

**Economic and Social Development Center
of Palestine**

**Financial Statements
and
Independent Auditor's Report**

December 31, 2014

Economic and Social Development Center of Palestine

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Economic and Social Development Center of Palestine Ramallah

We have audited the accompanying financial statements of **Economic and Social Development Center of Palestine (Not for Profit Organization)**, which comprise of the statement of financial position as at December 31, 2014, the statement of activities, statement of change in net assets and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards applicable to Not for Profit Organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Center's preparation and fair presentation of the 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 Center's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of 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 give a true and fair view of the financial position of **Economic and Social Development Center of Palestine** as of December 31, 2014, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards applicable to Not for Profit Organizations..

A handwritten signature in blue ink that reads "Deloitte & Touche".

Deloitte & Touche (M.E.)

License Number 208/2012

March 31, 2015

Economic and Social Development Center of Palestine
Statement of Financial Position
As of 31 December 2014

	2014	2013
Note	U.S. \$	U.S. \$
Assets		
Current Assets		
Cash on Hand and at Banks	3 408,089	510,731
Grants Receivable	5 114,839	122,048
Loans Recivable	6 155,790	144,018
Other Receivables	7 5,500	4,557
Investments in New Farm Company	8 36,828	36,828
Total Current Assets	721,046	818,182
Bank Deposits Restricted for Specific Purposes	4 226,402	124,380
Furniture and Equipment, Net	9 82,862	100,793
Total Assets	1,030,310	1,043,355
Liabilities and Net Assets		
Liabilities		
Payables and Accruals	10 9,448	36,221
Deferred Grants	11 -	32,547
Due to Loan Revolving Fund	12 252,687	248,944
Reserve for Severance Pay	13 161,401	105,878
Total liabilities	423,536	423,590
Net Assets:		
Unrestricted	112,202	83,038
Board Designated	64,312	64,293
Temporarily Restricted	14 347,398	371,641
Investment in Furniture and Equipment	82,862	100,793
Total Net Assets (Statement-C)	606,774	619,765
Total Liabilities and Net Assets	1,030,310	1,043,355

Economic and Social Development Center of Palestine
Statement of Activities
Year Ended 31 December 2014

	Note	Temporarily		Total	
		Unrestricted	Restricted	2014	2013
		U.S. \$	U.S. \$	U.S. \$	U.S. \$
Grants and Revenues					
Restricted Grants	14	-	3,641,232	3,641,232	2,091,944
Local Community Contributions	14	-	208,333	208,333	17,073
Unrestricted Grants and Service Contracts	15	115,552	-	115,552	116,452
Other Revenues	16	27,198	-	27,198	31,212
Total		142,750	3,849,565	3,992,315	2,256,681
Cost of Service Contracts		(46,269)	-	(46,269)	(87,038)
Net Assets Released From Restrictions	14	3,873,808	(3,873,808)	-	-
		3,970,289	(24,243)	3,946,046	2,169,643
Expenses					
Program Expenses					
Institutional Development and Capacity Building	17	1,119,256	-	1,119,256	902,660
Emergency and Food Security	17	2,742,808	-	2,742,808	1,217,754
Total Program Expenses		3,862,064	-	3,862,064	2,120,414
Operating and Administrative Expenses	17	42,284	-	42,284	81,739
Total Program and Operating and Administrative Expenses		3,904,348	-	3,904,348	2,202,153
Depreciation	9	32,211	-	32,211	30,163
Prior Period Adjustment		3,100	-	3,100	-
Loss (Gain) on Currency Fluctuations		19,397	-	19,397	(4,111)
Total Expenses		3,959,056	-	3,959,056	2,228,205
Change in Net Assets During the Year (Statement-C)		11,233	(24,243)	(13,010)	(58,562)

See Notes to Financial Statements

Economic and Social Development Center of Palestine
 Statement of Changes in Net Assets
 Year Ended 31 December 2014

	Net Assets				
	Unrestricted	Board Designated	Temporarily Restricted	Investment in Furniture and Equipment	Total
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Year Ended 31 December 2014					
Net Assets at Beginning of Year	83,038	64,293	371,641	100,793	619,765
Change in Net Assets During the Year (Statement-B)	11,233	-	(24,243)	-	(13,010)
Transfer to Investment in Furniture, Equipment and Library Resources, net	17,931	-	-	(17,931)	-
Interest Income	-	19	-	-	19
Net Assets at End of Year (Statement-A)	112,202	64,312	347,398	82,862	606,774

