



AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

OF

**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION
(VoCDA)**

AS AT AND FOR YEAR ENDED DEC. 2019



Independent auditor's report
To the board of Directors

Opinion

We have audited the financial statements of Vision Community Development Association which comprise the statement of the financial position as at 31 December 2019, and Statement of Financial Performance, Statement of Change in Net Assets/Equity, Statement of Cash Flow, Statement of Comparison of Budget and Actual expenditure, including a summary of significant accounting policies.

In our opinion, the attached financial statements present fairly, the financial position of the Vision Community Development Association as at 31 December 2019 and its financial performance, its statement of cash flows, Statement of Change in Net Assets/Equity, Statement of Cash Flow, Statement of Comparison of Budget and Actual expenditure and for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB).

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the international Ethics Standards Board for Accountants' code of Ethics for Professional Accounts (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgments, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The trader has been in IPSAS conversation process as a first time adopter. As a result, various new accounting policies have been selected and implemented. The comparative figures as well as opening balances of the previous year were reinstated based on the accounting policy selected. Proper selection and application of the new accounting policies starting from the date of transition i.e 01 January 2017 have been considered as key audit matters for our audit during the year. As a result our audit covered verification of the conversation process with effect from 01 January 2017 and consistency of the accounting policy.

Responsibilities of the Management and those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of a Company report that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the project report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statement of the current period and are therefore the key audit matters. We describe these, matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the



adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Section Two: Report on Other Legal and Regulatory Requirements

The opinion in this section is given based on the audit procedures we applied in accordance with guideline 8/2004 issued by the Ethiopian Charities and Societies Agency to review compliance with Charities and Societies proclamation number 621/2009;

1) Income:-

- a. Income is collected by raising cash receipt vouchers and states the source and the amounts of income correctly.
- b. Income obtained from local and foreign sources are properly classified.
- c. Income is collected through legal means and by the person delegated for the purposes.

2) Expenditures :-

- a. Expenditures are accounted for when evidenced by legal and original invoices, relevant, reliable and sufficient for the purposes.
- b. Expenditures and purchases of goods and services are incurred as per the relevant regulations and authenticated by the officials of the organization.
- c. Operational and Administrative costs are properly separated. As is separated in the reported Statement of Income and expenditure the operational costs represent 81% of the total expenditures and administrative cost is 19 % of the total expenditures.

3) Property administration

- a. Purchases of properties are received by raising Goods Receiving Note (GRN) and issued by raising issue vouchers.
- b. Fixed assets register are maintained with necessary details.

4) Cash and bank balances

- a. Separate ledger accounts are maintained for cash on hand in the name of each cashier and counted at certain intervals and at the end of the fiscal year to strengthen internal control over it and to ascertain its physical existence.
- b. Separate ledger accounts are maintained for each bank accounts of the organization and reconciled with the respective bank statements monthly.

5) Debtors

- a. Subsidiary accounts are maintained for each debtor and are collectable in one year time.



6) **Creditors**

- a. Taxes are deducted and paid over to the tax authority within the time set for settlements.
- b. Creditors are reclassified into short and long term properly.

7) **Compliances with the project agreements**

- a. The Project agreement has been adhered to and the related Project Funds have been used exclusively for the purpose of the Projects in accordance with the project Agreements.

In our opinion, the attached financial statements of Vision Community Development Association as at 31 December 2019 complies with Charities and Societies Proclamation number 621/2009 issued by the Ethiopian Charities and Societies Agency.

