

TUDELA & TH CONSULTING GROUP S.R.L.

Auditores y Consultores



CONSEJO DE SALUD RURAL ANDINO "CSRA"
MONTERO REGIONAL OFFICE - VILLA COCHABAMBA

ROSA VERA FUND

LA PAZ - BOLIVIA

FUND ACCOUNTABILITY STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

CONSEJO DE SALUD RURAL ANDINO "CSRA"
MONTERO REGIONAL OFFICE – VILLA COCHABAMBA

ROSA VERA FUND

LA PAZ - BOLIVIA

FUND ACCOUNTABILTY STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

CONTENT

	Page
- Independent Auditor's Report	1 - 2
- Accountability statement	3
- Notes to the Accountability Statement	4 - 8

TUDELA & TH CONSULTING GROUP S.R.L.

Audidores y Consultores



INDEPENDENT AUDITOR'S REPORT

To the members of the
Board of Directors
CONSEJO DE SALUD RURAL ANDINO "CSRA"
La Paz - Bolivia

We have audited the fund accountability statements of the **Montero Regional Office – Villa Cochabamba** financed with funds received from the **Rosa Vera Fund**, managed by the **Consejo de Salud Rural Andino "CSRA"** for the year ended December 31, 2007, and the accompanying Notes 1 to 8. The fund accountability statement is the responsibility of the management of the **Consejo de Salud Rural Andino "CSRA"**. Our responsibilities is to express an opinion on the fund accountability statement based on our audit and to verify that the **Consejo de Salud Rural Andino "CSRA"** managed correctly the reception and use of funds according to the agreement signed with the **Rosa Vera Fund**.

We conducted our audit in accordance with International Auditing Standards and as well standards of the financier. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund accountability statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the fund accountability statement. An audit also includes assessing the accounting principles used, the significant estimates made by management, as well as the evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the fund accountability statement referred to above presents fairly, in all material respects, the income received and the expenses incurred of funds received from the **Rosa Vera Fund**, for the year ended December 31, 2007, in accordance with the terms of the agreement, and in conformity with the basis of accounting described in Note 2.a. to the fund accountability statement.

The **Montero Regional Office – Villa Cochabamba**, does not constitute by itself, a legal entity. Therefore, the accompanying fund accountability statement has been prepared for the **Consejo de Salud Rural Andino "CSRA"** by requirement of the **Rosa Vera Fund**.

■

Calle Heriberto Gutierrez 2391- La Paz, Bolivia

TUDELA & TH CONSULTING GROUP S.R.L.

This report is intended for the information of **Consejo de Salud Rural Andino "CSRA"** and the **Rosa Vera Fund**. However, this limitation does not intend to restrict the distribution of this report, that with the approval of both parties, is a matter of public interest.

TUDELA & TH CONSULTING GROUP S.R.L.



(Partner)
Lic. Aud. Edgar Willy Tudela Comejo
MAT. PROF. C.A.U.B. N° 2923
MAT. PROF. C.A.U. LP. N° 387

La Paz - Bolivia
June 30, 2008

CONSEJO DE SALUD RURAL ANDINO "CSRA"
MONTERO REGIONAL OFFICE – VILLA COCHABAMBA

ROSA VERA FUND

LA PAZ - BOLIVIA

FUND ACCOUNTABILITY STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget \$us	Actual \$us	Reference to Notes
INCOME			
Restricted income	<u>15,300</u>	<u>15,300</u>	Note 3
EXPENSES			
Direct expenses	21,625	21,625	Note 4
Indirect expenses	<u>430</u>	<u>430</u>	Note 5
	<u>22,055</u>	<u>22,055</u>	
Balance as of 12.31.06		(6,755)	
		<u>4,721</u>	
Balance as of 12.31.07		<u>(2,034)</u>	Note 6

The accompanying Notes 1 to 8 are an integral part of the fund accountability statement.

CONSEJO DE SALUD RURAL ANDINO "CSRA"
MONTERO REGIONAL OFFICE – VILLA COCHABAMBA

ROSA VERA FUND

LA PAZ - BOLIVIA

NOTES TO THE FUND ACCOUNTABILITY STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1: BACKGROUND

THE MANAGING ORGANIZATION

The **Consejo de Salud Rural Andino "CSRA"** is a private non governmental, organization based in La Paz. It started activities on March 8, 1983, and obtained legal status to carry out administrative, technical and financial activities through Supreme Resolution N° 215211 dated March 1, 1995.

CSRA's main objective is to support the less privileged segments of the Bolivian population by improving their health and reducing their high rates of sickness, suffering and death. This objective will be achieved through high quality, and eventually self-financed, preventive and curative health services, and other related supporting activities.

The principal goals of the Consejo de Salud Rural Andino are to:

- Improve the general health condition of the rural and peri-urban Bolivian population.
- Develop multi-sectoral plans and programs for the strengthening of the general health development of the community.
- Develop basic and low cost health service programs as part of a community integration program.

THE AGREEMENT

On February 4, 2006 an agreement is signed in Montero, Santa Cruz between the Rosa Vera Fund and the Consejo de Salud Rural Andino (CSRA) for the management and use of the funds.

