

ENAG Con.

Certified Public Accountants

City Builders Plaza
Freeport Area, UN Drive
Bushrod Island, Monrovia

**NETWORK FOR EMPOWERMENT & PROGRESSIVE
INITIATIVES (NEPI), INC.**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023**

Motto: "Preparing to be a part of the Liberian Economy"

Contents	Page
General information	1
Report of the directors	2
Report of the independent auditors	4
Statement of financial position	7
Statement of income and expenses	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11

General Information

Board of Advisors

Chris Blattman	– Advisor
Bridget Konadu Gyamfi Out	– Advisor
Rev. Bartholomew B. Colley	– Advisor

Board of Directors

Heidi McAnnally-Linz	– Member
Dan McCormick	– Member
Julian Jamison	– Member
Margaret Sheridan, Ph.D.	– Member
Henk-Jan Brinkman	– Member
William Saa	– Member
Jeannie Anna	– Member
Klubosumo Johnson Borh	– Secretary

Bankers

J. P. Morgan Chase Bank - USA
Liberian Bank for Development & Investment (LBDI)
United Bank for Africa (Liberia) Limited

Office Address

Opposite Vamoma House
Tubman Boulevard, Sinkor
Monrovia, Liberia

Independent auditor

ENAG Consulting
1st Floor, Freeport Trade Center (*City Builders Building*)
Bushrod Island, Monrovia

Report of the directors

The directors present their report and audited financial statements for the year ended August 31, 2023.

Statement of directors' responsibilities

The Organization's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position for the year ended August 31, 2023, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with Generally Accepted Accounting Principles for Not-for-Profit Organizations and in the manner required by the Association's Law Title 5 of the Liberian Code of Laws Revised..

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Principal activity

The Network for Empowerment & Progressive Initiatives (NEPI), Inc. is a 501(c)(3) non-profit organization registered in New York and Liberia. NEPI is the creator and original implementer of the STYL program.

The STYL program consists of identifying the highest-risk young men in a city and offers an 8-week group Cognitive Behavioral Therapy (CBT) focused on automatic violence behaviors, improving planning skills and future focus. When CBT and one-on-one counseling are provided, youth stop bad behavior (anti-social – petty crime, drug use, fighting with self and police).

The group CBT program focused on three kinds of behavior change:

- First, the program helps men learn to behave and adopt a more mainstream social identity rather than feel like outcasts or criminals.
- It also teaches men skills of self-control: to manage emotions, reduce impulsivity, become more conscientious and persevering, and more planful and goal-oriented in their daily activities. As part of this, increasing participants' future orientation seems to be a key driver of behaviour change.
- Finally, the program strongly emphasizes how to deal with anger, interpersonal violence, and threatening situations.

NEPI creates lasting change by engaging the highest-risk young men involved in crime and violence and working with communities where youth crime and violence are mostly concentrated. We drive change in practice and policy locally and nationally with our work with high-core street youth. NEPI is a leader in crime and violence reduction programs, advocating for resources, practices, and policies that restore the dignity and the potential of young people involved in crime and violence.

Results

The results for the year and the state of the Organization's affairs are shown in the attached financial statements.

Report of the directors (continued)

Directors' interests

The names of the directors are detailed on page 1. None of the directors of the Organization had any disclosable interest in any contracts or arrangement either subsisting at the end of the financial period or entered during the financial period.

Approval of the financial statements

The financial statements were approved by the Board of Directors and Advisors on December 31, 2023 and signed on its behalf by:

Advisor/Director

A handwritten signature in blue ink, appearing to be 'Goldy' followed by a stylized flourish.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NETWORK FOR EMPOWERMENT & PROGRESSIVE
INITIATIVES (NEPI), INC.****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Network For Empowerment & Progressive Initiatives (NEPI), Inc. as at August 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles for Not-for-Profit Organizations and in the manner required by the Registered Business Law (2002).

What we have audited

We have audited the financial statements of Network For Empowerment & Progressive Initiatives (NEPI), Inc. (the "Organization") for the year ended August 31, 2023.

The financial statements on pages 6 to 19 comprise:

- the statement of financial position as at August 31, 2023.
- the statement of income and expenses for the year then ended.
- the statement of changes in equity for the year then ended.
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the Board of Directors' Report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Board of Directors' Report which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NETWORK FOR EMPOWERMENT & PROGRESSIVE
INITIATIVES (NEPI), INC. (continued)**

Other information (continued)

When we read the Board of Directors Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Registered Business Law (2002) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Organization or to cease operations, or have no realistic alternative but to do so. The directors are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism -throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NETWORK FOR EMPOWERMENT & PROGRESSIVE
INITIATIVES (NEPI), INC. (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

The Registered Business Law (2002) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the entity, so far as appears from our examination of those books; and
- iii) the entity (entity's statement of financial position) and entity's profit and loss account (part of the entity's statement of comprehensive income) are in agreement with the books of account.

