

**Network of Associations of Local Authorities of
South East Europe (NALAS)**

Financial Statements for the year ended
31 December 2013

CONTENT

Independent Auditors' Report	1
Statement of sources and uses of funds	3
Statement of expenditures details	6
Summary of funds and expenditures	10

Notes

1. General information
2. Objectives of NALAS
3. Basis for preparation of the NALAS accounts
4. Swiss Agency for Development and Cooperation (SDC) Contribution
5. GIZ Contribution
6. Advances given
7. Currency exchange loss/gain
8. VAT Recoverable

GENERAL INFORMATION

Management

Kelmend Zajazi
Executive Director

Registered office

Partizanski Odredi 42/7,
1000 Skopje
Macedonia

Bankers

Prokredit Bank AD Skopje,
Jane Sandanski no.109a
1000 Skopje
Macedonia

Societe Generale
Strasbourg
France

Auditors

PricewaterhouseCoopers Revizija d.o.o. Skopje
16, 8th September Blvd.
Hyperium Business Center, 2nd floor I,
1000 Skopje,
Macedonia



Independent Auditor's Report

To: Network of Associations of Local Authorities in South- East Europe (NALAS),
Attn. Executive Director
Kelmend Zajazi
bul. Partizanski Odredi 42/7, 1000 Skopje, Republic of Macedonia

Report on the project financial statements

We have audited the accompanying special purpose financial statements of the "Network of Associations of Local Authorities in South- East Europe" (NALAS), which comprise of Summary of Funds and Expenditures as at 31 December 2013 and Statement of Sources and Uses of Funds and Statement of Expenditures for the year ended and a summary of significant accounting policies and other explanatory notes. The special purpose financial statements have been prepared by management of NALAS in accordance with the cash receipts and disbursement basis as described in Note 3.2.

Management's responsibility for the financial statements

The management of the NALAS is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with the cash receipts and disbursement basis as described in Note 3.2, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as management determines it necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying special purpose financial statements presents fairly in all material respects the financial position of NALAS as of 31 December 2013 and its sources and uses of funds and expenditure details for the year than ended, in accordance with the cash receipts and disbursements basis as described in Note 3.2.

Basis on accounting

Without modifying our opinion, we draw attention to Note 3.2 to the special purpose financial statement, which describes the basis of accounting. The financial statements are prepared to state the financial position and results of the entity as per entity's requirements. As a result, the financial statements may not be suitable for another purpose.

PricewaterhouseCoopers Revizija DOO
PricewaterhouseCoopers Revizija DOO Skopje

April 07, 2014
Skopje

Network of Associations of Local Authorities of South East Europe (NALAS)

STATEMENT OF SOURCES AND USES OF FUNDS

For the year 31 December 2013
(Expressed in EUR)

	note	SDC grant	GIZ grant	NEXPO	UNDP	ORF	WB	Membership fee /other contributions (COE+Moody's)	Total 2013	Total 2012
SOURCES OF FUNDS										
Balance on beginning of year 2012		(26,729)	66,631	-	6,265	77,972	1,652	62,913	188,704	163,730
Currency exchange gains from prior year*		-	-	-	-	-	-	-	-	153
Transfers for reserve fund and others		-	-	-	-	-	-	-	-	-
Balance on beginning of year, net		(26,729)	66,631	-	6,265	77,972	1,652	62,913	188,704	163,883
Membership fee		-	-	-	-	-	-	16,493	16,493	12,000
Grants from SDC	4	242,166	-	-	-	-	-	-	242,166	222,854
Grants from SDC-audit	4	6,002	-	-	-	-	-	-	6,002	5,999
Grants from GIZ	5	-	111,605	-	-	-	-	-	111,605	206,311
Other own sources/contributions		-	-	-	-	-	-	-	-	-
WB		-	-	-	-	-	32,880	-	32,880	8,220
NEXPO		-	-	69,370	-	-	-	-	69,370	-
UNDP ("Think Globally, Develop Locally" Project)		-	-	-	4,167	-	-	-	4,167	93,372
ORF (CALM Project)		-	-	-	-	-	-	-	-	110,000
ORF (Matchmaking Platform for LGs and businesses)		-	-	-	-	120,800	-	-	120,800	-
CoE		-	-	-	-	-	-	-	-	9,978
Moody's		-	-	-	-	-	-	1,500	1,500	-
TOTAL SOURCES OF FUNDS		221,439	178,236	69,370	10,432	198,772	34,532	80,906	793,687	832,617

