 December 2009</b>												
Balances at Beginning of Year	426,873	65,019	590,946	1,527,613	1,520,165	4,130,616						
Increase in Net Assets During the Year (Statement - B)	32,677	180,316				212,993						
Training and Staff Development Costs	(2,605)	2,605				-						
Interest income earned on endowments, net of interest expense	65,672				19,752	19,752						
Costs of fixed assets and books, net of depreciation and amortization of books	(65,672)			(65,672)		-						
Net Assets at End of Year (Statement - A)	522,617	67,624	771,262	1,461,941	1,539,917	4,363,361						

<b>31 December 2008</b>												
Balances at Beginning of Year	321,198	59,523	606,313	1,463,972	1,619,013	4,070,019						
Increase in Net Assets During the Year (Statement - B)	174,812	(15,367)				159,445						
Training and Staff Development Costs	(5,496)	5,496				-						
Interest income earned on endowments, net of interest expense	-				51,152	51,152						
Transfer to General Fund from dispensable interest on endowment Fund	(63,641)				(150,000)	(150,000)						
Costs of fixed assets and books, net of depreciation and amortization of books	426,873	65,019	590,946	1,527,613	1,520,165	4,130,616						
Net Assets at End of Year (Statement - A)												

See Notes to Financial Statements

## Institute of Law of Birzeit University

Statement of Cash Flows  
Year Ended 31 August 2009

	<u>2009</u>	<u>2008</u>
	<u>U.S \$</u>	<u>U.S \$</u>
<b>Cash flows from operating activities:</b>		
Contributions received	1,493,209	1,392,873
Endowment Proceeds	150,000	
Other revenues received	32,491	100,117
Cash paid to employees and suppliers	<u>(2,228,336)</u>	<u>(1,088,399)</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>(552,636)</u></b>	<b><u>404,591</u></b>
<b>Cash flows from investing activities:</b>		
Procurement of fixed assets and library books	<u>(87,733)</u>	<u>(136,528)</u>
<b>Net cash flows used in investing activities</b>	<b><u>(87,733)</u></b>	<b><u>(136,528)</u></b>
<b>Decrease in cash during the year</b>	<b>(640,369)</b>	<b>268,063</b>
Cash on hand and deposits with banks at beginning of year	<u>1,051,991</u>	<u>783,928</u>
<b>Cash on hand and deposits with banks at end of year</b>	<b><u>411,622</u></b>	<b><u>1,051,991</u></b>
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Change in net assets	232,745	60,597
Provision for staff benefits, net of payments	128,802	49,696
Depreciation and amortization	153,405	72,887
Decrease (Increase) in employees advances	44,458	(9,151)
Decrease (Increase) in contributions receivable	(277,037)	(168,765)
Decrease (Increase) in Due from endowment funds of Birzeit University	150,000	(13,001)
Decrease (Increase) in Deposits with banks restricted for endowment funds	(19,752)	98,848
Decrease (Increase) in Construction in Progress	(613,339)	(76,789)
Increase (Decrease) in payables and accruals	638	(1,884)
Increase (Decrease) in Due to Birzeit University	<u>(352,556)</u>	<u>392,153</u>
<b>Net cash used by operating activities</b>	<b><u>(552,636)</u></b>	<b><u>404,591</u></b>

See Notes to Financial Statements



# **Institute of Law of Birzeit University (IOL)**

## **Notes to Financial Statements**

**Year Ended 31 August 2009**

**(Amounts are Expressed in U.S Dollar)**

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### **1. Organization and purpose**

The Institute of Law of Birzeit University (IOL) was established as a law center at Birzeit University in 1993, the Institute contributes to the modernization of Palestinian legal structures, while building human capacities, both at the academic and professional levels. Over the years, it has developed a thorough understanding of the Palestinian legislative, legal and judicial situation, the experience to identify the actual needs of the community and the skill to benefit from the knowledge of visiting scholars and researchers.

**The main activities consist of the following:**

- Conducting applied legal research;
- Offering continuing legal education through conferences, seminars and training courses;
- Establishing comprehensive facilities and resources on legal information and documentation.

The activities of "IOL" have been and are currently funded by several international funding agencies.

### **2. Properties of the Institute**

Prior to 1996, the University succeeded in raising necessary funds for the construction of a building for the Institute of Law. The building was constructed on a parcel of land, which is legally owned and officially registered in the name of the Board of Trustees of the University.

The main contributor to that construction was Sheikh Hamad Ibn Khalifah Al Thani and the Government of France who contributed the amounts of U.S \$ 600,000 and U.S \$ 297,184 respectively. The construction of the building was completed in August 1996 and was devoted solely to the operations of "IOL".

