

Advocacy Training and Resource Center (ATRC)

Financial Statements
for the year ended 31 December 2019

and
Independent Auditor's Report

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INDEPENDENT AUDITORS REPORT

To the Board of Directors and management of Advocacy Training and Resource Center ("ATRC")

Opinion

We have audited financial statements of ATRC (the Organization), which comprises the statement of financial position as at 31 December 2019, and the income statement, statement of changes in fund balance and cash flow statement for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with the basis of preparation as described in Note 2 and the requirements of Law No. 06/L-043 On Freedom of Association in Non-Governmental Organizations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kosovo, and we fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting requirements and for such controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lulzim Zeka
Statutory Auditor



Baker Tilly Kosovo
Prishtina Kosovo



Baker Tilly Kosovo L.L.C.
Prishtinë

16 June 2020

Advocacy Training and Resource Center
Statement of Financial Position
As at 31 December 2019
(all amounts are in Euro unless otherwise stated)

	Notes	As at December 31, 2019	As at December 31, 2018
Assets			
Property, plant and equipment	4	15,011	23,596
Total non-current assets		15,011	23,596
Cash on hand and at banks	5	147,766	136,101
Advances for grantees	6	45,762	36,883
Receivables	7	3,249	1,200
Total current assets		196,777	174,184
Total assets		211,788	197,780
Liabilities and shareholders' equity			
Initial Fund		-	-
Retained surplus/Deficit		-	-
Total fund's balance		-	-
Accounts payable	8	36,236	38,444
Deferred Revenues	9	161,230	138,764
Donor Liabilities		14,322	20,572
Total current liabilities		211,788	197,780
Total liabilities and shareholders' equity		211,788	197,780

These financial statements were authorized for issue by the Executive Board on March 2, 2020 and signed on their behalf by:


Kushtrim Kaloshi
Executive Director




Fidan Çerkini
Finance Manager

Advocacy Training and Resource Center
Statement of surplus or deficit and other comprehensive income
For the year ended 31 December 2019
(all amounts are in Euro unless otherwise stated)

	<i>Notes</i>	Year ended December 31, 2019	Year ended December 31, 2018
Revenue			
Donor funding	11	1,238,731	833,767
Total Revenue		1,238,731	833,767
Expenses			
Payroll expenses	12	(310,812)	(293,316)
Operating expenses	13	(41,094)	(48,893)
Project expenses	14	(777,769)	(434,312)
In-kind contributions	15	(109,056)	(57,246)
		(1,238,731)	(833,767)
Total comprehensive income for the year		-	-

Advocacy Training and Resource Center
Statement of Cash Flows
For the year ended 31 December 2019
(all amounts are in Euro unless otherwise stated)

	Year ended December 31, 2019	Year ended December 31, 2018
Cash flows from (used in) operating activities		
Profit (loss) before tax	-	-
<i>Adjustments for:</i>		
Depreciation	8,462	10,886
Increase/(decrease) in trade and other receivables	(2,049)	1,158
Increase/(decrease) in trade and other receivables	(8,879)	(30,683)
Increase/(decrease) in trade and other payables	(2,208)	(5,283)
Increase/(decrease) in deferred revenues	22,466	96,620
Increase/(decrease) in deferred revenues	(6,250)	1,530
Cash generated from operations	3,080	63,342
Net cash from (used in) operating activities	11,542	74,228
Cash Flows from investing activities		
Payments for property, plant and equipment	123	(12,414)
Net cash used in by investing activities	123	(12,414)
Cash Flows from financing activities		
Fund Adjustments	-	-
Net cash generated by financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	11,665	61,814
Cash and cash equivalents at the beginning of the year	136,101	74,287
Cash and cash equivalents at the end of the year	147,766	136,101

Advocacy Training and Resource Center

Notes to Financial Statements

For the year ended 31 December 2019

(all amounts are in Euro unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

1. Organization

The Advocacy Training and Resource Center (hereinafter "ATRC") is a non-profit organization established in accordance with Regulation no. 1999 /22 of the United Nations Interim Administration Mission in Kosovo, and then in accordance with the Law on Freedom of Association in Non-Governmental Organizations, no. 04 / L-05 approved by Kosovo Parliament in 2011, with registration number 5200095-5 as of 11 June 2003, PBS 6001014-5 as well as with fiscal number 600254594.

