

# AUDITOR'S REPORT

On The

***FINANCIAL STATEMENTS***

**OF**

**PATHWAY**

**House No. 01, Road-02, Block-B, Section-06,  
Mirpur, Dhaka-1216, Bangladesh**

**FOR THE YEAR/ PERIOD ENDED ON ..... 30<sup>th</sup> June, 2018**



**M. N. ISLAM & COMPANY**  
**CHARTERED ACCOUNTANTS**

123/4, Tejkunipara, Tejgaon, Dhaka-1215

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**PATHWAY**  
House No. 01, Road-02, Block-B, Section-06, Mirpur,  
Dhaka-1216, Bangladesh

**“ACCOUNTS AND MANAGEMENT REPORT”**  
**For the year ended 30<sup>th</sup> June, 2018.**

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Balance Sheet

Income and Expenditure Accounts

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Calculation and Fixed Assets Schedule

**AUDITOR**

**M N ISLAM & CO.**  
**Chartered Accountants**  
123/4, TEJKUNI PARA  
TEJGAON, DHAKA-1215.  
Bangladesh.  
Phone: 9113528, 9000785  
Cell No. 01911532484



Executive Director

**PATHWAY**

**House No. 01, Road-02, Block-B, Section-06, Mirpur,  
Dhaka-1216, Bangladesh**

**Subject: Auditor's Report and Accounts of your organization for the  
year ended 30<sup>th</sup> June, 2018.**

Dear Sir,

We have audited the accounts of your organization for the year ended 30<sup>th</sup> June, 2018 and enclose herewith the Consolidated Balance Sheet, Income & Expenditure Account and Receipts & Payments Account along with relevant schedule as on that date as maintained and produced before us. We report as follows:

**1.00 INTRODUCTION:**

**1.01 ABOUT THE ORGANIZATION AND ITS FINANCE:**

“PATHWAY” is an NGO formed with some other philanthropists who have long experience in the field of Socio-economic development. The organization is duly registered under Voluntary Social Welfare- Dhaka Agencies (Registration & Control) Ordinance 1961 vide Registration No. DHA-02851, Dated : 21/12/1992. Joint Stock Companies and Firms Reg :No. S-1496(56)/92, Dated: 15/09/1992 and also NGO Affairs Bureau Reg: No: 778, Dated: 29/11/1993

**102 SCOPE OF AUDIT:**

We confirm that our audit was carried out in accordance with the internationally accepted auditing standards as adopted in Bangladesh and accordingly included such test of accounting records and audit procedures as were considered appropriate in the circumstances. The following steps were considered as the basis for audit programme based on terms of reference: -

- a) Hold meeting between the auditors and key officials of “PATHWAY”;
- b) Reviewing and checking of various documents and papers related to organization's accounts and management such as;
- c) Approved project proposal plan of operation and budget;
- d) Agreement and supplementary agreements / meeting minutes;
- e) Accounting and financial manual, project files and government orders Relating to “PATHWAY”;
- f) Guidelines (relates to “PATHWAY” as to decision making, division of duties and maintenance organization's fund.



**OBJECTIVE OF AUDIT:**

Major objectives of the audit are: -

- a) Preparation of accounts covering all organization transactions during the year under audit and to review the efficiency and capacity of the organization in managing the fund;
- b) Verification of expenses to ensure that expenses are supported by adequate voucher / documents to justify payments, the expenses related to organization and recorded on standard documents showing particulars of **"PATHWAY"**, payee, amount, purpose and date of disbursement along with original bill, invoices and receipts etc. and also to ensure compliance with appropriate rules and regulations and compare actual expenses with budgeted target;
- c) To review the internal control and find management system and make suitable recommendations.

**ACCOUNTING RECORDS:**

Separate cash book, ledger and other books and documents were maintained by the organization for this project as per agreement and the budget and as required for Transparency in Financial Operations.

**ACCOUNTING BASIS:**

Accounts of the organization were maintained on accrual accounting basis that is, all income actually received / due were taken as income and all expenditure / payments actually made / due during the period were taken as expenditure. This has resulted in making the financial statements meaningful and accurate for reporting and monitoring purpose.

**PRESENTATION OF FINANCIAL STATEMENTS:**

The following financial statements were prepared and presented for management information purpose:

Balance Sheet as at 30<sup>th</sup> June, 2018 showing assets, Liabilities and fund status of the project;

Income & Expenditure Account for the year ended 30<sup>th</sup> June, 2018 showing the revenue income and expenditure incurred;

The Financial Statement has been drawn on accrual Basis;

**REPORTING:**

This report covers comment for the year started from 1<sup>st</sup> July, 2017 to 30<sup>th</sup> June, 2018.

**FIXED ASSETS:**

Fixed assets were recorded showing specification, quantity and value thereof. Identification mark was given for easy location. Physical inventory was carried out by the **"PATHWAY"** management as on 30<sup>th</sup> June, 2018 and found no deviation. Depreciation was charged during the year under audit as per normal rules and Practices.



**CLOSING BALANCE:**

**Cash in hand:**

We could not physically verify the cash in hand as on 30<sup>th</sup> June, 2018 as our audit was conducted post-dated. However, we have obtained a cash custody certificate from the management in support of the balance stated in the cash book as on that date.

