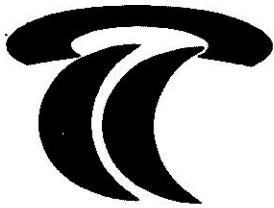


**NIA FOUNDATON**

**AUDITORS' REPORT & ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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Tesfaye Teferi & Co.

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Chartered Certified Accountants (UK)

Mob. 251-091-121 91 04 Tel. 011-467 20 30/18 99 Fax 011-467 19 62

☐ 102297 Addis Ababa, Ethiopia

E-mail: teferi@ethionet.et

Authorized Auditor

## AUDITORS' REPORT ON THE ACCOUNTS OF NIA FOUNDATION

1. We have audited the attached financial statements of NIA Foundation for the year ended December 31, 2015 which have been prepared under the accounting policies set on page 5.

### Respective responsibilities of management and auditors

2. The management of the Foundation is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion'

### Basis of opinion

3. We conducted our audit in accordance with Generally Accepted Auditing Standards. 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 whether the accounting policies are appropriate to the Foundation's circumstances, and adequately disclosed.
4. 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 reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

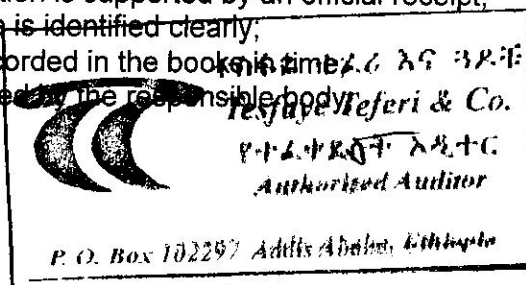
### Opinion

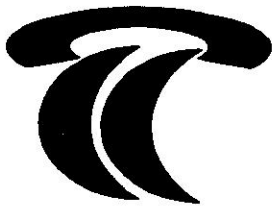
5. In our opinion the financial statements give a true and fair view of the state of the Foundation's affairs as at December 31, 2015 and of the income collected and expenditures made for the year then ended.

### Report on requirements of the Societies & Charities Agency

#### In all materials respects, we confirm that:

1. Income
  - 1.1 Each income transaction is supported by an official receipt;
  - 1.2 The source of income is identified clearly;
  - 1.3 The transaction is recorded in the books in time;
  - 1.4 The income is collected by the responsible body;





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Chartered Certified Accountants (UK)

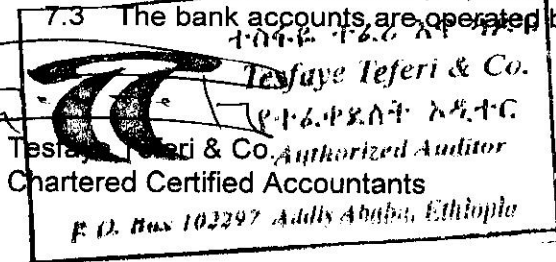
Mob. 251-091-121 91 04 Tel. 011-467 20 30/18 99 Fax 011-467 19 62

☒ 102297 Addis Ababa, Ethiopia

E-mail: teferi@ethionet.et

Authorized Auditor

- 1.5 The income collected from abroad is as per the guideline of the Agency;
2. Expenditures
  - 2.1 Expenditures are adequately supported;
  - 2.2 Pre-printed payment vouchers are used for expenditures;
  - 2.3 Expenditures are made in accordance with the provisions in the financial management manual of the Organization;
  - 2.4 Expenditures are approved by the authorized officer;
  - 2.5 Supporting documents for expenditures are original;
  - 2.6 Procurement of goods and services are as per the procurement guideline of the Organization;
  - 2.7 The total of direct costs is **70.5%** of the total expenditures, considering transfers to implementing partners and program cost;
3. Asset management
  - 3.1 Goods receiving and issue vouchers are used upon purchase and issuance of assets respectively;
  - 3.2 Inventory of assets is carried out at the year end;
  - 3.3 There is register of fixed assets;
  - 3.4 Fixed assets are given tag number and they are kept in good condition;
4. Cash on hand
  - 4.1 Suspense vouchers are timely liquidated;
  - 4.2 Cash on hand is registered and reconciled every month;
  - 4.3 The size of the cash balance counted is as per the finance manual of the Organization;
5. Receivables
  - 5.1 Receivables are collected on time;
  - 5.2 There is a record and schedule of receivables;
6. Payables
  - 6.1 All tax liabilities are paid in time;
  - 6.2 There is a record and schedule of short and long term liabilities;
7. Bank balances
  - 7.1 The detail of the bank accounts and the balances therein is disclosed;
  - 7.2 Bank reconciliation are prepared for each bank account;
  - 7.3 The bank accounts are operated by authorized officers.



