

AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2017

ABRAHAM BERHANU & CO.
CHARTERED CERTIFIED ACCOUNTANTS (UK)
AUTHORIZED AUDITORS (ETH.)
TEL.251 011 552 62 00 /553 66 86 FAX 552 61 85
MOB. 251 (911) 22 03 46
E-MAIL abrahamb.co@ethionet.et,
abrahberhanuco@gmail.com
P.O. BOX 101295
ADDIS ABABA

Table of Contents

	<u>Page</u>
Audit Report	1-2
Compliance report	3-4
Financial Statements	
Balance Sheets	5
Statements of Income and Expenditures	6
Notes to the financial statements	7-11

OPINION

In our opinion, the financial statements give a true and fair view of the state of the Center's affairs as at 31 December 2017 and of its excess of expenditures over income for the year then ended.



**Abraham Berhanu & Co.
Chartered Certified Accountants (UK) Authorized Auditors (Eth.)**

**Addis Ababa
28 March 2018**

**DEVELOPMENT EXPERTISE CENTER
REPORT ON COMPLIANCE
31 DECEMBER 2017**

CURRENCY: BIRR

This compliance report was issued following the Directives issued by Charities and Societies Agency. The Directives which are relevant to this report were issued in Hamle 2003 and Meskerem 2004.

FIXED ASSETS

- 1. Fixed asset register was maintained.
- 2. Tag numbers were given to fixed assets.

RECEIVABLES

Receivables were disclosed with appropriate classification.

CASH AND BANK BALANCES

- 1. Separate ledger accounts have been maintained for bank accounts of the Organization and bank reconciliations were made for each bank account.

PAYABLES

- 1. Withholding tax has been deducted as per the tax law.
- 2. Income tax and pension have been deducted from the payroll.
- 3. Taxes and obligation were settled; but there are some outstanding balances which were not settled in time.

INCOME

Income is collected by raising cash receipt vouchers stating the source of income and recorded using journal vouchers.



EXPENDITURES

1. Expenditures classified into program and administrative costs were done as required by the directives issued by Charities and Societies Agency.
2. Payment vouchers were authorized by responsible officials and payments were effected after the authorization.
3. Original documents were used as supporting evidence for expenditures.

FUND BALANCE

Fund balances were properly classified in to restricted and unrestricted balances.


 Abraham Berhann & Co.
 Chartered Certified Accountants (UK) Authorized Auditors (Eth.)
 28 March 2018



DEVELOPMENT EXPERTISE CENTER
 BALANCE SHEET
 AS AT 31 DECEMBER 2017

CURRENCY : BIRR

CURRENT ASSETS

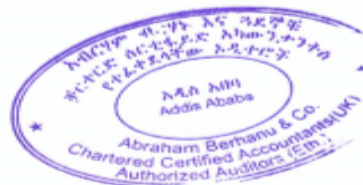
	Notes		31-12-16
Accounts receivable	3	513,001	274,078
Cash and bank balances	4	3,576,274	9,167,107
		4,089,276	9,441,185

LESS CURRENT LIABILITIES

Accounts payable	5	844,072	520,331
		3,245,204	8,920,854

REPRESENTED BY

GENERAL FUND	6	3,245,204	8,920,854
--------------	---	-----------	-----------



DEVELOPMENT EXPERTISE CENTER
STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2017

CURRENCY : BIRR

INCOME		Notes		<u>2016</u>
Foreign sources		7	31,758,073	30,246,567
Local sources		8	<u>44,323</u>	<u>89,448</u>
TOTAL INCOME			31,802,395	<u>30,336,014</u>
EXPENDITURES				
Program expenditures	70.37%	9	26,372,762	17,755,141
Administrative expenditures	29.63%	10	<u>11,105,284</u>	<u>7,222,195</u>
TOTAL EXPENDITURES			<u>37,478,045</u>	<u>24,977,335</u>
EXCESS OF EXPENDITURES OVER INCOME			<u>-5,675,650</u>	<u>5,358,679</u>



DEVELOPMENT EXPERTISE CENTER
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

CURRENCY - BIRR

1. BACKGROUND

Development Expertise Center (DEC) is an indigenous, non-governmental, non sectarian and non-for-profit development organization established in the year 2007 and re-registered in 2009 by Charities and Societies Agency as Ethiopian Resident Charity bearing a certificate No. 0009.

Organizational Objectives

1. Improve quality of basic education through ICT tools;
2. Develop knowledge, skills and attitude of youth and adolescent on sex, sexuality and reproductive health;
3. Expand early childhood care education;
4. Facilitate knowledge and skills transfer between North and South, as well as South and South
5. Promote learning and life skill for better livelihood; and
6. Enhance gender equality.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these statement of income and expenditures are set out below:

- a) Income
Income is recognized when the cash is collected.
- b) EXPENDITURES
1. Expenditures are recognized in the books of account when they are paid.
Other items such as inventories including agricultural commodities and property, plant, and equipment are expensed when they are acquired.
- c) Foreign currency transactions
Income received from donors is translated into Birr at the rate prevailing on the date of transfer.



