

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

2012

Open to Public
InspectionDepartment of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2012 calendar year, or tax year beginning , 2012, and ending																											
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%; vertical-align: top;"> C HOLY LAND CHRISTIAN ECUMENICAL FOUNDATION, INC. P.O. BOX 6687 SILVER SPRING, MD 20906 </td> <td style="width:40%; vertical-align: top;"> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>D Employer Identification Number</td> <td>52-2175622</td> </tr> <tr> <td>E Telephone number</td> <td>301-951-9400</td> </tr> <tr> <td>G Gross receipts \$</td> <td>1,464,100.</td> </tr> </table> </td> </tr> <tr> <td colspan="2"> F Name and address of principal officer: RATEB Y. RABIE SAME AS C ABOVE </td> </tr> <tr> <td colspan="2"> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>H(a) Is this a group return for affiliates?</td> <td><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td>H(b) Are all affiliates included? If 'No,' attach a list. (See instructions)</td> <td><input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td>H(c) Group exemption number ▶</td> <td></td> </tr> </table> </td> </tr> <tr> <td colspan="2"> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>I Tax-exempt status</td> <td><input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527</td> </tr> <tr> <td>J Website: ▶</td> <td>WWW.HCEF.ORG</td> </tr> <tr> <td>K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶</td> <td>L Year of Formation: 1999 M State of legal domicile: MD</td> </tr> </table> </td> </tr> </table>	C HOLY LAND CHRISTIAN ECUMENICAL FOUNDATION, INC. P.O. BOX 6687 SILVER SPRING, MD 20906	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>D Employer Identification Number</td> <td>52-2175622</td> </tr> <tr> <td>E Telephone number</td> <td>301-951-9400</td> </tr> <tr> <td>G Gross receipts \$</td> <td>1,464,100.</td> </tr> </table>	D Employer Identification Number	52-2175622	E Telephone number	301-951-9400	G Gross receipts \$	1,464,100.	F Name and address of principal officer: RATEB Y. RABIE SAME AS C ABOVE		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>H(a) Is this a group return for affiliates?</td> <td><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td>H(b) Are all affiliates included? If 'No,' attach a list. (See instructions)</td> <td><input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td>H(c) Group exemption number ▶</td> <td></td> </tr> </table>		H(a) Is this a group return for affiliates?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H(b) Are all affiliates included? If 'No,' attach a list. (See instructions)	<input type="checkbox"/> Yes <input type="checkbox"/> No	H(c) Group exemption number ▶		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>I Tax-exempt status</td> <td><input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527</td> </tr> <tr> <td>J Website: ▶</td> <td>WWW.HCEF.ORG</td> </tr> <tr> <td>K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶</td> <td>L Year of Formation: 1999 M State of legal domicile: MD</td> </tr> </table>		I Tax-exempt status	<input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	J Website: ▶	WWW.HCEF.ORG	K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	L Year of Formation: 1999 M State of legal domicile: MD
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Part I Summary			
Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>TO PROMOTE AND PROVIDE CHRISTIAN EDUCATION AND WELFARE IN THE HOLY LAND.</u>	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3	Number of voting members of the governing body (Part VI, line 1a)	9
	4	Number of independent voting members of the governing body (Part VI, line 1b)	7
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	7
	6	Total number of volunteers (estimate if necessary)	30
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.
Revenue	7b	Net unrelated business taxable income from Form 990-T, line 34	0.
	8	Contributions and grants (Part VIII, line 1h)	1,606,979.
	9	Program service revenue (Part VIII, line 2g)	1,362,757.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	772.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	37,694.
	12	Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,645,445.
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	85,314.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	20,000.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	559,903.
	Expenses	16a	Professional fundraising fees (Part IX, column (A), line 11e)
16b		Total fundraising expenses (Part IX, column (D), line 25) ▶	47,961.
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	968,443.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,613,660.
19		Revenue less expenses. Subtract line 18 from line 12	31,785.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	531,976.
	21	Total liabilities (Part X, line 26)	345,720.
	22	Net assets or fund balances. Subtract line 21 from line 20	186,256.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date			
	RATEB Y. RABIE Type or print name and title.	PRESIDENT			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	DOUGLAS P. ARKIN		5/30/2013		P00579014
	Firm's name	Firm's EIN ▶ 521544293			
	Firm's address	Phone no. (301) 340-1550			

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

BAA For Paperwork Reduction Act Notice, see the separate instructions.

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III. ☒

1 Briefly describe the organization's mission:

TO PROMOTE AND PROVIDE CHRISTIAN EDUCATION AND WELFARE IN THE HOLY LAND.2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 465,827. including grants of \$) (Revenue \$)JOBS CREATION: PROGRAMS CONDUCTED BY HCEF UNDER THIS CATEGORY INCLUDE THE HOUSING REHABILITATION PROGRAM, HOUSING REHABILITATION LOANS, AND THE HOLY LAND GIFT PROGRAM.4b (Code:) (Expenses \$ 302,940. including grants of \$) (Revenue \$)KNOW THY HERITAGE: HCEF'S "KNOW THY HERITAGE" IS AN ANNUAL LEADERSHIP PROGRAM DEVELOPED TO PRESERVE THE ARAB PALESTINIAN HERITAGE, TO CONNECT YOUTH OF PALESTINIAN ANCESTRY, WHO LIVE IN THE UNITED STATES AND ELSEWHERE, WITH THEIR ROOTS IN PALESTINE, AND HIGHLIGHT PALESTINE AS PART OF THE HOLY LAND.4c (Code:) (Expenses \$ 251,552. including grants of \$) (Revenue \$)RELIGIOUS TOURISM: HCEF CONDUCTS AND PROMOTES PILGRIMAGES IN ORDER TO BRING CHRISTIANS TO THE HOLY LAND. AS PART OF THEIR MISSION, HCEF BRINGS AMERICAN CHRISTIANS TOGETHER WITH THE HOLY LAND CHRISTIAN COMMUNITY IN HOPES OF FOSTERING A NEW RELATIONSHIP AND TO FOLLOW IN THE STEPS OF JESUS. THESE PILGRIMAGES ARE INTENDED TO BE SPIRITUAL IN NATURE WITH AN EMPHASIS ON VISITING WITH THE LIVING STONES, SEEING THE HOLY LAND AND SUPPORTING THE LOCAL CHRISTIAN COMMUNITY. PILGRIMS STAY AT THE HCEF INN IN BETHLEHEM.

4d Other program services. (Describe in Schedule O.)