*the currency exchange gains and losses from prior years result from the difference exchange rates that were used in 2011 for reporting purposes and the exchange rates used for reporting purposes in the Financial statements for 2012

Network of Associations of Local Authorities of South East Europe (NALAS)

STATEMENT OF SOURCES AND USES OF FUNDS

For the year 31 December 2013
(Expressed in EUR)

	note	SDC grant	GIZ grant	NEXPO	UNDP	ORF	WB	Membership fee /other contributions (COE+Moody's)	Total 2013	Total 2012
STRUCTURAL EXPENSES										
Personnel		72,779	51,209	-	-	-	-	-	123,988	112,084
Office expenditures		14,579	20,465	-	-	-	-	442	35,486	42,667
Statutory meetings		37,327	20,287	-	-	-	-	-	57,614	75,980
External relations		14,104	6,451	-	-	-	-	-	20,555	8,623
Total structural expenses		138,789	98,412	-	-	-	-	442	237,643	239,354
TASK FORCES AND KNOWLEDGE CENTER										
Task Force on Fiscal Decentralisation		423	1,694	-	-	-	-	-	2,117	73,248
Task Force on Urban Planning		-	2,999	-	-	-	-	-	2,999	1,679
Task Force on Association Development		71,295	22,785	-	-	-	-	-	94,080	65,737
Task Force on Solid Waste Management		-	8,411	-	-	-	-	-	8,411	5,191
Task Force on Energy Efficiency		838	7,776	-	-	-	-	-	8,614	13,633
Task Force on Sustainable Tourism		1,449	2,190	-	-	-	-	-	3,639	14,320
Knowledge Center		57,964	24,298	-	-	-	-	-	82,262	79,068
Total task forces and knowledge center		131,969	70,153	-	-	-	-	-	202,122	252,876
"Think Globally, Develop Locally" Project										
ORF (CALM Project)		-	-	-	10,432	-	-	-	10,432	106,939
ORF (Matchmaking Platform for LGs and businesses)		-	-	-	-	54,573	-	-	54,573	32,028
WB		-	-	-	-	97,190	17,816	-	97,190	6,568
Audit fees for 2012		6,002	-	-	-	-	-	-	6,002	5,999
NEXPO 2013		-	-	69,370	-	-	-	-	69,370	-
ATTRACT		-	-	-	-	-	-	13,458	13,458	-
TOTAL EXPENDITURES		276,760	168,565	69,370	10,432	151,763	17,816	13,900	708,606	643,764

The accompanying notes form an integral part of the NALAS Statement

Network of Associations of Local Authorities of South East Europe (NALAS)

STATEMENT OF SOURCES AND USES OF FUNDS

For the year 31 December 2013

(Expressed in EUR)

	note	SDC grant	GIZ grant	NEXPO	UNDP	ORF	WB	Membership fee /other contributions (COE+Moody's)	Total 2013	Total 2012
Bank charges/interest for bank account in Strasbourg		-	-	-	-	-	-	555	555	(60)
Currency exchange gains/loss	7	-	-	-	-	-	-	(497)	(497)	(89)
Transfers for reserve fund and others										
Surplus of funds over expenditures		(55,321)	9,671	-	-	47,009	16,716	67,064	85,139	188,704
Advances given	6	-	-	-	-	-	-	(786)	(786)	(17,370)
Savings return grant funds to ORF						(47,008)	-	-	(47,008)	-
Cash available from surplus of funds over expenditures		(55,321)	9,671	-	-	1	16,716	66,278	37,345	171,334
Cash available from surplus of funds over expenditures										
is represented by:										
Bank account									33,344	167,597
Petty cash account									4,001	3,737
Total cash available									37,345	171,334


 Authorized on behalf of
 Executive Director

Date: 07.04.2014

Network of Associations of Local Authorities of South East Europe (NALAS)

