

FRISUCODE - TANZANIA  
AUDIT FINANCIAL REPORTS  
December 31, 2013 and 2012



## **FRISUCODE-TANZANIA**

### **Table of Contents December**

#### **31, 2013 and 2012**

Auditors' Opinion on the Financial Statements	1
Balance Sheet	2
Statement of Financial Activity	3
Statement of Changes in Fund Balances	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 10

To The Board Members FRISUCODE-  
Tanzania Administration Arusha,  
Tanzania

We have audited the accompanying financial statements of FRISUCODE Tanzania Administration, which comprise the statement of financial position as at December 31, 2013 and 2012, and the statement of financial activity, statement of changes in net assets, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with international financial reporting standards generally accepted principles, 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.

#### Auditor's Responsibility

Our responsibility, as an auditors of the General Conference, is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with international auditing standards generally accepted principles. Those standards require that we comply with 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 statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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, as auditors of the General Conference, the financial statements present fairly, in all material respects, the financial position of FRISUCODE Tanzania as at December 31, 2013 and 2012, and its financial performance and its cash flows for the year then ended in accordance with international financial reporting standards generally accepted.

*General Conference Auditing Service*

November 15, 2014

**FRISUCODE-TANZANIA**  
**Statement of Financial Position**

**December, 2013 and 2012**

	Total 2013	Total 2012
<b>ASSETS</b>		
<u>Current Assets</u>		
Cash (Note 1)	740,054.24	5,035,117.31
Accounts Receivable (Note 2)	972,500.00	1,372,500
Supplies and Prepaid Expense	-	
Total Current Assets	<u>1,712,554.24</u>	<u>6,407,617.31</u>
 <u>Non-Current Assets</u> (Note 3)		
Furniture's& Fixtures Equipment	185,0000	231,250
Computers	190,625	228,750
	<u>903,750</u>	<u>1,054,375</u>
Total Non-current Assets	<u>1,279,375</u>	<u>1,514,375</u>
 <u>Other Assets</u>		
Total Assets	<u>2,991,929.24</u>	<u>7,921,992.31</u>
<b>LIABILITIES</b>		
<u>Current Liabilities</u>		
Accounts Payable (Note 4)	210,000	-
Total Liabilities	<u>210,000</u>	<u>-</u>
<b>FUND BALANCES</b>		
Funds Balances	<u>2,781,929.24</u>	<u>7,921,992.31</u>
Total Liabilities and Fund Balances	<u>2,991,929.24</u>	<u>7,921,992.31</u>

The accompanying notes are an integral  
*part of these financial statements.* Page

**FRISUCODE-TANZANIA**  
**Statement of Financial Activity**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Gifts&amp; Donations income</b>	<b>52,882.487</b>	56,088,111
Misceleneous income	25,750	63,180.00
Administration expenses (Note 4)	(8,133,500.00)	(5,450,000.00)
Education support expenses (Note 5)	(22,121,500.00)	(18,425,200.00)
School Support expenses (Note 6)	(18,174,050.00)	(35,084,540.00)
Beneficiary Support expenses (Note 7)	(2,023,000.00)	( 7,336,300.00)
Training & Monitoring expenses (Note 8)	(2,200,000.00)	(370,000.00)
Travel &Other expense-(Note 9)	(5,161,250 )	(974,000)
Depreciation Expenses	(235,000)	(235,000)
Surplus/Deficit	(5,140,063)	(11,773,748)

The accompanying notes are an integral  
*part of these financial statements.* Page

**FRISUCODE-TANZANIA**  
**Statement of Changes in Fund Balances**  
**December 31, 2013 and 2012**

	Balance , January 01, 2013	Income	Expense			Balance <u>December</u> <u>31, 2013</u>
OPERATING FUNDS						
General Funds	7,921,992.31	52,908,186.93	58,048,250.00	-	-	2,781,929.24
				-	-	
Total Fund Balances	7,921,992.31	52,908,186.93	58,048,250.00	-	-	2,781,929.24

The accompanying notes are an  
integral part of these financial  
statements. Page 4 of 10

