ADAMA WA STATE THIRD NATIONAL FADAMA DEVELOPMENT PROJECT (NFDP III) - AF

AUDITED ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015

PATRICK KODE & CO (CHARTERED ACCOUNTANTS)
SUITE 203, 2ND FLOOR COPPER HOUSE WUSE ZONE 5, ABUJA NIGERIA

WORLD BANK OFFICE RECEIVED 09 MAY 2016
ADAMA WA STATE THIRD NATIONAL FADAMA
DEVELOPMENT PROJECT (NFDP III)
ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015

CORPORATE INFORMATION
A.  1  Dr. Garba Ahmed
     Perm. Sec. Min of Agric - Chairman

   2  Mr. Andrew Shallandang
      Prog. Manager
      Adamawa ADP - Member

   3  Saidu Mazawaje
      Representative
      Fish Asso. - Member

   4  Amos Ali
      Representative
      Min of Envt. - Member

   5  Umar Yahya
      Representative, Emirate Council - Member

   6  Alim E. Bakari
      Director, Agric
      Ministry of Agric - Member

   7  Mustapha Hammanjalo
      Representative
      Min of Water Res. - Member

   8  Aishatu Barkido
      Representative NCWS - Member

   9  Mrs Rhoda Christopher
      President AFADEN - Member
10 Mrs Helga E. Bulama  
Women Leader AFAN  - Member

11 Sajo Zakaria  
Director Livestock  
Min of Agric  - Member

12 Usman Sadiq Haske  
Representative MACBAN  - Member

13 Engr. Umar Mshelia  
Director Eng.  
Min of Agric  - Member

14 Dr. Shehu Iya  
Representative  
Service Provider, FUTY  - Member

15 Mohammed Kabir Bello  
State Project Coordinator SFDO  - Secretary

16 Stephen I. Mshelia  
Monitoring and Evaluation Officer SFDO  - Taking Minutes

B. STATE FADAMA COORDINATION OFFICE (SFCO) MEMBERS

1 Mohammed Kabir Bello  - State Project Coordinator

2 Alh Dahiru Hammanyaji  - Public Private Partnership

3 Umar Pargalda  - Procurement Officer

4 Dalaharu H. Girei  - Communication Officer

5 Mrs Uwari A. Mohammed  - CDO
6 Stephen Mshellia - M & E
7 Pius Birdling - Agronomist
8 Ahmed Abdulrahman - Engineer

C. PROJECT FINANCIAL MANAGEMENT UNIT (PFMU)

1 Mr James T. Ijai - Head PFMU
2 Mrs Gyatam B. Dilli - Designated Project Accountant
3 Dogara Vandi Gamba - Asst. Project Accountant
4 Geoffrey Adamu - Internal Audit Coordinator
5 Mrs Nenne Daniel - Internal Auditor
6 Mr Yusuf Ibrahim - Project Finance Officer

D. BANKERS
Zenith Bank Plc

E. AUDITORS
Patrick Kode & Co.
(Chartered Accountants)
Suite 203, 2nd Floor
Copper House
Wuse Zone 5
Abuja.
OBJECTIVE

A. INTRODUCTION

The Adamawa State Fadama Development Project is an International Development Association (IDA) credit facility assisted project under NFDP III with co-parallel financing sources from the Federal Government of Nigeria, Adamawa State Govt. and the twenty participating Local Government areas.

The Project additional financing is to be implemented in four years between 2013 and 2017 with the participating local government areas as follows:

1. Fufore Local Government Area
2. Ganye Local Government Area
3. Gombi Local Government Area
4. Guyuk Local Government Area
5. Lamurde Local Government Area
6. Michika Local Government Area
7. Mubi North Local Government Area
8. Song Local Government Area
9. Yola North Local Government Area
10. Yola South Local Government Area
11. Madagali Local Government Area
12. Maiha Local Government Area
13. Mubi South Local Government Area
14. Hong Local Government Area
15. Shelleng Local Government Area
16. Girei Local Government Area
17. Mayo Belwa Local Government Area
18. Jada Local Government Area
19. Toungo Local Government Area
20. Demsa Local Government Area

