



NATO PARLIAMENTARY ASSEMBLY

**AUDITED FINANCIAL STATEMENTS
AT 31st DECEMBER 2012**

Abridged version

(in euros)

ADOPTED BY THE PLENARY ASSEMBLY ON MONDAY 14th OCTOBER

Statement of Financial Performance at 31st December 2012

	INCOME		EXPENDITURE	
	2012	2011	2012	2011
ANNUAL BUDGET				
Contributions				
Contributions from Member Countries	3,698,825.00	3,698,825.00	2,815,330.26	2,707,082.75
NATO Subsidy	51,600.00	51,600.00	322,755.66	411,195.62
	<u>3,750,425.00</u>	<u>3,750,425.00</u>	<u>3,138,085.92</u>	<u>3,118,278.37</u>
Financed By Provisions and Prior Year Surplus				
Financed from Prior Year Surplus	0.00	0.00		
Update of the budget	7,790.00	82,500.00		
Use of provisions	0.00	0.00		
Funding Outreach Programme				
Voluntary contribution Danish delegation	0.00	3,000.00		
NATO	0.00	0.00		
Swiss Ministry of Defence	41,756.90	40,000.00		
	<u>49,546.90</u>	<u>125,500.00</u>		
Total Budget for the Year	<u>3,799,971.90</u>	<u>3,875,925.00</u>		
Other Income				
Investment Income	21,385.87	21,295.60		
Interest on Term Deposits	4,553.47	14,630.52		
Gains (Losses) on Exchange	-1,755.77	-3,387.14		
Other Income	1,549.71	2,994.74		
	<u>25,733.28</u>	<u>35,533.72</u>		
Total Income	<u>3,825,705.18</u>	<u>3,911,458.72</u>		
			Total Expenditure	3,795,698.68
			Excess of Receipts over Expenditure	119,448.10
				<u>3,792,010.62</u>

Cash Flow Statement

Cash flow from operating activities	2012	2011
Receipts		
Contributions Received	3,460,104.00	4,058,549.00
Funding Other Contributions	41,756.90	40,000.00
Other Income	31,744.63	29,413.25
Total Receipts:	3,533,605.53	4,127,962.25
Payments		
Personnel Costs	2,815,054.73	2,707,358.28
Operational Costs	952,518.42	1,174,269.99
Total Payments:	3,767,573.15	3,881,628.27
NET increase/decrease in cash and cash equivalents	-233,967.62	246,333.98
Cash and cash eq. at the beginning of the period	1,894,016.02	1,647,682.04
Cash and cash eq. at the end of the period	1,660,048.40	1,894,016.02
Balance	-233,967.62	246,333.98

Statement of Reserve funds and Provisions at 31st December 2012

	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	69,259.35	30,000.00	99,259.35	0.00	0.00	0.00	0.00	99,259.35
Provision Chapter 2	72,425.99	0.00	72,425.99	0.00	0.00	0.00	0.00	72,425.99
Provision Chapter 3	99,750.35	51,658.10	151,408.45	0.00	0.00	0.00	0.00	151,408.45
Provision Chapter 4	293,508.19	30,000.00	323,508.19	0.00	0.00	0.00	0.00	323,508.19
Total	534,943.88	111,658.10	646,601.98	0.00	0.00	0.00	0.00	646,601.98
II. Special Purpose Contributions								
Rose-Roth Programme - Swiss MOD funds	0.00	0.00	0.00	41,756.90	-41,756.90	0.00	0.00	0.00
Rose-Roth Programme - NATO funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rose-Roth Programme - Denmark funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rose-Roth Programme - Luxembourg funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	41,756.90	-41,756.90	0.00	0.00	0.00
III. Reserve Funds								
Emergency Fund	924,727.89	0.00	924,727.89	0.00	0.00	0.00	0.00	924,727.89
Unemployment Fund	16,463.30	0.00	16,463.30	0.00	0.00	0.00	0.00	16,463.30
Total	941,191.19	0.00	941,191.19	0.00	0.00	0.00	0.00	941,191.19
TOTAL (Headings I,II,III)	1,476,135.07	111,658.10	1,587,793.17	41,756.90	-41,756.90	0.00	0.00	1,587,793.17
IV. ANNUAL BUDGET								
Allocation from prior year return on investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Update of the budget	0.00	7,790.00	7,790.00	0.00	-7,790.00	0.00	0.00	0.00
Allocation of Prior Year surplus	119,448.10	-119,448.10	0.00	0.00	0.00	0.00	0.00	0.00
Current Year Operations - Normal Budget	0.00	0.00	0.00	3,750,425.00	49,546.90	3,795,698.68	25,733.28	30,006.50
TOTAL (Heading IV)	119,448.10	-111,658.10	7,790.00	3,750,425.00	41,756.90	3,795,698.68	25,733.28	30,006.50
GRAND TOTAL (Headings I, II, III, IV)	1,595,583.17	0.00	1,595,583.17	3,792,181.90	0.00	3,795,698.68	25,733.28	1,617,799.67