Year Ended 31 December 2013					
Net Assets at Beginning of Year	75,580	64,293	400,235	118,980	659,088
Change in Net Assets During the Year (Statement-B)	(29,968)	-	(28,594)	-	(58,562)
Support from ACTED to Cover Prior Year Expenses	19,239	-	-	-	19,239
Transfer to Investment in Furniture, Equipment and Library Resources, net	18,187	-	-	(18,187)	-
Net Assets at End of Year (Statement-A)	83,038	64,293	371,641	100,793	619,765

See Notes to Financial Statements

Economic and Social Development Center of Palestine
Statement of Cash Flows
Year Ended 31 December 2014

	<u>2014</u>	<u>2013</u>
	<u>U.S. \$</u>	<u>U.S. \$</u>
Cash Flows from Operating Activities		
Grants Received	3,741,936	2,122,773
Service Contracts Grants and Other Revenues	142,750	147,664
Cash Paid to Employees and Suppliers	(3,973,048)	(2,338,937)
Net Cash Used in Operating Activities	<u>(88,362)</u>	<u>(68,500)</u>
Cash Flows from Investing Activities		
Procurement of Furniture and Equipment	(14,280)	(11,976)
	<u>(14,280)</u>	<u>(11,976)</u>
Decrease in Cash on Hand and Deposits with Banks	(102,642)	(80,476)
Cash on Hand and Deposits with Banks at Beginning of Year	510,731	591,207
Cash on Hand and Deposits with Banks at End of Year	<u>408,089</u>	<u>510,731</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Change in Net Assets	(12,991)	(39,323)
Depreciation	32,211	30,163
Increase in Reserve for Severance Pay	55,523	15,259
Decrease (Increase) in Grants Receivable	7,209	(13,756)
Decrease (Increase) in Other Receivable	(12,715)	3,598
Decrease (Increase) in Bank Deposits Restricted for Specific Purposes	(102,022)	(107,377)
(Decrease) Increase in Payables and Accruals	(55,577)	42,936
Net Cash Used by Operating Activities	<u>(88,362)</u>	<u>(68,500)</u>

See Notes to Financial Statements

Economic and Social Development Center of Palestine

Notes to Financial Statements

Year Ended December 31, 2014

(Amounts are presented in U.S Dollar)

1. Organization

Economic and Social Development Center of Palestine (ESDC), (Not For Profit Organization) is a legal independent Palestinian NGO, established at the beginning of 2003, under registration number RA/2267/B.

Vision

A Palestinian cooperative society that is economically independent and socially just.

Mission

Eventuating Integrated Development in Palestine through Economic & Social Empowerment for the target groups.

ESDC continues to align its organizational values with the internationally-accepted cooperative principles. It also upholds the values of transparency, integrity and accountability, social justice, and peace.

ESDC recognizes itself as a member of civil society in Palestine. Its stated **Strategic Objectives** within the development programme:

1. To contribute in the national endeavors in improving the livelihood & food security for the target groups.
2. To increase the capacities of civil society organization, including cooperatives in providing relevant services to their members and communities.
3. To reinforce the gender equitable and equity in ESDC's operations and activities.
4. To build the capacities of ESDC to be more efficient and effective in management and supervision.

2. Summary of Significant Accounting Policies

2.1 The financial statements of ESDC have been prepared on the accrual basis of accounting using the historical cost convention, relevant International Financial Reporting Standard and the United States of America Statements on Financial Accounting Standards applicable to Not for profit organizations.

In the current year, ESDC management considered all new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of IASB, relevant to its activities, that were issued and effective for annual reporting periods ending on December 31, 2014. The application of the new standards and interpretations has no effect on the financial position or the results of operations of ESDC.

2. Summary of Significant Accounting Policies (Continued)

The significant accounting policies followed are described below:

2.2 ESDC maintains its accounts in accordance with the principles of fund accounting under which the resources for various purposes are classified into three classes of net assets as described below:

- **Unrestricted net assets** represent net assets whose use by ESDC is not subject to donor-imposed restrictions.
- **Board Designated Net Assets** represent net assets designated out of unrestricted net assets by the board of directors for future uses determined by the General Assembly.
- **Temporarily restricted net assets** whose use by ESDC is limited by donor-imposed and restriction that either expire by passage of time or can be fulfilled and released by actions of ESDC pursuant to those donor-imposed stipulations.
- **Investment on Fixed Assets.**

2.3 Estimates and assumptions: The financial statements include certain estimates and assumptions made by management relating to reporting of assets, liabilities, at the date of the financial statements, and the reporting of revenues, expenses, gains, and losses during the year. Actual results may differ from those estimates adopted by ESDC's management. Estimates used in the preparation of the financial statements are the useful lives of fixed assets and all other provisions.