Addis Ababa  
March 31, 2016

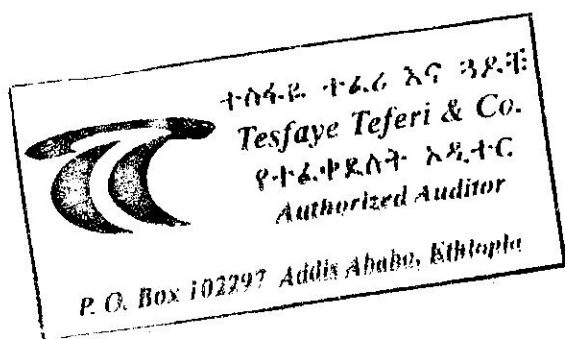
**NIA FOUNDATION**  
**BALANCE SHEET**  
**AS AT DECEMBER 31, 2015**

	<u>Notes</u>	<u>Birr</u>	<u>Birr</u>	<u>2014</u> <u>Birr</u>
<b>ASSETS EMPLOYED</b>				
Fixed Asset (net)	2 (a) & 3		736,112	<u>736,112</u>
<b>CURRENT ASSETS</b>				
Debtors and prepayments	4	320,758		309,141
Cash and bank balances		<u>1,514,186</u>		<u>1,648,676</u>
		1,834,944		1,957,817
<b>CURRENT LIABILITIES</b>				
Creditors and accruals	5	<u>315,453</u>		<u>182,668</u>
<b>NET CURRENT ASSETS</b>			<u>1,519,491</u>	<u>1,775,149</u>
			<u>2,255,603</u>	<u>2,511,261</u>
<b>REPRESENTED BY</b>				
Fund balance			<u>2,255,603</u>	<u>2,511,261</u>



**NIA FOUNDATION**  
**STATEMENT OF INCOME AND EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

		<u>Notes</u>	<u>Birr</u>	<u>Birr</u>	<u>2014</u> <u>Birr</u>
<b><u>INCOME</u></b>					
Donation		2 (b, c), 6	4,939,650		5,735,384
<b><u>EXPENDITURES</u></b>					
Program Expenditure	70.5%	7	3,656,433		2,990,214
Administrative Expenditure	29.5%	8	<u>1,532,083</u>		<u>1,368,457</u>
<b>TOTAL EXPENDITURES</b>			<u>5,188,516</u>		<u>4,358,671</u>
<b>(DEFICIT)/EXCESS OF INCOME OVER EXPENDITURE</b>			(248,866)		<u>1,376,713</u>
<b>FUND BALANCE BROUGHT FORWARD</b>			2,511,261		1,134,540
Prior period adjustment			588		8
Unutilized grant money refunded to British Council			<u>(7,380)</u>		-
			<u>2,504,469</u>		<u>1,134,548</u>
<b>FUND BALANCE CARRIED FORWARD</b>			<u>2,255,603</u>		<u>2,511,261</u>



**NIA FOUNDATION**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**1. BACK GROUND**

NIA Foundation is an indigenous non-profit making organization, established On Hidar 15, 1998 with a vision of seeing a concerned society where individuals lead a quality life to the best of their potential in spite of their gender and different abilities.

