

**Birzeit University (BZU)**

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

**For the Year Ended  
August 31, 2012**

# 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, 2012, 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 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, 2012, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*Deloitte & Touche*

**Deloitte & Touche (M.E.)**

**Ramallah – Palestine**

**April 8, 2014**

**Birzeit University**  
**Statement of Financial Position**  
**As of August 31, 2012**

(Amounts are Expressed in Jordanian Dinar)

	Note	A u g u s t 31,	
		2012	2011
<b><u>ASSETS</u></b>			
<b>Current Assets</b>			
Cash on Hand and Deposits With Banks	3	7,868,045	8,185,775
Investments	4	238,794	246,945
Accounts Receivable and Advances, Net	5	3,329,162	2,744,055
Other Assets	6	2,278,524	2,234,783
<b>Total Current Assets</b>		<b>13,714,525</b>	<b>13,411,558</b>
<b>Long Term Assets</b>			
Restricted Funds With Banks	7	8,560,855	8,940,891
Property, Plant and Equipment, Net	8	26,867,003	25,975,089
Lands	9	34,233,851	33,742,756
<b>Total Long Term Assets</b>		<b>69,661,709</b>	<b>68,658,736</b>
<b>Total Assets</b>		<b>83,376,234</b>	<b>82,070,294</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b>Current Liabilities</b>			
Payables and Accruals	10	3,133,347	2,173,481
Current Portion of Loan Payable	11	1,313,107	951,516
Deferred Students' Tuition and Fees		4,847,843	4,185,501
<b>Total Current Liabilities</b>		<b>9,294,297</b>	<b>7,310,498</b>
<b>Non Current Liabilities</b>			
Long Term Portion of Loan Payable	11	479,866	705,537
Reserves for Staff Benefits	12	24,945,111	22,883,821
<b>Total Non Current Liabilities</b>		<b>25,424,977</b>	<b>23,589,358</b>
<b>Total Liabilities</b>		<b>34,719,274</b>	<b>30,899,856</b>
<b>Net Assets:</b>			
<b>Unrestricted Assets</b>			
General Fund		(23,240,016)	(17,324,731)
Net Investments in Property, Plant, Equipment and Library Books		63,288,822	61,810,998
<b>Total Unrestricted Assets</b>		<b>40,048,806</b>	<b>44,486,267</b>
Temporarily Restricted (Statement-C)		773,955	822,063
Permanently Restricted-Endowment Fund	13	4,335,906	4,470,265
Plant Expansion Fund (Statement-C)		3,498,293	1,391,843
<b>Total Net Assets</b>		<b>48,656,960</b>	<b>51,170,438</b>
<b>Total Liabilities and Net Assets</b>		<b>83,376,234</b>	<b>82,070,294</b>

See accompanying notes to financial statements

**Birzeit University**  
**Statement of Activities**  
**For the Year Ended August 31, 2012**  
(Amounts are Expressed in Jordanian Dinar)

	Note	Year Ended August 31,	
		2012	2011
<b>Operating Income:</b>			
Tuition and fees, Net of Students Aid and Bad Debt Expenses	15	13,192,707	11,390,599
Auxiliary Services and Other Income	14	1,025,159	1,179,140
<b>Total Operating Income</b>		<b>14,217,866</b>	<b>12,569,739</b>
<b>Grants:</b>			
Grants and Service Contracts	16.a	5,776,817	5,851,982
Contributions from Governmental Institutions		689,263	1,193,592
<b>Total Operating Income, Grants and Service Contracts</b>		<b>20,683,946</b>	<b>19,615,313</b>
<b>Operating Expenses:</b>			
Academic Departments	18	13,965,870	13,341,230
Administration and Supporting Services	17	4,714,517	3,777,934
Community Programs	19	4,853,549	5,196,729
<b>Total Operating Expenses</b>		<b>23,533,936</b>	<b>22,315,893</b>
Depreciation and Amortization	8	1,473,605	1,444,259
<b>Total Expenses</b>		<b>25,007,541</b>	<b>23,760,152</b>
<b>Deficit of Operating Income Over Expenses for the Year</b>		<b>(4,323,595)</b>	<b>(4,144,839)</b>
<b>Other Non-Operating Income (loss):</b>			
Unrealized (loss) gain on investment in marketable securities		(8,151)	30,286
Dividends Income		8,418	5,087
(Loss)Gain on Difference of Currency		(319,189)	239,496
Financing costs		(2,574)	28,528
<b>Decrease in Net Assets for the Year (Statement-C)</b>		<b>(4,645,091)</b>	<b>(3,841,442)</b>

See accompanying notes to financial statements