

**INDEPENDENT AUDITORS' REPORT
AND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

FOR THE PERIOD 1 April 2008 – December 31, 2008

KIPRED

**KOSOVAR INSTITUTE FOR POLICY
RESEARCH AND DEVELOPMENT**



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February 2, 2009

Independent Auditors' Opinion

To the management of KIPRED – Prishtinë, Kosovë

We have audited the accompanying of cash receipts and disbursements (the “Statement”) of the project Accommodating Serb Community in Independent Kosovo for the period April 2008 – 31 December 2008 and a summary of significant accounting policies and other explanatory notes, implemented by KIPRED. Management of KIPRED is responsible for preparation and fair presentation of the Statement in accordance with the cash receipts and disbursements basis of preparation. Our responsibility is to express an opinion on the Statement 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 accompanying Statement presents fairly, in all material respects, the revenues collected and expenses paid by KIPRED during the period April 2008 to 31 December 2008 in accordance with the cash receipts and disbursements basis.

Bashkim Uka
Licensed Auditor

BU & Partners
Prishtina

Kosovar Institute for Policy Research and Development

April 2008 – 31 December 2008

Statement of Cash Receipts and Disbursements

FINANCING

Olof Palme International Center 2008	10,643.71
Kosova Foundation for Open Society Grant 081/08	9,010.00
Kosova Foundation for Open Society Grant 178/08	17,273.87
US Embassy - First Payment	4,089.54
OSCE - First Payment	1,400.00
Evropski Pokret u CrnaGora(EMMG)	1,755.49
Oklahoma University	2,210.87
OSCE- HCNM - Transition Justice- first part	9,750.00
DCAF First payment	8,000.00
Institute for Public Management - IPM AB	1,590.00
SDC	40,000.00
FORUM- CSRD	26,616.00
Future Voters	11,932.39
George Marshall Fund (Overhead)	8,000.00
Reimbursement for Air plane ticket	698.23
Future Voters RENT	1,829.87
OSCE- HCNM - Transition Justice- Second part	1,749.01
IISS - reimbursement	160.53
DCAF - Final Payment	4,201.93
DCAF Conference	2,302.20
Payment for KIPRED from George marshal Fund (Up date report)	1,500.00
Payment for KIPRED from Transitional justice project	997.34
December 08 Income for Accruals	2,464.19
TOTAL FINANCING	168,175.17

PROJECT EXPENDITURE

Olof Palme International Center 2008	17,071.16
DCAF	12,201.93
Institute for Public Management - IPM AB	1,597.00
Oklahoma University	2,191.00
OSCE- HCNM - TRANSITIONAL-JUSTICE	11,547.01
SDC	31,215.12
FORUM- CSRD	7,224.19
Future Voters	9,020.24
Overhead	36,641.57
Kosova Foundation for Open Society Grant 189/07	1,557.10
Democracy Grant	1,293.00
Kosova Foundation for Open Society Grant 081/08	6,955.67
Kosova Foundation for Open Society Grant 178/08	4,474.50
OSCE	1,990.00
BTD	2,653.00
DCAF Conference	2,302.20
Future Voters RENT	1,778.87

TOTAL PROJECT EXPENDITURE **151,713.56**

Excess of expenditure over income	16,461.61
Bank charges	-267.38
Cash and bank balance at end of 31 March 2008	<u>47,220.88</u>

Cash and bank balance at end of the year **63,415.11**

Bank Balances at the end year

Bank balance at end of the year 126	19,099.14
Bank balance at end of the year 117(FORUMI)	19,338.58
Bank balance at end of the year 108 (LGI)	12,798.37
Bank balance at end of the year 187(FV_RA)	0.00
Bank balance at end of the year 196 (OPIC)	3,360.79
Bank balance at end of the year 169 (SDC)	8,779.88
Cash Flow	38.35
Cash and bank balance at end of the year	<u>63,415.11</u>

1. GENERAL INFORMATION

The Kosovar Institute for Policy Research and Development (“KIPRED”) was registered under the United Nations Interim Administration Mission in Kosovo (“UNMIK”) regulations as a non-governmental organization on November 11, 2003.