Currently, the Foundation is engaged in four distinct programmatic areas:-

- Youth empowerment and self-reliance programs through talent development life and vocational skills training, and Reproductive Health Education.
- Holistic rehabilitation service for children/adolescents and youth with Autism and related development disorders.
- Supporting mothers of children with intellectual disabilities
- Women ready for leading program
- Yagebagnal which means "it concern me" program to motivate and create a concerned generation by bringing back the lost culture of belongingness, concern in all aspects and caring among citizens, to participate in activities with societal welfare maximizations.

Following the charities and societies Proclamation No. 621/2009, the Foundation was registered by Charities and Societies Agency on February 14, 2013 under license number 0854 and shall be valid for the consecutive of three years after the issuance date of this certificate.

**2. ACCOUNTING POLICIES**

The principle accounting policies adopted and consistently applied by the NIA Foundation are stated below:

**a) Fixed Assets**

Fixed assets are stated at cost less depreciation. Depreciation is charged on cost/valuation on a straight-line method based on the following rates per annum:

	%
Motor vehicles	20
Furniture and office equipment	10
Specialized equipment & Teaching aid instruments	10
Buildings and water well	4

*Handwritten note:* Motor vehicles 24.6 AS 32.5

*Handwritten note:* Auditor

*Handwritten note:* P. O. Box 102297 Addis Ababa, Ethiopia

b) Income and expenditure are recognized on Modified Cash Basis of Accounting in which income is recognized when cash is received and expenditures are recognized when incurred.

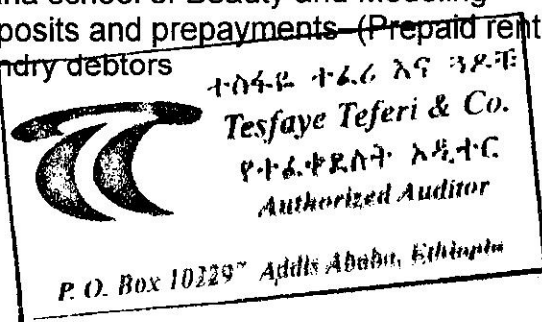
c) Receipts of donation income are converted to local currency at the time of exchanges rates ruling at the date of receipts of the remittances.

### 3. FIXED ASSETS

	<u>Balance at</u> <u>31/12/2014</u> <u>Birr</u>	<u>Additions</u>	<u>Balance at</u> <u>31/12/2015</u> <u>Birr</u>
<b><u>COST</u></b>			
Motor vehicles	179,000	-	179,000
Office furniture	74,332	-	74,332
Office equipment	64,220	-	64,220
Specialized equipment	81,864	-	81,864
Teaching aid instrument	169,508	-	169,508
Fixed asset in transit	<u>227,219</u>	<u>-</u>	<u>227,219</u>
	<u>796,143</u>	<u>-</u>	<u>796,143</u>
<b><u>ACCUMULATED DEPRECIATION</u></b>			
Motor vehicles	8,050	-	8,050
Office furniture	10,260	-	10,260
Office equipment	7,993	-	7,993
Specialized equipment	15,953	-	15,953
Teaching aid instrument	<u>17,775</u>	<u>-</u>	<u>17,775</u>
	<u>60,031</u>	<u>-</u>	<u>60,031</u>
<b>NET BOOK VALUE</b>	<u>736,112</u>		<u>736,112</u>

### 4. DEBTORS AND PREPAYMENTS

	<u>Birr</u>	<u>2014</u> <u>Birr</u>
Staff debtors	18,993	-
Niana school of Beauty and Modeling	99,017	119,017
Deposits and prepayments (Prepaid rent for Safe Home)	152,947	176,648
Sundry debtors	<u>49,801</u>	<u>13,476</u>
	<u>320,758</u>	<u>309,141</u>



