



## MESSAGE FROM THE CHAIRMAN

### Distinguished Members, Dear "Darüşşafaka" Family,

Within the scope of our Strategic plan, which is aimed at planning future's Darüşşafaka from today and carrying it to tomorrows with a strong infrastructure, we have unremittingly furthered our efforts also in 2016.

In terms of the priorities mentioned in 2015-2020 Strategic Plan, significant strides have been made including:

- DEK (Darüşşafaka Education Institutions) Transformation Project, which is aimed at preparing students of Darüşşafaka Schools for the 21st century,
- Providing "Sustainability and Variety in Donations" to ensure Constant Donors,
- Evaluating community sources to create "Asset and Investment Funds" that would provide long-term sustainable incomes,
- Restructuring Residence and Health Services in compliance with our vision,
- Ensuring efficient and effective works of central units of the community (HR, IT, Financial Affairs, Legal Affairs, PMO, Internal Auditing, Facilities, Purchasing Office) in order to support aforementioned fundamental transformation projects. Within this context, we have founded the Project Management Office (PMO) to provide a coordination mechanism, which is at the core of projects carried out by the Community and its partners, as well as creating reports for the administration, in accordance with the Strategic Plan. This unit has set out to ensure development of planning, feasibility and implementation skills for all institutions, to determine project management standards for the Community, to support efficiency of sources for the projects, to provide consultancy



for project teams and project managers and to achieve success.

### DEK TRANSFORMATION PROJECT

DEK Transformation Project, developed with the aim of restructuring DEK to address the 21st century's academic and corporate needs, was carried into effect by 2016. During the last two years, many working hours have been spent on the design process of "education philosophy and methodology" that will prepare DEK for the 21st century. Creating an alumni profile, a new model has been created for Darüşşafaka, paying regard to main components of quality education which are "Academic Competence", "Culture Programs and Life Experience" as well as "Social – Emotional Development" of our students. Within the scope of this project, which includes four key elements as "Training and Teaching Staff", "School Administration", "Planning, Learning and Evaluation" and "Technology in Education and Life", a number of new grounds have been broken. For instance, the organizational structure has been changed and for the first time in its history, Darüşşafaka has

created a new position beside the Principals of Secondary and High Schools, namely the "Life Management" position, in an attempt to ensure an efficient, secure and healthy environment for the rest of students' lives.

### SUSTAINABILITY AND VARIETY IN DONATIONS

Over 33.000 benevolent individual and institutions donated 52,488,500 TL to our Community during 2016. We also started to have the fruits of our efforts made during the last two years with the intent of increasing the number of "constant donors". The number of constant donors, which was 1,500 in 2015, have increased by %100 to the level of 3,000 in 2016. In 2016, 48 benevolent people made donations to our Community through legacies and grants. Thus, the number of legacy and property donors has increased to 411. We began 2016-2017 academic year with 953 students from 70 provinces. This year, beside the other 120 bursars, donor of Yakacik Residence Mr. Güler Haşimoğlu and donor of Şenesenevler Residence Mr. Halidun Tınaztepe decided to bear all expenses of two new

students, who excelled at the examination, for the following eight years and helped us to provide equal opportunities for our two more students. In line with the sense of corporate social responsibility, Türkiye İş Bankası being in the first place, 550 institutions and organizations donated to our Community. Corporate donations have increased by 22% compared to the previous year. Within the scope of the most long-running social responsibility project of the country which has left its 9th year behind, namely "81 Students from 81 Provinces", the number of students fully funded by Türkiye İş Bankası has increased to 565. Moreover, we always feel the support and contributions of İş Bankası within the implementation period of "DEK Transformation Project".

#### **RESIDENCE ACTIVITIES**

In 2016, 40 new donors joined our family. Our residences hosted 486 donors. Our residence donors have always supported the Community, as they also did throughout the previous year. Throughout the year, 227 residence donors donated 7,637,000 TL in total. In addition to this, our 10 residence donors donated their legacies to the Community. We have started to improve and restructure our residences and health services in line with our Strategic Plan and Mission.

#### **ASSET MANAGEMENT AND INVESTMENT FUNDS**

We are currently developing new models to ensure sustainability of return-on-assets of Darüşşafaka. All educational institutions with deep-rooted histories, particularly those in USA and Western societies have created different asset management (endowment) systems with a similar approach.

Likewise, our Community has built a work group to form a professional management, long-term investment vision as well as more sustainable and predictable asset management donation system through a new endowment model based on the principle of asset diversification. The team is furthering its studies on new appropriate model options for Darüşşafaka.