On November 12, 2003 KIPRED was separated from the Kosovar Civil Society Foundation (“KCSF”). As at this date fixed assets purchased by KIPRED through funding from the Olof Palme International Centre (“OPIC”) totalling EUR 27,939 were transferred to KIPRED together with unspent OPC funded cash balances totalling EUR 83,308 as at that date.

KIPRED is a foundation whose mission is the introduction of democracy and democratic values into the Kosovo region. KIPRED’s activity is organized into two pillars: training and policy research.

The training pillar is focused on the development of political parties through its Internet Academy for Democracy, which is a modern training method, and which is organized in cooperation with International Center Olof Palme from Sweden. The research pillar offers independent research of politics in the field of government and administration, development of political parties, regional and international relations.

KIPRED is supported financially from the Olof Palme International Center, the Rockefeller Brothers Fund, the East West Parliamentary Practice Project as long term donors. KIPRED also makes other agreements with different donors for short term projects.

2. BASIS OF PREPARATION OF THE STATEMENTS

2.1 General

The Statement of Cash Receipts and Disbursements has been prepared for the purpose of reporting to donor “Olof Palme International Center” under the contracts for 2005 and 2006 and to other donors on the activities of the KIPRED in compliance with donor project objectives.

2.2 Accounting Convention

The Statement has been prepared in accordance with the cash receipts and disbursement basis of accounting. On this basis revenue, being grant funding, is recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred. Fixed assets are not capitalized for purposes of this Statement.

2.3 Reporting Currency

The KIPRED books and records are maintained in EUR, the legal currency of the territory of Kosovo. Transactions in currencies other than EUR are translated into EUR at the relevant exchange rate ruling on the date of the transaction.

Donor	Month of payment	Year Ended December 2008	
		EUR	EUR
Olof Palme International Center 2008	21-Aug-08	10,643.71	
Subtotal			10,643.71
Kosova Foundation for Open Society Grant 081/08	3-Jun-08	9,010.00	
Kosova Foundation for Open Society Grant 178/08	3-Nov-08	17,273.87	
Subtotal			26,283.87
US Embassy - First Payment	23-Sep-08	4,089.54	
Subtotal			4,089.54
OSCE - First Payment	23-Sep-08	1,400.00	
Subtotal			1,400.00
OSCE- HCNM - Transition Justice- first part	1-Apr-08	9,750.00	
OSCE- HCNM - Transition Justice- Second part	16-Sep-08	1,749.01	
Subtotal			11,499.01
Evropski Pokret u CrnaGora(EMMG)	21-Jul-08	1,755.49	
Subtotal			1,755.49
Oklahoma University	10-Jun-08	2,210.87	
Subtotal			2,210.87
DCAF First payment	19-May-08	8,000.00	
DCAF - Final Payment	23-Dec-08	4,201.93	
Subtotal			12,201.93
DCAF Conference	23-Dec-08	2,302.20	
Subtotal			2,302.20
Institute for Public Management - IPM AB	27-May-08	1,590.00	
Subtotal			1,590.00
SDC	20-Jun-08	40,000.00	
Subtotal			40,000.00
FORUM- CSRD	16-Jul-08	26,616.00	
Subtotal			26,616.00
Future Voters	5-Jun-08	11,932.39	

Subtotal			11,932.39
George Marshall Found (Overhead)	17-Nov-08	8,000.00	
Subtotal			8,000.00
Future Voters RENT	5-Jun-08	1,829.87	
Subtotal			1,829.87
IISS - reimbursement	11-Jul-08	160.53	
Subtotal			160.53
Payment for KIPRED from George marshal Found (Up date report)	22-Dec-08	1,500.00	
Subtotal			1,500.00
Payment for KIPRED from Transitional justice project (1045.34-48)	16-Sep-08	997.34	
Subtotal			997.34
Total Donor Funding			165,012.75

