

**Women's Affairs Technical Committee  
(WATC)**

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**Financial Statements  
and  
Independent Auditor's Report  
December 31, 2013**

**Women's Affairs Technical Committee  
(WATC)**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees' of  
Women's Affairs Technical Committee  
Ramallah,

We have audited the accompanying financial statements of **Women's Affairs Technical Committee (Not for Profit Organization)**, which comprise of the statement of financial position as of December 31, 2013, 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 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 the United States of America Statements on Financial Accounting Standards No. 117 applicable to not for profit organizations 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*

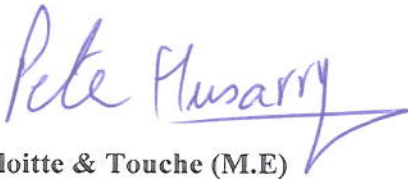
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 Committee'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 Committee'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 **Women's Affairs Technical Committee** as of December 31, 2013, 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. 117 applicable to not for profit organizations.



**Deloitte & Touche (M.E)**  
**Ramallah – Palestine**

**April 15, 2014**

**Women's Affairs Technical Committee**  
**Statement of Financial Position**  
As of December 31, 2013

	Note	December 31,	
		2013	2012
		U.S. \$	U.S. \$
<b>Assets</b>			
Cash on hand and deposits with banks	3	205,009	70,521
Grants receivable	4	34,765	105,539
Accounts receivable and advances	5	28,300	17,905
Prepaid expenses	6	28,785	27,135
<b>Total Current Assets</b>		<b>296,859</b>	<b>221,100</b>
Bank Deposits Restricted for Employees' Indemnity	7	76,070	76,543
Office Furniture and Equipment, Net	8	57,875	56,902
<b>Total Assets</b>		<b>430,804</b>	<b>354,545</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities:</b>			
Payables and accruals	9	83,479	50,184
Provision for Employees' Indemnity	10	107,814	93,232
<b>Total Liabilities</b>		<b>191,293</b>	<b>143,416</b>
<b>Net Assets:</b>			
Unrestricted		90,142	97,286
Temporary restricted fund		149,369	113,843
<b>Total Net Assets (Statement - C)</b>		<b>239,511</b>	<b>211,129</b>
<b>Total Liabilities and Net Assets</b>		<b>430,804</b>	<b>354,545</b>

The Accompanying Notes Constitute an Integral Part of These Statements

**Women's Affairs Technical Committee**  
**Statement of Activities**

Year Ended December 31, 2013

	Note			Total	
		Unrestricted	Temporary	Year Ended December 31,	
		Fund	Restricted	2013	2012
		U.S. \$	U.S. \$	U.S. \$	U.S. \$
<b>Grants and Revenues :</b>					
Restricted Grants	11	-	897,272	897,272	912,646
Interest Income and Other Revenues		11,243	-	11,243	13,147
<b>Total Grants and Revenues</b>		<b>11,243</b>	<b>897,272</b>	<b>908,515</b>	<b>925,793</b>
Net assets released from restrictions	11	861,746	(861,746)	-	-
		<b>872,989</b>	<b>35,526</b>	<b>908,515</b>	<b>925,793</b>
<b>Expenses:</b>					
<b>Program Expenses :</b>					
Advocacy and Networking		75,355	-	75,355	360,715
Media and Community Awareness		132,176	-	132,176	165,095
Empowerment		95,323	-	95,323	147,859
Capacity Building		231,937	-	231,937	228,345
<b>Total Program Expenses (Statement - E)</b>		<b>534,791</b>	<b>-</b>	<b>534,791</b>	<b>902,014</b>
Administrative and general (Statement - E)		329,672	-	329,672	78,714
<b>Total Program and Administrative Expenses</b>		<b>864,463</b>	<b>-</b>	<b>864,463</b>	<b>980,728</b>
Depreciation Expense		18,041	-	18,041	20,796
(Gain) Loss on Currency Fluctuation		(2,371)	-	(2,371)	2,632
<b>Total Expenses</b>		<b>880,133</b>	<b>-</b>	<b>880,133</b>	<b>1,004,156</b>
<b>Increase (Decrease) in Net Assets for the Year ( Statement - C )</b>		<b>(7,144)</b>	<b>35,526</b>	<b>28,382</b>	<b>(78,363)</b>