- see Income and expenditure table for details

Revised Budget 2011	Expenses 2011	Revised Budget 2012	Expenses 2012	Saving	% Rev. Budget
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BREAKDOWN OF EXPENDITURE FOR FINANCIAL YEAR 2012

CHAPTER 1 - PERSONNEL COSTS

2,015,250.00	2,013,718.00	2,150,325.00	2,150,013.20	311.80	99.99%	Article 1 - Gross Salaries
461,050.00	457,646.25	479,800.00	479,720.19	79.81	99.98%	Article 2 - Additional salary costs
35,100.00	29,094.27	25,800.00	25,791.08	8.92	99.97%	Article 3 - Recruitment expenses
58,000.00	56,734.21	45,500.00	45,394.06	105.94	99.77%	Article 4 - Expenditure related to staff
69,250.00	69,237.24	31,700.00	31,477.97	222.03	99.30%	Article 5 - External consultants and temporary staff
0.00	0.00	0.00	0.00	0.00	0.00%	Article 6 - Financial control and advice
4,700.00	4,693.75	1,800.00	1,739.81	60.19	96.66%	Article 7 - Legal advisers
77,000.00	75,959.03	81,200.00	81,193.95	6.05	99.99%	Article 8 - Research assistants programme
2,720,350.00	2,707,082.75	2,816,125.00	2,815,330.26	794.74	99.97%	TOTAL CHAPTER 1

Revised Budget 2011	Expenses 2011	Revised Budget 2012	Expenses 2012	Saving	% Rev. Budget
123,000.00	122,986.04	75,950.00	75,943.33	6.67	99.99%
5,900.00	5,841.34	6,100.00	6,087.77	12.23	99.80%
12,500.00	12,407.59	12,800.00	12,591.64	208.36	98.37%
12,000.00	11,701.01	10,500.00	10,159.52	340.48	96.76%
18,500.00	18,147.29	11,000.00	10,956.04	43.96	99.60%
23,500.00	22,920.61	11,500.00	11,494.74	5.26	99.95%
12,175.00	12,161.73	9,700.00	9,629.03	70.97	99.27%
56,490.00	48,712.04	46,140.00	45,529.27	610.73	98.68%
8,600.00	8,218.70	7,000.00	6,770.56	229.44	96.72%
107,000.00	106,885.87	93,800.00	93,685.87	114.13	99.88%
25,500.00	25,442.22	24,875.00	24,783.10	91.90	99.63%
17,100.00	15,771.18	15,125.00	15,124.79	0.21	100.00%
422,265.00	411,195.62	324,490.00	322,755.66	1,734.34	99.47%

CHAPTER 2 - OPERATING COSTS

Article 1 - Expenditure on headquarters
Article 2 - Insurances
Article 3 - Contracts concerning security
Article 4 - Postage and telephone costs
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 2011	Expenses 2011	Revised Budget 2012	Expenses 2012	Saving	% Rev. Budget
17,600.00	17,582.94	13,490.00	13,427.93	62.07	99.54%
121,300.00	119,205.28	123,600.00	123,507.79	92.21	99.93%
180,000.00	177,118.24	177,000.00	176,938.07	61.93	99.97%
7,600.00	7,569.92	6,500.00	6,425.37	74.63	98.85%
20,000.00	10,319.45	20,710.00	20,708.23	1.77	99.99%
346,500.00	331,795.83	341,300.00	341,007.39	292.61	99.91%