The Advocacy Training and Resource Center (ATRC) is focused on increasing civic participation and civil society participation in decision-making as a prerequisite for a developed democratic society and regional stability.

ATRC works with representatives of NGOs, civic initiatives, public administration, political affiliation, ethnicity, age, gender, ability and sexual orientation

ATRC achieves its goals through four main programs: Grant Administration, Advocacy, Capacity Building, and Exchange of Information in Kosovo and abroad. Since its foundation in 2001, ATRC has assisted numerous NGOs in Kosovo to professionalize their work, articulate their demands, and advocate in governmental structures for issues that impact Kosovo society.

On December 31, 2019, the organization has 53 employees, of whom 35 were external consultants.

Donors and supporters of ATRC during 2019 are:

1. Kosovo | U.S. Agency for International Development - USAID
2. Save the Children International Office in Kosovo (SCIK)
3. European Union / Partner with Business Association and Consultants BOB Kreacija Skopje
4. European Commission / Partner with Institute for Habitat Development - Co-PLAN Tirana.
5. Global Community Engagement and Resilience Fund (GCERF)

2. Basis for presentation

The financial statements have been prepared in accordance with the requirements of Law no. 06/L-043 on Freedom of Association in Non-Governmental Organizations for the purpose of reporting to the NGO Regulatory Office.

Revenues from grants are recognized when earned rather than when received and expenses are recognized when incurred rather than when paid.

In addition, deferred grant liability, accrued and other payables are recorded under the accrual basis of accounting. The significant accounting policies are described below.

Advocacy Training and Resource Center

Notes to Financial Statements

For the year ended 31 December 2019

(all amounts are in Euro unless otherwise stated)

3. Summary of significant accounting policies

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and unrestricted cash held with banks or term deposits with maturity of less than three months.

3.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents solely amount receivable from donors with regard to the payroll, operating, and other expenses incurred.

3.3 Foreign currency transactions

Transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on monetary items, are included in the profit and loss of the period in which they arise.

3.4 Property and equipment

Property, plant and equipment are presented at historical cost deducted for accumulated depreciation. Historical cost includes costs that are directly attributable to the appropriated items. The cost of self-constructing assets includes the cost of raw materials, direct labor, and a certain proportion of pendant production costs.

Subsequent purchases are included in the carrying amount of the asset or are presented as a separate asset, respectively, only when there is a likelihood of the entity's future economic outflow of the relevant item and when the value of the item can be measured fairly. Impairment of property, plant and equipment is calculated using the straight-line method of cost allocation or deemed cost to their residual value over their useful life, as follows:

Office equipment	20 %
Vehicles	16.6 %
Computers	20 %

3.5 Profit Tax

The organization is exempt from profit tax (Law No. 05 / L-029 on Corporate Income Tax, Article 7).

3.6 Employee benefits

The Organization makes no provision for and has no obligation for employee pensions over and above the contributions paid into the Kosovo Pension Savings Trust.

3.7 Contingencies and provisions

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. A provision is recognized if the Organization has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Advocacy Training and Resource Center

Notes to Financial Statements

For the year ended 31 December 2019

(all amounts are in Euro unless otherwise stated)

3.8 Trade and other payables

Other payables and trades are recognized at fair value and subsequently measured at amortization costs using the effective interest method.

3.9 Critical judgments and key sources of estimation uncertainty

In the process of applying the Organization's accounting policies, which are described above, management has made no judgments that have significant effects on the amounts recognized in the financial statements.