STATEMENT OF EXPENDITURE DETAILS

For the year ended 31 December 2013
(Expressed in EUR)

	note	SDC grant	GIZ grant	NEXPO	UNDP	ORF	WB	Membership fee /other contributions (COE+Moody's)	Total 2013	Total 2012
STRUCTURAL EXPENSES										
1. Personnel										
Executive director		29,870	-	-	-	-	-	-	29,870	29,893
IT/Knowledge center manager		21,524	-	-	-	-	-	-	21,524	14,772
Program officer 1		3,787	19,003	-	-	-	-	-	22,790	20,604
Program officer 2		4,609	21,203	-	-	-	-	-	25,812	25,826
Administration officer		9,654	-	-	-	-	-	-	9,654	9,661
Financial officer		2,192	11,003	-	-	-	-	-	13,195	11,083
Staff development		1,143	-	-	-	-	-	-	1,143	245
Total personnel expenses		72,779	51,209	-	-	-	-	-	123,988	112,084
2. Office expenditures										
Operational expenses		14,579	20,465	-	-	-	-	442	35,486	42,667
Total office expenditures		14,579	20,465	-	-	-	-	442	35,486	42,667
3. Statutory meetings										
General assembly		7,512	19,349	-	-	-	-	-	26,861	48,028
CLO meetings		29,815	938	-	-	-	-	-	30,753	21,756
Executive bureau meetings		-	-	-	-	-	-	-	-	6,196
Total expenses for statutory meetings		37,327	20,287	-	-	-	-	-	57,614	75,980
4. External relations										
External relations		14,104	6,451	-	-	-	-	-	20,555	8,623
Total external relations		14,104	6,451	-	-	-	-	-	20,555	8,623
TOTAL STRUCTURAL EXPENSES		138,789	98,412	-	-	-	-	442	237,643	239,354

The accompanying notes form an integral part of the NALAS Statement

Network of Associations of Local Authorities of South East Europe (NALAS)

STATEMENT OF EXPENDITURE DETAILS

For the year ended 31 December 2013
(Expressed in EUR)

	note	SDC grant	GIZ grant	NEXPO	UNDP	ORF	WB	Membership fee /other contributions (COE+Moody's)	Total 2013	Total 2012
TASK FORCES AND KNOWLEDGE CENTER										
1. Task Force on Fiscal Decentralisation										
Ordinary meetings		423	1,564	-	-	-	-	-	1,987	15,207
Final conference		-	130	-	-	-	-	-	130	56,398
Experts and consultants		-	-	-	-	-	-	-	-	777
Outputs		-	-	-	-	-	-	-	-	866
Total task force on fiscal decentralisation		423	1,694	-	-	-	-	-	2,117	73,248
2. Task Force on Urban Planning										
Ordinary meetings		-	2,999	-	-	-	-	-	2,999	1,679
Final conference		-	-	-	-	-	-	-	-	-
Experts and consultants		-	-	-	-	-	-	-	-	-
Outputs		-	-	-	-	-	-	-	-	-
Total task force on urban planning		-	2,999	-	-	-	-	-	2,999	1,679
3. Task Force on Association Development										
Ordinary meetings		3,274	12,369	-	-	-	-	-	15,643	14,421
Quick response		7,223	3,918	-	-	-	-	-	11,141	8,014
Shadowing/Intership		-	-	-	-	-	-	-	-	6,692
Meetings of MA's staff		-	-	-	-	-	-	-	-	-
Meetings of presidents of LGAs		20,229	-	-	-	-	-	-	20,229	28,848
Other initiatives		-	-	-	-	-	-	-	-	-
NEXPO		40,530	6,498	-	-	-	-	-	47,028	2,630
Strategic planning		39	-	-	-	-	-	-	39	5,132
Total task force on association development		71,295	22,785	-	-	-	-	-	94,080	65,737

The accompanying notes form an integral part of the NALAS Statement

Network of Associations of Local Authorities of South East Europe (NALAS)

STATEMENT OF EXPENDITURE DETAILS (Continued)

For the year ended 31 December 2013

(Expressed in EUR)

	note	SDC grant	GIZ grant	NEXPO	UNDP	ORF	WB	Membership fee /other contributions (COE+Moody's)	Total 2013	Total 2012
4. Task Force on Solid Waste Management										
Ordinary meetings		-	8,411	-	-	-	-	-	8,411	5,191
Final conference		-	-	-	-	-	-	-	-	-
Experts and consultants		-	-	-	-	-	-	-	-	-
Outputs		-	-	-	-	-	-	-	-	-
Total task force on solid waste management		-	8,411	-	-	-	-	-	8,411	5,191
5. Task Force on Energy Efficiency										
Ordinary meetings		838	7,776	-	-	-	-	-	8,614	13,633
Final conference		-	-	-	-	-	-	-	-	-
Experts and consultants		-	-	-	-	-	-	-	-	-
Outputs		-	-	-	-	-	-	-	-	-
Total task force on energy efficiency		838	7,776	-	-	-	-	-	8,614	13,633
6. Task Force on Sustainable Tourism										
Ordinary meetings		1,449	2,190	-	-	-	-	-	3,639	14,320
Final conference		-	-	-	-	-	-	-	-	-
Experts and consultants		-	-	-	-	-	-	-	-	-
Outputs		-	-	-	-	-	-	-	-	-
Total task force on sustainable Tourism		1,449	2,190	-	-	-	-	-	3,639	14,320

