



BAKER TILLY
DEV ASSOCIATES
CHARTERED ACCOUNTANTS

Patan Dhoka, Lalitpur-3
PO Box 252
Lalitpur DPO 44700
Nepal

T: +977 (1) 5521605
F: +977 (1) 5520976

devassociates@ntc.net.np
www.bakertillydev.com

INDEPENDENT AUDITOR'S REPORT

Non Resident Nepali Association (NRNA): Earthquake Relief Fund 2072

We have audited the accompanying financial statement (fund accountability statement) of the Non Resident Nepali Association: Earthquake Relief Fund 2072 for the period from 25 April 2015 to 12 June 2015.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the NRNA's management. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

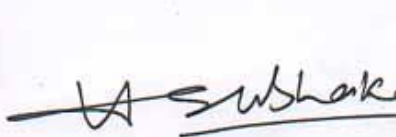
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 the 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 shall not be construed as certification to management's act. 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 and to the best of our information and according to the explanation given to us, the financial statements give a true and fair view of the income and expenditure and funds held for operations as presented in Fund Accountability Statements from 25 April 2015 to 12 June 2015 and have been prepared, in all material aspects, in accordance with Nepal Accounting Standards as described in notes to the accompanying financial statements.



CA. Umesh Prasad Dhakal
Partner
For Dev Associates,
Chartered Accountants




Date: 28 June 2015
Place: Lalitpur


Non - Resident Nepali Association
Teku, Kathmandu
Earthquake Relief Fund 2072
Fund Accountability Statement
For the Period April 25, 2015 to June 12, 2015

S. No.	Particulars	Sch.	Amount (Rs)
	Opening Balance of Fund		-
	Fund Received (25th April 2015 - 12th June 2015)		208,058,814.69
	Net Foreign Exchange Gain/(Loss)		14,205.74
A	Total Fund Available		208,073,020.43
B	Expenditure from the Fund		37,013,779.77
	Direct Expenses		36,456,205.88
	Secretariat Expenses		557,573.89
C	Funds Held for Operation (A-B)		171,059,240.66
D	Funds Held for Operation Represented By:		
I	Assets		
	Bank Balance		172,368,007.48
	Cash Balance:		39,512.18
II	Less: Liabilities		
	Payables		1,348,279.00
	Total (I-II)		171,059,240.66

Notes to the Accounts in Page 2 to 5 forms integral part of this Fund Accountability Statement.




Shesh Ghale
 President
 NRNA



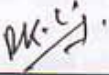
Dr. Badri K.C.
 Treasurer
 NRNA



CA Umesh Prasad Dhakal
 Partner
 For Dev Associates
 Chartered Accountants



Rajesh Rana
 Executive Director
 NRNA Secretariat



Pramod K.C.
 Account Officer
 NRNA Secretariat

Date:

Notes to Accounts

1. General Information

Activities

Founded in 2003, Non-Resident Nepali Association International Coordination Council (NRNA-ICC) is a voluntary organization, which has over 70 chapters around the world and represents more than three million Nepali Diaspora. Its main aim is to promote and attract social and economic development of Nepal binding Non Resident Nepali through its slogan "For Nepali by Nepali".

The network of Nepali Diaspora represented by NRNA has developed itself into a formidable force that can represent Nepali interest globally. Keeping all these in mind, the Government of Nepal has given legal status to Nepali Diaspora by promulgating Non-Resident Nepali Act 2064. For practical purposes Nepali citizens living outside South Asian Association for Regional Cooperation (SAARC) member countries or People of Nepali Origin (PNO) holding foreign nationality other than SAARC nations are considered as NRNs. The strategic Goals of NRNA are to unite and bring Nepali residing all over the world under one umbrella; protect and promote their interest in and outside Nepal and utilize their potentials and resources for the welfare of Nepal.

NRNA has been involved in the relief activities including the disaster relief work in Nepal, charity work for schools, old age homes etc. The activities for the earthquake relief fund are guided by its goal of protecting and promoting the interest of Nepalese in and outside Nepal.

2. Establishment of Relief Fund

NRNA formed an Earthquake Disaster Relief Team after the devastating earthquake disaster on 28th April 2015. The NRNA ICC President- Shesh Ghale headed the team. Members of the relief team included available NRNs and non NRNs; whoever was willing and able to assist at the time through various means.

The team was mandated by an IES meeting held on Saturday the 25th April 2015, followed by NRNA-ICC emergency meeting held on Sunday 26th April. The main aim of the team was to evaluate and access the damage caused by the earthquake and to develop a humanitarian relief plan to assist the countrymen. The NRNA appealed the NRNA NCC around the world to provide donations for the earthquake relief fund so that the activities for the relief could be carried out smoothly.

NRNA has utilized two accounts for receiving the fund in Sanima Bank Ltd. namely NRNA A/C and NRNA Emergency Fund A/C. The fund was received from NRN NCCs and the individuals all over the world. The total fund received till 12th June, 2015 is Rs. 208,058,814.69.

3. Response of NRNA and its Limitation

NRNA is a voluntary organization. It lacks adequate resources and capabilities to cope with a disaster of such magnitude as the devastating Earthquake. The relief activities of NRNA followed by its declaration to construct 1,000 housing projects is first ever undertaking of this kind that NRNA has committed to; despite lack of adequate knowledge and funding to manage such a natural disaster. It has been challenging to conceptualize a plan to address the most important concerns arising from the aftermath of earthquake.