The Additional Development Credit Agreement for the NFDP III with credit number 52930 UNI was signed between the Federal Republic of Nigeria and the International Development Association on June 4, 2013
The overall objectives of the NFDP III are:
i. To increase the incomes of users of rural land and water resources on a sustainable basis

ii. Empowerment of local community groups and to improve productivity and land quality

**B. COMPONENTS**

The following are the main components of the NFDP III

**i. Capacity Building, Communication and Information Support**

The aim is to strengthen the capacity of Fadama User Groups (FUGS), Fadama Community Associations (FCAS) and to identify, design, share investment costs, implement and maintain productive assets and activities at the community level in a sustainable manner.

It is also to assist the participating states to be able to disseminate information about the project and its guidelines to potential beneficiary communities.

**ii. Small-Scale Community - Owned Infrastructure**

The aim is to allow communities to identify and act on their most urgent needs for improved infrastructure.

**iii. Advisory Services and Support for Acquisition of Farming Inputs**

The aim is to provide support to Fadama users to enable them purchase advisory services from both public and private sources as well as purchase farm inputs which the beneficiaries will choose (including seeds, fertilizers, fish and animal feeds and agro-chemicals).

**iv. Support To The ADPs, Sponsored Research And On - Farm Demonstrations**

The aim is to provide support to established public and/or private sector service providers with a proven record certified by the ADP. The Project will finance the cost of training and monitoring activities, including contracting consultant services in areas in which the ADP lack the necessary expertise and production and provision of training materials.

The project will also assist the ADP in training of facilitators, training of Extension staff as well as sponsor research and on-farm demonstrations.
v. Asset Acquisition For Individual FUGs/EIGs

The aim is to provide a matching grant fund to finance acquisition of assets for income-generating activities of Fadama User Groups and Economic Inter Groups.

vi. Project Management, Monitoring And Evaluation

The aim is to ensure the financing of Project Management and coordination including Supervision, Monitoring and Evaluation activities, Impact evaluation, MIS and accompanying knowledge base as well as contracting of specific implementation tasks.
ADAMAWA STATE THIRD NATIONAL FADAMA DEVELOPMENT PROJECT (NFDP III) – AF (WORLD BANK ASSISTED PROJECT)

MANAGEMENT REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2015

PATRICK KODE & CO. (CHARTERED ACCOUNTANTS) SUITE 203, 2ND FLOOR COPPER HOUSE WUSE ZONE 5 ABUJA, NIGERIA.
Head, Project Financial Management Unit
Office of Accountant General Adamawa State
Yola,
Adamawa State
Nigeria.

Dear Sir,

MANAGEMENT REPORT ON THE FINANCIAL STATEMENT OF ADAMAWA STATE THIRD NATIONAL FADAMA DEVELOPMENT PROJECT (NFDP III) FOR THE YEAR ENDED DECEMBER 31, 2015

We have completed the audit of the financial statements of the Adamawa State Third National Fadama Development Project (NFDP III) for the year ended December 31, 2015, and we state below some of the weaknesses that came to our notice during the course of the audit and our recommendations thereon.

You will appreciate that our audit procedures are designed primarily with a view to expressing our opinion on the financial statements. This report deals with only those principal matters which came to our notice during the course of our work which we consider should be brought to your attention.

Our comments therefore, do not include all the possible lapses and improvements in internal control system and procedures which a special review might highlight.
1.0 DOMICILIARY SPECIAL ACCOUNT

1.1 OBSERVATION:

The project did not operate a special account for this additional financing during the year ended December 31, 2015. Consequently, all transactions for this additional financing were in local currency.

1.2 IMPLICATION:

This is a reflection of the rather insignificant nature of the financing with resultant minimal effect, on the target beneficiaries.

1.3 RECOMMENDATION:

The project should be properly financed with World Bank strong presence.

1.4 MANAGEMENT RESPONSE:

Adamawa State is a cluster state benefiting from Fadama Kano production state under the additional financing arrangement, hence low disbursement to the state.