Haileyesus Check

Chartered Certified Accountants &

Authorized Auditors



Addis Ababa

June 11, 2020



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

Currency: Ethiopian Birr

	Notes	31-Dec-19	31-Dec-18
Asset			
Current Asset			
Cash and cash equivalent	4.2,6	7,462.78	1,971.63
Prepayment & receivables	7	15,870.90	3,296.49
		<u>23,333.68</u>	<u>5,268.12</u>
Non- Current Asset			
Property, plant and equipment	4.1, 8	820,008.39	513,049.79
		<u>820,008.39</u>	<u>513,049.79</u>
Total Asset		<u>843,342.07</u>	<u>518,317.91</u>
Liabilities			
Current Liabilities			
Payables from exchange transaction	9	193,835.66	67,253.93
Employee benefits obligation - Leave	4.3,10	48,519.94	-
		<u>242,355.60</u>	<u>67,253.93</u>
Non-Current Liabilities			
Severance payables	4.4,10	-	-
		<u>-</u>	<u>-</u>
Total Liabilities		<u>242,355.60</u>	<u>67,253.93</u>
Net Asset			
General fund		(328,047.80)	(61,985.81)
Fixed asset fund		929,034.27	513,049.79
Total Net Asset		<u>600,986.47</u>	<u>451,063.98</u>
Total Liabilities and net Asset/Fund		<u>843,342.07</u>	<u>518,317.91</u>



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

	Notes	Percentage	
Revenue	4.6,4.7,11		
Revenue from Non- Exchange Transactions	11.1		4,813,509.12
Revenue from Exchange Transactions	11.2		<u>94,593.44</u>
Total Expenses			4,908,102.56
Expenses	4.6,12		
Program Expenses	12.1	81%	4,205,432.56
Administration Expenses	12.2	19%	<u>968,731.99</u>
Total Expenses			<u>5,174,164.55</u>
Surplus/(deficit) for the period			<u>(266,061.99)</u>



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF CHANGE IN NET ASSET /FUND
FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

	General fund	Fixed asset fund	Total Net Asset/Fund
Balance as at 01 January 2018	(40,527.84)	43,122.17	2,594.33
Surplus/(deficit) for the period	(21,458.12)	-	(21,458.12)
Current period movement in PPE	-	469,927.62	469,927.62
IPSAS Adjustments On PPE	-	415,984.48	415,984.48
Balance at 01 January 2019 (IPSAS)	(61,985.96)	929,034.27	867,048.31
Change in net Asset/ Fund			
Surplus/(deficit) for the period	(266,061.99)	-	(266,061.99)
Balance at 31 December 2019	(328,047.95)	929,034.27	600,986.32



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

Cash flow from Operating Activity	
Surplus/(deficit) for the period	(266,061.99)
Add/less: Depreciation	200,625.88
	<u>(65,436.11)</u>
 Increase in Prepayment & receivables	(12,574.41)
Increase in trade and other payables from exchange transaction	126,581.73
Increase in employee benefits obligation - Leave	48,519.94
	<u>162,527.26</u>
Net cash flow from operating activity	97,091.15
 Cash Flow from Investing Activities	
Purchase of fixed assets	(91,600.00)
	<u>-</u>
Net cash flow from investing activities	(91,600.00)
 Cash Flows from Financing Activities	-
 Net cash out flows from financing activities	-
Net increase/decrease in cash and cash equivalents	5,491.15
Cash and cash equivalents at the beginning of the year	1,971.63
Cash and cash equivalents at the end of the year	<u>7,462.78</u>

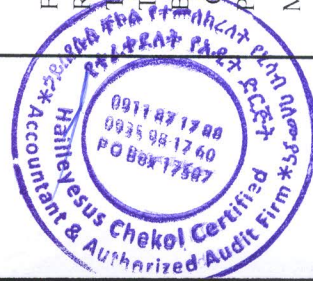


VISION of COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)

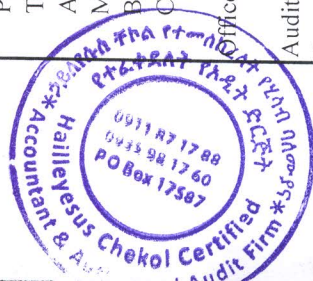
Statement of Comparison of Budget and Actual Amounts

