

Partners in Education Ethiopia
Combined Income Statement
For the year ended December 31, 2022

(Unaudited - see Note 1)

	2022			2021
	Canada/Ethiopia accounts	US account	Combined	Combined
Receipts				
Restricted donations (Note 4)	\$ 599,116		\$ 599,116	\$ 673,776
Unrestricted donations (Note 4)	224,400		224,400	242,723
Restricted community contributions	529,693		529,693	488,052
Total receipts	1,353,209		1,353,209	1,404,551
 Total Project expenditures (Note 5)	 1,003,194	 \$ 31,969	 1,035,163	 856,791
 Excess of receipts over project expenditures	 350,015	 (31,969)	 318,046	 547,760
 Administrative expenses (Note 6)				
Interest and bank charges	369	60	369	1,045
Office	12,455		12,455	1,001
Professional fees	4,242		203	253
Rent	1,522		1,522	1,789
Salaries and benefits	117,494		117,494	100,227
Vehicle	5,790		5,790	1,466
Travel	150		150	4,623
Total Administrative expenses	142,022	60	142,082	110,404
 Income before other	 207,993	 (32,029)	 175,964	 437,356
Other income/expenses				
Interest income	6,937		6,937	1,466
Gain (loss) on foreign exchange	(3,076)		(3,076)	(2,119)
 Total excess of receipts over expenditures	 \$ 211,854	 \$ (32,029)	 \$ 179,825	 \$ 439,475

Partners in Education Ethiopia
Combined Balance Sheet
As at December 31, 2022
(Unaudited – see Note 1)

	<u>Canada/Ethiopia</u> <u>accounts</u>	2022 <u>US</u> <u>account</u>	<u>Combined</u>	2021 <u>Combined</u>
Assets				
Current				
Bank (Note 3)				
Restricted	\$ 667,430	\$ 70,112	\$ 737,542	\$ 550,812
Unrestricted	737,083		737,083	1,003,237
	<u>1,404,513</u>	<u>70,112</u>	<u>1,474,625</u>	<u>1,554,049</u>
Accounts receivable	8,319		8,319	42,131
	<u>1,412,832</u>	<u>70,112</u>	<u>1,482,944</u>	<u>1,596,180</u>
Fixed (Note 2)				
Office Equipment	11,301		11,301	11,301
Vehicle	47,507		47,507	47,507
	<u>58,808</u>		<u>58,808</u>	<u>58,808</u>
Total Assets	<u>\$ 1,471,640</u>	<u>\$ 70,112</u>	<u>\$ 1,541,752</u>	<u>\$ 1,654,988</u>
Liabilities				
Current				
Accounts payable	\$ 131,065		\$ 131,065	\$ 110,271
Community deposit on hand	27,399		27,399	255,419
Contract retention (Note 2)	55,180		55,180	77,944
	<u>213,644</u>		<u>213,644</u>	<u>443,634</u>
Fund balance				
Balance, beginning of year	1,115,237	96,117	1,211,354	810,356
Excess of receipts over expenditures	211,854	(32,029)	179,825	439,475
Unrealized loss on foreign exchange (Note 2)	(69,095)	6,024	(63,071)	(38,477)
Balance, end of year	<u>1,257,996</u>	<u>70,112</u>	<u>1,328,108</u>	<u>1,211,354</u>
Total Liabilities and Fund Balance	<u>\$ 1,471,640</u>	<u>\$ 70,112</u>	<u>\$ 1,541,752</u>	<u>\$ 1,654,988</u>

Partners in Education Ethiopia
Notes to the Combined Financial Statements

For the year ended December 31, 2022

(Unaudited – see Note 1)

1. Nature of Operations

Partners in Education Ethiopia is a charity registered in Canada, Ethiopia and the United States of America (US) that solicits donations to be applied towards joint projects in Ethiopia. All project expenditures and Ethiopian administrative expenses are conducted through the Ethiopian bank accounts.

Financial statements relating to those transactions are prepared and audited in Ethiopia. The accompanying financial statements represent those audited financial statements translated into Canadian dollars, with Canadian assets added in, and combined with the transactions in the US entity, which was registered in the US in 2021. The US and Canadian organizations have common Directors, management, and objectives.

2. Summary of Significant Accounting Policies

Receipts

Donations are recognized in the year received. Community contributions are recognized in the year in which the related project expenditures are incurred.

Project Expenditures

Project expenditures are recognized in the year incurred. Two and one-half percent (2.5%) of the total contract amount is withheld for one year after completion of projects. This is recorded as a liability until due.

