



## United Palestinian Appeal, Inc.

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Dear Friends and Contributors:

The year 2001 was another year of hardship and violence for Palestinians in the West Bank and Gaza Strip. The conflict with Israel continues: more than a thousand deaths and thousands of injuries, along with military and economic siege of Arab towns and villages—these continue to be part of “normal” life these days. The unemployment rate in Palestine has reached fifty percent, and 45 percent of the population lives below the poverty line. The occupation remains intact, as do all the measures that deprive Palestinians of normal lives and livelihoods: closure and curfew, land confiscation, property demolition, crop destruction and homelessness. Tragically, this injustice continues while the world remains silent.

United Palestinian Appeal responds by helping those directly affected by this injustice. UPA is concerned with improving living conditions, providing educational and professional development to disadvantaged communities, and particularly caring for children, the most innocent victims of this fight for freedom. We at UPA believe that no matter how long or horrifying the list of statistics proving Israel’s violations of human rights and international law, our mission should remain truly and solely humanitarian. There is much work to be done in carrying out our mission. For such humanitarianism is not only moral but also necessary in response to crisis.

UPA commends Palestinians who continue to strive towards excellence under the most difficult circumstances imaginable. This 2001 Annual Report is dedicated to the courageous individuals participating in sustainable development programs—individuals who are strong enough to see beyond the everyday violence to a better future. These individuals strive to better themselves and their nation through skills-learning and community development programs. UPA maintained its mission in 2001 through programs in education, community development, health care and child sponsorship. By providing financial support to well-established non-governmental organizations (NGOs) in the West Bank, Gaza Strip and refugee camps of Lebanon, UPA helped thousands of Palestinians improve their lives.

For the year 2001, UPA funded twenty-four humanitarian projects in education, community development, and health and emergency relief. Both the courage and perseverance of our project beneficiaries and the generosity of our contributors enable us to continue our work, and for this we are so grateful.

With Sincere Thanks,

Trustees and Staff of UPA

# Year In Review



Crisis reached a high point in the Occupied Territories in 2001 as Palestinians continued to endure escalating hardships as a result of Israel's measures to quell the Aqsa Intifada and to entrench the occupation. The death toll continues to rise as does the number of injuries, along with a high unemployment rate and the despair that goes along with it. The closure of Palestinian towns and villages, in violation of international law, has meant that food, water and medicine are often prevented from reaching homes. The result is that children are going hungry and the ill are unable to heal. Economic loss continues to be tremendous. Many Palestinian laborers are unable to go to work, and families are unable to obtain basic necessities. As a result, the economy loses an estimated \$15 million daily. Closure prevents the movement of people and goods across Israeli checkpoints and curfew holds people hostage for weeks or

months at a time like prisoners in their own homes.

Military and economic siege endangers the lives of more than three million residents of the West Bank and Gaza Strip. Most Palestinians killed from Israeli gunfire have not been involved in the violence. Over nine hundred families became homeless in 2001 due to heavy shelling of residential neighborhoods such as Beit Jala in the West Bank. Demolition of homes of suspected Palestinian gunmen has not ceased. And farmers are helpless in the face of Israel's confiscation of more than 32,000 dunums of agricultural land and destruction of more than one hundred water wells. The efforts of those encouraging peace between Israelis and Palestinians have made little difference in the daily lives of ordinary Palestinians. When lives are threatened, jobs, homes, and security lost, and when poverty devastates, an urgent response is required.

Most tragic of all is the fact that on any given day, it is the children who pay the highest price. Scores of Palestinian children have been killed and injured since last September. This truth must not be lost in the staggering statistics of this conflict. To address the effects of the conflict on Palestinian children, UPA supports several humanitarian programs focusing specifically on youth. Our Child Sponsorship Program, now in its sixteenth year, is our most popular program, with five hundred children and over three hundred sponsors currently participating. Believing education to be the

**When people rise to meet challenges and overcome fear, the result is often life-changing.**

means to a brighter future, UPA funded seventy-eight university scholarships for Palestinian youth in 2001. Rather than let the conflict dampen educational dreams, these dreams must be carefully nurtured. UPA continues to work with many schools, orphanages and educational institutions to ensure that hope is not lost for Palestinian youth. The year 2001 witnessed some courageous accomplishments by Palestinian individuals and NGOs involved with children.

New programs emphasizing children's and family relief as well as continuing programs in emergency medicine, education and child sponsorship were of utmost importance last year.

It is our greatest hope to be able to continue improving Palestinian lives through humanitarian relief and sustainable development efforts. UPA focuses on individual and community betterment, which we feel to be more critical than ever during this time of crisis. When people rise to meet challenges and overcome fear, the result is often life-changing. Many of those people are



participating in our programs today, and they inspire us to be conscientious about how we lead our own lives, here in our safe and familiar environment that is so in contrast to the environment of violence and uncertainty in Palestine.



# UPA Contributors and Program Services



the United States. UPA held six direct mail campaigns in 2001.

Enduring a second year of violence, over nine hundred Palestinian families ended up on the streets last year due to home demolitions by the Israeli military. Responding to this, as well as to rising unemployment, lack of health care and welfare services, and a crumbling Palestinian infrastructure, UPA launched a special Family Relief Fund campaign to help bring hope and stability back into the lives of families facing destitution. For the second year in a row, our Health and Emergency Relief programs were especially important to victims of shelling and clashes with soldiers.

Nearly two thousand contributors helped support UPA and our programs in 2001, totaling close to 4,100 donations. Like other charitable organizations, UPA has felt the effects of the September 11<sup>th</sup> attacks, as contributors shifted some of their charitable giving to the victims of those attacks. In 2001, UPA's total income declined by 4.7% from annual year 2000, resulting in a total income of \$883,966. Despite that reduction, our management and fundraising costs remained constant at 4% and 8% of UPA's revenues, respectively.

UPA's sustainable development programs in the West Bank, Gaza Strip and refugee camps of Lebanon are made possible through the generous support of humanitarian-minded individuals, corporations and foundations. Without this support, hope for thousands of Palestinians in crisis wanting to build better lives for themselves and their communities would be lost. Indeed, the first steps towards life improvement are often taken while participating in our programs. For twenty-three years, UPA has been able to provide assistance with the support of compassionate contributors.

UPA's fundraising activities consist of direct mail campaigns, appeals to private foundations and corporations, dissemination of information to the general public, distribution of Palestinian handcrafts, and participation in the Combined Federal Campaign (CFC), the largest federal workplace fundraising campaign in

**For twenty-three years, UPA has been able to provide humanitarian assistance with the support of compassionate contributors who take an active role in caring about the world.**

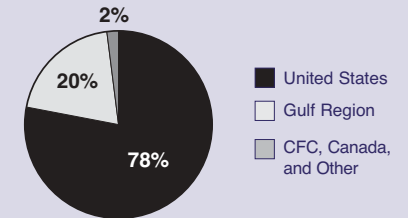
The majority of UPA's funding for 2001 (78%) was raised within the United States. The Gulf Region contributed 20% of the funds, while the Combined Federal Campaign (CFC), Canada, and other countries accounted for the remaining 2% or revenue. Unrestricted contributions in 2001 accounted for 62% of total revenue, with restricted contributions at 27%. Child Sponsorship contributions amounted to 4% of total revenue, while returns on investments and rental income together earned 7%.

