

Organization for democracy, anticorruption and dignity- Cohu

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FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2009

12 March 2010

To the management of Cohu

We have audited financial statements, revenue and budget expenses of Organization for democracy, anticorruption and dignity Cohu in Prishtine, Kosovo for the year ended 31 December 2009 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 (ISAs). These 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 presented fairly, in all material respects, the financial position of the Organization as at 31 December 2009, and the results of operations for the year then ended in accordance with the financial agreements signed with donors and relevant laws of Kosovo.

**Prishtine
March, 2010**

Agren Mustafa
Licensed Auditor

Prishtine



Agron Mustafa
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Independent Auditors' Opinion

12 March 2010

To the management of Cohu

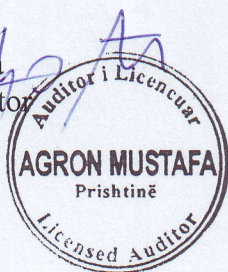
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Agron Mustafa
Licensed Auditor

Prishtina



Organization for democracy, anticorruption and dignity- Cohu

BALANCE SHEET
As at 31 December 2008

Assets

Cash	28.947,61
Account Receivable	
Note Receivable	
Inventory	
Investments	
Securities	
Land, buildings and equipment	6.432,69

35.380.30

Total assets

Liabilities and Funds Balance

Accounts Payable	
Grants Payable	
Deferred Income	16.911.47
Mortgages and other notes payable	
Other Liabilities	

Total liabilities 16.911.47

Fund Balance

Fund Balance as of

01.01.2009	18.468,83
Excess(from Income statement)	0

Total Balance 18,468.83

Total liabilities and funds balance 35.380.30

Organization for democracy, anticorruption and dignity- Cohu

INCOME STATEMENT

For the period ended 31 December 2009

Revenue

Contribution, gifts, or grants	71.521,20
Fees and revenues from economic activities	
Dues	
Dividends and interest	
Rents	
Other Investment income	
Sale of assets(less costs of sale)	
Special Event Revenue	
Gross sales of inventory(less cost of goods sold)	
Other revenue	

Total Revenue 71.521.20

Program Services	57.216.96
Management and Administration	10.728.18
Other expenses	3.576.06

Total Expenses 71.521.20

Net Income from Operations 0

Taxes

Net Income 0

Organization for democracy, anticorruption and dignity- Cohu

1. Introduction

Organization for democracy, anticorruption and dignity-Cohu is registered as a non-governmental and non-profit Organization under the UNMIK regulation 1999/22, number 5200131-5 with head office in Prishtina.

2. Specific objectives of the organization

- Raising awareness for anti-corruption through media campaign
- Improvement of implementation of the law on access in official documents in Kosovo
- Strengthening of cooperation with Anti-corruption Agency
- Capacity building of the Organization and strengthening of anti corruption coalition

3. Confirmation of costs

The costs have been accounted for and documented sufficiently according to donor requirements and applicable regulations of Kosovo.

The account of the Organizations are kept following the accounts principle; taxes and other incurring payment obligations have been calculated along with payments and are included in the above figure, regardless of whether payment has taken place within the time interval specified above. All such calculations have been made whenever required by local legislation.

Organization for democracy, anticorruption and dignity- Cohu

Taxation

Organization for democracy, anticorruption and dignity- Cohu is a NGO with public benefit status and all received donations in the reporting year have been implemented into non-profit purposes. According to German Taxation laws, the Organization is exempt from income tax. The Organization's status as a public benefit organization is confirmed by the Federal Tax Authority. The Organization's status as a public benefit organization is confirmed by the Federal Tax Authority.

2. Statement of Significant Accounting Policies

A) General Accounting Principle

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

B) Summary of Accounting Policies

Foreign Currency Transactions

Reimbursements to the NGO are made in Euros. All financial reports issued by Cohu are expressed in Euros.

Deferred Income

Deferred Income is that income/donation for which the cash has been collected by the organization, but have been yet spent. Consequently this liability occurs when the Organization receives payment in advance for a project to be implemented in future.

Program Expenses

Activities related to specific projects have been specified as program expenses in the income statement.

