



NATO PARLIAMENTARY ASSEMBLY

Abridged version of the

AUDITED FINANCIAL STATEMENTS (016 FIN 09 E bis fin)

AT 31st DECEMBER 2008

adopted by the Plenary Assembly on Tuesday 26th May 2009

Statement of Financial Performance at 31st December 2008

	INCOME		EXPENDITURE	
	2008	2007	2008	2007
ANNUAL BUDGET				
Contributions				
Contributions from Member Countries	3.412.000	3.331.200	2.624.375	2.456.448
Contributions from NATO	55.000	54.100	361.772	340.833
	<u>3.467.000</u>	<u>3.385.300</u>	<u>3.729.870</u>	<u>3.523.296</u>
Financed By Provisions and Prior Year Surplus				
Financed from Prior Year Surplus	40.000	40.000		
Provision for Chapter 3	0	13.000		
Update of the budget	70.500	17.500		
Use of provisions	55.692	47.823		
NATO Rose-Roth programme	11.377	3.161		
DCAF (Geneva Centre for Democratic Control of Armed Forces)	107.091	109.000		
	<u>284.660</u>	<u>230.483</u>		
Total Budget for the Year	<u>3.751.660</u>	<u>3.615.783</u>		
Other income				
Special Contribution - NATO	200	1.100		
Investment Income	53.094	43.676		
Interest on Term Deposits	47.538	37.005		
Gains (Losses) on Exchange	-306	-6.870		
Other Income	3.427	2.126		
	<u>103.953</u>	<u>78.037</u>		
Total income	<u>3.855.613</u>	<u>3.693.820</u>	Total Expenditure	3.523.296
			Excess of Receipts over Expenditure	170.523
				125.743

Statement of Reserve funds and Provisions at 31st December 2008

	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	66.286	0	66.286	0	-52.770	0	0	13.516
Provision Chapter 2	62.426	10.000	72.426	0	0	0	0	72.426
Provision Chapter 3	31.750	10.000	41.750	0	0	0	0	41.750
Provision Chapter 4	121.532	30.000	151.532	0	-2.922	0	0	148.610
Total	281.994	50.000	331.994	0	-55.692	0	0	276.303
II. Special Purpose Contributions								
Rose-Roth Programme - DCAF funds	0	0	0	112.091	-107.091	0	0	5.000
Rose-Roth Programme - NATO funds	0	0	0	11.377	-11.377	0	0	0
Total	0	0	0	123.468	-118.468	0	0	5.000
III. Reserve Funds								
Emergency Fund	697.850	10.023	707.873	0	0	0	0	707.873
Unemployment Fund	16.463	0	16.463	0	0	0	0	16.463
Total	714.313	10.023	724.336	0	0	0	0	724.336
TOTAL (Headings I,II,III)	996.307	60.023	1.056.331	123.468	-174.160	0	0	1.005.639
IV. ANNUAL BUDGET								
Allocation from prior year return on investments	0	40.000	40.000	0	-40.000	0	0	0
Update of the budget	0	70.500	70.500	0	-70.500	0	0	0
Allocation of Prior Year surplus	170.523	-170.523	0	0	0	0	0	0
Current Year Operations - Normal Budget	0	0	0	3.467.000	284.660	3.729.870	103.953	125.743
TOTAL (Heading IV)	170.523	-60.023	110.500	3.467.000	174.160	3.729.870	103.953	125.743
GRAND TOTAL (Headings I, II, III, IV)	1.166.831	0	1.166.831	3.590.468	0	3.729.870	103.953	1.131.381

- see income and expenditure table for details

Revised Budget 2007	Expenses 2007	Revised Budget 2008	Expenses 2008	Saving	% Rev. Budget
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BREAKDOWN OF EXPENDITURE FOR FINANCIAL YEAR 2008

CHAPTER 1 - PERSONNEL COSTS

1.857.000	1.856.401	1.963.794	1.963.794	0	100%	Article 1 - Gross Salaries
427.000	426.383	446.000	445.976	24	100%	Article 2 - Additional salary costs
15.600	14.303	25.407	25.407	0	100%	Article 3 - Recruitment expenses
43.151	43.151	42.500	42.297	203	100%	Article 4 - Expenditure related to staff
48.400	48.172	79.150	79.128	22	100%	Article 5 - External consultants and temporary staff
0	0	0	0	0	0%	Article 6 - Financial control and advice
2.500	1.509	3.350	3.306	44	99%	Article 7 - Legal advisers
66.600	66.528	65.000	64.467	533	99%	Article 8 - Research assistants programme
2.460.251	2.456.448	2.625.201	2.624.375	826	100%	TOTAL CHAPTER 1

Revised Budget 2007	Expenses 2007	Revised Budget 2008	Expenses 2008	Saving	% Rev. Budget
60.500	52.715	79.100	79.056	44	100%
7.000	6.731	7.500	7.010	490	93%
11.500	10.455	12.500	12.017	483	96%
22.200	18.968	17.900	17.728	172	99%
24.500	24.123	22.000	20.918	1.082	95%
13.500	12.408	10.000	9.948	52	99%
36.000	31.831	36.000	35.961	39	100%
38.700	38.135	38.700	37.823	877	98%
17.900	17.466	8.600	7.841	759	91%
84.300	84.202	92.500	92.395	105	100%
27.000	25.580	27.000	26.862	138	99%
19.000	18.220	17.000	14.215	2.785	84%
362.100	340.833	368.800	361.772	7.028	98%

