



Ministry of Education and Higher Education
General Accounting
General Accounting
General Accounting
General Accounting
Phone: +967 11 217 1000
Fax: +967 11 217 1000

ADVOCACY TRAINING AND RESOURCE CENTER
Financial Statements
Period ended 31 December 2004
With Independent Auditors Report Thereon

March 1, 2005

Mr. ABC, Director
Mr. ABC, Director
Mr. ABC, Director

We have audited the financial statements and supplementary financial notes of Advocacy Training and Resource Center (ATRC), expressed in O.R., for the period January - December 31, 2004. These financial statements and supplementary financial notes are the responsibility of the center's management. Our responsibility is to express an opinion on the accuracy of the financial information based on our audit.

We conducted our audit in accordance with International Standards on Auditing (ISAs). These standards require us to plan and perform the audit to obtain reasonable assurance as to whether the reported items are free of material misstatement. An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. An audit also involves assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation and reporting of the data in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In accordance with International Standard on Auditing (ISA) 1 on independent auditors, the financial statements of ATRC were audited by us on December 31, 2004. The results of our audit are expressed in the attached Statement of Auditing and Financial Statements (Appendix).





Bashkim Uka
Licensed Auditor
Radovan Zogovic # 8
Qytetza Pejton,
Pristine
Kosovo- UNMIK
Phone: + 377 44 222 562
Central Fax: + 381 38 249 043

March 7, 2005

Attn: ATRC Board of Directors
Rr. Agim Ramadani, 15 (2nd Floor)
Prishtina - Kosova

We have audited the financial statements and supplementary financial data of Advocacy Training and Resource Center (ATRC) expressed in EUR, for the period January – December 31, 2004. These financial statements and supplementary financial data are the responsibility of the project'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 of ATRC as of December 31, and the results of operations in accordance with International Standards of Accounting and Kosovo Standards of Accounting.

Bashkim Uka
Licensed Auditor



For the period ending
August - December 31, 2004

Balance Sheet

Assets		Notes		Liabilities		Notes	
			EUR				EUR
Cash	1	42,445.47		Accounts Payable			
Accounts Receivable				Grants Payable			
Notes receivable				Deferred Revenue			
Inventory				Mortgages and other Notes payable			
Investments				Other liabilities			
Securities				Total Liabilities:			
Other							
Land, buildings, and equipment	2	31,450.36		Fund Balance:			
Other assets	3	240.01					
				Fund balance as of 1 January 2004	4	46,197.77	
				Excess (from income statement)		27,938.07	
				Total Balance:		74,135.84	
Total Assets:		74,135.84		Total Liabilities and Fund Balance:		74,135.84	

Income Statement

		EUR			EUR
Revenue	Notes		Expenses	Notes	
Contributions, gifts or grants	5	208,462.84	Program services	7	140,949.57
Fees and revenues from activities	6	8,073.30	Management and Administration		47,648.50
Dues			Other Expenses		
Dividends and interest					
Rents					
Other investment income			Total Expenses:		188,598.07
Sale of assets					
(less cost of sales)			Net Income from Operations:		27,938.07
Special event revenue					
Gross sales of inventory					
(less cost of goods sold)					
Other revenue			Taxes		
Total Revenue:		216,536.14	Net Income:		27,938.07

INTRODUCTION

1. Background

Advocacy Training and Resource Center (ATRC) is registered as a non-governmental organization under the UNMIK Regulation 1999/22, number 5200095-5 since 11 June 2000.

2. Specific Activities and Field Examination

ATRC is an advocacy center that promotes issues confronting Kosovo's development. ATRC works in the field of freedom of information. ATRC administers specialized trainings to increase the capacity of NGOs and civil society to influence governing structures through democratic means. ATRC publishes advocacy-related periodicals, organizes meetings with government on pertinent issues. ATRC generates income from its resource center that is composed of training hall, training equipment and a library. ATRC is a member organization of several local and international networks.

ATRC is supported by the United States Agency for International Development, East West Management Institute and Foundation for Democratic Initiatives.

