

STATEMENT OF ASSETS AND LIABILITIES
EAST AFRICA EDUCATION TRUST (EDUCATION IS POWER)
AS AT FISCAL PERIOD ENDING DECEMBER 31, 2016

ASSETS

Canadian bank account balance	\$21,200.47
Kenya bank account balance (317,820.23Ksh @ 74.03731)	\$4,292.70
PayPal account balance	\$98.10
Cash/cheques not deposited	<u>\$4,693.70</u>
Total Assets	<u>\$30,284.97</u>

LIABILITIES	\$0.00
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Note: Account balances are high at Dec 31/16 in anticipation of substantial disbursements in January 2017 for tuition fees in the new school year in Kenya starting in January.

STATEMENT OF REVENUE AND EXPENDITURES
EAST AFRICA EDUCATION TRUST
FISCAL YEAR ENDING DECEMBER 31, 2016

REVENUE	\$55,189.50
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EXPENDITURES

1. Payments for student tuition fees and related expenses in Kenya (actual 2016 payments for tuition and related expenses was \$37,182.07 - see Note 1)	\$32,635.52
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	Tuition	Related Expenses	Total
Post Secondary	\$16,416.80	\$3,160.34	\$19,577.14
Kimende Secondary	\$6,508.30		\$6,508.30
Laikipia Secondary	\$9,755.88	\$226.87	\$9,982.75
Isiolo Secondary	<u>\$1,113.88</u>		<u>\$1,113.88</u>
	\$33,794.86	<u>\$3,387.21</u>	\$37,182.07

The Laikipia line includes under Related Expense \$110.30 for textbooks
(See Note 2 re Related Expenses)

2. Payments to teacher salary in Kenya (see Note 3)	\$2,342.37
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3. Payment for student tuition fees and related expenses in Tanzania	\$500.00
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4. Laikipia tutoring/empowerment week expenses (see Note 4)	\$1,009.89
Kimende tutoring/empowerment week expenses (see Note 4)	\$995.20

5. Promotional material (posters, printing)	\$161.65
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6. Administration expenses

Canada administration expenses (see Note 5)

Bank account charges	\$37.50
Money transfer costs to Kenya	<u>\$108.20</u>
XE	\$88.00
PayPal	<u>\$42.20</u>
	\$130.20

Total Canada expenses	\$145.70	\$145.70
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<u>Kenya administration expenses</u> (see Note 6)		
Money transfer costs in Kenya (bank and courier charges)	\$270.69	
Laikipia assignment contract	\$22.63	
General admin Laikipia	\$53.79	
General admin Kimende	<u>\$400.35</u>	
Total Kenya expenses	\$747.46	\$747.46
(actual 2016 payments for Kenya administration was \$794.88 - see Note 6)		
7. Payments to volunteers in Kenya (see Note 7)		\$1,906.31
7. Reserve for 2017 Kenya expenses (see Note 8)		\$3,417.28
Total Expenditures		\$43,861.38
(Actual 2016 payments for all expenses \$44,810.70 - see Note 9)		

Notes

1. The amount paid out for tuition and related expenses in 2016 (\$32,635.52) is the amount of money withdrawn from the Canadian bank account and transferred to Kenya in 2016 for this item. The calculation of this amount involves adding the relevant amount of funds sent for each category of student (post secondary, Kimende Secondary, Laikipia Secondary, and Isiolo Secondary) and then adding or subtracting tuition amounts transferred to or from the General Reserve during 2016 eg if an amount was transferred from Canada for a particular post secondary student and then not used for that student, the amount would be transferred to the General Reserve thereby reducing the total tuition for post secondary students in 2016.

The actual expenditure in 2016 was higher at \$37,182.07 because of changes in the Kenya bank account related to tuition - the amount in this account for tuition was reduced, the amount at year end being less than the opening balance Jan 1/16, indicating that money on hand in Kenya at the start of the year was used in addition to money transferred from Canada during 2016. In particular, \$4,230.00 was transferred to Kenya in Dec 2015 but these funds were used for January 2016 secondary tuition. There was also \$248.86 on hand as of Dec 31, 2015 for post secondary students that was used in 2016. There were no funds identified for tuition at the end of 2016.

