

Birzeit University (BZU)

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

**For the Year Ended
31 August 2009**

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, 2009, the statement of activities, change in net assets, and cash flows statement 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 International Financial Reporting Standards and United States of America Statements on Financial Accounting Standards No. 116, 117, and 124. 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 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 of August 31, 2009, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and United States of America Statements on Financial Accounting Standards No. 116, 117, and 124 as explained in note 2.

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

28 January 2010

Birzeit University
Statement of Financial Position
As of 31 August 2009

(Amounts are Expressed in Jordanian Dinar)

	Note	31 A u g u s t	
		2009	2008
ASSETS			
Current Assets			
Cash on Hand and Deposits With Banks	3.a	10,631,092	8,121,820
Marketable Securities		100,852	165,908
Accounts Receivable and Advances	4	2,752,779	2,423,119
Inventory of Supplies		36,574	7,281
Total Current Assets		13,521,297	10,718,128
Restricted Deposits With Banks	3.b	8,865,816	9,699,099
Lands, Buildings, Equipment and Books, Net	5	56,669,689	51,645,002
Total Assets		79,056,802	72,062,229
LIABILITIES AND NET ASSETS			
Current Liabilities			
Payables and Accruals	6	1,115,478	831,858
Current Portion of Loan Payable	7	100,716	100,716
Deferred Students' Tuition and Fees		5,072,316	1,721,859
Total Current Liabilities		6,288,510	2,654,433
Non Current Liabilities			
Long Term Portion of Loan Payable	7	828,127	965,072
Reserves for Staff Benefits	8	18,686,639	14,866,665
Total Non Current Liabilities		19,514,766	15,831,737
Total Liabilities		25,803,276	18,486,170
Net Assets:			
Unrestricted Assets			
General Fund		(8,778,113)	(4,022,637)
Net Investments in Fixed Assets and Library Books (Statement C)		56,669,689	51,645,002
Total Unrestricted Assets		47,891,576	47,622,365
Temporarily Restricted (Statement-C)		803,567	1,058,942
Permanently Restricted-Endowment Fund	9	4,558,383	4,481,614
Buildings Expansion Funds (Statement C)		-	413,138
Total Net Assets		53,253,526	53,576,059
Total Liabilities and Net Assets		79,056,802	72,062,229

See accompanying notes to financial statements

Birzeit University
Statement of Activities

For the Year Ended 31 August 2009

(Amounts are Expressed in Jordanian Dinar)

	Note	Year Ended 31 August	
		2009	2008
Operating Income:			
Tuition and fees, Net of Students Aid	10	9,901,794	8,520,265
Auxiliary Services and Other Income		1,328,388	1,246,915
Total Operating Income		11,230,182	9,767,180
Grants:			
Grants and Service Contracts	11.a	4,567,361	6,073,575
Contributions from Governmental Institutions		2,320,023	2,043,965
Total Operating Income, Grants and Service Contracts		18,117,566	17,884,720
Operating Expenses:			
Academic Departments	13	12,102,549	8,664,567
Administration and Supporting Services	12	3,667,430	3,207,954
Community Programs	14	4,886,252	3,923,096
Total Operating Expenses Before Depreciation		20,656,231	15,795,617
Unrealized (Gain) loss on investment in marketable securities		64,654	(6,308)
Depreciation and Amortization		1,537,382	1,309,617
Total Expenses		22,258,267	17,098,926
Excess (Deficit) of Operating Income Over Expenses for the Year		(4,140,701)	785,794
Other Non-Operating Income:			
(Loss) Gain on Currency Difference		(207,765)	8,394
Interest Earned		84,457	175,867
(Decrease) Increase in Net Assets for the Year (Statement-C)		(4,264,009)	970,055

See accompanying notes to financial statements