## Program Services

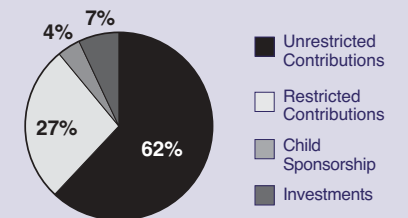
UPA's support of humanitarian programs in the West Bank, Gaza Strip, and refugee camps of Lebanon totaled \$679,018 in 2001. Financial assistance went towards our programs in the areas of health and emergency relief, community development, education, scholarships, and child sponsorships. UPA projects funded last year are described in the sections that follow.



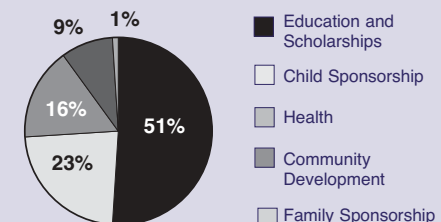
## Sources of Contributions



## Allocation of Contributions



## Allocation of Program Funding



# Health and Emergency Relief



UPA was called upon again in 2001 to respond to the urgent needs of the Palestinian medical community, which continues to operate under emergency conditions since the Aqsa Intifada began more than eighteen months ago. Near daily violence has resulted in a death toll well over one thousand, scores of injuries, the blockade of medicine and medical personnel at Israeli checkpoints, and a desperate struggle for survival for many thousands of West Bank and Gaza Strip residents. The Palestinian medical community is challenged to carry out its work as Israeli soldiers have shot and killed several emergency medical technicians, wounded team members, shot inside ambulances, and deliberately prevented the wounded from being rescued. Settlers have attacked individual civilians and hospitals. The numbers of dead and injured are overwhelming. In order to save lives, local health facilities have had to rely on international support for medicine, supplies and staff.

UPA set up an Emergency Relief Fund in 2001 to address the crisis situation, in addition to providing medical aid grants to hospitals and clinics caring for devastated communities. UPA also sponsored emergency medical programs in the West Bank and Gaza Strip. These programs specialize in emergency medicine and outreach and preventive health care, and were particularly critical for rural, village communities suffering heavily under Israeli closure. UPA addressed this situation by providing four emergency medical grants and seven health care grants to facilities in the West Bank and Gaza Strip.

Wishing that we could have supported all the hospitals and clinics that contacted us in 2001, we were forced to select a limited number. Last year, UPA funded more projects in health care than in any other program area. Through the Emergency Relief Fund and other contributions supporting the advancement of healthcare in Palestine, and with special efforts targeting rural and conflict areas, doctors, nurses, EMTs, ambulance drivers and other medical personnel continue to advance health services for all Palestinians. Below are descriptions of the health projects UPA funded in the year 2001.

## The Palestinian Red Crescent Society

### Anabta Completion of Specialized Health Clinic

The Anabta branch of the Palestinian Red Crescent Society (PRCS) was founded in 1993 to serve Anabta and area villages with primary and specialized health care, ambulance and emergency services, social services, pre-natal care, and preventive health care. Since the start of the Intifada, PRCS Anabta has been mainly concerned with treating patients locally, since current conditions of closure and curfew, as well as danger on the roads, prevent people from traveling to hospitals in Nablus or other nearby cities in the West Bank.



In 2001, PRCS Anabta received a grant from UPA for the expansion of the primary and specialized programs in the clinic. Construction of a new wing of the clinic—including a maternity ward, an ambulance and emergency section, and x-ray and medical labs—were completed, thus greatly improving health services for the Anabta community of 25,000.

## St. John's Ophthalmic Hospital

### Jerusalem Mobile Outreach Training Program

St. John's Ophthalmic Hospital is the leading eye-care hospital in Palestine, treating more than 50,000 eye cases a year. Founded in 1882, the hospital receives patients from throughout Palestine. For those who cannot travel into Jerusalem, St. John's operates a clinic in Gaza and a traveling mobile outreach clinic that screens 5,000 additional patients in rural areas. St. John's takes a pro-active approach to eye health by offering informative programs in eye disease prevention for the public.

In 2001, St. John's received a grant from UPA for the Mobile Outreach Training Program serving towns and villages not reached by its Jerusalem and Gaza facilities. The program focused on eye hygiene and disease prevention, providing training to doctors and nurses working in rural areas. Program participants were taught how to treat primary ophthalmic conditions on site so that only the most serious cases required hospital referral. The first part of the program consisted of training for primary care medical and nursing staff throughout the West Bank. This training was in primary ophthalmic conditions including eye examination, eye

emergencies, visual acuity in theory and practice, and diabetic retinopathy. In addition to training for medical professionals, St. John's conducted outreach clinics in eye disease prevention twice a week for patients, their families and the general public.

## The Union of Health Care Committees

### Nablus Societal Health Awareness Program

The Union of Health Care Committees (UHCC) was established in 1985 to provide medical services to Nablus area residents, particularly those living in more neglected areas. Their focus has been on programs in rehabilitation for the disabled. In 1989, a mobile physiotherapy clinic opened to serve communities of the Northern West Bank along with several other physiotherapy clinics around Nablus. The UHCC's Amal Center provides physiotherapy and occupational therapy, vocational and social rehabilitation, and artificial joints counseling for the disabled. To provide safe medical care to pregnant women living in the more remote villages around Nablus, UHCC operates a mobile clinic serving their needs. Through its programs, UHCC continues to be a pioneer in both health care and health education in Palestine.

In 2001, UPA supported UHCC with a grant for its Societal Health Awareness Program. The Health Awareness Program focuses on children's psychological health and environmental health in particular. The prevention and detection of early childhood diseases is the focus at nurseries and grade schools participating in the program. The Societal Health Awareness Program benefits approximately 17,000 people in fourteen villages in the Tulkarem and Qalqilya Districts.

In order to save lives, local health facilities have had to rely on international support for medicine, supplies and staff.



### **Al-Ahli Arab Hospital**

#### **Gaza**

#### **Upgrade of Operating Theatres and Pharmacy**

Al-Ahli Hospital has played a major role in treating the casualties of the last eighteen months through its emergency programs. Al-Ahli's emergency team rescues the injured in shelled neighborhoods, even while at risk of danger themselves. Transporting the wounded to medical facilities is hampered due to the closure. Whenever possible, medical missions are set up in isolated villages to ensure care to all those in need.

UPA's grant to al-Ahli for 2001 went towards the upgrade and maintenance of the operating rooms and pharmacy and for the purchase of a new centrifuge for the hospital laboratory. The operating rooms, where an average of 150 surgical operations are performed monthly, are about ninety years old and had been in need of renovation. Air conditioning was added, as were new fluorescent ceiling lights. Also, new cabinet shelves and cupboards were added to the pharmacy for safe and orderly medicine storage. Al-Ahli's pharmacy serves about eighteen thousand patients yearly. A new centrifuge machine for the laboratory means that laboratory tests can be completed at a faster rate than before.