Network of Associations of Local Authorities of South East Europe (NALAS)

STATEMENT OF EXPENDITURE DETAILS (Continued) For the year ended 31 December 2013 (Expressed in EUR)

	note	SDC grant	GIZ grant	NEXPO	UNDP	ORF	WB	Membership fee /other contributions (COE+Moody's)	Total 2013	Total 2012
7. Knowledge Center										
KNC establishment		2,835	1,995	-	-	-	-	-	4,830	-
Expert and content resource		1,083	2,740	-	-	-	-	-	3,823	5,532
Running KNC		378	10,063	-	-	-	-	-	10,441	2,985
National knowledge management		53,668	9,500	-	-	-	-	-	63,168	70,551
Total knowledge center		57,964	24,298	-	-	-	-	-	82,262	79,068
TOTAL TASK FORCES AND KNOWLEDGE CENTER										
		131,969	70,153	-	-	-	-	-	202,122	252,876
"Think Globally, Develop Locally" Project										
CALM Project SW Cost estimation and Matchmaking		-	-	-	10,432	-	-	-	10,432	106,939
WB		-	-	-	-	151,763	-	-	151,763	32,028
Audit fees for 2012		6,002	-	-	-	-	17,816	-	17,816	6,568
NEXPO 2013		-	-	69,370	-	-	-	-	6,002	5,999
ATTRACT		-	-	-	-	-	-	13,458	69,370	-
		-	-	-	-	-	-	-	13,458	-
TOTAL EXPENDITURES		276,760	168,565	69,370	10,432	151,763	17,816	13,900	708,606	643,764

Network of Associations of Local Authorities of South East Europe (NALAS)

SUMMARY OF FUNDS AND EXPENDITURES

31 December 2013

(Expressed in EUR)

	note	31 December 2013*	31 December 2012*
ASSETS			
1. Expenditures			
SDC grant	4	276,760	250,050
GIZ grant	5	320,328	236,230
OSI/LGI projects		-	-
UNDP projects		10,432	107,134
Membership fee and other own sources		939	12,009
NEXPO		69,370	-
Other projects		17,816	38,596
ATTRACT SEE		13,458	-
Total expenditures		708,103	644,019
2. Advances			
Advances	6	786	17,370
Total Advances		786	17,370
3. Cash and bank balances			
Cash and bank balances		37,345	171,334
Total cash and bank balances		37,345	171,334
TOTAL ASSETS		747,234	832,723
LIABILITIES			
1. Funds			
SDC grant	4	221,439	223,321
GIZ grant	5	330,000	302,861
OSI/LGI projects		-	-
UNDP projects		10,432	113,399
Membership fee and other own sources		81,461	74,922
NEXPO		69,370	-
Other projects		34,532	118,220
Total funds		747,234	832,723
2. VAT Refund			
VAT Refund		-	-
Total Advances		-	-
TOTAL LIABILITIES		747,234	832,723

***Note:** In the amounts related to membership fee and other own sources the Bank charges in amount of EUR 497 (2012: EUR 60) are included in the expenditures and the Currency exchange gains in amount of EUR 555 (2012: EUR 106) are included in funds. Also, in 2012 in the UNDP project expenditures the currency exchange losses in amount of 195 are included.

1. General information

NALAS is a network of associations of local authorities of South East Europe created in the frames of the Stability Pact for South East Europe following the first Forum of Cities and Regions of South East Europe organized by the Congress of Local and Regional Authorities of the Council of Europe. NALAS promotes the process of decentralization in co-operation with central governments and international organizations, considering local self-government as a key issue in the current process of transition affecting the various countries in South East Europe.

NALAS was established in 2001 as an informal network and on 2005 formally registered based on the Alsatian Law in Strasbourg, France. In the period from July 2006 till its registration, NALAS operations have been managed through bank account in Societe General in Strasburg and with the support by Swiss Embassy under coordination of the President and Executive Director of NALAS.