SEE SCHEDULE O

(Expenses \$ 362,932. including grants of \$ 20,000.) (Revenue \$)4e Total program service expenses 1,383,251.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 Section 501(c)(3) organizations Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI	X	
b Did the organization report an amount for investments — other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII		X
c Did the organization report an amount for investments — program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part X	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI, and XII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?	X	
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If 'Yes,' complete Schedule F, Parts I and IV	X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Parts II and IV	X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20a Did the organization operate one or more hospital facilities? If 'Yes,' complete Schedule H		X
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II.		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If 'Yes,' complete Schedule I, Parts I and III.		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If 'Yes,' complete Schedule J.		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25.		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I.		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I.		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If 'Yes,' complete Schedule L, Part II.		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If 'Yes,' complete Schedule L, Part III.		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV.		X
b A family member of a current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV.		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If 'Yes,' complete Schedule L, Part IV.	X	
29 Did the organization receive more than \$25,000 in non-cash contributions? If 'Yes,' complete Schedule M.		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If 'Yes,' complete Schedule M.		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If 'Yes,' complete Schedule N, Part I.		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If 'Yes,' complete Schedule N, Part II.		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Schedule R, Part I.		X
34 Was the organization related to any tax-exempt or taxable entity? If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1.		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Schedule R, Part V, line 2.		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If 'Yes,' complete Schedule R, Part V, line 2.		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If 'Yes,' complete Schedule R, Part VI.		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

BAA

Form 990 (2012)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V. ☐

	Yes	No
1 a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 1 a 0		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 1 b 0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? 1 c		
2 a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 2 a 7		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)	X	
3 a Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O.		
4 a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	X	
b If 'Yes,' enter the name of the foreign country: PALESTINIAN TER. See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5 a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?		
6 a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7 Organizations that may receive deductible contributions under section 170(c).		
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
b If 'Yes,' did the organization notify the donor of the value of the goods or services provided?	X	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d If 'Yes,' indicate the number of Forms 8282 filed during the year. 7 d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9 Sponsoring organizations maintaining donor advised funds.		
a Did the organization make any taxable distributions under section 4966?		
b Did the organization make a distribution to a donor, donor advisor, or related person?		
10 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on Part VIII, line 12. 10 a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. 10 b		
11 Section 501(c)(12) organizations. Enter:		
a Gross income from members or shareholders. 11 a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.). 11 b		
12 a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. 12 b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.		
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. 13 b		
c Enter the amount of reserves on hand. 13 c		
14 a Did the organization receive any payments for indoor tanning services during the tax year?		X
b If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O.		

Part VI Governance, Management and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.Check if Schedule O contains a response to any question in this Part VI ☒**Section A. Governing Body and Management**

	Yes	No
1 a Enter the number of voting members of the governing body at the end of the tax year 1 a 9		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
b Enter the number of voting members included in line 1a, above, who are independent 1 b 7		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees to a management company or other person?		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6 Did the organization have members or stockholders?		X
7 a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or other persons other than the governing body?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?		X
9 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O. SEE SCHEDULE O	X	

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10 a Did the organization have local chapters, branches, or affiliates?		X
b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11 a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O		
12 a Did the organization have a written conflict of interest policy? If 'No,' go to line 13.	X	
b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done. SEE SCHEDULE O	X	
13 Did the organization have a written whistleblower policy?	X	
14 Did the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official. SEE SCHEDULE O	X	
b Other officers of key employees of the organization.		X
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► NONE

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☒ Own website ☒ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. SEE SCHEDULE O

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:

► CORPORATION 6935 WISCONSIN AVENUE #214 BETHESDA MD 20815 301-951-9400

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII. ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1 a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) RATEB Y. RABIE PRESIDENT	40 0	X		X				141,501.	0.	0.
(2) RULA DABABNEH TREASURER	1 0	X		X				0.	0.	0.
(3) DONALD A. KRUSE DIRECTOR	1 0	X						0.	0.	0.
(4) DR. HUGH DEMPSEY VICE PRESIDENT	1 0	X		X				59,033.	0.	0.
(5) CHRISTINE HILL HOBBI DIRECTOR	1 0	X						0.	0.	0.
(6) REV WILLIAM J. TURNER, DIRECTOR	1 0	X						0.	0.	0.
(7) REV W. RONALD JAMESON DIRECTOR	1 0	X						0.	0.	0.
(8) SALIBA SARSAR, PH.D. SECRETARY	1 0	X		X				0.	0.	0.
(9) DR. HANNA HANANIA DIRECTOR	1 0	X						0.	0.	0.
(10)										
(11)										
(12)										
(13)										
(14)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) -----										
(16) -----										
(17) -----										
(18) -----										
(19) -----										
(20) -----										
(21) -----										
(22) -----										
(23) -----										
(24) -----										
(25) -----										
1 b Sub-total								200,534.	0.	0.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								200,534.	0.	0.
2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 1										

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If 'Yes,' complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If 'Yes' complete Schedule J for such individual		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If 'Yes,' complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶ 0

Part VIII Statement of RevenueCheck if Schedule O contains a response to any question in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1 a Federated campaigns	1 a				
	b Membership dues	1 b				
	c Fundraising events	1 c				
	d Related organizations	1 d				
	e Government grants (contributions)	1 e				
	f All other contributions, gifts, grants, and similar amounts not included above	1 f 1,362,757.				
	g Noncash contributions included in lns 1a-1f: \$					
	h Total. Add lines 1a-1f		1,362,757.			
	2 a	Business Code				
	b					
c						
d						
e						
f All other program service revenue						
g Total. Add lines 2a-2f						
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		957.			957.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real (ii) Personal				
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b Less: direct expenses	b				
	c Net income or (loss) from fundraising events					
	9 a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
	10 a Gross sales of inventory, less returns and allowances	a 100,386.				
	b Less: cost of goods sold	b 49,226.				
	c Net income or (loss) from sales of inventory		51,160.	51,160.		
Miscellaneous Revenue		Business Code				
11 a MISC INCOME						
b						
c						
d All other revenue						
e Total. Add lines 11a-11d						
12 Total revenue. See instructions		1,414,874.	51,160.	0.	957.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	20,000.	20,000.		
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.	141,501.	113,201.	14,150.	14,150.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0.	0.	0.	0.
7 Other salaries and wages.	404,268.	387,542.	13,212.	3,514.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions).				
9 Other employee benefits.	35,584.	31,143.	2,699.	1,742.
10 Payroll taxes.	29,448.	25,778.	2,230.	1,440.
11 Fees for services (non-employees):				
a Management.				
b Legal.				
c Accounting.	28,780.	25,194.	2,179.	1,407.
d Lobbying.				
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees.				
g Other. (If line 11g amt exceeds 10% of line 25, column (A) amt, list line 11g expenses on Sch O).	14,820.	14,654.	101.	65.
12 Advertising and promotion.				
13 Office expenses.				
14 Information technology.				
15 Royalties.				
16 Occupancy.	53,756.	47,483.	3,812.	2,461.
17 Travel.	161,176.	154,226.	3,880.	3,070.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.	16,572.	15,397.	414.	761.
20 Interest.				
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	58,878.	52,772.	5,923.	183.
23 Insurance.				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O).				
a <u>PROGRAM DIRECT COSTS</u>	421,279.	405,556.	15,723.	
b <u>OTHER COSTS</u>	45,195.	38,354.	677.	6,164.
c <u>TELEPHONE</u>	25,158.	23,480.	1,020.	658.
d <u>SUPPLIES</u>	23,563.	22,033.	930.	600.
e All other expenses.	20,542.	6,438.	2,358.	11,746.
25 Total functional expenses. Add lines 1 through 24e.	1,500,520.	1,383,251.	69,308.	47,961.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance SheetCheck if Schedule O contains a response to any question in this Part X. ☐