Fixed assets

Furniture and equipment are recorded at cost. The vehicle was donated by an individual donor and is recorded at the cost to the donor.

Unrealized gains on foreign transactions

Balance sheet accounts are translated into Canadian dollars at the exchange rates (USD and Ethiopian Birr) on December 31, 2022. Transactions that took place in Ethiopia throughout the year in the Ethiopian bank accounts are converted to Canadian dollars on a month-by-month basis at the exchange rate at the end of each month. Depreciation in the exchange rate during the year has resulted in losses that have not been realized, as all of the transactions took place in Ethiopian Birr.

	2022		2021
	<u>Canada/Ethiopia account</u>	<u>US account</u>	<u>Combined</u>
3. Banks			
Unrestricted			
Bank of Nova Scotia	\$ 268,983		\$ 516,946
RBC - Canadian fund account			175,112
RBC Investment	468,100		311,179
	<u>737,083</u>	<u>737,083</u>	<u>1,003,237</u>
Restricted			
Bank of Nova Scotia	69,289	69,289	
RBC – Canadian fund account	478,962	478,962	200,000
Bank of Ethiopia - Addis	100,518	100,518	404,303
Bank of Ethiopia - Bahir Dar	18,661	18,661	9,570
RBC - US fund account		\$ 70,112	96,117
	<u>667,430</u>	<u>70,112</u>	<u>550,812</u>
Total banks	<u>\$ 1,404,513</u>	<u>\$ 70,112</u>	<u>\$ 1,554,049</u>

	2022		2021
	<u>Canada/Ethiopia account</u>	<u>US account</u>	<u>Combined</u>
4. Donations			
Unrestricted donations - Canadian	\$ 224,400		\$ 242,723
Restricted donations			
Canadian	312,333	312,333	204,320
International	100,629	100,629	115,181
US	177,508	177,508	349,590
Displaced children fund	8,646	8,646	4,685
	<u>599,116</u>	<u>599,116</u>	<u>673,776</u>
Total donations	<u>\$ 823,516</u>	<u>\$ 823,516</u>	<u>\$ 916,499</u>

5. Project Expenditures	2022			2021
	<u>Canada/Ethiopia</u>	<u>US</u>	<u>Combined</u>	<u>Combined</u>
	<u>account</u>	<u>account</u>		
Construction	\$ 580,757	\$ 31,969	\$ 612,726	\$ 702,452
Furniture	66,568		66,568	
Library books	7,370		7,370	4,206
Water, greening and gardening	7,826		7,826	442
Teacher training	12,514		12,514	7,947
Sports equipment	2,097		2,097	2,460
Special needs & pre-primary	16,204		16,204	4,681
Salaries and benefits	22,123		22,123	83,191
Construction consultant	2,699		2,699	5,754
Fence	40,665		40,665	
Equipment	6,100		6,100	
Project training and technical support	1,985		1,985	
Interconnectivity project	4,443		4,443	20,931
Translanguaging project	44,601		44,601	23,694
SPLASH	36,270		36,270	
Water project	59,224		59,224	
School based eye health project	84,590		84,590	
Displaced children	4,225		4,225	
Miscellaneous	2,933		2,933	1,033
Total project expenditures	\$ 1,003,194	\$ 31,969	1,035,163	\$ 856,791

6. Administrative expenditures	2022			2021
	<u>Canada/Ethiopia</u>	<u>US</u>	<u>Combined</u>	<u>Combined</u>
	<u>account</u>	<u>account</u>		
Ethiopia				
Interest and bank charges	\$ 74		\$ 20	\$ 20
Office	12,455		1,001	1,001
Professional fees	203		253	253
Rent	1,522		1,789	1,789
Salaries and benefits	117,494		100,227	100,227

Vehicle	5790	1,466	1,466
Travel	150	4,623	4,623
	<u>\$ 137,688</u>	<u>\$ 109,379</u>	<u>\$ 109,379</u>
Canada			
Interest and bank charges	\$ 295	\$ 295	\$ 964
Accounting	4,039	4,039	
	<u>\$ 4,334</u>	<u>\$ 4,334</u>	<u>\$ 964</u>
US			
Interest and bank charges		\$ 60	\$ 61
		<u>\$ 60</u>	<u>\$ 61</u>
Total administrative expenditures	<u>\$ 142,022</u>	<u>\$ 60</u>	<u>\$ 142,082</u>
			<u>\$ 110,404</u>