2.0 WITHDRAWAL APPLICATIONS AND STATEMENT OF EXPENSES:

2.1 OBSERVATION

The project processed one W/A during the year but was not reimbursed by the NFCO.

2.2 IMPLICATION:

Expenses incurred under this additional financing was not reimbursed.

2.3 RECOMMENDATION:

Efforts should be made to optimize usage of the rather scarce financing of the project.

2.4 MANAGEMENT RESPONSE:

SOE's was submitted AD/SFCO-01 to National Fadama coordination office but has not been reimbursed as at 31/12/2015.
3.0 ADAMAWA STATE COUNTERPART FUND:

3.1 OBSERVATION:
The project did not receive any counterpart funding from the Adamawa State Government during the year under review. Expected amount is N35,872,000.00.

3.2 IMPLICATION:
The absence of adequate counterpart funding could affect realization of overall project goals.

3.3 RECOMMENDATION:
Efforts should be intensified to ensure receipt of counterpart funds as and when due.

3.4 MANAGEMENT RESPONSE:
The project is pursuing for the payment of 2015 counterpart funding of N35,872,000.00

4.0 PROCUREMENT:

4.1 OBSERVATION:
There were no procurement activities during the period under review.

4.2 IMPLICATION:
Absence of procurement activities is capable of hindering implementation of project activities.

4.3 RECOMMENDATION:
There is need to embark on procurement activities as much as practicable.

4.4 MANAGEMENT RESPONSE:
The amount disbursed to the state was solely for cluster beneficiaries hence no funds was provided for procurement activities.
5.0 COMPLIANCE WITH WORLD BANK FINANCIAL MANAGEMENT REQUIREMENTS:

5.1 OBSERVATIONS:

(1) RECONCILIATION OF ZENITH BANK COUNTERPART FUND ACCOUNT
NUMBER 1011925276

CASH BOOK SUMMARY

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1/1/2015</td>
<td>16,580,795.19</td>
</tr>
<tr>
<td>Add: Receipts for the year</td>
<td>36,910.00</td>
</tr>
<tr>
<td></td>
<td>16,617,705.19</td>
</tr>
<tr>
<td>Less: Payments of the year</td>
<td>16,589,695.00</td>
</tr>
<tr>
<td>Balance as at 31/12/2015</td>
<td>28,010.19</td>
</tr>
</tbody>
</table>

BANK RECONCILIATION STATEMENT AS AT DECEMBER 31, 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as per Bank Statement</td>
<td>28,010.19</td>
</tr>
<tr>
<td>Same as:</td>
<td></td>
</tr>
<tr>
<td>Balance as per Cash Book</td>
<td>28,010.19</td>
</tr>
</tbody>
</table>

(2) RECONCILIATION OF UNITED BANK FOR AFRICA PLC ACCOUNT NUMBER 1019094754

CASH BOOK SUMMARY:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1/1/2015</td>
<td>NIL</td>
</tr>
<tr>
<td>Add: Receipt for the period</td>
<td>19,050,000.00</td>
</tr>
<tr>
<td></td>
<td>19,050,000.00</td>
</tr>
<tr>
<td>Less: Payment for the period</td>
<td>18,548,910.37</td>
</tr>
<tr>
<td>Balance as at 31/12/2015</td>
<td>501,089.63</td>
</tr>
</tbody>
</table>
BANK RECONCILIATION STATEMENT AS AT DECEMBER 31, 2015

Balance as per Bank Statement 501,089.63
Same as:
Balance as per Cash Book 501,089.63

COMMENTS:

a) There was no opening balance on this account as at January 1, 2015

b) The only receipt into this account was the sum of ₦19,050,000 (Nineteen Million and Fifty Thousand Naira Only). It was received through the NFDO in August 2015.

c) This UBA Plc account was specifically opened for Drawdown account for this additional financing of the project.

d) Total payments through this account amounted to ₦18,548,910.37 as at December 31, 2015.

e) Closing balance of this account was ₦501,089.63 as at December 31, 2015.

f) Withdrawal Application was prepared and forwarded to the NFDO for reimbursement. No reimbursement was made as at December 31, 2015.