### **Al-Maqassed Hospital**

#### **Jerusalem**

#### **Emergency Medicine and Supplies**

Al-Maqassed Hospital was established in 1968 on the Mount of Olives as a neighborhood hospital offering basic health services to Jerusalem residents. Today, al-Maqassed is the leading medical facility for Jerusalem-

area Palestinians. During the uprising of 2000 and 2001, al-Maqassed cared for thousands of ill and injured, while operating with reduced staff and under a shortage of medicine and supplies. Al-Maqassed's emergency services were necessary in Jerusalem neighborhoods experiencing heavy violence. Recently, al-Maqassed has had to rely on aid from UPA and other relief NGOs for medicine and supplies. Due to the current crisis, the hospital has an overwhelming need for medical supplies. But if the hospital is not being paid for services, it cannot pay suppliers, and if suppliers aren't paid, they won't be able to meet pharmaceutical needs indefinitely.

For 2001, UPA supported al-Maqassed Hospital with financial aid towards medical relief in the form of emergency medicine and supplies to treat Intifada-related injuries. With financial support from UPA, al-Maqassed was able to purchase medications, surgical sutures, laboratory supplies and disposables.

### **The Union of Palestinian Medical Relief Committees**

#### **Jerusalem**

#### **First Aid Training Program and Medical Supplies**

The Union of Palestinian Medical Relief Committees (UPMRC) was founded in 1979 by a group of Palestinian health professionals as a grassroots organization providing wide-ranging health services throughout the West Bank and Gaza Strip. Twenty-four community health centers offer care in women's health, public health and health education in schools, road and home safety, and emergency medicine. Among the specialized programs UPMRC operates are those in dermatology and ophthalmology. The UPMRC also specializes in educating and preparing communities for emergencies and crises of various kinds.

UPMRC's Emergency Response Program dispatches doctors, nurses, EMTs and other medical personnel to clash sites continuously, saving many lives in the process.

In 2001, UPA provided an emergency medical relief grant to UPMRC towards its First Aid Training

Program. As part of the program, lectures and workshops covering emergency medicine and crisis management were carried out in cooperation with the Palestinian Ministry of Health, United Nations Relief and Works Agency, universities, schools, and other NGOs. In addition to the training, medicine and supplies were distributed to neighborhoods isolated by Israeli closure.

### **The Patients' Friends Society and al-Ahli Hospital**

#### **Hebron**

#### **Ultrasound Equipment for Radiology Department**

Al-Ahli Hospital in Hebron was established in 1988 by the Patients' Friends Society (PSF). The hospital has become a leading health care provider in an area of Palestine long suffering from the effects of Israeli violence and occupation, along with relative isolation from the more developed Central and Northern West Bank. Today al-Ahli provides quality health services to patients from Hebron and the surrounding villages. Presently al-Ahli is working towards the creation of an Ear, Nose and Throat Department as well an upgrade of the Nurses Education Program.

UPA continues to support al-Ahli in its efforts to treat the victims of Israeli violence. For 2001, UPA awarded a grant to the hospital for an upgrade of the ultrasound equipment in the Radiology Department and for emergency medicine and supplies.



### **Al-Ittihad Hospital**

#### **Nablus**

#### **Upgrade of Pediatric Unit and Emergency Medicine and Supplies**

Al-Ittihad Hospital, founded in 1970, is a non-profit facility providing basic health services to Nablus residents. Among the services available are those in general practice, surgery, internal medicine, obstetrics and gynecology, intensive care, and emergency medicine. In addition, al-Ittihad runs an orphanage.

Al-Ittihad Hospital remains successful in treating patients even while operating with an overworked staff and lack of equipment, medicine and hospital space for the injured. In the last several years, UPA has supported al-Ittihad in its efforts to upgrade the pediatric unit, complete general renovations throughout the hospital, and purchase medicine and supplies urgently needed to treat those injured in the violence.

### **The Palestinian Red Crescent Society**

#### **Beirut**

#### **Upgrade of Maemo Dialysis Department**

The Palestinian Red Crescent Society (PRCS) of Lebanon was established in 1968 to care primarily for Palestinians in the overpopulated refugee camps of the South. Basic medical services are provided to an overpopulated, under-served and impoverished population. PRCS's Hamshari Hospital operates under the aegis of the Red Crescent Society in Beirut. The Hospital maintains a dialysis department serving many refugee patients free of charge.

PRCS's Maemo Dialysis Department requires new equipment and medicine to better serve its patients. In 2001, UPA provided a grant to PRCS for Maemo's upgrade, enabling kidney patients to receive lifesaving treatment. Presently, about forty-five kidney patients receive dialysis several times a week at Maemo.

## The Ramallah Hospital

### Ramallah Upgrades of Trauma and Cardiac Centers

The Ramallah Hospital is one of the busiest health facilities in Palestine. The hospital provides health care to 250,000 residents, including 130 overnight patients, from the Ramallah/al-Bireh area. The Ramallah Hospital's recent upgrades include two specialized centers in trauma and cardiac surgery, which were badly needed when the conflict with Israel escalated in September 2000. The Trauma Center has been critical for the treatment of emergency cases, and conducts pre-hospital emergency screening and referrals along with other vital services. Open twenty-four hours a day, the center is equipped with screening and resuscitation rooms, operating rooms, an x-ray department, and a laboratory.

The Cardiac Surgery Center, the only one of its kind in Palestine, provides specialized care to heart patients from the West Bank. Palestine suffers one of the highest rates of heart disease in the world, and the center's role has become even more important in future treatment of this disease. Ramallah Hospital's Cardiac Surgery Center offers heart patients quality services in a facility of 1,400 square meters consisting of two operating theaters, a cardiac care unit with a capacity of five beds, an intensive



care unit with a capacity of six beds, and a Cathlab.

For 2001, UPA provided a grant to the Ramallah Hospital for the upgrade of its Trauma and Cardiac Centers.

## The Palestinian Red Crescent Society

### Hebron

The Palestinian Red Crescent Society of Hebron was founded in 1965 to provide Hebron area residents with basic health services, particularly rehabilitative services. Hebron neighborhoods are often the scenes of clashes between Palestinians and Israeli settlers and soldiers. During both Intifadas, victims of the clashes have suffered disabling injuries that require special treatment. The Red Crescent Society runs a physiotherapy center for the disabled and offers occupational therapy and counseling, both desperately needed in today's extremely difficult conditions.

In 2001, UPA awarded the Red Crescent Society a grant for the development of its counseling center for physiotherapy and occupational therapy. The tension, poverty, and relative isolation of Hebron have led to an increase in individuals with both physical and psychological challenges, especially among the disabled. The Red Crescent's unique center supports the disabled through healing that is both physical and psychological. It also encourages the assimilation of the disabled into mainstream society and helps to educate the public about disability issues.



# Community Development



deplorable conditions, and are neglected more than those living in cities and towns; their status is in limbo as the latest crisis puts all efforts to reach a final status agreement on hold.

