

**FONDASYON KOLE ZEPOL (FONKOZE)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**  
**WITH**  
**Report of Certified Public Accountants**

**FONDASYON KOLE ZEPOL (FONKOZE)  
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Independent Auditors' Report

Board of Directors  
Fondasyon Kole Zepol  
Port au Prince, Haiti

We have audited the accompanying statement of financial position of Fondasyon Kole Zepol (Fonkoze) as of December 31, 1997 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Fondasyon Kole Zepol. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the above paragraph present fairly, in all material respects, the financial position of Fondasyon Kole Zepol at December 31, 1997 and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

*W. Frye & Associates, P.C.*

Newark, New Jersey

August 20, 1998

**FONDASYON KOLE ZEPOL (FONKOZE)**  
**Statement of Financial Position**  
**December 31, 1997**

**ASSETS**

**Current Assets**

Cash (Note B)	\$ 74,230
Investments(Note C)	29,421
Grant receivable (Note D)	81,220
Accrued interest receivable	2,570
Loan receivable, net of allowance of \$7,000 (Note E)	205,334
Prepaid expenses (Note F)	13,675
Other assets	5,133
Total current assets	<u>411,583</u>

**Non Current Assets**

Mortgage receivable (Note G)	<u>24,989</u>
Total non current assets	24,989

**Fixed Assets**

Fixed assets, net of accumulated depreciation of \$8,368 (Note H)	54,050
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**TOTAL ASSETS** \$ 490,622

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Deposit accounts	\$ 186,728
Loans payable - Current (Note I)	<u>106,000</u>
Total current liabilities	292,728

**Non current liabilities**

Loans Payable (Note I)	<u>103,753</u>
Total liabilities	396,481

**NET ASSETS**

Unrestricted net assets:	
Equity	104,294
Translation adjustments (Note J)	<u>(10,153)</u>
Total net assets	94,141

**TOTAL LIABILITIES AND NET ASSETS** \$ 490,622

See accompanying notes to the financial statements.

**FONDASYON KOLE ZEPOL (FONKOZE)**  
**Statement of Activities**  
**Year ended December 31, 1997**

**UNRESTRICTED REVENUES AND SUPPORT**

Grant	\$	137,200
Donations		
Foundations and Individuals:		61,927
In-Kind contributions (Note K)		79,050
Membership dues		30,595
Interest income from loans		17,986
Currency trading		2,725
Net realized gain on investment		2,540
Interest on deposit in bank		2,442
Fees		309
Total revenues and support		334,774

**EXPENSES**

Salaries and benefits		102,941
Training		33,507
Travel		29,028
Vehicle expense		16,223
Supplies		15,959
Telephone		10,470
Depreciation		8,368
Rent		8,190
Provision for loan losses		6,500
Repairs and maintenance		6,029
Miscellaneous		4,913
Professional fees		4,725
Computer management consulting		4,050
Photocopies		3,862
Interest expense		2,380
Theft and counterfeit losses		2,377
Postage		1,670
Total expenses		261,192
Change in unrestricted net assets		73,582
Net assets - Beginning of year		30,712
Net assets - End of year	\$	104,294

See accompanying notes to the financial statements.

**FONDASYON KOLE ZEPOL (FONKOZE)**  
**Statement of Cash Flows**  
**Year ended December 31,1997**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income	\$ 73,582
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	8,368
Increase in grant receivable	(81,220)
Increase in accrued interest receivable	(2,570)
Increase in prepaid expenses	(8,612)
Decrease in other assets	5,560
Decrease in accounts payable	<u>(2,214)</u>
Net cash used in operating activities	(7,106)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment in proprietary ventures	(26,421)
Mortgage receivable	(24,989)
Purchase of furniture and equipment	(62,418)
Loans receivable	<u>(182,600)</u>
Net cash used in investing activities	(296,428)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Increase in deposit accounts	106,089
Proceeds from loans	<u>209,753</u>
Net cash provided by financing activities	315,842

**EFFECT OF EXCHANGE RATE CHANGES ON CASH** (10,153)

Net increase in cash	2,155
Cash at beginning of year	<u>72,075</u>
Cash at end of year	<u>\$ 74,230</u>

**SUPPLEMENTAL DISCLOSURES**

Interest paid	\$ 2,380
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See accompanying notes to the financial statements.