**FRISUCODE-TANZANIA**  
**Statement of Cash Flows**  
**December 31, 2013 and 2012**

	2012 Total	2013 Total
<b>OPERATING ACTIVITIES</b>		
Profit for the Year	(12,135,948.58)	(5,140,063.07)
Adjustments		
Refundable Payment Receivable	(1,372,500.00)	0.00
Refundable Payments Receivables	0.00	(972,500.00)
Refundable Deposits Payable:	0.00	210,000.00
Depreciation Expenses	365,655	600,625
Net cash provided by Operating Activities	(13,142,793.58)	(5,303,938.07)
<b>INVESTING ACTIVITIES</b>		
Purchase of Furniture and Fixtures	(370,000.00)	(370,000.00)
Purchase of Equipments	(305,000.00)	(305,000.00)
Purchase of Computer and Accessories	(1,205,000.00)	(1,205,000.00)
Net cash provided by Investing Activities	(1,880,030)	(1,880,000)
<b>FINANCING ACTIVITIES</b>		
General Fund	20,057,940.89	7,921,992.31
Net cash provided by Financing Activities	20,057,940.89	7,921,992.31
Balance at the End	5,035,117.31	740,054.24

The accompanying notes are an integral  
part of these financial statements. Page

	2012	2013
<b>Note- 1 Cash &amp; Bank</b>		
	4,735,118.07	0.00
1100 - CRDB USD Account	199,999.24	0.00
1120 - CRDB TZS Account	100,000.00	100,000.00
1000 - NBC TZS BZNK ACCOUNT	0.00	440,055.00
1100 - CRDB USD BANK ACCOUNT	0.00	199,999.24
<b>Total Cash at bank and in hand</b>	<b>5,035,117.31</b>	<b>740,054.24</b>
<b>Note 2-Accounts Receivable</b>		
3600.01 - Pius Kimati	1,372,500.00	972,500.00
<b>Total Receivables</b>	<b>1,372,500.00</b>	<b>972,500.00</b>
<b>Note-3 Non current Asset</b>		
<b>Furniture and Fixtures</b>		
1710 - Accum Depr-Furn and Fixtures	(138,750.00)	0.00
1510 - Furniture and Fixtures - Other	370,000.00	370,000.00
<b>Total 1510 - Furniture and Fixtures</b>	<b>231,250.00</b>	<b>370,000.00</b>
<b>1520 - Equipments</b>		
1720 - Accum Depr-Equipments	(76,250.00)	0.00
1520 - Equipments - Other	305,000.00	305,000.00
<b>Total 1520 - Equipments</b>	<b>228,750.00</b>	<b>305,000.00</b>
<b>1530 - Computer and Accessories</b>		
1730 - Accum Depr-Computer and Acces	(150,625.00)	0.00
1530 - Computer and Accessories - Other	1,205,000.00	1,205,000.00
<b>Total 1530 - Computer and Accessories</b>	<b>1,054,375.00</b>	<b>1,205,000.00</b>
1710 - Accum Depr - Furn and Equip	0.00	(185,000.00)
1720 - Accum Depr - Equipments	0.00	(114,375.00)
1730 - Accum Depr - Computer and Acce	0.00	(301,250.00)



	2012	2013
Note -4 Administration Expenses		
6240.01 · Transport and Communication	3,936,500.00	4,719,500.00
6240.02 · Stationeries & Office supplies	383,300.00	679,000.00
6240.03 · Motorvehicle Maintenance	545,000.00	2,000,000.00
6240.05 · Bank Charges	370,200.00	335,000.00
6240.06 · Programme Video Documentation	<u>215,000.00</u>	<u>400,000.00</u>
Total	5,450,000.00	8,133,500.00

Note-5 Education support Expenses

6260.01 · School Fees and Contributions	17,285,800.00	21,121,500.00
6260.02 · School uniforms	1,139,400.00	0.00
6260.03 · Master-Degree Sponsorship	<u>0.00</u>	<u>1,000,000.00</u>
Total	18,425,200.00	22,121,500.00

Note -6 School Support Expenses

Construction Supplies	25,599,200.00	10,326,220.00
Supervision and Labour charges	<u>6,041,160.00</u>	<u>4,912,830.00</u>
6280.06 · School Desks repair	1,222,000.00	0.00
6280.07 · School supplies,equipments&book	1,222,180.00	0.00
6280.08 · SINGISI VCT		
Catering Equipments	55,000.00	120,000.00
Elecrticity Equipments	408,000.00	200,000.00
Facilities Mansory Equiment	42,000.00	300,000.00
Other Equipments	<u>495,000.00</u>	<u>2,315,000.00</u>
	<u>1,000,000.00</u>	<u>2,935,000.00</u>
Total	35,084,540.00	18,174,050.00