CHAPTER 2 - OPERATING COSTS

Article 1 - Expenditure on headquarters

Article 2 - Insurances

Article 3 - Contracts concerning security

Article 4 - Postage, facsimile, telephone

Article 5 - Administration costs and office supplies

Article 6 - Small office equipment and furniture

Article 7 - Renting and maintenance of photocopiers

Article 8 - Computer equipment

Article 9 - Transport

Article 10 - Documents

Article 11 - Library

Article 12 - Representation, hospitality, receptions

TOTAL CHAPTER 2

Revised Budget 2007	Expenses 2007	Revised Budget 2008	Expenses 2008	Saving		% Rev. Budget
					Budget	
14.500	11.530	13.000	11.345	1.655		87%
150.000	143.530	146.900	143.157	3.743		97%
255.000	250.690	225.000	223.358	1.642		99%
15.000	14.966	19.500	18.696	804		96%
20.000	17.335	28.100	28.019	81		100%
454.500	438.051	432.500	424.575	7.925		98%

CHAPTER 3 - SESSIONS

Article 1 - Standing Committee meeting - March 2008 - The Hague

Article 2 - Spring Session - May 2008 - Berlin

Article 3 - Annual Session - November 2008 - Valencia

Article 4 - Joint Meeting - Palais d'Egmont - February - Brussels

Article 5 - Preparation of future sessions

TOTAL CHAPTER 3

Revised Budget 2007	Expenses 2007	Revised Budget 2008	Expenses 2008	Saving		% Rev.
				2007	2008	
15.500	9.273	8.600	8.400	200	200	98%
18.000	13.560	20.500	20.355	145	145	99%
18.000	13.311	16.000	15.557	443	443	97%
18.000	15.168	16.000	15.699	301	301	98%
12.000	6.586	9.000	8.538	462	462	95%
4.500	0	1.500	1.482	18	18	99%
101.087	101.087	85.353	85.353	0	0	100%
18.000	13.233	26.900	26.878	22	22	100%
15.000	13.027	10.500	10.199	301	301	97%
72.745	67.055	83.206	82.977	229	229	100%
5.000	401	2.500	0	2.500	2.500	0%
0	0	0	0	0	0	0%
22.500	17.546	28.500	27.655	845	845	97%
18.600	17.717	16.600	16.054	546	546	97%
338.933	287.965	325.159	319.148	6.011	6.011	98%
3.615.763	3.523.296	3.751.660	3.729.870	21.790	21.790	99%

CHAPTER 4 - MISSIONS, SEMINARS AND EXTERNAL RELATIONS

Article 1 - Committee on the Civil Dimension of Security

Article 2 - Defence and Security Committee

Article 3 - Economics and Security Committee

Article 4 - Political Committee

Article 5 - Science and Technology Committee

Article 6 - Annual Study Visit or any additional meeting

Article 7 - Rose-Roth and Outreach programme

Article 8 - Mediterranean and Middle East Special Group seminars

Article 9 - Transatlantic seminar

Article 10 - Interpretation costs for all meetings

Article 11 - President

Article 12 - Treasurer

Article 13 - Secretary General

Article 14 - Deputy Secretaries General

TOTAL CHAPTER 4

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

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.

Note 4: Contributions and Contributions Receivable

Member Country	Contribution	Received	
		Date	€
Belgium	80.353	14/05/2008	80.353
Bulgaria	10.877	25/01/2008	10.877
Canada	196.773	04/02/2008	196.773
Czech Republic	30.125	19/06/2008	21.518
		11/07/2008	8.607
Denmark	45.195	01/01/2008	45.195
Estonia	3.484	10/01/2008	3.484
France	444.464	14/02/2008	444.464
Germany	521.384	04/01/2008	173.795
		01/02/2008	173.795
		10/06/2008	173.795
Greece	22.178	06/01/2009	22.178
Hungary	22.860	16/01/2008	22.860
Iceland	2.244	22/01/2008	2.244
Italy	255.900	27/05/2008	255.900
Latvia	4.575	15/01/2008	4.575
Lithuania	6.981	01/04/2008	6.981
Luxembourg	4.265	23/04/2008	4.265
Netherlands	109.065	04/02/2008	109.065
Norway	43.745	07/07/2008	43.745
Poland	81.144	13/02/2008	81.144
Portugal	27.296	06/02/2008	27.296
Romania	34.427	28/02/2008	34.427
Slovakia	14.395	11/04/2008	14.395
Slovenia	8.390	18/02/2008	8.390
Spain	147.047	03/03/2008	147.047
Turkey	68.240	12/02/2008	68.240
United Kingdom	482.436	18/01/2008	482.436
United States	744.157	21/04/2008	685.856
		25/08/2008	58.302
NATO	55.200	23/05/2008	55.200
Total	3.467.200		3.467.200