**ACKNOWLEDGEMENT:**

We would like to take this opportunity to express our gratitude for the support given to us by the Executive Director of “**PATHWAY**” during the course of our audit. The staffs of the project were also helpful and cooperative while providing necessary documents and information. These have helped the audit team to understand and discharge its responsibilities clearly and carry out the audit in an orderly fashion. Our thanks also to the executive committee members of the “**PATHWAY**” and also the management of the organization

**INDEPENDENT OPINION :**

Subject to our foregoing remarks we report that;

We have obtained all the information and implications

**In our opinion —**

- The Balance Sheet, Income and Expenditure Account, Receipts and Payments Account and Comparable Accounts are drawn up in conformity with the law;
- Such financial statements exhibit a true and fair view of the state of the affairs of the organization according to the best of our information and explanation offered to us and as shown by the books of the “**PATHWAY**”;
- and,
- The books of accounts have been maintained by the project management for the year under audit within the provisions of the project agreement and Management decision and as per normal financial rules and Practices.

Dated: Dhaka



**M N ISLAM & CO.**  
CHARTERED ACCOUNTANTS



**PATHWAY**  
House No. 01, Road-02, Block-B, Section-06, Mirpur,  
Dhaka-1216, Bangladesh

**STATEMENT OF FINANCIAL POSITION**  
As at 30 June, 2018

Particulars	Notes	Amount in Taka 30-06-2018	Amount in Taka 30-06-2017
<b><u>Fixed Assets (WDV):</u></b> (As per Schedule)	Sch-01	30,548	32,156
Loan Outstanding Principl	2	4,251,989	4,251,989
<b><u>Current Assets:</u></b> Cash in Hand & Cash at Bank		9,362	10,769
<b>Total</b>		<b>4,291,899</b>	<b>4,294,914</b>
<b><u>Capital Liabilities:</u></b> Fund Accounts ( Capital )	3	1,263,130	1,266,145
Savings of Group Members	4	3,028,769	3,028,769
<b>Total</b>		<b>4,291,899</b>	<b>4,294,914</b>

Dated, Dhaka ;



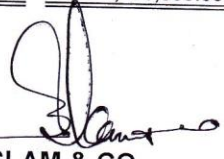
**M. N. ISLAM & CO.**  
Chartered Accountants.




**PATHWAY**  
House No. 01, Road-02, Block-B, Section-06, Mirpur,  
Dhaka-1216, Bangladesh

**STATEMENT OF COMPREHENSIVE INCOME**  
*For the year ended 30 June, 2018*

Received	Amount in Taka 30-06-2018	Amount in Taka 30-06-2017
<b>Income</b>		
Service Charge Received		
Fine on Loan		
Admission Fee		
Pass Book Sales		
Loan Form Sales		
Fine on Savings		
Bank Interest	115,000.00	65,200.00
Contribution of Executive Member		
<b>Project Support:</b>		
HEED Bangladesh	250,000.00	225,000.00
Bangladesh Nazarene Mission	725,000.00	715,000.00
World Vision Bangladesh	375,000.00	365,200.00
NGO Foundation	450,000.00	450,000.00
Henry USA	75,000.00	50,100.00
	<b>1,990,000.00</b>	<b>1,870,500.00</b>
<b>Payment :</b>		
Salary Allowance	325,000.00	324,100.00
Printing & Stationary	9,580.00	8,120.00
Office Rent	120,000.00	120,000.00
Telephone & Mobile	6,250.00	5,256.00
Bank Charge	575.00	350.00
Conveyance	12,548.00	9,254.00
Meeting & Entertainment	12,500.00	4,575.00
Audit Fee	6,000.00	6,000.00
Electric Bill	1,254.00	
Savings Interest	0.00	
<b>Program Expenses:</b>		
Pre-School Education Program	225,000.00	220,000.00
Health Program	450,000.00	410,000.00
Skill Development Program	101,000.00	95,300.00
Nature Conservation Program	45,210.00	41,350.00
Institution Building	0.00	5,020.00
Water Sanitation & Arsenic Mitigation Project	175,800.00	171,230.00
Good Governance & Advocacy Including	8,540.00	7,250.00
Human Rights to the Women and Children	65,870.00	54,120.00
Relif and Rehabilitation Program	95,870.00	85,630.00
Community Development, Early Childhood Dev. Health	144,870.00	130,250.00
Sanitation & Training on Traders Project	35,540.00	30,150.00
VGD Project	150,000.00	140,000.00
Depreciation	1,608.00	0.00
	<b>1,993,015.00</b>	<b>1,867,955.00</b>
Excess of Income Over Expenditure	<b>(3,015.00)</b>	<b>2,545.00</b>
	<b>1,990,000.00</b>	<b>1,870,500.00</b>

  
**M. N. ISLAM & CO.**  
 Chartered Accountants.



**PATHWAY**

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**Statement of Received & Payments**  
For the year ended 30 June, 2018.

