

AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

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

OF

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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SINTAYEHU MULUGETA TADESSE
CHARTERED CERTIFIED ACCOUNTANTS (UK) AND CERTIFIED AUDIT FIRM (ETHIOPIA)

Tel. 251-988-910845 E-mail: smtcaf@gmail.com
P.O.Box 11297 Addis Ababa, Ethiopia

Mexico Square
Aymen Commercial Center Building 6th Floor, Room No. 604A
Next to K.Kare Commercial Center Building
E-mail: mulugeta.sintayehu@yahoo.com

**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
KEY ORGANIZATION INFORMATION AND MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Key Organization Information(mission/vision/core objectives)

Background information

Vision of Community Development Association) (VoCDA) is an indigenous secular NGO established in 2003 as local NGO and currently registered as per the Organization Civil Societies proclamation number 1113/2019.

Legally registered with F.D.R.E. Authority of Civil Society Organizations policy as Local 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.

VISION

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

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,

Registered office

**Auditor's Name : SINTAYEHU MULUGETA TADESSE
CHARTERED CERTIFIED ACCOUNTANTS (UK)
AND CERTIFIED AUDIT FIRM (ETHIOPIA)**

Tel. 251-988-910845 E-mail: smtcaf@gmail.com
P.O.Box 11297 Addis Ababa, Ethiopia

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Aymen Commercial Center Building 6th Floor, Room No. 604A/605
Next to K.Kare Commercial Center Building
E-mail: mulugeta.sintayehu@yahoo.com



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF MANAGEMENT RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Financial Reporting Proclamation No. 847/2014 requires the entity to prepare its financial statements in accordance with the International Public Sector Accounting Standards (IPSAS).

The Management is required to prepare financial statements in respect of the entity, which give a

The Management is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on December 31,2023.

The Management accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS). The Management assure that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended December 31,2023 and of the entity's financial position as at that date. The Management further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Management to indicate that the entity will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The entity's financial statements were approved by the Management March 20,2024 and signed on its behalf by:


Executive Director



Finance & Admin Manager

Sintayehu Mulugeta Tadesse

Chartered Certified Accountant (UK) & Certified Audit Firm (ETH)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS VISION OF COMMUNITY DEVELOPMENT ASSOCIATION

Section One: Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Vision of Community Development Association, which comprise the Statement of Financial Position as at 31 December 2023, Statement of Financial Performance, Statement of Change in Net Assets/Equity, Statement of Cash Flow, Statement of Comparison of Budget and Actual Amounts and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Vision of Community Development Association as at 31 December 2023 and its financial performance, and its cash flows 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).

Basis of Opinion

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 organization in accordance with the International Ethics Standards Board for Accountants' code of Ethics for Professional Accountants (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.

Responsibilities of the Management for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies of the organization, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 organization or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the organization 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.

Tel :- +251 988 910845

P.O.X :- 11297

Mexico Square Aymen Commercial Center Building 6th Floor, Room No 604A

Email :- mulugeta.sintayehu@yahoo.com

smtcaf@gmail.com



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 issued by F.D.R.E. Authority of Civil Society Organizations to review compliance with Organization of Civil Societies Proclamation Number 1113/2019;

1) Income: -

- a) Cash receipt vouchers are raised for all income collected.
- b) Income obtained from local and foreign sources are properly classified.
- c) Income is collected through legitimate 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
- b) All expenditures and purchases of goods and services are incurred as per the relevant regulations and authenticated by officials of the organization.
- c) Operational and administration expenditures are properly classified. As it is reported in the attached statement of income & expenditure the percentage of administrative cost is 28 % of total income of the period.

3) Asset Management

- a) Fixed asset purchased are supported by official suppliers' invoices.
- b) Physical count of fixed asset is made annually by the organization and was checked against the record.
- c) Fixed asset identification number are given to each asset and cross-referenced with the register book.

4) Cash and bank balances

- a) Separate ledger accounts are also maintained for each bank accounts of the organization and reconciled with the respective bank statements monthly.
- b) Operated all its bank accounts with its duly authorized management.


5) Creditors

- a) Proper taxes are deducted and paid over to the tax authority within the time set for settlements.
- b) All liabilities are disclosed and properly classified.

6) Receivables

- a) Collected its receivables in period stipulated in its financial policy.
- b) Disclosed its outstanding receivables with appropriate classification.

The attached financial statements of the Vision of Community Development Association as at 31 December 2023 complies in all material respect with Organization of Civil Societies Proclamation Number 1113/2019 issued by F.D.R.E. Authority of Civil Society Organizations.