#### **EFFICIENCY AND PRODUCTIVITY RAISING ACTIVITIES IN THE COMMUNITY CENTER**

In accordance with the strategic targets, productivity and efficiency raising activities have been carried out by all units under the Community Center (HR, IT, Financial Affairs, Legal Affairs, PMO, Internal Auditing, Facilities, Purchasing Office). In this sense, new procedures and regulations have been created and various applications, such as Intranet (Institution's Portal), Information Technologies Monitoring System, Purchasing and Demand System, have been put into effect. Network and wireless network infrastructures of all units have been centralized and renewed.

#### **ALUMNI PROFILES AND SCHOLARSHIPS**

We gained 122 new students in 2016 while graduating 96 of our students. 93 of our graduates have been placed in universities and the overall success of the year was 97%. Among this year's graduates, Berna Öz and Muradiye Kaya started to further their education in Canada, with the help of other senior alumni of Darüşşafaka. In addition, we provided scholarships for 2 PhD, 5 master's degree and 239 bachelor's degree students and Darüşşafaka graduates (246 students in total).

#### **DARÜŞŞAFKA PRESTIGE SURVEY**

The reason behind the growing support for Darüşşafaka is the sense of reliability created through the transparent structure of our Community and its honorable mission. Outcomes of this year's survey conducted by BAREM Research Institution show that Darüşşafaka is regarded as prestigious with high rates obtained at 93% from our donors and 86% from the society. This year, we have also repeated the corporate management rating project, the first of which being conducted in 2013. Our corporate management rating has increased to 9,29 in 2016, which was 8,04 in 2013. I would like to extend our highest gratitude, on behalf of 953 students currently studying at Darüşşafaka, towards all benevolent people who donated and helped survival of this house of education and compassion since 1863, whatever the amount they provided. I also would like to thank the academic staff and all other individuals working under the Community and affiliated institutions who have contributed to our journey of education, as well as the parents who have always been with us and congratulate our dear students for the success they have shown. Finally, let us pay tribute to our Great Leader Mustafa Kemal Atatürk and his fellows, our Founding Fathers Yusuf Ziya Pasha, Gazi Ahmet Muhtar Pasha, Sakızlı Ahmet Esat Pasha, Vidinli Hüseyin Tefvik Paşa and Ali Naki, and all of our members, donors, managers, teachers and workers, contributing to Darüşşafaka with donation and efforts, who have passed away, with mercy and gratitude.

With love and best regards,

**M. Talha Çamaş**  
**Chairman of the Board**



# IMPLEMENTATION OF BUDGETS AND FINANCIAL INDICATORS

## OUTSTANDING FEATURES

### FUND RAISING, RELATIONSHIP AMONG DONORS AND COMMUNICATIONS

- The focus point of 2016 was the relationship among donor institutions and "constant donations".
- The communication campaign started in 2015 was furthered in 2016 as well. Disseminating this campaign to public, with the motto of "Some expenses may not be necessary but education is a must", people were invited to provide regular donations for Darüşşafaka, whatever the amount of donations would be.
- An awareness-raising project was carried out together with the communication campaign by creating a tag on social media that is #OlmasadaOlur (which means "not necessarily").
- In 2016, the campaign was recognized with the Golden Effie Award within the "Category of Non-Governmental Organizations" by Effie Turkey which rewards the most effective advertisements of the year. Moreover, the campaign was also rewarded as "The Most Favoured Social Responsibility Project" by Yıldız Technical University, Business Management Club's "Yılın Yıldızları Ödülleri" (Stars of the Year Awards).
- 93 new institutions were visited and informed about Darüşşafaka in 2016, in order to raise corporate donations. As a result of these efforts, corporate donations have increased by 22% compared to 2015.

### HUMAN RESOURCES

In terms of service standards regarding all the staff;

- Ethic Principles and Rules and Ethics Committee Operational Procedures have been prepared and published.
- Descriptions of all tasks have been documented.
- Promotion and Reassignment Procedures have been published.
- Internal communications have been converted to standards and started to be carried out on a systematic and regular basis.
- Exit interviews have started to be applied for all the staff.
- By activating Intranet system;
  - Data of the staff have been entered,
  - "We are all ears" (Sizi Dinliyoruz) project have been realized,
  - A bulletin has been created for the announcements,
  - Entries and Exits of the Staff and Allowance Management Processes have been carried into the system.