CHAPTER 3 - SESSIONS

Article 1 - Standing Committee meeting - March 2012 - Ljubljana

Article 2 - Spring Session - May 2012 - Tallinn

Article 3 - Annual Session - November 2012 - Prague

Article 4 - Joint Meeting - The Hotel - February 2012 - Brussels

Article 5 - Preparation of future sessions

TOTAL CHAPTER 3

Revised Budget 2011	Expenses 2011	Revised Budget 2012	Expenses 2012	Saving	% Rev. Budget
4,710.00	3,957.86	10,600.00	10,518.20	81.80	99.23%
19,000.00	18,932.48	19,900.00	19,882.67	17.33	99.91%
14,000.00	12,816.51	10,000.00	9,922.16	77.84	99.22%
22,000.00	21,947.77	17,200.00	17,157.12	42.88	99.75%
13,500.00	9,703.35	12,800.00	12,763.37	36.63	99.71%
6,000.00	0.00	13,500.00	13,477.04	22.96	99.83%
132,000.00	103,031.53	73,978.81	73,733.07	245.74	99.67%
20,000.00	19,805.71	16,500.00	16,253.65	246.35	98.51%
12,000.00	11,145.02	11,300.00	10,790.04	509.96	95.49%
108,100.00	108,017.07	92,978.09	92,977.06	1.03	100.00%
2,500.00	165.70	0.00	0.00	0.00	0.00%
0.00	0.00	0.00	0.00	0.00	0.00%
21,000.00	20,708.17	25,000.00	24,902.60	97.40	99.61%
12,000.00	11,705.25	14,300.00	14,228.39	71.61	99.50%
386,810.00	341,936.42	318,056.90	316,605.37	1,451.53	99.54%
3,875,925.00	3,792,010.62	3,799,971.90	3,795,698.68	4,273.22	99.89%

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 - 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: 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.

Note 4: Contributions and Contributions Receivable

Member Country	Contribution	Received	
		Date	€
Albania	3,118	18/05/2012	3,118
Belgium	75,634	16/05/2012	75,634
Bulgaria	11,348	29/02/2012	11,348
Canada	219,555	02/03/2012	219,555
Croatia	11,522	01/03/2012	11,522
Czech Republic	34,562	28/02/2012	9,875
		06/03/2012	24,687
Denmark	45,226	05/01/2012	45,226
Estonia	3,714	24/01/2012	3,714
France	422,450	26/01/2012	258,164
		22/03/2012	164,286
Germany	539,085	03/01/2012	179,695
		13/01/2012	179,695
		15/06/2012	179,695
Greece	35,139	10/10/2012	35,139
Hungary	25,910	03/02/2012	25,910
Iceland	1,819	15/08/2012	1,819
Italy	324,158	07/11/2011	324,158
Latvia	5,352	04/04/2012	5,352
Lithuania	7,927	11/04/2012	7,927
Luxembourg	5,152	16/01/2012	5,152
Netherlands	118,851	07/02/2012	118,851
Norway	55,390	19/01/2012	55,390
Poland	92,130	15/02/2012	92,130
Portugal	35,128	18/06/2012	35,128
Romania	39,315	21/05/2012	39,315
Slovakia	16,878	22/11/2012	16,878
Slovenia	8,592	30/01/2012	8,592
Spain	182,322	02/03/2012	182,322
Turkey	136,095	08/06/2012	136,095
United Kingdom	438,351	21/03/2012	438,351
United States	804,102	29/06/2012	804,102
NATO Subsidy	51,600	09/02/2012	51,600
Total	3,750,425		3,750,425

