



NATO Parliamentary Assembly

**AUDITED FINANCIAL STATEMENTS
AT 31st DECEMBER 2011**

Abridged version

(in euros)

ADOPTED BY THE PLENARY ASSEMBLY ON MONDAY 28th MAY 2012

Statement of Financial Position at 31st December 2011

ASSETS	LIABILITIES	
	2011	2010
<u>Current Assets</u> Cash and Short-Term accounts Other Amounts Receivable Advance payments Investment Fund Guarantees	686,441 55,998 12,008 1,207,575 <u>5,102</u> 1,967,125	456,291 4,353 17,230 1,191,391 <u>5,039</u> 1,674,304
	<u>Current Liabilities</u> Creditors <u>Advance Contributions</u> Contributions to next year budget paid in advance	30,505 341,036 <u>371,541</u>
		82,757 32,912 <u>115,669</u>
	<u>Reserves and Carryforwards</u> Emergency Fund Unemployment Fund Provisions Special Purpose Contributions Current Year Surplus	924,728 16,463 534,944 0 <u>1,476,135</u> 119,448 <u>1,595,583</u>
		919,897 16,463 534,944 0 <u>1,471,304</u> 87,331 <u>1,558,635</u>
Total Assets	1,967,125	1,674,304
	1,967,125	1,674,304

Purchase value of the building in 1989: Euro 1,549,334

Cash Flow Statement

Cash flow from operating activities		2011	2010
Receipts			
Contributions Received		4,058,549	3,769,920
Funding Other Contributions		40,000	75,261
Other Income		29,413	19,657
Total Receipts:		<u>4,127,962</u>	<u>3,864,837</u>
Payments			
Personnel Costs		2,707,358	2,593,106
Operational Costs		1,174,270	1,161,478
Total Payments:		<u>3,881,628</u>	<u>3,754,584</u>
NET increase/decrease in cash and cash equivalents:		246,334	110,253
Cash and cash eq. at the beginning of the period		1,647,682	1,537,429
Cash and cash eq. at the end of the period		1,894,016	1,647,682
Balance		246,334	110,253

Statement of Reserve funds and Provisions at 31st December 2011

	Opening Balances	Approved allocations	Revised Balances	Current Year Contributions	Transferred to Current Year Budget	Current Year Budget Expenditure	Other Income	Ending Balance
I. Provisions								
Provision Chapter 1	69,259	0	69,259	0	0	0	0	69,259
Provision Chapter 2	72,426	0	72,426	0	0	0	0	72,426
Provision Chapter 3	99,750	0	99,750	0	0	0	0	99,750
Provision Chapter 4	293,508	0	293,508	0	0	0	0	293,508
Total	534,944	0	534,944	0	0	0	0	534,944
II. Special Purpose Contributions								
Rose-Roth Programme - Swiss MOD funds	0	0	0	40,000	-40,000	0	0	0
Rose-Roth Programme - NATO funds	0	0	0	0	0	0	0	0
Rose-Roth Programme - Denmark funds	0	0	0	3,000	-3,000	0	0	0
Rose-Roth Programme - Luxembourg funds	0	0	0	0	0	0	0	0
Total	0	0	0	43,000	-43,000	0	0	0
III. Reserve Funds								
Emergency Fund	919,897	4,831	924,728	0	0	0	0	924,728
Unemployment Fund	16,463	0	16,463	0	0	0	0	16,463
Total	936,361	4,831	941,191	0	0	0	0	941,191
TOTAL (Headings I,II,III)	1,471,304	4,831	1,476,135	43,000	-43,000	0	0	1,476,135
IV. ANNUAL BUDGET								
Allocation from prior year return on investment	0	0	0	0	0	0	0	0
Update of the budget	0	82,500	82,500	0	-82,500	0	0	0
Allocation of Prior Year surplus	87,331	-87,331	0	0	0	0	0	0
Current Year Operations - Normal Budget	0	0	0	3,750,425	125,500	3,792,011	35,534	119,448
TOTAL (Heading IV)	87,331	-4,831	82,500	3,750,425	43,000	3,792,011	35,534	119,448
GRAND TOTAL (Headings I, II, III, IV)	1,558,635	0	1,558,635	3,793,425	0	3,792,011	35,534	1,595,583

- see income and expenditure table for details

Revised Budget 2010	Expenses 2010	Revised Budget 2011	Expenses 2011	Saving	% Rev. Budget
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BREAKDOWN OF EXPENDITURE FOR FINANCIAL YEAR 2011

