

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

FOL MOVEMENT / LËVIZJA FOL

For the period 25 June 2009 – 31 December 2009

and for the year ended 31 December 2010

**Prishtine
March 2011**

Independent Auditors' Opinion

To the management of FOL Movement

We have audited financial statements, revenue and budget expenses of FOL Movement in Prishtine, Kosovo for the period 25 June 2009 to 31 December 2009 and for the year ended 31 December 2010 expressed in EUR. These financial statements and supplementary financial data are the responsibility of the organization's management. Our responsibility is to express an opinion on the aforementioned financial information based on our audit.

We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the reporting forms are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the reporting forms. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the proper accounting and reporting of the data on the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial information present fairly, in all material respects, the financial position FOL Movement for the period 25 June 2009 to 31 December 2009 and for the year ended 31 December 2010, and the results of operations in accordance with contractual agreements signed with donors and relevant laws of Kosovo.

Lulzim Zeka
Statutory Auditor

BU & Partners
Prishtina



FOL Movement

Income Statement

For the period 25 June 2009 to 31 December 2009
and for the year ended 31 December 2010

		<i>December 31, 2010</i>	<i>June 25, 2009-December 31, 2009</i>
	<i>Note</i>		
Income			
Income from Donations	2	150,519	17,913
Total Income		150,519	17,913
Expenses			
Expenses			
Personnel		73,414	7,652
Program Specific Costs		39,273	2,796
Consultants		5,219	479
Travel		7,302	843
Supplies		2,188	850
Equipment		1,260	1,560
Website		1,362	666
Communication		2,974	600
Other Direct costs		17,527	2,466
Total Expenses		150,519	17,913
Net Surplus		-	-

FOL Movement
Balance Sheet
For the period 25 June 2009 to 31 December 2009
and for the year ended 31 December 2010

Assets	Note	<u>December 31, 2010</u>	<u>June 25, 2009-December 31, 2009</u>
Current assets			
Cash & cash equivalents	1	25,215	52,763
Advances		-	-
Total current assets		25,215	52,763
Noncurrent assets			
Office Equipment		-	-
Total noncurrent assets		-	-
Total Assets		25,215	52,763
Liabilities			
Short term liabilities			
Tax and Payroll Liabilities		1,141	469
Deferred Revenues	2	24,074	52,294
Total short term liabilities		25,215	52,763
Total Liabilities		25,215	52,763
Equity			
Opening Balance		-	-
Net surplus/deficit		-	-
Total Equity		-	-
Total Liabilities and Equity		25,215	52,763

FOL Movement
Cash Flow Statement
For the period 25 June 2009 to 31 December 2009
and for the year ended 31 December 2010

	<i>December 31, 2010</i>	<i>June 25, 2009-December 31, 2009</i>
	EUR	EUR
Cash flow from operating activities		
Net surplus/(deficit) for the year	-	-
<i>Changes in operating assets and liabilities</i>		
Depreciation	-	-
(Increase)/Decrease in receivables	-	-
(Increase)/Decrease in other advances	-	-
(Increase)/Decrease in prepayments	-	-
Increase/(Decrease) in payroll liabilities	672	469
Increase/(Decrease) in other liabilities	(28,219)	52,294
Net cash flow from operating activities	(27,547)	52,763
 Cash flow from investing activities		
Additions in fixed assets	-	-
Net cash flow from investing activities	-	-
 Net increase/(decrease)	(27,547)	52,763
 Cash and cash equivalents at the beginning of the year	52,763	-
 Cash and cash equivalent at the end of the year	25,215	52,763

NOTES TO THE FINANCIAL STATEMENTS

For the period 25 June 2009 to 31 December 2009

and for the year ended 31 December 2010

1. Introduction

FOL Movement is registered as a non-governmental and non-profit Organization under the Law No. 03/L-134 on Freedom of Associations in Non-Governmental Organizations, number 5112424-3 on 25 June 2009 with head office in Prishtina, and started to operate from 01 September 2009.