The by-laws of the Board of Trustees require that the ownership and title to all lands and buildings of the university are to be legally registered in the name of the Board of Trustees of the university.

### **3. Administration of "IOL"**

- "IOL" operates within the general administrative and financial framework of the University, while the programs and the specific activities of "IOL" are being managed by a board and Director appointed by the appropriate level of authority at the university.
- The financial affairs are directly managed and supervised by the finance department of the university. The responsibility of "IOL" contractual liabilities toward third parties and employees such as severance pay and provident fund are also supervised and managed by the university's finance department.
- Financial transactions of "IOL" are being maintained by the finance department of the university under a separate cost center. The financial position and results of operations of the "IOL" are incorporated, on an annual basis, with the general purpose financial statements of the University. The fiscal year of the University ends on 31 August of each year.

#### 4. Basis of accounting and presentation

The financial statements of the IOL have been prepared on accrual basis of accounting using the historical cost convention are presented in accordance with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 116, 117 and 124.

The significant accounting policies followed are described below:

##### **Adoption of relevant new and revised International Financial Reporting Standards (IFRSs):**

The accounting policies adopted are consistent with those of the previous financial year except as follows:

IOL has adopted the following relevant standards and amendments to International Financial Reporting Standards and International Financial reporting interpretations which became effective as of 1 January 2009:

##### **Adoption of relevant new and revised International Financial Reporting Standards: (continued)**

- IFRS 7 Financial Instruments: Disclosures effective 1 January 2009,
- IFRS 8 Operating Segments effective 1 January 2009,
- IAS 1 Presentation of Financial Statements effective 1 January 2009,
- IAS 23 Borrowing Costs (Revised) effective 1 January 2009,
- Improvements To IFRSs (May 2008),
- Improvements To IFRSs (April 2009). (Early adoption is permitted).

Those amendments to the standards had no effect on the performance or the financial position of IOL.

##### **Standards issued but not yet effective**

Standards issued but not effective up to the date of issuance of the IOL's financial statements, were reviewed by management and IOL does not expect them to have any effect on the IOL's financial statements

#### **2.2 Principles of Fund Accounting**

Under the provisions of the afore-mentioned American standards, IOL maintains its accounts in accordance with the principles of fund accounting under which net assets, revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- **Unrestricted net assets** include unrestricted revenue and contribution received without donor-imposed restrictions. These net assets are available for the operation of IOL and include both internally designated and undesignated resources and "net investments made in fixed assets".

## 2. Basis of Accounting and Presentation (Continued)

- **Temporarily restricted net assets:** include revenue and contributions subject to donor-imposed restrictions that will be met by actions of IOL and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of Changes in Net Assets as net asset released from restrictions.
- **Permanently restricted net asset (Endowment Funds)** represents, net assets that are permanently restricted as to their use in accordance with donor restrictions. In some of their endowments, the fund income can be used.

**2.3 Estimates and assumptions:** The preparation of financial statements in conformity with International Financial Reporting Standards, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the financial statements, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future financial years. Estimates and assumptions includes the useful lives of property and equipment and all other provision.

**2.4 Contributions Receivable** represents amounts due from funding organizations for reimbursable expenses incurred. This account also includes the present value of contributions remaining under grant contracts signed before the end of the fiscal year.

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**4.2 Cash and cash equivalents** include cash on hand and at banks with maturity dates of 90 days or less.

**4.3 Property and equipment** are stated in the attached financial statements based on historical cost and net of accumulated depreciation. Depreciation rates are as set below:

<u>Component</u>	<u>Estimated Service Life</u>
Building	50 years
Office equipment	4 years
Office Furniture	7 years
Books	14 years

Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets.

**4.4 Library Books:** Books, encyclopedias and periodicals acquired by IOL or donated by third parties are included in this account. Donated books are presented at their fair values on the date of donation.

**4.5 Reserves for employees' end of service benefits**

- **Severance pay:**

IOL provides for employees end of service severance benefits in accordance with the administrative and academic scale adopted by the universities operating in the Palestinian Territories. The provision is calculated on the last salary paid and based on the following criteria:

<u>Employment Period</u>	<u>Compensation</u>
First nine years	One month salary for each year of service
Ten to fifteen years	One and a half month salary for each year of service
Fifteen to twenty four years	Two months' salary for each year of service
Twenty five years and more	Two and a half month salary for each year of service

- **Provident fund:**

The University has a defined provident fund scheme that covers permanent employees only including IOL employees. Contributions into the scheme by the employees and the university were 2.7% and 5.4% of basic salaries respectively. Effective 1 January 2005 contribution percentages by employees and the university became 3% and 6%, respectively.