#### In terms of efficiency;

- Working patterns and conditions within the health sector have been researched and a new model has been created.
- The overtime working has been mitigated by conducting efficiency analyses.
- A better team building process has been started analyzing descriptions of the tasks and current operational workload.

### INFORMATION TECHNOLOGIES (IT)

A number of efforts have been made in

2016, particularly towards the transformation process of Darüşşafaka Schools. In terms of service standards regarding all the staff;

Intranet portal has been created and the most frequently used forms have been transferred to the system.

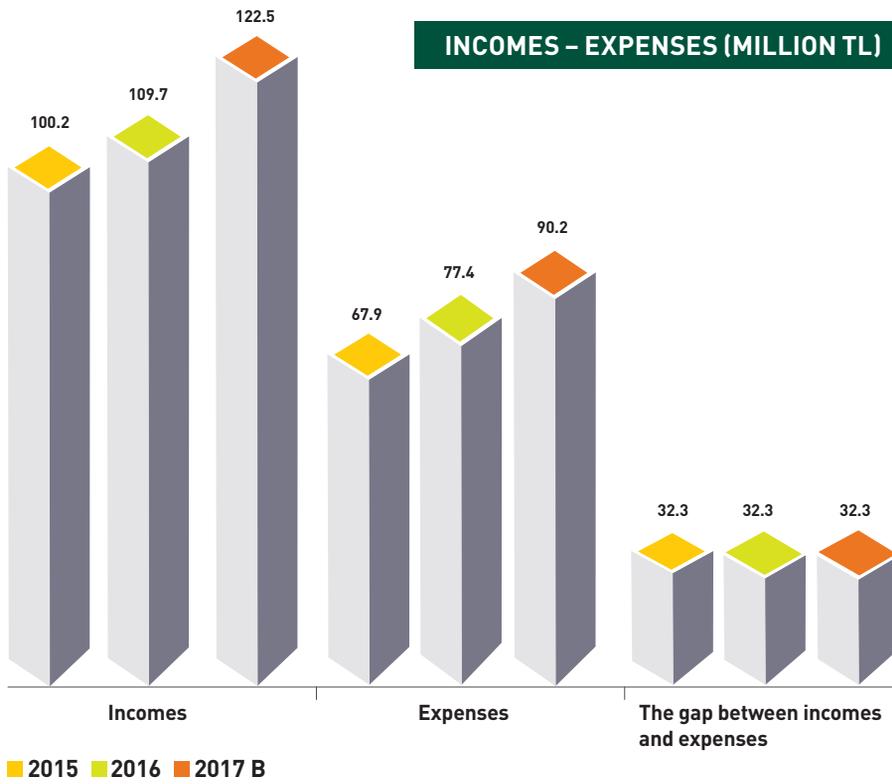
- The server infrastructure has been renewed in line with the sustainability strategy. An in-house cloud system has been created and started to serve for 7 days and 24 hours on a traceable basis.
- All the digital data has been backed up and entailed to a procedure. The first phase of infrastructure works with the purpose of sustaining the work life during natural disasters has been completed within the scope of Business Continuity Plan.
- 80% of the works on centralization of Internet outputs of all institutions, which were initiated in 2015, have been completed. In 2017, all these institutions will be connected to Maslak campus and the transfers to the central management will be finalized.

Increasing the level of data security, all the data has been accessible and started to be managed through IT means.

- Wireless network infrastructure has been renewed to provide a reliable wireless network service for the guests and the staff.

In terms of DEK's Transformation;

- Within the scope of technological transformation process of Darüşşafaka Schools (DEK), Smart TV, Apple TV and wireless network systems have been installed in 29 classrooms of the



\*Finance incomes and expenses have been identified.  
(2016; Finance Income; 3,083 thousand TL, Finance Expense; 3,173 thousand TL).

secondary schools. 315 tablets used by secondary school students have been connected to the Mobile Device Management software and started to be managed and used in line with the rules determined by the central management. Students of 5th and 6th grades started to use tablet devices this year, thanks to this infrastructure.

- The SharePoint application has been activated as the 1st phase in secondary schools, for the Document Management System projected within the scope of DEK's

**93 NEW INSTITUTIONS WERE VISITED AND INFORMED ABOUT DARÜŞŞAFKA IN 2016, IN ORDER TO RAISE CORPORATE DONATIONS. AS A RESULT OF THESE EFFORTS, CORPORATE DONATIONS HAVE INCREASED BY 22% COMPARED TO 2015.**





# BUDGET IMPLEMENTATION AND FINANCIAL INDICATORS

technological transformation. The "Roll Call Module" that enables monitoring students' class attendance have started to be used within the scope of this application.