The mission of the Rosa Vera Fund is to promote the health and development of infants, children and adolescents under the care of the Consejo de Salud Rural Andino (CSRA) – Montero - Santa Cruz, Bolivia

THE OBJECTIVES OF THE AGREEMENT

The objectives of the agreement are:

a. Medical Assistance for Special Pediatric Cases

- The Rosa Vera Fund is for use in pediatric cases (infants, children and adolescents 0 to 17 years old) that often are lack of support due to the high level of risk, uncertain prognosis, or lack of interest. The funds can cover laboratory procedures and studies, consultation with specialists, therapy (physical, language, or rehabilitation) and purchase of apparatus (hearing aids, glasses, supports).
- The Rosa Vera Fund can support adults if a child will benefit directly from the service provided (the purchase of a stove or refrigerator for the preparation of special foods; treatment of tuberculosis if the child is in danger of contracting the disease, or if the child is likely to suffer as a result of the illness; food for an undernourished mother that does not produce enough breast milk).
- The Rosa Vera Fund can subsidize additional costs such as transportation, nutrition or medicines.
- The Rosa Vera Fund can be utilized to support community activities that promote the healthy development of children or projects that promote their physical health, education or social development.

b. Financial assistance for the Health Promoter (Health volunteers and auxiliaries) Program

- The Rosa Vera Fund may subsidize salaries and training for Health Promoters
- The Rosa Vera Fund may support funding for necessary equipment (Ex.: uniforms, back packs, coolers, etc.).

NOTE 2: ACCOUNTING POLICIES

The principal accounting policies applied by the administration of the Consejo de Salud Rural Andino (CSRA) are described as follows:

a. **BASIS OF PREPARATION OF THE FUND ACCOUNTABILITY STATEMENT**

The financial data in the fund accountability statement are expressed as a function of the funds effectively received and the costs incurred made by the Montero Regional Office – Villa Cochabamba and are registered in bi-monetary accounts provided for this purpose.

Restricted Income

Are those funds that are restricted for use exclusively for the purpose of the projects activities carried out managed by the Consejo de Salud Rural Andino (CSRA).

b. **BASIS FOR PREPARATION OF THE BUDGET**

The budget corresponding to funds provided by the Rosa Vera Fund, is a part of the budget approved for the Villa Cochabamba Montero Geographical Unit, and was developed on basis of the historical data, the activities planned for the year, and the annually established budgets.

c. **TRANSLATION TO FOREIGN CURRENCY**

The expenses in local currency (Bolivianos) are translated to US dollars, using the official purchase exchange rate of the operation date.

NOTE 3: RESTRICTED INCOME

During the period from January 1 to December 31, 2007 the Consejo de Salud Rural Andino (CSRA) received funds from the Rosa Vera Fund, and transferred to the Villa Cochabamba - Montero Geographical Unit for an amount of \$us 15,300, according to the following detail:

<u>Description</u>	<u>Date</u>	<u>\$us</u>
First disbursement	15/05/2007	10.300
Second disbursement	21/12/2007	<u>5.000</u>
		<u>15.300</u>

NOTE 4: DIRECT EXPENSES

The composition of the costs incurred as Direct Expenses for the year ended December 31, 2007 is as follows:

<u>Description</u>	<u>\$us</u>
Incentives for health volunteers	18.531
Vehicle use and maintenance	148
Medicines and medical supplies	<u>2.946</u>
Total	<u>21.625</u>

NOTE 5: INDIRECT EXPENSES

The composition of the costs incurred as Indirect Expenses for the year ended December 31, 2007 is as follows:

<u>Description</u>	<u>\$us</u>
Infrastructure and equipment maintenance	59
Miscellaneous expenses	365
Exchange rate loss	<u>6</u>
	<u>430</u>

NOTE 6: UNEXECUTED BALANCE

The composition of the unexecuted balance at the end of the year ended December 31, 2007 is as follows:

	<u>\$us</u>
Balance remaining from previous period	4.721
Income for the period	<u>15.300</u>
	20.021
Less:	
Expenses of the period	<u>22.055</u>
Balance as of 12.31.07	<u>(2.034)</u>
Composition of the balance as of 12.31.07:	
Cash in bank	1) 765
Minus:	
Accounts payable	(2.500)
Social security payments and withholdings	(58)
Fiscal obligations	<u>(241)</u>
Balance not executed as of 12.31.07	<u>(2.034)</u>

1) The composition of cash in bank accounts as of December 31, 2007 is the following:

<u>Bank</u> (Foreign Currency)	<u>Account</u> <u>Name</u>	<u>Account</u> <u>No.</u>	<u>Amount</u> <u>\$us</u>
Mercantil Santa Cruz S.A.	CSRA Various	4010482471	<u>765</u>

NOTE 7: CONTINGENCIES

There are no contingencies that have not been registered in the financial statements as of December 31, 2007.

NOTE 8: SUBSEQUENT EVENTS

No subsequent events or circumstances that could affect the fund accountability statement, occurred after December 31, 2007.