

Community Support Initiatives -Tanzania (COSITA)  
Audited Financial statements for the period 1<sup>st</sup> January 2020 to 31<sup>st</sup> December 2020

## COMMUNITY SUPPORT INITIATIVES -TANZANIA



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

AUDITED FINANCIAL STATEMENTS FOR PERIOD

1ST JANUARY 2020 TO 31ST DECEMBER 2020



**AE CONSULTING  
SERVICES**  
Certified Public Accountants

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## Abbreviations

COSITA..... Community Support Initiatives-Tanzania

CDS.....COSITA Development Support

TZS .....Tanzanian Shillings

TRA.....Tanzania Revenue Authority

**ORGANIZATION INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2020**

**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  
6<sup>th</sup> 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. 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

#### Under Duru Haitemba Community Forest conservation Project

- capacity strengthening trainings to ward and village leaders as well as forest management committees on participatory forest conservation and development.
- stakeholders' trainings on participatory planning processes, transparency and accountability of duty bearers for the DHF related resources (including income and expenditure reports)
- provision of seedlings to be planted around the DHF to conserve the natural forest against the immediate community use like timber, building poles etc.
- conduct climate change trainings to village and ward leaders as well as forest management committees and put in place the adaptation and resilience strategies.

#### Under the Education Project:

- Continued support to 2 female students from poor families in covering school/college fees and other associated costs.
- Continued sensitization of decision makers/executives and community in the building of dormitory for school girls at Sigino Secondary school.

#### Under Women Land Rights:

- 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.
- Village Community meetings on raising awareness meetings on laws governing land and other properties and the rights of women to own resources at household levels.
- Training of village governments and women land forums on acquisition of CCROs and participatory land surveys.

#### Under the Previously implemented projects:

- Regular monitoring and follow ups well conducted for the activities of the previously implemented projects that are already phased out.

### Achievements

#### Major achievements during the year were;

#### Major achievements during the year were;

- 42 groups of VSLA/VICOBA/SILC that were formed and facilitated by COSITA are saving and lending within themselves.
- 2 Girls students supported by COSITA are continuing with their studies



- COSITA was accepted to get full membership to 3 networks (PELUM, THRDC, and ANSAF)
- 10 village land councils and 3 ward tribunal are operating on land legal framework using the knowledge and skill gained during trainings conducted by COSITA.
- 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.

### 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 31<sup>st</sup> December 2010 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 31<sup>st</sup> March 2021 and signed on its behalf by:



Board Chairperson



### Donors/Partners

Donors/partners for the year ending 31st December 2020 were:

#### Grants from:

- WOMEN'S ECONOMY AND GENDER SUPPORT (WEGS)
- FOUNDATION FOR CIVIL SOCIETY (FCS)
- UNDP /UNOPs

#### Donation from:

- Angelika Hilbrig



## Employees

We have the following employees as at 31<sup>st</sup> December 2020

Name	Position	M/F
Patrice Gwasma	Executive Director	M
Philimina Faustini	Accountant	F
Mary Sulle	Cashier	F
Cleopa Safari	Driver	M
Paulo John	Project officer	M
Baraka Andrea	Programs Officer	M

## Results for the year

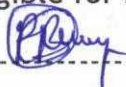
The performance of the organization for the year is set out on page 12 of these financial statements

## Bankers

Bank A/C 4076600399 -NMB
Bank A/C 0152321378000 - CRDB
Bank A/C 0150321377900 -CRDB

## Auditors:

AE consulting services were appointed auditors for the financial year ending 31<sup>st</sup> December 2020, and they have expressed their willingness to continue in office and are eligible for re-appointment.



COSITA- Executive Director

31/03/2021

Date



## 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 PHILUMINA FAUSTINI being Financial Manager here by acknowledge my responsibility of ensuring that financial statements for the year ended 31<sup>st</sup> December 2020 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: Phaustini

Position: Financial Manager

NBAA Membership .....

Date 31/03/2021







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 31<sup>st</sup> December 2020, 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 31<sup>st</sup> December, 2020 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 Urio  
Partner, AE Consulting Services - Arusha Office  
Certified Public Accountant



Date: 29/03/2021

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31ST DECEMBER 2020**

INCOME	Note	2020 TZS	2019 TZS
GRANT	2	96,626,989.37	42,700,611.58
Deferred income		(38,074,387.87)	(14,335,537.15)
<b>Total Income</b>		<b>58,552,601.50</b>	<b>28,365,074.43</b>
<b>EXPENDITURE</b>			
PERSONEL COST	3	7,246,299.67	3,534,300.00
GENERAL & ADMINISTRATION COST		4,817,891.83	2,189,244.83
MONITORING AND EVALUATION		10,209,000.00	1,620,000.00
GENDER ISSUES		14,702,870.00	17,718,400.00
Education		2,515,000.00	1,354,000.00
PROJECT ACTIVITIES		16,618,000.00	-
VEHICLE EXPENSES		1,943,540.00	1,719,129.60
Auditing Cost		500,000.00	-
Travelling cost		-	180,000.00
Membership fee		-	50,000.00
<b>TOTAL EXPENDITURE</b>		<b>58,552,601.50</b>	<b>28,365,074.43</b>
<b>Surplus(Deficit) for the year</b>		<b>-</b>	<b>-</b>

COSITA Accountant

  
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COSITA Executive Director

  
.....

COSITA Board Chairperson

  
.....