Advocacy Training and Resource Center

Notes to Financial Statements

For the year ended 31 December 2019

(all amounts are in Euro unless otherwise stated)

4. Office Equipment

	Computers	Office Equipment	Motor Vehicle	Software	Total
<i>Cost:</i>					
As at December 31, 2017	54,559	18,252	51,550	2,511	126,872
Additions 2018	7,702	4,712	0		12,414
Disposals 2018	-	-	-		-
As at December 31, 2018	62,261	22,964	51,550	2,511	139,286
Additions 2019		4,173	306		4,479
Disposals 2019	(4,726)	-	-	-	(4,726)
As at December 31, 2019	57,535	27,137	51,856	2,511	139,039
<i>Accumulated depreciation:</i>					
As at December 31, 2017	39,000	17,657	46,257	1,890	104,804
Charge for the year	6,572	1,816	2,374	124	10,762
Eliminated on disposal	-	-	-		-
As at December 31, 2018	45,572	19,473	48,631	2,014	115,566
Charge for the year	6,041	752	1,669	124	8,462
Eliminated on disposal	-	-	-		-
As at December 31, 2018	51,613	20,225	50,300	2,138	124,028
<i>Net book value:</i>					
As at December 31, 2018	16,689	3,491	2,919	497	23,720
As at December 31, 2019	5,922	6,912	1,556	373	15,011

5. Cash and cash equivalents

The following amounts comprise the balance as of 31 December 2019 and 2018

As at 31 December	2019	2018
Cash in bank	147,640	135,948
Cash on hand	125	153
Total	147,766	136,101

Advocacy Training and Resource Center

Notes to Financial Statements

For the year ended 31 December 2019

(all amounts are in Euro unless otherwise stated)

6. Advances for grantees

The following amounts comprise the balance as of 31 December 2019 and 2018:

As at 31 December	2019	2018
KADC	-	5,842
Centar za Orjentaciju Drustva - COD	-	2,838
Civil Development Organization - CDO	-	2,811
Handikos Ferizaj	-	2,769
BIRN	3,003	2,295
Rrograek	-	2,072
Lipijan Youth Center	-	1,958
Klubi Dcshirn	-	1,663
Rriinvest	-	1,560
Jahjaga Foundation	-	1,380
Gruja Hyjnore	-	1,130
Te tjera	-	10,565
ANIBAR	2,605	-
CEL	2,946	-
Communication for Social Development	2,174	-
D4D	2,514	-
Developing together	2,131	-
DSK	3,016	-
FKMNS	1,637	-
ICDC	4,001	-
INDEP	3,762	-
Women 4 Women	2,177	-
Qendra per studime te avancuara FIT	1,791	-
Rinia Aktive e Gjakoves	17	-
Teacher for Kosovo	1,912	-
TOKA	430	-
Democracy plus	5,985	-
KCBS	1,579	-
Kipred	2,073	-
SPRC	2,007	-
Total	45,762	36,883

7. Receivables

As at 31 December	2019	2018
Advances	-	1,200
Receivables from donors	3,249	-
Total	3,249	1,200

Advocacy Training and Resource Center

Notes to Financial Statements

For the year ended 31 December 2019

(all amounts are in Euro unless otherwise stated)

8. Accounts payable

As at 31 December	2019	2018
CSGD	511	-
Forumii Kosovar i Aftesis se Kufizuar	64	-
Handikos Peja	2,925	-
QKSGJ	2,801	-
Riinvest	1,166	-
BIRN/GCERF	-	9,096
KADC	-	5,842
BIRN	-	2,295
Cod	-	2,838
CDO	-	2,811
RIINVEST	-	1,560
Jahjaga Foundation	-	1,380
Rrograek	-	2,072
Handikos Forizaj	-	2,769
Audit	-	2,850
Lipjan Youth Center	-	1,958
Gruja Hyjnore	-	1,130
Other	28,768	1,843
Total	36,236	38,444

9. Deferred Revenues

Deferred revenues are revenues received but not yet recognized through income statement.

