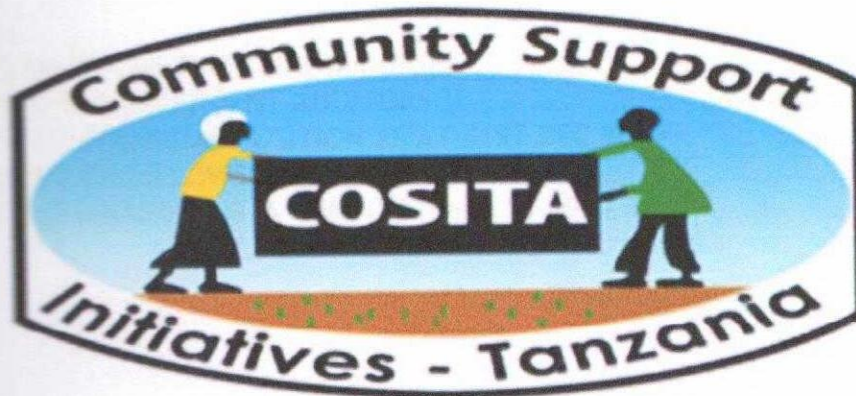


COMMUNITY SUPPORT INITIATIVES -TANZANIA



*"Fighting Poverty Building Economy/
Piga Vita Umaskini Jenga Uchumi"*

AUDITED FINANCIAL STATEMENTS FOR PERIOD

1ST JANUARY 2019 TO 31ST DECEMBER 2019



**AE CONSULTING
SERVICES**
Certified Public Accountants

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Abbreviations

COSITA Community Support Initiatives-Tanzania

COSITA Development Support

TSh Tanzanian Shillings

TRE Tanzania Revenue Authority

Community Support Initiatives -Tanzania (COSITA)
Audited Financial statements for the period 1st January 2019 to 31st December 2019

ORGANIZATION INFORMATION FOR THE YEAR ENDED 31ST DECEMBER 2017

Registered Office

COMMUNITY SUPPORT INITIATIVES -TANZANIA (COSITA)

P.O.BOX 558,

BABATI MANYARA, TANZANIA

Email:cositango@gmail.com

Website-<https://envya.org/COSITA>

Independent Auditor AE consulting services

Certified Public Accountants & Auditors

6th Floor, Mafao House

P.O. Box 14533, Arusha, Tanzania,

Office Tel. +255 764 610 004,

Cell+255 754 318 211,

Email:aeconsult2003@gmail.com

Principal Bankers

1. NMB-BABATI BRANCH

2. EXIM

3. CRDB

Introduction

Community Support Initiatives Tanzania (COSITA) is a local non-governmental organization registered under NGO Act, 2002 in the year 2010 to operate in Tanzania Mainland. The organization started as an idea from a group of people with common purpose mainly to serve poor, marginalized and vulnerable communities confronted by lack/shortage of clean and safe water, land degradation/natural resource destruction, child right abuse, gender inequality/inequity, and food insecurity.

COSITA is a membership-based organization where the Annual General Meeting is a supreme organ in the decision-making level, followed by the Board of Directors and finally the management team which undertakes the daily implementation of the organization duties.

The head office of the organization is located in Babati Township - the head quarter of Manyara region and sub-offices in the nearby districts and regions.

Vision:

Community is getting better living standards by accessing high quality social services sustainably.

Mission

To contribute to the improvement of the quality of life for community through ensuring their involvement in; development projects, gender balance, social accountability and Sustainable resource management

Core Values:- Teamwork, Equality, Ethics, Dignity and Integrity (TEEDI)

Goal /strategic objectives

To improve the quality of life for Pastoralists, Smallholder farmers, hunter-gatherers and other low income communities by contributing to the development opportunities towards poverty alleviation.

OPERATING RESULTS FOR THE YEAR:

Main Activities/program areas

- Campaign towards school girls and orphanage education support contributions
- Supported 2 girls' students in covering school/college costs.

- Training of village land councils and ward tribunals on women rights to land and other properties including the laws and policy governing land in Tanzania and giving high priority to women claims to land ownership.
- Formation and training of women land forums on land laws, land and other properties ownership and their roles to sensitize women to own land and other properties.
- Supportive supervision and monitoring of previously implemented projects

Achievements

Major achievements during the year were;