Sintayehu Mulugeta Tadesse
Chartered Certified Accountants (UK) and
Certified Audit Firm (Ethiopia)



Addis Ababa
26 March, 2024

**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2023**

Currency: Ethiopian Birr

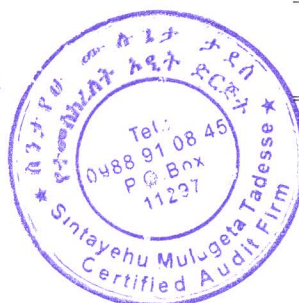
	Notes	%		<u>2022</u>
Revenue	4.7,4.8,10			
Revenue from Non- Exchange Transactions	10.1		719,284	7,091,301
Individual lone Substitute	10.2		416,000	417,280
Total Revenue			<u>1,135,284</u>	<u>7,508,581</u>
Expenses	4.6,11			
Program Expenses	11.2		1,267,462	6,084,694
Administration Expenses	11.1	28%	323,539	1,498,158
Total Expenses			<u>1,591,001</u>	<u>7,582,852</u>
Surplus/(deficit) for the period			<u>(455,717)</u>	<u>(74,271)</u>



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

Currency: Ethiopian Birr

	Notes		<u>2022</u>
Asset			
Current Asset			
Cash and cash equivalent	4.2,5	5,253	419,593
Prepayment & receivables	6	633	2,323
		5,887	421,916
Non- Current Asset			
Property, plant and equipment	4.4, 7	418,561	566,762
		418,561	566,762
Total Asset		424,448	988,678
Liabilities			
Current Liabilities			
Payables from exchange transaction	8	106,033.61	53,406
Employee benefits obligation - Leave	4.5,9	92,511.00	92,511
		198,544.61	145,917
Non-Current Liabilities			
Severance payables	4.6,9	173,188.59	186,129
		173,188.59	186,129
Total Liabilities		371,733.20	332,046
Net Asset (Total assets less Total liabilities)			
PPE Reserve		80,426	228,627
Surplus(Deficit)		(27,712)	428,005
Total Net Asset		52,715	656,632
Total Liabilities and net Asset/Fund		424,448	988,678



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Currency: Ethiopian Birr

Cash flow from Operating Activity		<u>2022</u>
Surplus/(deficit) for the period	(455,718)	(74,271)
Adj reserve		
PPE Reserve	-	-
Severance and Annual leave reserve	(12,940)	(123,307)
Adjustment-Severance	-	309,513
Adjustment-PPE	-	(260,937)
Adjustment-Opening balance		246,477
Add/less: Depreciation	-	243,029
	<u>(468,658)</u>	<u>340,504</u>
Increase in Prepayment & receivables	1,689	5,300
Increase in trade and other payables from exchange trans	52,628	16,277
Increase in employee benefits obligation - Leave	0	31,403
	<u>54,317</u>	<u>52,980</u>
Net cash flow from operating activity	<u>(414,341)</u>	<u>393,484</u>
Cash Flow from Investing Activities		
Purchase of fixed assets	-	(228,626)
	<u>-</u>	<u>(228,626)</u>
Net cash flow from investing activities		
Net cash out flows from financing activities	<u>-</u>	<u>-</u>
Net increase/decrease in cash and cash equivalents	(414,341)	164,858
Cash and cash equivalents at the beginning of the year	419,593	254,735
Cash and cash equivalents at the end of the year	<u>5,253</u>	<u>419,593</u>



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Description	Original Budget	Adjustments	Final Budget	Actual	Performance difference Actual against original budget
Expenses					
1. PROGRAM EXPENDITURES					
Program staff salary	165,000		492,520	492,520	(327,520)
For Project Supervision	9,800		17,450	17,450	(7,650)
SHG Formation and use Associat	51,000		51,000	110,160	(59,160)
Consultan fee	65,000		65,000	72,604	(7,604)
Auditor fee	18,000		36,825	36,825	(18,825)
Capacity building Rent	65,000		65,000	136,660	(71,660)
For Screening of Studants	30,700		32,700	32,700	(2,000)
CLA and SHG women leadr Ship	53,000		115,560	115,560	(62,560)
Market Plannong and business	50,100		50,100	109,080	(58,980)
Fuel For Program Running	33,000		33,000	79,110	(46,110)
For Borna Support	5,000		5,000	5,000	-
Project Activity per dime	21,084		31,110	31,110	(10,026)
For Car tyre and Insurance	25,000		25,000	28,684	(3,684)
	<u>591,684</u>	<u>-</u>	<u>1,020,265</u>	<u>1,267,463</u>	<u>(675,778)</u>
2. ADMINISTRATIVE EXPENDITURES					
Salary and related benefits	43,000		43,000	186,931	(143,931)
Repair and maintenance vehicle	53,000		53,000	73,199	(20,199)
Miscellaneous	13,000		13,000	20,371	(7,371)
General assembling meeting cost	4,300		4,300	9,200	(4,900)
office Cleaning	5,200		5,200	9,800	(4,600)
Internet fee	4,300		4,300	14,124	(9,824)
Utility	4,800		4,800	11,253	(6,453)
Total Administrative expenditures	<u>127,600</u>	<u>-</u>	<u>127,600</u>	<u>324,878</u>	<u>(197,278)</u>
Total Expenses	<u>719,284</u>	<u>-</u>	<u>1,147,865</u>	<u>1,592,341</u>	<u>(873,056)</u>



