



Organization for Democracy, Anticorruption and Dignity
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Organization for democracy, anticorruption and dignity - Çohu

**FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT
PRISHTINA, KOSOVA**

For the year ended 31 December 2007

Prishtine
March 2008



Bashkim Uka
Licensed Auditor
Bulevardi i deshmoreve 3-22B-3
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Independent Auditors' Opinion

28 March 2008

To the management of Çohu

We have audited financial statements, revenue and budget expenses of Organization for democracy, anticorruption and dignity – Çohu in Prishtina, Kosova for the year ended 31 December 2007 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 of the Organization as at 31 December 2007, and the results of operations for the year then ended in accordance with contractual agreements signed with donors and relevant laws of Kosovo.

Bashkim Uka
Licensed Auditor



Organization for Democracy, Anticorruption and Dignity - Çohu

Balance Sheet
As at 31 December 2007

<u>As at 31 December</u>	2007	Notes
Assets		
Cash	33,335.65	1
Accounts Receivable		
Note Receivable		
Inventory		
Investments		
Securities		
Land, buildings, and equipment	9,385.50	2
Total assets	<u>42,721.15</u>	
Liabilities and Funds Balance		
Accounts Payable	691.20	6
Grants Payable		
Deferred Income	22,084.72	3
Mortgages and other notes payable		
Other Liabilities		
Total liabilities	<u>22,775.92</u>	
Fund Balance		
Fund Balance as of		
01.01.2007	19,945.23	
Excess (from Income statement)	0.00	
Total Balance	<u>19,945.23</u>	
Total liabilities and funds balance	<u>42,721.15</u>	

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Income Statement

For the period ended 31 December 2007

For the period ended 31 December	2007	Notes
Revenue		
Contribution, gifts, or grants	88,346.98	4
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	88,346.98	
Program Services	69,480.21	5
Management and Administration	14,936.14	5
Other expenses	3,930.63	5
Total Expenses	88,346.98	
Net Income from Operations		
Taxes	0	
Net Income	0	

1. Introduction

Organization for democracy, anticorruption and dignity - Çohu 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 accounts of the Organization are kept following the accounts principle; that is, 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.

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 reporting the receipt and disbursement of funds. Under this method of reporting of financial transactions, the Organization records 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 Çohu are expressed in Euros.

Deferred Income

Deferred Income is that income/donation for which the cash has been collected by the organization, but have not 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.

Taxation

Organization for democracy, anticorruption and dignity – Çohu 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.

Organization for Democracy, Anticorruption and Dignity – Çohu

Notes to the Financial Statements

1. Cash

In Euro
As at 31.12. 2007

Cash at Bank	32,808.65
Cash box – Prishtina office	527
Total of the Cash Accounts	<u>33,335.65</u>

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, Buildings and Equipment

Fixed assets	Cars	Electronic equipment, IT	Furniture	Total
Acquisitions 2007	9,430.00	1,625.89	690.00	11,745.89
Depreciation 2007	1,414.50	686.28	259.62	2,360.39
Net book value 2007	8,015.50	939.61	430.38	9,385.50

The value of fixed assets at the end of period was 9,385.50. 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. 2007

Deferred Income	<u>22,084.72</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.

Organization for Democracy, Anticorruption and Dignity – Çohu

Notes to the Financial Statements

4. Contribution, Gifts and Grants

	In Euro For the period ending 31.12. 2007
Income from projects	
FDI-IREX	790.25
SOROS	53,802.68
FDI	3,000.00
SAR	2,746.82
ATRC	4,452.07
SHC	12,825.00
BTD	11,074.88
EAST EAST	12,740.00
Cash contribution from Executive Director	2,000.00
ARC – in kind grant (vehicle)	7,000.00
Contribution, gifts and grants	<u>110,431.70</u>

The income from donations and contributions represents only income recognized as revenue on the income statement. The balance of 22,084.72 is recoded as deferred income (Note 3 above).

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Notes to the Financial Statements

5. Expenses by project - for the period ending 31.12. 2007

SHC	EURO
Salaries	4,988
Pension Contribution	88
Postage and Telecommunication	573
Travel and per diem	406
Audit services	1,000
Rent	403
Debates-meetings	1,498
Training	1,035
Broadcasting TV	1,950
Other Costs	177
Indirect costs	483
Poster and frame costs	1,015
Total Expenditures	13,616

FDI	EURO
Executive Director	2,205
Strategic Planning Materials	149
Office Materials	202
Phone	200
Internet	435
Sanitarian Supplies	56
Web-page Design	350
Audit	300
Fuel	65
Office Rent	1,750
Total Expenditures	5,712

BTD	EURO
Salaries	3,200
Pension Contribution	310
Tax Collection	187
Bank Charges	35
Total expenditures	3,732

SAR	EURO
Salaries	1,105
Bank Charges	22
Total expenditures	1,127

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Notes to the Financial Statements

ATRC	EURO
Project Manager	1,553
Pension Contribution	120
Tax Administration Revenues	105
Brochures	200
Posters	150
Leaflets for 17th December	250
Materials for 9th December	50
Scratch Cards	40
Total expenditures	2,468

SHCPP - SOROS	EURO
Food and transport for participants	651
NGO support	2,400
Office Needs	233
Bank fees	197
Total expenditures	3,480

SHCPP (second phase) - SOROS	EURO
Salaries	8,331
Tax	768
Pension contribution	737
NGO partners support	4,100
Bank fee	23
Transportation	60
Office supplies	311
Printing	8,000
Distribution	80
Telephone	160
Internet	25
Fuel	291
Computer service	25
Utilities	31
Computers	990
Total expenditures	23,932

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Notes to the Financial Statements

SHCPP (third phase) - SOROS	EURO
Salaries	15,294
Tax	2,315
Pension contribution	1,740
Tax on rent	235
Furniture	3,761
Office supplies	886
Fuel	545
Electricity	111
Utilities - water	102
Utilities - other	15
Photocopy	271
Bank fee	10
Distribution of leaflets	60
Rent	2,100
Posters publishing	1,240
Webpage	1,320
Translation	60
Customs duties for vehicle	430
Telephone	1,010
Internet	100
Total expenditures	31,604

EAST - EAST	EURO
Travel expenses	2,370
Total expenditures	2,370

ARC	EURO
Vehicle	7,000
Total expenditures	7,000

The vehicle is donation from the American Refugee Committee which was capitalized and recorded as fixed asset.

Other expenses	EURO
Customs duties for vehicle paid by Avni Zogiani	2,000
Total expenditures	2,000

Part of expenses for customs duties, insurance and other expenses for vehicle are covered by the Executive Director of Cohu, these expense are accounted for as cash contribution in Note 4.

6. Accrual expenses

	EURO
Personal income tax	324
Pension contribution	300
Tax on rent	67.2
Total expenditures	691.2

Accrual expenses relate to personal income tax, tax on rent and pension contribution which are withheld on December 2007 and will be paid on January 2008.