The summary of expenses applied for reimbursement is as follows.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>SUB- PROJECT NUMBER</th>
<th>AMOUNT ₦</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity Building Support</td>
<td>5</td>
<td>1,772,000</td>
</tr>
<tr>
<td>Assets Acquisition Support</td>
<td>5</td>
<td>2,800,000</td>
</tr>
<tr>
<td>Input Support</td>
<td>5</td>
<td>9,950,000</td>
</tr>
<tr>
<td>Advisory Services Support</td>
<td>5</td>
<td>643,000</td>
</tr>
<tr>
<td>Environmental Support</td>
<td>5</td>
<td>2,427,950</td>
</tr>
</tbody>
</table>

17,592,950

(g) No counterpart funding was received from the Adamawa State Government for this new additional financing.
h) We could not sight any official document for this new additional financing. Our enquires however indicates that Adamawa State was not among the six core states earmarked for this additional financing, but was only brought in as a result of the mid-term review. Per the review, the state was brought in when it became obvious that Kano state (one of the core states) cannot exhaust their own allocation within the specified period of project implementation. ADSFCO was brought in as a cluster state to assist in the production of rice earmarked for Kano State.

i) We did not sight any Financing agreement for this new additional financing.

5.2 IMPLICATION:
The size of this new additional financing is not significant enough to make any meaningful impact.

5.3 RECOMMENDATION:
We are of the opinion that since this new additional financing activities were successfully implemented by the ADSFCO, we suggest that efforts be made to bring Adamawa State on board as one of the core states for subsequent financing arrangements.

5.4 MANAGEMENT RESPONSE:
This observation is noted, and will be discussed at the FGN/WB/Joint Supervision Mission.

6.0 CONFIRMATION OF BANK BALANCES

6.1 OBSERVATION:
The project operated three different accounts during the year, with two accounts at Zenith Bank Plc and one at United Bank for Africa Plc. Zenith Bank account number 1011940914 was closed during the year and the closing account balance of ₦28,350 was transferred to Zenith Bank Plc account number 1011925276.

In course of our audit exercise, we wrote to Zenith Bank Plc and United Bank for Africa Plc for confirmation of the Project accounts balances as at December 31, 2015.

Both Banks have responded accordingly and confirmed balances are in agreement with the records of the project.
7.0 INTERNAL CONTROL MATTERS:

7.1 OBSERVATION:
Our review of internal control situation of the project was generally satisfactory.

7.2 IMPLICATION:
The existing internal control system is adequate and reliable.

7.3 RECOMMENDATION:
Management should continue to ensure compliance with laid down system of internal controls.

7.4 MANAGEMENT RESPONSE:
   The project will sustain compliance to the laid down system of internal controls.

Yours faithfully,

Patrick Kode B.Sc, MBA, FCA
Principal Partner.
INDEPENDENT AUDITORS REPORT ON THE FINANCIAL STATEMENTS OF THE ADAMAWA STATE THIRD NATIONAL FADAMA DEVELOPMENT PROJECT (NFDP III) ADDITIONAL FINANCING (AF) FOR THE YEAR ENDED DECEMBER 31, 2015 (IDA CREDIT NO. 52930 UNI).

We have audited the accompanying project financial statements of the Adamawa State Third National Fadama Development project (NFDP III), AF for the year ended December 31, 2015 as set out on pages 10 to 17 prepared on the basis of the accounting policies on page 13. The project is financed by the IDA, credit number 52930 UNI.

RESPECTIVE RESPONSIBILITIES OF THE PROJECT MANAGEMENT AND AUDITORS

The Project Management Office and the Project Financial Management Unit coordinates the activities of the Project and are as such responsible for preparation of the financial statements.

It is our responsibility as auditors to express an independent opinion, based on our audit, on these financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with international standards on Auditing and World Bank guidelines. These standards and World Bank guidelines require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

It also includes an assessment of the estimates and judgments made by the project officers in the preparation of the financial statements, and whether the accounting policies are appropriate to the project circumstances, consistently applied and adequately disclosed.
It also includes an assessment of the estimates and judgments made by the project officers in the preparation of the financial statements, and whether the accounting policies are appropriate to the project circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give assurance that the Financial Statements are free of material misstatements, whether caused by fraud, other irregularities or errors. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements.