Note 7 Beneficiary Support Expenses

Diary Goats Training	740,500.00	195,000.00
Goats	3,350,000.00	0.00
Medication and Care	180,000.00	140,000.00
Transpor&tDistribution expenses	285,000.00	0.00
Progress Monitoring Visits	0.00	250,000.00
Transport&Distribution	0.00	65,000.00
	<u>0.00</u>	<u></u>

	2012	2013
<b>6290.02 · Food Assistance</b>	1,621,000.00	240,000.00
<b>6290.03 · Bed, Mattress and Mosquito nets</b>	184,800.00	0.00
<b>6290.04 · Medical Aid</b>	0.00	248,000.00
<b>6290.06 · Other Assistance and Support</b>	975,000.00	400,000.00
<b>6290.03 · Bed, Mattress and Mosquito Nets</b>	<u>0.00</u>	<u>485,000.00</u>
<b>Total</b>	<b>7,336,300.00</b>	<b>2,023,000.00</b>

#### Note-8 Training & Monitoring Expenses

<b>6320.01 · Trainings for Microfinance Gr</b>	0.00	1,440,000.00
<b>6320.02 · Progress Monitoring Visits</b>	0.00	760,000.00
<b>6320.03 · Financial Aid to Microfinance</b>	<u>370,000.00</u>	<u>0.00</u>
<b>Total</b>	<b>370,000.00</b>	<b>2,200,000.00</b>

#### Note-9 Travel & Other Expenses

<b>6420.01 · Int. Volunteers Accomodation</b>	564,000.00	0.00
<b>6420.01 · Int. Volunteer Accomodation</b>	<u>0.00</u>	<u>885,000.00</u>
	564,000.00	885,000.00

<b>6460.01 · Travel and Meeting</b>	100,000.00	0.00
<b>6460.01 · Travel and Meetings</b>	<u>0.00</u>	<u>2,076,250.00</u>
	100,000.00	2,076,200.00

<b>6470.01 · Child welfare and counselling</b>	90,000.00	0.00
<b>6470.02 · FRISUCODE&amp;Beneficiaries Day</b>	<u>0.00</u>	<u>2,200,000.00</u>
	90,000.00	2,200,000.00

Misceleneous Expenses 270,000.00

<b>Total</b>	<b><u>974,000</u></b>	<b><u>5,161,250</u></b>
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**FRISUCODE-TANZANIA**  
**Notes to the Financial Statements**  
**December 31, 2013 and 2012**

**Note 10 - Organizational Structure**

The FRISUCODE-Tanzania is a Non-Profit Organization of the world-wide, serving the community with Development activities and Relief needs within the country of Tanzania. Most of the organization's dealings are with related parties: all projects under supervision of FRISUCODE Tanzania Administration.

**Note 11 - Summary of Significant Accounting Policies**

Accounting Method - The accounting records are maintained, in all material respects, on the accrual method of accounting at historical cost.

Inventories - All inventories are valued at the lower of cost or market value. All inventories are by actual count on or near 31 December.

Property and Equipment - Capital assets are recorded at historical cost in local currency and depreciated by the straight line method over the estimated useful lives of the assets. Annual depreciation rates range from 2.5 to 20 percent.

Retirement Plan - Employees are eligible for a non-contributory defined benefit pension plan. See Note 12.

Currency - The functional currency is the Tanzania Shilling and all reports are submitted in this currency.  
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December, 2012 - 1US\$ = Tsh 1576.990951

December, 2013 - 1US\$ = Tsh 1600

**Note 12 - Retirement Plan**

FRISUCODE-Tanzania participates in a non-contributory defined benefit pension plan. The plan, which covers substantially all indigenous employees, is administered by their employer according to sustainability of his staffs

	2013	2012
Retirement Contribution	-	

It is not reasonably possible to determine the actuarial present value of accumulated benefits or plan net assets for employees of FRISUCODE-Tanzania . However, non-actuarial estimates tend to indicate that the present value of vested benefits exceeds the estimated market value of plan assets.

It is the policy of FRISUCODE to maintain in the unallocated fund balance of the plan an amount equal to six times the amount paid to beneficiaries in the most recent full fiscal year.