

OROMO SELF-RELIANCE ASSOCIATION(OSRA)

AUDITOR'S REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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Partners

Tewodros Hailu, M.A, FCCA & Fikre Menta, M.A, FCCA

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OROMO SELF-RELIANCE ASSOCIATION(OSRA)**

QUALIFIED OPINION

We have audited the accompanying financial statements of OROMO SELF-RELIANCE ASSOCIATION(OSRA) which comprise the statement of financial position as at 31 December 2024 and the statement of income & expenditure for the year then ended and summary of significant accounting policies and other explanatory information.

In our opinion, except for the effect of the matters described in the basis for qualified opinion below, the financial statements present fairly, in all material respects, the financial position of OROMO SELF-RELIANCE ASSOCIATION(OSRA) as at 31 December 2024 and its financial performance for the year then ended in accordance with its accounting polices applied on a consistent basis.

BASIS FOR QUALIFIED OPINION

1. As per a proclamation to providing for Financial Reporting of 847/2014 and the subsequent road map issued by the Accounting and Auditing Board of Ethiopia, all charities need to prepare their financial statements in accordance with the International public sector Accounting Standards (IPSAS) effective from December 2019.The Association's financial statements have not been prepared in accordance with IPSAS, however
2. We have not obtained adequate explanation as to how funds have classified as restricted and general though we understand the overall basis.
3. We have not obtained a direct confirmation in respect of funds received from donors amounting to Birr 14,464,122.05.

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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.

KEY AUDIT MATTER

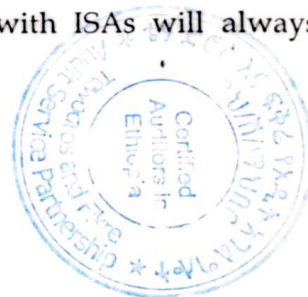
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon; we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements 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 for accounting unless management either intends to liquidate the organization or to close operations, or has no realistic alternative but to do so.

Auditors Responsibility for the Audit of the financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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.

Section Two

Report on the other regulatory requirements

The opinion in this section is given based on the audit procedures we applied in accordance with guideline 8/2004 E.C issued by the Charities and Societies Agency to review compliance with Charities and Societies Proclamation 1113/2019.

a) DEBTORS

The debtors of the organization have been identified as to from whom they are owed.

b) CASH AND BANK BALANCES

- All advances have been settled timely;
- The cash at bank has been reconciled with the record balance periodically;
- Bank statement has been made available for our verification;
- The bank account is being operated by a designated official of the organization

c) CREDITORS

Creditors have been clearly indicated as to whom they are owned

d) INCOME

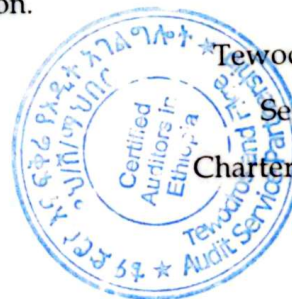
All incomes have been collected by the designated body of the organization with an authorized cash receipt and recorded in time and the source of which has been clearly indicated.

e) EXPENDITURE

The expenditures of the organization have been adequately supported with original source documents, paid in accordance with the organization's policies and procedures, approved by the designated official of the organization.

Addis Ababa

March 17, 2025



Tewodros and Fikre Audit
Service Partnership,
Chartered Certified Accountants

OROMO SELF RELIANCE ASSOCIATION (OSRA)
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2024

<u>ASSET EMPLOYED</u>	<u>NOTE</u>	<u>BIRR</u>	<u>BIRR</u>	<u>2023 BIRR</u>
FIXED ASSET		-		9,900
<u>CURRENT ASSETS</u>				
Cash at bank		14,927,873		9,475,248
Prepayment	3	63,249		32,047
Sundry Debtors		-		3,850
Staff debtors		-		11,688
				<u>9,522,832</u>
TOTAL ASSETS			<u>14,991,122</u>	<u>9,532,732</u>
<u>CURRENT LIABILITIES</u>				
Creditor	4	162,813		301,578
Tax payable	5	68,206		57,195
			<u>231,019</u>	<u>358,773</u>
<u>FUND BALANCE</u>				
Restricted fund balance	6.1	9,163,770		4,201,962
General fund balance	6.2	5,596,333*		4,971,997
			<u>14,760,103</u>	<u>9,173,959</u>
LIABILITIES AND FUND BALANCE			<u>14,991,122</u>	<u>9,532,732</u>