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Note 1. General Information

1. Background

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.

Legally registered with F.D.R.E. Authority of Civil Society Organizations policy as charitable organization and its registration number is 0129. 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:-

Asset Class and Description	Estimated Useful Life (Year)
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 2023**

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 2023.

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 2023**

3.4 Transitional provisions and Exemptions

IPSAS for the transitional period are applied here as follows as per the recommendation of IPSASB.

- For IPSAS 1.77 The financial statements”, are presented in a comparative way with the former year audit report results. The IPSAS financial statements presented here are in accordance with IPSAS recommendations and include; statement of financial position, , statement of financial performance, statement of changes in net assets, statement of cash flow, and Related notes and disclosures.
- Presentation of budget information is required annually as one element of financial statements when VoCDA make its annual budget. However, the budget information for the period 1 Jan 2023 -31 Dec 2023- is publically available and therefore, this report also includes budget versus actual amount as part of financial statement for the period 31 December 2023.

3.5 Authorization for issue

These financial statements are certified and approved by the Management of VoCDA No other party or authorized person has a power to amend partially or fully the presented financial statements as it is recommended on IPSAS 14 .

3.6 Financial risk management

There are many financial risks that IPSAS disclosed for entities and among those all the financial risk is one of the concern for VoCDA. Pursuant to this, the financial risk of VoCDA is analyzed from the liquidity, foreign exchange and credit risks in which these risks are detailed as follows.



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

i) Liquidity Risk

It is evident that risks are inevitable and so the liquidity risk for VoCDA is performed to ensure that whether resource is available or not to meet the liabilities of the organization at their due date without incurring any loss to the organization. VoCDA reveals that there is not sufficient cash in its account to meet those demands of its operating year. VoCDA has cash and cash equivalents balance that amounts for ETB 5,253 which is substantially less than the amount of the year that amounts to ETB 106,00.00 So, VoCDA is exposed to a significant liquidity risk.

ii) Market Risk

VoCDA operates based on the financial resources that are raised both from the foreign and local donors. The funds usually come through foreign currencies and therefore the organization is more vulnerable to be affected by fluctuations. This also makes the organization be prone to fluctuation and deflations. The foreign currency conversions to the local currency that VoCDA operates by banks is done always at the prevailing rates of exchange at the date of currency conversion.

Price Risk

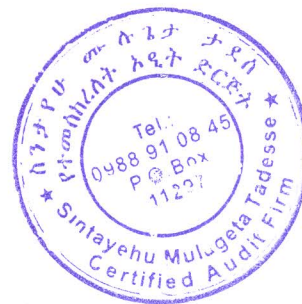
VoCDA does not have operations in relation to this risk.

Cash flow, fair value and interest rate risk

VoCDA does not engage itself to any bank loans and loans from related parties subject to cash flow, fair value and interest rate risk.

iii) Credit risk

Since the organization is dependent on donors' contribution, it is expected for the organization to be highly exposed. If donors fail to meet the pledged contribution which has to be considered as accounts receivable since it is expected that the operation of the organization will face risks in different ways. But to reduce this, VoCDA has a superb recording and collection of amounts where all the amounts are at their due time. Therefore the risks related to credit are considered minimal.



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Significant accounting policies

4.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless other VoCDA stated.

4.2 Cash and cash equivalent

Cash comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various banks in Ethiopia at the end of the financial year.

4.3 Inventories

Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost or current replacement cost. Inventories held for sale are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost is determined using the FIFO valuation method. The cost of inventories includes costs incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. For inventories acquired through a non-exchange transaction (e.g., donated goods), cost shall be measured at its fair value at the date of acquisition.