In 2001, UPA demonstrated its belief in community development by providing nine grants to local organizations focusing on life improvement for disadvantaged groups, particularly women, children and the disabled. Facing seemingly insurmountable challenges, the strongest can rise to the occasion and fulfill dreams now more critical than ever before. As part of its Community Development Program, UPA funds local Palestinian organizations as a way to promote both self-sufficiency and community participation.

One of UPA's most successful activities involves donor support for traditional Palestinian handcrafts, which enables women of the refugee camps of the West Bank and Gaza Strip to attain economic independence while contributing to their own communities. These camp women, belonging to a segment of society marginalized by gender, poverty, and lack of opportunity, become productive members of the Palestinian economy by participating in our embroidery project. The refugee women embroider traditional handcrafts from their homes, generating family income while also promoting Palestinian heritage. Proceeds from sales of embroidered items support development projects in the women's camps, directly contributing to the improvement and upkeep of their own neighborhoods.

UPA congratulates all those who were a part of our community development projects in 2001. Six grants were provided to promote community development in the West Bank and Gaza Strip. A profile of each project follows.

The year 2001 brought more crises to Palestinians in the West Bank and Gaza Strip in the form of bloody conflict with Israel, resulting in death, destruction, and also military and economic siege of Palestinian neighborhoods. Israeli measures of occupation, including closure and curfew, abruptly ended "normal" life for many, including those working and attending school throughout Palestine. Palestinians who have to commute even the shortest distances find themselves stopped by soldiers, checkpoints, and even bullets. A simple walk to the corner grocery for a carton of milk has become a dangerous journey. Because of the closure, many families have lost wages from jobs once held in Israel. Palestinian farmers have had property destroyed as Israeli bulldozers uproot their trees and settlers burn their crops. Poverty has caused many Palestinians to struggle for survival. In these conditions, development of government-funded infrastructure is put on hold. Education, training and community development are given low priority. Refugees living in the West Bank and Gaza Strip and in the Southern Lebanon camps continue to do so in

## The St. Nicholas Charitable Society for the Aged

### Beit Jala Emergency Funds for Supplies

The St. Nicholas Charitable Society for the Aged was founded in 1976 to provide social services, day care, and shelter for elderly people in need. The society is the only home of its kind in the Bethlehem area, a safe place open to elderly men and women who have nowhere else to turn. One of the ways the society supports the elderly of Beit Jala is through its food delivery program. Through this program, more than thirty elderly Palestinians are provided hot meals in their homes on a regular basis. In this way, their basic nutrition and health needs are met.

In 2001, UPA provided a grant to the society for the renovation and repair of the property, which was badly damaged by Israel's shelling of Beit Jala. Renovations included central heating pipes and bathrooms for property facilities.



## Al-Watan Center

### Hebron Rehabilitation Program in Vocational Training for School Dropouts and Uneducated Women

Al-Watan Center was founded in 1988 to provide Hebron area residents with opportunities in civic education, and training in conflict resolution, non-violent strategies and democratic society and mass communication. The center works closely with women and prisoners, focusing on job training and empowerment leading towards gainful employment. Al-Watan also cooperates

with other grassroots movements involved in creative education and community building.

For 2001, UPA awarded a grant to al-Watan Center for its life-changing rehabilitation program. The rehabilitation program provides educational and professional training for school drop-outs and illiterate women. The rehabilitation program's vocational training for women includes coursework in sewing, canning and preserving produce, and cosmetology. Al-Watan is one of the few

**UPA funds local Palestinian organizations as a way to promote both self-sufficiency and community participation.**

Palestinian NGOs addressing the issue of domestic abuse, and offers counseling in conflict resolution for couples. Other courses by al-Watan include courses in computer science, photography and video, radio, television, and electronics repair. Training programs run four to six months in length. Last year, 150 women and men participated in the program, enabling a better life for themselves and their families.

## The Palestinian Prisoner Society

### Beit Jala Program for Children in Trauma

The Palestinian Prisoner Society was established in 1993 to provide both legal and financial support to prisoners and their families. Health, educational services and civil rights defense are addressed by the society. The society is presently focusing its work on meeting the needs of children suffering from psychological problems due to violence. Refugee camp children from the Beit Jala area, and children of political prisoners in particular, are the beneficiaries of the Palestinian Prisoner Society's outstanding programs.

The Program for Children in Trauma assists both children and mothers from Aida and Beit Jibrin Camps, which were repeatedly shelled by Israel over the last

eighteen months. The program treats the psychological aspects of trauma through a three-tiered process of entertainment and participatory theatre. In addition, camp mothers attended a lecture on coping with the psychological damage to children from war. Two social workers from the Union of Social Workers of Bethlehem led a question and answer period following the lecture. Finally, first and second graders from Aida Camp participated in a unique course in drawing as a way to express their feelings about the conflict.

Last year, UPA awarded the Palestinian Prisoner Society a grant for the continuation of this enterprising program.

## The Union of Agricultural Work Committees

### Jerusalem Training for Women Farmers

Established in 1986, the Union of Agricultural Work Committees (UAWC) supports Palestinian farmers in all areas of agricultural development with a focus on utilizing land, maximizing crop production, and protecting crops from Israeli military and settler destruction. UAWC helps small farmers and rural communities become self-sufficient in maintaining their own food sources. UAWC has recently been busy aiding farmers suffering from devastating losses of both property and income. Of particular interest to UAWC is the support of women farmers, since women are responsible for sixty percent of agricultural work in the Occupied Territories. Individual farmers are challenged to meet production costs due to the escalation of violence, a seemingly permanent occupation, and the resulting economic fallout. The price of produce has dropped sharply at market, eroding farmers' income.

UPA's 2001 grant to the UAWC supported the six-month training program begun last year for women farmers. Program participants learned skills in planting and marketing of thyme and sage. Through the training, forty women farmers were able to generate income for themselves and their families while gaining valuable skills in efficient and environmentally friendly crop production. The UAWC and UPA work together to support all Palestinian farmers whose livelihood and safety are



threatened.

## The Association Najdeh

### Beirut Upgrade of Baddawi Vocational Training Centers

The Palestinian refugees in Lebanon face an uncertain future while continuing to endure some of the most difficult conditions in the world. Nearly half of the 382,973 Palestinian refugees in Lebanon live in twelve camps run by UNRWA. Abject poverty, extreme overcrowding, insufficient water and electricity, high unemployment, and severe government restrictions on housing, work, and property ownership all contribute to the refugees' status as "unwelcome guests" in Lebanon. The twenty-year civil war has only heightened their sense of tragedy. Instability and hopelessness contribute to a humanitarian crisis, which UPA and other NGOs work to lessen through community development.

The Association Najdeh, a grassroots organization, was founded in 1977 to provide excellence in educational and vocational training for the refugee women of Lebanon. Najdeh is a leader in its field, achieving remarkable success as most graduates from its programs enter the workforce or move on to advance their education. Disadvantaged women from large families or families suffering from unemployment and under education are given vocational training in technical fields, such as computer programming and administration, as well as in literacy and English as a Second Language. After completing the required coursework and passing a num-



ber of examinations, participants are provided job placement support. More than two hundred graduates of Najdeh's programs found jobs as a result of their training.