Despite the limitations, the extent of NRN's feeling and the compassion lessen the pain and sufferings of our countrymen and NRNA's strong desire to deliver to the needy, made it possible to respond quickly and successfully to the relief effort.



Shesh Ghale

Pshana

RK-G

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4. Period coverage by Fund Accountability Statement

The Fund Accountability statement has been prepared covering the grants received and expenses incurred for the earthquake relief carried out by NRNA from April 25, 2015 to June 12, 2015.

5. Source of NRNA relief fund

The Non-Resident Nepali Association has received grants from NRN NCCs and individuals all over the world as earthquake relief fund. The total fund received till June 12, 2015 is Rs. 208,058,814.69. The fund contributed by NRN NCCs is Rs. 164,323,685.05 and individual's contribution is 43,735,129.63.

These funds have been deposited in two different accounts at Sanima Bank Ltd. and draw an interest of 6.5 %, which is to be credited in the account quarterly.

6. Basis of Accounting

The fund accountability statement has been prepared using the following basis of accounting:

- Income: Income (Fund receipt) has been recognized in cash. The fund commitment of Rs. 50,878,446.59 from different persons has not been included in income while preparing this statement.
- Expenses: Expense has been recognized on accrual basis. The expense accrued/incurred but not paid are booked as expenses and deducted from fund balance to represent the actual excess fund available for further relief, rehabilitation and restructuring work. The amount not spent in cash is booked as payable in fund accountability statement.
- Foreign Exchange Gain/Loss: The amount in foreign currency has been calculated in Nepalese currency by using the rate of exchange set by Nepal Ratra Bank on the date received. The balance of the amount in such currency as on June 12th 2015 has been calculated on the basis of the rate of exchange as on that date. The difference between the value of the amount on the date received and the balance as on June 12th 2015 has been taken as foreign exchange gain/(loss). The amount of foreign exchange gain/loss is not a realized gain or loss.

7. Bank Balance

There are two bank accounts used by the Secretariat for the Earthquake related activities. These funds contain balances for other activities other than earthquake as well. NRNA management closely monitors those bank accounts and segregates the amount received for the purpose of earthquake relief. The details of the bank balances as on 12th June, 2015 is as below:

In NRs.

Particulars	Total balance of Bank Account	Balance for other than Earthquake	Balance fund for earthquake
NRNA A/C	139,882,121.22	3,356,060.40	136,526,060.82
NRNA Emergency Fund	36,962,174.90	3,387,053.98	33,575,120.92
FCY Account	2,266,825.74	-	2,266,825.74
Total	179,111,121.86	6,743,114.38	172,368,007.48



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8. Expenditure from the Fund

The total expenditure incurred is Rs. 37,013,779.77. The total direct expense is Rs. 36,456,205.88 and an indirect expense is Rs. 557,573.89. The indirect expense is 1.51% of the total expenditure from the relief fund.

The direct expenditure from the fund includes the distribution of following items to various earthquake affected districts.

Particulars	Amount (In Rs.)
Relief Materials	32,255,955.95
Medicines	1,146,469
Transportation	2,421,355.53
Others	632,425.40
Total	36,456,205.88

9. Funds held for Operations

The excess of fund received over expenditure incurred for relief activities is recorded as Funds held for Operations. The NRNA Earthquake disaster appeal was closed on May 22, 2015. Once final expenses for the relief activities have been booked, the remaining amount of fund after the relief effort will be rollover to construct 1,000 housing projects in Earthquake affected areas as approved by IES.

10. Cash Balance

The cash balance as on 12th June, 2015 for the fund is Rs. 39,512.18.

11. Foreign Exchange Gain/(Loss)

The net foreign exchange gain for the fund as on 12th June, 2015 is Rs.14,205.74.

12. Relief Materials Distributed

The relief materials that were distributed include medicines, blankets, beaten rice, noodles, tarpaulin.

Relief materials distributed in the affected districts as per the schedule provided below:

In Quantity

District Name	Blankets (pieces)	Tarpaulin (pieces)	Noodles (boxes)	Rice (Kg)	Beaten Rice (Kg)
Sindhupalchowk	2000	2572	500	1000	1000
Gorkha	2000	1100	1000	54740	1000
Kavre	1000	1147	750		1000
Ramechhap	2000	1004	0	7500	0
Nuwakot	1700	1159	287	0	0
Rasuwa	1380	690	1000	6000	0
Dhading	1095	1046	500	5000	0
Lamjung	1990	1000	1000	5260	1000
Solukhumbhu	377	1246	650	0	1000
Dolkha	1000	1430	0	0	0
Sindhuli	0	505	0	0	0
Kathmandu Valley	510	2334	0	0	0
Okhaldhunga	0	125	0	0	0
Parbat		300			



Gulmi		200			
Khotang		60			
Bhaktapur		100			
Nagapauwa (area 7 KTM)		327			
Mis. distribution from secretariat		88			
Total	15052	16433	5687	79500	5000
Total purchased and received in kind	15052	16467	5700		5000
Balance	0	34	13		0

Apart from the relief materials mentioned above four bundles of blankets, one sack of socks, mask, clothes each and 55 tents were also delivered in Okhaldhunga.

The data above indicates around 34 tarpaulins are unaccounted for. The management confirmed that this could be due to shortfall in receipt or excess delivery as a result of urgent action required in such emergency situation.



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