As at 31 December	2019	2018
Save the Children	5,795	-
GCERF	47,320	7,711
E4E	72,699	67,060
ENV.Net	14,683	11,596
ATRC	20,732	20,061
IPA	-	32,336
Total	161,230	138,764

10. Donor Funding

For the year ended 31 December	2019	2018
USAID - E4E Funds	732,899	454,967
GCERF	260,344	190,344
Save the Children	42,664	47,225
INL	-	28,844
USAID Funds	-	22,747
European Commission - ENV Net	38,972	17,166
EU/IPA	52,534	15,229
Other / In Kind	111,318	57,245
	-	-
Total	1,238,731	833,767

Advocacy Training and Resource Center

Notes to Financial Statements

For the year ended 31 December 2019

(all amounts are in Euro unless otherwise stated)

11. Personnel expenses

For the year ended 31 December	2019	2018
Salary	296,157	263,126
Pension contributions	14,655	14,105
External staff	-	16,085
Total	310,812	293,316

12. Operating expenses

For the year ended 31 December	2019	2018
Rent Expenses	13,187	13,187
Audit	3,225	6,200
Vehicle expenses	1,633	4,472
Office supplies	2,110	3,741
'In House' trainings	-	2,070
Phone expenses	2,557	1,965
Banking Commissions	2,069	1,540
Meeting expenses	93	1,367
Internet Expenses	1,317	1,216
Electricity expenses	768	718
Heating	519	715
IT	-	607
Office security service	600	600
Water expenses	348.12	460
Web Site expenses	287	389
Per diem expenses	-	290
Garbage expenses	66	71
Generators	-	17
Other expenses	12,316	9,268
Total	41,094	48,893

Advocacy Training and Resource Center

Notes to Financial Statements

For the year ended 31 December 2019

(all amounts are in Euro unless otherwise stated)

13. Project expenses

For the year ended 31 December	2019	2018
Kipred	52,981	37,167
BIRN	50,060	34,092
CDO	36,541	28,696
COD	33,611	26,980
BIRN	32,710	25,561
KADC	31,755	25,134
Handikos Ferizaj	30,175	23,727
Klubi Dëshira	28,939	21,311
KCBS	27,425	18,076
Riinvest	26,317	17,065
Rrograek	25,361	16,712
SPRC	21,379	15,875
D+	21,195	14,532
Lipjan Youth Center	21,025	13,217
Jahjaga Foundation	20,842	11,962
Gruja Hyjnore	20,546	11,127
CSGD	19,182	7,574
YIHR	16,890	3,687
Dokufest	16,597	3,433
IFK	16,508	2,952
HandiKos Prishtina	13,776	2,747
AVOKO	13,224	2,014
Kosovo Glocal	12,905	492
Democracy plus	11,358	
TOKA	11,258	
Teacher for Kosovo	10,308	
Sbunker	10,114	
Rinia Aktive e Gjakoves	8,564	
Qendra per studime te avancuara FIT	8,017	
INJECT	7,943	
INDEP	7,639	
ICDC	7,223	
Handikos Peja	6,558	
Forumi Kosovar i Aftesise se Kufizuar	5,999	
Fondacioni Shtatemberdhjet	5,635	
QKSGJ	3,938	
CSD	1,213	
CEL	1,103	
DSK	217	
Other	80,739	70,179
Total	777,769	434,312

Advocacy Training and Resource Center
Notes to Financial Statements
For the year ended 31 December 2019
(all amounts are in Euro unless otherwise stated)

14. In-kind Contributions

For the year ended 31 December	2019	2018
E4E - Contributions	100,469	46,340
E4E - Depreciations Expenses	6,249	9,507
GCREF - Depreciations Expenses	1,648	1,379
ATRC - Depreciations Expenses	690	
Total	109,056	57,226

15. Events after the reporting date

There are no events subsequent to the reporting date that require disclosure in the financial statements of the Organization.