## STATEMENT OF FINANCIAL POSITION AS AT 31ST DEC 2020

Non current Asset	Notes	2020 TZS	2019 TZS
Fixed Asset		8,943,515	9,575,087
<b>Total Fixed Asset</b>		<b>8,943,515</b>	<b>9,575,087</b>
<b>Current Assets</b>			
Imprest		-	-
Receivables (Advances)	7	-	7,030,000
Cash at Bank	4	55,437,999	9,833,611
<b>Total Current Asset</b>		<b>55,437,999</b>	<b>16,863,611</b>
<b>Total ASSETS</b>		<b>64,381,514</b>	<b>26,438,698</b>
<b>Equity and Liabilities</b>			
Fund Balance Assets		8,943,515	9,575,086
<b>Current Liabilities</b>			
Deffered Income	5	54,937,999	16,863,611
Sundry Creditors	6	500,000	-
<b>Total current Liabilities</b>		<b>55,437,999</b>	<b>16,863,611</b>
<b>Total Equity and Liabilities</b>		<b>64,381,514</b>	<b>26,438,697</b>

COSITA Accountant

.....

COSITA Executive Director

.....

COSITA Board Chairperson

.....





**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31ST DECEMBER 2020**

Cash flow from operating Activities	2020 TZS	2019 TZS
Surplus (Deficit) for the year		
Prior Year Adjustment		
Depreciation	-	-
Cashflow before changes in W/Capital	-	-
<b>Changes in Working Capital</b>		
(increase)/Decrease in Debtors	7,030,000.00	(7,030,000.00)
(increase)/Decrease in Creditors	38,574,387.87	14,335,537.15
(increase)/Decrease in W/Capital	45,604,387.87	7,305,537.00
Cashflow from operating Activities	45,604,387.87	7,305,537.00
<b>Cashflow from investing Activities</b>		
Acquisition of fixed assets	-	-
Sale of asset	-	-
Total Cashflow From Investing Activities	-	-
<b>Cash flow from Financing activities</b>		
Increase/Decrease in Non-Current Liabilities	-	-
Net Cash flow from Financing activities	-	-
Net changes in Cash & Cash equivalent	45,604,387.87	7,305,537.00
Cash and cash equivalent as at 01.01.2019	9,833,611.00	2,528,074.00
<b>CASH AND CASH EQUIVALENT AT YEAR END</b>	<b>55,437,998.87</b>	<b>9,833,611.00</b>

## **NOTES TO THE FINANCIAL STATEMENTS (Page 16-18)**

### **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**

	2020	2019
	Tzs	Tzs
	TSHS	TSHS
	2020	2019
Income for Donnors	91,931,380	42,332,000
Members Contribution	1,171,500	320,000
Management cost contribution & intrest earned	3,524,109	48,612
	<b>96,626,989</b>	<b>42,700,612</b>

**NOTE 3: PERSONEL COST**

PERSONNEL SALARY	6,486,846	3,090,600
PERSONNEL SALARY:SDL	45,900	137,700
PERSONNEL SALARY:WCF	64,868	-
NSSF	-	-
FRINGE BENEFIT & OTHER BENEFITS	648,685	306,000
	<b>7,246,300</b>	<b>3,534,300</b>

**NOTE 4**

**Bank Balance as at 31.12.2018**

Bank AC 0210003900-EXIM	-	263
Bank A/C 0210004765-EXIM	-	-
Bank A/C 0210005294-EXIM	-	118
Bank A/C 4076600399-NMB	51,714,170	9,459,500
Bank A/C 0150321377900-CRDB	1,110,101	129,100
Bank A/C 0152321378000-CRDB	2,613,728	244,630
<b>Total</b>	<b>55,437,999</b>	<b>9,833,611</b>

**NOTE 5**

Deferred Income b/f	16,863,611	2,528,074
Designated fund deferred	38,074,388	14,335,537
Deffered income balance=Cash in hand+cash at bank	<b>54,937,999</b>	<b>16,863,611</b>

**NOTE 6**

**Current Liability**

Sundry creditors	-	-
Audit fee payable	500,000.00	-
<b>Total</b>	<b>500,000.00</b>	<b>-</b>

**NOTE 7**

Philimina Faustini	-	5,410,000
Mary Sulle	-	1,620,000
<b>Advances (Receivables)</b>	<b>-</b>	<b>7,030,000</b>

**8 PROPERTY PLANT & EQUIPMENT**

	Land and buildings	COMPUTERS	FUNITURE & FITTINGS	Vehicle	Total
COST/VALUATION	TZS	TZS	TZS	TZS	TZS
AS AT 01.01.2020	2,896,000	10,937,562	9,514,999	21,152,000	44,500,561
ADDITION	-	2,200,000	-	-	2,200,000
DISPOSAL	-	-	-	-	0
AS AT 31.12.2020	2,896,000	13,137,562	9,514,999	21,152,000	46,700,561
DEPRECIATION		12.50%	12.50%	25%	1
AS AT 01.01.2020	-	7,440,976	6,332,500	21,151,999	34,925,475
Charge for the year	-	1,642,195	1,189,375	-	2,831,570
AS AT 31.12.2020	-	9,083,172	7,521,875	21,151,999	37,757,046
NET CARRYING AMOUNT					
AS AT 31.12.2020	2,896,000	4,054,390	1,993,124	1	8,943,515
AS AT 31.12.2019	2,896,000	3,496,586	3,182,499	1	9,575,086