TRANSFERS OF CREDITS FOR 2008

1) within the budget

	Chapter/Article	Transfer	Balance after transfer
<i>FROM</i>	Chapter 1 - Art. 4 Expenditure related to staff 45.000	- 2.500	42.500
<i>TO</i>	Chapter 1 - Art. 3 Recruitment expenses 17.600	+ 2.500	20.100
<i>FROM</i>	Chapter 1 - Art. 8 Research assistants programme 66.000	- 1.000	65.000
<i>TO</i>	Chapter 1 - Art. 5 External consultants and temporary staff 70.000	+ 150	70.150
<i>TO</i>	Chapter 1 - Art. 7 Legal advisers 2.500	+ 850	3.350
<i>FROM</i>	Chapter 2 - Art. 4 Postage, facsimile, telephone 28.000	- 10.100	17.900
<i>FROM</i>	Chapter 2 - Art. 6 Small office equipment and furniture 11.500	- 1.500	10.000
<i>FROM</i>	Chapter 4 - Art. 1 Committee on the Civil Dimension of Security 15.500	- 6.000	9.500
<i>TO</i>	Chapter 2 - Art. 1 Expenditure on headquarters 61.500	+ 17.600	79.100
<i>FROM</i>	Chapter 2 - Art. 5 Administration costs and office supplies 25.000	- 3.000	22.000
<i>FROM</i>	Chapter 2 - Art. 9 Transport 14.600	- 5.000	9.600
<i>FROM</i>	Chapter 4 - Art. 2 Defense and Security Committee 23.000	- 2.500	20.500
<i>FROM</i>	Chapter 4 - Art. 4 Political Committee 23.000	- 2.000	21.000
<i>FROM</i>	Chapter 4 - Art. 5 Science and Technology Committee 20.000	- 2.000	18.000
<i>FROM</i>	Chapter 4 - Art. 6 Annual Study Visit or any additional meeting 4.500	- 3.000	1.500
<i>FROM</i>	Chapter 4 - Art. 9 Transatlantic seminar 15.000	- 4.500	10.500
<i>FROM</i>	Chapter 4 - Art. 14 Deputy Secretaries General 20.600	- 4.000	16.600
<i>TO</i>	Chapter 1 - Art. 1 Gross Salaries 1.836.000	+ 26.000	1.862.000

	Chapter/Article	Transfer	Balance after transfer
<i>FROM</i>	Chapter 2 - Art. 9 Transport 9.600	- 1.000	8.600
<i>TO</i>	Chapter 2 - Art. 7 Renting and maintenance of photocopiers 35.000	+ 1.000	36.000
<i>FROM</i>	Chapter 2 - Art. 11 Library 28.500	- 1.500	27.000
<i>TO</i>	Chapter 2 - Art. 10 Documents 91.000	+ 1.500	92.500
<i>FROM</i>	Chapter 3 - Art. 2 Spring Session 150.000	- 3.100	146.900
<i>FROM</i>	Chapter 4 - Art. 4 Political Committee 21.000	- 5.000	16.000
<i>TO</i>	Chapter 3 - Art. 5 Preparation of future sessions 20.000	+ 8.100	28.100
<i>FROM</i>	Chapter 4 - Art. 5 Science and Technology Committee 18.000	- 9.000	9.000
<i>TO</i>	Chapter 1 - Art. 5 External consultants and temporary staff 70.150	+ 9.000	79.150
<i>FROM</i>	Chapter 4 - Art. 1 Committee on the Civil Dimension of Security 9.500	- 900	8.600
<i>TO</i>	Chapter 4 - Art. 8 Mediterranean and Middle East Special Group 26.000	+ 900	26.900
<i>FROM</i>	Chapter 4 - Art. 3 Economic and Security Committee 21.000	- 5.000	16.000
<i>FROM</i>	Chapter 4 - Art. 10 Interpretation costs for all meetings 85.000	- 5.000	80.000
<i>TO</i>	Chapter 4 - Art. 7 Rose Roth programme and Outreach programme 25.000	+ 10.000	35.000

2) from provisions and external funding

	Chapter/Article	Transfer
<i>FROM</i>	Provision Chapter 1	- 52.770
<i>TO</i>	Chapter 1 - Art. 1: Gross Salaries	+ 47.464
<i>TO</i>	Chapter 1 - Art. 3: Recruitment expenditure	+ 5.307
<i>FROM</i>	Provision Chapter 4	- 2.922
<i>TO</i>	Chapter 4 - Art. 7: Rose-Roth Programme	+ 2.922
<i>FROM</i>	DCAF Funding	- 107.091
<i>TO</i>	Chapter 1 - Art. 1: Salaries	+ 54.331
<i>TO</i>	Chapter 1 - Art. 2: Additional salary costs	+ 13.500
<i>TO</i>	Chapter 4 - Art. 7: Rose-Roth Programme	+ 36.054
<i>TO</i>	Chapter 4 - Art. 10: Interpretation costs	+ 3.206
<i>FROM</i>	NATO funding	- 11.377
<i>TO</i>	Chapter 4 - Art. 7: Rose-Roth Programme	+ 11.377