OROMO SELF RELIANCE ASSOCIATION (OSRA)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2024

		BIRR	BIRR	2023 BIRR
<u>INCOME</u>				
Donation	7.1	16,701,659		8,676,338
Other income	7.2	658,510		538,230
		<u>17,360,169</u>		<u>9,214,568</u>
Less: Direct Project Exp	8	9,742,669		6,696,312
			<u>7,617,500</u>	<u>2,518,256</u>
<u>GENERAL AND ADMINISTRATION EXPENSES</u>				
Salary and related benefits		1,101,859		1,047,592
Fuel and lubricant		212,154		105,370
Repair and ,maintenance		452,476		243,729
Printing and stationery		46,171		27,876
Monitoring and supervision		17,450		
Utilities		114,306		118,630
Miscellaneous Expense		62,124		195,583
Audit Fee		20,000		17,250
Project Terminal Evaluation		66,000		-
Capacity building on Argo. ec		3,000		-
Drilling facilitation keta I.		2,800		-
Medical Expense		28,637		-
Motor vehicles insurance		59,911		-
General Assembly costs		8,400		-
Monitoring & Evaluation		500		-
Prov fund,pension,transport a		32,047		-
Bank Service charge		1,212		-
Refreshment		18,077		-
Office rent		33,600		-
Office Supplies		4,853		-
Total General and Admin Expenses			<u>2,285,577</u>	<u>1,756,030</u>
Excess of income over expenditure			<u>5,331,923</u>	<u>762,226</u>
<u>APPROPRIATION</u>				
Transfer to restricted fund			4,673,412	839,020
Transfer to General fund			658,510	(76,795)
			<u>5,331,923</u>	<u>762,226</u>



OROMO SELF RELIANCE ASSOCIATION (OSRA)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>2024</u> <u>BIRR</u>	<u>2023</u> <u>BIRR</u>
Excess of income over Expenditures	5,331,923	762,226
Decrease(increase) in prepayment	(31,202.28)	6,945
Decrease(increase) in Staff debtors	15,538	16,483
Disposal(Addition) of fixed Asset	9,900	-
Increase(Decrease) in Creditors	-	8,675
Increase(Decrease) in Account payables	(138,765)	-
Increase(Decrease) in Tax payables	11,010.86	(21,024)
prior year adjustment on General fund	254,221	-
Net Cash in Flow(outflow)	5,452,626	773,304
 Add: Beginning cash Balance	 9,475,248	 8,701,943
Net cash/flow for the year	14,927,873	9,475,248



3. THE INTERVENTION AREA OF THE ASSOCIATION

- Rural water supply
- Food security nutrition and livelihood improvement
- Promotion of cereal bank, farmers marketing organization and value chain
- Promotion of zero grazing improved heifer breed introduction
- Environment protection
- Sensitization on gender and anti-harmful traditional practices

4. OSRA works in various zone of Oromia regions currently, it operates in Ada'a Berga (West showa Zone), Akaki District (special zone of Oromia) Ada'a District (East Showa) and Bacho, Illu and Tole district (South West Showa Zone).

5. ACCOUNTING POLICIES

Oromo Self Reliance Association records and prepares its financial statements based on generally accepted accounting principles to ensure that accounting policy are applied on consistent basis to determine the value of asset, liabilities and results of the operation in a given accounting user.