Transitional Justice Second part of project Financial report

Receipt of international MT			€ 9,750.00	
Receipt of international MT			€ 1,749.01	
Expenses			€ 11,499.01	
KIPRED Personnel and Research	<i>Units</i>	<i>Price</i>	<i>Total</i>	<i>Expenses</i>
Project Coordinator (part-time)	5	300.00	1,500.00	1,500.00
Researcher	5	1,000.00	5,000.00	5,250.00
Transport Cost for focus group and interviews	1	100.00	100.00	200.23
Sub total			6,600.00	6,950.23
KIPRED Attendance to Project Coordination Meetings (Brussels/The Hague)				
Air travel Prishtina-Amsterdam-Prishtina (Mar 08)	2	640.00	1,280.00	1,280.00
Per Diem The Hague (2 people, 2 days)	6	165.00	990.00	990.00
Visa and Travel Insurance (2 people, 1 trips)	2	60.00	120.00	133.44
Sub total			2,390.00	2,403.44
Publication and Dissemination				
Translation of the report (English/Serbian/Albanian)	1	600.00	600.00	600.00
Publication and printing of the report	1	500.00	500.00	500.00
Public events	1	1,000.00	1,000.00	0.00
Contingency	1	710.00	710.00	0.00
Sub total			2,810.00	1,100.00
Total			11,800.00	
KIPRED Fee (\pm 10%)			1,200.00	1,045.34
Total KIPRED			13,000.00	11,499.01

Democracy Grant

Receipt of international MT	€ 4,089.54	5809	0.7040
Bank expenses	€ 1.00		1.4205
Expenses	€ 1,293.00		
Balance	€ 2,795.54		

Project cost	Cost	USD-Euro	Total	unit/month	Expenses	Deviations	Expenses USD
Project coordinator (coordinates the project and prepares financial and narrative reports for the project)	\$628.00	0.704	4,863.23	442.11	1,293.00	3,570.23	1836.71
Expert (prepares a backgrounder for each debate and moderates debates/forums)	\$942.00	0.644	3,033.24	606.65	0.00	3,033.24	0.00
						1,293.00	

Study on corruption in Kosovo / Budget

Receipt of international MT	1,590.00
Bank expenses	15.00
Expenses	1,597.00
Balance	- 22.00

Budget Item	Price/Unit	Total	Expenses	Deviations
Logistical and expert support	150	1,200.00	1,200.00	0.00
Travel expenses	30	240.00	237.00	3.00
Food and refreshments	20	160.00	160.00	0.00
Total		1,600.00	1,597.00	3.00

OSCE

Receipt of international MT	1,400.00
Bank expenses	1.00
Expenses	1,990.00
Balance	-591.00

Project cost	Total	Expenses
Project coordinator	540.00	540.00
Expert	1,540.00	1,450.00
Total		1,990.00

Study on Phone Survey / Budget

Receipt of international MT	2,210.87
Bank expenses	15.00
Expenses	2,191.00
Balance	4.87

Budget Item	Total	Expenses	Deviations
Development of the methodology for the phone survey (Resercher)	1,500.00	1,500.00	0.00
Conducting of the phone survey activities	650.00	641.00	9.00
Travel expenses	100.00	50.00	50.00
	2,250.00	2,191.00	59.00

Financial report KFOS

	€
Receipt of international MT	9,010.00
Bank expenses	€ 1.00
	€
Expenses	6,955.67
	€
Balance	2,053.33