**OPINION**

In our opinion, the Project Financial Statements give a true and fair view of the financial position of the Project and of the Cash Flow Statement of the Adamawa State Third National Fadama Development Project (NFDP III) for the year ended December 31, 2015 in accordance with relevant International Accounting Standards.

The Statement of Expenditure (SOE) were not prepared during the period under review as no IDA Fund was received.

The Statement of Special Account (SA) of the project was not prepared since the Special Account is jointly maintained at the Federal level.

The Counterpart Funds have been prepared in accordance with the financing agreement: and have been properly used for project purpose; payments from this account are properly backed up by relevant supporting documents, and are properly recorded in the book of account.

Partner: Patrick Kode (FCA)
FRC/2013/ICAN/0000001903
For: PATRICK KODE & CO
Chartered Accountants
Abuja, Nigeria
**ADAMAWA STATE THIRD NATIONAL FADAMA DEVELOPMENT PROJECT (NFDP III)**

**BALANCE SHEET AS AT DECEMBER 31, 2015**

<table>
<thead>
<tr>
<th>NOTE</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>N</td>
</tr>
</tbody>
</table>

### ASSETS EMPLOYED

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
<td>290,400</td>
<td>115,000</td>
</tr>
</tbody>
</table>

### CURRENT ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank and Cash Balances</td>
<td>531,587</td>
<td>16,580,795</td>
</tr>
</tbody>
</table>

### DEVELOPMENT EXPENDITURE

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Capital Expenditure</td>
<td>25,176,135</td>
<td>1,915,460</td>
</tr>
<tr>
<td>Development Operating Expenditure</td>
<td>29,339,275</td>
<td>17,469,855</td>
</tr>
</tbody>
</table>

### FINANCED BY

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Government</td>
<td>35,872,000</td>
<td>35,872,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>415,397</td>
<td>208,810</td>
</tr>
<tr>
<td>IDA Credit</td>
<td>19,050,000</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total                              | 55,337,397 | 36,080,810 |

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**Project Coordinator**

**Head, PEMU**

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**ADAMAWA STATE-PEMU WORLD BANK ASSISTED PROJECT OFFICE OF THE ACCOUNTANT GEN.**

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**10**
ADAMAWA STATE THIRD NATIONAL FADAMA
DEVELOPMENT PROJECT (NFDP III)
RECEIPT AND PAYMENT ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2015

<table>
<thead>
<tr>
<th>NOTE</th>
<th>RECEIPTS</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>8</td>
<td>IDA Credit</td>
<td>19,050,000</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>State Government</td>
<td>-</td>
<td>35,872,000</td>
</tr>
<tr>
<td>10</td>
<td>Other Income</td>
<td>31,837</td>
<td>208,810</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>12,081,837</strong></td>
<td><strong>36,080,810</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NOTE</th>
<th>PAYMENTS</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>11</td>
<td>Goods and Equipment</td>
<td>175,400</td>
<td>115,000</td>
</tr>
<tr>
<td>12</td>
<td>Training Workshop &amp; Study Tour</td>
<td>2,090,920</td>
<td>1,915,460</td>
</tr>
<tr>
<td>13</td>
<td>Grants &amp; Funds</td>
<td>20,995,005</td>
<td>0</td>
</tr>
<tr>
<td>14</td>
<td>Incremental Operating Costs</td>
<td>11,869,720</td>
<td>17,469,555</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>35,131,045</strong></td>
<td><strong>19,500,015</strong></td>
</tr>
<tr>
<td></td>
<td>Excess of receipts over payments</td>
<td><strong>(16,049,208)</strong></td>
<td><strong>16,580,795</strong></td>
</tr>
</tbody>
</table>
ADAMA WA STATE THIRD NATIONAL FADAMA DEVELOPMENT PROJECT (NFDP III)  
CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015.