TRANSFER OF CREDITS FOR 2012

1) within the budget

	Chapter/Article	Transfer	Balance after transfer
FROM	Chapter 1 - Art. 7 Legal advisers 3,500	1,700	1,800
FROM	Chapter 2 - Art. 2 Insurances 7,500	1,400	6,100
FROM	Chapter 2 - Art. 3 Security 14,000	1,200	12,800
FROM	Chapter 2 - Art. 4 Postage and telephone costs 17,500	7,000	10,500
FROM	Chapter 2 - Art. 7 Reproducing machines 14,000	4,300	9,700
FROM	Chapter 3 - Art. 2 Spring Session 130,000	6,400	123,600
FROM	Chapter 3 - Art. 3 Annual Session 200,000	23,000	177,000
FROM	Chapter 4 - Art. 1 Committee of the Civil Dimension of Security 13,500	1,000	12,500
FROM	Chapter 4 - Art. 3 Economics and Security Committee 18,000	500	17,500
FROM	Chapter 4 - Art. 4 Political Committee 18,000	800	17,200
FROM	Chapter 4 - Art. 5 Science and Technology Committee 13,500	700	12,800
FROM	Chapter 4 - Art. 7 Rose-Roth Programme 65,000	21,000	44,000
FROM	Chapter 4 - Art. 8 Mediterranean and Middle East Special Group 30,000	13,500	16,500
FROM	Chapter 4 - Art. 11 President 2,500	2,500	0
FROM	Chapter 4 - Art. 13 Missions of the Secretary General 25,500	500	25,000
FROM	Chapter 4 - Art. 14 Missions of the Deputy Secretaries General 20,000	5,700	14,300
TO	Chapter 1 - Art. 1 Salaries 2,059,125	91,200	2,150,325

	Chapter/Article	Transfer	Balance after transfer
FROM	Chapter 2 - Art. 5 Administration cost and office supplies 19,000	8,000	11,000
FROM	Chapter 3 - Art. 1 Standing Committee 15,000	800	14,200
TO	Chapter 1 - Art. 2 Additional Salary costs 477,000	8,800	479,800
FROM	Chapter 1 - Art. 4 Expenditure related to staff 53,000	7,500	45,500
FROM	Chapter 1 - Art. 5 Temporary staff and Consultants 35,000	3,300	31,700
TO	Chapter 1 - Art. 3 Recruitment Expenditure 15,000	10,800	25,800
FROM	Chapter 2 - Art. 10 Documents 100,000	6,200	93,800
TO	Chapter 1 - Art. 8 Research Assistants programme 75,000	6,200	81,200
FROM	Chapter 2 - Art. 8 Computer equipment 46,400	350	46,140
FROM	Chapter 2 - Art. 9 Transport 14,600	7,600	7,000
FROM	Chapter 2 - Art. 11 Library 27,000	2,000	25,000
TO	Chapter 2 - Art. 1 Expenditure on Headquarters 66,000	9,950	75,950
FROM	Chapter 2 - Art. 11 Library 25,000	125	24,875
TO	Chapter 2 - Art. 12 Representation, hospitality 15,000	125	15,125
FROM	Chapter 3 - Art. 1 Standing Committee 14,200	710	13,490
TO	Chapter 3 - Art. 5 Preparation of future sessions 20,000	710	20,710

	Chapter/Article	Transfer	Balance after transfer
FROM	Chapter 4 - Art. 1 Committee of the Civil Dimension of Security 12,500	1,900	10,600
TO	Chapter 4 - Art. 2 Defence and Security Committee 18,000	1,900	19,900
FROM	Chapter 4 - Art. 3 Economics and Security Committee 17,500	7,500	10,000
TO	Chapter 4 - Art. 6 Any Additional Meeting 6,000	7,500	13,500
FROM	Chapter 4 - Art. 9 Transatlantic Seminar 12,500	1,200	11,300
TO	Chapter 4 - Art. 10 Interpretation Cost 80,000	1,200	81,200

2) from external funding

FROM	DCAF Funding	- 41,756.90	
TO	Chapter 4 - Art. 7: Rose-Roth Programme	+ 29,675.81	
TO	Chapter 4 - Art. 10: Interpretation costs	+ 11,776.09	