ENAG Consulting

ENAG Consulting

Monrovia, Liberia

May 31, 2024

Statement of financial position

In United States Dollars

	Note	2023
Assets		
Property, plant, and equipment	10	42,838
Trade & other receivables	11	4,450
Cash & bank balances	12	28,447
Total Assets		<u>75,735</u>
Liabilities and Equity		
Equity		
Retained earnings		<u>58,974</u>
Total equity		<u>58,974</u>
Liabilities		
Other liabilities	13	16,761
Total liabilities		<u>16,761</u>
Total equity and liabilities		<u>75,735</u>

The notes on pages 11 to 18 are an integral part of the financial statements.

These financial statements were approved by the Board of Directors and Advisors on December 31, 2023.



Klubosumo Johnson Borh
Chief Executive Officer



Jacob N. W. Slewion, Sr.
Finance Manager

Statement of income and expenses

In United States Dollars

		2023
	Notes	
Income		
Receipts from donors	4	1,055,671
Other income		<u>2,407</u>
		<u>1,058,078</u>
Expenses		
Personnel cost	5	(593,741)
Travel & transportation	6	(67,480)
Program Administration	7	(131,979)
Other Program Expenses	8	(116,770)
Capital expenditure	9	(89,144)
Total expenses		<u>(999,114)</u>
Net revenue		<u>58,964</u>

The notes on pages 11 to 18 are an integral part of the financial statements

Statement of changes in equity

In United States Dollars

	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as at September 1, 2022	-	-	-
Additions	-	10	10
Net revenue for the year	-	58,964	58,964
Balance as at August 31, 2023	-	58,974	58,974

The notes on pages 11 to 18 are an integral part of the financial statements

Statement of cash flows

In United States Dollars

	August 31, 2023
Cash flows from operating activities:	
Net revenue	58,964
Adjustments to reconcile net revenue:	
Depreciation	<u>8,008</u>
Net income before changes in working capital	66,972
Changes in working capital:	
Trade & other receivables	(4,450)
Other Liabilities	<u>16,761</u>
Net cash flows from (used in) operating activities:	79,283
 Cash flows from investing activities:	
Purchase of property, plant and equipment	(50,846)
Net cash flows from (used in) operating activities:	(50,846)
 Cash flows from financing activities:	
Addition to equity	<u>10</u>
Net cash flows from (used in) operating activities:	10
 Net increase in cash and cash equivalent	28,447
Cash and bank balances at beginning of the period	<u>-</u>
Cash and bank balances at end of the period	28,447

The notes on pages 11 to 18 are an integral part of the financial statements

Notes to the financial statements

1. Corporate Information

Network For Empowerment & Progressive Initiatives (NEPI), Inc. (the “Organization”) is a 501(c)(3) non-profit organization registered in the States of New York and Michigan, and the Republic of Liberia. The financial statements of the Organization as at and for the year ended August 31, 2023 comprise those of the Organization alone.

The Organization is not-for-profit entity engaged in the fight against crime and violence engaging the highest-risk young men involved in crime and violence and working with communities where youth crime and violence are mostly concentrated.

2. Basis of Preparation

2.1 Statement of compliance

The financial statements of the Organization have been prepared in accordance with Generally Accepted Accounting Principles for Not-for-Profit Organizations and in the manner required by the Articles of Incorporation.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for investment properties, land and buildings, derivative financial instruments that have been measured at fair value. The carrying values of recognized assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

2.3 Functional and reporting currency

These financial statements are presented in United States Dollars which is the Organization’s reporting currency.

2.4 Significant accounting judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the applications of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Notes to the financial statements (continued)

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Organization at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. All differences are taken to the income statement with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in other comprehensive income until the disposal of the net investment, at which time they are recognized in the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3.2 Property, plant, and equipment

i) Recognition and Measurement

Property, plant, and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Organization recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred.

ii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative period are as follows:

IT & Office Equipment	3 years
Furniture & Fixtures	5 years
Vehicles	5 years
Generators	7 years

iii) Capital expenditure

Property, plant, and equipment purchased at cost less than the capitalization amount are classified as Capital Expenditure and presented on the Statement of Income & Expenses.