CASH FLOW FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Receipts</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Income</td>
<td>31,837</td>
<td>208,810</td>
</tr>
<tr>
<td>Total Receipts</td>
<td>31,837</td>
<td>208,810</td>
</tr>
</tbody>
</table>

PAYMENTS

<table>
<thead>
<tr>
<th>Total for operating activities</th>
<th>34,955,645</th>
<th>19,385,015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flow from Operating Activities (A)</td>
<td>(34,923,808)</td>
<td>(19,176,205)</td>
</tr>
</tbody>
</table>

CASH FLOW FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Purchase of Assets</th>
<th>175,400</th>
<th>(115,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New cash flow from Investing Activities (B)</td>
<td>(175,400)</td>
<td>(115,000)</td>
</tr>
</tbody>
</table>

Cash flow from financing activities

<table>
<thead>
<tr>
<th>State Govt counterpart fund</th>
<th>-</th>
<th>35,872,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDA Credit</td>
<td>19,050,000</td>
<td>0</td>
</tr>
<tr>
<td>Net cash flow from Financing Activities ©</td>
<td>19,050,000</td>
<td>35,872,000</td>
</tr>
<tr>
<td>Cash Equivalent (A+B+C)</td>
<td>(16,049,268)</td>
<td>16,580,795</td>
</tr>
<tr>
<td>Cash and cash equivalent at the Beginning</td>
<td>16,580,795</td>
<td>0</td>
</tr>
<tr>
<td>Cash and cash equivalent at the end</td>
<td>531,587</td>
<td>16,580,795</td>
</tr>
</tbody>
</table>

Comprising

United Bank for Africa Plc:- Drawdown Account No. 1019094754 501,090 0
Zenith Bank Plc.- State Govt. Account No. 10119255276 28,010 16,580,795
Zenith Bank Interest Account no. 1011958216 2,487 0
Total 531,587 16,580,795
1. **Statement of Significant Accounting Policies**

The following significant accounting policies were adopted in the preparation of the financial statements:

**a. Basis of Preparation**

The accounts were prepared under the historical cost convention.

**b. Recognition of Interest Received**

Interest received is recognized on actual basis as and when received.

**c. Cost of Asset Acquisition**

The cost of asset acquired is written off to the Receipt and payment account in the year acquisition.

**d. Foreign Currency**

Transaction in foreign currency in any given year are converted to naira at the rate of exchange ruling at the date of transaction. Outstanding balances on Special Accounts are reported at their naira equivalent using rates of exchange at the financial year end.
ADAMAWA STATE THIRD NATIONAL FADAMA DEVELOPMENT PROJECT (NFDP III) NOTES TO THE ACCOUNTS (CONT’D) FOR THE YEAR ENDED DECEMBER 31, 2015

2 FIXED ASSET SCHEDULE

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>FURNITURE &amp; FITTINGS</th>
<th>OTHER OFFICE EQUIPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>COST</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at December 31, 2015</td>
<td>115,000</td>
<td>115,000</td>
<td>0</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>175,400</td>
<td>0</td>
<td>175,400</td>
</tr>
<tr>
<td>As at December 31, 2015</td>
<td>290,400</td>
<td>115,000</td>
<td>175,400</td>
</tr>
</tbody>
</table>

DEPRECIATION

|                        |       |                       |                        |
| Charge for the period  | 0      | 0                     | 0                      |

NET BOOK VALUE

|                        |       |                       |                        |
| As at December 31, 2015 | 290,400 | 115,000             | 175,400                |
| As at December 31, 2014 | 115,000 | 115,000             | 0                      |
ADAMA WA STATE THIRD NATIONAL FADAMA DEVELOPMENT PROJECT (NFDP III)
NOTES TO THE ACCOUNTS (CONT’D)
FOR THE YEAR ENDED DECEMBER 31, 2015

2(a) FIXED ASSETS ACQUISITION
The following are the detailed summary of fixed assets acquired by the project during the year ended December 31, 2015.