The organization is established to contribute in the transparency and accountability of the public institutions of Republic of Kosovo. To achieve these goals organization will undertake these activities:

- Debates and Trainings
- Conferences, seminars and round tables
- Publications and Research
- Avocation and technical support
- Monitoring of public institutions
- Mobilizing and networking

FOL Movement's donors for the year 2009 and 2010 are:

- Royal Norwegian Embassy
- National Endowment for Democracy
- The Balkan Trust for Democracy
- Kosovo Foundation for Open Society
- Kosovar Civil Society Foundation
- Institute of Sustainable Communities
- Ministry of Education, Science and Technology
- Balkan Policy Institute - IPOL

NOTES TO THE FINANCIAL STATEMENTS

For the period 25 June 2009 to 31 December 2009
and for the year ended 31 December 2010

2. Statement of Significant Accounting Policies

A) General Accounting Principle

For the purposes of financial recording, FOL Movement uses the combined accrual and cash method of accounting for reporting the receipt and disbursement of funds. Under this method of reporting of financial transactions, FOL Movement records most of its transactions on a cash basis of accounting.

The financial statements have been prepared in accordance with the Kosovo Accounting Standards under historical cost convention as modified by the revaluation of financial assets and liabilities.

B) Summary of Accounting Policies

Reporting Currency

The FOL Movement accounting records are maintained in EURO and all financial statements are prepared and presented in EURO

Deferred Revenues

Deferred Revenues are that revenues/donation for which the cash has been collected by the organization, but have not been yet spent. Consequently this liability occurs when FOL Movement payment in advance for a project to be implemented in future.

Taxation

FOL Movement is a NGO whose received donations in the reporting year have been implemented into humanitarian purposes. According to law L162 on Corporate Income Tax, international NGO's whose total income was used for their public benefit purposes are tax exempted.

Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

For the period 25 June 2009 to 31 December 2009
and for the year ended 31 December 2010

1. Cash and cash equivalents

	2010	2009
ProCredit main bank account	205	36,198
ProCredit sub bank account 1	4,872	4,638
ProCredit sub bank account 2	1,091	469
ProCredit sub bank account 3	-	10,757
ProCredit sub bank account 4	3,436	-
ProCredit sub bank account 5	8,615	-
TEB bank account 1	5,268	-
TEB bank account 2	1,068	-
Cash box	660	700
Total	25,215	52,763

2. Donations/Deferred revenues

Donor	Transferred in 2009	Expenses 2009	Deferred revenues for the next period	Transferred in 2010	Expenses 2010	Deferred revenues for the next period
Royal Norwegian Embassy	7,800	7,799	1	10,000	9,999	2
National Endowment for Democracy	10,068	4,930	5,138	29,123	28,633	5,628
The Balkan Trust for Democracy	15,339	4,382	10,957	-	10,957	-
Kosovo Foundation for Open Society	10,000	601	9,399	9,960	11,762	7,598
Kosovo Foundation for Open Society	10,000	201	9,799	9,280	18,000	1,079
Kosovo Foundation for Open Society	-	-	-	3,523	3,523	-
Institute for Sustainable Communities	-	-	-	47,933	41,932	6,001
Kosovar Civil Society Foundation	17,000	-	17,000	8,550	21,975	3,575
Ministry of Education	-	-	-	2,000	2,000	-
Balkan Policy Institute	-	-	-	1,800	1,740	60
Alphaville Pictures	-	-	-	130	-	130
Total	70,207	17,913	52,294	122,300	150,519	24,074

NOTES TO THE FINANCIAL STATEMENTS

For the period 25 June 2009 to 31 December 2009
and for the year ended 31 December 2010

Report of expenses according to the donor's budget

The Balkan Trust for Democracy	2010	2009	Total
Project Manager	1,424	944	2,367
Project Assistant	1,219	810	2,029
Accountant	1,219	810	2,029
Petrol	385	80	465
Car Rental	330	-	330
Space rental, refreshments, etc	1,053	393	1,446
Trainers fee	-	-	-
Office rent	937	167	1,103
Office supplies	875	146	1,021
Publications	1,444	-	1,444
Meetings, round tables, conference	943	367	1,311
Design	302	-	302
Develop & maintain the web site	-	666	666
Help Desk for access	621	-	621
Moderators for round tables	205	-	205
Total	10,957	4,382	15,339