CHAPTER 1 - PERSONNEL COSTS

1,980,990	1,977,786	2,015,250	2,013,718	1,532	100%	Article 1 - Gross Salaries
454,002	450,862	461,050	457,646	3,404	99%	Article 2 - Additional salary costs
12,400	3,216	35,100	29,094	6,006	83%	Article 3 - Recruitment expenses
51,000	47,572	58,000	56,734	1,266	98%	Article 4 - Expenditure related to staff
35,200	35,158	69,250	69,237	13	100%	Article 5 - External consultants and temporary staff
0	0	0	0	0	0%	Article 6 - Financial control and advice
500	102	4,700	4,694	6	100%	Article 7 - Legal advisers
80,000	79,175	77,000	75,959	1,041	99%	Article 8 - Research assistants programme
2,614,092	2,593,872	2,720,350	2,707,083	13,267	100%	TOTAL CHAPTER 1

Revised Budget 2010	Expenses 2010	Revised Budget 2011	Expenses 2011	Saving	% Rev. Budget
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CHAPTER 2 - OPERATING COSTS

201,478	200,705	123,000	122,986	14	100%	Article 1 - Expenditure on headquarters
7,500	6,215	5,900	5,841	59	99%	Article 2 - Insurances
13,638	12,139	12,500	12,408	92	99%	Article 3 - Contracts concerning security
16,000	15,262	12,000	11,701	299	98%	Article 4 - Postage, Telephone
16,000	14,141	18,500	18,147	353	98%	Article 5 - Administration costs and office supplies
13,500	12,671	23,500	22,921	579	98%	Article 6 - Small office equipment and furniture
12,000	11,401	12,175	12,162	13	100%	Article 7 - Renting and maintenance of photocopiers
38,700	38,439	56,490	48,712	7,778	86%	Article 8 - Computer equipment
6,600	5,503	8,600	8,219	381	96%	Article 9 - Transport
86,500	85,709	107,000	106,886	114	100%	Article 10 - Documents
24,000	22,936	25,500	25,442	58	100%	Article 11 - Library
18,000	14,499	17,100	15,771	1,329	92%	Article 12 - Representation, hospitality, receptions
453,916	439,618	422,265	411,196	11,069	97%	TOTAL CHAPTER 2

Revised Budget 2010	Expenses 2010	Revised Budget 2011	Expenses 2011	Saving	% Rev. Budget
CHAPTER 3 - SESSIONS					
26,000	25,464	17,600	17,583	17	100%
115,000	113,778	121,300	119,205	2,095	98%
192,000	180,690	180,000	177,118	2,882	98%
6,500	6,015	7,600	7,570	30	100%
24,500	24,454	20,000	10,319	9,681	52%
364,000	350,401	346,500	331,796	14,704	96%
TOTAL CHAPTER 3					

Article 1 - Standing Committee meeting - April 2011 - Azores

Article 2 - Spring Session - May 2011 - Varna

Article 3 - Annual Session - October 2011 - Bucharest

Article 4 - Joint Meeting - The Hotel - February 2011 - Brussels

Article 5 - Preparation of future sessions

Revised Budget 2010	Expenses 2010	Revised Budget 2011	Expenses 2011	Saving	% Rev. Budget
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CHAPTER 4 - MISSIONS, SEMINARS AND EXTERNAL RELATIONS

14,500	14,368	4,710	3,958	752	84%	Article 1 - Committee on the Civil Dimension of Security
20,000	19,819	19,000	18,932	68	100%	Article 2 - Defence and Security Committee
18,000	17,064	14,000	12,817	1,183	92%	Article 3 - Economics and Security Committee
21,000	20,528	22,000	21,948	52	100%	Article 4 - Political Committee
13,500	12,803	13,500	9,703	3,797	72%	Article 5 - Science and Technology Committee
10,300	10,262	6,000	0	6,000	0%	Article 6 - Any additional meeting
101,426	89,809	132,000	103,032	28,968	78%	Article 7 - Rose-Roth and Outreach programme
19,000	17,678	20,000	19,806	194	99%	Article 8 - Mediterranean and Middle East Special Group seminars
8,000	6,982	12,000	11,145	855	93%	Article 9 - Parliamentary Transatlantic Forum
110,635	110,485	108,100	108,017	83	100%	Article 10 - Interpretation costs for all meetings
3,600	3,511	2,500	166	2,334	7%	Article 11 - President
0	0	0	0	0	0%	Article 12 - Treasurer
28,000	27,019	21,000	20,708	292	99%	Article 13 - Secretary General
12,100	10,376	12,000	11,705	295	98%	Article 14 - Deputy Secretaries General
380,061	360,703	386,810	341,936	44,874	88%	TOTAL CHAPTER 4
3,812,069	3,744,595	3,875,925	3,792,011	83,914	98%	GRAND TOTAL

ACCOUNTING POLICIES

Note 1: The Organisation

The NATO Parliamentary Assembly (NATO PA) is a forum of parliamentarians from NATO member nations and associates and partner countries. It brings together European and North American legislators to debate and discuss issues of common interest and concern. The Assembly is entirely independent of NATO.