Organization for democracy, anticorruption and dignity- Cohu

Notes to the Financial Statements

Taxation

Organization for democracy, anticorruption and dignity – Cohu is a NGO with public benefit status and all received donations in the reporting year have been implemented into humanitarian purposes. According to “UNMIK Regulation No.2004/51 on Corporate Income Tax”, NGO’s with public status whose total income was used for their public benefit purposes will have a 0 rate of taxable profit.

The Organization funds are disbursed in the bank accounts in Pristina and they follow the policy that each donor has separate bank account.

2.Land, Building and Equipment

Fixed assets	Cars	Equipment	Furniture	Total
Acquisition 2008	8,015.36	938.81	430.33	9,384.49
Depreciation 2008	1,302.32	188.00	88.08	1,578.40
Depreciation 2009	1,302.32	188.00	88.08	1,578.40
Net book value 2009	5,610.72	562.81	254.22	6,427.75

The value of fixed assets at the end of period was 6,427.75. It is the policy of the organization to charge depreciation for fixed assets at the rate of 10% straight line method for cars and 20% for equipment and furniture.

3.Deferred Income

	in Euro
	As at 31.12.2009
Deferred income	10,811.47

Deferred income relates to the amount of net fixed assets and funds which were received by the Organization for specific projects but were not spent yet.

Organization for democracy, anticorruption and dignity- Cohu

Notes to the Financial Statements

1. Cash

In Euro
As at 31.12.2009

Cash box -Prishtina office	2,740.73
Cash at bank	<u>26.206,88</u>
Total of the Cash Accounts	28.947,61

The Organization funds are disbursed in the bank account in Prishtina and they follow the policy that each donor has separate bank account.

2. Land, Building and Equipment

Fixed assets	Cars	El.equip.IT	Furniture	Total
Acquisitions 2008	8,015.50	939.61	430.38	9,385.49
Depreciation 2008	1,202.32	188.00	86.08	1,476.40
Depreciation 2009	1.202.32	188.00	86.08	1.476.40
Net book value 2009	5.610.86	563.61	258.22	6.432,69

The value of fixed assets at the end of period was 7,909.09. It is the policy of the organization to charge depreciation for fixed assets at the rate of 15% straight line method for cars and 20% for equipment and furniture.

3. Deferred Income

In Euro
As at 31.12.2009

Deferred Income	<u>16.911.47</u>
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Deferred Income relates to the amount of net fixed assets and funds which were received by the Organization for specific projects but were not spent yet.

4. Contribution , Gifts and Grants

OSI	30.538.58
NED	6.324.67
KFOS-EIJ&FC	10.000,00
SHC	34.530,00
KFOS-KCIJ	5.000,00

Total:	86.393,25
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The income from donations and contributions represents only income recognized as revenue on the statement. The balance of 16.991,47 is recoded as deferred income.

5. Expenses by project -for the period ending 31.12.2009

NED	EURO
Other Direct Costs	27,00

Total Expenditures	27,00
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KFOS-EIJ&FC	
Salaries	6.874.16
Tax Collection	678.78
Pension Contribution	209.62
Bank charges	17.00
Rent	1.500,00
Conference	190,00
Hall rent	150,00
Communication	<u>45,00</u>
 Total expenditures	 9.664.56

OSI	EURO
Salaries	17.156,28
Tax	2.685.46
Pension Contribution	1.484,20
Bank charges	184.81
Office supplies	44,00
Hall rent	125,00
Camp.exp.	205,30
Fuel	170,00
Daily news	124,00
Newsletter	1 00,00
Printing	1.200,00
Refreshment	11,10
Audit	960,00
Total expenditures	28.476,43

SHC	EURO
Salaries	16.570,90
Tax collection	1.536,27
Pension Contribution	1.682,88
Rent	4.500,00
Audit	800.00
Bank Charge	124.06
Cominication	1,133.00
Office supplies	267.74
Utilities	258.35
Postage	49.70
Maintenance	265.00
Fuel	225.55
Heater cervices	28.00
Water	36.00
Taravel	2.60
Drinks	51.10
Hall	50.00
Translation	120.00
Shpenzimet:	27,701.15
Return -donator.	227.4
Total expenditures	27,928.56

KFOS-KCIJ**EURO**

Salaries	2,550.81
Tax collection	72.59
Pension contribution	197.96
Bank charge	7.00
Rent	1,635.00
Office supplies	91.30
Travel per diem	648.00
Communication	30.00
Trainer	192.00
Total expenditures	5,424.66