**4.6 Foreign currency transactions**

The books of accounts of "IOL" are maintained by the finance department of the university. Financial transactions of "IOL" are summarized and reported by the university under a separate cost center. Transactions of assets, liabilities, revenues and expenses are denominated in Jordan Dinar. Transactions, which are denominated in currencies other than Jordan Dinar, are converted into Jordan Dinar equivalents in the books of accounts of the university by using the spot exchange rate prevailing at the date of each transaction.

**Translation of Jordan Dinar to U.S Dollar financial statements**

For the purpose of presentation to donors and other foreign interested parties, "IOL" uses the U.S. \$ as its reporting currency unless otherwise requested. The financial statements are translated to U.S. \$ as follows:

- Transactions and balances, which are denominated or expressed in U.S Dollar, are presented at the actual U.S Dollar received or paid.
- Balances of assets and liabilities (excluding properties and equipment) which are denominated in currencies other than U.S Dollar are translated to U.S Dollar equivalent using the exchange rate prevailing at the statement of financial position date. Rates as of 31 August 2009 are as set below:

	<u>31 August 2009</u>	<u>31 August 2008</u>
	<u>JOD</u>	<u>JOD</u>
U.S Dollar	0.7085	0.7085
Israeli Shekel	0.18569	0.1979
Euro	1.013	1.03965

- Exchange differences arising from the translation of balances of assets and liabilities are charged to the statement of activities.
- All other income and expenses in Jordan Dinnar are translated to U.S. Dollar equivalent at the average rate of exchange prevailing during the year ended 31 August 2009 of JOD 0.709 per U.S Dollar.
- Property and equipment and related depreciation are translated to U.S Dollar equivalent at historical rates. Additions to cost were translated using the average rate of exchange prevailing during the period.

**5. Cash and cash equivalents****Composition:**

	<u>31 Aug. 2009</u>	<u>31 Aug. 2008</u>
	<u>U.S Dollar</u>	<u>U.S Dollar</u>
Cash on hand in Israeli Shekel	2,514	2,514
Deposits with banks in Israeli Shekel	47,616	1,997
Deposits with banks in U.S. Dollar (Overdrawn)	(1,545)	422,824
Deposits with banks in Euro	363,442	625,061
Deposits with banks in Jordan Dinnar (Overdrawn)	(405)	(405)
	<u>411,622</u>	<u>1,051,991</u>

Term deposits with banks mature within three months period.

**6. Deposits with banks restricted for Endowment Funds:**

This account represents FORD Foundation Endowment Fund deposited with the Arab Bank. Composition is as follows:

	<u>31 Aug. 2009</u>	<u>31 Aug. 2008</u>
	<u>U.S Dollar</u>	<u>U.S Dollar</u>
Arab Bank - London - Fixed Deposit	438,406	434,598
Arab Bank - Geneva - Fixed Deposits	1,101,511	1,085,567
	<u>1,539,917</u>	<u>1,520,165</u>

Term deposits with banks mature after three months period.

**7. Contributions receivable**

Composition of this account by funding source is as follows:

	<u>31 Aug. 2009</u>	<u>31 Aug. 2008</u>
	<u>U.S Dollar</u>	<u>U.S Dollar</u>
European Union	-	17,251
Foundation for the Future	50,379	-
International Development Research Center IDRC	40,690	-
Canadian International Development through University of Windsor	239,006	197,149
Belgium Consulate	185,891	24,529
	<u>515,966</u>	<u>238,929</u>

**8. Properties and equipment - net of accumulated depreciation:**

Composition:

	<u>31 August 2009</u>			
	<u>Equipment and Furniture</u>	<u>Building</u>	<u>Vehicle</u>	<u>Total</u>
	<u>U.S. Dollar</u>	<u>U.S. Dollar</u>	<u>U.S. Dollar</u>	<u>U.S. Dollar</u>
<b>Cost:</b>				
<b>Balance at beginning of year</b>	402,299	812,124		1,214,423
Additions during the year	25,189	--	62,544	87,733
<b>Cost at end of year</b>	<u>427,488</u>	<u>812,124</u>	<u>62,544</u>	<u>1,302,156</u>
<b>Accumulated Depreciation:</b>				
<b>Balance at beginning of year</b>	187,374	162,425	-	349,799
Depreciation for the year	56,843	90,321	3,903	151,067
<b>Accumulated Depreciation at end of year</b>	<u>244,217</u>	<u>252,746</u>	<u>3,903</u>	<u>500,866</u>
<b>Book Value</b>	<u>183,271</u>	<u>559,378</u>	<u>58,641</u>	<u>801,290</u>