2.4 Contributions and grants, revenues from private grants and contract agreements are recognized as it is earned through expenditures in accordance with the agreements. Any funding received in advance of expenditures is recorded as deferred contribution in the statement of financial position.

Donated equipment, books and other supplies are reported as non-operating income and are valued at their fair values on the date of receipt.

Contributions Receivable represents amounts due from funding organizations for expenditures incurred prior to receiving related funds.

Deferred Grants represents contributions received from donors to be used in the forthcoming years and are recognized as revenues through expenses in accordance with the agreements.

2.5 Cash and cash equivalents include cash on hand and deposits with banks with maturity dates of 90 days or less.

2.6 Loan Receivables are stated at their outstanding balances as of the date of the financial statements.

2.7 Investments are stated at cost. Dividends from investment are recorded when received.

2. Summary of Significant Accounting Policies (Continued)

2.8 Furniture and Equipment and Depreciation are stated at cost net of accumulated depreciation, depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets ranging from 7% to 20%.

When the expected recoverable amount is less than the net book value, the Fixed Assets items amount is reduced to the lower of the cost or net realizable value and the difference (if any) is included in the statement of activities.

The useful lives of fixed assets items, are reviewed at the end of each year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years, being as a change in estimate. Fixed assets items are disposed off when there is no expected future benefit from the use of that asset.

2.9 Liabilities toward Staff benefits

Severance pay: The policy of ESDC is to provide for staff severance pay by accruing for one-month compensation for each year of service using the last salary paid during the year.

2.10 Functional Expenses

The Center allocates its expenses on a functional basis among its various programs and general administration. Expenses that can be identified with a specific program or administration are charged directly to related function. Other expenses that are common to several functions are allocated between functions based on the best estimates and judgment of management.

2.11 Foreign Currency Transactions:

The books of accounts of ESDC are maintained in U.S Dollar. Transactions, which are denominated in currencies other than U.S Dollar are converted into U.S Dollar equivalent at the exchange rate prevailing on the date of each transaction.

- Transactions and balances, which are originally expressed in U.S Dollar, are presented at the actual amount received or paid in U.S Dollar.
- Balances of assets and liabilities which are expressed in currencies other than U.S Dollar are translated to U.S Dollar equivalent using the exchange rate prevailing at the date of the financial statements, which were as follows:

	December 31,	
	2014	2013
	U.S \$	U.S \$
Israeli Shekel	0.2565	0.2874
EURO	1.2159	1.3768

- Exchange differences arising from the conversion of assets and liabilities is charged to the statement of activities.

3. Cash on Hand and at Banks

Composition:

	December 31,	
	2014	2013
Cash on Hand	770	862
Deposits with banks in Shekel	186,896	14,390
Deposits with banks in US Dollar	186,467	503,711
Deposits with banks in EURO (Overdrawn)	33,956	(8,232)
	408,089	510,731

4. Bank Deposits Restricted for Specific Purposes

Compositions of restricted deposits with banks and related obligations are as follows:

	December 31, 2014		
	Amount of Deposit	Amount of Obligation	Excess
Staff Benefits	162,090	161,401	689
Board Designated Fund	64,312	64,312	-
	226,402	225,713	689

	December 31, 2013		
	Amount of Deposit	Amount of Obligation	(Deficit)
Staff Benefits	60,087	105,878	(45,791)
Board Designated Fund	64,293	64,293	-
	124,380	170,171	(45,791)

5. Grants Receivable

	December 31,	
	2014	2013
Care International - TATWEER	16,398	-
UNDP – IFAD	8,665	-
UNDP – Jerusalem	28,145	-
GIZ	11,573	-
NRO – UAWC	3,876	-
We Effect - C.P. 2014 - 2016	33,160	-
Oxfam Projects Direct - PTIB05	2,571	-
Oxfam SDC Secondment	10,451	-
CRDP	-	53,828
Oxfam Olive Oil EU PTIA 98	-	29,638
DCI – Acted	-	30,814
ACF Convenion	-	4,163
ACF	-	1,320
HERF – Jayous	-	2,285
	114,839	122,048

6. Loans Receivable

Composition of this account is as follows:

	December 31,	
	2014	2013
Beginning Balance	144,018	145,789
Loans Granted		
We Effect Fund	55,870	46,400
Oxfam Fund	-	38,260
	55,870	84,660
Loans Collected		
We Effect Fund	(27,098)	(21,329)
Oxfam Fund	(17,000)	(65,102)
	(44,098)	(86,431)
	155,790	144,018

7. Other Receivables

Composition of this account is as follows:

	December 31,	
	2014	2013
Advances to Employees	5,018	3,738
Advances to Suppliers	482	819
	5,500	4,557

8. Investments in New Farm Company

This item represents investment in the “New Farm Company for Marketing and Agro processing” (private shareholding), in the amount of U.S Dollar 48,728 for 36,700 Shares at 1 JD par value. The amount paid is 100% of the value of the shares. The investment was reduced by the accumulated loss reported till 31 December 2013 by U.S. Dollar 11,900.

9. Furniture and Equipment, Net

Composition of this account is as follows:

	Furniture	Equipment	Cars	Total
Year Ended December 31, 2014				
Cost:				
Beginning 2014	18,782	133,913	53,720	206,415
Additions	4,600	9,680	-	14,280
Ending 2014	23,382	143,593	53,720	220,695
Accumulated Depreciation:				
Beginning 2014	6,856	65,047	33,719	105,622
Additions	2,161	23,040	7,010	32,211
Ending 2014	9,017	88,087	40,729	137,833
Net Book Value	14,365	55,506	12,991	82,862
Year Ended December 31, 2013				
Cost:				
Beginning 2013	18,782	121,937	53,720	194,439
Additions	-	11,976	-	11,976
Ending 2013	18,782	133,913	53,720	206,415
Accumulated Depreciation:				
Beginning 2013	4,858	43,892	26,709	75,459
Additions	1,998	21,155	7,010	30,163
Ending 2013	6,856	65,047	33,719	105,622
Net Book Value	11,926	68,866	20,001	100,793

10. Payables and Accruals

	December 31,	
	2014	2013
Due to service Providers and Employees	3,215	9,364
Accounts Payable – Community Contributions	433	21,969
Accrued Professional Fees	5,800	4,888
	9,448	36,221

11. Deferred Grants

	<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
FAO	-	32,547
	<u>-</u>	<u>32,547</u>

12. Due to Loan Revolving Fund

	<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
Beginning Balance	248,944	263,758
Transferred (to) from Donors	-	(15,614)
Revolving Fund Fees Revenues	3,743	800
	<u>252,687</u>	<u>248,944</u>

13. Reserve for Severance Pay

	<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
Beginning Balance	105,878	90,619
Provision for the Year	59,589	48,288
Payments	(4,066)	(33,029)
	<u>161,401</u>	<u>105,878</u>