The Assembly's governing body is the Standing Committee, which is composed of the Head of each member delegation, the President, the Vice-Presidents, the Treasurer and the Secretary General. The International Secretariat under its Secretary General is responsible for all administration and the bulk of research and analysis that supports the Assembly's Committees, Sub-Committees and other groups.

Note 2: Significant Accounting Policies: the accounts are held on accrual and cash basis with no carry forwards.

Revenue Recognition: Calls for contributions from member countries are recorded in the same year as the budgets they relate to. Contributions received in advance, which relate to future budget years, are reported as year-end liabilities.

Expenditure Recognition: Expenditure is matched to the year in which the goods or services are received. However, some flexibility is applied over the year-end period to also include items where the goods have been ordered prior to year-end but shipments could not be received until the following month. All budgetary commitments are cancelled one month after year-end if goods have not been received.

Reserves and Provisions: Excess funds on hand at the end of a fiscal year belong to the contributors but are made available to the Assembly to cover expenses which may need to be met at an unknown future date. Each year, the Standing Committee, after considering the Treasurer's proposals, decides on the specific conditions governing how these reserves and provisions may be utilised in the future. Within that framework, management is granted advance permission to transfer these amounts to the budget and incur the expenditure. A separate financial statement summarising reserve fund and provision activity is prepared each year.

One special type of provision relates to voluntary contributions where donors have attached specific conditions as to what types of activities are to be funded. In these cases, the contribution is accounted for as being repayable to the contributor until the conditions relating to the expenditure are met.

Foreign Currency Translation: Foreign currency transactions are initially recorded in the accounts using NATO's official exchange rates. At year-end, all assets and liabilities denominated in foreign currencies are translated to Euros at official year-end rates. Exchange differences, both realised and unrealised, are recognised as current year income or expenditure.

Cash and Investments: Investments are comprised of operating bank accounts and short term deposits. Interest earned but not yet received at year-end is accrued and reported as current year income.

Property Plant and Equipment: Capital purchases are expensed to the budget in the year in which they occur. Listings of fixed assets are maintained, however, for insurance and internal control purposes.

Note 3: Property Plant and Equipment

Fixed assets owned by the Assembly are composed primarily of the following: the headquarters building, furniture, equipment, and 1 official vehicle.

The Assembly's headquarters, located on the Petit Sablon in Brussels, Belgium, was purchased in 1989 for Euro 1,549,334. Since that time, various renovations have taken place, which have significantly increased the amount of usable office space.

Contributions and Contributions Receivable

Member Country	Contribution	Received	
		Date	€
Albania	2,822	04/02/2011	2,822
Belgium	79,203	20/05/2011	79,203
Bulgaria	11,300	19/09/2011	11,300
Canada	220,198	01/02/2011	220,198
Croatia	9,935	24/03/2011	9,935
Czech Republic	33,326	08/03/2011	23,804
		21/09/2011	9,522
Denmark	46,675	06/01/2011	46,675
Estonia	3,751	18/02/2011	3,751
France	440,904	21/03/2011	440,904
Germany	548,946	03/01/2011	182,982
		14/01/2011	182,982
		16/06/2011	182,982
Greece	29,591	05/10/2011	29,591
Hungary	25,337	14/12/2010	25,337
Iceland	2,436	16/05/2011	2,436
Italy	314,400	04/05/2011	314,400
Latvia	5,056	01/03/2011	5,056
Lithuania	7,575	20/12/2010	7,575
Luxembourg	5,674	03/02/2011	5,674
Netherlands	123,064	07/02/2011	123,064
Norway	52,827	18/04/2011	52,827
Poland	86,123	02/03/2011	86,123
Portugal	33,289	03/10/2011	33,289
Romania	35,697	20/06/2011	35,697
Slovakia	15,047	21/01/2011	15,047
Slovenia	8,788	20/05/2011	8,788
Spain	170,867	11/03/2011	170,867
Turkey	116,047	25/05/2011	116,047
United Kingdom	465,845	07/01/2011	465,845
United States	804,102	05/08/2011	804,102
NATO Subsidy	51,600	22/03/2011	51,600
Total	3,750,425		3,750,425