- In 2016, the Information Technologies Monitoring System application was activated initially at the Community Center and then at Darüşşafaka Schools.

## INCOMES

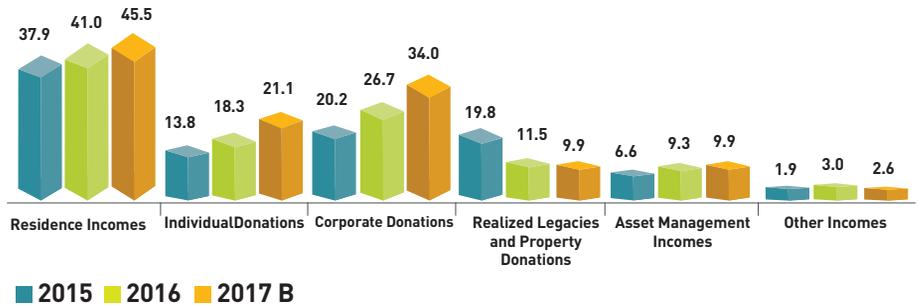
- The total income in 2016 was 112,793 Thousand TL. Incomes were 3% higher than the budgeted amounts.
- 31% of the income was from Residence New Membership Donations, 24% was from Corporate Donations, 22% was from Individual Donations while the rest 10% was from Realized Legacies and Property Donations and the last 8% was from the inputs of Community Asset Management Incomes.
- 40 new donors have been registered for the residences. Donors who stay at the residences have granted additional 7,637 Thousand TL apart from the protocol. 6,684 thousand TL of this amount was from free donations while the other 953 thousand TL consisted of legacies.
- Individual and corporate donations overpassed the 2016 budget target by 21% and amounted to 51,681 Thousand TL (including residence based individual free donations) (See Graph 1).

## EXPENSES

- The budgeted amount of 81,685 thousand TL was spent as 77,410 thousand TL in 2016 (95%).
- 52% of the whole expenses were spent on

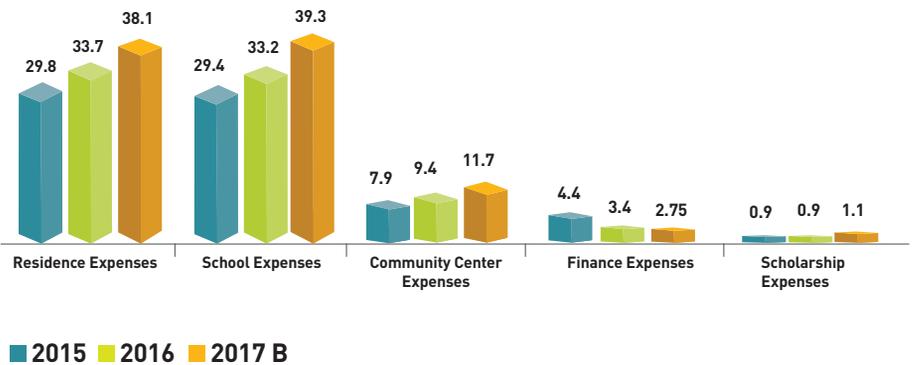
## INCOMES (MILLION TL)

GRAPH 1



## EXPENSES

GRAPH 2



\*\*\* Redemption Commitments have been added to Finance Expenses.

THE TOTAL INCOME IN 2016 WAS 112,793 THOUSAND TL. INCOMES WERE 3% HIGHER THAN THE BUDGETED AMOUNTS.

the staff, 19% were on food and cleaning services, 5% were for energy (electricity, water, heating), 6% were spent on donors' health expenses and 3% were for maintenance and repair costs (See Graph 2).

### OUT-OF-RESIDENCE INCOME AND EXPENSE ANALYSIS

- Out-of-residence incomes obtained by the Community are sufficient to meet expenses of Darüşşafaka Schools and Community Center, as well as the finance costs (See Graph 3).