		(A) Beginning of year		(B) End of year
ASSETS	1 Cash — non-interest-bearing	174,496.	1	137,590.
	2 Savings and temporary cash investments	3,371.	2	3,606.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	52,234.	7	69,614.
	8 Inventories for sale or use	52,257.	8	65,823.
	9 Prepaid expenses and deferred charges	10,642.	9	22,416.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 331,725.		
	b Less: accumulated depreciation	10b 160,997.	198,085.	10c 170,728.
	11 Investments — publicly traded securities	33,071.	11	81,022.
	12 Investments — other securities. See Part IV, line 11.		12	4,403.
	13 Investments — program-related. See Part IV, line 11.		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11.	7,820.	15	7,820.
16 Total assets. Add lines 1 through 15 (must equal line 34).	531,976.	16	563,022.	
LIABILITIES	17 Accounts payable and accrued expenses	158,137.	17	159,088.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D.		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D.	187,583.	25	297,532.
	26 Total liabilities. Add lines 17 through 25.	345,720.	26	456,620.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	22,679.	27	-1,624.
	28 Temporarily restricted net assets	163,577.	28	108,026.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	186,256.	33	106,402.
	34 Total liabilities and net assets/fund balances	531,976.	34	563,022.

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Form 990 (2012)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,414,874.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,500,520.
3	Revenue less expenses. Subtract line 2 from line 1	3	-85,646.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	186,256.
5	Net unrealized gains (losses) on investments	5	5,792.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	106,402.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII ☐

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.		
2 a Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2 a	X
b Were the organization's financial statements audited by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2 b	X
c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2 c	X
3 a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3 a	X
b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3 b	

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Form 990 (2012)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization HOLY LAND CHRISTIAN ECUMENICAL FOUNDATION, INC.	Employer identification number 52-2175622
--	---

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i).**
 - 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
 - 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
 - 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
 - 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
 - 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
 - 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
 - 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
 - 9 ☐ An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
 - 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
 - 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III – Functionally integrated d ☐ Type III – Non-functionally integrated
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box. ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11 g (i)		
11 g (ii)		
11 g (iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in column (i) listed in your governing document?		(v) Did you notify the organization in column (i) of your support?		(vi) Is the organization in column (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2012

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)	1,650,303.	1,084,424.	1,145,713.	1,606,979.	1,363,493.	6,850,912.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0.
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						0.
4 Total. Add lines 1 through 3. ...	1,650,303.	1,084,424.	1,145,713.	1,606,979.	1,363,493.	6,850,912.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) ..						0.
6 Public support. Subtract line 5 from line 4.						6,850,912.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4.	1,650,303.	1,084,424.	1,145,713.	1,606,979.	1,363,493.	6,850,912.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources.	5,866.	20,513.	844.	772.	917.	28,912.
9 Net income from unrelated business activities, whether or not the business is regularly carried on.						0.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						0.
11 Total support. Add lines 7 through 10.						6,879,824.
12 Gross receipts from related activities, etc (see instructions)					12	0.

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here.** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)).	14	99.58 %
15 Public support percentage from 2011 Schedule A, Part II, line 14.	15	99.53 %

16a **33-1/3% support test – 2012.** If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization. ▶ ☒

b **33-1/3% support test – 2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization. ▶ ☐

17a **10%-facts-and-circumstances test – 2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ ☐

b **10%-facts-and-circumstances test – 2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. ▶ ☐

BAA

Schedule A (Form 990 or 990-EZ) 2012

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lns 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15.	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)).	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17.	18	%
19a 33-1/3% support tests – 2012. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
b 33-1/3% support tests – 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ▶ <input type="checkbox"/>		

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► Attach to Form 990, Form 990-EZ, or Form 990-PF

OMB No. 1545-0047

2012

Name of the organization **HOLY LAND CHRISTIAN ECUMENICAL
FOUNDATION, INC.**

Employer identification number
52-2175622

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- ☒ 501(c)(3) (enter number) organization
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
☐ 527 political organization

Form 990-PF

- ☐ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules

- ☒ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$ _____

Caution: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990EZ,
or 990-PF.

Schedule **B** (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization

Employer identification number

HOLY LAND CHRISTIAN ECUMENICAL

52-2175622

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	MOLEY FAMILY FOUNDATION P.O. BOX 4316 CARMEL, CA 93921	\$ 350,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	CCC GROUP S.A.L PO BOX 11-2254 BEIRUT, BEIRUT PO BOX 11-2254 LEBANON	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	KNIGHTS OF COLUMBUS PO BOX 4433 SILVER SPRING, MD 20914-4433	\$ 41,085.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

HOLY LAND CHRISTIAN ECUMENICAL

Employer identification number

52-2175622

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	N/A		
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

BAA

Name of organization

HOLY LAND CHRISTIAN ECUMENICAL

Employer identification number

52-2175622

Part III**Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8) or (10) organizations that total more than \$1,000 for the year.** Complete columns (a) through (e) and the following line entry.For organizations completing Part III, enter total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ \$

Use duplicate copies of Part III if additional space is needed.

N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

BAA

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

HOLY LAND CHRISTIAN ECUMENICAL
FOUNDATION, INC.

Supplemental Financial Statements

► Complete if the organization answered 'Yes,' to Form 990,
Part IV, lines 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

2012

**Open to Public
Inspection**

Employer identification number

52-2175622

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year.....		
2 Aggregate contributions to (during year).....		
3 Aggregate grants from (during year).....		
4 Aggregate value at end of year.....		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?..... ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?..... ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

- ☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements.....	2 a
b Total acreage restricted by conservation easements.....	2 b
c Number of conservation easements on a certified historic structure included in (a).....	2 c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register.....	2 d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?..... ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?..... ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

- (i) Revenues included in Form 990, Part VIII, line 1..... ► \$
(ii) Assets included in Form 990, Part X..... ► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

- a Revenues included in Form 990, Part VIII, line 1..... ► \$
b Assets included in Form 990, Part X..... ► \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibitiond ☐ Loan or exchange programsb ☐ Scholarly researche ☐ Other _____c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance.....	1 c
d Additions during the year.....	1 d
e Distributions during the year.....	1 e
f Ending balance.....	1 f

2 a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII. ☐ Yes ☐ No

Part V Endowment Funds. Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current	(b) Prior year	(c) Two years	(d) Three years	(e) Four years
1 a Beginning of year balance.....					
b Contributions.....					
c Net investment earnings, gains, and losses.....					
d Grants or scholarships.....					
e Other expenditures for facilities and programs.....					
f Administrative expenses.....					
g End of year balance.....					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____ %

b Permanent endowment ▶ _____ %

c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations.....