	Cost	Total	Expenses	Deviations
<i>Analysis and research paper</i>				
Project Coordinator (part-time)/ Researcher	€ 700.00	€ 3,500.00	€ 3,500.00	€ 0.00
Financial Officer (part-time)	€ 150.00	€ 750.00	€ 750.00	€ 0.00
Researcher	€ 750.00	€ 1,500.00	€ 1,500.00	€ 0.00
Transport Cost	€ 40.00	€ 360.00	€ 228.80	€ 131.20
Focus group debate	€ 450.00	€ 1,350.00	€ 0.00	€ 1,350.00
Conference	€ 250.00	€ 250.00	€ 0.00	€ 250.00
Translation	€ 12.00	€ 300.00	€ 0.00	€ 300.00
KIPRED admin cost	€ 200.00	€ 1,000.00	€ 976.87	€ 23.13
TOTAL		€ 9,010.00	€ 6,955.67	€ 2,054.33

Financial Report DCAF conference held 15 December, 2008

	€
Receipt of international MT	2,302.20
Bank expenses	€ 0.00
	€
Expenses	2,302.20
Balance	€ 0.00

	Unit	Price	Total	Expenses
Conference coordinator	1	€ 600	€ 600	€ 600.00
Rent Room	1	€ 150	€ 150	€ 0.00
Interpreters	4	€ 150	€ 600	€ 561.00
Coffee and refreshments	180	€ 1.5	€ 270	€ 0.00
Translations Equipment rental	1	€ 250	€ 250	€ 231.00
Lunch for participants and staff	50	€ 12	€ 600	€ 612.30
Conf material (copies of the publications, folders etc)	50	€ 2.0	€ 100	€ 42.00
Banner	1	€ 100	€ 100	€ 98.90
Miscellaneous (transport cost, etc.)	1	€ 150	€ 150	€ 157.00
			€ 2,820	€ 2,302.20

Financial Report DCAF

Receipt of international MT	8,000.00
Receipt of international MT	4,201.93
Bank expenses	0.00
Expenses	12,201.93
Balance	0.00

	Price/Unit	Total (Euro)	Expenses	Deviations
Senior Researchers (2)	2,000	10,000	10,005	-5.00
Translation of the papers (2 languages)	12	480	532.35	-52.35
Research Editing	1,000	1,000	1,000.00	0.00
Printing of the Overall Report	600	600	157.35	442.65
Administrative Expenses	100	500	507.23	-7.23
		12,580	12,201.93	378.07

Financial report KFOS

Receipt of international MT	17,273.87
Bank expenses	1.00
Expenses	4,474.50
Balance	12,798.37

	Total	Expenses	Deviations
<i>Analysis and research paper</i>			
Project Coordinator / Researcher	€ 4,800.00	€ 2,900.30	€ 1,899.70
Financial Officer / assistant of the project(part-time)	€ 1,200.00	€ 350.00	€ 850.00
Translation of the research in two languages 160 page	€ 3,200.00	€ 0.00	€ 3,200.00
Transport Cost and refreshment*	€ 400.00	€ 264.20	€ 135.80
Publication in hard copies 3 language x 250 copies	€ 1,800.00	€ 0.00	€ 1,800.00
Lay out and design the publication	€ 450.00	€ 0.00	€ 450.00
Conference	€ 970.00	€ 0.00	€ 970.00
Field research (3 municipalities)	€ 2,400.00	€ 0.00	€ 2,400.00
Office rent (35% of 850)	€ 1,200.00	€ 600.00	€ 600.00
Office supply, utilities and communication	€ 880.00	€ 360.00	€ 520.00
	€ 17,300.00	€ 4,474.50	€ 12,825.50

Financial report FORUM - KIPRED Project

Receipt of international MT	First payment
Bank expenses	26,616.00
opening the new account	53.23
Expenses	26,562.77
Balance	7,224.19
	19,338.58