In 2001, UPA awarded the Association Najdeh a grant for equipment and educational material for the Baddawi Vocational Training Centers. Last year, seventy-six participants completed courses in office management, hairdressing, sewing, accounting, and computer literacy. Several of Baddawi's training programs were upgraded as well.

### Al-Amal Child Care Society

#### Gaza Strip Guide Mother Project

Al-Amal Child Care Society was founded in 1996 to provide maternal and child health care, as well as health education programs to Khan Younis area residents. The Gaza Strip has one of the highest fertility rates in the world (at an average of 6.5 children per family) along with one of the lowest qualities of life. Adequate health care for new mothers and their children is lacking. Al-Amal's programs in developmental health care for mothers and children, which take place in a series of free seminars and workshops, have made an enormous difference in the Gaza Strip.

In 2001, al-Amal continued its maternal and child health care project, the Guide Mother Project. This project successfully trained twenty-three new mothers in preventive health care. The Guide Mother Project combines mother's and child's health education in courses on childhood disease detection and prevention, physical and mental health, first aid, and family planning. One

unique aspect of the project is a teaching component for mothers. In order to fulfill course requirements, new mothers must go back into their communities and share what they have learned with their peers. Last year, two hundred women aged 18-45 attended workshops at kindergartens throughout Khan Younis. Support for al-Amal in 2001 came from a grant towards the continued important work of the Guide Mother Project.

### The Palestinian Youth Women Society

#### Gaza Strip Emergency Supplies

The Palestinian Youth Women Society was established in Jabalia refugee camp in 1998 to improve the status of young women within their families and communities. The society provides social services and vocational training, including courses on computers, public health, first aid, domestic violence, and democracy. The society also offers graduates job placement support and networks extensively with international and local institutions involved in similar work.

In 2001, UPA supported the Palestinian Youth Women Society with a grant for emergency supplies so that it could continue its excellent work in life-improvement for the young people of Gaza. Last year, literacy courses for eighteen women were offered, as well as tailoring courses for eighty girls, twenty of whom are handicapped. Children benefited from the society's 2001 programs, including a tutoring program for elementary school students and a specialized bookstore.



## Education



Khaled and Hanan are succeeding beautifully at their studies, both having received straight A's for the first semester, and are immensely enjoying life at Roanoke. The following is part of a letter Khaled wrote to UPA staff about the journey to fulfilling his educational dreams:

*"Both Roanoke College and the Hope Foundation have given me the best chance of my life to be able to continue my studies, making a dream come true. My first day at Roanoke College was a great experience: I really found myself at home, and all the people I met—faculty and staff—were so nice and friendly. I'm looking forward to my second year at Roanoke as a double major in Math and Computer Science, and at my job in the Physics Department. I think that my experience in the U.S. has been a great success."*

### The Palestinian Red Crescent Society

#### Gaza Strip Illiteracy and Elderly Educational Program

The Palestinian Red Crescent Society (PRCS) of Gaza has more than thirty years of experience in providing quality health care to Gaza area residents in emergency medicine, neurology, maternity and child care, and health education. The Red Crescent serves its patients primarily on the basis of need. UPA has long supported the Red Crescent of Gaza for its outstanding programs in both health care and education. In 1977, the Red Crescent Society began an Illiteracy and Elderly Education Program in order to provide free educational training to women, the elderly, and youths who suffer from high unemployment. Through coursework at the Red Crescent, Palestinians of all ages take control of their future and learn valuable skills required for success in the job market.

### The Hope Fund Corporation

#### Lexington, VA Scholarships for University Students

The Hope Fund Corporation was established in March 2000 to provide students from the refugee camps of Palestine, Jordan, Lebanon and Syria with scholarships to U.S. colleges and universities. The Hope Fund supports equal numbers of men and women refugees to attain their goals of higher education. The fund awards scholarships to students on the basis of both financial need and academic excellence. Students majoring in technical fields useful for the development of Palestine, such as engineering, teaching and medicine are preferred. In 2001, UPA supported the Hope Fund in its assistance to two high school graduates, Khaled and Hanan, both from Lebanese camps. Awarded four-year tuition scholarships, they began their studies at Roanoke College in Virginia last September.



In 2001 UPA awarded a grant to PRCS Gaza for the expansion of the Illiteracy and Elderly Educational Program. At twenty-six centers throughout Gaza, courses are now provided in Arabic, mathematics, English, and other subjects. A special track is offered for handicapped students. International participants, including some members of the Near East Council of Churches, often lecture and train as part of the program. Most students attend courses for a full three years, at the conclusion of which a certificate is awarded.

### The Zafer Masri Foundation

#### Nablus Educational Mall

The Zafer Masri Foundation was established in 1995 as a non-profit organization promoting both educational and cultural advancements in the Northern West Bank. The foundation focuses on strengthening academic standards in the sciences, humanities and arts. Scholarships are awarded to Nablus area students on the basis of academic excellence as well as economic necessity. The Zafer Masri Foundation's Educational Mall is unique in that it contributes to educational development through academic and artistic programs for all in the Nablus community, regardless of age or background. A school, science lab, computer center and sports complex are all located on the Mall's premises.

In 2001, UPA continued to support the Zafer Masri Foundation in the completion of the Educational Mall. The current crisis has interrupted the progress made before the Intifada, delaying construction on several sections of the Mall. Nevertheless, a number of events were completed successfully and well-attended. Theatre performances, physical education programs, educational workshops, and a seminar for teachers and students from the al-Najah University community took place last year. The computer center is expected to be open in 2003.

### The Good Shepherd School

#### Bethlehem Construction of Media Conference Center

The Good Shepherd School provides education to Bethlehem area students at the kindergarten through secondary levels. Currently, more than four hundred students attend classes in English, computer science, and music at Good Shepherd. Most of the School's graduates go on to college. The Good Shepherd School continues to enable the pursuit of education at a time when schools have been forcibly closed by Israelis and danger and uncertainty have led many parents to remove their children from class.

The conflict with Israel has greatly affected the school and its community, particularly since Bethlehem has been at the center of violence, with many residents suffering from loss of family members, friends, property and livelihood. Special measures were taken to ensure the safety of the community, including the training of staff in first aid and civil defense and the equipping of school facilities with fire and rescue gear. The current situation has meant that many teachers and administrators have not been paid in months. They continue to put themselves in danger when commuting to school because of the soldiers, checkpoints and roadblocks they must pass along the way.

In 2001, UPA awarded the Good Shepherd School a grant for the construction and expansion of school facilities, including a media conference center. Funds also went towards education costs of some of the most needy students at Good Shepherd.

## Scholarships



A history of dispossession, war and political unrest has only fueled the Palestinian desire to achieve better education, whether inside or outside of their country. Unfortunately, the years of war and occupation, combined with a lack of international investment in the country, have had a detrimental effect on the Palestinian educational system as a whole. And the current crisis means that the chances are growing ever slimmer that the average Palestinian will be able to turn his or her dream of higher education into a reality.