(ii) related organizations.....

	Yes	No
3a(i)		
3a(ii)		
3b		

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?.....

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land.....				
b Buildings.....				
c Leasehold improvements.....				
d Equipment.....		331,725.	160,997.	170,728.
e Other.....				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶				170,728.

BAA

Schedule D (Form 990) 2012

Part VII Investments – Other Securities. See Form 990, Part X, line 12. N/A

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, column (B) line 12.)		

Part VIII Investments – Program Related. See Form 990, Part X, line 13. N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15. N/A

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B), line 15.)	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) BANK NOTE PAYABLE	272,977.
(3) PILGRIMAGE DEPOSITS	24,555.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.)	297,532.

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. SEE PART XIII. ☒

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements		1	1,469,892.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2 a	5,792.	
b	Donated services and use of facilities	2 b		
c	Recoveries of prior year grants	2 c		
d	Other (Describe in Part XIII.) SEE PART XIII	2 d	49,226.	
e	Add lines 2a through 2d		2 e	55,018.
3	Subtract line 2e from line 1		3	1,414,874.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4 a		
b	Other (Describe in Part XIII.)	4 b		
c	Add lines 4a and 4b		4 c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	1,414,874.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements		1	1,549,746.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2 a		
b	Prior year adjustments	2 b		
c	Other losses	2 c		
d	Other (Describe in Part XIII.) SEE PART XIII	2 d	49,226.	
e	Add lines 2a through 2d		2 e	49,226.
3	Subtract line 2e from line 1		3	1,500,520.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4 a		
b	Other (Describe in Part XIII.)	4 b		
c	Add lines 4a and 4b		4 c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	1,500,520.

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X - FIN 48 FOOTNOTE

IN GENERAL, WHEN TAX RETURNS ARE FILED, IT IS HIGHLY CERTAIN THAT SOME POSITIONS TAKEN WOULD BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, WHILE OTHERS ARE SUBJECT TO UNCERTAINTY ABOUT THE MERITS OF THE POSITION TAKEN OR THE AMOUNT OF THE POSITION THAT WOULD BE ULTIMATELY SUSTAINED. THE BENEFIT OF A TAX POSITION IS RECOGNIZED IN THE FINANCIAL STATEMENTS IN THE PERIOD DURING WHICH, BASED ON ALL AVAILABLE EVIDENCE, MANAGEMENT BELIEVES IT IS MORE LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINED UPON EXAMINATION, INCLUDING THE RESOLUTION OF APPEALS OR

BAA

Schedule D (Form 990) 2012

Part XIII Supplemental Information (continued)**PART X - FIN 48 FOOTNOTE (CONTINUED)**

LITIGATION PROCESSES, IF ANY. TAX POSITIONS TAKEN ARE NOT OFFSET OR AGGREGATED WITH OTHER POSITIONS. TAX POSITIONS THAT MEET THE MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD ARE MEASURED AS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS MORE THAN 50 PERCENT LIKELY OF BEING REALIZED UPON SETTLEMENT WITH THE APPLICABLE TAXING AUTHORITY. THE PORTION OF THE BENEFITS ASSOCIATED WITH TAX POSITIONS TAKEN THAT EXCEEDS THE AMOUNT MEASURED AS DESCRIBED ABOVE IS REFLECTED AS A LIABILITY FOR UNRECOGNIZED TAX BENEFITS IN THE ACCOMPANYING BALANCE SHEETS, ALONG WITH ANY ASSOCIATED INTEREST AND PENALTIES THAT WOULD BE PAYABLE TO THE TAXING AUTHORITIES UPON EXAMINATION. THE FOUNDATION HAS DETERMINED THAT NO SUCH LIABILITIES WERE REQUIRED AT DECEMBER 31, 2012.

2012

SCHEDULE D, PART XIII - SUPPLEMENTAL INFORMATION PAGE 4

CLIENT 216

HOLY LAND CHRISTIAN ECUMENICAL
FOUNDATION, INC.

52-2175622

**SCHEDULE D, PART XI, LINE 2D
OTHER REVENUE INCLUDED IN F/S BUT NOT INCLUDED ON FORM 990**

COGS REPORTED ON 990 IN REVENUE TOTALS	\$	49,226.
TOTAL	\$	<u>49,226.</u>

**SCHEDULE D, PART XII, LINE 2D
OTHER EXPENSES AND LOSSES PER AUDITED F/S**

COGS REPORTED ON 990 IN REVENUE TOTALS	\$	49,226.
TOTAL	\$	<u>49,226.</u>

Schedule F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

- Complete if the organization answered 'Yes' to Form 990, Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

Employer identification number

HOLY LAND CHRISTIAN ECUMENICAL

52-2175622

Part I **General Information on Activities Outside the United States.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 14b.

- 1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ... ☒ **Yes** ☐ **No**
- 2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States. **PART V**
- 3 **Activities per Region.** (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1)				SERVICES CONSIST OF	
(2) PALESTINIAN TERRITORY	1	13	PROGRAM SERVICES, GRANTS TO RECIPIENTS	ALL PROGRAMS LISTED UNDER 990 PART III	720,774.
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3 a Sub-total	1	13			720,774.
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b) ..	1	13			720,774.

