

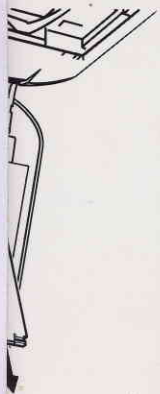
**WOLAITTA DEVELOPMENT ASSOCIATION
STATEMENT OF INCOME AND EXPENDITURE ACCOUNTS
AND AUDIT REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

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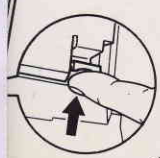
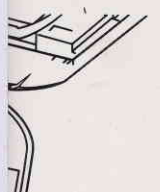
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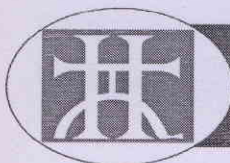
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Ref. No. PT/LS/103/2014

Addis Ababa, Ethiopia

AUDITORS' REPORT TO THE GENERAL ASSEMBLY OF WOLAITTA DEVELOPMENT ASSOCIATION

We have audited the accompanying financial statements of Wolaitta Development Association (WODA) which comprise the balance sheet as of 31 December 2013, the statement of income and expenditure for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statement has been prepared by management using the modified cash receipts and expenditure basis of accounting described in note two to the financial statement.

Managements' Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash receipts and expenditure basis of accounting described in note two to the financial statements; this includes that the modified cash receipts and expenditure basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and the requirements of the Charities and Societies Agency Proclamation No. 621/2009. International Standards on Auditing require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

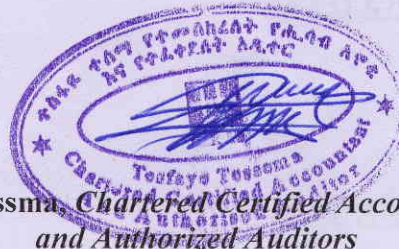
In our opinion, the financial statement presents fairly, in all material respect, the financial position of Wolaitta Development Association (WODA) as at 31 December 2013 and of its income received and expenses incurred for the year then ended in accordance with the modified cash receipts and expenditure basis of accounting described in note two to the financial statement.

Report on Other Legal and Regulatory Requirements

In our opinion, based on our verification procedures, Wolaitta Development Association (WODA) has complied with the requirements of the Charities and Societies Agency Proclamation No. 621/2009 and the matters described in directive 8 issued by the Charities and Societies Agency issued in September 2011.

Addis Ababa
26 March 2014

Tesfaye Tessma, *Chartered Certified Accountants*
and *Authorized Auditors*



**WOLAITTA DEVELOPMENT ASSOCIATION
BALANCE SHEET
AS AT 31 DECEMBER 2013**

Currency: Ethiopian Birr

	Notes		2012
ASSETS EMPLOYED			
CURRENT ASSETS			
Accounts receivable	3	938,738	3,684,048
Cash and bank balances	4	<u>4,390,880</u>	<u>2,153,040</u>
		5,329,618	5,837,088
LESS: CURRENT LIABILITIES			
Accounts payable	5	<u>1,197,939</u>	<u>1,393,288</u>
NET CURRENT ASSETS		<u>4,131,679</u>	<u>4,443,800</u>
REPRESENTED BY			
GENERAL FUND	6	<u>4,131,680</u>	<u>4,443,800</u>



**WOLAITTA DEVELOPMENT ASSOCIATION
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2013**

Currency: Ethiopian Birr

INCOME	Notes		2012
DONATIONS:	2 (a)		
PROGRAMS:			
CBM	7.1	3,520,579	317,545
CRDA	7.2	1,102,175	421,674
Concern	7.3	2,159,894	5,225,599
Japan Embassy	7.4	-	1,930,428
Wolaitta Ditcha Sport Club	7.5	9,468,020	
Geneva Global	7.6	3,555,854	-
Plan International	7.7	<u>4,915,975</u>	<u>3,194,574</u>
		24,722,497	11,089,820
Other contribution and income	8	<u>9,860,554</u>	<u>11,763,284</u>
TOTAL INCOME		34,583,051	22,853,104
EXPENDITURE	2 (b)		
Program expenditure	9	28,190,061	22,508,287
Administrative expense	10	<u>6,405,110</u>	<u>5,438,644</u>
TOTAL EXPENSES		<u>34,595,171</u>	<u>27,946,931</u>
EXCESS EXPENDITURE		<u>(12,120)</u>	<u>(5,093,827)</u>