Each year UPA helps foster educational fulfillment for hundreds of Palestinian students from the West Bank and Gaza Strip. UPA's Scholarship Program helps students pursue educational dreams by providing financial assistance towards tuition costs. In an effort to ensure support to qualified students through the duration of degree programs, UPA scholarships can be renewed

yearly. The amount of each scholarship totals about one third of the average annual income in Palestine. But their monetary value is far less than their value in opening doors to future opportunity. UPA scholarships make possible the first steps in fulfilling academic and life goals. With the long-term development of the Palestinian nation in mind, the program particularly aims to recruit students in technical fields such as engineering, economics, and education.

In 2001, UPA awarded scholarships to seventy-five students so that they might continue to pursue their educational dreams despite the conflict and chaos of their surroundings. UPA commends this group of young people for their determination and courage to continue their educational pursuits against all odds. The students specialize in various fields, the most popular of which are technical, such as engineering, medicine, pharmacology and economics.

The accompanying chart lists the institutions at which UPA scholarship recipients are enrolled and the number of recipients at each institution:

### 2001 UPA Scholarships

Institution	Number of Students
Al-Quds University	15
Al-Najah University	12
Bethlehem University	12
Birzeit University	12
Al-Quds Open University	5
Hebron University	6
Islamic University of Gaza	7
Al-Azhar University	3
College of Education, Gaza	3

## Family Relief



bursed to the neediest families, and relief is being brought to many impoverished and despondent women, men, and children in the Palestinian Territories.

Family Relief Fund aid goes towards shelter, food, clothing and medicine for sponsored families. Families benefiting from the fund are from Hebron, Beit Jala, Jerusalem and Gaza—all areas badly damaged by Israeli shelling. UPA, together with reputable local welfare organizations, assisted hundreds of cases of homeless families who are victims of the latest violence. For Palestinian families in crisis, UPA's Family Relief Fund enables many of the displaced to move beyond mere survival. UPA plans to expand the program in 2002.



UPA established the Family Relief Fund in August of 2001 to help families in crisis in the West Bank and Gaza Strip. Israel's military and economic occupation results in a climbing death toll and has left hundreds of families without homes or a means of livelihood. Numerous homes and other properties have been bulldozed and shelled; cultivated land has been destroyed. Serious injuries incurred as a result of the conflict have left many family members disabled or bedridden, unable to contribute to the household income. With many Palestinian families having six children or more, taking care of daily needs has become an immense hardship. The violence has also led to severe psychological trauma, particularly in children. Lack of financial support, employment, and medical care and feelings of instability and insecurity damage the lives of so many. For the most needy, there is a lack of the most basic essentials, such as shelter, food and water. Through UPA's Family Relief Fund, contributions have been dis-

## Child Sponsorship



future through loving care and educational skills-building. Sponsors commit to a yearly sum of \$300, to be spent on school supplies, books, medical check-ups, clothes and food that the child needs throughout the academic year.

In addition to financial assistance, the sponsored children benefit greatly from the emotional support that is gained from the relationship with their sponsors. The program facilitates a nurturing bond between sponsor and child built on regular communication through the exchange of letters, photos, and sometimes even gifts and visits. The resulting friendship, often cross-cultural and almost always cross-generational, can last for years. The sponsor is able to become involved in the child's progress since report cards and updates from school social workers and teachers are forwarded to him or her for review. In these ways, the sponsor can better realize how he or she makes a difference in a Palestinian child's life.

UPA's Child Sponsorship Program, founded in 1986, benefits hundreds of impoverished Palestinian children in the West Bank, Gaza Strip and Southern Lebanon. For these children, not only debilitating poverty, but also occupation and violence, threaten their right to an education as well as their lives. Through the Child Sponsorship Program and other such youth programs, Palestinian young people continue to pursue their dreams on the way to building a better future.

For disabled young people, building a better future can be very daunting indeed. Disabled children in Palestine suffer from both lack of suitable rehabilitative educational institutions and societal stigma. The disabled and other minorities all too often face a lack of acceptance. Existing institutions providing for their special needs are costly or at capacity enrollment, so that many children do not have the opportunity to attend. UPA's Sponsorship Program enables Palestinian children to begin building a better

**Our sponsors come from around the world, providing financial aid to children at schools, orphanages and welfare institutions throughout Palestine.**

Interest in the Child Sponsorship Program increased in the last few months of 2001, with both the holiday season and the tragedies at home and abroad contributing to people's charitable sentiments. Our sponsors come from around the world, providing financial aid to children at schools, orphanages and welfare institutions throughout Palestine. Cooperating institutions offer enrichment programs to disadvantaged children. Many orphanages and

schools for the blind, deaf and learning disabled are part of UPA's Child Sponsorship Program.

UPA is proud to be working closely with two institutions in particular, the Hope Secondary School and the Helen Keller School for the Visually Impaired, as part of the Child Sponsorship Program. All Palestinian schools have had an especially challenging year, with occupation and siege severely affecting the lives of both students and staff. Since Israel's crackdown on the Aqsa Intifada began in 2000, challenge awaits those going about their daily life. On the road to school, students and teachers may face danger in the form of Israeli soldiers shooting at demonstrators, detaining people for long periods of time, or blocking the road with their tanks and guns. Closure has sealed villages and towns, forcing schools and universities to shut for days at a time. Several educational institutions have even been occupied, overtaken or shelled by the Israeli military, disrupting Palestinian educational life. The economic situation has deteriorated for educational institutions as well. Many students are forced to take on second and third jobs to help feed their families. Yet somehow many persevere and make even greater sacrifices in order to fulfill their dreams for a better future.

Hope Secondary School in Beit Jala has been a part of our Child Sponsorship Program since 1998. Last year, Hope continued to be a place of safety and learning for Palestinian youth despite the escalation of violence. The siege of Beit Jala meant that the male boarding students were trapped inside the school and that some staff were forced to travel on back roads to come and care for them during times of great danger. At this time, no bread or milk was available for the students. The Israeli checkpoint at the entrance of the school forced students and staff alike to walk (not drive, since cars are prevented from passing) past intimidating soldiers with their rifles, the most potent symbol of occupation. It is very difficult for Hope students, and indeed all students in Palestine, to concentrate on their studies.

Throughout the year, UPA receives regular updates from the schools participating in the Sponsorship Program both about the children's progress and about the difficult conditions that students and staff have had to endure since the escalation of the conflict. As you will

read in a letter from the principal of Hope School below, despite the violence and chaos of their environment, the Hope community continues its work in building a better future through education. Despite checkpoints, danger on the road, and economic loss, this community has not been broken. Palestinian students and staff alike refuse to be defeated, and their determination is their strength during this time of trouble.

Dear Brothers and Sisters,

Greetings from the children and staff of Hope Secondary School. We deeply thank you for your prayers, Christmas cards, and donations to our school, boarding section and ministry.

Your moral support enhances our hope for a better future for the children under our care. Your donations enable us to continue our mission towards educating and caring for underprivileged children.

Despite all the tension going on around us in this land, we continue our work and our mission. The school is open, our boarding boys are happy in school, the day students walk daily to school; they are all willing to study and improve their future.