Notes to the financial statements (continued)

Significant accounting policies (continued)

3.3 Employee benefits

i Pension obligations

The Organization operates a defined contribution scheme. The scheme is generally funded through payments to the National Social Security and Welfare Corporation (NASSCORP). A defined contribution is a pension plan under which the Organization pays fixed contribution into the separate entity.

The Organization has no legal or constructive obligations to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefit relating to employees' service in the current and prior period. The Organization also has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

ii Termination benefits

Termination benefits are recognized as an expense when the Organization is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits because of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognized as an expense if the Organization has made an offer encouraging voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

3.4 Personnel costs

Personnel costs comprise expenses relating to salaries, recruitment, and training costs.

3.5 Program administration & other expenses

Program administration & other expenses comprise expenses relating to administrative staff and management, including office expenses, and depreciation as well as other indirect costs.

Notes to the financial statements (continued)

In United States Dollars

4 Receipts from donors

Innovation for Poverty Action	10,666
Livelihood Impact Fund	180,000
Mulago Foundation	50,000
The Agency Fund Fellowship	70,000
Towards Kindness	475,000
Wellspring Philanthropic Fund	<u>270,005</u>
	<u>1,055,671</u>

5 Personnel cost

Salaries & Benefits	478,361
Taxes	46,154
Recruitment cost	25,469
In-Service Training	<u>43,757</u>
	<u>593,741</u>

6 Travel & transportation

Internation Travel	40,810
Local Transport	<u>26,670</u>
	<u>67,480</u>

Notes to the financial statements (continued)

In United States Dollars

7 Program administration

Bank charges	8,992
Publicity, internet & website expenses	7,951
Rent, electricity, & utilities	25,648
Repairs & renewals	11,672
Phone calls, cable tv & other subscriptions	12,572
Professional & management fees	45,108
Representations/lunch meeting	2,857
Depreciation expense	8,007
Miscellaneous	9,172
	<u>131,979</u>

8 Other program expenses

Vehicle & generator running	36,268
Training & workshops	63,006
Other support to capacity building	13,711
Other expenses	3,785
	<u>116,770</u>

9 Capital expenditure

Office equipment	64,185
Project equipment	8,566
Furniture	16,393
	<u>89,144</u>

Notes to the financial statements (continued)

In United States Dollars

10. Property, plant, and equipment

Cost	Furniture & Fixtures				Total
	IT & Office Equipment	Vehicles	Generators	Total	
Balance as at September 1, 2022	-	-	-	-	-
Additions during the year	22,201	21,500	1,450		50,846
Reclassification/disposals	-	-	-	-	-
Balance as at August 31, 2023	22,201	21,500	1,450		50,846
Accumulated depreciation					
Balance as at September 1, 2022	-	-	-	-	-
Charge for the year	(3,896)	(3,490)	(108)		(8,008)
Write-off/disposals	-	-	-	-	-
Balance as at August 31, 2023	(3,896)	(3,490)	(108)		(8,008)
Carrying amount:					
Balance as at August 31, 2023	18,305	18,010	1,342		42,838

Notes to the financial statements (continued)
In United States Dollars

11. Trade and other receivables	
Advances to employees	4,450
	<u>4,450</u>

12. Cash and bank balances	
Cash on hand	1,144
Local bank balances	14,655
Foreign bank balances	12,648
	<u>28,447</u>

13. Other Liabilities	
Salary Payable	4,478
Employee Income Tax	6,079
NASSCORP Payable	6,204
	<u>16,761</u>

14. Related party transactions and balances

Parties are considered related if one party can control the other party or exercise influence over the other party in making financial and operational decisions. It also includes one other party controlling both companies. The Organization's key management personnel and persons connected therewith are all considered to be related parties for disclosure purposes. The definition includes close members of the families of key management personnel and any other entity or outfit over which key management personnel exercise effective control.

15. Contingent liabilities

There were no contingent liabilities for year ended August 31, 2023.

16. Capital commitments

There were no capital commitments for year ended August 31, 2023.

Notes to the financial statements (continued)

In United States Dollars

17. Going concern

The financial statements have therefore been prepared on accounting policies applicable to a going concern on the basis the Organization will and can continue to exist as a going concern. Assets and liabilities are therefore included at values in the Organization's financial position which assume that the assets will be turned to account in the normal course of the Organization's business for at least the values contained in the financial statement and the cash realized will be sufficient to settle the Organization's outstanding liabilities.

18. Subsequent events review

Events after the balance sheet date are reflected only to the extent that they are material. There were no such events as at the date the financial statements were signed.