The Accompanying Notes Constitute an Integral Part of These Statements

**Women's Affairs Technical Committee**  
**Statement of Changes in Net Assets**  
Year Ended December 31, 2013

	Net Assets		
	Unrestricted	Temporarily Restricted	Total
	U.S. \$	U.S. \$	U.S. \$
<b><u>Year Ended December 31, 2013:</u></b>			
Balances at Beginning of Year	97,286	113,843	211,129
Change in Net Assets for the Year (Statement-B)	(7,144)	35,526	28,382
<b>Net Assets at End of Year (Statement-A)</b>	<b>90,142</b>	<b>149,369</b>	<b>239,511</b>
<b><u>Year Ended December 31, 2012:</u></b>			
Balances at Beginning of Year	79,174	210,318	289,492
Change in Net Assets for the Year (Statement-B)	18,112	(96,475)	(78,363)
<b>Net Assets at End of Year (Statement-A)</b>	<b>97,286</b>	<b>113,843</b>	<b>211,129</b>

The Accompanying Notes Constitute an Integral Part of These Statements

## Women's Affairs Technical Committee

### Statement of Cash Flows

Year Ended December 31, 2013

	Year Ended December 31,	
	2013	2012
	U.S. \$	U.S \$
<b>Cash Flows from Operating activities:</b>		
Restricted Grants	968,046	879,788
Interest Income and Other Revenues	11,243	13,147
Cash paid to employees and suppliers	(825,787)	(1,003,041)
<b>Cash Flows from (used in) Operating Activities</b>	<b>153,502</b>	<b>(110,106)</b>
<b>Cash Flows from Investing Activities:</b>		
Procurement of furniture and equipment	(19,014)	(32,073)
<b>Cash Flows used in Investing Activities</b>	<b>(19,014)</b>	<b>(32,073)</b>
<b>Increase in Cash and Deposits with Banks During the Year</b>	<b>134,488</b>	<b>(142,179)</b>
Cash on hand and deposits with banks at beginning of year	70,521	212,700
<b>Cash on Hand and Deposits with Banks at End of Year</b>	<b>205,009</b>	<b>70,521</b>
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:</b>		
Change in net assets	28,382	(78,363)
Depreciation	18,041	20,796
Increase in provision for employees' indemnities	14,582	18,407
(Increase) Decrease in grants receivable	70,774	(32,858)
(Increase) in accounts receivable and advances	(10,395)	(1,858)
(Increase) Decrease in prepaid expenses	(1,650)	(6,720)
(Increase) Decrease in Bank Deposits Restricted for Employees' Indemnity	473	(30,318)
Increase in payables and accruals	33,295	808
<b>Cash Provided by (used in) Operating Activities</b>	<b>153,502</b>	<b>(110,106)</b>

**The Accompanying Notes Constitute an Integral Part of These Statements**



**Women's Affairs Technical Committee**  
**Statement of Functional Expenses**  
Year Ended December 31,2013

	Advocacy and Networking	Media & Community Awareness	Empowerment	Capacity Building	Total	Administration General	Total	
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	2013	2012
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Salaries and related expenses	24,002	45,557	78,120	81,646	<b>229,325</b>	185,831	<b>415,156</b>	<b>336,352</b>
Training and seminars	15,057	8,869	15,666	107,308	<b>146,900</b>	936	<b>147,836</b>	<b>327,543</b>
Professional fees	11,888	14,908	-	13,500	<b>40,296</b>	14,163	<b>54,459</b>	<b>21,571</b>
Communication	-	-	-	-	-	14,855	<b>14,855</b>	<b>19,773</b>
Printing, television and radio	15,842	58,760	-	7,966	<b>82,568</b>	12,993	<b>95,561</b>	<b>84,128</b>
Stationery and office supplies	510	1,207	1,231	5,816	<b>8,764</b>	9,142	<b>17,906</b>	<b>12,182</b>
Transportation	5,504	328	306	15,558	<b>21,696</b>	34,978	<b>56,674</b>	<b>59,953</b>
Public awareness	310	2,330	-	47	<b>2,687</b>	98	<b>2,785</b>	<b>46,318</b>
Occupancy costs	-	200	-	96	<b>296</b>	52,148	<b>52,444</b>	<b>43,441</b>
Miscellaneous	2,242	17	-	-	<b>2,259</b>	4,528	<b>6,787</b>	<b>29,467</b>
<b>Total (Statement - B)</b>	<b>75,355</b>	<b>132,176</b>	<b>95,323</b>	<b>231,937</b>	<b>534,791</b>	<b>329,672</b>	<b>864,463</b>	<b>980,728</b>