- 3 Girls students supported by COSITA are continuing with their studies
- COSITA's proposal for district council to allocate funds in their own source for building wards level secondary school Girls' dormitories were received positively by the councils of Babati Town council.
- 10 village land councils and 3 ward tribunals are operating on land legal framework using the knowledge and skill gained during trainings conducted by COSITA eg in Kiongozi village 3 women concerns were received, 2 were resolved and women get their rights (claims were on land inheritance issues). Also in Himiti village 2 women concerns were received and 1 is resolved.
- 10 village women land right forums formed and capacitated on land legal frameworks and have started assisting their fellow women in demanding their pieces of land legally for full ownership.
- Increased number of women claiming land and other rer village, this is experienced in Singu, Himiti, Kiongozi and Sigino
- Decreased land claims at ward levels as a result of capacitating village land councils on conflict resolution and their responsibilities as per land act No.4&5, 1999 e.g Bonga ward tribunal before intervention, receives 3 to 4 claims per 2/3 months but after intervention receives 1or 2 claims, sometimes no claims because most of cases are being resolved at village levels.
- Increased responsiveness of LGAs, before intervention there were some villages didn't have Land councils, after intervention 3 village councils were formed (Mutuka, Chemchem and Malangi village) and are well functioning.
- COSITA was accepted to get full membership to 3 networks (PELUM, THRDC, and ANSAF) due to the compatibility of the work done by COSITA to the networks.

Community Support Initiatives -Tanzania (COSITA)
Audited Financial statements for the period 1st January 2019 to 31st December 2019

Challenges

- Inadequate fund to cover personnel cost led to shortage of key staffs
- Delays of funds disbursements led to postponement of some activities implementation something that hampered timely achievement of some of the project objectives.
- Political interferences during project implementation

Solutions

- Sensitizing more members pay subscription fee and also aggressive work on own income generating activities so as to raise own income for sustainability.
- Continue capacity building of members of the board and management especially on the resource mobilization, control and management of the organization resources.
- More fundraising from different sources for projects and working facilities.

Report of The Board Members

Members of the Board who were governing for the year ending **31st December 2019** were:

| Name | Representation | M/F | Qualification |
|------------------|----------------|-----|---------------|
| Francis Geffi | Chairperson | M | Bachelor |
| Paschal Onna | Mbulu area | M | Masters |
| Martin Hhando | Hanang area | M | Form Four |
| Kasim Mziray | Babati area | M | Certificate |
| Bernadetha Tembo | Gender person | F | Masters |
| Seraphia Gilba | Expert | F | Diploma/CPA |
| John Laffa | Expert | M | Masters |
| Patrice Gwasma | Secretary | M | Masters |

The directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for

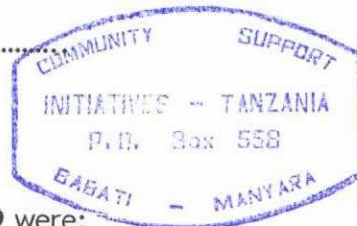
- (i) Designing implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
- (ii) Selecting and applying appropriate accounting policies; and
- (iii) Making accounting estimate and judgments that are reasonable in the circumstance.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Organization as at 31st December 2019 and of its Surplus/ (Deficit) for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium sized Entities and the requirements of the Tanzanian Companies/Societies Act.

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

Approved by the Board of directors on 31st March 2021 and signed on its behalf by:


.....
Board Chairperson



Donors/partners for the year ending **31st December 2019** were:

- Women's Economy and Gender Support (WEGS)
- Foundation for Civil Society (FCS)
- UNDP /UNOPS

Donation from:

- Angelika Hilbrig

DECLARATION OF THE FINANCIAL MANAGER

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I **CPA** ~~PHILIMINA~~ PHILIMINA FAUSTINI being Financial Manager here by acknowledge my responsibility of ensuring that financial statements for the year ended 31st December 2019 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of COMMUNITY SUPPORT INITIATIVES -TANZANIA as on that date and that they have been prepared based on properly maintained financial records.

Signed by: ~~PHILIMINA~~

Position: Financial Manager

NBAA Membership CR33625 (CPA student)

Date 31/03/2020





24/03/2021

REPORT OF THE INDEPENDENT AUDITORS

to the Shareholders/Members of COMMUNITY SUPPORT INITIATIVES-TANZANIA

Opinion

We have audited the financial statements of COMMUNITY SUPPORT INITIATIVES-TANZANIA, which comprise the statement of financial position as at 31st December 2019, and the statement of comprehensive income, and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31st December, 2019 and of the results and cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Company's' Act, CAP 212.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibility 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 Accountants (IESBA Code) together with the requirements that are relevant to our audit in Tanzania, and we have fulfilled our other responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as they determine 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, the Directors are 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 the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.



REPORT OF THE INDEPENDENT AUDITORS

to the Shareholders of COMMUNITY SUPPORT INITIATIVES-TANZANIA (Continued)
Auditor's Responsibilities 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 it 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Company's members as a body corporate in accordance with the Tanzanian Companies Act, 2002 and for no other purposes. As required by the Tanzanian Companies Act, 2002, we report to you, based on our audit, that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
- (iii) The Directors' Report is consistent with the financial statements;
- (iv) Information specified by law regarding directors' remuneration and transactions with the Company is disclosed; and
- (v) The Company's balance sheet and income statement are in agreement with the books of account.

