

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

FOL MOVEMENT / LËVIZJA FOL

For the year ended 31 December 2012

**Prishtine
April 2013**



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Independent Auditors' Report

12 April 2013

To: The management of FOL Movement

We have audited the accompanying financial statements of FOL Movement in Prishtine, Kosovo ('organization'), for the year ended 31 December 2012 and a summary of significant accounting policies and other explanatory information. Financial statements have been prepared by management of FOL Movement based on the financial reporting requirements of the donor and relevant laws in Kosovo.

Management's Responsibility for the financial report

Management is responsible for the preparation of financial statements in accordance with the financial reporting requirements, and for such internal control as management determines is necessary to enable the preparation of financial report that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is 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 considers internal control relevant to the entity's preparation of the financial report 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 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, the financial statements of FOL Movement, for the year ended 31 December 2012 are prepared, in all material respects, in accordance with the financial reporting requirement of donor and relevant laws in Kosovo.

Lulzim Zeka

Statutory Auditor



BAKER TILLY
KOSOVO
Prishtine

Baker Tilly Kosovo

FOL Movement

Income Statement

For the year ended 31 December 2012

	<i>Note</i>	<u><u>December 31, 2012</u></u>	<u><u>December 31, 2011</u></u>
Income			
Income for the period	4	202,543	220,782
Total Income		<u><u>202,543</u></u>	<u><u>220,782</u></u>
Expenses			
Personnel		69,650	87,370
Program Specific Costs		82,479	77,776
Consultants		6,732	12,981
Travel		7,703	4,184
Supplies		4,819	4,398
Equipment		3,001	6,646
Website		3,389	3,835
Communication		4,305	4,457
Other Direct costs		20,466	19,136
Total Expenses		<u><u>202,543</u></u>	<u><u>220,782</u></u>
Net Surplus		<u><u>-</u></u>	<u><u>-</u></u>

**FOL Movement
Balance Sheet**
For the year ended 31 December 2012

Assets	<i>Note</i>	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Current assets			
Cash & cash equivalents	3	30,827	52,190
Advances		-	-
Total current assets		30,827	52,190
Noncurrent assets			
Office Equipment		-	-
Total noncurrent assets		-	-
Total Assets		30,827	52,190
Liabilities			
Short term liabilities			
Accounts payable		238	1,546
Tax and Payroll Liabilities		1,760	2,269
Deferred Revenues	4	28,730	48,376
Other liabilities		99	-
Total short term liabilities		30,827	52,190
Total Liabilities		30,827	52,190
Equity			
Opening Balance		-	-
Net surplus/deficit		-	-
Total Equity		-	-
Total Liabilities and Equity		30,827	52,190

FOL Movement
Cash Flow Statement
For the year ended 31 December 2012

	2012	2011
	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	(1,718)	1,128
Increase/(Decrease) in other liabilities	(19,645)	25,848
Net cash flow from operating activities	(21,363)	26,975
 Cash flow from investing activities		
Additions in fixed assets	-	-
Net cash flow from investing activities	-	-
 Net increase/(decrease)	(21,363)	26,975
 Cash and cash equivalents at the beginning of the year	52,190	25,215
 Cash and cash equivalent at the end of the year	30,827	52,190

FOL MOVEMENT NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

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 2012 are:

- National Endowment for Democracy
- The Charles Stewart Mott Foundation
- Civil Rights Defenders
- The Balkan Trust For Democracy (German Marshal Fund)
- Kosovo Foundation for Open Society
- Swiss Cooperation Office Kosovo / Kosovar Civil Society Foundation - DSP
- Foreign and Common Wealth Office – British Embassy
- Open Society Institute / Foundation

FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012

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.

FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

3. Cash and cash equivalents

Procredit Bank	2012	2011
1110310629000107	72	17,708
1110310629010195	46	1,854
1110310629020186	27,826	2,170
1110310629030177	1,848	26
1110310629040168	708	49
1110310629050159	141	7
1110310629060150	6	4,709
1110310629070141	-	105
1110310629080132	44	25,562
Teb Bank		
2011000019500241	-	-
2011000024030044	-	-
Cash box	136	-
Total	30,827	52,190

4. Donations/Deferred revenues

Donor	Deferred revenues in 2011	Transferred in 2012	Return of unspent funds	Expenses 2012	Deferred revenues for the next period
National Endowment for Democracy	7,641	15,723	3,456	19,907	-
The Balkan Trust for Democracy Kosovo Foundation for Open Society	4,117	30,028	-	15,210	18,935
ISC	3,153	32,241	-	35,432	(38)
Kosovar Civil Society Foundation	(10)	-	-	-	(10)
Foreign and Common Wealth Office - British Embassy	-	40,000	-	36,696	3,304
FOL	23,510	-	-	23,510	-
Civil Rights Defenders	646	2,528	-	2,272	730
Stiftung open society institute	-	26,000	-	26,000	-
The Charles Stewart Mott Foundation	(8,663)	16,031	-	15,466	(8,098)
	17,983	23,804	-	28,051	13,736
Total	48,376	186,354	3,456	202,543	28,730

FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

Report of expenses for the projects implemented in 2012

CHARLES STEWART MOTT FOUNDATION	Expenses 2012
Project Manager	5,273
Program Coordinator	1,068
Financial officer	1,282
Lap-top	1,068
Rent	6,187
Telephone/fax	512
Office Supplies	734
Heating costs	641
Office maintenance	854
Internet connection	-
Volunteer/Municipal Coordinator x3	5,986
Transportation for summer camps	736
Accommodation for summer camps	1,442
Travel for project purposes	1,214
Round tables, 3 per municipality	985
Closing conference of project	-
Printing costs	48
TOTALS	28,028

NATIONAL ENDOWMENT FOR DEMOCRACY	Expenses 2012
Program coordinator	469
Project manager	3,788
Project assistant	1,548
Analyst	3,000
Payroll taxes and pension benefits	567
Office rent, 6 mos. @ \$500	1,560
Office maintenance, 9 mos. @ \$50	264
Office utilities, 4 mos. @ \$150	584
Office supplies	1,365
Laptop computer	412
Cell phone @ \$100/mo x 12 mos.	815
Internet and e-mail	211
Staff domestic travel, 12 mos. @ \$100	898
Translation, 2 languages x 15 reports @ \$100	799
WEB SITE	1,750
TV program production and broadcasting	323
Space rental and refreshments, 2 roundtables @ \$500	789
Refreshments, press conferences	150
Reports, 2 x 200 copies	416
Banners, 2 @ \$150	121
Bank fees	78
TOTALS	19,907

FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

Report of expenses for the projects implemented in 2012

BALKAN TRUST FOR DEMOCRACY	Expenses 2012
Executive Director	520
Project Coordinator	742
Project Assistant	594
Accountant	520
Vehicles Costs	113
Auditing Costs	428
Local Coordinator (3 Municipalities x #3 coordinators)	900
Expert on Research for developing of the Index of Transparency	300
TOTALS	4,117

OPEN SOCIETY INSTITUTE	Expenses 2012
Program Coordinator	1,295
Project Assistant	555
Lap-top	-
Rent	808
Office Supplies	170
Service and Maintenance	-
Monitoring officer Education	220
Monitoring officer Health	220
Round tables	1,173
Printing	986
Meetings	127
Web site	1,167
Lawyer	643
TOTALS	7,367

KOSOVO FOUNDATION FOR OPEN SOCIETY	Expenses 2012
Menaxheri i Projektit	1,800
Menaxher Financiar	750
Analist	400
Mbushje të telefonit	80
Qiraja për zyrë	519
Kosto e Auditimit	450
Monitorues	1,200
Hulumtues	2,400
Printimi i Analizës	200
Përkthimi i analizës në gjuhën angleze	200
TOTALS	7,999

FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012

Report of expenses for the projects implemented in 2012

KOSOVAR CIVIL SOCIETY FOUNDATION - DSP	Expenses 2012
Drejtori Ekzekutiv	3,000
Menaxheri i Programeve	3,000
Menaxheri i Financave	3,000
Menaxheri i Projektit	4,200
Asistent I Projektit	2,400
Koordinator i Programi	2,250
Monitorues I Standardeve te transparences	3,600
Monitorues i Prokurimit	3,600
Monitorues i Prokurimit	3,600
Organizmi i Punetorise me KRPP, OSHP dhe Zyrate e prokurimit(Hapsira, Ushqim dhe Pije, Kompenzimet)	303
Shpenzime te udhetimeve	1,396
Shpenzime te takimeve	828
Shpenzime te qerasese zyres	3,307
Furnizime per zyre	493
Shpenzime te Komunikimit	1,245
Shërbimet komunale	472
Sherbimet e Internetit	1
TOTALS	36,696

CIVIL RIGHTS DEFENDERS	Expenses 2012
1.1 Executive Director	1,500
1.1 Program Manager	5,500
1.2 Project Coordinator	4,400
5.1 Procurement Monitor	4,400
5.2 Courts Monitor	4,400
5.3. Research Analyst	4,400
5.4. Training	389
5.5 Meeting with stakeholders	123
5.6 Round tables	250
5.7 Printing quarterly "Procurement Monitor" reports	168
5.8 Printing 2 research paper	70
5.10 Translation of the reports from Albanian to Serbian	100
7.1 Finance Audit	300
TOTALS	26,000

FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

Report of expenses for the projects implemented in 2012

FOREIGN AND COMMON WEALTH OFFICE	Expenses 2012
Project Manager	2,309
Project Assistant	717
Executive Director	374
Finance Manager	326
Tax fee @ 5% contributions from the employee	168
Analyst: corruption monitoring	2,214
Analyst: anti corruption strategy	2,214
Tax fee @ 5% contributions from the employee ADD	158
Round tables moderators	223
Travel	450
Office Supplies	939
Scratch cards for phone	630
Internet / E-mail	196
Postage	5
Bank fees	27
Office Rent	1,013
Maintenance	180
Heating	509
TV Talk Shows	1,822
Design	114
Round tables	134
PRESS ROOM (MAINTENANCE)	3,380
Web site maintaining	630
Press conferences	34
Meetings with journalists	172
Printing quarterly "Corruption Monitor" reports	1,109
Translation of the reports from Albanian to English	1,732
Translation of the reports from Albanian to Serbian	1,732
TOTALS	23,510

KOSOVO FOUNDATION FOR OPEN SOCIETY	Expenses 2012
Koordinatori i programit të shkollës	500
Kontributet Pensionale dhe taxat 1	87
Honorari për trajner	3,200
Honorari për hartimin e kurrikulit të shkollës	500
Kontributet Pensionale dhe taxat	589
Shpenzime Administrative për zyrë	666
Materiale për Pjesëmarrës	496
Trainim për Trainer	-
Shpenzime të Udhetimit	203
TOTALS	6,240

FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012

Report of expenses for the projects implemented in 2012

BALKAN TRUST FOR DEMOCRACY	Expenses 2012
Executive Director	1,400
Project Coordinator	2,000
Project Assistant	1,200
Accountant	1,200
Vehicles Costs	800
Seven Focus groups at the local level on findings of all the three reports (Includes: development of the manual, food, local coordinator, space rental and trainers fee)	207
Office rent	624
Office supplies	24
Utilities	99
Scratch cards for phone	120
Expert on Research for developing of the Index of Transparency	240
Policy Analyst	2,000
Expert for the technical assistance in drafting policy guidelines	720
Consultant on the organizing the 'responsiveness test' campaign	240
Consultant on drafting and publishing the policy analysis (including the mapping section) on public information and communication	240
TOTALS	11,114

OSI	Expenses 2012
Project Coordinator	926
Executive Director	463
Finance Manager	463
Project Assistant	617
Rent	-
Telephone/Fax	-
Service and Maintenance (Utilities)	303
Procurement Consultant	-
Monitoring Officer of Ministry of Internal Affairs (12 Months x 550 \$)	849
Monitoring Officer of Ministry of Agriculture, Forestry and Rural Development (12 Months x 550 \$)	849
Monitoring Officer of Ministry of Local Government Administration (12 Months x 550 \$)	849
Meetings (12 Months x 70\$)	143
Round Table	250
Strategic Planning	2,386
TOTALS	8,099

FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012

Report of expenses for the projects implemented in 2012

KOSOVO FOUNDATION FOR OPEN SOCIETY

Expenses 2012

Paga e Menaxherit të Projektit	1,400
Paga e Asistent Menaxherit	800
Konsulent i strategjise se debatit	800
Shpenzime Administrative per zyre	659
Mbështetje financiare për klubet e debatit	747
Organizimin e trajnimeve për formatin e debatit Karl	
Popper për anëtarët e rinjë të programit të debatit	364
Organizimi i një turnament komunal	2,752
Shpenzime te Udhëimit	394
Shpenzime te Takimeve	284
TOTALS	8,201

LEVIZJA FOL

Expenses 2012

Program Specific Costs	2,082
Supplies	45
Other Direct Costs	138
Travel	7
TOTALS	2,272

KOSOVO FOUNDATION FOR OPEN SOCIETY

Expenses 2012

Dy konsulent (Redaktor dhe Analist) për publikimin e njw raporti për mbledhës të dhjet deklarativ kryesore të bura nga autoritetet publike të Kosovës	1,000
Ri dizajnim i web sajtit foletverteten.org	99
Hulumtues në raportin (Zhbërja)	1,200
Shtypja dhe dizajni të raporteve	425
Shpenzime administrative për organizatën	467
TOTALS	3,191

FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012

Report of expenses for the projects implemented in 2012

KOSOVO FOUNDATION FOR OPEN SOCIETY	Expenses 2012
Paga e Menaxherit të Projektit (350€ @ 6 muaj)	2,100
Paga e Asistent Menaxherit (200 @ 6 muaj)	1,200
Mbështetje financiare për klubet e debatit (katër klube @ 250€)	1,000
Pagesa e ushqimit për turneun Kosova Open 2012	679
Pagesa e udhëtimit për turneun Kosova Open 2012	783
Pagesa e gjykatësve për turneun Kosova Open 2012	2,455
Printim	513
Shpenzime Administrative	1,072
TOTALS	9,801