4.4 Property, plant and equipment

Recognition and measurement

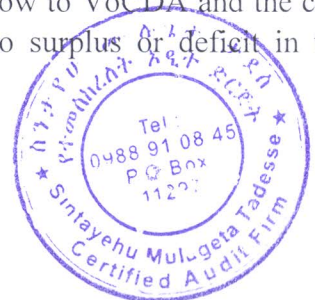
All property, plant and equipment is stated at historical cost, less accumulated depreciation and accumulated impairment losses. This includes costs that are directly attributable to the acquisition of the asset and the initial estimate of dismantling and site restoration costs. Where an asset is acquired for nil or nominal consideration, the fair value at the date of acquisition is deemed to be its cost. The threshold for recognition of property, plant and equipment as a fixed asset is ETB 5,000 per unit.

Measurement of Fixed assets

Based on the historical cost of the fixed assets of VoCDA, VoCDA continues to build up the costs of its fixed assets by considering the values of all of its property, plant and equipment to use the costs of the property,

Subsequent costs

VoCDA prefers to apply the cost model to measure costs of fixed assets instead of the use of revaluation model. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset only when it is probable that future economic benefits associated with the items will flow to VoCDA and the cost of the item can be measured reliably. Repairs and maintenance are charged to surplus or deficit in the statement of financial performance in the year in which they are incurred.



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2023**

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation of property, plant and equipment of VoCDA therefore are calculated using the straight-line basis over the estimated useful lives, except for land, which is not subject to depreciation. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that VoCDA will obtain ownership by the end of the leased term.

The estimated useful lives are as follows:

<u>Class</u>	<u>Useful</u>
Building	50
Motor Vehicles	15
Office equipment	6
Office furniture & fixture	6
Computer accessories	6
Leasehold improvements	Shorter of lease term or 4 years

The amount for depreciation for a specific material in VoCDA starts at the time of the use of the fixed asset and the depreciation of that specific fixed asset will cease when it becomes obsolete. Thereon, provided that the expected pattern of usage of property, plant and equipment (PPE); no residual value is expected following the full depreciation of the items.

Impairment

The carrying values of PPEs are reviewed for impairment if events or changes in circumstances indicate that the book value of the asset may not be recoverable. If such an indication exists, the recoverable amount of the asset is to be estimated in order to determine the extent of impairment of loss if any. Any provision for impairment of such type is included in the Statement of Financial Performance of this report.



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4.5 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.

4.6 Termination benefits

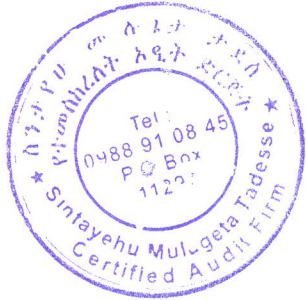
Termination benefits are recognized as an expense only when VoCDA is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date, or provide termination benefits as a result of an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

4.7 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.

4.8 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 2023**

4.9 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.

4.10 Contingencies

4.10.1 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

4.10.2 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.

4.11. 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

4.12. 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

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 2023

Currency: Ethiopian Birr

5 Cash and cash equivalent

		<u>2022</u>
Cash at Bank	-	
Cash at Bank-CBE Temenja Yaj	4,782.45	419,122
Oromia international Bank	188.00	188
Cash at bank Zeway	28.00	28
Cash at bank Bulbula	100.00	100
	5,098.45	419,438
Cash on hand(Petty Cash)	155.00	155
Total Cash and Cash Equivalent	5,253.45	419,593

6 Prepayment & receivables

		<u>2021</u>
Prepaid insurance	633.40	2,323
	633.40	2,323



VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
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Currency: Ethiopian Birr

7 Property, plant and equipment

	Motor Vehicle	Computer and Accessories	Office Equipment and Furnitures	Total
Asset value as at 01 January 2022	370,208	117,776	78,778	566,762
Depreciation	<u>(115,123)</u>	<u>(13,758)</u>	<u>(19,320)</u>	<u>(148,201)</u>
Carrying amount at 31 December 2023	<u>255,085</u>	<u>104,018</u>	<u>59,457</u>	<u>418,561</u>

8 Payables from exchange transaction

	<u>2022</u>
Income tax payable	35,070.86
Social security payable	27,362.35
Withholding tax payable	950.28
Payable to external Creditor	42,650.12
	<u>106,033.61</u>
	<u>53,405.68</u>