Solomon Nour

Below is an exchange of letters between a sponsor, Ms. Rosalind Finn from Vermont, and her sponsored child, nine-year-old Asala Abu Fara who attends Dar al-Tifl al-Arabi in Jerusalem. Although Rosalind and Asala have been together for less than a year and are separated by culture, age, physical distance and experience, they are able to connect and share warm feelings.

Thank you for your wonderful postcard. We are doing fine here. I went back to school 3 weeks ago. I enjoy it very much.

The weather is fine. I hope you can come and visit me in Jerusalem. I hope you are in good health.

Send greetings to your family,

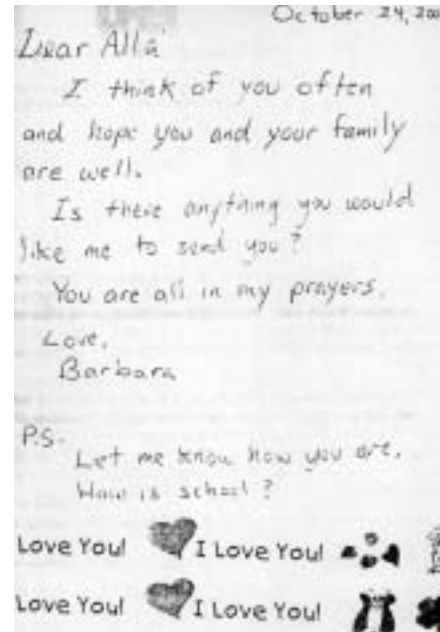
Dear Asala,

Thank you so much for your card. I think your writing is very good indeed!

Do you like school? I liked English language and literature, and history best when I was in school (a long time ago!)

Do you like to read? I have sent you a book, which I hope you will like. It is all about a farm like the one I live on! Take Care.

With Love From, Roz (Rosalind)



# UPA: A Profile

- United Palestinian Appeal was established in 1978 in the State of New York by a group of Palestinian-Americans from the business and professional communities who shared the objective of creating an efficient and professionally managed charity that would assist needy Palestinians.
- In 1980, UPA was granted tax-exempt status under Section 501 (c)(3) of the U.S. Internal Revenue Code. Donations to UPA are tax-deductible in accordance with applicable laws. UPA's federal tax-exemption I.D. number is 11-2494808.
- UPA's offices are located in Washington, DC. It is a non-profit, non-political, tax-exempt American charity, independent of any political affiliation or ideology.
- UPA's goals and objectives are purely humanitarian. Its mission is to alleviate the suffering of Palestinians, particularly those in the West Bank, Gaza Strip and the refugee camps of Lebanon. UPA maintains its independence and integrity by not accepting funds from political groups or from any source that may attach unacceptable conditions to its contributions.
- In 1985, UPA became the first Palestinian-American charity to be registered with the U.S. Agency for International Development (USAID) as a Private and Voluntary Organization (PVO).
- In 1989, UPA became the first Palestinian-American charity accepted by the Combined Federal Campaign (CFC), the national organization allowing for charitable solicitation of federal government employees.
- In 1991, UPA was accepted as a participating member agency by the Independent Charities of America (ICA), a nationwide consortium of approved charities soliciting state, federal and local public employees.
- The year 1998 marked the 20<sup>th</sup> anniversary of UPA.
- Since its establishment, UPA has developed numerous programs to assist Palestinians in the fields of health, education, child services, community development, and emergency relief.
- Each year, UPA implements a variety of fundraising strategies, including direct mail campaigns, individual solicitations, corporate appeals, community outreach, and distribution of hand-made Palestinian artwork and embroidery. When needed, it also conducts emergency campaigns to address urgent humanitarian crises.
- UPA is proud to have contributed over \$8,675,000 towards the development of Palestinian society, and we look forward to strengthening that development in the future.

DALY, HAMAD & ASSOCIATES, P.L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
MEMBERS, AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

BOARD OF TRUSTEES  
UNITED PALESTINIAN APPEAL, INC.  
WASHINGTON, DC

We have audited the accompanying statement of financial position of United Palestinian Appeal, Inc. (UPA) as of December 31, 2001 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of UPA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Palestinian Appeal, Inc. as of December 31, 2001 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Daly, Hamad & Associates, PLLC*  
DALY, HAMAD & ASSOCIATES, P.L.L.C.

April 24, 2002

UNITED PALESTINIAN APPEAL, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2001  
(With Comparative Totals for 2000)

	2001	2000
<u>ASSETS</u>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,337,900	\$ 1,539,604
Long-Term Investments	76,152	9,985
Deposits and Prepaid Expenses	2,383	3,883
Accrued Interest Receivable	4,008	8,860
Handicraft Products Inventory	30,186	21,492
<b>TOTAL CURRENT ASSETS</b>	<u>1,450,629</u>	<u>1,583,824</u>
<b>FIXED ASSETS</b>		
Furniture and Fixtures (Net of Accumulated Depreciation of \$55,010 and \$52,151, Respectively)	8,613	11,472
<b>OTHER ASSET</b>		
Office Condominium (Net of Accumulated Depreciation of \$12,780 and \$6,254, Respectively)	326,582	333,108
<b>TOTAL ASSETS</b>	<u>\$ 1,785,824</u>	<u>\$ 1,928,404</u>
<u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES</b>		
Child Sponsorships Payable	\$ 26,971	\$ 24,508
Scholarships and Grants Payable	7,500	35,300
Accounts Payable and Accrued Expenses	22,965	26,601
<b>TOTAL CURRENT LIABILITIES</b>	<u>57,436</u>	<u>86,409</u>
<b>NET ASSETS</b>		
Unrestricted	1,713,388	1,526,995
Temporarily Restricted	15,000	315,000
<b>TOTAL NET ASSETS</b>	<u>1,728,388</u>	<u>1,841,995</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,785,824</u>	<u>\$ 1,928,404</u>

The accompanying notes are an integral part of these financial statements.

UNITED PALESTINIAN APPEAL, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(With Comparative Totals for 2000)

	2001			2000
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 562,002	\$ 205,934	\$ 767,936	\$ 1,563,067
Investment Income	59,429		59,429	55,893
Rental Income - Net	30,965		30,965	27,750
Net Assets Released from Restrictions				
Restrictions Satisfied by Payments	505,934	(505,934)		
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<u>1,158,330</u>	<u>(300,000)</u>	<u>858,330</u>	<u>1,646,710</u>
<b>EXPENSES</b>				
Program Services				
Health and Welfare	172,248		172,248	266,911
Community Development	407,441		407,441	424,588
Outreach and Public Information	70,256		70,256	67,685
Education and Scholarships	70,542		70,542	71,401
Child Sponsorships	162,971		162,971	136,214
<b>Total Program Services</b>	<u>883,458</u>	<u>-</u>	<u>883,458</u>	<u>966,799</u>
Supporting Services				
Management and General	25,981		25,981	25,408
Fund-raising	62,498		62,498	58,468
<b>Total Supporting Services</b>	<u>88,479</u>	<u>-</u>	<u>88,479</u>	<u>83,876</u>
<b>TOTAL EXPENSES</b>	<u>971,937</u>	<u>-</u>	<u>971,937</u>	<u>1,050,675</u>
<b>CHANGE IN NET ASSETS</b>	186,393	(300,000)	(113,607)	596,035
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,526,995</u>	<u>315,000</u>	<u>1,841,995</u>	<u>1,245,960</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,713,388</u>	<u>\$ 15,000</u>	<u>\$ 1,728,388</u>	<u>\$ 1,841,995</u>

The accompanying notes are an integral part of these financial statements.