**WOLAITTA DEVELOPMENT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Currency: Ethiopian Birr

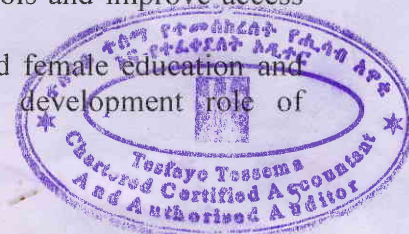
1. BACKGROUND

Wolaitta Development Association (WODA) is a membership-based, indigenous, non-for-profit, and local non – governmental organization, first established in 1957 E.C (1964 GC), was effective in responding to the peoples' needs and mobilizing the community, within few years after establishment. However, WODA could not continue its functions due to different suppressive measures imposed by the then government. WODA has been re-established in December 2000. WODA has also been re-registered with Ministry of Justice Charities and Societies Agency as Ethiopian Resident Charity on 9 November 2009 under registration license number 0486, and has signed project agreements with relevant government bureaus of SNNPR for three years (2013 – 2015). WODA is a member of an umbrella organization (Christian Relief and Development Association /CRDA).

WODA'S Strategic Objectives:

In accordance with the new Proclamation No. 621/2009 on Charities and Societies, WODA has set the following strategic objectives:

1. To continuously monitor, study and identify the causes of poverty of Wolaitta and its people, recommend solutions and play supportive roles;
2. To raise awareness on environmental protection and biodiversity conservation, mobilize the community for practical interventions, and play supportive roles;
3. To promote modern agricultural practices and raise public awareness to improve productivity and ensure food sovereignty based security;
4. To promote micro financing activities and services;
5. To mobilize and build the capacity of youth to promote inter-generational learning, entrepreneurship, respect for work and contribute to zonal socio-economic development efforts;
6. To promote and work towards improved supply of clean water and sanitation services;
7. To promote and work towards improved family planning and reproductive health services;
8. To raise awareness and work towards improved protection from HIV/AIDS and other communicable diseases in Wolaitta;
9. To build the capacity of primary and secondary schools and improve access and quality of modern education in Wolaitta;
10. To enhance and support economic empowerment and female education and gender mainstreaming to improve socio-economic development role of women;



**WOLAITTA DEVELOPMENT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Currency: Ethiopian Birr

11. To document the history, culture and heritage of Wolaitta along with developing and promoting Wolaitta language and ECO Tourism Opportunities;
12. To raise awareness and work on unnecessary and extravagant traditional practices like: wasteful consumption habits, traditional and cultural ceremonies and feasts related with mourning, dowry, marriage ceremony, graduations, birth, etc... that at a time consumes the yearly produce of households on the one hand and prevalence of religious programs which in turn make people busy and competes with production time, labour and skills of the society on the other;
13. To mobilize and support the community to actively participate in economic infrastructure development;
14. To establish and strengthen resource mobilization schemes enabling WODA perform its developmental activities;
15. To identify, and support needy people with disability, elders and orphans to become self supporting citizens;

Thematic Areas

Based on the SWOT analysis of WODA, the following six issues have been identified as major thematic areas to be addressed in the three years; (2010-2012)

1. Ecological agriculture based food security;
2. Potable water supply;
3. Integrated intervention on population, health and environment;
4. Education access and quality enhancement;
5. Sociocultural development; and
6. Resource mobilization and business development.

Pursuant to Proclamation 621/2009 to provide for the Registration and Regulation of Charities and Societies, Wolaitta Development Association was re-registered as by Ethiopian Ministry of Justice Charities and Societies Agency as Ethiopian Resident Charity on 9 November 2009.