14. Temporarily Restricted Net Assets

	Unexpended Grants	Grants Received		Grants Receivable for	Grants for 2014		Available	Fixed Assets	Programs Expenses	Total	Unexpended Grants
	January 1, 2014 U.S. \$	U.S. \$	U.S. \$	the Year U.S. \$	U.S. \$	U.S. \$	Grants U.S. \$			U.S. \$	December 31, 2014 U.S. \$
Oriam PTIA 82 EDP	14,431	-	-	-	-	14,431	-	-	12,731	12,731	1,700
Oriam Olive Oil SDC PTIA 95	26,870	100,000	-	-	100,000	126,870	-	-	106,527	106,527	20,343
Oriam Olive Oil EU PTIA 98	-	148,461	-	-	148,461	148,461	-	-	112,355	112,355	36,106
Oriam Projects Direct - PTIB05	7,494	3,407	2,571	2,571	5,978	13,472	-	-	13,472	13,472	-
Oriam SDC Secondment	-	4,494	10,451	10,451	14,945	14,945	-	-	14,945	14,945	-
We Effect - ESDC - ANJ - CAP2 2013 - 2015	59,860	457,729	-	-	457,729	517,589	1,990	-	508,544	510,534	7,055
We Effect - CRDP - 1/7/2013 - 15/08/2014	-	114,311	-	-	114,311	114,311	-	-	114,311	114,311	-
We Effect - CRDP - Page 15 & 2014 - 31/10/2014	-	136,466	-	-	136,466	136,466	-	-	136,466	136,466	-
We Effect - C.P. 2014 - 2016	119	323,650	33,160	33,160	356,810	356,810	3,458	-	353,471	356,929	-
We Effect - ERT 2014 Jyyyoos, An, Nabi Elyas, Qalqiyah, Habla	86	201,524	-	-	201,524	201,610	2,220	-	198,952	201,172	438
We Effect - ERT 2014 - 2015 In Gaza	-	30,000	-	-	30,000	30,000	-	-	4,242	4,242	25,758
ACF - JBAB/BB/2013/002	-	4,584	-	-	4,584	4,584	-	-	4,584	4,584	-
ACF Convention - MOU/FJG/44/BB/2011	-	7,912	-	-	7,912	7,912	-	-	7,912	7,912	-
NRO - UAWC	180,573	248,000	3,876	3,876	251,876	432,449	1,740	-	430,709	432,449	-
OCHA WB 2014	-	200,691	-	-	200,691	200,691	-	-	200,691	200,691	-
OCHA GAZA 2014	-	228,801	-	-	228,801	228,801	-	-	228,801	228,801	-
NICCOD 2014 Phase 1	-	141,241	-	-	141,241	141,241	-	-	141,241	141,241	-
NICCOD 2015 Phase 2	-	185,326	-	-	185,326	185,326	-	-	9,650	9,650	175,676
Care International - TATWEER	12,553	371,561	16,398	16,398	387,959	400,512	1,574	-	398,988	400,512	-
Welfare-Workplace Success-YES Phase 2	-	600	-	-	600	600	-	-	600	600	-
UNDP Jerusalem - HIMII	-	207,243	28,145	28,145	235,388	235,388	-	-	235,388	235,388	-
GIZ	-	19,103	11,573	11,573	30,676	30,676	-	-	30,676	30,676	-
DEEP	59,776	221,632	-	-	221,632	281,408	-	-	281,408	281,408	-
IFAD 5	9,879	160,127	8,663	8,663	168,792	178,671	-	-	178,671	178,671	-
Peer - To - Peer Project	-	9,530	-	-	9,530	9,530	-	-	39	39	9,491
Sub-total	371,641	3,526,393	114,839	114,839	3,641,232	4,012,873	10,932	3,725,374	3,736,306	276,567	
We Effect - CRDP - 1/7/2013 - 15/08/2014 - Local Community Contributions	-	13,406	-	-	13,406	13,406	-	-	13,406	13,406	-
We Effect - C.P. 2014 - 2016 - Local Community Contributions	-	40,796	-	-	40,796	40,796	812	-	39,984	40,796	-
NRO - UAWC - Local Community Contributions	-	154,131	-	-	154,131	154,131	-	-	83,300	83,300	70,831
Sub-total	-	208,333	-	-	208,333	208,333	812	136,690	137,502	70,831	
Total	371,641	3,734,726	114,839	114,839	3,849,565	4,221,206	11,744	3,862,064	3,873,808	347,398	

15. Unrestricted Grants and Service Contracts

	<u>2014</u>	<u>2013</u>
FAO – GAZA – 2012 – Ref: 10/0612/203 II/CAN	69,549	16,781
FAO – GAZA – 2012 – Ref: 10/0612/205/CAN	42,403	18,000
PCAP	-	32,965
FAO–ENPI–2011/268–270–Sanour–Qabatia–Jaba'	-	5,400
FAO – GAZA – 2012 – Ref: 10/0612/203/CAN	-	30,000
YMCA	-	13,306
Others	3,600	-
	<u>115,552</u>	<u>116,452</u>

16. Other Revenues

	<u>2014</u>	<u>2013</u>
Membership Fees Revenues	486	271
Tender Fees Revenues	15,375	4,711
Training and Car Usage Revenues	7,789	12,585
Other Revenues	3,548	13,645
	<u>27,198</u>	<u>31,212</u>