**The Accompanying Notes Constitute an Integral Part of These Statements**

**Women's Affairs Technical Committee**  
**Statement of Functional Expenses**  
Year Ended December 31,2012

	Advocacy and Networking	Media & Community Awareness	Empowerment	Capacity Building	Total	Administration General	2012	2011
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Salaries and related expenses	103,339	50,801	35,705	84,715	<b>274,560</b>	61,792	<b>336,352</b>	<b>353,522</b>
Training and seminars	112,869	48,225	74,199	92,250	<b>327,543</b>	-	<b>327,543</b>	<b>333,716</b>
Professional fees	9,196	-	5,500	6,875	<b>21,571</b>	-	<b>21,571</b>	<b>14,426</b>
Communication	8,998	294	2,916	4,895	<b>17,103</b>	2,670	<b>19,773</b>	<b>16,295</b>
Printing, television and radio	11,165	50,106	9,613	5,244	<b>76,128</b>	8,000	<b>84,128</b>	<b>71,341</b>
Stationery and office supplies	8,037	114	409	3,622	<b>12,182</b>	-	<b>12,182</b>	<b>16,913</b>
Transportation	38,569	1,166	4,770	12,559	<b>57,064</b>	2,889	<b>59,953</b>	<b>31,112</b>
Public awareness	11,604	14,228	12,701	7,785	<b>46,318</b>	-	<b>46,318</b>	<b>32,088</b>
Occupancy costs	33,868	97	2,024	6,625	<b>42,614</b>	827	<b>43,441</b>	<b>39,376</b>
Miscellaneous	23,070	64	22	3,775	<b>26,931</b>	2,536	<b>29,467</b>	<b>999</b>
<b>Total (Statement - B)</b>	<b>360,715</b>	<b>165,095</b>	<b>147,859</b>	<b>228,345</b>	<b>902,014</b>	<b>78,714</b>	<b>980,728</b>	<b>909,788</b>

**The Accompanying Notes Constitute an Integral Part of These Statements**

**Women's Affairs Technical Committee**  
(WATC)  
**Notes to Financial Statements**  
**December 31, 2013**

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**1. Organization:**

**Women's Affairs Technical Committee (WATC)** was formed in August 1992 and was operated under the direction of the Technical and Advisory Committees till September 16, 1994. Since that date, the direction of the committee was transferred to an independent Board of Trustees. Official registration of the committee with all concerned departments and ministries of the Palestinian National Authority had been accomplished.

The objectives of WATC include building the administrative, organizational and policy-making capacities of women institution and committees, empowering the women committees within the various Palestinian parties through developing their mobilization and organizational skills.

**2. Summary of Significant Accounting Policies:**

**2.1** The financial statements of WATC have been prepared on accrual basis of accounting using the historical cost convention, International Financial Reporting Standard and the United States of America Statements on Financial Accounting Standards No. 116 and 117.

In the current year, WATC management considered all new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of IASB, relevant to its activities, that were issued and effective for annual reporting periods ending on December 31, 2012. The application of the new standards and interpretations has no effect on the financial position or the results of operations of WATC.

The significant accounting policies followed are described below:

**2.2** WATC maintains its accounts in accordance with the principles of fund accounting under which the resources for various purposes are classified into three classes of net assets as described below:

- ***Unrestricted net assets*** represent net assets whose use by WATC is not subject to donor-imposed restrictions.
- ***Temporarily restricted net assets*** whose use by WATC is limited by donor-imposed and restriction that either expire by passage of time or can be fulfilled and released by actions of WATC pursuant to those donor-imposed stipulations.