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2012

Part II Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered 'Yes' to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)			PALESTINE	EDUCATIO N	20,000.	ELECTRONI C			
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter

3 Enter total number of other organizations or entities

1
0

Part III Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered 'Yes' to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

BAA

Part IV Foreign Forms

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If 'Yes,' the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* ☐ Yes ☒ No
- 2 Did the organization have an interest in a foreign trust during the tax year? *If 'Yes,' the organization may be required to file Form 3520, Annual Return To Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* ☐ Yes ☒ No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If 'Yes,' the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)* ☒ Yes ☐ No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If 'Yes,' the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* ☐ Yes ☒ No
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If 'Yes,' the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)* ☐ Yes ☒ No
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If 'Yes,' the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)* ☐ Yes ☒ No

Part V Supplemental Information

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

PART I, LINE 2 - GRANTMAKERS EXPLANATION FOR MONITORING USE OF FUNDS OUTSIDE US

THE ORGANIZATION MAINTAINS AN OFFICE IN THE CITY OF BETHLEHEM, PALESTINIAN TERRITORY, WHICH EMPLOYEES SEVERAL PEOPLE WHO HANDLE THE MANAGEMENT, ACCOUNTING AND OPERATIONS OF THE ACTIVITIES. THE BETHLEHEM OFFICE MAINTAINS ITS OWN SEPARATE ACCOUNTING SYSTEM WHICH IS INDEPENDENTLY AUDITED AS PART OF THE CONSOLIDATED OPERATIONS OF THE FOUNDATION.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization **HOLY LAND CHRISTIAN ECUMENICAL FOUNDATION, INC.**

Employer identification number
52-2175622

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).
Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered 'Yes' on Form 990-EZ, Page V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total						▶ \$						

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of Assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2012

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

HOLY LAND CHRISTIAN ECUMENICAL
FOUNDATION, INC.

Employer identification number

52-2175622

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES DESCRIPTION

EDUCATION: HCEF'S EDUCATION PROGRAM ENCOMPASSES THE CHILD SPONSORSHIP PROGRAM (CSP)
AND CHILDREN PEACE PROJECT. CSP LINKS SPONSOR IN AMERICA WITH A STUDENT IN THE HOLY
LAND. SPONSORSHIPS FOSTER UNITY IN CHRIST AMONG ARAB AND AMERICAN CHRISTIANS AND
HELP HOLY LAND CHRISTIAN SCHOOLS CONTINUE TO PROVIDE QUALITY CHRISTIAN EDUCATION.

CHRISTIAN SUPPORT NETWORK: HCEF CONDUCTS SYMPOSIUMS, CONFERENCES AND MEETINGS TO
EDUCATE AMERICANS AND RAISE AWARENESS ABOUT THE PLIGHT OF CHRISTIANS IN THE HOLY
LAND. THE FOUNDATION MAINTAINS A WEB SITE, PUBLISHES NEWSLETTERS, PROVIDES NEWS
RELEASES AND DISTRIBUTES DAILY E-MAIL NEWS SUMMARIES TO EXPAND THE INSIGHT OF
INTERESTED AMERICANS.

OTHER PROGRAMS: INCLUDED IN OTHER PROGRAMS ARE THE FOLLOWING: JOURNEY TO BETHLEHEM,
MESSAGE FOR PEACE, CHRISTIAN SOLIDARITY AND SOCIAL RESPONSIBILITY, DEVELOPMENT AND
PARTNERSHIP PROGRAM, AND THE BIRZEIT SENIOR CITIZEN CENTER.

FORM 990, PART VI, LINE 9 - OFFICER, DIRECTOR, TRUSTEE, KEY EMPLOYEE MAILING ADDRESS

DONALD KRUSE, PRESIDENT EMERITUS

114 BREWSTER LANE

LAGRANGE PARK, IL 60526

REV W. RONALD JAMESON

1725 RHODE ISLAND AVE NW

WASHINGTON, DC 20036

SALIBA SARSAR, PH.D

Name of the organization HOLY LAND CHRISTIAN ECUMENICAL
FOUNDATION, INC.Employer identification number
52-2175622**FORM 990, PART VI, LINE 9 - OFFICER, DIRECTOR, TRUSTEE, KEY EMPLOYEE MAILING ADDRESS (CONTINUED)**

5 PILGRIM AVE

TINTON FALLS, NJ 07753

DR. HANNA HANANIA

7952 ALMEDA CT

LORTON, VA 22079

DR. HUGH DEMPSEY

4201 CATHEDRAL AVE, NW

WASHINGTON, DC 20016

CHRISTINE HILL

14928 N. 107TH WAY

SCOTTSDALE, AZ 85255

RULA DABABNEH

655 W. IRVING PARK ROAD

CHICAGO, IL 60613

REV WILLIAM J TURNER

ST. MARY PARISH OF CHELSEA

14200 E. OLD US HIGHWAY 12

CHELSEA, MI 48118

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

THE TREASURER OF THE BOARD OF DIRECTORS AND THE PRESIDENT OF THE FOUNDATION REVIEW

THE 990 TOGETHER WITH THE PREPARER PRIOR TO FINALIZING RETURN.

Name of the organization HOLY LAND CHRISTIAN ECUMENICAL
FOUNDATION, INC.

Employer identification number
52-2175622

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS

THE BOARD ANNUALLY REVIEWS THE CONFLICT OF INTEREST POLICY WITH EACH MEMBER TO
DETERMINE IF THERE ARE ANY POSSIBLE CONFLICTS THAT NEED TO BE ADDRESSED.

FORM 990, PART VI, LINE 15A - COMPENSATION REVIEW & APPROVAL PROCESS - CEO, TOP MANAGEMENT

ANNUALLY, THE BOARD OF DIRECTORS REVIEWS AND APPROVES THE SALARY OF THE
PRESIDENT/CEO FOR THE UPCOMING YEAR.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

THE FOUNDATION HAS THE 990 AVAILABLE ON ITS OWN WEB SITE AS WELL AS THROUGH OTHER
WEB SITES THAT ROUTINELY COLLECT SUCH DATA. THE ORGANIZATION MAKES THE FORM 1023
AVAILABLE UPON REQUEST. THE ORGANIZATION'S CONFLICT OF INTEREST POLICY IS AVAILABLE
UPON REQUEST. THE FINANCIAL AUDIT OF THE ORGANIZATION IS AVAILABLE UPON REQUEST.

2012

FEDERAL SUPPLEMENTAL INFORMATION

PAGE 1

CLIENT 216

HOLY LAND CHRISTIAN ECUMENICAL
FOUNDATION, INC.

52-2175622

FORM 990, PART IV, BALANCE SHEETS, LINE 54 (B) INVESTMENTS

BALANCE	DESCRIPTION
983	MONEY MARKET FUND
20,080	EQUITY STOCK HOLDINGS
21,063	TOTAL

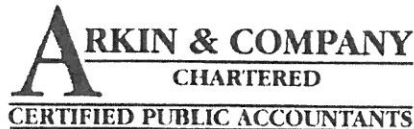
Holy Land Christian Ecumenical Foundation, Inc.
Consolidated Financial Statements
December 31, 2012

With Independent Auditors' Report Thereon



Holy Land Christian Ecumenical Foundation, Inc.
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Consolidated Financial Statements:	
Consolidated Statement of Financial Position	2
Consolidated Statement of Activities	3
Consolidated Statement of Functional Expenses	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6-18



(301) 340-1550
(301) 340-0505 Fax

Independent Auditors' Report

2200 Research Blvd.
Suite 540
Rockville, Maryland 20850

To The Board of Directors
Holy Land Christian Ecumenical Foundation, Inc.
Bethesda, Maryland