## 5. ACCOUNT PAYABLES

	<u>Birr</u>	<u>2014</u> <u>Birr</u>
Income tax	34,266	29,979
Withholding tax	2,047	2,539
Pension payable	40,613	23,769
Staff payable	-	37
Social Affairs	940	-
Accrued Payable	116,253	-
Zeraf film production	95,000	95,000
Other accruals	10,250	18,034
Nia baltna	<u>16,084</u>	<u>13,310</u>
	<u>315,453</u>	<u>182,668</u>

## 6. DONATION INCOME

	<u>Birr</u>	<u>2014</u> <u>Birr</u>
IPAS	48,832	-
Global children fund	20,714	-
CSSP-SPG	934,887	-
Inesa Sanpolo SPA	55,800	-
Capacity Enhancement project	20,378	-
PACKARD Foundation	2,086,267	2,864,914
Finland embassy	283,175	288,957
Abay (Nillo Azul) Association	7,200	28,800
Others	49,562	66,102
British council CSSP	360,000	714,885
CORHA	0	439,636
Family contribution	484,275	461,684
Fund raising	248,709	18,350
Personal donation	189,851	502,056
UEWCA	<u>150,000</u>	<u>350,000</u>
	<u>4,939,650</u>	<u>5,735,384</u>





## 7. PROGRAM EXPENDITURES

	<u>Birr</u>	<u>2014</u> <u>Birr</u>
Salaries of teachers and caregivers for child	1,253,804	995,146
Rent for safe home, joy center and family support	473,962	324,690
Repair and maintenance of bus for autistic children	83,175	99,718
Family support	327,361	225,000
Training for teachers, IGA package and others	329,907	145,677
Teaching aid materials	730,829	472,071
Nutrition and vitamins	108,486	98,657
Fuel, oil and lubricant for bus service	32,180	49,500
Cleaning and sanitation	36,291	36,850
Stationary	10,136	11,825
Awareness resigning	24,901	14,292
Protection fences for school	68,280	21,700
Assistant fee	-	4,000
Vehicle insurance	3,054	3,054
Car rent and loading unloading of school materials,		
Hospitalization, brochures and other related cost	42,018	6,902
Utility- water and electricity	10,824	3,391
Restructuring of toilet rooms and water pipe for children	71,150	-
Monitoring and supervision	11,040	-
T-shirt printing	29,399	-
Bus branding	8,000	148,400
IEC materials	-	147,862
Radio spot broadcasting	-	180,172
License and Authentication	<u>1,636</u>	<u>1,307</u>
	<u>3,656,433</u>	<u>2,990,214</u>



## 8. ADMINISTRATIVE EXPENDITURES

	<u>Birr</u>	<u>2014</u> <u>Birr</u>
Salaries	1,008,461	832,021
Fuel, oil and lubricant	1,875	25,409
Transportation	15,997	21,326
Telephone and internet	63,982	36,750
Cleaning and sanitation	8,523	3,317
Reception and meetings	15,902	50,902
Office rent	3,640	3,685
Repair and maintenance	34,152	27,716
Lunch meal	37,245	58,225
Consultancy Fee	33,400	-
Audit Fee	14,950	-
Stationary and office supplies	43,360	29,465
Utility – water and electricity	18,415	21,398
Follow up expenditure	-	365
Review meeting	54,313	9,366
Follow up expenditure	61,035	-
Monitoring and evaluation	26,860	-
Workshop expenditure	5,856	50,435
Miscellaneous	32,345	2,149
Advertisement	11,464	4,188
IGA package training	18,905	32,098
Vocational training/Professional fee	-	5,702
Awareness to the spouses	1,632	2,522
Depreciation expense	-	29,573
Leasehold improvement	-	3,077
Membership and contribution	11,990	8,750
Bank service charge	2,773	1,395
Vehicle insurance	5,008	5,408
Travel and per diem	-	97,215
	<u>1,532,083</u>	<u>1,362,457</u>

## 9. FIXED ASSETS

As per the policy of the Organization, capital expenditures including the cost of assets are directly charged to expense as the organization has a responsibility of reporting the cost as expense to the donor who provided the fund for the purchase or construction of the asset. The Organization has, as of the balance sheet date, the assets listed on the next pages.