1) within the budget

	Chapter/Article	Transfer	Balance after transfer
<i>FROM</i>	Chapter 1 - Art. 1 Salaries 2,035,250	- 20,000	2,015,250
<i>FROM</i>	Chapter 1 - Art. 2 Additional salary costs 466,500	- 4,250	462,250
<i>TO</i>	Chapter 1 - Art. 5 External consultants and temporary staff 45,000	+ 24,250	69,250
<i>FROM</i>	Chapter 1 - Art. 2 Additional salary costs 462,250	- 1,200	461,050
<i>TO</i>	Chapter 1 - Art. 7 Legal advisers 3,500	+ 1,200	4,700
<i>FROM</i>	Chapter 2 - Art. 2 Insurances 7,500	- 1,600	5,900
<i>FROM</i>	Chapter 2 - Art. 3 Security 14,000	- 1,500	12,500
<i>FROM</i>	Chapter 2 - Art. 5 Administration cost and office supplies 23,000	- 4,500	18,500
<i>FROM</i>	Chapter 2 - Art. 7 Reproducing machines 18,175	- 6,000	12,175
<i>FROM</i>	Chapter 2 - Art. 11 Library 29,000	- 2,500	26,500
<i>FROM</i>	Chapter 2 - Art. 12 Representation, hospitality 18,000	- 900	17,100
<i>FROM</i>	Chapter 3 - Art. 2 Spring Session 135,000	- 10,000	125,000
<i>FROM</i>	Chapter 3 - Art. 3 Annual Session 210,000	- 30,000	180,000
<i>TO</i>	Chapter 2 - Art. 1 Expenditure on headquarters 66,000	+ 57,000	123,000
<i>FROM</i>	Chapter 2 - Art. 4 Postage, facsimile, telephone 24,000	- 12,000	12,000
<i>TO</i>	Chapter 2 - Art. 6 Small office equipment and furniture 11,500	+ 12,000	23,500
<i>FROM</i>	Chapter 2 - Art. 9 Transport 14,600	- 6,000	8,600
<i>FROM</i>	Chapter 2 - Art. 11 Library 26,500	- 1,000	25,500
<i>TO</i>	Chapter 2 - Art. 10 Documents 100,000	+ 7,000	107,000
<i>FROM</i>	Chapter 3 - Art. 2 Spring Session 125,000	- 3,700	121,300
<i>TO</i>	Chapter 3 - Art. 1 Standing Committee 15,000	+ 2,600	17,600
<i>TO</i>	Chapter 3 - Art. 4 February Meetings 6,500	+ 1,100	7,600

<i>FROM</i>	Chapter 4 - Art. 1 Committee of the Civil Dimension of Security 13,500	-	8,790	4,710
<i>TO</i>	Chapter 2 - Art. 8 Computer equipment 48,700	+	7,790	56,490
<i>TO</i>	Chapter 4 - Art. 2 Defence and Security Committee 18,000	+	1,000	19,000
<i>FROM</i>	Chapter 4 - Art. 3 Economics and Security Committee 18,000	-	4,000	14,000
<i>TO</i>	Chapter 4 - Art. 4 Political Committee 18,000	+	4,000	22,000
<i>FROM</i>	Chapter 4 - Art. 8 Mediterranean and Middle East Special Group 30,000	-	10,000	20,000
<i>FROM</i>	Chapter 4 - Art. 9 Transatlantic Seminar 15,000	-	3,000	12,000
<i>FROM</i>	Chapter 4 - Art. 13 Missions of the Secretary General 25,500	-	4,500	21,000
<i>FROM</i>	Chapter 4 - Art. 14 Missions of the Deputy Secretaries General 20,000	-	8,000	12,000
<i>TO</i>	Chapter 4 - Art. 10 Interpretation Cost 80,000	+	25,500	105,500

2) from external funding

	Chapter/Article	Transfer	
<i>FROM</i>	Swiss MOD Funding	-	40,000
<i>TO</i>	Chapter 4 - Art. 7: Rose-Roth Programme	+	37,400
<i>TO</i>	Chapter 4 - Art. 10: Interpretation costs	+	2,600
<i>FROM</i>	Denmark funding	-	3,000
<i>TO</i>	Chapter 4 - Art. 7: Rose-Roth Programme	+	3,000