We have audited the accompanying consolidated statement of financial position of the Holy Land Christian Ecumenical Foundation, Inc. as of December 31, 2012, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Holy Land Christian Ecumenical Foundation, Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

May 9, 2013
Rockville, Maryland

Arkin & Company, Chartered

Holy Land Christian Ecumenical Foundation, Inc.
Consolidated Statement of Financial Position
December 31, 2012

Assets

Current Assets	
Cash and cash equivalents	\$ 138,098
Investments	88,523
Receivables	69,614
Inventory	65,823
Prepaid expense	22,416
	<hr/>
Total current assets	384,474
Property and Equipment, net	170,728
Other Assets, security deposit	7,820
	<hr/>
Total Assets	\$ <u>563,022</u>

Liabilities and Net Assets

Current Liabilities	
Accounts payable	\$ 99,034
Accrued expenses	60,054
Deferred revenue	24,555
Current portion of note payable	59,642
	<hr/>
Total current liabilities	243,285
Long-Term Liabilities	
Note payable, net of current portion	213,335
	<hr/>
Total Liabilities	456,620
	<hr/>
Net Assets	
Unrestricted	(1,624)
Temporarily restricted	108,026
	<hr/>
Total net assets	106,402
	<hr/>
Total Liabilities and Net Assets	\$ <u>563,022</u>

The accompanying notes are an integral part of the consolidated financial statements

Holy Land Christian Ecumenical Foundation, Inc.
Consolidated Statement of Activities
For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue			
Donations and grants	\$ 1,111,955	\$ 250,802	\$ 1,362,757
Sales of Holy Land gift items	100,386	-	100,386
Other income	6,749	-	6,749
Net assets released from restrictions	<u>306,353</u>	<u>(306,353)</u>	<u>-</u>
Total Revenue	<u>1,525,443</u>	<u>(55,551)</u>	<u>1,469,892</u>
Expenses			
Program Costs			
Jobs Creation	515,053	-	515,053
Other programs	31,246	-	31,246
Christian Support Network	113,506	-	113,506
Religious Tourism	251,552	-	251,552
Education	218,180	-	218,180
Know Thy Heritage	<u>302,940</u>	<u>-</u>	<u>302,940</u>
Total Program Costs	<u>1,432,477</u>	<u>-</u>	<u>1,432,477</u>
Supporting Services			
General and administrative costs	69,308	-	69,308
Fundraising	<u>47,961</u>	<u>-</u>	<u>47,961</u>
Total Supporting Services	<u>117,269</u>	<u>-</u>	<u>117,269</u>
Total Expenses	<u>1,549,746</u>	<u>-</u>	<u>1,549,746</u>
Change in Net Assets	(24,303)	(55,551)	(79,854)
Net Assets, Beginning of Year	<u>22,679</u>	<u>163,577</u>	<u>186,256</u>
Net (Deficit) Assets, End of Year	<u>\$ (1,624)</u>	<u>\$ 108,026</u>	<u>\$ 106,402</u>

The accompanying notes are an integral part of the consolidated financial statements

Holy Land Ecumenical Foundation, Inc.
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2012

	Program Services						Supporting Services				
	Jobs Creations	Other Programs	Christian Support Network	Religious Tourism	Education	Know Thy Heritage	Total	General and Administrative	Fund- Raising	Total	Total Expenses
Compensation, taxes, and benefit	\$ 224,283	\$ -	\$ 35,320	\$ 60,439	\$ 125,654	\$ 120,346	\$ 566,042	\$ 32,291	\$ 20,847	\$ 53,138	\$ 619,180
Grants	-	-	-	-	20,000	-	20,000	-	5,000	5,000	25,000
Postage and delivery	3,185	-	599	485	1,879	1,855	8,003	471	1,964	2,435	10,438
Printing	1,597	2,750	9,895	463	2,012	1,315	18,032	450	3,160	3,610	21,642
Travel	16,550	887	11,638	39,019	18,243	69,170	155,507	3,880	3,069	6,949	162,456
Occupancy	21,186	-	2,270	7,411	15,213	18,401	64,481	3,812	2,461	6,273	70,754
Supplies	10,887	73	2,593	1,695	3,557	3,228	22,033	930	600	1,530	23,563
Conferences and meetings	2,775	-	7,761	737	1,672	2,510	15,455	414	761	1,175	16,630
Other costs	16,945	216	5,332	5,220	6,664	3,976	38,353	677	6,164	6,841	45,194
Communication	10,488	-	1,552	2,716	4,152	4,572	23,480	1,020	658	1,678	25,158
Contracted services	6,328	-	1,869	1,805	5,399	4,510	19,911	1,437	1,622	3,059	22,970
Depreciation	28,569	-	146	24,052	1,049	828	54,644	4,051	183	4,234	58,878
Professional fees	13,032	-	6,431	3,603	8,921	7,862	39,849	2,280	1,472	3,752	43,601
Programs direct costs	159,228	27,320	28,100	103,907	3,765	64,367	386,687	17,595	-	17,595	404,282
	\$ 515,053	\$ 31,246	\$ 113,506	\$ 251,552	\$ 218,180	\$ 302,940	\$ 1,432,477	\$ 69,308	\$ 47,961	\$ 117,269	\$ 1,549,746
Percent of total expenses	33.23%	2.02%	7.32%	16.23%	14.08%	19.55%	92.43%	4.47%	3.10%	7.57%	100.00%

The accompanying notes are an integral part of the consolidated financial statements

Holy Land Christian Ecumenical Foundation, Inc.
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2012

Cash Flows From Operating Activities	
Change in net assets	\$ (79,854)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	58,878
Unrealized gain on investments	(2,753)
Donated securities	(52,699)
Changes in assets and liabilities:	
Increase in receivables	(17,380)
Increase in prepaid expenses	(11,774)
Increase in inventory	(13,566)
Decrease accounts payable	(16,145)
Increase in accrued expenses	17,096
Decrease in deferred revenue	(7,195)
Net cash used in operating activities	<u>(125,392)</u>
Cash Flows From Investing Activities	
Acquisition of property and equipment	<u>(31,521)</u>
Net cash used in investing activities	<u>(31,521)</u>
Cash Flows From Financing Activities	
Long-term borrowings	150,000
Curtailment of long-term borrowing	<u>(32,856)</u>
Net cash provided by financing activities	<u>117,144</u>
Net Decrease in Cash and Cash Equivalents	(39,769)
Cash and Cash Equivalents, Beginning of Year	<u>177,867</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 138,098</u></u>
Supplemental Disclosure of Cash Flows Information:	
Interest expense paid during the year	<u><u>\$ 13,317</u></u>
Income taxes paid during the year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the consolidated financial statements

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 1 Organization

Holy Land Christian Ecumenical Foundation, Inc. (HCEF), a non-profit organization, was incorporated under the laws of the state of Maryland on March 31, 1999. The organization seeks to increase awareness among American Christians of the urgent needs of Christians in the Holy Land, to enrich the lives of American Christians through contacts with Christians in the Holy Land, and to raise and distribute money for programs that will encourage Christians to remain in the Holy Land. HCEF seeks to provide financial, moral and spiritual support for those brothers and sisters in order to improve the deplorable living conditions that they must endure. The organization seeks to replace despair with hope, fear with security, and humiliation with human dignity.

