

Birzeit University (BZU)

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

**For the Year Ended
August 31, 2011**

Birzeit University (BZU)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Birzeit University (BZU) Ramallah

We have audited the accompanying financial statements of **Birzeit University**, which comprise the statement of financial position as at August 31, 2011, the statement of activities, statement of changes in net assets, and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 and 117 as applicable and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility

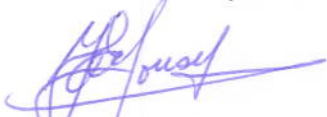
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 university'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 university'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 referred to above give a true and fair view of the financial position of **Birzeit University** as at August 31, 2011, 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 and 117 as applicable and as explained in note(2).



Deloitte & Touche (M.E.) / Saba & Co.
Ramallah – Palestine

July 11, 2012

Birzeit University
Statement of Financial Position
As of August 31, 2011
(Amounts are Expressed in Jordanian Dinar)

	Note	A u g u s t 31,	
		2011	2010
<u>ASSETS</u>			
Current Assets			
Cash on Hand and Deposits With Banks	3.a	8,424,602	8,391,326
Marketable Securities		246,945	76,304
Accounts Receivable and Advances, Net	4	2,744,055	3,896,408
Other Assets	6	2,234,783	2,186,899
Total Current Assets		13,650,385	14,550,937
Long Term Assets			
Restricted Deposits With Banks	3.b	8,702,064	9,092,328
Property, Plant and Equipment, Net	5	25,975,089	25,334,473
Lands		33,742,756	32,342,368
Total Long Term Assets		68,419,909	66,769,169
Total Assets		82,070,294	81,320,106
<u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities			
Payables and Accruals	7	2,173,481	1,644,755
Current Portion of Loan Payable	8	951,516	100,716
Deferred Students' Tuition and Fees		4,185,501	4,490,918
Total Current Liabilities		7,310,498	6,236,389
Non Current Liabilities			
Long Term Portion of Loan Payable	8	705,537	705,537
Reserves for Staff Benefits	9	22,883,821	20,807,712
Total Non Current Liabilities		23,589,358	21,513,249
Total Liabilities		30,899,856	27,749,638
Net Assets:			
Unrestricted Assets			
General Deficit		(17,324,731)	(11,173,361)
Net Investments in Property, Plant, Equipment and Library Books		61,810,998	59,820,112
Total Unrestricted Assets		44,486,267	48,646,751
Temporarily Restricted (Statement-C)		822,063	461,165
Permanently Restricted-Endowment Fund	10	4,470,265	4,462,552
Plant Expansion Fund		1,391,843	-
Total Net Assets		51,170,438	53,570,468
Total Liabilities and Net Assets		82,070,294	81,320,106

See accompanying notes to financial statements

Birzeit University
Statement of Activities
For the Year Ended August 31, 2011
(Amounts are Expressed in Jordanian Dinar)

	Note	Year Ended August 31,	
		2011	2010
Operating Income:			
Tuition and fees, Net of Students Aid and Bad Debt Expenses	11	11,305,502	11,152,677
Auxiliary Services and Other Income		1,264,236	1,626,818
Total Operating Income		12,569,738	12,779,495
Grants:			
Grants and Service Contracts	12.a	5,851,982	4,869,273
Contributions from Governmental Institutions		1,193,592	1,993,134
Total Operating Income, Grants and Service Contracts		19,615,312	19,641,902
Operating Expenses:			
Academic Departments	14	13,341,230	11,672,688
Administration and Supporting Services	13	3,777,934	3,509,395
Community Programs	15	5,196,729	4,903,904
Total Operating Expenses Before Depreciation		22,315,893	20,085,987
Depreciation and Amortization		1,444,259	1,409,859
Total Expenses		23,760,152	21,495,846
Deficit of Operating Income Over Expenses for the Year		(4,144,840)	(1,853,944)
Other Non-Operating Income (loss):			
Unrealized gain (loss) on investment in marketable securities		30,286	(24,548)
Dividends Income		5,087	-
Gain (loss) on Difference of Currency		239,496	(160,241)
Interest Earned		28,528	82,944
Decrease in Net Assets for the Year (Statement-C)		(3,841,443)	(1,955,789)

See accompanying notes to financial statements