The Organization is currently operating in Southern Nations, Nationalities and People Regional states of Ethiopia. The head office of the organization is located in Wolaitta Soddo town and branch offices are functional in all the 12 Woredas and 3 towns within Wolaitta; and in 6 other areas: Addis Ababa, Amibara, Arbaminch, Dilla, Hawassa, Hadaro and Shashemene.



**WOLAITTA DEVELOPMENT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Currency: Ethiopian Birr

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these statement of receipts and expenditures are set out below:

a) Income

Incomes especially, donations income is recognized as income when the cash is collected from the donors.

b) Expense

Expenditures are recognized in the book of account when they are incurred.

c) Other items

Other items such as inventories including agricultural commodities and property, plant, and equipment are expensed when they are acquired.

d) Foreign currency transactions

The functional currency of Wolaitta Development Association is Ethiopian Birr.

Transactions in foreign currency are accounted as follows:

- i. income received from donors is translated in to the reporting currency (Birr) at the rate prevailing on the date of transfer.
- ii. Monetary assets and liabilities outstanding at the close of the accounting period are translated at the rate ruling on that date.



WOLAITTA DEVELOPMENT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

Currency: Ethiopian Birr

3 ACCOUNTS RECEIVABLE

		2012
Project receivable	-	933,170
Sundry receivable	-	16,690
Advance receivable	909,049	1,585,605
Revolving fund	998	294,417
Staff receivable	28,691	854,166
	<u>938,738</u>	<u>3,684,048</u>

4 CASH AND BANK BALANCES

Cash on hand balances	9,794	12,461
Bank Balances:		
Current Accounts	4,381,086	2,140,579
	<u>4,390,880</u>	<u>2,153,040</u>

5 ACCOUNTS PAYABLE

Sundry payables	622,919	97,014
Retention	268,707	524,623
Inter project payable	287,236	316,935
Staff receivable with credit balance	0	437,290
Taxes	19,077	17,426
	<u>1,197,939</u>	<u>1,393,288</u>



WOLAITTA DEVELOPMENT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

Currency: Ethiopian Birr

6 GENERAL FUND

		2012
Fund balance brought forward	4,443,800	7,885,239
Opening balance diference	-	22
Account payable written off	-	349,650
Adjustment of beginning balance	(300,000)	469
Transfred from/to Gutara	0	1,302,247
	4,143,800	9,537,627
	(12,120)	(5,093,827)
Add: Excess of expenditure over income for the year	<u>4,131,680</u>	<u>4,443,800</u>

7 DONATION AND CONTRIBUTION

7.1 CBM

Program contributed to:

Liveilhood and soci economi rehabilitation

3,520,579	317,545
<u>3,520,579</u>	<u>317,545</u>

7.2 CRDA

Program contributed to:

Awareness and access to health

1,102,175	421,674
<u>1,102,175</u>	<u>421,674</u>

7.3 Concern

Program contributed to:

Liveilhood and soci economic rehabilitation

2,159,894	5,225,599
<u>2,159,894</u>	<u>5,225,599</u>

7.4 Japan Embassy

Program contributed to:

Access and quality education

0	1,930,428
0	<u>1,930,428</u>

7.5 Wolaitta Dicha sport club

Field entrance income

Wolaitta Zone Adminstration

2,018,020	0
7,450,000	0
<u>9,468,020</u>	<u>0</u>

7.6 Geneva Global

Program contributed to:

ALPHA



3,555,854	0
<u>3,555,854</u>	<u>0</u>

WOLAITTA DEVELOPMENT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

Currency: Ethiopian Birr

7.7 Plan International

Program contributed to:

Access and quality education

	2012
4,915,975	3,194,574
<u>4,915,975</u>	<u>3,194,574</u>

8 OTHER DONATIONS AND INCOME

OTHER CONTRIBUTION:

Members contribution	6,236,442	5,022,050
Sales of T-Shirt	71,300	-
Sales of wood to WODA work shope	-	247,098
Donvosco	82,800	75,000
UNDP small grant income	252,700	-
PATH/SEPDA	-	67,759
ISBO Foundation	199,280	603,547
Variis individuals and organisation	997,787	294,180
PHE Ethiopia consortium	-	20,000
Sodo town asphalt income	385	2,112,631
Means to life foundation	-	-
Lika school	767,908	600,435
Wolaitta Dicha sport club	-	1,198,783
Income from expo 2013	987,608	-
Other	<u>264,344</u>	<u>1,521,801</u>
	<u>9,860,554</u>	<u>11,763,284</u>

9 PROJECTS EXPENDITURE

Access and quality education	9,152,485	6,797,527
Awareness and access to health	3,220,393	391,551
Liveilhood and socio economic rehablitation	5,087,496	5,704,758
Resource mobilization	<u>10,729,687</u>	<u>9,614,451</u>
	<u>28,190,061</u>	<u>22,508,287</u>



WOLAITTA DEVELOPMENT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

Currency: Ethiopian Birr

10 ADMINISTRATION EXPENSES

		2012
Salaries and benefits	1,427,956	1,638,422
Training and workshop	13,530	678,609
Travel and perdiem	237,992	282,231
Repairs and maintenance	275,495	153,959
Communication and utilities	83,097	189,574
Vehicle Running	319,128	636,776
Project monitoring and evaluation	-	330,505
Project management	-	381,109
Office rent	-	119,043
Printing and stationery	-	63,075
Bank charges	-	5,516
Professional fee	-	77,325
Legal, Advertisement and Promotion	176,090	429,976
Office equipment	425,147	147,195
Resource mobilisation and promotion	1,567,608	103,864
System software development	8,000	18,220
Medical	26,520	13,827
Uniform	21,472	5,934
Encouragement and support	44,919	81,878
Commission and incentives	14,885	18,653
Offa Liveilhood program	599,858	-
Health and Socio-Economic empowerment	138,223	-
Environmental protection	299,188	-
Access and quality education program	584,576	-
Entertainment	117,639	31,516
Membershsip fee	-	100
Clening and sanitation	3,713	513
Miscellaneous	20,074	30,824
	6,405,110	5,438,644

Administrative expense accounts for 19 % of the total expenditure.

11 COMPARATIVE FIGURES

Inorder to facilitate comparison, some of the previous years figures have been rearranged in this account.



**WOLAITTA DEVELOPMENT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013**

Currency : Ethiopian Birr

10 Statement of Compliance

This compliance report is issued pursuant to directives issued by Charities and Societies Agency

10.1 Income

- All income of the year have been collected by legally acceptable pre numbered cash receipt Vouchers;
- All income of the year have been supported by cash receipt voucher;
- As per the document presented for us sources of income are clearly Identified;
- All income has been recorded on time ;
- All income were collected by authorized personnel/cashiers or deposited directly to bank;
- All foreign income collected by the organization are legal;

10.2 Expenditures

- Expenditures covered under our sample are supported by appropriate source documents;
- The organization has pre numbered payment vouchers ;
- Payments were effected following payment procedures designed by the organization;
- Payment were approved by management;
- Original documents were used as supporting evidence for expenditures;
- Purchase covered under our sample were effected following procedures designed by the organization;
- Program expenditure of the organization is more than 81%.

10.3 Fixed Asset

- Purchase of asset was supported by legal invoices;
- Fixed asset were counted by the management at year end;
- Fixed Asset were Registered separately;
- Fixed Asset kept properly and has its own separate registration number.

10.4 Bank Balance

- The details of Bank accounts used by the organization are Known;
- Bank Balances were presented for us;
- Bank reconciliations were made for each accounts ;
- Bank accounts were run by authorized officials.

10.5 Account Receivables

- Receivables were collected timely;
- Receivables are presented separately .

10.6 Account Payables

- Tax payables settled on time.