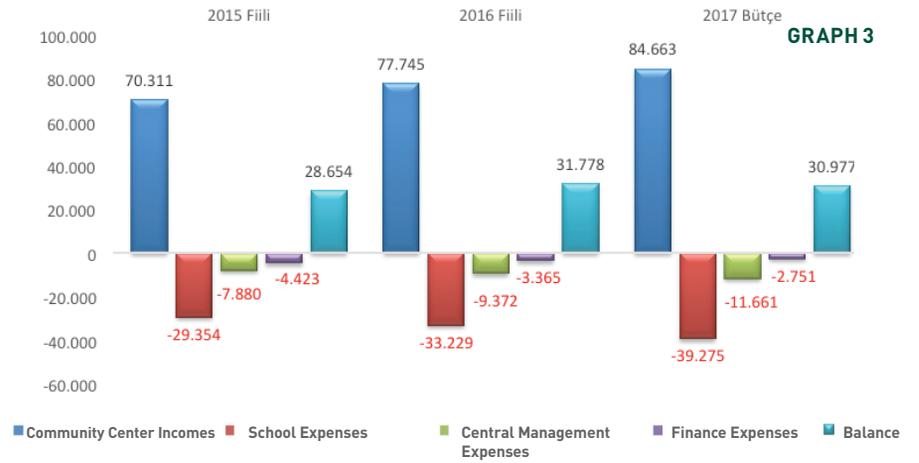
### EFFECTIVE AND TRANSPARENT MANAGEMENT

- Proportion of Community Center costs to the whole expenses was 8,31% (See Graph 4).
- In 2016, 9,372 TL was paid for the Community's Executive Board Members against the expenses.
- Community's Executive Board Members donated 50,567 TL in total, in 2016.

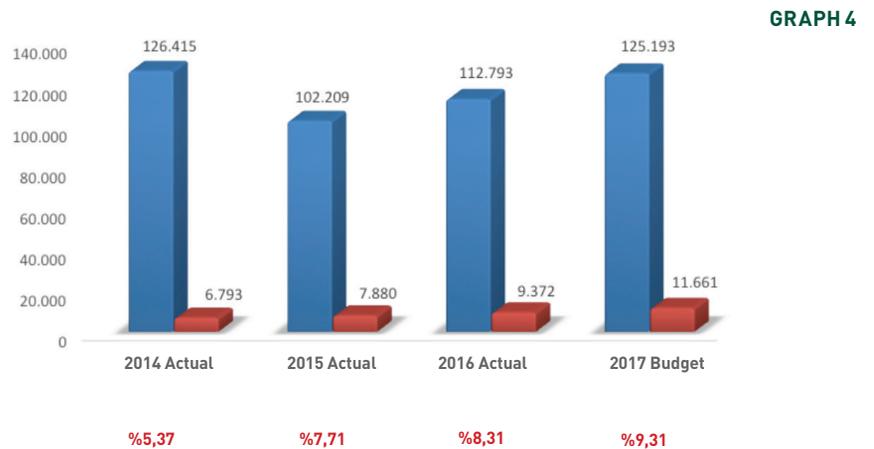
### INVESTMENTS MASLAK CAMPUS

- The art classrooms which were on the first floor of school building were moved to a new place created above the cafeteria by constructional amendments and using sound isolation equipment between the walls.
- The parking lot and empty lands behind the Community's administrative building and dormitories, which are 2,500 square meters in total, were afforested within the scope of landscaping works.
- An additional emergency stairway was installed in the school building.

### OUT-OF-RESIDENCE INCOME AND EXPENSE ANALYSIS



### ANALYSIS OF MANAGEMENT EXPENSES





# BUDGET IMPLEMENTATION AND FINANCIAL INDICATORS

## Maltepe Residence

• As the blisters on exterior ceramic walls of Maltepe Residence posed a significant risk, these ceramics were removed and the exterior walls were completely renewed with rock wool isolated paint as of 15.03.2016.

## Urla Residence

• As the sound of vibrations and compressors arising from the two air-cooled Chiller devices placed in the attic of Urla Residence disturbed the members, they were maintained and moved to a suitable place inside the garden.

## Maintenance, repair and construction works

As for the maintenance, repair, construction works and fire safety issues; all legal maintenance procedures, controls and periodic maintenance works of Maslak campus, Residences and Urla Yaşam were conducted by the technical staff.