Institute for Sustainable Communities - NAP	2010	2009	Total
Personnel	9,333	-	9,333
Additional personnel	3,555	-	3,555
Travel	721	-	721
Supplies	913	-	913
Equipment	-	-	-
Communications	909	-	909
Other Direct expenses	1,837	-	1,837
Program Specific Costs	6,264	-	6,264
Total	23,532	-	23,532

NOTES TO THE FINANCIAL STATEMENTS

For the period 25 June 2009 to 31 December 2009
and for the year ended 31 December 2010

Report of expenses according to the donor's budget

Royal Norwegian Embassy	2010	2009	Total
Coordinator Salary	-	1,000.00	1,000
Assistant Salary	-	800.00	800
Office Rent	-	700.00	700
Office Maintenance	-	813.53	814
Office Supplies	-	602.26	602
Computer	-	500.00	500
Printer	-	190.00	190
Inventory	-	499.67	500
Phone	-	600.00	600
Travel	-	598.15	598
Activities	-	1,495.87	1,496
			-
Administrative and operating expenses	1,804	-	1,804
Activity expenses	2,884	-	2,884
Contracted expenses	1,500	-	1,500
Communication	945	-	945
Expenses related to planning and development of FOL Movement	2,066	-	2,066
Coordinator Salary	800	-	800
Total	9,999	7,799	17,798

Kosovo Foundation for Open Society - Meter 1	2010	2009	Total
Project Coordinator	2,288	200	2,488
Analyst	4,400	-	4,400
Website Design	1,000	-	1,000
Website Promotion	362	-	362
Finance Manger	300	-	300
Laptop	590	-	590
Administrative expenses	859	1	860
Total	9,799	201	10,000

NOTES TO THE FINANCIAL STATEMENTS

For the period 25 June 2009 to 31 December 2009
and for the year ended 31 December 2010

Report of expenses according to the donor's budget

Kosovo Foundation for Open Society - Meter 2	2010	2009	Total
Project Manager	300	-	300
Monitoring	200	-	200
Website advertisement	-	-	-
Expenses for banner and video advert	-	-	-
Round table	-	-	-
Consultant in the drafting of reports (Zhbërja)	650	-	650
Researcher in the report (Zhbërja)	650	-	650
Analyst for De-Construction	-	-	-
Design and printing of the report Zhbërja	-	-	-
Administrative expenses	-	-	-
Total	1,800	-	1,800

Institute for Sustainable Communities - SIF	2010	2009	Total
Personnel	6,264	-	6,264
Additional personnel	5,257	-	5,257
Travel	351	-	351
Supplies	399	-	399
Equipment	-	-	-
Communications	865	-	865
Other Direct expenses	1,278	-	1,278
Program Specific Costs	3,986	-	3,986
Total	18,400	-	18,400

NOTES TO THE FINANCIAL STATEMENTS

For the period 25 June 2009 to 31 December 2009
and for the year ended 31 December 2010

Report of expenses according to the donor's budget

Balkan Policy Institute - IPOL	2010	2009	Total
Project Coordinator	900	-	900
Telecommunication	50	-	50
Travel	60	-	60
Round table	730	-	730
Total	1,740	-	1,740

Kosovar Civil Society Foundation	2010	2009	Total
Executive Director	1,750	-	1,750
Project Manager	3,000	-	3,000
Meetings	815	-	815
Monitoring official and analyst	3,600	-	3,600
Travel	1,169	-	1,169
Payment for TV transmitting	400	-	400
Posters	700	-	700
Brochure (Design and Printing)	1,100	-	1,100
Video Spot shooting and transmitting	1,485	-	1,485
Space rentals	751	-	751
Refreshments	460	-	460
Debate organization and moderation in the municipalities	600	-	600
Promotional materials for the project	225	-	225
Monitoring of daily newspapers	429	-	429
Legal Expert	3,600	-	3,600
Administration	1,890	-	1,890
Total	21,975	-	21,975

