

Partners in Education Ethiopia
(formerly Frances G. Cosco Foundation)
Income Statement
For the year ended December 31, 2019
(Unaudited - see Note 1))

	<u>2019</u>	<u>2018</u>
Receipts		
Donations (Note 4)	\$467,989	\$416,380
Community contributions	746,501	998,756
Total Receipts	1,214,490	1,415,136
 Total Project Expenditures (Note 5)	 1,113,678	 659,342
 Excess of Receipts over Project Expenditures	 100,812	 755,794
 Administrative expenses (Note 6)		
Interest and bank charges	1,202	3,358
Office	1,678	2,105
Rent	1,176	2,175
Salaries and Benefits	105,822	77,602
Travel	10,110	4,929
Professional Fees	3,210	338
Vehicle	6,324	3,568
Other	548	534
Total Administrative expenses	130,070	94,609
	(29,258)	661,185
Other Income/Expenses		
Gain (loss) on foreign exchange	(2,978)	4,509
 Total Excess (Deficiency) of Receipts over Expenditures	 (\$32,236)	 \$665,694

Partners in Education Ethiopia
(formerly Frances G. Cosco Foundation)
Balance Sheet
As at December 31, 2019
(Unaudited - see Note 1)

	<u>2019</u>	<u>2018</u>
Assets		
Current		
Bank (Note 3)	\$963,290	\$892,558
Accounts receivable	1,138	
	964,428	892,558
Fixed (Note 2)		
Office Equipment		
Vehicle	47,507	47,507
Office equipment	11,301	5,901
	58,808	53,408
Total Assets	\$1,023,236	\$945,966
Liabilities		
Current		
Accounts payable	27,090	3081
Community Deposit	218,563	78,702
Contract Retention (Note 2)	5,052	5,933
	250,705	87,716
Equity		
Balance, beginning of year	858,250	192,556
Excess (deficiency) of receipts over expenditures	(32,236)	665,694
Unrealized loss on foreign exchange (Note 2)	(53,483)	
Balance, end of year	772,531	858,250
Total Liabilities and Equity	\$1,023,236	\$945,966

Partners in Education Ethiopia
(formerly Frances G. Cosco Foundation)
Notes to the Financial Statements
For the year ended December 31, 2019
(Unaudited – see Note 1)

1. Nature of Operations

Partners in Education Ethiopia (formerly Frances G. Cosco Foundation) is a registered charity that solicits donations to be applied towards joint projects in Ethiopia. All project expenditures and Ethiopian administrative expenses are conducted through the Ethiopian bank account. Audited financial statements relating to all of those transactions are prepared in Ethiopia. The accompanying financial statements represent those audited financial statements translated into Canadian dollars, with Canadian assets added in.

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

Assets and transactions that took place in Ethiopia through the Ethiopian bank account are converted to Canadian dollars for the purpose of these financial statements. Fluctuations in the exchange rate from the beginning of the year to the end of the year have resulted in losses that will never be realized, as all transactions take place in Ethiopian Birr.

3. Bank

	<u>2019</u>	<u>2018</u>
Bank of Nova Scotia	\$ 435,542	\$ 551,047
Bank of Ethiopia	<u>527,748</u>	<u>341,505</u>
	<u>\$ 963,290</u>	<u>\$ 892,552</u>

4. Donations

	<u>2019</u>	<u>2018</u>
Canadian	\$ 372,060	\$ 276,515
International	<u>95,929</u>	<u>139,865</u>
	<u>\$ 467,989</u>	<u>\$ 416,380</u>

5. Project Expenditures

	<u>2019</u>	<u>2018</u>
School Construction	\$ 890,850	\$ 558,334
School Furniture & sport equipment	126,639	61,344
Library books	12,309	1,932
Water, greening and gardening	31,470	30,734
Teacher training	29,850	6,998
Operation eyesight	4,713	
Construction consultant	8,854	
Sports equipment	6,589	
Special needs	2,404	
	<u>\$ 1,113,678</u>	<u>\$ 659,342</u>