Peter Robert Urrio

Partner, AE Consulting Services - Arusha Office
Certified Public Accountant



Date: 29/03/2021

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST DECEMBER 2019**

| INCOME | Note | 2019 TZS | 2018 TZS |
|--------------------------------------|------|----------------------|---------------------|
| GRANT | 1 | 42,700,611.58 | 159,855,519 |
| Deferred income | | (14,335,537.15) | - |
| Total Income | | 28,365,074.43 | 159,855,519 |
| EXPENDITURE | | | |
| PERSONEL COST | 2 | 3,534,300.00 | 119,911,632 |
| GENERAL & ADMINISTRATION COST | | 2,189,244.83 | 14,745,307 |
| MONITORING AND EVALUATION | | 1,620,000.00 | - |
| GENDER ISSUES | | 17,718,400.00 | - |
| Education | | 1,354,000.00 | 600,000 |
| PROJECT ACTIVITIES | | - | 36,257,725 |
| VEHICLE EXPENSES | | 1,719,129.60 | 1,697,397 |
| Auditing Cost | | - | 1,062,000 |
| Travelling cost | | 180,000.00 | 1,100,000 |
| Membership fee | | 50,000.00 | - |
| TOTAL EXPENDITURE | | 28,365,074.43 | 175,374,061 |
| Surplus(Deficit) for the year | | - | (15,518,542) |

COSITA Accountant

[Signature]

COSITA Executive Director

[Signature]

COSITA Board Chairperson

[Signature]



STATEMENT OF FINANCIAL POSITION AS AT 31ST DEC 2019

| Non current Asset | Notes | 2019 TZS | 2018 TZS |
|-------------------------------------|-------|-------------------|-------------------|
| Fixed Asset | | 9,575,087 | 15,343,656 |
| Total Fixed Asset | | 9,575,087 | 15,343,656 |
| Current Assets | | | |
| Imprest | | - | - |
| Receivables (Advances) | | 7,030,000 | - |
| Cash at Bank | | 9,833,611 | 2,528,074 |
| Total Current Asset | | 16,863,611 | 2,528,074 |
| Total ASSETS | | 26,438,698 | 17,871,730 |
| Equity and Liabilities | | | |
| Fund Balance Assets | | 9,575,086 | 15,343,656 |
| Current Liabilities | | | |
| Deffered Income | | 16,863,611 | 2,528,074 |
| Sundry Creditors | | - | - |
| Total current Liabilities | | 16,863,611 | 2,528,074 |
| Total Equity and Liabilities | | 26,438,697 | 17,871,730 |

COSITA Accountant

.....

COSITA Executive Director

.....

COSITA Board Chairperson

.....



STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2019

| Cash flow from operating Activities | 2019 TZS | 2018 TZS |
|--|----------------|-----------------|
| Surplus (Deficit) for the year | | (29,114,698.00) |
| Prior Year Adjustment | | |
| Depreciation | - | 13,596,156.00 |
| Cashflow before changes in W/Capital | - | (15,518,542.00) |
| Changes in Working Capital | | |
| (Increase)/Decrease in Debtors | (7,030,000.00) | 550,000.00 |
| (Increase)/Decrease in Creditors | 14,335,537.15 | (2,319,818.00) |
| (Increase)/Decrease in W/Capital | 7,305,537.00 | (1,769,818.00) |
| Cashflow from operating Activities | 7,305,537.00 | (17,288,360.00) |
| Cashflow from investing Activities | | |
| Acquisition of fixed assets | - | (2,896,000.00) |
| Sale of asset | - | - |
| Total Cashflow From Investing Activities | - | (2,896,000.00) |
| Cash flow from Financing activities | | |
| Increase/Decrease in Non-Current Liabilities | - | - |
| Net Cash flow from Financing activities | - | - |
| Net changes in Cash & Cash equivalent | 7,305,537.00 | (20,184,360.00) |
| Cash and cash equivalent as at 01.01.2019 | 2,528,074.00 | 22,712,434.00 |
| CASH AND CASH EQUIVALENT AT YEAR END | 9,833,611.00 | 2,528,074.00 |

NOTES TO THE FINANCIAL STATEMENTS (Page 16-19)

NOTE 1. Significant Accounting Policies

a. Basis of Preparation

The financial statements have been prepared on a modified cash basis of accounting. Modified Cash basis of accounting applies some form of accrual basis on certain transactions and account balance and some cash basis on the others.

b. Receipts/Income

This comprises cash received from donors. The receipts or income is recognized when cash is actually received from donors. Amount not spent at year end is differed and shown as a deferred fund balance in the statement of income and expenditure.

c. Property and Equipment

Property and equipment are initially recognized at cost. Buildings are subsequently measured at fair value, based on valuations by independent valuers, less depreciation. Increases in the carrying amount arising on revaluation are credited in the revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the assets (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

d. Depreciation

Land is not depreciated; however, one of the fundamental principles of the land policy that has been incorporated in the Land Act, 1999 is that when one is assessing compensation of the land, one of the factors to consider is the market value of the land/real property.