3. ACCOUNTS RECEIVABLE

Sundry	406,821	31-12-16	129,321
Staff receivable	106,181		144,757
	<u>513,001</u>		<u>274,078</u>

4. CASH AT BANK

CBE-NTA-01704/178801/00	1,017,382	31-12-16	7,929,206
CBE-CA-01718/304460/00	1,204,517		374,126
Dashen A.A. -0059518144004	995,467		306,252
CBE_Ayssaite-1279	99,318		265
Dashen_Bahir Dar-0020907989001	49,312		132,736
Dashen-Liben -0080002734009	19,438		1,116
Wegagen_Beche	17,481		17,481
Dashen_Bedelle	83,729		30,610
Wegagen_A. A. 6230353	500		500
CBE 1000154217316 UNHCR	300		2,021
CBE 1000154217537 Japan Embassy	88,831		372,294
	<u>3,576,274</u>		<u>9,167,167</u>

5. ACCOUNTS PAYABLE

Staff receivable with credit balance	88,933	31-12-16	26,123
Provident fund payable	2,583		2,583
Income tax payable	173,375		158,871
Withholding tax payable	12,828		46,022
Pension payable	137,019		134,630
Saving and credit	11,536		13,205
Sundry	233,298		-
Other payable	184,500		138,897
	<u>844,072</u>		<u>520,331</u>

6. FUND BALANCE

Fund balance brought forward	8,920,854	31-12-16	3,213,723
Less: Prior year adjustments			39,442
Fund refund (transferred) to donors			112,109
			(151,558)
Add: Excess of expenditure over income for the year	-5,075,650		2,158,679
Fund balance carried forward	<u>3,245,204</u>		<u>8,920,854</u>



6.1 RESTRICTED FUND

		<u>31-12-16</u>
Edukans Foundation	(245,501)	4,534,591
ICCO Cooperation	598,148	38,264
FSCE	(15,050)	-
Plan International	(7)	809,664
COSAP	-	113
Kinderpostzegels	434,700	158,813
ZIJN	(285,511)	-
Rain Foundation	-	11,556
Rutgers	(53,722)	2,041,575
KNH	88,932	13,692
Packard Foundation	1,491,304	526,039
Rohi Woddu	4,069	14,717
Initiative Africa	-	-326,035
Japan Embassy	65,240	372,286
UNHCR	300	119
Total Restricted Fund	<u>2,082,903</u>	<u>8,195,393</u>

6.2 UNRESTRICTED FUND

		<u>31-12-16</u>
unrestricted fund -current	436,840	-155,856
Unrestricted fund brought forward	<u>725,461</u>	<u>881,317</u>
Total unrestricted fund	<u>1,162,301</u>	<u>725,461</u>
Fund Balance	<u>3,245,204</u>	<u>8,920,854</u>



7. DONATION AND CONTRIBUTION

<u>Foreign Sources</u>		<u>2016</u>
Edukans Foundation	5,619,249	11,505,411
ICCO Cooperation	2,436,034	332,123
Save the Children	-	260,933
Plan International	1,372,409	2,135,022
CoSAP	-	138,416
KNH	2,329,902	4,617,656
Kinderpostzegels	1,685,390	835,487
Rain Foundation	-	873,364
Packard Foundation	3,435,118	2,127,901
Rutgers	5,442,253	2,775,075
Initiative Africa	336,271	346,822
BEQIP	266,451	-
FSCE	69,000	-
ZIJN	2,357,051	-
Equal Education	662,103	-
UNHCR	5,626,836	2,645,963
Japan Embassy	-	1,526,062
Rohi Woddu	<u>120,007</u>	<u>126,333</u>
Total foreign sources	<u>31,758,073</u>	<u>30,246,567</u>

8. OTHER INCOME (Local sources)

		<u>2016</u>
Training subsidy	16,435	2,000
Bank interest & exchange gain	1,228	3,114
HMB Building Construction PLC(Private sector donation)	15,860	83,614
Members contribution	<u>10,800</u>	<u>720</u>
Total local sources	<u>44,323</u>	<u>89,448</u>



9. PROGRAM EXPENDITURES

		<u>2016</u>
Literacy, skill & entrepreneurship trainings	5,646,808	2,405,958
Support to ECCD centers, schools, SHGs & CLCs	3,736,745	9,497,623
Dialogue for development	-	272,726
Perdiem for functional literacy peer learning	2,050,872	945,024
Materials for school renovation(library, latrines)	92,800	788,829
Material Provision	4,054,858	-
Construction of shelters ECCD centers, latrine, library	9,054,579	2,949,838
Training materials & modules preparation	414,495	52,763
Facilitators/Community worker salary	<u>1,321,605</u>	<u>842,380</u>
	<u>26,372,762</u>	<u>17,755,141</u>

10. ADMINISTRATIVE EXPENDETURES

		<u>2016</u>
Salary and benefits	4,808,530	4,380,851
Travel and insurance	2,163,234	553,774
Rent and utilities	1,202,731	229,696
Stationery and office supplies	413,246	201,014
Property and equipment	151,161	131,600
Repair and maintenance	526,276	226,977
Registration and membership fee	219,011	91,458
Project monitoring, evaluation and consultancy	1,612,498	1,376,448
Miscellaneous	<u>8,596</u>	<u>30,377</u>
	<u>11,105,284</u>	<u>7,222,195</u>