6. Administrative Expenditures

	<u>Canadian Office</u>		<u>Ethiopian Office</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Interest & bank charges	\$ 608	\$ 3,307	\$ 594	\$ 51	\$ 1,202	\$3,358
Office		1,786	1,678	319	1,678	2,105
Professional fees			3,210	338	3,210	338
Rent			1,176	2,175	1,176	2,175
Salaries and benefits			105,822	77,602	105,822	77,602
Vehicle			6,324	3,568	6,324	3,568
Other			548	534	548	534
Travel			10,110	4,929	10,110	4,929
	<u>\$608</u>	<u>\$ 5,093</u>	<u>\$129,462</u>	<u>\$89,516</u>	<u>\$130,070</u>	<u>\$94,609</u>

7. Contractual obligations

At December 31, 2019 the organization had contractual obligations outstanding on projects in the amount of approximately \$840,000.

FRANCES G. COSCO FOUNDATION

**FINANCIAL STATEMENTS AND
AUDIT REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2019

Paulos Basazenew,
Chartered Certified Accountant (UK) &
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Paulos Basazew

Chartered Certified Accountant (UK) and Authorized Auditor (ETH)

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**INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS OF
FRANCES G. COSCO FOUNDATION**

We have audited the accompanied financial statements of Frances G. Cosco Foundation, which comprises Balance Sheet as at 31 December 2019 and the Statement of Income and Expenditure for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on page 5.

Management's Responsibility for the Financial Statements

The management of the Foundation is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting, and for such internal controls as management determines are necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the management in preparation of the financial statements, and of whether the accounting policies are appropriate to the Foundation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also



evaluated the overall adequacy of the presentation of information in the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly the financial position of Frances G. Cosco Foundation as of December 31, 2019 and of Income and Expenditure for the year then ended in accordance with the accounting policies of the Foundation as described in note 2 of the financial statements.



Paulos Basazew,
Chartered Certified Accountant (UK)
Authorized Auditor (ETH)
Addis Ababa
14 April 2020



**FRANCES G. COSCO FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2019**

Currency: Eth.Birr

	Notes		2018
CURRENT ASSETS			
Cash at Bank	3	12,841,598	7,075,268
Advances	4	1,346,742	-
Total Asset		14,188,340	7,075,268
CURRENT LIABILITIES			
Accounts payable		610,883	47,107
Retention payable		122,923	122,923
Withholding tax payable		48,186	16,718
Community deposit on hand		5,317,647	1,630,569
		6,099,639	1,817,317
NET CURRENT ASSETS		8,088,701	5,257,951
REPRESENTED BY			
Fund Balance			
Balance beginning of the year		5,257,951	1,253,380
Excess of receipts over expenditures		2,830,750	4,004,571
Fund balance at the year end		8,088,701	5,257,951



**FRANCES G. COSCO FOUNDATION
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2019**

Currency: Eth. Birr

	Notes		<u>2018</u>
RECEIPTS			
Transfer from Head Office (Canada)		10,877,223	-
Donation	5	2,145,112	1,965,787
Community contribution	6	15,921,212	17,555,568
		28,943,547	19,521,355
EXPENDITURES			
Program Expenditure	7	23,199,589	13,660,191
Administration Expenditure	8	2,913,208	1,856,593
		26,112,797	15,516,784
EXCESS OF RECEIPTS OVER EXPENDITURES		2,830,750	4,004,571
FUND BALANCE BROUGHT FORWARD		5,257,951	1,253,380
FUND BALANCE CARRIED FORWARD		8,088,701	5,257,951

Program 89%
Administration 11%



**FRANCES G. COSCO FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Currency: Eth. Birr

1 BACKGROUND

Frances G. Cosco Foundation (FGCF) is a non-denominational Canadian Charity based, in Edmonton Alberta , Canada where it is legally registered.