For the year ended 31 December 2019

Description Expenses	Original Budget	Adjustme nts	Final Budget	Actual	Performance difference	Performan ce difference	Justification for the variance
1. PROGRAM EXPENDITURES							
Program staff salary	1,093,558.10	-	944,496.74	944,496.74	149,061.36	16%	in 2019 15% of the salary was shared to EB8 project & the thus why unutilized,
Grafted mango Seedling	136,000.00	-	128,800.00	128,800.00	7,200.00	6%	left over budgets was because of low markets price during the purchasing time,
Purchasing different seeds (Trees)	9,300.00	-	11,490.00	11,490.00	(2,190.00)	-19%	The budget was under budgeted and the price increased during the purchase, the difference covered from germinations of the seedlings budget under her,
Per time for trainers book keeping	230,304.00	-	216,287.50	216,287.50	14,016.50	6%	
Purchasing Papaya	60,000.00	-	60,000.00	60,000.00	-	-	
Per time for training women	31,227.75	-	31,227.75	31,227.75	-	-	
Germination of seeding on nursery site	456,486.00	-	331,383.04	331,422.95	125,063.05	38%	Because of budget periods change, the donor periods begins in June as new year, so some parts of the budgets gone to next year,
For purchasing Apiary equipment	241,560.00	-	221,090.00	221,090.00	20,470.00	9%	
Refreshment for participants	2,231.19	-	2,231.19	2,231.19	-	-	
Training nutritional value	196,000.00	-	151,491.70	151,491.70	44,508.30	29%	some trainings parts postponed to next year,
Training for forest management	44,130.00	-	44,130.00	44,130.00	-	-	
BDS training for Beneficiary	170,110.00	-	170,110.00	170,110.00	-	-	
Community Workshops	12,750.00	-	6,470.17	6,470.17	6,279.83	97%	partly postponed to next year
Purchasing of beehives for farmer	401,880.00	-	388,980.00	388,980.00	12,900.00	3%	
Moringa training and inputs Supply	165,223.00	-	133,865.69	133,865.69	31,357.31	23%	because of price differences in periods of planning and purchasing
Agricultural tools	48,960.00	-	49,990.00	49,990.00	(1,030.00)	-2%	
Soil conservation Training (SWC)	360,000.00	-	300,380.00	300,380.00	59,620.00	20%	some trainings parts postponed to next year,
Shelter Construction	37,115.14	-	37,115.14	37,115.14	-	-	
Training Vegetables Magt	107,060.00	-	107,060.00	107,060.00	-	-	
Beekeeping training	182,800.00	-	162,619.98	162,619.98	20,180.02	12%	some trainings parts postponed to next year,
Purchasing of camera Project	4,450.00	-	4,450.00	4,450.00	-	-	
Working center Purchasing Roto	10,418.00	-	10,418.00	10,418.00	-	-	
For Purchasing Pesticides	19,500.00	-	4,646.81	4,646.81	14,853.19	320%	The request for pesticides from farmers/beneficiaries was low thus why the budgets left
For Purchasing Pvc Pipe & Vegetables Seeds For Farmers	30,886.35	-	30,886.35	30,886.35	-	-	