FURNITURE & FITTINGS

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Swivel Executive Chair</td>
<td>65,000</td>
<td>65,000</td>
</tr>
<tr>
<td>2</td>
<td>Arm Chairs for visitors (2 No)</td>
<td>50,000</td>
<td>50,000</td>
</tr>
</tbody>
</table>

OTHER OFFICE EQUIPMENT

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HP 250 Laptop System</td>
<td>82,000</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Lenovo LP G400 Laptop</td>
<td>93,400</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>175,400</td>
<td></td>
</tr>
</tbody>
</table>

3 BANK AND CASH BALANCES

Zenith Bank Plc Counterpart
Fund Account No. 1011925276
28,010
UBA Plc., Account No. 1019094754
501,090
Zenith Bank Plc. Int. Account 1011958216
2,487
531,587
16,580,795

4 DEVELOPMENT CAPITAL EXPENDITURE

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Group Mobilization and Sensitization</td>
<td>6,366,905</td>
<td>1,133,000</td>
</tr>
<tr>
<td>b</td>
<td>Training Local</td>
<td>3,048,130</td>
<td>782,460</td>
</tr>
<tr>
<td>c</td>
<td>Advisory Services</td>
<td>1,011,100</td>
<td>0</td>
</tr>
<tr>
<td>d</td>
<td>Input Support</td>
<td>9,950,000</td>
<td>0</td>
</tr>
<tr>
<td>e</td>
<td>Asset Acquisition Support</td>
<td>2,800,000</td>
<td>0</td>
</tr>
<tr>
<td>f</td>
<td>Other Grant Support</td>
<td>2,000,000</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25,176,135</td>
<td>1,915,460</td>
</tr>
</tbody>
</table>
5 DEVELOPMENT OPERATING EXPENDITURE

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Performance Allowance Support</td>
<td>18,648,000/15,165,000</td>
</tr>
<tr>
<td>b Bank charges</td>
<td>95,655/8,085</td>
</tr>
<tr>
<td>c Maintenance of vehicle</td>
<td>1,195,880/343,520</td>
</tr>
<tr>
<td>d Travel Allowance</td>
<td>3,973,830/1,393,530</td>
</tr>
<tr>
<td>e Office supplies support</td>
<td>1,017,420/262,420</td>
</tr>
<tr>
<td>f PFMU Running cost</td>
<td>924,000/297,000</td>
</tr>
<tr>
<td>g Maintenance of generator set and fueling</td>
<td>253,200/0</td>
</tr>
<tr>
<td>h Monitoring &amp; Evaluation</td>
<td>2,944,800/0</td>
</tr>
<tr>
<td>i Meetings</td>
<td>286,490/0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29,339,275</strong>/<strong>17,469,555</strong></td>
</tr>
</tbody>
</table>

6 STATE GOVERNMENT COUNTERPART FUND (₦35,872,000)
This represents total counterpart Fund received from the Adamawa State Government commencement of NFDPIII to NFDPIII-AF as at December 31, 2015.

7 OTHERS INCOME (₦415,397)
This represents the amount transferred from NFDPII to NFDPIII - Additional Financing Account as at December, 2015.

8 IDA CREDIT
This represents the amount received from the National Fadama Development Office (NFDO) during the year ended December 31, 2015.

9 ADAMAWA STATE GOVERNMENT COUNTERPART FUND
There was no counterpart fund received from Adamawa State Government during the year ended December 31, 2015.

10 OTHER INCOME (₦31,837)
This represents the amount received from other source as at December 31, 2015.

11 GOODS AND EQUIPMENT (₦175,400)
This represents total payment for Goods and Equipment during the year ended, December 31, 2015.
12 **TRAINING, WORKSHOPS AND STUDY TOUR (₦2,090,920)**
This represents sundry payments for training, workshops and study tour during the year ended, December 31st, 2015.

13 **GRANTS AND FUNDS (₦20,995,005)**
This represents payments for grants & funds during the year ended, December 31, 2015.

14 **INCREMENTAL OPERATING COSTS (₦11,869,720)**
This represents payments for incremental operating costs during the year ended, December 31, 2015.