FGCF mission is to improve the lives of disadvantaged people through quality education - Education for Change, by providing infrastructure such as school buildings, libraries, and educational materials, while at the time enabling access to improved learning by continuously upgrading teachers' pedagogical and class room management skills; reducing health risks by building latrines and providing access to clean water; and lowering poverty levels by facilitating skills training and Income generating opportunities for destitute parents and protecting the environment.

FGCF follows a holistic and community driven approach in its project planning & programming; invests in long term outcomes rather than in short term outputs; strives to achieve measurable improvements in its target populations; builds on communities' strengths and resources.

FGCF has been duly registered with the Federal Democratic Republic of Ethiopia, FDRE Agency for Civil Society Organizations as a Foreign Organization in accordance with Proclamation No. 1113/2019 and obtained Certificate No. 3337 on May 15, 2019.

FGCF has signed a five-years project agreement, Improving Quality of Education through a Holistic Approach, 2015-2019 with Amhara National Regional State's Bureaus of Education, Finance and Economic Development, Water and Environmental Protection; and a second agreement - Improving teaching and learning in poor public schools of ANRS through the provision of digital learning resources: 2017 -2020 with ANRS' Bureau of Education and Finance & Economic Development.

Accordingly, FGCF has undertaken different projects including building schools, furnishing the new physical facilities, providing reference books, upgrading skills of teachers and school administrators, providing WASH and greening and gardening the schools.

2 ACCOUNTING POLICIES

The principal accounting policies adopted by the organization are :-

The organization follows the modified cash basis of accounting whereby;

- 2.1 Income is recognized when received and Expenditure when incurred except some minor year end accruals.
- 2.2 Foreign remittances are converted into Ethiopian Birr at the Exchange rate ruling at the date of transfer.
- 2.3 Fixed assets are recorded as expense at the time of purchase. However, a Fixed Assets Register is maintained to exercise proper control.
- 2.4 Donations in kind are valued at cost value provided by donor.



**FRANCES G. COSCO FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Currency: Eth. Birr

3 CASH AT BANK

FGCF maintains a bank account at Commercial Bank of Ethiopia - Gurd Shola Branch. The balance as at 31 December 2019 shows 12,841,598

4 Advances

Advance Payment (Tis Abay) 1,319,055
Staff Advance 27,687
1,346,742

5 DONATION

		2018
ISEE	2,075,412	1,965,787
Yehealem donation	5,000	-
Ben Frabjkub Barcelona for Bezawit	64,700	-
	<u>2,145,112</u>	<u>1,965,787</u>

6 COMMUNITY CONTRIBUTION

Bezawit	2,853,496	7,045,631
Debre Work community contr	5,937,648	4,286,434
Merawi contributions	3,030,624	4,321,849
Tis Abay contribution	4,099,444	1,901,654
	<u>15,921,212</u>	<u>17,555,568</u>

7 PROGRAM EXPENDITURE

Construction of Schools	18,293,830	11,567,505
Furniture & Sport equipment	2,933,137	1,270,924
Books for Library	270,992	40,020
Special Needs Education	52,917	-
Water/WASH	692,843	618,557
School greening and gardening	-	18,200
TCD/upgrading skills of teachers	657,180	144,985
Engineering consultant	194,940	-
Eye Project	103,750	-
	<u>23,199,589</u>	<u>13,660,191</u>

8 ADMINISTRATION EXPENDITURE

Salary and related benefits	2,361,216	1,610,367
Travel & Perdiem	120,477	102,125
Office rent	51,818	45,059
Fixed assets/vehicle	134,464	73,919
Audit fee	5,500	7,000
Office supplies	142,754	6,608
Bank service Charges	14,684	1,055
Consultant fee	76,803	-
Others	5,492	10,460
	<u>2,913,208</u>	<u>1,856,533</u>