Purchase of Motor cycle	90,000.00	-	3,733.17	75,733.17	14,266.83	16%	differences between market during the purchases and planning time
Purchase of energy saving Stove (Voucher)	333,620.00	-	331,731.96	331,731.96	1,888.04	1%	
Computer and accessories	12,500.00	9,099.00	1,999.99	21,599.99	(0.99)	0%	
Fuel for program running	62,000.00	-	61,637.90	61,637.90	362.10	1%	
Farmers forest day celebration	48,250.00	-	58,831.88	58,831.88	(10,581.88)	-18%	The planning budgets was lower than the actual because of unforeseen things during planning.
Total Program Expenditures	4,598,319.53	-	4,007,554.96	4,099,194.87	499,124.66	12%	
2. ADMINISTRATIVE EXPENDITURES							
Salary and related benefits	591,953.00	-	554,627.66	554,627.66	37,325.34	7%	in 2019 15% of the salary was shared to EB8 project & the thus why unutilized,
Daily Labor for Nursery site	7,047.30	-	7,047.30	7,047.30	-	-	
Fuel and lubricants for vehicle	28,035.00	-	28,035.00	28,035.00	-	-	
Repair and maintenance vehicle	102,300.00	-	99,757.85	99,757.85	2,542.15	3%	
Insurance	11,348.46	-	11,348.46	11,348.46	-	-	
Per dime and transportation	14,804.59	-	14,804.59	14,804.59	-	-	
Tapela	8,200.00	-	8,200.00	8,200.00	-	-	
Accommodation	3,009.00	-	3,009.00	3,009.00	-	-	
Miscellaneous	21,700.39	-	21,700.39	21,700.39	-	-	
Bank service charge	600.00	-	600.00	600.00	-	-	
Car rent	1,000.00	-	1,000.00	1,000.00	-	-	
Office rent	160,209.00	-	95,123.47	95,123.47	65,085.53	68%	The donor agreed budgets periods and the actual organization physical periods does not agree. So some parts postponed to next year,
Audit fee	8,100.00	-	8,100.00	8,100.00	-	0%	
General assembling meeting cost	14,711.86	-	14,711.86	14,711.86	-	0%	
Advertising (IEC) Materials	2,665.41	-	2,665.41	2,665.41	-	0%	
Transport and taxi	3,352.00	-	3,352.00	3,352.00	-	0%	
Stationery and supplies	20,784.40	-	10,171.69	10,171.69	10,612.71	104%	The donor agreed budgets periods and the actual organization physical periods does not agree. So some budgets postponed to next year,
Utility	27,024.00	-	27,360.37	27,360.37	(336.37)	-1%	
Printing	97.00	-	97.00	97.00	-	-	
Office cleaning	8,500.00	-	8,500.00	8,500.00	-	-	
Total Administrative expenditures	1,035,441.41	-	920,212.05	920,212.05	115,229.36	13%	



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

Note 1. General Information

1. Background

The Organization

1.2.1 Establishment

Vision of Community Development Association (VoCDA) is an indigenous secular NGO established in 2003 as local NGO and currently registered as per the new law 1113/2019 "charitable organization"

Legally registered with CSO agency policy as charitable organization and its registration number is 0129. E26

Entered in to Operational and project agreements with Federal and regional concerned bureaus,

Specific Project Agreement is signed with planning and Finance and economic cooperation, Agriculture and natural resource Bureau, and Women and Children's Affairs bureaus.

1.2.3 VISION

To see prosperous communities where all community members use their capability and livelihood asset to realize a sustainable livelihood,

1.2.4 MISSION

We exist,

To empower poor, women and vulnerable households,

To bring about sustainable development and positive social transformation; and promote human dignity for all citizens,

2.1 Statement of Compliance

These Financial Statements have been prepared in accordance with the 'International Public Sector Accounting Standards' for the accrual basis of accounting - "Accrual IPSAS" issued by the 'International Public Sector Accounting Standards Board' and in the manner required by the 'Civil Society Organization Proclamation No. 1113/2019'.

2.2 Basis of preparation of financial statements

These Financial Statements have been prepared on historical cost basis. The principal accounting policies are set out below. The Financial Statements are presented in Ethiopian Birr, which is the functional currency of the Organization.

2.3 Property, Plant and Equipment

Property, plant and equipment asset are capitalized if their cost is greater than or equal to the thresholds limit set at birr 5,000. The threshold level is reviewed periodically. They are depreciated over the asset's estimated useful life using the straight line method.

Property, Plant and Equipments are recognized initially at cost as per IPSAS 17 and subsequent to recognition as assets, items of property, plant and equipment that are accounted under the cost model are carried at cost less any accumulated depreciation and any accumulated impairment losses. Assets are reviewed annually to determine if there is any impairment in their value.