The NALAS Secretariat, which makes the executive capacity of NALAS, was registered as a branch office of NALAS under the Macedonian Law on 16 October 2007 and operates through a non-resident account.

2. Objectives of NALAS

The overall goal of the association is to advocate for local self-government development and decentralization and support the application of the principles contained in the European Charter of Local Self-Government, the European Urban Charter II - Manifesto for a New Urbanity and the UN guidelines on decentralization at the Local Level. NALAS represents and protects its members' interests and provides services to them.

NALAS operates as the Knowledge Centre and coordination platform on local government issues in South East Europe. NALAS strengthens the capacity of its members, local government associations, for the sake of better governance through the exchange of knowledge and experience and through local and regional activities such as pilot projects. NALAS also supports its members in their efforts to become viable representatives of local authorities who are up to negotiate with their national government and international organizations for the benefit of the citizens of the region.

NALAS support its members in building cross-border partnerships between local governments in South East Europe in order to contribute to a modern and efficient local self-government, increased democracy and stability in the region. Thereby, it also contributes to the process of EU integration.

NALAS activities are guided by the NALAS Strategic Plan for the period 2013 - 2017. The overall objective is to stimulate the exchange of information and experiences among NALAS members, and to disseminate and promote the results of the NALAS activities.

NALAS is a first rate Knowledge Center representing one of the most reliable sources of information and expertise on local self-government issues in South-East Europe.

NALAS has a set of strategic objectives related to the following mid-term objectives:

- NALAS Knowledge Center is the main knowledge platform for and actively used by local governments (LGs) in South-East Europe (SEE)
- Improved and expanded NALAS services strengthen LGAs and their member LGs in the decentralization process.
- Interests of SEE Local Governments visible and taken into account by European institutions
- Financial and institutional consolidation of NALAS.

3. Basis for preparation of NALAS accounts

3.1. General

The accompanying Statement of Sources and Uses of Funds, Statement of Expenditures and Summary of Funds and Expenditures has been prepared for the purposes of reporting to the Swiss Agency for Development and Cooperation and GIZ ("the Donors") on the activities of the Association related to funding received for the completion of the objectives as established with the Agreement on support of the Local Democracy and Regional Integration in South East Europe and the Agreement on support of the Institutional Development "Network of Associations of Local Authorities of South-East Europe".

This Statement includes all operational and task-related expenditures incurred for the period from 1 January 2013 to 31 December 2013.

3.2. Accounting Convention

The policy of the Association is to prepare the statement on a cash receipts and disbursements basis. On this basis revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred. The accounting policies have been applied consistently throughout the reporting period. The accounting policy is in accordance with the requirements of the main financiers - Swiss Agency for Development and Cooperation (SDC) and GIZ.

3.3. Reporting Currency

The Project statement is prepared in EUR as this is the reporting currency of the Association.

The cash transactions executed during the year denominated in Macedonian Denars are translated into Euros using the average exchange rate for the year 2013, published by the National Bank of the Republic of Macedonia which was 1 EUR = MKD 61.57. The year end cash balance is translated at the official period end exchange rate published by the National Bank of the Republic of Macedonia, which on 31 December 2013 was 1 EUR = MKD 61.51.

The cash transactions executed during the year denominated in US Dollars are translated into Euros using the average exchange rate for the dates when payments occurred, published by the National Bank of the Republic of Macedonia. The average exchange rates which are used are: 1 USD = MKD 46.84 and 1 EUR = MKD 61.57 (i.e. 1 EUR = USD 1.31). The year end cash balance is translated at the official period end exchange rates published by the National Bank of the Republic of Macedonia, which on 31 December 2013 were 1 USD = MKD 44.63 and 1 EUR = MKD 61.51 (i.e. 1 EUR=USD 1.38).

4. Swiss Agency for Development and Cooperation (SDC) Contribution

The Swiss Agency for Development and Cooperation (SDC) supported NALAS from its establishment to present. At the beginning, the contributions were intended mainly for speeding up the decentralization reforms and providing policy advice and legislative expertise. Subsequently, with the registration of the Secretariat office in Skopje, SDC decided to provide long-term funding to NALAS and due to the good experience to further continue the support.