UNITED PALESTINIAN APPEAL, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2001  
(With Comparative Totals for 2000)

	Program Services			Supporting Services			Total Expenses	
	Health and Welfare	Community Development	Outreach and Public Information	Education and Scholarships	Child Sponsorship	Management and General	2001	2000
Salaries	\$ 14,538	\$ 13,263	\$ 31,958	\$ 15,476	\$ 16,856	\$ 92,091	\$ 12,214	\$ 23,305
Employee Health Insurance	1,315	1,199	2,890	1,400	1,524	8,328	1,003	2,107
Payroll Taxes	965	880	2,121	1,027	1,118	6,111	810	1,546
Total Salaries and Related Expenses	16,818	15,342	36,969	17,903	19,498	106,530	14,128	26,958
Project Grants	146,845	373,000		43,500	519,845			519,845
Child Sponsorships				133,518		43,500		133,518
Travel	547	499	1,202	583	634	3,465	417	3,959
Occupancy	4,368	3,985	9,602	4,650	5,065	27,670	3,333	3,670
Telephone	671	612	1,474	714	778	4,249	511	564
Postage and Shipping	289	264	636	308	335	1,832	221	17,618
Printing and Publications			16,021			16,021		20,281
Conferences and Meetings	922	840	2,026	981	1,069	5,838	704	776
Office and Miscellaneous	516	471	1,134	549	598	3,268	6,994	432
Professional Fees	912	832		971	1,038	3,773	696	768
Bank Charges and Fees								
Handicraft Products		11,267				11,267		
Total Expenses Before Depreciation	171,888	407,112	69,464	70,159	162,553	881,176	25,706	62,196
Depreciation	360	329	792	383	418	2,282	275	302
TOTAL EXPENSES	\$172,248	\$407,441	\$70,256	\$70,542	\$162,971	\$883,458	\$25,981	\$62,498
							\$88,479	\$971,937
								\$1,050,675

The accompanying notes are an integral part of these financial statements.

UNITED PALESTINIAN APPEAL, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(With Comparative Totals for 2000)

	2001	2000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Contributors	\$ 731,768	\$ 1,553,083
Investment Income Received	64,282	51,007
Rental Income Received	59,708	49,845
	<u>855,758</u>	<u>1,653,935</u>
Project Grants	(550,645)	(398,095)
Child Sponsorships	(131,055)	(116,764)
Salaries and Related Expenses	(133,793)	(136,406)
Student Grants	(40,500)	(47,300)
Occupancy	(34,672)	(39,437)
Printing and Publications	(43,277)	(36,824)
Other Operating Expenses	(18,278)	(19,371)
Postage and Shipping	(18,171)	(18,437)
Handicraft Products	(20,850)	(17,297)
Rental Expenses	(17,685)	(15,841)
Professional Fees	(10,695)	(12,154)
Travel	(7,841)	(546)
<b>NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>	<u>(171,704)</u>	<u>595,443</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Office Condominium		(339,362)
Purchase of Equipment		(5,956)
Payment Received from Tenant for Security Deposit		3,906
(Purchases)/Withdrawals from Short-Term Investments, Net	(30,000)	
<b>NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES</b>	<u>(30,000)</u>	<u>(341,412)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(201,704)</u>	<u>254,031</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>1,539,604</u>	<u>1,285,573</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 1,337,900</u>	<u>\$ 1,539,604</u>

The accompanying notes are an integral part of these financial statements.

UNITED PALESTINIAN APPEAL, INC.  
DECEMBER 31, 2001

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES

United Palestinian Appeal, Inc. (UPA) is supported primarily through donor contributions. Program services provided by UPA include grants and support to various Palestinian organizations involved in the fields of health, education and welfare assistance. Recipients and amounts of the grants are determined annually by the Board of Trustees or expended in accordance with donor specified restrictions. Other program services include:

**Child Sponsorship** - Handicapped, orphaned or extremely deprived children receive a monthly stipend, currently set at \$25. Child sponsorship contributions are restricted and sponsored children receive one-hundred percent (100%) of funds contributed by their sponsors.

**Scholarship Program** - Financial assistance is provided to needy Palestinian students who are living in, or intend to return to Palestine.

**Handicrafts** - UPA has a gift offering program whereby various embroidered artwork and handicrafts are offered to donors in exchange for specified donation amounts. The proceeds go to Palestinian women in refugee camps who make the craftworks and are used to support other program services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The financial statements of United Palestinian Appeal, Inc. (UPA) have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

**Basis of Presentation** - The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**Cash and Cash Equivalents** - UPA considers all deposits with banks with original maturities of six months or less to be cash equivalents.

**Handicraft Products Inventory** - Inventory is stated at the lower of cost or market determined by the first-in, first-out method.

**Fixed Assets** - Furniture and equipment are recorded at cost and are depreciated using the straight-line method over their estimated useful lives.

UNITED PALESTINIAN APPEAL, INC.  
DECEMBER 31, 2001

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Income Tax Status** - UPA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

**Restricted and Unrestricted Revenue and Support** - Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction applies (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**Comparative Financial Information** - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2000, from which the summarized information was derived.

**Expense Allocation** - The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NOTE 3 - CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$1,033,850 are included in cash in the accompanying financial statements. The certificates bear interest ranging from 1.8% to 3.58% and have maturities ranging from three to six months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

**UNITED PALESTINIAN APPEAL, INC.  
DECEMBER 31, 2001**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

Specific Grant Projects	<u>\$15,000</u>
-------------------------	-----------------

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Education and Community Development Projects	\$364,416
Child Sponsorships	133,518
Student Grants	<u>8,000</u>
<b>Total Restrictions Released</b>	<b><u>\$505,934</u></b>

**NOTE 5 - COMMITMENTS**

During 2000, UPA entered into a two year lease agreement on its office space for a lease term commencing on June 15, 2000. The lease provides for a monthly base rent of \$2,383, plus reimbursements for common area maintenance and real estate taxes. The future minimum rental commitment under this office lease is \$16,681.

**NOTE 6 - OFFICE CONDOMINIUM**

On January 10, 2000, UPA purchased an office condominium in Washington, D.C. for approximately \$340,000. UPA is renting the condominium until the existing tenant's lease expires in 2002. Upon the expiration of this lease, the office condominium will become UPA's headquarters.

Rental income and expenses for the years ended December 31, 2001 and 2000 are summarized as follows:

	<u>2001</u>	<u>2000</u>
Rental Income	\$55,176	\$49,845
Condominium Fees	(13,116)	(12,413)
Real Estate Taxes	( 4,569)	( 3,428)
Depreciation Expense	( 6,526)	( 6,254)
<b>Net Rental Income</b>	<b><u>\$30,965</u></b>	<b><u>\$27,750</u></b>

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