17. Functional Expenses

	Institutional Development and Capacity Building		Emergency and Food Security		Total Program		Management and Administrative Expenses		Total 2014 U.S. \$
	U.S. \$		U.S. \$		U.S. \$		U.S. \$		
1 Accommodation	6,085		368		6,453		827		7,280
2 Advertisement	1,475		1,604		3,079		10,580		13,659
3 Animal sheds	-		38,850		38,850		-		38,850
4 Backyards Animal Farms	112,664		66,300		178,964		-		178,964
5 Beneficiaries Materials Costs	407,174		1,104,650		1,511,824		3,187		1,515,011
6 Building Retaining Walls	-		42,306		42,306		-		42,306
7 Cisterns	-		121,140		121,140		-		121,140
8 Contribution in Center Salaries	48,571		5,500		54,071		600		54,671
9 Films Production	5,420		5,500		10,920		-		10,920
10 Hospitality & Halls Rental	31,096		5,187		36,283		2,026		38,309
11 Office Supplies and Maintenance	7,801		14,894		22,695		1,037		23,732
12 Other Costs	1,364		1,838		3,202		1,941		5,143
13 Postal Telephone and Fax	7,481		10,321		17,802		2,584		20,386
14 Printing & Publication Expense	17,772		1,130		18,902		265		19,167
15 Professionals and Consultants Expense	86,493		74,255		160,748		1,135		161,883
16 Rehabilitation of Damaged Fields	7,210		814,203		821,413		-		821,413
17 Rent and Occupancy Costs	6,194		13,400		19,594		2,590		22,184
18 Salaries, Wages and Related Costs	315,837		369,210		685,047		3,201		688,248
19 Travel Expenses	33,529		17,030		50,559		10,277		60,836
20 Vehicle Rental	5,680		12,933		18,613		-		18,613
21 Vehicles Expenses	17,410		22,189		39,599		2,034		41,633
Total	1,119,256		2,742,808		3,862,064		42,284		3,904,348

17. Functional Expenses Continued

	Institutional Development and Capacity Building	Emergency and Food Security	Total Program	Management and Administrative Expenses	Total 2013
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
1 Salaries, Wages and Related Costs	303,431	234,304	537,735	35,099	572,834
2 Contribution in center salaries	76,713	5,229	81,942	-	81,942
3 Professional Expenses	44,006	13,420	57,426	5,439	62,865
4 Rent and Occupancy	2,215	11,230	13,445	6,268	19,713
5 Travel Expenses	22,432	10,877	33,309	7,411	40,720
6 Vehicle Rental	2,000	7,850	9,850	-	9,850
7 Cleaning Expenses	298	-	298	905	1,203
8 Hospitality	25,065	5,506	30,571	2,799	33,370
9 Advertisement	6,190	1,493	7,683	5,540	13,223
10 Maintenance	365	4,244	4,609	979	5,588
11 Postal, Telephone and Fax	8,680	6,203	14,883	3,608	18,491
12 Office Supplies	3,381	5,007	8,388	2,539	10,927
13 Printings	33,276	2,425	35,701	1,002	36,703
14 Subscription	5,936	170	6,106	227	6,333
15 Accommodation	7,632	-	7,632	1,300	8,932
16 Utilities	450	2,880	3,330	1,946	5,276
17 Vehicles Cost	19,920	8,776	28,696	4,216	32,912
18 Translation	1,658	208	1,866	28	1,894
19 Bank Charges	12	327	339	818	1,157
20 Halls Rental Expenses	2,582	2,495	5,077	-	5,077
21 Sign Boards	54	522	576	78	654
24 Trainer Fees Expense	18,431	2,565	20,996	-	20,996
22 Provision of vegetable basket (PVB)	309,120	891,652	1,200,772	1,200	1,201,972
25 Animal sheds	5,370	220	5,590	-	5,590
29 Other Program Expenses	1,127	-	1,127	69	1,196
30 Other Costs	2,316	151	2,467	268	2,735
Total	902,660	1,217,754	2,120,414	81,739	2,202,153

18. Financial instruments, fair values and risks management

- **Operational Risk**

The costs of the programs, administrative as well as fixed assets procurement are significantly financed by donors through donations. The management believes that the funding level in the year 2015 will be sufficient to finance all of its disbursements and will be consistent with the funding level in the prior years. Furthermore, the management believes that the political and economical conditions prevailing in the area will not materially affect its operations.

- **Fair Values of Financial Assets and Liabilities:**

The carrying book value of financial assets and liabilities are not materially different from their fair values at the date of the statement of financial position.

- **Credit Risk:**

ESDC credit risk is primarily attributable to its liquid funds and receivables. The credit risk on liquid funds is limited because they are placed with reputable financial institutions. The Receivables are stated in the statement of financial position net of allowances for doubtful debts, if any, which is estimated by ESDC management based on prior experience and the current economic environment.

- **Interest Rate Risk**

ESDC interest rate risk arises from the possibility that changes in market interest rates may affect the value of its interest bearing assets. The management of ESDC usually monitors the fluctuation in interest rates in every individual currency in order to maximize the benefits from placements.

- **Currency Risk:**

Currency risk arises from the possibility that changes in the exchange rates may negatively affect the value of the financial assets and liabilities in case ESDC does not hedge its currency exposure by means of hedging instruments. The management usually distributes its liquid assets over its functional currencies to minimize any possible loss from currency rates fluctuation.