Depreciation is charged on the straight line basis at the following rate per annum:-

<u>Asset Class and Description</u>	<u>Estimated Useful Life</u>
Motore and padal cycle	20 (Year)
Computer and accessories	20 (Year)
Office Equipment and furniture	10 (Year)



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

Note 3. Basis of preparation of financial statements

3.1 Basis of measurement

These financial statements are prepared on an accrual basis of accounting in accordance with IPSAS and the Financial Regulations and Rules of Vision of Community Development Association. Accounting policies have been applied consistently throughout the year. The financial year is from 01 January to 31 December 2019.

3.2 Critical accounting estimates

Preparing financial statements in accordance with IPSAS requires the Organization to make estimates, judgments and assumptions in the selection and application of accounting policies and in the reported amounts of assets, liabilities, revenues and expenses. For this reason, actual results may differ from those estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions that may result in material adjustments in future years include actuarial measurement of employee benefits; selection of useful lives and the depreciation/amortization method for property, plant and equipment.

3.3. Going concern

These financial statements were prepared on the assumption that the organization is a going concern and will continue in operation and will meet its mandate for the foreseeable future (IPSAS 1). The Management of Vision of Community Development Association have not communicated any intention to terminate the Entity or to cease its operations.



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

4.3 Short-term employee benefits

As per IPSA 39 when an employee has rendered service to an entity during an accounting period, the entity shall recognize the undiscounted amount of short-term employee benefits, such as unused annual leave, expected to be paid in exchange for that service as a liability and as an expense unless the cost relates to inventory or property, plant or Equipment in which case it will be treated as per requirements of the relevant standard.

4.4 Post Employment Benefits

The severance payment due to employees are considered by the Organization to be post employment benefits. The Organization does not consider the actuary assumption to calculate severance payable amount. Instead, the Organization's severance payable is calculated as per the organization simple policy that is One month salary provision for a full year service and proportionate will be computed for a service less than a year. This is consistent and comply with the minimum labor proclamation No 1156/2019. The effect of using this method instead of actuary assumption is immaterial. Re-measurements of the obligation is done each year at the reporting date and additional obligation shall be recognized as an expense.

4.5 Termination benefits

Termination benefits are recognized as an expense only when VoCDA is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Employee benefit includes severance expense which is directly deposited into employees personal saving account the practice may entails personal drawings and also the related expense charged annually has not been reflected in statement of financial position.

4.6 Revenue and expense recognition

All fund transfer from the donations and members contributions are recognized as revenue and all expenses incurred in the same fiscal year is recognized as an expense. If the fund transfer and expense paid for the next fiscal year, it will be accrued to the new fiscal year.

4.7 Revenue from exchange transactions

In Vision of Community Development Association cases Exchange transactions are only those in which the Organization sells of Seedling. Revenue comprises the fair value of consideration received or receivable for the seedling. Revenue is recognized when it can be reliably measured; when the inflow of future economic benefits is probable and when specific criteria have been met.



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

4.8 Provisions

A provision is recognized if, as a result of a past event, Vision of Community Development Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenses expected to be required to settle the obligation. The increase in a provision due to the passage of time is recognized as a finance cost.

4.9 Contingencies

4.9.1 Contingent assets

A contingent asset is disclosed when an inflow of economic benefits or service potential is probable. If it has become virtually certain that an asset is no longer contingent and that its value can be measured reliably, the asset and the related revenue are recognized in the year in which the change occurs.

4.9.2 Contingent liabilities

A contingent liability is disclosed unless the possibility that it will be realized is remote. If it becomes probable that a contingent liability will be realized, a provision is recognized in the year in which the change of probability occurs.

4.10. Change in accounting policies and estimates

Vision of Community Development Association recognizes the effect of change in accounting policy and change in accounting estimates retrospectively at the date of adoption and after adoption of IPSAS, change in accounting estimates applied prospectively and change in accounting policy applied retrospectively

4.11. Statement of cash flow

The cash flow statement is prepared using the indirect method permitted under IPSAS 2. This means that the actual result for the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cash flows.

The cash flow statement reports cash flows during the period classified by operating and investing activities and the financing activities.