**8. Properties and equipment - net of accumulated depreciation: (cont'd)**

	<b>31 August 2008</b>		
	<b>Equipment and Furniture</b>	<b>Building</b>	<b>Total</b>
	<b>U.S. Dollar</b>	<b>U.S. Dollar</b>	<b>U.S. Dollar</b>
<b>Cost:</b>			
<b>Balance at beginning of year</b>	309,104	812,124	1,121,228
Additions during the year	93,195	--	93,195
<b>Cost at end of year</b>	<b>402,299</b>	<b>812,124</b>	<b>1,214,423</b>
<b>Accumulated Depreciation:</b>			
<b>Balance at beginning of year</b>	133,457	146,182	279,639
Depreciation for the year	53,917	16,243	70,160
<b>Accumulated Depreciation</b>	<b>187,374</b>	<b>162,425</b>	<b>349,799</b>
<b>Book Value at end of year</b>	<b>214,925</b>	<b>649,699</b>	<b>864,624</b>

**9. Staff benefits liability**

Composition:

	<b>31 Aug. 2009</b>	<b>31 Aug. 2008</b>
	<b>U.S Dollar</b>	<b>U.S Dollar</b>
Reserve for severance pay *	281,156	182,735
Provident fund liability	73,320	42,939
	<b>354,476</b>	<b>225,674</b>

\* The balance of this account was calculated based on the new salary scale adopted by the University during the year. All retroactive effect of the change in the salary scale was charged to the statement of activities of the current year.

## 10. Permanently restricted funds

### A. Ford Foundation Endowment Fund

This account group consists of an Endowment fund contribution of USD 1 Million to "IOL" by Ford Foundation and is restricted for specific objectives and specified conditions.

- Nature and Characteristics of the Endowment:

**Type of Endowment:** Expendable Endowment Fund  
**Purpose of the Endowment:** To support the sustainability of "IOL,  
**Beneficiary:** Institute of Law of Birzeit University

**Restrictions and conditions:**

The University is required to match this fund on one to one basis within three years starting 1 September 2001 and then extended to June 30, 2006. In case the matching requirement is not fulfilled within the specified period, Ford Foundation has the alternatives of whether to extend the matching period, request the refund of unmatched funds or discuss other alternatives.

The Fund including all interest, dividends, realized and unrealized appreciation in the assets of the fund may not be expended, except for administrative costs of the fund. After meeting the matching requirement, the Board of trustees of Birzeit University may utilize up to 5% of the fund and its income annually without any written consent of Ford Foundation.

As of 31 August 2009, the endowment fund including the matched funds and interest income amounted to U.S \$ 1,539,917 compared to U.S \$ 1,520,165 as of 31 August 2008.

### B. Endowment of Sheikh Hamad Ibn Khalifah AL Thani:

- Activity in this Endowment through the year ended 31 August 2009 is limited to accounting for interest income under temporary restricted funds. Accumulated unliquidated interest on this endowment amounted to U.S Dollar 119,001. The principal amount of this Endowment is not reported in the "IOL attached financial statements due to the fact that the immediate beneficiary of the endowment is Birzeit University.
- **Nature and Characteristics of the Endowment:**

**Type of Endowment:** Non-expendable Endowment Fund  
**Beneficiary:** Birzeit University  
**Date of endowment:** 1 July 1996

**Amount and Purpose of the endowment:**

The principal of the Endowment was designated by the donor for Birzeit University in the amount of U.S Dollar 750,000. Income of the Endowment was designated to fund the costs of researches, conferences, seminars and other expenses relating to "International Laws". **Restrictions and conditions:**

Income of the Endowment is designated for funding the costs of "Kursi Al-Sheikh in study and documentation of the International Laws implemented by IOL".

**11. Grants and Contributions:**

Grants by funding source are as follows:

	<u>2009</u> <u>U.S Dollar</u>	<u>2008</u> <u>U.S Dollar</u>
Konrad Adenauer Foundation	153,101	156,283
UNESCO	30,000	-
European Commission	-	194,873
Flemish Inter University Council – VLIR	-	40,888
The French Consulate	43,698	--
Canadian International Development Through University of Windsor	760,807	738,631
University of Windsor	-	58,474
Belgium Consulate	348,578	120,776
Foundation for the Future	130,379	80,000
International Development Research Center IDRC	40,690	165,797
Others	7,697	5,916
	<u>1,514,950</u>	<u>1,561,638</u>

**12. Net assets released from restrictions:**

Composition:

	<u>2009</u> <u>U.S Dollar</u>
Personnel Expenses	1,157,806
Other Operating Expenses	414,249
Properties, Equipment and Library Books	10,178
	<u>1,582,233</u>