NOTES TO THE FINANCIAL STATEMENTS

For the period 25 June 2009 to 31 December 2009

and for the year ended 31 December 2010

Report of expenses according to the donor's budget

Kosovo Foundation for Open Society - Debate 3	2010	2009	Total
Project manager	250	-	250
Project coordinator – Mitrovica	-	-	-
Activities in Mitrovica	-	-	-
Project coordinator – Prizren	-	-	-
Activities in Prizren	-	-	-
Project coordinator – Malisheva	-	-	-
Activities in Malisheva	-	-	-
Debate trainers	300	-	300
Organizing of training for debaters and trainers for the format “Karl Popper”	-	-	-
National debate tournament	-	-	-
Administrative expenses	1	-	1
Travel Expenses	-	-	-
Telecommunication	15	-	15
Total	566	-	566

National Endowment for Democracy 1	2010	2009	Total
Executive director	2,717	797	3,514
Project manager	2,717	797	3,514
Project assistant	1,884	599	2,482
Financial manager	2,223	697	2,920
Office rent	1,591	641	2,232
Utilities	976	145	1,122
Desktop computer	35	250	285
Printer	35	120	155
Fuel	959	165	1,124
Car rental	658	-	658
Accommodation	184	-	184
Airplane ticket Podgorica-Pristina	117	-	117
Legal consultant	399	214	613
Trainer	-	265	265
Researchers	1,919	-	1,919
TV advertisement production	324	-	324
Montenegro expert	169	-	169
Interpreters	170	-	170
Space rental	1,067	-	1,067
Translation fee and equipment	-	-	-
Materials and refreshments	738	240	978
Conference Space Rental	600	-	600
Conference Sound Equipment	230	-	230
Printing expenses	3,348	-	3,348
Total	23,061	4,930	27,991

NOTES TO THE FINANCIAL STATEMENTS

For the period 25 June 2009 to 31 December 2009
and for the year ended 31 December 2010

Report of expenses according to the donor's budget

National Endowment for Democracy 2	2010	2009	Total
Executive director	845	-	845
Project manager	1,057	-	1,057
Financial manager	815	-	815
Project assistant	634	-	634
Office rent	600	-	600
Utilities	261	-	261
Travel, staff	145	-	145
Transportation, participants	-	-	-
Legal consultant	845	-	845
Trainer	-	-	-
Manual designer	-	-	-
Space rental	65	-	65
Conference banner	-	-	-
Space Rental for Round Table	-	-	-
Sound equipment rental	-	-	-
Conference package	-	-	-
Manual	33	-	33
Report	270	-	270
Total	5,572	-	5,572

Kosovo Foundation for Open Society - Debate 1	2010	2009	Total
Project Coordinator	800	200	1,000
Project Coordinator - Peja	750	-	750
Project Coordinator - Ferizaj	750	-	750
Project Coordinator - Prishtina	750	-	750
Training organizing for debate trainers for Karl Popper debate	878	300	1,178
Training organizing for debaters for Karl Popper debate	2,208	-	2,208
Organizing of debate tournament "Prishtina Open"	1,608	-	1,608
Office and administrative expenses	1,651	101	1,751
Total	9,396	601	9,996

NOTES TO THE FINANCIAL STATEMENTS

For the period 25 June 2009 to 31 December 2009
and for the year ended 31 December 2010

Report of expenses according to the donor's budget

Kosovo Foundation for Open Society - Debate 2	2010	2009	Total
Project manager	1,800	-	1,800
Coordinator of the debate - Peje	600	-	600
Support for activities of Debate Club in Peja	300	-	300
Coordinator of the debate - Ferizaj	600	-	600
Support for activities of Debate Club in Ferizaj	300	-	300
Coordinator of the debate - Prishtine	600	-	600
Support for activities of Debate Club in Prishtine	300	-	300
Travel expenses	223	-	223
Communication	190	-	190
National debate tournament	713	-	713
Debate trainers	1,800	-	1,800
Training of Debate Judges	166	-	166
Administrative expenses	609	-	609
Total	8,201	-	8,201

Kosovo Foundation for Open Society - Summer school	2010	2009	Total
Program trainers fee	2,000	-	2,000
Tax for the trainers fee	323	-	323
Payment for preparing the training	600	-	600
Projector for the office	600	-	600
Total	3,523	-	3,523

Ministry of Education, Science and Technology	2010	2009	Total
Travel expenses for participation in the Youth Forum	2,000	-	2,000
Total	2,000	-	2,000