The contribution for the period 1 January 2013 to 31 December 2013 amounted to MKD 5,279,693 i.e. EUR 85,751 (MKD 4,910,160 i.e. EUR 79,749 as regular contribution and MKD 369,533 i.e. EUR 6,002 as contribution for covering the audit costs).

On 25 June 2013 new contract with num. 81018281 was signed for grant in amount of total MKD 68,542,500. For the period 1 July 2013 to 31 December 2013 the contribution of SDC on basis on this contract was MKD 10,000,000 i.e. EUR 162,417.

Following is the detailed breakdown of funds and uses of funds contributed by SDC for the periods as defined by the Grant Agreements is as follows:

**4. Swiss Agency for Development and Cooperation (SDC) Contribution
(continued)**

	1 January – 30 June 2013	1 July – 31 December 2013	1 January – 31 December 2012
PROJECT FUNDS	59,022	162,417	223,321
PROJECT EXPENDITURES			
STRUCTURAL EXPENSES			
1. Personnel			
Executive director	14,935	14,935	29,893
IT/Knowledge center manager	10,762	10,762	14,772
Program officer 1	-	3,787	-
Program officer 2	-	4,609	-
Administration officer	4,827	4,827	9,661
Financial officer	-	2,192	-
Staff development	1,143	-	-
Total personnel expenses	31,667	41,112	54,326
2. Office expenditures			
Operational expenses	4,365	10,214	25,775
Total office expenditures	4,365	10,214	25,775
3. Statutory meetings			
General assembly	7,187	325	38,398
CLO meetings	159	29,656	8,424
Executive bureau meetings	-	-	296
Total expenses for statutory meetings	7,346	29,981	47,118
4. External relations			
External relations	3,644	10,460	3,845
Total external relations	3,644	10,460	3,845
Total structural expenses	47,022	91,767	131,064

4. Swiss Agency for Development and Cooperation (SDC) Contribution (continued)

	1 January – 30 June 2013	1 July – 31 December 2013	1 January – 31 December 2012
TASK FORCES AND KNOWLEDGE CENTER			
1. Task Force on Fiscal Decentralisation			
Ordinary meetings	423	-	1,009
Final conference	-	-	3,345
Experts and consultants	-	-	777
Outputs	-	-	-
Total task force on fiscal decentralisation	423	-	5,131
2. Task Force on Urban Planning			
Ordinary meetings	-	-	199
Final conference	-	-	-
Experts and consultants	-	-	-
Outputs	-	-	-
Total task force on urban planning	-	-	199
3. Task Force on Association Development			
Ordinary meetings	3,274	-	3,628
Quick response	3,611	3,612	7,362
Shadowing/Internship	-	-	-
Meetings of MA's staff	-	-	-
Meetings of presidents of LGAs	-	20,229	9,982
Other initiatives	-	-	-
NEXPO	1,023	39,507	224
Strategic planning	-	39	448
Total task force on association development	7,908	63,387	21,644
4. Task Force on Solid Waste Management			
Ordinary meetings	-	-	290
Final conference	-	-	-
Experts and consultants	-	-	-
Outputs	-	-	-
Total task force on solid waste management	-	-	290
5. Task Force on Energy Efficiency			
Ordinary meetings	838	-	1,247
Final conference	-	-	-
Experts and consultants	-	-	-
Outputs	-	-	-
Total task force on energy efficiency	838	-	1,247

**4. Swiss Agency for Development and Cooperation (SDC)
Contribution (continued)**

	1 January – 30 June 2013	1 July – 31 December 2013	1 January – 31 December 2012
6. Task Force on Sustainable Tourism			
Ordinary meetings	1,391	58	10,742
Final conference	-	-	-
Experts and consultants	-	-	-
Outputs	-	-	-
Total task force on energy efficiency	1,391	58	10,742
7. Knowledge Center			
KNC establishment	2,835	-	-
Expert and content resource	682	401	2,836
Running KNC	284	94	347
National knowledge management	11,932	41,736	70,551
Total knowledge center	15,733	42,231	73,734
Total task forces and knowledge center	26,293	105,676	112,987
Audit fees for 2012	6,002	-	5,999
TOTAL EXPENDITURES	79,318	197,443	250,050

5. GIZ Contribution

During 2013, NALAS received contributions from GIZ in accordance with the Agreement No: 81124255, for granting of contribution to the Project Institutional development "Network of Associations of Local Authorities of South-East Europe (NALAS), for the period from 1 April 2010 to 31 December 2013, in total of EUR 686,300 The contribution for the period 1 January 2013 to 31 December 2013 amounted to EUR 61,605.