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

Note 5. Opening balances and prior-period adjustments

5.1 Opening balances

The following table shows the adjustments made from the audited financial position of Vision of Community Development Association as at 31 December 2018 (reclassified and restated for IPSAS presentation) to the IPSAS opening statement of financial position Vision of Community Development Association as at 01 January 2019:

	Balance as at Dec. 31/2018	Effects of transition to IPSAS	Balance as at Jan. 01/2019
Asset			
Current Asset			
Cash and Cash Equivalent	1,971.63	-	1,971.63
Prepayments	3,296.49	-	3,296.49
Total Current Asset	5,268.12	-	5,268.12
Non- Current Asset			
Property , Plant & Equipment	513,049.79	415,984.48	929,034.27
Total Non- Current Asset	513,049.79	415,984.48	929,034.27
Total Asset	518,317.91	415,984.48	934,302.39
Liabilities			
Current liabilities			
Payables from exchange transaction	67,253.93	-	67,253.93
Employee benefits obligation - Leave	-	-	-
Total Current Liabilities	67,253.93	-	67,253.93
Non Current Liabilities			
Non-current employee benefits obligation - Severance	-	-	-
Total non Current Liabilities	-	-	-
Total liabilities	67,253.93	-	67,253.93
Net Asset (Total assets less total liabilities)			
General fund	(61,985.81)	-	(61,985.81)
Fixed asset fund	513,049.79	415,984.48	929,034.27
Total Net Asset	451,063.98	415,984.48	867,048.46
Total Liabilities and net Asset	518,317.91	415,984.48	934,302.39

5.2 Prior-period adjustments

Except property plant and equipment there is no prior period adjustment recognized during the adoption of IPSAS by the Organization.



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

Note6 . Cash and cash equivalent

6.1 Cash at Bank

Cash at Bank-CBE Temenja Yaj

Oromia international Bank

Cash at bank Zeway

Cash at bank Bulbula

6.2 Cash on hand(Petty Cash)

Total Cash and Cash Equivalent

31-Dec-19	<u>31-Dec-18</u>
3,986.85	1,157.00
2,000.00	-
238.23	238.23
300	300.00
937.70	276.40
<u>7,462.78</u>	<u>1,971.63</u>

Note 7. Prepayment & receivables

Staff receivable

	<u>31-Dec-18</u>
15,870.90	3,296.49
<u>15,870.90</u>	<u>3,296.49</u>



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
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FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

Note 8. Property, plant and equipment

	<u>Motor Vehicle</u>	<u>Computer and Accessories</u>	<u>Office Equipment and Furnitures</u>	<u>Total</u>
Deemed asset value as at 01 January 2019	853,025.00	67,128.85	8,880.42	929,034.27
Addition	72,000.00	19,600.00	-	91,600.00
Depreciation	(185,005.00)	(14,732.84)	(888.04)	(200,625.88)
Carrying amount at 31 December 2019	<u>740,020.00</u>	<u>71,996.01</u>	<u>7,992.38</u>	<u>820,008.39</u>

Note 9. Payables from exchange transaction

		31-Dec-18
Income tax payable	21,753.00	17,556.10
Social security payable	14,337.02	8,300.09
Withholding tax payable	2,008.70	7,298.00
Provident fund	9,297.20	12,849.74
Payable to external creditor	146,439.74	21,250.00
	<u>193,835.66</u>	<u>67,253.93</u>

