

Cambodian Organization For Assistance
To Families And Widows (CAAFW)
Integrated Rural Development Project
(IRDP)

Financial Report And Report Of
Independent Auditors For The Period
Covering From 01 January To 31
December 2012

NAS Co.,Ltd
This report contains 7 pages
01 June 2013

CAMBODIAN ORGANIZATION FOR ASSISTANCE TO FAMILIES AND WIDOWS (CAAFW)
INTEGRATE RURAL DEVELOPMENT PROJECT (IRDP)

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CAMBODIA ORGANIZATION FOR ASSISTANCE TO FAMILY AND WIDOWS (CAAFW)

STATEMENT BY THE ORGANIZATION MANAGEMENT

We, do hereby state that in our opinion, the accompanying Statement of Receipts, Disbursements and Fund Balance together with the notes thereto are properly drawn up so as to give a true and fair view of the state of affairs of the Integrate Rural Development Project, IRDP ("The Project") implemented by the Cambodian Organization for Assistance to Families and Widows ("CAAFW") for the period covering from 01 January to 31 December 2012, in accordance with the accounting policies set out in note 2 to the Statement of Receipts, Disbursements and Fund Balance.

Signed on behalf of the Executive of Management

MRS. CHHIN PHALLA

Executive Director

01 June 2013

MR. TOEM PRONH

Accounting and Finance Director

01 June 2013

CAAFW Central OFFICE

Addends : Road 4 House # 445 Group18, Sisophon
Town Banteay Meanchey Province. Cambodia .

Phon : (855) 054 958 882

Fax : (085) 054 958 691

Mobile : 017 550 825

: 089 5555 48 / 092 8787 48



NAS Co., Ltd
Certified Public Accountants
Business Consultants

No.79AEo, Street 288
Khan Chamkarmorn, Phnom Penh
Kingdom of Cambodia

Mobile : (855) 012 786 971
Telephone : (855) 023 676 7003
E-mail : nas@nas.com.kh

REPORT OF INDEPENDENT AUDITORS

TO THE MANAGEMENT AND DONORS OF INTEGRATE RURAL DEVELOPMENT PROJECT (IRDP)

We have audited the accompanying Statement of Receipts, Disbursements and Fund Balance and a summary of significant accounting policies and other explanatory notes (The Financial Statement) of Integrate Rural Development Project (IRDP) "The Project", implemented by Cambodian Organization for Assistance to Families and Widows (CAAFW), for the period covering from 01 January to 31 December 2012.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statement in accordance with cash basis of accounting. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statement is 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 auditors consider 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.

As described in note 2, this financial statement was prepared using cash basis of accounting which is a comprehensive basis of accounting other than the Cambodian International Financial Reporting Standards.

Opinion

In our opinion, the accompanying Statement of Receipts, Disbursements, and Fund Balance together with the notes thereto gives a true and fair view of the state of affairs of "Integrate Rural Development Project", implemented by Cambodian Organization for Assistance to Families and Widows, for the period covering from 01 January to 31 December 2012, in accordance with the accounting policies set out in note 2 to the Statement of Receipts, Disbursements and Fund Balance.

NAS Co.,Ltd
Phnom Penh, Cambodia
01 June 2013



CAMBODIAN ORGANIZATION FOR ASSISTANCE TO FAMILIES AND WIDOWS (CAAFW)
INTEGRATE RURAL DEVELOPMENT PROJECT (IRDP)

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND FUND BALANCE
FOR THE PERIOD COVERING FROM 01 JANUARY 31 DECEMBER 2012

| | | From 01/01/2012 To 12/31/2012 | From 01/01/2011 To 12/31/2012 |
|-----------------------------------|------|----------------------------------|----------------------------------|
| | Note | USD | USD |
| Receipts | | | |
| Fund received from HBV | | - | 85,682 |
| Other income | 3 | 56,795 | 53,852 |
| Total receipt | | 56,795 | 139,534 |
| Disbursements | | | |
| Personnel and other related costs | 4 | (38,771) | (33,578) |
| Administration costs | 5 | (21,346) | (17,917) |
| Project costs | 6 | (24,468) | (33,956) |
| Donation expense | 7 | - | (52,395) |
| Non-expendable expenditure | 8 | (1,611) | (844) |
| Professional fees | 9 | (8,154) | (2,750) |
| Total disbursements | | (94,350) | (141,440) |
| Fund receipts over disbursements | | (37,555) | (1,906) |
| Fund balance brought forward | | 54,663 | 56,569 |
| Fund balance | 10 | 17,108 | 54,663 |

The accompanying notes and other narratives form an integral part of the financial statements

CAMBODIAN ORGANIZATION FOR ASSISTANCE TO FAMILIES AND WIDOWS (CAAFW)
INTEGRATED RURAL DEVELOPMENT PROJECT (IRDP)

NOTES AND OTHER NARRATIVES TO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
FOR THE PERIOD COVERING FROM 01 JANUARY TO 31 DECEMBER 2012

1. General

The Cambodian Organization for Assistance to Families and Widows (CAAFW) "The Organization" is a local non-governmental, non-political and not-for-profit organization founded on 09 October 1993 and officially registered as an NGO under the authorization provided by the Office of the Council of Ministers and the Ministry of Interior.

CAAFW aims to provide social welfare services to people in need, assist farmers with improved agriculture and animal raising techniques for better income generation, and provide educational awareness on various social issues to women, provide education to children and youth groups, poor families, returnees, landless, and Internally Displaced People (IDP) in the north-west region of Cambodia.