On 29.10.2013 new contract with num. 81167745 was signed with GIZ for grant in amount of EUR 100,000. For the period 1 November 2013 to 31 December 2013 the contribution of GIZ on basis on this contract was EUR 50,000.

	1 January – 30 September 2013	1 November- 31 December 2013	1 January- 31 December 2012
PROJECT FUNDS	128,236	50,000	302,861
PROJECT EXPENDITURES			
STRUCTURAL EXPENSES			
1. Personnel			
Executive director	-	-	-
IT/Knowledge center manager	-	-	-
Program officer 1	15,202	3,801	20,604
Program officer 2	16,958	4,245	25,826
Administration officer	-	-	-
Financial officer	8,802	2,201	11,083
Staff development	-		245
Total personnel expenses	40,963	10,246	57,758
2. Office expenditures			
Operational expenses	18,009	2,456	16,472
Total office expenditures	18,009	2,456	16,472
3. Statutory meetings			
General assembly	19,349	-	9,630
CLO meetings	938	-	12,332
Executive bureau meetings	-	-	5,900
Total expenses for statutory meetings	20,287	-	28,862
4. External relations			
External relations	6,451	-	4,778
Total external relations	6,451	-	4,778
Total structural expenses	85,710	12,703	107,870

5. GIZ Contribution (continued)

	1 January – 30 September 2013	1 November – 31 December 2013	1 January – 31 December 2012
TASK FORCES AND KNOWLEDGE CENTER			
1. Task Force on Fiscal Decentralisation			
Ordinary meetings	120	1,444	14,144
Final conference	130	-	41,578
Experts and consultants	-	-	-
Outputs	-	-	866
Total task force on fiscal decentralisation	250	1,444	56,588
2. Task Force on Urban Planning			
Ordinary meetings	-	2,999	1,480
Final conference	-	-	-
Experts and consultants	-	-	-
Outputs	-	-	-
Total task force on urban planning	-	2,999	1,480
3. Task Force on Association Development			
Ordinary meetings	11,522	847	10,793
Quick response	3,918	-	652
Shadowing/Internship	-	-	6,692
Meetings of MA's staff	-	-	-
Meetings of presidents of LGAs	-	-	18,866
Other initiatives	-	-	-
NEXPO	6,498	-	2,406
Strategic planning	-	-	4,684
Total task force on association development	21,938	847	44,093
4. Task Force on Solid Waste Management			
Ordinary meetings	-	8,411	4,901
Final conference	-	-	-
Experts and consultants	-	-	-
Outputs	-	-	-
Total task force on solid waste management	-	8,411	4,901
5. Task Force on Energy Efficiency			
Ordinary meetings	192	7,584	12,386
Final conference	-	-	-
Experts and consultants	-	-	-
Outputs	-	-	-
Total task force on energy efficiency	192	7,584	12,386
6. Task Force on Sustainable Tourism			
Ordinary meetings	2,190	-	3,578
Final conference	-	-	-
Experts and consultants	-	-	-
Outputs	-	-	-
Total task force on energy efficiency	2,190	-	3,578

5. GIZ Contribution (continued)

	1 January – 30 September 2013	1 November– 31 December 2013	1 January – 31 December 2012
7. Knowledge Center			
KNC establishment	1,995	-	-
Expert and content resource	2,740	-	2,696
Running KNC	10,063	-	2,638
National knowledge management	3,000	6,500	-
Total knowledge center	17,798	6,500	5,334
Total task forces and knowledge center	42,369	27,784	128,360
TOTAL EXPENDITURES	128,079	40,487	236,230
VAT Tax return	-	-	
Savings returned grant funds to GIZ	-	-	

6. Advances given

As of 31 December 2013, NALAS has disbursed funds as advances to member and third parties amount of EUR 786. During 2014, the advances were subsequently reimbursed.

7. Currency exchange loss/gain

The amount of EUR 497 represents foreign exchange loss resulting from the use of the average exchange rate for the year 2013 published by the National Bank of the Republic of Macedonia (the reporting rate) and the actual exchange rates at the transaction date used at the date of the bank transfers.

8. VAT Recoverable

Due to the Government Instruction for Implementation of the Exemption of VAT from 29 December 2009, effective from 1 January 2010, NALAS disburse payments without VAT.