## LIABILITY (DEBT) MANAGEMENT

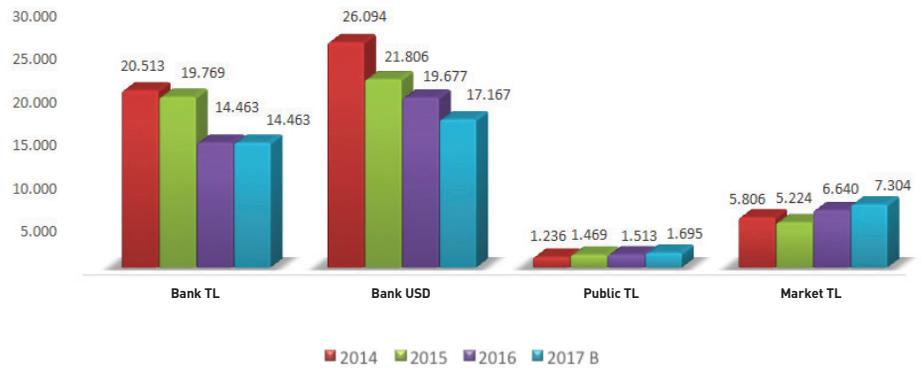
- Following the discussion sessions with US Exim Bank, the current credit debt has been extended without any interest fees up to 2027 (5 more years) to be paid in equal installments.
- USD based bank debts have decreased by 2,060 thousand US Dollars. 1,000 USD from this amount was paid to US Ex-Im Bank and the other 1,060 USD was paid against the principal payments for the credits borrowed from Garanti and İş Bankası in 2012, during the restructuring process of US Ex-Im Bank credits.
- Our revolving/spot credit debts on TL basis to domestic banks have decreased by 5,305 thousand TL (See Graph 5).

## CASH MANAGEMENT

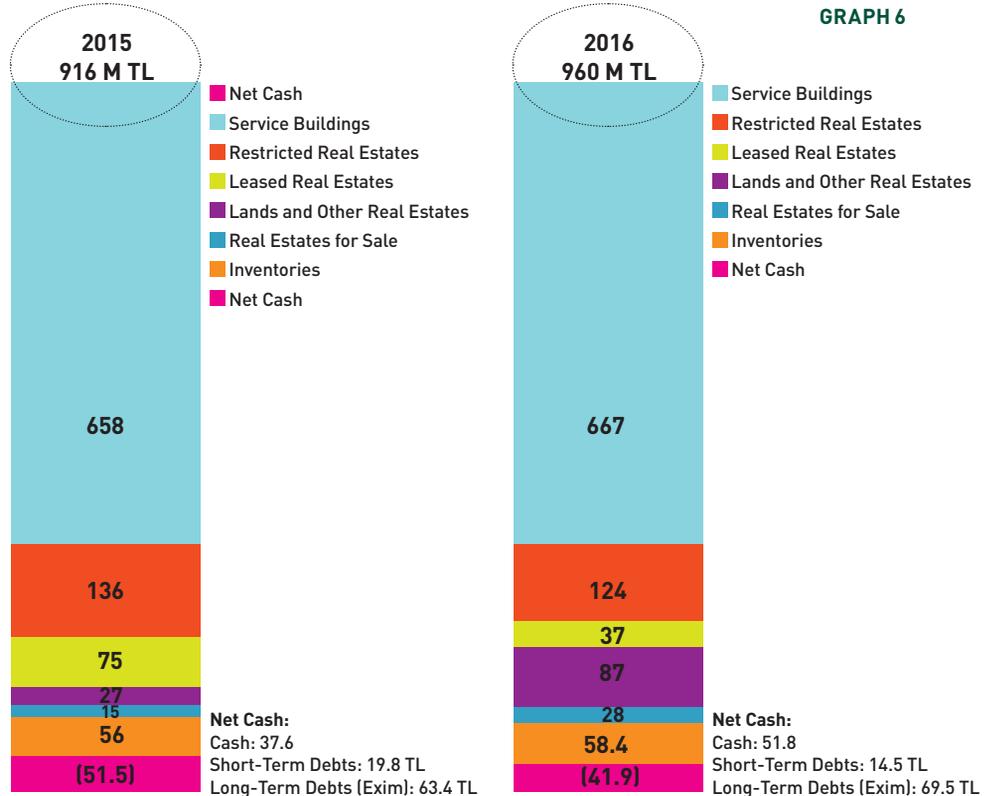
- The amount of cash on hand became 51,768 thousand TL in 2016, increasing by 14,143 thousand TL. 450 thousand TL from this amount were given as the cash

## LIABILITY (DEBT) MANAGEMENT

GRAPH 5



GRAPH 6



collateral for the credits and the banking part of this amount, 9,723 thousand TL (2,763 \$) was used in Euro Bonds.

## DISTRIBUTION OF PROPERTIES

- By the end of 2016, appraised market

value of property and lands was 943,843 Thousand TL. Total market value of service buildings is 666,797 Thousand TL while 533,767 Thousand TL from this amount belongs to Maslak Campus (Graph 6).



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