9

	<u>2022</u>
Employee benefits obligation - Leave	92,511
Severance	173,189
	<u>265,700</u>
	<u>278,640</u>

10 Revenue

	<u>2022</u>
10.1 Revenue from Non- Exchange Transactions	
Income - Tree AID EB 3	96,000
UNDP/GEF/SGP	-
Sher ethiopian BV	-
IDH/ISLA	185,284
Plan International	-
IDH/ISLA B	-
CoSAP	218,000
Impact Africa	220,000
	<u>719,284</u>
	<u>7,091,302</u>

10.2 Individual Ione Substitute

	<u>2022</u>
General Fund	416,000
Total revenue	<u>416,000</u>
	<u>417,280</u>



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

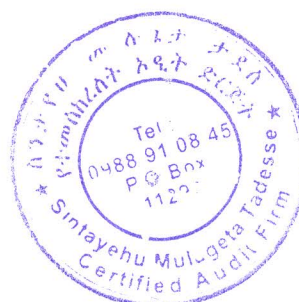
Currency: Ethiopian Birr

11 CLASSIFICATION OF COSTS

Operational and administration expenditures are properly classified. As it is reported in the attached statement of income & expenditure the percentage of administrative cost is 28 % of total income of the period.

11.1 ADMINISTRATIVE EXPENDITURES

		<u>2022</u>
Car Service and Manintenance	73,199	-
Salary and related benefits	186,931	802,576
Daily Labor		47,130
Perdime and transportasion		28,664
Miscellaneous	20,371	133,593
Bank service charge		918
Office rent		94,654
Audit fee		50,046
General assembling meeting cost	9,200	13,000
Transport and taxi		5,003
Stationery and supplies		50,049
Utility	11,253	54,994
Leave Exp		31,403
Office cleaning	9,800	-
severance expense	(1,339)	186,129
Internet fee	14,124	
Total Administrative expenditures	323,539	1,498,158

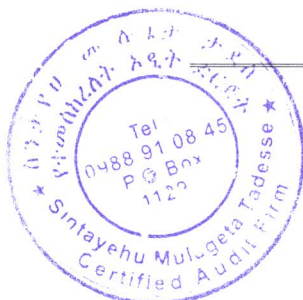


VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Currency: Ethiopian Birr

11.2 PROGRAM EXPENDITURES

		<u>2022</u>
Program staff salary	492,520	1,189,902
Seed Capital	-	570,600
For Project Supervision	17,450	78,793
SHG Formation and use Associat	110,160	-
Consultant fee	72,604	
Germination of seeding on nursery site	-	694,346
For purchasing Apiary equipment	-	261,824
Stake Holder Meeting	-	
Purchase of plastic	-	186,381
Community dialogue at kemo	-	240,110
Auditor Fee	36,825	-
BDS training for Beneficiary	-	117,215
Project launching work shops	-	50,825
Soil conservation Training (SWC)	-	321,120
Capacity building rent	136,660	250,267
Construction material	-	349,306
Beekeeping training	-	213,547
For Screening of Students	32,700	
Fuel energy stove women vouche	-	86,400
CLA and SHG women leadr ship	115,560	
Market planning and business	109,080	
Purchasing motor cycle	-	112,797
Fuel for program running	79,110	72,300
Farmers forest day celebration	-	163,046
Forest Survey Data Collection	-	100,000
Ecotourism beneficiares	-	146,299
Purcashing printer	-	48,000
For Borna Suppor	5,000	
Table and chair	-	35,127
Cultural by law development	-	116,184
Project office rent	-	69,518
Social media and website manag	-	180,000
Project Activity per dime	31,110	
Purchasing Speaker	-	9,450
For car tyre And Insurance	28,684	47,960
Woman Economic empower	-	44,450
for Purchasing Computer	-	43,500
Fuel and lubricants for vehicle	-	128,484
Repair and maintenance vehicle	-	46,945
For communcation strategy	-	45,000
Conduct resource mobilization	-	65,000
Total Program Expense	1,267,462	6,084,694



**VISION OF COMMUNITY DEVELOPMENT ASSOCIATION (VoCDA)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Currency: Ethiopian Birr

12 Related parties

12.1 Key management personnel

	Number of Position		<u>2022</u>
Director	1	97,691.45	481,549.20
Program Coordinators	1	129,618.86	259,464.00
Accountant	1	63,185.10	154,212.74
Key Management Personnel	3	-	-
Total		290,495.41	897,247.94

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

13 Events after reporting date

The reporting date for these financial statements is 31 December 2023. 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.