The vision:

The vision of CAAFW is "every person has enough food for consumption and self-reliance and access to finance, non-violence and justice living in peace, quality of health care and education."

The mission:

The mission statement of CAAFW is to "assist the poor living in Banteay Meanchey to enable them to build up and improve their living conditions through providing available resources including financial and technical inputs."

2. Significant accounting policies

2.1. Basis of preparation

The statement of fund receipts, disbursements and balance is prepared in United States Dollar ("USD") in accordance with cash basis of accounting modified to include recognition of certain liabilities. This is a comprehensive basis of accounting which does not produce financial statements which are compatible with generally accepted accounting principles.

Under the cash basis of accounting, grants and revenue are recognized when received rather than when earned and expenses are recognized when paid rather than when incurred.

2.2 Non-expendable assets

In accordance with the cash basis of accounting, all non-expendable assets are expended upon acquisition. This practice differs from generally accepted accounting principles which require the capitalization and depreciation of fixed assets according to their estimated useful life.

2.3 Foreign currency transactions

The statement of fund receipts, disbursements and balance is expressed in United States Dollar ("USD"). Transactions not transacted in USD are recorded at the rates of exchange on the first day of each month adopted by the Acleda Bank, Banteay Meanchey branch.

Exchange difference is recognized as expense or income throughout the period in the statement of receipts, disbursements and fund balance.

CAMBODIAN ORGANIZATION FOR ASSISTANCE TO FAMILIES AND WIDOWS (CAAFW)
INTEGRATED RURAL DEVELOPMENT PROJECT (IRDP)

NOTES AND OTHER NARRATIVES TO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
FOR THE PERIOD COVERING FROM 01 JANUARY TO 31 DECEMBER 2012

3. Other Incomes

| | From 01/01/2012 To 12/31/2012 USD | From 01/01/2011 To 12/31/2011 USD |
|-------------------------------------|---|---|
| Interest income from revolving fund | 56,684 | 53,695 |
| Others | 111 | 157 |
| Total Other Incomes | 56,795 | 53,852 |

4. Personnel and other related costs

| | From 01/01/2012 To 12/31/2012 USD | From 01/01/2011 To 12/31/2011 USD |
|---|---|---|
| Salary for management | 22,611 | 19,903 |
| Salary for staff | 15,302 | 13,457 |
| Health benefits for staff | 858 | 218 |
| Total personnel and other related cost | 38,771 | 33,578 |

5. Administration costs

| | From 01/01/2012 To 12/31/2012 USD | From 01/01/2011 To 12/31/2011 USD |
|-----------------------------------|---|---|
| Office rental | 4,022 | 4,022 |
| Office supplies and stationeries | 9,286 | 8,601 |
| Utilities expense | 2,378 | 2,109 |
| Communication expense | 1,395 | 1,333 |
| Maintenance expense | 597 | 5 |
| Miscellaneous expense | 3,668 | 1,847 |
| Total Administration costs | 21,346 | 17,917 |

CAMBODIAN ORGANIZATION FOR ASSISTANCE TO FAMILIES AND WIDOWS (CAAFW)
INTEGRATED RURAL DEVELOPMENT PROJECT (IRDP)

NOTES AND OTHER NARRATIVES TO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
FOR THE PERIOD COVERING FROM 01 JANUARY TO 31 DECEMBER 2012

6. Project costs

| | From 01/01/2012 To 12/31/2012 USD | From 01/01/2011 To 12/31/2011 USD |
|---|---|---|
| Fund disbursed to purchase cows | 10,400 | 14,886 |
| Fund disbursed to purchase rice paddy | 5,651 | 5,905 |
| Fund disbursed to purchase rice storage | 1,614 | 6,208 |
| Travel/mission expense | 2,372 | 968 |
| Fuel and oil expense | 2,239 | 2,604 |
| Other miscellaneous expenses | 2,192 | 3,385 |
| Total Project costs | 24,468 | 33,956 |

7. Donation expense

This represents donation to CBHI Project to cover the expenditure for the period covering 01 January to 31 December 2011.

8. Non-expendable expenditure

| | From 01/01/2012 To 12/31/2012 USD | From 01/01/2011 To 12/31/2011 USD |
|---|---|---|
| Printing machine | 816 | - |
| Computer and IT equipment | - | 820 |
| Office furniture | 795 | 24 |
| Total Non-expendable expenditure | 1,611 | 844 |

9. Professional fees

| | From 01/01/2012 To 12/31/2012 USD | From 01/01/2011 To 12/31/2011 USD |
|--------------------------------|---|---|
| Consultancy fees | 3,204 | - |
| External audit fees | 4,950 | 2,750 |
| Total professional fees | 8,154 | 2,750 |

CAMBODIAN ORGANIZATION FOR ASSISTANCE TO FAMILIES AND WIDOWS (CAAFW)
INTEGRATED RURAL DEVELOPMENT PROJECT (IRDP)

NOTES AND OTHER NARRATIVES TO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
FOR THE PERIOD COVERING FROM 01 JANUARY TO 31 DECEMBER 2012

10. Fund balance

| | From 01/01/2012 To 12/31/2012 USD | From 01/01/2011 To 12/31/2011 USD |
|---------------------------|---|---|
| Cash in hands | 18,520 | 4,540 |
| Bank | 431 | 50,260 |
| Accrual payables | (1,843) | (137) |
| Total Fund balance | 17,108 | 54,663 |