Received	Amount in Taka 30-06-2018	Amount in Taka 30-06-2017
<b>Opening Balance :</b>		
Cash in Hand & Cash at Bank	10,769.00	8,224.00
	10,769.00	8,224.00
Savings Collection ( Share Collection )	-	-
Loan Realization	-	-
Service Charge Received	-	-
Fine on Loan	-	-
Admission Fee	-	-
Pass Book Sales	-	-
Loan Form Sales	-	-
Fine on Savings	-	-
Bank Interest	-	-
Contribution of Executive Member	115,000.00	65,200.00
<b>Project Support:</b>		
HEED Bangladesh	250,000.00	225,000.00
Bangladesh Nazarene Mission	725,000.00	715,000.00
World Vision Bangladesh	375,000.00	365,200.00
NGO Foundation	450,000.00	450,000.00
Henry USA	75,000.00	50,100.00
	1,990,000.00	1,870,500.00
<b>Total Received</b>	<b>2,000,769.00</b>	<b>1,878,724.00</b>
<b>Payment :</b>		
Loan Disbursement	0.00	0.00
Savings Refund (Final Settlement)	0.00	0.00
Savings Refund	0.00	0.00
Salary Allowance	325,000.00	324,100.00
Printing & Stationary	9,580.00	8,120.00
Office Rent	120,000.00	120,000.00
Telephone & Mobile	6,250.00	5,256.00
Bank Charge	575.00	350.00
Conveyance	12,548.00	9,254.00
Meeting & Entertainment	12,500.00	4,575.00
Audit Fee	6,000.00	6,000.00
Electric Bill	1,254.00	0.00
Savings Interest	-	0.00
<b>Program Expenses:</b>		
Pre-School Education Program	225,000.00	220,000.00
Health Program	450,000.00	410,000.00
Skill Development Program	101,000.00	95,300.00
Nature Conservation Program	45,210.00	41,350.00
Institution Building	0.00	5,020.00
Water Sanitation & Arsenic Mitigation Project	175,800.00	171,230.00
Good Governance & Advocacy Including	8,540.00	7,250.00
Human Rights to the Women and Children	65,870.00	54,120.00
Relif and Rehabilitation Program	95,870.00	85,630.00
Community Development, Early Childhood Dev. Health	144,870.00	130,250.00
Sanitation & Training on Traders Project	35,540.00	30,150.00
VGD Project	150,000.00	140,000.00
	1,991,407.00	1,867,955.00
<b>Closing Balance :</b>		
Cash in Hand & Cash at Bank	9,362.00	10,769.00
	9,362.00	10,769.00
	<b>2,000,769.00</b>	<b>1,878,724.00</b>



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**Schedule of Fixed Assets As on 30th June, 2018**

Particulars	Opening Balance 1-07-20167	Addition During the Year	Total Asset	Rate	Depreciation During the year	Balance (WDV) as at 30-06 2018
Furniture & Fixture	23,150.00		23,150.00	5%	1,158.00	21,992.00
Mobile Set	9,006.00		9,006.00	5%	450.00	8,556.00
Office Equipment			0.00	10%		0.00
	<b>32,156.00</b>	<b>0.00</b>	<b>32,156.00</b>		<b>1,608.00</b>	<b>30,548.00</b>



**M. N. ISLAM & CO.**

Chartered Accountants.

**PATHWAY**House No. 01, Road-02, Block-B, Section-06, Mirpur,  
Dhaka-1216, Bangladesh**STATEMENT OF COMPREHENSIVE INCOME***For the year ended 30 June, 2018.*

Notes	Received	Amount in Taka 30-06-2018	Amount in Taka 30-06-2017
<b>2.00 Loan Outstanding Principl :</b>			
Balance B/F		4,251,989.00	3,867,189.00
Add: Disbursement to Group members		0.00	6,915,000.00
		4,251,989.00	10,782,189.00
Less : Realized During the year		0.00	6,530,200.00
		<b>4,251,989.00</b>	<b>4,251,989.00</b>
<b>3.00 Fund Accounts ( Project ) :</b>			
Balance B/F		1,266,145.00	1,263,600.00
Add: Excess of Income Over Expenditure		(3,015.00)	2,545.00
		<b>1,263,130.00</b>	<b>1,266,145.00</b>
<b>4.00 Savings :</b>			
Balance B/F		3,028,769.00	3,408,669.00
Add: Collection During the year		-	50,100.00
		3,028,769.00	3,458,769.00
Less: Savings Return during the year		-	430,000.00
		3,028,769.00	3,028,769.00
Less: Savings Refund (Final Settlement)		-	-
		<b>3,028,769.00</b>	<b>3,028,769.00</b>



**PATHWAY**

House No. 01, Road-02, Block-B, Section-06, Mirpur,  
Dhaka-1216, Bangladesh

**List of Member**

SI No.	Name of Member	Designation
1	Haje Md. Jalal Mostafa	Chairman
2	Md. Rijur Rahman	Vis- Chairman
3	Md. Shahin	Exec. Director
4	M Ataur Rahman Roni	Treaserar
5	M A Hannan	Exec. Member
6	Md. Golam Saroyar Liton	Exec. Member
7	Md. Ali Hosain	Exec. Member