2. There are a few individual donors who pay for all expenses of an individual student and some of those donors wish to pay for items in addition to tuition such as accommodation, transport to school, books, uniforms etc. (referred to as related expenses). These expenses totaled \$2,545.75 of the \$3,387.21 item above. The amount of \$731.16 was used by EIP to pay for similar expenses for students who were not individually sponsored, plus \$110.30 for general use textbooks in Laikipia. EIP has a policy of paying such expenses on a limited basis and on a case by case basis in order to gain more commitment from students and their families. The total of these tuition related expenses is derived from the following list:

Ken Kamero	\$1,957.26
Solomon Kitonga	\$594.60
Chris Wekesa	\$522.49
Freshiah Nyokabi	\$318.44
Isaac Karmushu	\$66.00
Fredrick Nantiri Godan	\$116.57
Laikipia textbooks	<u>\$110.30</u>
	\$3,387.21

3. EIP supports students in the remote Lokusero school area of Laikipia. The primary school is severely understaffed with 61 students for one teacher in one of the small dilapidated classrooms. EIP is trying to deal

with this situation by supporting one of the young teachers who has been teaching at the school for several years with only the salary paid by EIP.

4. Each year EIP conducts two Tutoring/Empowerment programs in two different locations in Kenya (Laikipia and Kimende). These programs are each 1 week in duration and are designed to go beyond traditional education to foster leadership skills, community volunteer work, and personal growth through experiential learning.

5. The administrative expenses are separated into expenses incurred in Canada and expenses incurred in Kenya. The only Canadian expenses charged to EIP general revenues are money transfer fees (to Kenya), nominal bank charges, and some promotional material. The balance of expenses including office expenses, communication, travel, and some promotional material are paid out of pocket by the Trustees. There are no salaries in Canada as all work is done on a volunteer basis. The total Canadian administrative expenses in 2016 was only \$145.70 which is only 0.3% of total expenditures for 2017.

6. The Kenya administrative expenses are expenses incurred by our Kenya volunteers and a large portion of those expenses is associated with obtaining student tuition amounts, receipts for tuition payments, and reports on students. Students are located in several different schools in widely separated geographic areas. In 2016 the total administrative expenses in Kenya was \$747.46 which represents 1.7% of total disbursements. The actual expenditure in 2016 was higher at \$794.88 (1.8%) because of changes in the Kenya bank account related to administration expenses - the amount in this account for administration was reduced, the amount at year end being less than the opening balance Jan 1/16, indicating that money on hand in Kenya at the start of the year was used in addition to money transferred from Canada during 2016. The reduction was \$47.42.

7. EIP has initiated this year a policy of making a payment to a few of the volunteers in Kenya in recognition of the long hours spent by these volunteers in reviewing student applications for selection, obtaining fee information and payment of fees, monitoring student progress, and reporting to EIP in Canada. The work also involves visitations to schools and homes of students. The workload is becoming substantial as the number of students has steadily increased. In one area alone (Kimende) EIP received 67 new applications from high school students for the January 2017 school year (in addition to high school applications from Laikipia and post secondary applications). In addition to this work is the ongoing administration for the 66 students and 1 teacher during 2016.

8. Each year EIP transfer money to Kenya in at least 3 separate transfers and in each transfer there are designated amounts for various categories of expenses in Kenya. A record is kept of the manner in which this designated money is disbursed in Kenya during the year. During the year some designated expenses are not disbursed in Kenya (for a variety of reasons) and in some cases new undesignated expenses are required in Kenya. The net of these changes is shown as General Reserve that will be used for 2017 expenses.

9. Actual total payments for all expenses was higher at \$44,810.71 because of changes in the Kenya reserves.

Total Kenya reserves as of Dec 31/15	387,362.23
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Total Kenya reserves as of Dec 31/16	317,076.98
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The reduction of 70,285.25 in total reserves indicates that 2016 expenses were paid from money transferred to Kenya in 2016 and from money on hand at the beginning of 2016. Using an exchange rate of 74.03731 (quoted mid range rate - 2.0) the 2016 amount taken from prior reserves has a value of \$949.32 and adding this amount to total expenses from 2016 funds (\$43,861.38) gives the actual total of \$44,810.70.

STATEMENT OF CASH FLOW
EAST AFRICA EDUCATION TRUST
FISCAL YEAR ENDING DECEMBER 31, 2016

Cash balance January 1, 2016	\$14,664.16
Revenue in 2016	<u>\$55,189.50</u>
Total	\$69,853.66

Cash disbursements in 2016	<u>\$43,861.39</u>
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Cash balance December 31, 2016	\$25,992.27
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Bank account balance December 31, 2016	\$21,200.47
Cash/cheques on hand	\$4,693.70
PayPal account balance	<u>\$98.10</u>
Total	\$25,992.27