3. List of Documents Confirmed and Audited

- Internal Regulation
- Financial Statements
- Vouchers for the period January – December 2004
- Inventory and Asset List
- Bank Statements 2004
- Tax Files
- Rental Agreement
- Reports 03
- Employee Follow Up
- Income Tax/ Pension Fund
- Personnel Files
- Reports from the Seminars and Workshops
- ATRC Contracts for:
 - i. Presenters
 - ii. Translators

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

For the purposes of financial recording, ATRC uses modified cash method of accounting for reporting the receipt and disbursement of ATRC funds. Under this method of reporting of financial transactions, ATRC records the actual receipts and disbursements occurring in a given period. Departing from cash method, ATRC does not records purchase of fixed assets as expense but it depreciates fixed assets.

(b) Summary of Accounting Policies

The financial statements are presented in EUR, the functional currency within the Territory of Kosovo.

Receivables

Advances to employees, when permitted by donors are recorded in the Balance Sheet at amounts due. Claims from the insurance companies for the stolen equipment are shown at net value of assets.

Land, Building and equipment

Tangible fixed assets are shown at historical cost or valuation. Tangible assets are depreciated on the straight-line method over their estimated useful lives. The average estimated useful lives of assets are 5 years. Estimated useful life of the project's vehicle is 6 years.

Cash and cash equivalents

Cash and cash equivalent comprises cash balances and call deposits.

Revenue

Revenue from renting out the resource center, training equipment and other related services are recognized in the income statement over the course of the activity. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the organization and the amount of the revenue can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Page
1 Cash and cash equivalents	1
2 Land, building and equipment	2
3 Other assets	3
4 Funds balance	4
5 Contributions, gifts or grants	5
6 Fees and revenues from activities	6
7 Program Services	7

1. Cash and cash equivalents consist of cash on hand and deposits with financial institutions. Cash equivalents are short-term investments with a maturity of three months or less at the time of purchase.

2. Land, building and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

3. Other assets include prepaid expenses and other receivables. Prepaid expenses are reported at the amount paid. Other receivables are reported at the amount due to the organization.

4. Funds balance represents the amount of resources available for the organization's operations. Funds balance is reported in accordance with the requirements of the Uniform Accounting System for Non-Profit Organizations.

5. Contributions, gifts or grants are reported at the fair value of the assets received. Contributions are reported as revenue when received.

6. Fees and revenues from activities are reported at the amount received. Revenues are reported as revenue when earned.

ATRC - 04

	In EUR
1. Cash and cash equivalents	
ATRC KNAP Petty Cash	163.18
ATRC Program Income Bank Account	4,658.84
ATRC KNAP Bank Account	21,519.61
ATRC Program Income Petty Cash	130.00
Bank Account for other programs	15,973.75
Petty Cash - CARE	0.09
	<u>42,445.47</u>
<p>Cash and cash equivalents comprise cash balances of the Bank Accounts and Cash Boxes.</p> <p>ATRC has three bank accounts in Procredit Bank in Prishtina. ATRC keeps receipts from KNAP in separate bank account to that of self-generated revenues from resource center and rendering of training services.</p> <p>As requested by donors, funds from donor grants, CIDA and CARE, for the activities prior to separation from KNAP are kept in separate bank account.</p>	
2. Land, Building and Equipment	
	Accumulated depreciation at December 04
Computer equipment	2,491.10 5,974.53
Office equipment	4,407.49 5,977.98
Vehicle	11,199.56 19,497.85
	<u>18,098.15 31,450.36</u>
3. Other assets	
Prepayment	240.01
	<u>240.01</u>
<p>Approved by the donor, ATRC at the end of the period prepaid an employee in the amount of EUR 240.01</p>	
4. Fund balance as of January 2004	
KNAP Fund balance as of January 2004	45,625.57
Other Programs Fund balance as of January 2004	572.2
	<u>46,197.77</u>
5. Contributions, gifts or grants	
Disbursement by KNAP during the period	180,123.54
Article 19 (FOI)	17,338.50
OSCE	3,000.80
SDC	8,000.00
	<u>208,462.84</u>
6. Fees and revenues from activities	
Training Hall, training services and lease of equipment fees	8,073.30
	<u>8,073.30</u>
7. Program services	
KNAP Program services	121,923.72
Other Program services	12,937.66
	<u>134,861.38</u>