HCEF's wholly owned subsidiary is located in Bethlehem and registered in Palestine under the "Charitable Societies and Non Governmental Organizations Law of 2000."

The following is a description of the various programs currently being conducted by the Holy Land Christian Ecumenical Foundation, Inc.

Jobs Creation

Programs conducted by HCEF under this category include the Housing Rehabilitation Program, Housing Rehabilitation Loans, and the Holy Land Gift Program.

Other Programs

Included in Other programs are the following: Journey to Bethlehem, Message for Peace, Christian Solidarity and Social Responsibility, Development and Partnership Program, and Birzeit Senior Citizen Center.

Christian Support Network

HCEF conducts symposiums, conferences and meetings to educate Americans and raise awareness about the plight of Christians in the Holy Land. The foundation maintains a WEB site, publishes newsletters, provides news releases and distributes daily e-mail news summaries to expand the insight of interested Americans.

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 1 Organization (continued)

Religious Tourism

HCEF conduct and promote pilgrimages in order to bring Christians to the Holy Land. As part of their mission, HCEF brings American Christians together with the Holy Land Christian Community in hopes of fostering a new relationship and to following the steps of Jesus. These pilgrimages are intended to be spiritual in nature with an emphasis on visiting with the Living Stones, seeing the Holy Land and supporting the local Christian community. Pilgrims stay at the HCEF Inn in Bethlehem.

Education

HCEF's Education Program encompasses the Child Sponsorship Program (CSP) and Children Peace Project. CSP links a sponsor in America with a student in the Holy Land. Sponsorships foster unity in Christ among Arab and American Christians and help Holy Land Christian schools continue to provide quality Christian education.

Know Thy Heritage

HCEF's "**Know Thy Heritage**" is an annual leadership program developed to preserve the Arab Palestinian heritage, to connect youth of Palestinian ancestry, who live in the United States and elsewhere, with their roots in Palestine, and highlight Palestine as part of the Holy Land.

To achieve the goal of the program, HCEF created the mission and vision, developed and managed the program with the moral and financial support and partnership of institutions such as the Bank of Palestine, Consolidated Contractors Company, Paltel Group Foundation, Palestinian Investment Fund, Quds Bank, and various other institutions and individuals. Several others, institutions and individuals, have been invited to support this program in this same capacity.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the organization and its wholly owned subsidiary. Intercompany transactions and balances have been eliminated in consolidation.

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 2 Summary of Significant Accounting Policies

Basis of Presentation

The Foundation follows the Not-for-Profit Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification). Under this topic, HCEF 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. The net assets are reported as follows:

Unrestricted

Unrestricted net assets are net assets that are neither temporarily restricted nor permanently restricted by donor-imposed stipulations.

Temporarily Restricted

HCEF reports gifts of cash as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (i.e., when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. Net assets are released from restrictions when the donor-specified purpose or time restriction is met.

Permanently Restricted

HCEF reports gifts of cash as permanently restricted support if they are received with donor stipulations that the corpus shall remain intact in perpetuity. The corpus of these donations is invested and the earnings are recorded in temporarily restricted funds until utilized for the intended purpose. When the donor's purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 2 **Summary of Significant Accounting Policies (continued)**

International Currency Translations

The consolidated financial statements are stated in US Dollars (USD) at nominal values. No adjustments have been made therein to reflect the changes of the purchase power of the reporting currency.

Transactions carried in other currencies that affect the consolidated statement of activities were translated to USD using the official exchange rate at the date of the transaction. Transactions carried in other currencies that affect the consolidated statement of financial position were translated to USD according to the official exchange rate at the date of financial position.

The exchange rate as of December 31, 2012 is as follows:

New Israeli Shekel	0.2678
--------------------	--------

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, cash equivalents include time deposits, certificate of deposits, and all highly liquid instruments with original maturities of three months or less. Cash and cash equivalents do not include temporary cash held in custodial accounts.

Revenue Recognition

Revenue from unrestricted contributions is recognized when received. HCEF reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, 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 consolidated statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period is reported as unrestricted support.

HCEF reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, HCEF reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 2 **Summary of Significant Accounting Policies (continued)**

Donated Materials and Services

Donated materials and equipment are reflected as contributions in the accompanying consolidated financial statements at their estimated value at the date of receipt. The organization recognizes contributed services to the extent the services received create or enhance non-financial assets or require specialized skills that would be purchased if not provided by donation.

Investments

Investments are comprised of money market funds, certificates of deposit with original maturities older than 90 days and marketable equity securities and are recorded in the accompanying financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

Fair Value Measurements

Accounting Standards define fair value and establish a framework for measuring fair value for those assets and liabilities that are measured at fair value on a recurring basis. HCEF has categorized its applicable financial statements into a required fair value hierarchy. The three levels of the fair value hierarchy are described as follows:

Level 1 — inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

Level 3 — unobservable inputs for the asset or liability including the reporting entity's own assumptions in determining the fair value measurement.

As of December 31, 2012, only the investments as described in Notes 3 and 4 were measured at fair value on a recurring basis.

Property and Equipment

Property and equipment are recorded at cost and depreciated over estimated useful lives of 5 to 7 years using the straight-line method. Leasehold improvements are amortized over the lesser of the term of the related lease or estimated useful life of the asset. Repairs and maintenance costs are expensed as incurred.

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 2

Summary of Significant Accounting Policies (continued)

Inventory

Inventories are stated at the lower of cost (first in, first out) or market. Cost includes all direct costs to bring inventory to its present location.

Contributions

HCEF records the following types of contributions as revenue when they are received, at their fair value: cash, promises to give, and gifts of long-lived and other assets. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. At December 31, 2012, no significant conditional contributions existed. All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support, which increases the temporarily restricted net asset class. Unconditional promises to give are recorded at their net realizable value.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the accompanying consolidated statement of activities. Accordingly, certain costs have been either directly charged to the programs and supporting services as incurred or allocated based on usage.

Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make certain estimates and assumptions that affect specific amounts and disclosures. Accordingly, actual results could differ from those estimates.

Charitable Gift Annuity Interest

HCEF is the beneficiary of an interest in a charitable interest gift annuity. The interest is recorded at the current fair market value of the account, reduced by the estimated actuarial liability necessary to meet the future payments to the life income beneficiaries.