Description	Total/Euro	FORUM	KIPRED	Expenses
Personal /Staff				
Project coordinators	10,400	5,200	5,200	1,600.24
Participants' fees	9,600	3,600	6,000	1,659.62
Moderator's fees	1,920	720	1,200	240.00
Interpreters (in Macedonian, Albanian, Serbian & English)	10,080	5,280	4,800	903.00
	32,000	14,800	17,200	4,402.86
Transport / Rent of premises & equipment				
Transfer by taxi for Kos./Mac. participants	3,200	2,000	1,200	200.00
Local transport for the participants	480	180	300	30.60
Transfer by plane/car from Bg. to Sk. or Pr.	1,000	1,000	0	
Transfer for Mac. interpreters to Pristina	2,000	2,000	0	
Rent of translation equipment and recording	7,400	2,400	5,000	693.00
Rent of premises	1,600	600	1,000	749.10
Transfer for preparatory activities	400	200	200	0.00
	16,080	8,380	7,700	1,672.70
Accommodation & Meals				
Overnight stay (guests invited from Serbia)	1,200	1,200	0	
Lunches after the event	4,000	1,500	2,500	386.60
Meals & misc. for preparatory team	100	100	100	4.80
	5,300	2,700	2,600	391.40
Outreach				

Launching and hosting of the web site	1,920	0	1,920	0.00
Transcripts (in English) for the web site	3,200	1,200	2,000	353.54
Press-clipping	960	480	480	90.00
Information dissemination	1,440	720	720	175.29
Communication [(Sk. - Pr. (- Bg.)]	1,300	650	650	138.40
	8,820	3,050	5,770	757.23
<i>Total Project Expenditures (Euro):</i>	62,200	28,930	33,270	7,224.19

Future Voters

Receipt of international MT	€ 11,932.39
Bank expenses	€ 23.86
Bank Charges (maintenance)	€ 6.00
Expenses	-€ 9,020.24
Balance	€ 2,882.29

	Total	Expenses	Deviations	Expenses USD
Project coordinator	€ 17,388.00	€ 3,848.00	€ 13,540.00	\$5,975.94
Assitant to Chief of Party/Translator	€ 23,184.00	€ 4,057.20	€ 19,126.80	\$6,300.83
Trainers	€ 3,091.20	€ 0.00	€ 3,091.20	\$0.00
Observers	€ 579.60	€ 0.00	€ 579.60	\$0.00
Teacher trainee honorarion	€ 9,660.00	€ 0.00	€ 9,660.00	\$0.00
Utilities	€ 3,477.60	€ 119.83	€ 3,357.77	\$186.10
Communication cost	€ 2,318.40	€ 703.39	€ 1,615.01	\$1,092.36
Transport Cost	€ 2,318.40	€ 291.82	€ 2,026.58	\$453.20
Training Materials	€ 1,932.00	€ 0.00	€ 1,932.00	\$0.00
Sub total				
KIPRED trips to U.S. (Phoenix and DC)	€ 6,139.90	€ 0.00	€ 6,139.90	\$0.00
	€ 70,089.10	€ 9,020.24	€ 61,068.86	\$14,008.43

SDC Accommodating Serb Community in Independent Kosovo

8-Jul Receipt of international MT EUR 40,000.00
Project Expenditure

	BUDGET	ACTUAL	DEVIATIONS
Project costs			
Project coordinator/Senior Researcher	€ 11,200.00	€ 11,201.05	-€ 1.05
Senior Researchers	€ 10,780.00	€ 10,780.00	€ 0.00
Project assistant	€ 4,200.00	€ 3,603.30	€ 596.70
Translation of Policy Briefs/Discussions Papers *	€ 720.00	€ 541.00	€ 179.00
Roundtables/Briefings	€ 1,200.00	€ 701.65	€ 498.35
Transport and Interview Costs	€ 1,400.00	€ 1,383.35	€ 16.65
Sub total	€ 29,500.00	€ 28,210.35	€ 1,289.65
Administrative cost			
Office rent	€ 1,190.00	€ 1,190.00	€ 0.00
Financial officer	€ 980.00	€ 980.00	€ 0.00
Utilities	€ 437.50	€ 395.58	€ 41.92
Communication cost **	€ 420.00	€ 305.19	€ 114.81
Maintenance	€ 210.00	€ 134.00	€ 76.00
Sub total	€ 3,237.50	€ 3,004.77	€ 156.73
TOTAL	€ 32,737.50	€ 31,215.12	€ 1,446.38