Employee benefits obligation - Leave
Severance

	31-Dec-18
Employee benefits obligation - Leave	-
Severance	-
	<u>48,519.94</u>

Note 11. Revenue

11.1 Revenue from Non- Exchange Transactions

Income from donors	<u>4,813,509.12</u>
	<u>4,813,509.12</u>

11.2 Revenue from Exchange Transactions

(salse of used tonor and Furniture) Refune the
lost moter

Total revenue	<u>94,593.44</u>
	<u>4,908,102.56</u>



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

Note 12. Expenses

	31-Dec-19	31-Dec-18
1. ADMINISTRATIVE EXPENDITURES		
Salary and related benefits	603,147.60	436,902.28
Daily Labor for Nursery site	7,047.30	5,170.67
Fuel and lubricants for vehicle	28,035.00	39,910.73
Repair and maintenance vehicle	99,757.85	75,593.88
Insurance	11,348.46	7,868.40
Perdime and transportasion	14,804.59	-
Tapela	8,200.00	-
Accommodation	3,009.00	-
Miscellaneous	21,700.39	20,164.68
Bank service charge	600.00	1,010.00
Car rent	1,000.00	6,200.00
Office rent	95,123.47	74,523.47
Audit fee	8,100.00	8,400.00
General assembling meeting cost	14,711.86	11,262.93
Advertising (IEC) Materials	2,665.41	3,450.00
Transport and taxi	3,352.00	7,906.72
Stationery and supplies	10,171.69	24,632.70
Utility	27,360.37	14,871.04
Printing	97.00	-
Office cleaning	8,500.00	5,100.00
Glaxi A3 with sim Card	-	4,914.00
Computer and accessories	-	1,800.00
Total Administrative expenditures	968,731.99	749,681.50



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Currency: Ethiopian Birr

2. PROGRAM EXPENDITURES

		2018
Program staff salary	944,496.74	631,164.08
Social workers honorarium	-	15,312.00
Women training SGH//iGA	-	63,535.49
Depreciation expense	200,625.88	-
Grafted mango Seedling	128,800.00	342,000.00
Purchasing different seeds (Trees)	11,490.00	-
Per dime for trainers book keeping	216,287.50	220,562.26
Purchasing Papaya	60,000.00	-
Per dime for training women	31,227.75	141,494.21
Germination of seeding on nursery site	328,630.91	121,664.58
For purchasing Apiary equipment	221,090.00	-
Refreshment for participants	2,231.19	49,574.61
Training natritioal value	151,491.70	-
CLA Experience sharing	-	102,201.56
Training for forest management	44,130.00	30,320.00
BDS training for Beneficiary	170,110.00	-
Transport service for women	-	59,188.12
Community Workshopes (Inauguration)	6,470.17	-
Purchasing of beehives for farmer	388,980.00	580,159.28
Moringa training and inputs Supply	133,865.69	-
Agricultural tools	49,990.00	126,995.85
Soil conservation Training (SWC)	300,380.00	477,253.59
Purchase of water pump	-	163,954.75
Training materials for beneficiary and training For women peer	-	71,800.00
Peeoper,Fosoliya and cabbage seeds	-	75,099.58
Shelter Constraction	37,115.14	-
Training Vegetable Magt	107,060.00	-
Beekeeping training	162,619.98	-
Purchasing of camera Project	4,450.00	-
Working center Purchasing Roto	10,418.00	-
For Purchasing Pesticides	4,646.81	138,345.43
For Purchasing Pvc Pipe & Vegetables Seeds ForFarmers	30,886.35	-
Purchase of Motor cycle	3,733.17	-
Purchase of energy saving Stove (Voucher)	331,731.96	103,996.00
Computer and accessories	2,003.84	-
Fuel for program running	61,637.90	64,255.46
Farmers forest day celebration	58,831.88	50,205.89
Total Program Expenditures	4,205,432.56	3,629,082.74
Total Expense	5,174,164.55	4,378,764.24



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
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Note 13 CLASSIFICATION OF COSTS

Classification of costs to program and administrative were made by management as per the requirements of Charity and Societies Agency applicable directives. Accordingly, program costs are 81% of the total costs while administrative costs are 19%.

Note 14 Related parties

14.1 Key management personnel

	Number of Position	31 December 2019	31 December 2018
Key Management Personnel	3	614,613.00	484,286.06
Total	3	614,613.00	484,286.06

The remuneration paid to key management personnel includes salary and other entitlements as applicable in accordance with the Staff Regulations of the Organizational Manual.

Note 15 Events after reporting date

The reporting date for these financial statements is 31 December 2019. There have been no material events, favorable or unfavorable, that occurred between the date of the financial statements and the date when the financial statements were authorized for issue that would have had a material impact on these statements.