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 2 Summary of Significant Accounting Policies (continued)

Income Taxes

HCEF is exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Income determined to be from unrelated business income is taxable and to the extent it culminates in taxes due, a provision for income taxes will be provided.

At December 31, 2012, and for the year then ended, there were no material unrecognized/derecognized tax benefits or tax penalties or interest. No provision for income taxes has been made in the accompanying financial statements.

In general, when tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets, along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Foundation has determined that no such liabilities were required at December 31, 2012.

Note 3 Investments

HCEF's investments at December 31, 2012, stated at fair value, are comprised of the following:

Marketable equity securities	\$ 81,022
Charitable gift annuity	4,403
Money market fund	<u>3,098</u>
 Total	 <u>\$ 88,523</u>

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 3 Investments (continued)

The following schedule summarizes investment returns and their classification in the statement of activities (included in other income) for the year ended December 31, 2012:

Dividend income	\$ 768
Net unrealized gains	<u>6,782</u>
 Total Investment Return	 <u>\$ 7,550</u>

Note 4 Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the Codification establishes a fair value hierarchy that is based on the valuation inputs used in the fair value measurements. The topic requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1-Quoted market prices in active markets for identical assets or liabilities
- Level 2-Observable market-based inputs or unobservable inputs corroborated by market data
- Level 3-Unobservable inputs that are not corroborated by market data

In determining the appropriate levels, HCEF performs a detailed analysis of the assets and liabilities that are subject to fair value measurements. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no Level 3 inputs for any assets held by HCEF as of December 31, 2012.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2012 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Money market funds	\$ 3,098	\$ 3,098	\$ -0-
Marketable equity securities	81,022	81,022	-0-
Charitable gift annuity	<u>4,403</u>	<u>-0-</u>	<u>4,403</u>
 Total Investments	 <u>\$ 88,523</u>	 <u>\$ 84,120</u>	 <u>\$ 4,403</u>

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 5 Property and Equipment

Property and equipment at December 31, 2012 consist of the following:

Furniture and equipment	\$ 203,046
Building improvements	<u>128,679</u>
Subtotal	331,725
Less: accumulated depreciation	<u>-160,997</u>
 Total	 <u>\$ 170,728</u>

Depreciation expense for the year ended December 31, 2012 amounted to \$58,878.

Note 6 Related Party Transactions

Various printing services are provided to HCEF by an entity owned by HCEF's President. Fees charged by this entity to HCEF amounted to \$21,375 for the year ended December 31, 2012. At December 31, 2012, HCEF had no outstanding liabilities to this company.

Note 7 Line of Credit

HCEF maintains a \$20,000 line of credit with a banking institution. The balance outstanding on this line of credit as of December 31, 2012 was zero. Interest on the outstanding balance is due and payable monthly. The interest rate fluctuates and at December 31, 2012 was 9.125%. No interest expense was paid on this line of credit during the year ended December 31, 2012.

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 8 Note Payable

During the year ended December 31, 2012, HCEF made payments in the amount of \$30,683, on a 5-year, \$170,000 loan from the Bank of Palestine that was secured in 2011. HCEF used the loan to complete the construction work at the HCEF Inn, which houses the pilgrimage participants and the administrative offices of HCEF in Bethlehem. The loan is being repaid over 60 monthly payments ending on July 15, 2016 and the interest rate on the note payable is 5.8% per annum. HCEF secured a second loan during 2012, in the amount of \$150,000 from the Bank of Palestine to be repaid over 60 monthly payments ending September 11, 2017. The loan was used for renovation work for the HCEF Bethlehem Museum for Palestinian Cultural & Heritage. HCEF repaid \$2,173 of the loan during the year ended December 31, 2012.

Following are the maturities of the notes payable for each of the next five years:

2013	\$ 64,000
2014	64,000
2015	64,000
2016	53,150
2017	<u>27,827</u>
Total	<u>\$ 272,977</u>

Interest paid on these loans during 2012 amounted to \$13,188.

Note 9 Operating Leases

On June 1, 2005, HCEF entered into an operating lease for office space in Bethesda, Maryland. The lease term commenced on June 1, 2005 and continues until either party provides six months notice to the other. Rent shall be adjusted annually based on the percentage increase in the Consumer Price Index.

HCEF entered into an operating lease in May 2007 for office space in Bethlehem. The lease term commenced on January 1, 2007 and continues for seven years. The lease is divided into two sections based on building space and occupancy of that space. Rent for each section is fixed at \$5,000 USD annually. The lease provides HCEF occupancy of the second space commencing on January 1, 2010 and continues through the end of the lease term.

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 9 Operating Leases (continued)

In addition to the rental commitment for office space in Bethlehem, HCEF has made building improvements which have been capitalized and are reflected in the accompanying consolidated statement of financial position under property and equipment.

Total rent expense, for the Bethesda office only, for the year ended December 31, 2012 amounted to \$50,340.

Future minimum rental payments under operating leases having remaining terms in excess of 1 year as of December 31, 2012 for each of the next five years and in the aggregate are as follows:

2013	\$ 10,000
2014	10,000
2015	40,000
2016	-0-
2017	<u>-0-</u>
Total	<u>\$ 60,000</u>

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2012

Note 10 **Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

Know Thy Heritage Program	\$ 9,314
Donations receivable for various programs	60,000
Housing Rehabilitation Program	<u>38,712</u>
Total	<u>\$ 108,026</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes.

Purpose restriction accomplished:

Know Thy Heritage Program	\$ 250,587
Housing Rehabilitation Program	14,766
Expiration of time restrictions	<u>41,000</u>
Total	<u>\$ 306,353</u>

Note 11 **Concentration of Credit Risk**

HCEF maintains bank accounts at an institution that is insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash balances at the banking institution do not exceed federally insured limits as of December 31, 2012.

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 was signed into law, which temporarily raises the basic limit on federal deposit insurance coverage from \$100,000 to \$250,000 per depositor. This legislation, originally intended to sunset on December 31, 2010, was extended on May 20, 2009 through December 31, 2013.

HCEF monitors the risk, does not anticipate any credit losses and has not experienced any credit losses on these financial instruments.

Holy Land Christian Ecumenical Foundation, Inc.
Notes to Consolidated Financial Statements
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Note 12 Subsequent Events

In accordance with FASB ASC 855-50-1, *Date Through Which Subsequent Events Have Been Evaluated*, management has evaluated the accounts of the Organization from December 31, 2012 through May 9, 2013, the date the financial statements were available to be issued, to determine whether there are any subsequent events that would have an impact on the financial statements that have not been properly disclosed. From their review, management has determined there were no significant subsequent events that were not properly disclosed.