According, Oromo Self Reliance Association has adopted the following accounting polices

- a) Because of its simplicity to determine revenues and expenses modified cash basis accounting is adopted.
- b) Expenditure on fixed assets is expensed in the year when it occurs.
- c) Donated commodities are valued and included in the books of the association as revenues and expenses simultaneously.
- d) All grants and donations are recorded as and when received from donors.
- e) Revenues and expenses are recognized when items are received and paid respectively.
- f) Free of charge services of the officers of the Association and other professionals are qualified and included in the financial records both as income and expense simultaneously.
- g) Bad and doubtful debt is recognized when balances due are irrecoverable or doubtful of recovery.
- h) The result of the operation of each year (excess of income over expenditure or vice versa) is transferred to fund accounts.



3 Debitor

Staff Debitor
Sundry Debtors
Prepaid insurance

	2022	2023
	BIRR	BIRR
	-	11,688
	-	3,850
	63,249	32,047
	<u>63,249</u>	<u>47,585</u>

4 Creditors

Accrual payable
Retention Payable
Oromia Revenue
Staff Creditors
Audit fee payable

	2022	2023
	BIRR	BIRR
	-	152,763
	142,813.29	121,168
	-	7,245
	-	3,152
	20,000	17,250
	<u>162,813</u>	<u>301,578</u>

5 Tax Payable

Income tax
Withhodling Payable
Pension Payable
Provident Fund

	2022	2023
	BIRR	BIRR
	46,010.36	37,849
	2,719.50	-
	19,476	19,354
	-	(8)
	<u>68,206</u>	<u>57,195</u>

6 Fund Balance

6.1 Restricted fund balance

Woliso Tole Integrated Community Development
KBF Project
Woliso Community based water supply
SOS Faim Belgium
Pathway 3 Research-ICCO
Awash Bank
Women access to land
Agro-ecology & food system
Enhancing Educational Proviusion-ED

	2022	2023
	BIRR	BIRR
	-	392,145
	-	2,303,703
	-	63,642
	-	994
	-	157,036
	-	426,765
	-	36,813
	-	970,439
	-	(149,574)
	<u>9,163,770.14</u>	<u>4,201,962</u>

6.2 General fund balance

Beginning balance
Creditors writtenback
Fixed assets cost written of
Account Recivable written off
Current year expense
Other income
Membership
Interste income

	4,971,997	5,048,792
	267,971	
	(9,900)	
	(3,850)	
	(288,395)	(615,025)
	0.14	480
	1,560	1,680
	656,950	536,070
	<u>5,596,333</u>	<u>4,971,997</u>



7 Donation Income and other income

7.1 DONATION

Donation income

CCFD

Belgium Brussels/KBF

Agroecology and Food system

Help Osra

VIVAQUA

Gurmu

BIRR

2023

BIRR

-

3,255,120

5,642,673

-

2,237,537

5,293,187

273,143

16,701,659

-

2,855,965

3,425,222

2,395,151

-

-

-

8,676,338

7.2 Other income

Other income

Membership fee

Interest income

0.14

1,560

656,950

658,510

480

1,680

536,070

538,230

8 Direct Project Cost

Water Well Drilling Construction

Dialogue with government bodies

Training of communities, FMOS, unions on different proj

Salary of direct personnel

Monitoring and supervision

purchase of seeds

Fuel

Vehicle maintenance

Construction

Training WASH committee

Training water tech

Education Commu. training

Soyema Water drilling

Gebriel water drilling

Doyo Kora Gute G water drill

Keta Insilalel water drilling

Training on Agro ecology

Training

Community hygiene & Sensitization

Capacity building on Agro. eco

Drilling facilitation keta I.

Women Economic Empowerment

Project Terminal Evaluation

Train. farm. on org. liquid fer

BIRR

BIRR

93,660

92,261

-

1,293,733

126,803

723,222

149,322

120,770

541,173

33,700

24,680

33,700

850,449

2,411,278

1,699,977

849,989

57,975

174,948

117,000

198,095

9,050

115,930

10,000

14,956

9,742,669

3,023,368

175,034

433,993

1,287,067

132,857

1,643,993

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6,696,312