Depreciation on other property, plant and equipment is provided for on declining balance method to write off the cost of each assets to its residual value over its estimated useful life as follows:

Computers and printers 25%

Furniture and fittings 12.5%

e. Expenditure

Expenditure is charged on an accrual basis.

f. Inventories

All purchases of programme materials are expensed in the income and expenditure statement at the time of purchase.

g. Foreign Currency translation

The income and expenditure statement is presented in Tanzania Shillings and USD. Funds so received from donors are translated to Tanzania Shillings at the rate ruling on the date disbursement is received.

h. Capital Expenditure

Office equipment are expensed in the period to which are purchased.

NOTE 2: GRANT

| | 2019 Tzs | 2018 Tzs |
|---|-------------------|--------------------|
| | TSHS | TSHS |
| Income for Donnors | 42,332,000 | 154,424,967 |
| Members Contribution | 320,000 | 647,860 |
| Management cost contribution & intrest earned | 48,612 | 4,782,692 |
| | 42,700,612 | 159,855,519 |

NOTE 3: PERSONEL COST

| | | |
|---------------------------------|------------------|--------------------|
| PERSONNEL SALARY | 3,090,600 | 110,237,118 |
| PERSONNEL SALARY:SDL | 137,700 | - |
| PERSONNEL SALARY:WCF | - | - |
| NSSF | - | - |
| FRINGE BENEFIT & OTHER BENEFITS | 306,000 | 9,674,514 |
| | 3,534,300 | 119,911,632 |

NOTE 4**Bank Balance as at 31.12.2018**

| | | |
|-----------------------------|------------------|-------------------|
| Bank AC 0210003900-EXIM | 263 | - |
| Bank A/C 0210004765-EXIM | - | 5,633,680 |
| Bank A/C 0210005294-EXIM | 118 | 3,618,118 |
| Bank A/C 4076600399-NMB | 9,459,500 | 8,232,593 |
| Bank A/C 0150321377900-CRDB | 129,100 | - |
| Bank A/C 0152321378000-CRDB | 244,630 | - |
| Total | 9,833,611 | 17,484,391 |

NOTE 5

| | | |
|---|-------------------|------------------|
| Deferred Income b/f | 2,528,074 | 22,712,434 |
| Designated fund deferred | 14,335,537 | -20,184,360 |
| Deffered income balance=Cash in hand+cash at bank | 16,863,611 | 2,528,074 |

NOTE 6**Current Liability**

| | | |
|-------------------|----------|----------|
| Sundry creditors | - | - |
| Audit fee payable | - | - |
| Total | - | - |

NOTE 7

| | | |
|-------------------------------|------------------|----------|
| Philimina Faustini | 5,410,000 | - |
| Mary Sulle | 1,620,000 | - |
| Advances (Receivables) | 7,030,000 | - |

PROPERTY PLANT & EQUIPMENT

| | Land and buildings | COMPUTERS | FUNITURE & FITTINGS | Vehicle | Total |
|---------------------|-----------------------|------------|------------------------|------------|------------|
| COST/VALUATION | TZS | TZS | TZS | TZS | TZS |
| AS AT 01.01.2019 | 2,896,000 | 10,937,562 | 9,514,999 | 21,152,000 | 44,500,561 |
| ADDITION | - | - | - | - | - |
| DISPOSAL | - | - | - | - | - |
| AS AT 31.12.2019 | 2,896,000 | 10,937,562 | 9,514,999 | 21,152,000 | 44,500,561 |
| DEPRECIATION | | 12.50% | 12.50% | 25% | |
| AS AT 01.01.2019 | - | 6,073,031 | 5,143,125 | 21,151,999 | 32,368,155 |
| Charge for the year | - | 1,367,945 | 1,189,375 | - | 2,557,320 |
| AS AT 31.12.2019 | - | 7,440,976 | 6,332,500 | 21,151,999 | 34,925,475 |
| NET CARRYING AMOUNT | | | | | |
| AS AT 31.12.2019 | 2,896,000 | 3,496,586 | 3,182,499 | 1 | 9,575,086 |
| AS AT 31.12.2018 | 2,896,000 | 4,863,781 | 4,371,875 | 3,212,000 | 15,343,656 |