**2.3 *Estimates and assumptions:*** The financial statements include certain estimates and assumptions made by management relating to reporting of assets, liabilities, at the date of the financial statements, and the reporting of revenues, expenses, gains, and losses during the year. Actual results may differ from those estimates adopted by WATC's management. Estimates used in the preparation of the financial statements are the useful lives of fixed assets and all other provisions.

## 2. Summary of Significant Accounting Policies: (Continued)

**2.4 Contributions and grants**, revenues from private grant are recognized as it is earned through expenditures in accordance with the agreements. Any funding received in advance of expenditures is recorded as deferred contribution in the statement of financial position.

Donated equipment, books and other supplies are reported as non-operating income and are valued at their fair values on the date of receipt.

**Grants Receivable** represents amounts due from funding organizations for expenditures incurred prior to receiving related funds.

**Deferred Grants** – represents amounts of grants received in advance of the project activities.

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

### 2.6 Furniture, Equipment and Depreciation:

**Furniture and Equipment** are stated in the attached financial statements based on historical cost and net of accumulated depreciation. Depreciation rates are ranging from 7%-15%.

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

**2.7 Severance pay:** The policy of WATC is to provide for staff severance pay by accruing for one-month compensation for each year of service using the last salary paid during the year.

**2.8 Functional Expenses** -WATC allocates its expenses on a functional basis among its various programs and general administration. Expenses that can be identified with a specific program or administration are charged directly. Other expenses that are common to several functions are allocated between functions based on the best estimates and judgment of management.

### 2.9 Foreign Currency Transactions:

The books of accounts of WATC are maintained in U.S Dollar. Transactions, which are denominated in currencies other than U.S Dollar are converted into U.S Dollar equivalent at the spot exchange rate prevailing on the date of each transaction.

#### Financial Statements in U.S Dollar

- Transactions and balances, which are originally expressed in U.S Dollar, are presented at the actual U.S Dollar received or paid.
- Balances of assets and liabilities which are expressed in currencies other than U.S Dollar are translated to U.S Dollar equivalent using the exchange rate prevailing at the date of the financial statements which were as follows:

	<b>December 31,</b>	
	<b>2013</b>	<b>2012</b>
	<b>U.S \$</b>	<b>U.S \$</b>
Israeli Shekel	0.2868	0.2677
EURO	1.3592	1.3235

Exchange differences arising from the translation of assets and liabilities is charged to the statement of activities and change in net assets.

### 3. Cash on Hand and Deposits with Banks:

#### Composition:

	December 31,	
	2013	2012
Cash on Hand	10	2,185
Deposits with banks in Shekel	3,435	8,437
Deposits with banks in U.S Dollar	118,687	39,589
Deposits with banks in EURO	80,555	20,110
	<b>202,687</b>	<b>70,321</b>
Checks under collection	2,322	200
	<b>205,009</b>	<b>70,521</b>

### 4. Grants receivable:

#### Composition:

	December 31,	
	2013	2012
Care International	-	5,392
UN Women - Spring Forward	1,562	94
Women Learning Partnership (WLP)	8,488	-
UNRWA- Festival	-	4,950
United Nations Development Program - Festival	-	4,570
OFFICE of the HCHR - Festival	-	2,157
Conemund	-	44,207
Bank of Palestine	-	15,965
NGO Development Center – NDC	11,672	26,564
Al Nasher	-	1,640
Foundation Open Society Institute (FOSI)	13,043	-
	<b>34,765</b>	<b>105,539</b>

### 5. Accounts Receivable and Advances:

#### Composition:

	December 31,	
	2013	2012
Due from Employees and Service Providers	27,250	16,855
Others	1,050	1,050
	<b>28,300</b>	<b>17,905</b>

### 6. Prepaid Expenses:

#### Composition:

	December 31,	
	2013	2012
Rent	26,556	26,556
Insurance	468	468
Others	1,761	111
	<b>28,785</b>	<b>27,135</b>

## 7. Bank Deposits Restricted for Employees' Indemnity:

Compositions of restricted deposits with banks and related staff benefits obligations are as follows:

	Amount of Deposit	Amount of Obligation	Surplus (Deficit)	
			Amount	Percentage
<b><u>December 31, 2013</u></b>				
Severance Pay	76,070	107,814	(31,744)	29%
	<b>76,070</b>	<b>107,814</b>	<b>(31,744)</b>	<b>29%</b>
<b><u>December 31, 2012</u></b>				
Severance Pay	76,543	93,232	(16,689)	(18%)
	<b>76,543</b>	<b>93,232</b>	<b>(16,689)</b>	<b>(18%)</b>

## 8. Office Furniture and Equipment, Net:

Composition:

	Furniture	Equipment	Total
<b><u>Year Ended December 31, 2012:</u></b>			
<b>Cost:</b>			
<b>Beginning 2013</b>	<b>70,456</b>	<b>232,330</b>	<b>302,786</b>
Additions		19,014	19,014
Disposals	-	-	-
<b>Ending 2013</b>	<b>70,456</b>	<b>251,344</b>	<b>321,800</b>
<b>Accumulated Depreciation:</b>			
<b>Beginning 2013</b>	<b>50,746</b>	<b>195,138</b>	<b>245,884</b>
Additions	1,888	16,153	18,041
Disposals	-	-	-
<b>Ending 2013</b>	<b>52,634</b>	<b>211,291</b>	<b>263,925</b>
<b>Net Book Value-December 31, 2012</b>	<b>17,822</b>	<b>40,053</b>	<b>57,875</b>
<b><u>Year Ended December 31, 2012:</u></b>			
<b>Cost:</b>			
<b>Beginning 2012</b>	<b>54,667</b>	<b>216,046</b>	<b>270,713</b>
Additions	15,789	16,284	32,073
Disposals	-	-	-
<b>Ending 2012</b>	<b>70,456</b>	<b>232,330</b>	<b>302,786</b>
<b>Accumulated Depreciation:</b>			
<b>Beginning 2012</b>	<b>49,258</b>	<b>175,830</b>	<b>225,088</b>
Additions	1,488	19,308	20,796
Disposals	-	-	-
<b>Ending 2012</b>	<b>50,746</b>	<b>195,138</b>	<b>245,884</b>
<b>Net Book Value-December 31, 2012</b>	<b>19,710</b>	<b>37,192</b>	<b>56,902</b>

**9. Payables and accruals:****Composition:**

	<b>December 31,</b>	
	<b>2013</b>	<b>2012</b>
Due to Vendors and Employees	78,025	41,309
Accrued Expenses and Others	5,454	8,875
	<b>83,479</b>	<b>50,184</b>

**10. Provision for Employees' Indemnity:****Composition:**

	<b>December 31,</b>	
	<b>2013</b>	<b>2012</b>
Beginning Balance	93,232	74,825
Indemnities paid during the year	(21,779)	(1,874)
	<b>71,453</b>	<b>72,951</b>
Provision charged for the year	36,361	20,281
<b>Ending Balance</b>	<b>107,814</b>	<b>93,232</b>

## 11. Temporarily Restricted:

Temporary restricted net assets as of December 31, 2013 is as follows:

	Unexpended Grants as of 01-01-2013	Grants Received During the Year	Grants Receivable	Restricted Grants for 2013	Available Grants 2013	Releases		Funds Released in 2013	Unexpended Grants as of 31-12-2013
						Expenses	Property and Equipment		
ACSURE Las Segovias	7,591	-	-	-	7,591	-	-	-	7,591
Al Nasher	-	860	-	860	860	860	-	860	-
Anti Corruption Committee	-	20,300	-	20,300	20,300	14,411	-	14,411	5,889
Biladi Association	-	80,552	-	80,552	80,552	72,064	-	72,064	8,488
Care International	-	191,104	-	191,104	191,104	186,161	4,943	191,104	-
Conemund - Improvement of Palestinian Women Participation	-	105,873	-	105,873	105,873	78,493	-	78,493	27,380
Foundation Open Society Institute (FOSI) - Equality and Justice	44,122	74,950	-	74,950	119,072	73,973	-	73,973	45,099
Foundation Open Society Institute (FOSI) - Core Funding	-	100,000	13,043	113,043	113,043	104,804	-	104,804	8,239
French Consulate - AMAL Coalition to Compact Violence Against Women	5,698	-	-	-	5,698	5,698	-	5,698	-
Eiapala	204	-	-	-	204	204	-	204	-
Martin Borrow	-	7,000	-	7,000	7,000	968	-	968	6,032
Muftah - Almunata	-	2,530	-	2,530	2,530	2,530	-	2,530	-
NGO Development Center - NDC	-	104,000	11,672	115,672	115,672	114,226	1,446	115,672	-
Norwegian Church Aid - NCA (note 12)	-	17,003	-	17,003	17,003	17,003	-	17,003	-
Office of High Commissioner/OHCHR - Festival	-	833	-	833	833	833	-	833	-
Solidaridad Internacional (SI) - Basque	29,714	47,029	-	47,029	76,743	41,710	-	41,710	35,033
UN Women - Spring Forward	-	51,216	1,562	52,778	52,778	43,304	9,474	52,778	-
UNIFEM - UN Woman 16 Day Campaign	-	2,924	-	2,924	2,924	2,924	-	2,924	-
United Nations Development Program (UNDP) - Al Muntada	-	16,500	-	16,500	16,500	10,882	-	10,882	5,618
United Nations Relief and Works Agency (UNRWA) - Festival	-	50	-	50	50	50	-	50	-
Women Learning Partnership (WLP)	26,514	39,783	8,488	48,271	74,785	74,785	-	74,785	-
	<b>113,843</b>	<b>862,507</b>	<b>34,765</b>	<b>897,272</b>	<b>1,011,115</b>	<b>845,883</b>	<b>15,863</b>	<b>861,746</b>	<b>149,369</b>



## 12. Norwegian Church Aid (NCA) Grant:

The grant received from NCA was completely used for Al-Muntada; a coalition of 13 organizations working together to combat violence against women and domestic violence within the Palestinian society. Al-Muntada has been hosted by the Women Affairs technical Committee (WATC) since 2012. Details of the project's expenditures versus budget is as follows:

	<u>Expenditures</u>	<u>Budget</u>	<u>(Over) Under</u>
	<u>USD</u>	<u>USD</u>	<u>Budget</u>
			<u>USD</u>
<i>Personnel Cost</i>			
Main Coordinator Salary	5,505	6,000	495
	<u>5,505</u>	<u>6,000</u>	<u>495</u>
<i>Project Activities</i>			
Regional Meeting (*)	9,300	8,982	(318)
Coordinators Communication and Transportation	196	569	373
	<u>9,496</u>	<u>9,551</u>	<u>55</u>
<i>Project Support</i>			
Support to the project	2,002	1,944	(58)
	<u>2,002</u>	<u>1,944</u>	<u>(58)</u>
<b>Total Expenditures / Budget</b>	<b><u>17,003</u></b>	<b><u>17,495</u></b>	<b><u>492</u></b>

(\*) The overspending in this budget line item was due to changing in the location of the regional meeting resulting in an extra cost.

### 13. Financial Instruments, Fair values and Risks Management:

- **Operational Risk**

The costs of the programs, administrative as well as fixed assets procurement are significantly financed by donors through donations. The management believes that the funding level in the year 2014 will be sufficient to finance all of its disbursements and will be consistent with the funding level in the prior years. Furthermore, the management believes that the political and economical conditions prevailing in the area will not materially affect its operations.

- **Fair Values of Financial Assets and Liabilities:**

The carrying book value of financial assets and liabilities are not materially different from their fair values at the date of the statement of financial position.

- **Credit Risk:**

WATC credit risk is primarily attributable to its liquid funds and receivables. The credit risk on liquid funds is limited because they are placed with reputable financial institutions. The Receivables are stated in the statement of financial position net of allowances for doubtful debts, if any, which is estimated by WATC management based on prior experience and the current economic environment.

- **Interest Rate Risk**

WATC interest rate risk arises from the possibility that changes in market interest rates may affect the value of its interest bearing assets. The management of WATC usually monitors the fluctuation in interest rates in every individual currency in order to maximize the benefits from placements.

- **Currency Risk:**

Currency risk arises from the possibility that changes in the exchange rates may affect negatively the value of the financial assets and liabilities in case WATC does not hedge its currency exposure by means of hedging instruments. The management usually distributes its liquid assets over its functional currencies to minimize any possible loss from currency rates fluctuation.